

BLACK SLUICE

INTERNAL DRAINAGE BOARD



Executive Committee Meeting

Tuesday, 17th May 2022 at 2pm

Station Road, Swineshead, Lincolnshire PE20 3PW



Black Sluice Internal Drainage Board

Station Road
Swineshead
Boston
Lincolnshire
PE20 3PW

01205 821440

www.blacksluiceidb.gov.uk

mailbox@blacksluiceidb.gov.uk

Our Ref: IW/DPW/B10_1

Your Ref:

Date: 10th May 2022

To the Chairperson and Members of the Executive Committee

Notice is hereby given that a Meeting of the Executive Committee will be held at the Offices of the Board on Tuesday, 17th May 2022 at 2:00pm at which your attendance is requested.

Chief Executive

AGENDA

1. Recording the meeting.
2. Apologies for absence.
3. Declarations of interest.
4. To receive and, if correct, sign the Minutes of the meeting held on 18th January 2022 **(pages 1 - 10)**
5. **CONFIDENTIAL** – To receive and, if correct, sign the Confidential Minutes of the meeting held on 18th January 2022 **(pages 11 - 13)**
6. To receive and, if correct, sign the Minutes of the meeting held on 8th April 2022 **(page 14)**
7. **CONFIDENTIAL** – To receive and, if correct, sign the Confidential Minutes of the meeting held on 8th April 2022 **(page 15)**
8. Matters arising.
9. To receive a report on the 2021/22 accounts:
 - (a) Period 12 Management Accounts **(pages 16 - 23)**
 - (b) 2021/22 Schemes Report **(pages 24 - 28)**
 - (c) Draft 2021/22 Unaudited Financial Statements **(under separate cover)**
 - (d) Annual Governance & Accountability Return for the year ended 31st March 2022 (AGAR) **(pages 29 - 34)**
10. To receive the 2021/22 Annual Internal Audit Report **(pages 35 - 44)**
11. To receive a report on Finance & Rating
 - (a) Updated 2022/23 10 Year Schemes Budget **(page 45)**
 - (b) Updated 2022/23 10 Plant Replacement Budget **(page 46)**
 - (c) Updated 10 year estimates to reflect Scheme Updates and 2021/22 year end position **(page 47)**
12. To consider the request for payment of compensation for grass by a Board Member and Ratepayer **(pages 48 & 49)**
13. To consider options for future Ill Health Liability Insurance **(page 50)**
14. To review and approve accounts of Bourne Fen Farm Account **(pages 51 & 52)**
15. To receive a report on the Lincs Flood Risk and Water Management Partnership Skills Group **(page 53)**
16. Any other business.
 - (a) To discuss the concept of a new logo **(verbal)**

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held remotely on
18th January 2022 at 2pm

Members

Chairperson - * Mr K C Casswell

* Cllr P Bedford	* Mr M Brookes
* Mr J Fowler	* Mr P Holmes
* Mr M Rollinson	

* Member Present

In attendance: Mr I Warsap (Chief Executive)
Mr D Withnall (Finance Manager)

1905 **Recording the Meeting - Agenda Item 1**

Committee members were informed that the meeting would be recorded.

1906 **Apologies for absence - Agenda Item 2**

There were no apologies of absence.

1907 **Declarations of Interest - Agenda Item 3**

There were no declarations of interest.

1908 **Executive Committee Terms of Reference - Agenda Item 4**

The proposed change from 'Chairman' to 'Chair' was noted, with Mr M Rollinson of the opinion that 'Chairperson' is preferable to 'Chair'. All AGREED that 'Chairman' be changed to 'Chairperson'.

The Chairperson noted the current expenditure limit of the committee, £40,000, questioning whether this should be increased to reflect the increase in products and services. The committee felt that £40,000 wouldn't cover that much and so all AGREED to increase the Executive Committee's expenditure to a value of £50,000.

The Finance Manager highlighted that the Delegation of Authority will need changing to reflect this increase in expenditure value and so will be presented to the Audit & Risk Committee at their next meeting in April 2022. Mr M Brookes, Chairperson of the Audit & Risk Committee, questioned whether it needed to be presented to the Audit & Risk Committee or whether it could be presented straight to the Board in February 2022 to avoid waiting until April 2022. The committee felt that it would be more appropriate for the Audit & Risk Committee to review it and be approved at the Board following that.

Mr J Fowler noted the quorum of three people, questioning whether it will also require at least three of the committee to authorise expenditure?

All AGREED to recommend the Executive Committee's Terms of Reference to the Board for approval, with the above agreed changes.

1909 Minutes of the Meeting - Agenda Item 5

Minutes of the meeting held on 2nd November 2021, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

1910 Confidential Minutes of the Meeting - Agenda Item 6

Confidential Minutes of the last meeting held on 2nd November 2021, copies of which had been circulated, were considered and it was AGREED that they should be signed as a true record.

1911 Matters Arising - Agenda Item 7

(a) South Lincs Water Partnership (SLWP) – Minute 1879(a)

The Chief Executive gave an update on the SLWP, explaining that a screening process has taken place to narrow potential sites down to four. A confidentiality memorandum of understanding has been signed and so specific site locations are unable to be shared at this stage, but it is hoped they will soon be released to landowners and the public.

The Chief Executive further noted that Arup have been contracted to complete a 12 month project on open water transfer (water from the Trent into the Witham into the South Forty Foot Drain (SFFD) and into the reservoir).

The Chief Executive also explained that the South Lincs Reservoir project is hoped to be completed mid 2030's, however, this one project will not meet the demand that will be required by this time and so the prospect of numerous linked reservoirs has been suggested to Defra, through Water Resources East (WRE), with their initial response being agreeable to this.

The Chief Executive concluded his update by noting that the Operations Manager is going to become more involved in the SLWP work and once the site locations have been released publicly, the Chief Executive Officer will be able to provide more detailed updates.

(b) 2022/23 Plant budget - Minute 1879(c)

The committee were informed that the JCB excavator order has been placed and is due to arrive in the next financial year – mid/late July 2022.

The Finance Manager noted that the concept of a five year replacement cycle was investigated, but wasn't financially feasible.

An update was noted that the proposed demonstration day of the Royal Smals Cutter Suction Machine was not pursued by ADA or Royal Smals.

(c) Insurance arrangements - Minute 1879(d)

The Finance Manager noted that he has not done any further work on this yet.

(d) Period 06 Management Accounts - Minute 1880

The Finance Manager noted that the court date has changed from the 22nd November 2021 to 17th January 2022, following a delay in the court's administration.

The Finance Manager attended court on the 17th January, none of the ratepayers were present. There has been one response from a ratepayer, who typically appears on the court list each year (30-2586-9), who is stating that they cannot pay due to current personal circumstances. The Finance Manager has informed them that the Board will continue with proceedings and if there is nothing for the bailiffs to recover then it will get added on to the following year's demand.

(e) Board's Phone system - Minute 1885(d)

The Finance Manager informed the committee that the Board's new phone system, Avaya, is up and running.

(f) Confidential – Chief Executive Officer – Minute 1879(e)

It was agreed and thereby RESOLVED to exclude the public from the next part of the meeting due to the confidential nature of the business to be transacted, in accordance with section 1(2) of the Public Bodies (Admission to Meetings) Act 1960.

1912 Period 08 Management Accounts - Agenda Item 8

The Finance Manager noted that the Period 09 Management Accounts have been circulated prior to the meeting and highlighted the following points in these accounts:

Underspend in Pumping Station Maintenance

There is a meeting scheduled this week to look at the Quarter 3 forecast and it is hoped that the final quarter's forecast may be able to be reduced significantly, therefore, possibly bringing pumping station maintenance back into budget.

Underspend in Drain Maintenance

There is an underspend of almost £55,000 in drain maintenance in Period 09 and so work needs to be done to understand how much needs deferring into the final quarter, but hopefully there will be some considerable savings. £40,000 is associated with summer cutting, which did finish early.

Mr P Holmes referred to the Income and Expenditure Summary for Period 08, highlighting that 'Miscellaneous' is considerably higher this year than last year, questioning why this is?

The Finance Manager explained that the biggest cost is the precept (£276,000) which wasn't paid until after this point last year. There is also £113,000 increase for contractors since last year (partly Royal Smals, partly Swaton NFM works) and extra in relation to legal and professional due to their extra legal advice required this year.

1913 2022/23 Budget & Ten-Year Estimates - Agenda Item 9

Mr P Holmes noted that he spoke with somebody from North Level IDB and they were planning to increase their rate by 8%, due to all their pumping stations being diesel, a decision that had been made before it was known that IDB operations were likely to be classified as agricultural and therefore still attract the Fuel Duty rebate.

The Finance Manager provided the following highlights from the report on the 2022/23 budget and ten year estimates:

Interest & Investment Income

The Brewin Dolphin income that originally was £17,500 is now being estimated at £14,500.

Grants and Local Levies

Expected grant income of £520,000 in 2022/23 and £2,361,000 grant income over the next four years.

Rental Income

The rental rates haven't been changed since 2017/18.

The bungalow at Hesse Drive has had a new boiler installed this year at the cost of the Board (£3,500) and requires an electrical installation check every 5 - 10 years, in addition to the boiler checks already conducted.

Mr P Holmes noted that £300 seems cheap, especially if the Board has costs relating to it, questioning whether it would be beneficial to get a comparative of a similar property?

The Finance Manager noted that he would expect figures such as £500-£600 if it were to be put out to market. It is so low because the tenant is long standing and is connected to the Board, the tenant is still employed by the Board to maintain Cooks Lock and Chain Bridge Pumping Stations. It was noted that the tenant is conscientious and maintains the property to a high standard.

Mr P Holmes then believed the rent should stay the same.

The Chief Executive noted that when the current tenants are no longer renting the property, the Officers of the Board will most likely propose to sell it.

All AGREED to make no changes to rental income rates.

Solar Panel Income

There is a detailed analysis presented on page 35 of the agenda. Swineshead Pumping Station is now generating a profit. Overall, excluding electricity used, it still owes £67,000, without taking into account any electric generated that has been used, and so in the long run, should be able to recover the money and generate income.

Pumping Station Maintenance

The average for the past nine years for electricity has been included. The pumping station maintenance budget has been completely overhauled this year and drilled into more detail to try and set a more accurate and detailed budget going forward, which will also allow for closer monitoring.

Mr M Rollinson referred to the electricity cost used, questioning whether it is units used against the current rate or units used against historic rate, noting the increase in rate over the years? The Finance Manager explained that it is the cost per year and that Woldmarsh did achieve considerable reductions when we moved the accounts to them, noting that he could go to market for electricity if that is what the committee wanted a comparison to Woldmarsh.

Mr M Rollinson noted that 2019 was a really wet year and it can't be seen how many more units were used in a wet year compared to a dry year.

The Finance Manager explained that the current process is by using an average rate applied to pump hours, so it is known how many hours the pumps work, which can then be used to estimate the bill for a certain period.

It was also noted that the next renegotiation for the electricity rate, through Woldmarsh, is 30th September 2022. The Chairperson felt that Woldmarsh do a good job.

Drain Maintenance

The Finance Manager explained that the figures within the agenda include the £33,301 that was thought was going to have to be paid for fuel duty in relation to drain maintenance. However, now there is a derogation on plant in relation to red diesel, this £33,301 budget is no longer required.

Administration and Establishment

This includes acting up rates. The Pay Award has also been confirmed by Lincolnshire ADA at 2.5% for 2022/23. The employer's pensions rates have been included as normal, but there is a tri-annual valuation due in April 2023.

The Finance Manager noted that he is conscious of the IT Costs, but felt it is balanced with the protection of the Board's systems and the information held. The Finance Manager also noted that HBP are currently working on two factor authentication, which the Finance Manager will be looking into over the next few months.

There is a system of continuous replacement of computers, every 4-5 years, which seems to be appropriate as one of the 5 year old computer's hard disk is current working at 90-100% and so wouldn't expect it to last much longer.

The network switches, which route the data around the office, are ten years old and so require replacing.

There is also the possibility of doing some more concreting bays around the back of the of the office if budget allows. It currently attracts a lot of standing water and so could be made better use of if concreted.

Development Reserve

This keeps building up from development contributions, currently at £398,161. The Operations Team are looking at ways to utilise this fund going forward.

Wages On-cost Reserve

The aim is to have a zero balance on this and so the oncost rate will require increasing from 260% to 270% in 2022/23 to achieve this.

(a) Budget with Ten-Year Estimates

The Finance Manager noted the current proposed budget, with the rate increase of 6.69% in 2022/23.

The Finance Manager next explained that when the £33,301 is taken out, following the red diesel derogation, the increase in rate could be reduced to 5.09% for 2022/23. This budget and ten year estimates was shown on screen.

The Finance Manager noted the impact this would have on the Special Levies, without any developed land movements, as below:

Boston Borough Council (BBC) – saving of £13,450
South Holland District Council – saving of £2,147
North Kesteven District Council – saving of £1,137
South Kesteven District Council – saving of £969

Cllr P Bedford noted that he was part of a briefing last night, and BBC are currently working to the figures provided by the Finance Manager by letter in October 2021 (7 - 9% increase).

The Chairperson felt that after all the help from the councils regarding this, he felt it wouldn't be right not to reflect the derogation saving in the rate increase.

Mr M Brookes agreed, also noting that they will be aware of the new derogation on red diesel and so will be aware that the IDB will therefore have a reduced expenditure than originally thought.

Mr P Holmes noted that there are some very 'grey' regulations within the derogation in that the red diesel can only be used on drainage works off agriculture land and not residential land. Mr P Holmes raised his concern that this could be a temporary derogation and if IDBs are not seen to be following the regulations within it, it could be taken away.

The Chairperson informed the committee that the total agricultural assessed area of the Board's catchment is 93.08%.

Mr M Rollinson agreed with the Chairperson that the councils have been understanding regarding the potential big increase and so felt this reduction in expenditure should be shared with them and the rate reduced.

The Finance Manager added that an accompanying letter can be sent with the Special Levies to the councils, explaining why the expected increase has been reduced.

Cllr P Bedford questioned if the increase should be reduced less, so that the Board has a 'backup' in case the derogation is taken away. Mr M Brookes felt that the council will be sensitive to this and be able to work out how much of a saving the Board are making with the derogation.

Mr J Fowler agreed that the increase should be reduced to the 5.09% suggested, adding that if energy price shocks are encountered in the future, the Board will be able to honestly explain the situation requiring an increase.

The Chief Executive also felt that the Board should be honest with the council, adding that he believes the derogation is just a respite in a bigger attempt for the country to move forward using different modes of power.

All AGREED that the increase in rate for 2022/23 be reduced to 5.09% and an explanation letter sent with the Special Levies to the councils explaining why.

The Finance Manager noted that he will work through the budget in more detail, which will be presented to the Board for ratification.

(b) 2022/23 Summary budget by month

There were no further comments or questions.

(c) 2022/23 Detailed budget by month

There were no further comments or questions.

(d) 10 Year Capital Schemes

There were no further comments or questions.

(e) 2022/23 Wages On-cost Reserve Budget

There were no further comments or questions.

(f) 10 Year Plant Replacement Budget

There were no further comments or questions.

(g) 2021/22 Cumulative Solar Panel Report

There were no further comments or questions.

1914 Future supply of fuel for Board Vehicles & Plant - Agenda Item 10

It was noted that this is no longer applicable due to the derogation on red diesel being used in IDB plant working off agricultural land. Due to the Board's catchment, by area, being 93.08% agriculturally assessed.

The below outlines the update provided by the Association of Drainage Authorities (ADA) to IDBs about this matter:

'HM Treasury clarification

On 17 December ADA received a response from an HM Treasury official providing clarification regarding the circumstances in which IDBs and their contractors may continue to use rebated fuel after 1 April 2022. It is provided as written below in full.

I thought it would be helpful to clarify the circumstances where it will remain possible to use red diesel for water level management activities, as set out in guidance here (<https://www.gov.uk/government/publications/changes-to-rebated-fuels-entitlement-from-1-april-2022/check-when-rebated-fuel-can-be-used>):

Anyone will be able to use rebated fuel in vehicles and machines used for purposes relating to agriculture, horticulture, fish farming or forestry. This includes agricultural vehicles, special vehicles, unlicensed vehicles and certain machines and appliances. For these purposes, you can use rebated fuel to travel to and from the place where the vehicle is used, except on roads in unlicensed vehicles. If a vehicle or machine allowed to use rebated fuel is transported by another vehicle, you can only use rebated fuel in the vehicle carrying or towing it if it also qualifies in its own right.

This means that both IDBs using their direct workforce and contractors will be able to use red diesel in their vehicles/machinery to complete water level and flood risk management work on land used for agriculture (working under the expectation that such activity on this land will at least in part be for the benefit of agricultural activity). As set out in your letter, nearly 70% of land at the highest risk of flooding is in agricultural use, so for a large proportion of your work, IDBs and agricultural contractors will be able to continue using red diesel. It will, however, not be possible to use rebated fuel for water level and flood risk management work on any other land (other than golf courses), unless it is for purposes relating to agriculture.'

Mr M Rollinson questioned if the Board will have to repay 7% of the rebate due to only being 93.08% agriculture?

The Finance Manager responded, no, given the above guidance and given the area that is involved, all water that goes through a residential area is also water from agricultural land.

1915 Future use of the Black Sluice Pumping Station (Boston) - Agenda Item 11

Mr J Fowler noted that he sits on the committee relating to this, noting that there isn't great progress, but they are exploring opportunities for its use which provides an annual income which provides enough to maintain the building. Mr J Fowler noted that the main driver for being on the committee is to press for future proofing the surrounds of the pumping station as a potential Van Heck emergency site.

The Chairperson explained that Cllr R Austin has approached the Board to see if we would be willing to provide any funding. The Chairperson was of the opinion that he would be happy for the Board to provide a small contribution if it showcased what the Board does.

Mr J Fowler noted that there is discussion of permanent and flexible showcase exhibitions, it being hoped that the Environment Agency (EA) would showcase their work, and, at that time, it may be time for the Board to consider having a showcase alongside it.

The Chief Executive added that he felt it would be right and beneficial for the Board to have a permanent display, but at a very small contribution.

It was felt that there isn't enough information known yet to be able to make a decision.

The Chief Executive noted that he will inform Cllr R Austin, so that he is able to prepare for the Board meeting.

1916 **Confidential - Holiday Pay relating to overtime - Agenda Item 12**

It was agreed and thereby RESOLVED to exclude the public from the next part of the meeting due to the confidential nature of the business to be transacted, in accordance with section 1(2) of the Public Bodies (Admission to Meetings) Act 1960.

1917 **Any Other Business - Agenda Item 13**

(a) **Byelaws**

The Finance Manager informed the committee that the byelaws have been advertised on the website and in the papers, no objections have been received. They will therefore be sent to the DEFRA Minister for approval in the next few days.

(b) **Water Resources East (WRE) Contribution**

The Finance Manager noted that WRE have suggested the Board may wish to sign up for another year at a similar rate, last year it was £840. All AGREED.

(c) **Policy 04: Procurement – Single tender action and frameworks**

The Chief Executive reminded the committee that the Board's catchment has 35 sub catchments, 10 of which have catchment studies completed, and a further 5 are being studied currently, through RFCC Flood Grant in Aid.

The Chief Executive continued by explaining that the Grants Manager has suggested applying to the Environment Agency (EA) for funding for all the remaining catchments, as until all of them are completed, they can't be put together to create the bigger picture.

The Grant Manager has noted that the Board's Procurement Policy does not allow for the use of a Single Tender Action or a Framework to be used in relation to procurement. Therefore, the Grants Manager has questioned if the Board's procurement rules can be changed for a single tender action i.e., The same contractor currently being used to deliver all the studies.

The Finance Manager provided some justification for this, as follows:

- The current contractor has completed all the studies within the catchment to date and so would be re-using information they already hold which would provide consistency.
- The current contractor was awarded the contract in October 2021, following a market comparison.

The Chief Executive gave an idea of the amount of funding being requested, it being c£30,000 per sub-catchment, of which there are 20.

A further suggestion from the Grant Manager was that we could consider using a Framework Supplier. Other IDB's are using Scape, that is proving very good value for money and very efficient. Other IDBs have signed up to use Scape to procure both consultancy and construction work and the Grants Manager assisted in this process and has offered to do the same for us. We also have the opportunity to use the EA's framework, although at the moment she wouldn't recommend using it because of the timescales taking to get into contract

The procurement policy was displayed on screen. Mr M Brookes was of the opinion that there needs to an exception writing into the policy for circumstances like this with Single Tender Actions and framework agreements.

The Finance Manager could not see any benefit, in this particular case, in adding anything into the procurement policy, basing on that the commercial exercise for three competitive quotes was carried out in October 2021 and the same contractor needs to be used for all the studies for consistency.

Mr M Brookes questioned whether the Internal Auditor should be asked whether he would agree with that.

All AGREED that funding application be processed for all sub catchments using the current contractor through as a Single Tender Action based on that the commercial exercise for three competitive quotes was carried out in October 2021 and the same contractor needs to be used for all the studies for consistency, subject to the approval of the Internal Auditor. If the Internal Auditor is not in favour of this, then it will be brought to the attention of the Board for further discussion.

(d) Felling of Trees at Asgarby Estate

It was agreed and thereby RESOLVED to exclude the public from the next part of the meeting due to the confidential nature of the business to be transacted, in accordance with section 1(2) of the Public Bodies (Admission to Meetings) Act 1960.

There being no further business the meeting closed at 15:49.

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the offices of the Board on
8th April 2022 at 11:30am

Members

Chairperson - * Mr K C Casswell

* Cllr P Bedford

* Mr J Fowler

* Mr M Rollinson

* Mr M Brookes

* Mr P Holmes

* Member Present

In attendance: There were no officers of the Board in attendance.

1956 **Review of Senior Management Remuneration**

It was agreed and thereby RESOLVED to exclude the public from the next part of the meeting due to the confidential nature of the business to be transacted, in accordance with section 1(2) of the Public Bodies (Admission to Meetings) Act 1960.

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE COMMITTEE - 17 MAY 2022

AGENDA ITEM 09(a)

PERIOD 12 MANAGEMENT ACCOUNTS

Income

- At Yearend £1,400.14 Drainage Rates were outstanding
 - £1,067.36 is with the Bailiff
 - £328 was on a payment plan but defaulted
 - £481 is expected to require writing off but currently with receivers
 - Various credits for 2022/23 rates paid in advance
- Drainage Rates overall is £5,474 under budget
 - £2,340 being from a Glass House write off presented to the Board Nov 2021
 - Remainder will be developments not included in Special Levy until 2022/23 and small write offs
- Brewin Dolphin Income £4,910 less than budget
- Grants £11,500 greater than budget but not for schemes originally planned (See Schemes Expenditure below)
- Consents £8,049 greater than budget for additional work with Viking Link Consents
- Miscellaneous Income includes an additional £5,200 un-budgeted Income for WRE/SLWP Admin
- Rechargeable Income finished the year at £822,534 which is £227,233 more than budget
- Overall Income is £240,662 greater than the original budget.

Expenditure

- Schemes Actual compared to budget do not resemble each other due to considerable changes in the year
 - A separate report will be put together when Paul returns to work following COVID and an amended 2022/23 budget to allow for Grant monies remaining from Grant Income shown in previous years.
- Pumping Station Maintenance is £10,992 underspent at year end
 - Electricity for the year is £122,810 compared to £247,733 the previous year
- Overall Drain Maintenance has ended up £129,838 underspent due to being able to concentrate efforts on PSCA and FDGiA works
 - £40,077 Summer Cutting, previously reported
 - £64,857 on Drain Maintenance, £25,474 in P12
 - £14,903 on Bushing
 - £10,000 budget for jetting not spent
- Admin Salary ended the year £20,194 overspent.
 - Unbudgeted acting up pay (£4,000 less than Amended Acting Up budget)
 - Additional Admin resource funded through WRE in Miscellaneous Income (£5,200)
 - £1,469 saving on mileage

- **Miscellaneous Costs**
 - £2,943 underspent on inspections/works tours
 - £1,926 underspent on Office Equipment and Building Maintenance
 - £3,182 underspent on Miscellaneous
- **Depot overspent by £5,765**
 - Gas Oil Stock Adjustment £2,407.53
 - Complete Stocktake delayed until end April due to all finance staff being off with Covid at yearend
- **Bungalow overspent by £2,950**
 - New Boiler fitted
- **Solar Expenses overspent by £876**
 - New inverter required for Depot
- **Rechargeable Expenditure generates a 9.67% profit**
- **Excluding Schemes, Expenditure is £126,110 underspent compared to budget**

Balance Sheet

- **Plant account has a surplus of £251,645 at Yearend compared to the target of £195,800**
- **The Wages Oncost Account has achieved a surplus of £46,666 in the year with the Reserve being £74,476 at yearend,**
 - Far greater than expected. May be able to consider reducing recharge rate from 270% back to 260%
- **One Sales invoice outstanding more than three months**
 - 14/12/2021 £4,250 Balfour Beatty National Grid Viking Link Project
- **Both Investment values almost recovered to the same position as previous yearend.**
 - BFF £3,915 less
 - BSIDB £567 less
- **Major differences on the Balance sheet**
 - Accruals £538,104 less (EA PSCA works monies held at previous year end)
 - Pension Liability reduced by £773,000

Black Sluice Internal Drainage Board

Project Summary

2021/22

Period 12 - March 2022

Description	Period Current Year			Year To Date					Last Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Forecast	Variance	Actual YTD	Variance to Current Year
Rates & Levies	2,150	(142)	2,292	2,204,498	2,209,972	(5,474)	2,204,234	264	2,143,773	60,726
Interest & Grants	100,926	283,310	(182,384)	305,333	298,501	6,832	182,770	122,563	333,233	(27,900)
Development Fund	(6,218)	5,000	(11,218)	5,000	5,000	0	5,000	0	5,000	0
Other Income	2,965	1,621	1,344	37,224	22,867	14,357	23,596	13,628	58,526	(21,302)
Rechargeable Income	144,852	125,699	19,153	822,534	595,301	227,233	736,774	85,760	368,040	454,494
Solar Panel Income	978	1,625	(647)	16,466	18,752	(2,286)	17,076	(610)	17,121	(655)
Total Income	245,653	417,113	(171,460)	3,391,055	3,150,393	240,662	3,169,450	221,605	2,925,693	465,363
Schemes	150,279	8,000	(142,279)	368,954	421,000	52,046	479,952	110,998	237,093	(131,861)
Pumping Station Schemes	107,830	0	(107,830)	228,367	65,000	(163,367)	451,258	222,891	207,054	(21,313)
Pumping Station Maintenance	33,595	65,889	16,253	259,039	392,841	10,992	440,148	58,299	326,769	192,653
Electricity	16,040			122,810					247,733	0
Drain Maintenance	47,198	82,366	35,168	763,367	893,205	129,838	888,031	124,664	823,466	60,099
Environmental Schemes	6,201	305	(5,896)	19,578	20,000	422	16,249	(3,329)	15,873	(3,705)
Administration & Establishment	45,264	59,840	14,576	578,579	564,313	(14,266)	566,491	(12,088)	559,536	(19,042)
EA Precept	0	0	0	276,552	276,552	0	276,552	0	276,552	0
Rechargeable Expenditure	117,286	114,272	141,838	743,006	541,184	(201,822)	0	(743,006)	315,597	(795,449)
Solar Panel Expenses	0	0	0	3,414	2,538	(876)	3,409	(5)	2,327	(1,087)
Total Expenditure	523,694	330,672	(48,170)	3,363,667	3,176,633	(187,034)	3,122,090	(241,577)	3,012,001	(719,705)
Surplus / (Deficit)	(278,041)	86,441	(364,482)	27,388	(26,240)	53,628	47,360	(19,972)	(86,308)	113,697
Movement on reserves										
Plant Reserve	239,419	114,272	(125,147)	0	(541,184)	(541,184)	0	0	0	0
Pump Engineer Oncost	(4,970)	0	4,970	0	0	0	0	0	0	0
Wages oncost Reserve	37,037	0	(37,037)	0	2,534	2,534	0	0	0	0
Grants Manager	0	0	0	0	0	0	0	0	0	0
Surplus / (Deficit)	(549,527)	(27,831)	(207,267)	27,388	512,410	592,278	47,360	(19,972)	(86,308)	113,697

Black Sluice Internal Drainage Board Drainage Rates & Special Levies

2021/22

Period 12 - March 2022

Drainage Rates & Special Levies Due

Drainage Rates

Annual Drainage Rates - Land and/or buildings	1,097,205.86	
Land/Property - Value Decreased	(10,466.73)	
Land/Property - Value Increased	9,452.95	
New Assessment	1,013.64	
Write Offs & Irrecoverables	(2,351.76)	
Adjustments required for Special Levy		
Summons Collection Costs	350.00	

Balance	1,095,203.96	49.68%
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Special Levies

Boston Borough Council	842,837.86	
South Holland District Council	134,532.30	
North Kesteven District Council	71,228.24	
South Kesteven District Council	60,696.02	

	1,109,294.42	50.32%
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Total Due	2,204,498.38	100.00%
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Drainage Rates & Special Levies Collected

B/F Arrears/(Allowances)	(867.40)	
Payments Posted	1,087,008.07	
Returned Amount	(1,350.08)	99.87%
Paid Refund	(234.00)	
Bourne North Fen Trust Contribution	9,247.25	
Special Levies Received	1,109,294.42	100.00%

Total Received	2,203,098.26	
-----------------------	---------------------	--

Drainage Rates & Special Levies Debtors

Special Levy Outstanding	0.00	0.00%
Drainage Rates Outstanding	1,400.12	0.13%

	1,400.12	
--	----------	--

	2,204,498.38	
--	---------------------	--

Black Sluice Internal Drainage Board
Income & Expenditure Summary
2021/22
Period 12 - March 2022

	This Year	Last Year	Variance
Drainage Rates	1,095,204	1,070,863	24,341
Special Levies	1,109,294	1,072,910	36,385
Recoverable	822,534	368,040	454,494
Misc Income	349,066	397,512	(48,446)
Solar Panel Income	16,466	17,121	(655)
	3,392,565	2,926,446	466,119
Employment Costs	1,294,871	1,207,599	(87,272)
Property	265,350	304,743	39,393
General Expenses	265,879	247,110	(18,769)
Materials / Stock	79,921	69,745	(10,176)
Motor & Plant	284,614	362,743	78,129
Miscellaneous	876,812	441,703	(435,108)
Recharges	(324,634)	(275,413)	49,222
Plant	622,364	654,524	32,160
Total Expenditure	3,365,176	3,012,755	(352,421)
Net Surplus / (Deficit)	27,389	(86,309)	113,697

Black Sluice Internal Drainage Board
Balance Sheet at Period End
2021/22
Period 12 - March 2022

	<u>This Year</u>		<u>Last Year</u>	
	£	£	£	£
Operational Land & Buildings Cost	1,009,350		1,009,350	
Pumping Stations Cost	3,861,354		3,861,354	
Non-operational Property Cost	165,000		165,000	
Vehicles, Plant & Machinery Cost	724,193		839,120	
Fixed Assets		<u>5,759,897</u>		<u>5,874,824</u>
Stock	36,539		33,807	
Debtors Control	106,944		169,497	
VAT	(14,936)		(103,320)	
Car Loans	15,896		10,631	
Prepayments	81,111		81,236	
Drawings Bank Account	9,850		9,056	
Call Bank Account	311,202		311,201	
Petty Cash	406		242	
Highland Water	1,192		6,743	
Work in Progress	8,821		3,210	
Nat West Government Procurement C	(937)		(255)	
Brewin Dolphin Investment	487,191		487,758	
Natwest Reserve Account	1,516,254		1,660,165	
Total Current Assets		<u>2,560,932</u>		<u>2,670,838</u>
Trade Creditors	(198,235)		(172,159)	
PAYE & NI Control Account	0		0	
Superannuation Contrl Account	0		0	
Accruals	(370,362)		(908,466)	
Total Liabilities		<u>(568,597)</u>		<u>(1,080,625)</u>
Pension Liability		(2,703,000)		(3,476,000)
		<u><u>5,049,232</u></u>		<u><u>3,989,038</u></u>
Capital Reserve	5,759,896		5,874,826	
Pension Reserve	(2,703,000)		(3,476,000)	
Brewin Dolphin Revaluation	(12,809)		(12,242)	
Total Capital		<u>3,044,087</u>		<u>2,386,584</u>
Revenue Reserve	1,234,635		1,320,944	
Development Reserve	406,439		275,903	
Plant Reserve	262,206		64,105	
Wages Oncost Reserve	74,476		27,810	
General Resere	27,389		(86,309)	
Total Reserves		<u>2,005,145</u>		<u>1,602,454</u>
		<u><u>5,049,232</u></u> 0		<u><u>3,989,038</u></u>
<u>Cash & Bank Balances</u>				
Drawings Account		9,850		
Call Account		11,202	311,202	
Natwest Reserve Account @ 0.01%		1,516,254		
Petty Cash		406		
Chargecard		(937)		
Monmouthshire BS @ 0.40%		300,000	30 Day Notice	
		<u><u>1,836,774</u></u>		

Black Sluice Internal Drainage Board Investment Summary 2021/22 Period 12 - March 2022

PORTFOLIO P1684056 VALUATION DATE 07 Apr 2022

31/03/2021 - 31/03/2022

Portfolio Overview

LAST 12 MONTHS PERFORMANCE

3.86%



TOTAL VALUE

487,190.84 GBP

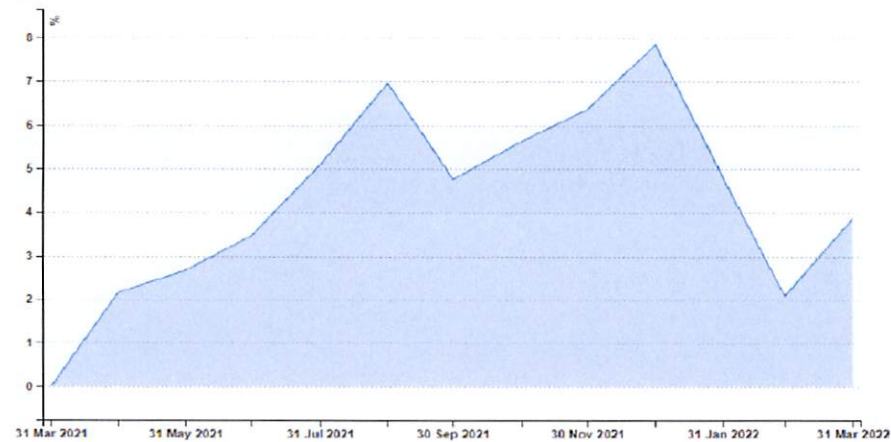
ESTIMATED ANNUAL INCOME

14,280.17 GBP

Performance

CUMULATIVE PERIODIC

CHART
Gross



CUMULATIVE PERFORMANCE

Portfolio Summary

BOOK COST

472,404.84 GBP

OVERALL GAIN OR LOSS

3.13%↑

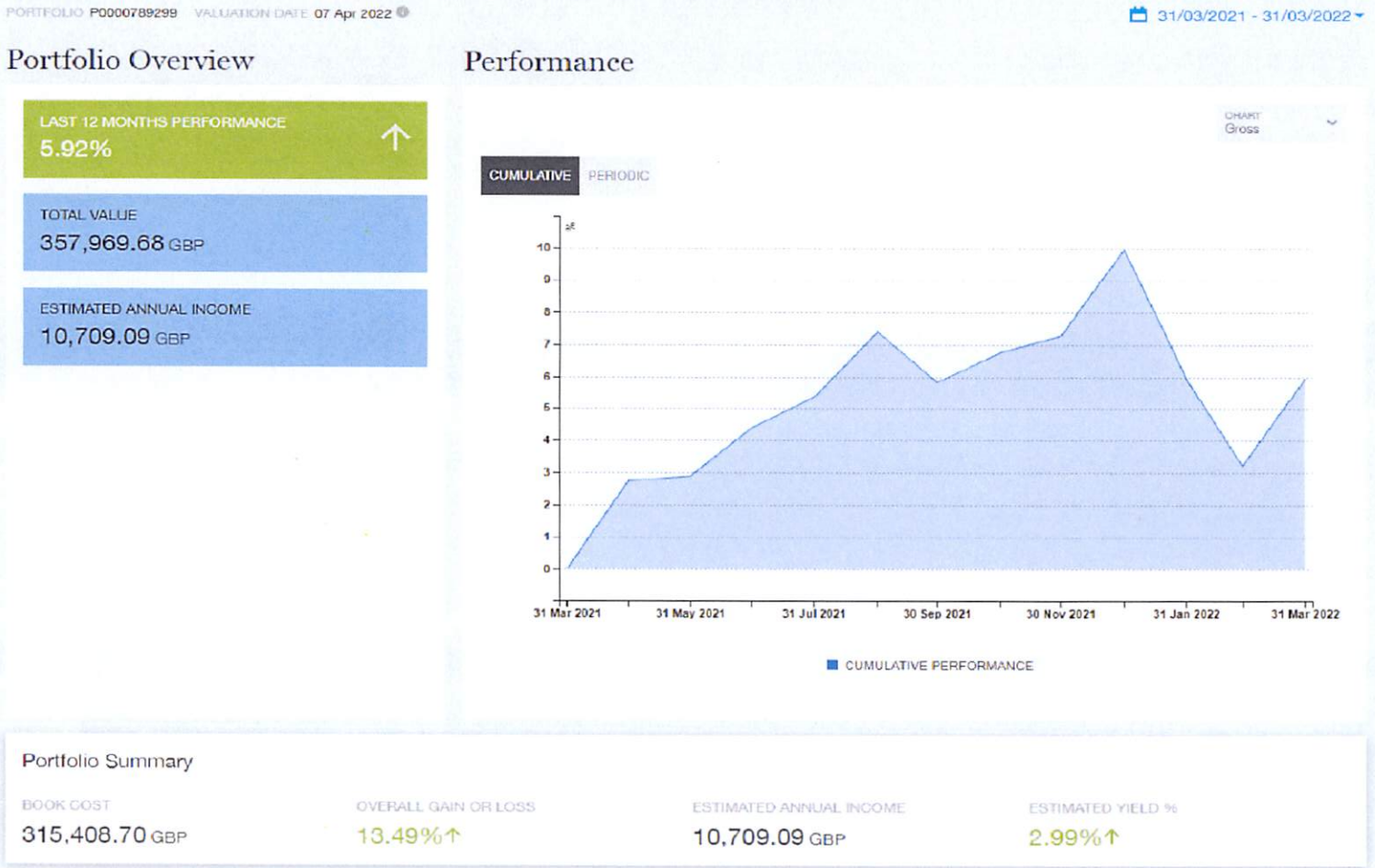
ESTIMATED ANNUAL INCOME

14,280.17 GBP

ESTIMATED YIELD %

2.93%↑

Black Sluice Internal Drainage Board BFF Investment Summary 2021/22 Period 12 - March 2022



BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE COMMITTEE - 17 MAY 2022

AGENDA ITEM 09(b)

2021/22 Review of Schemes and future Projections

Board Drain Schemes							
Code	Scheme	Original Budget	Adjustment in Year	CF to 2022/23	Approved Budget	This Year to Date	Budget (Over)/Under Spend
1001	Emergency Large Slip Repairs	0			0	37,027	(37,027)
1037	Graft Drain Improvements	60,000		(32,000)	28,000	26,078	1,922
1228	Jetting Major Pipelines 18/19	54,000			54,000	0	54,000
1241	Alternate Programme Access Work	20,000			20,000	6,864	13,136
1300	General Culvert Replacement	5,000			5,000	0	5,000
1229	NFF Revetments/Pipeline 18/19		70,000	(70,000)	0	0	0
1234	Lane Dyke Culvert Replacement	1,000	(1,000)		0	0	0
1235	Leaves Lake Culvert Replacemnt	20,000	(20,000)		0	0	0
		160,000	49,000	(102,000)	107,000	69,969	37,031

1001 – Emergency Large Slip Repairs (Overspent £37,027)

Following two wet winters more drain banks have slipped than we would see in normal years and this has been charged to a scheme code to identify the costs associated with these additional unbudgeted repairs. It is proposed to re-prioritise the budget from the Graft Drain and carry the 2021/22 budget into 2022/23 increasing the budget to £90,000 for 2022/23 for the repair of slips, there are currently (06/05/2022) 45+ in the catchment that have been identified.

1037 Graft Drain Improvements (Underspent by £33,922 C/F to 2022/23)

The Graft Drain Project has been ongoing for a number of years and the intention for the remaining unspent budget was for the scheme to recommence over the year end period utilising the remaining 2021/22 budget of £33,922 and the £60,000 from the 2022/23 budget. This did not happen due to works being completed for the Environment Agency during this period, which also recovered some of the unbudgeted costs. This unspent budget has been re-allocated to other higher priority schemes in 2022/23. It is still intended to complete the Graft Drain Project but a budget has not currently been identified.

1228 – Jetting Major Pipelines (Underspent by £54,000)

It was intended to complete these works in the final quarter of 2021/22 but this did not happen due contractor availability, and works being completed for the Environment Agency. The remaining budget will not be carried forward but the budget in future years has been increased to complete this work.

1241 – Alternate Programme Access Work (Underspent by £13,136)

Required works were completed to enable the first year of the new maintenance methods. Further budgets are included in the next two years to facilitate further works as required. The remaining budget will not be carried forward.

1300 – General Culvert Replacement (Underspent by £5,000)

Although two culverts were identified in year as requiring a contribution of £1,000 each no claim has been made. The remaining budget will not be carried forward.

Summary

Overall Board funded Drain Schemes were underspent by £69,031 but with budget carried forward the net underspend is £37,031.

Board Pumping Station Schemes							
Code	Scheme	Original Budget	Adjustment in Year	CF to 2022/23	Approved Budget	This Year to Date	Budget (Over)/Under Spend
1168	Great Hale PS Weedscreen Clean	46,000	(46,000)		0	0	0
1169	Kirton Marsh PS - New Roof	10,000	(10,000)		0	0	0
1170	Horbling PS - New Roof	9,000	(9,000)		0	0	0
1171	Wyberton PS - Pump Refurb		46,000		46,000	52,329	(6,329)
		65,000	(19,000)	0	46,000	52,329	(6,329)

1168 – Great Hale Weedscreen Cleaner (£46,000 budget reallocated)

The £46,000 budget for this scheme was re-prioritised to the refurbishment of the pumps at Wyberton Marsh Pumping Station, having previously been reviewed to £75,000 and reintroduced into the Capital Scheme budget in 2023/24.

1169 – Kirton Marsh Pumping Station – New Roof (£10,000 budget removed)

This scheme was removed from the programme early in the year to counteract early overspends in Slip repairs, Pumping Station Maintenance. This scheme has been reviewed to £11,000 and reintroduced into the Capital Scheme budget in 2023/24.

1170 – Horbling Pumping Station – New Roof (£9,000 budget removed)

This scheme was removed from the programme early in the year to counteract early overspends in Slip repairs, Pumping Station Maintenance. This scheme has been reviewed to £12,000 and reintroduced into the Capital Scheme budget in 2025/26.

1171 – Wyberton Marsh Pumping Station – Pump Refurbishments (£6,329 overspent)

It was identified early in the year that work was going to be required on two of the three pumps at Wyberton Marsh Pumping Station and the Board approved the re-allocation of budget from Great Hale Weedscreen Cleaner Refurbishment to this scheme. An additional £4,600 costs were incurred for 2 motor refurbishments. Additional works were also identified requiring an additional 2 sets of bushes at £600 each and 3 x new Siphon valves at £2,850 each.

Summary

Overall Board funded Pumping Station Schemes were overspent by £6,329 with works not completed being rescheduled with new estimates into future years.

Flood Defence Grant in Aid Schemes							
		Grant / Local Ley BF from 2020/21	Grant / Local Ley Awarded in year	Grant / Local Ley CF to 2022/23	Approved Budget	This Year to Date	Budget (Over)/Under Spend
1138	Sempringham PS Refurbishment	206,339		(200,594)	5,745	5,745	0
1165	PS Automation & Guage Boards	(43,126)	189,500	(993)	145,381	145,381	0
1167	BSIDB NFM Studies	64,800		(39,889)	24,911	24,911	0
1229	NFF Revetments/Pipeline 18/19	222,872		(71,101)	151,771	151,771	0
1234	Lane Dyke Culvert Replacement	(2,625)		6,531	3,906	3,906	0
1235	Leaves Lake Culvert Replacemnt	19,500		(17,942)	1,558	1,558	0
1236	GiA-Bicker Fen Catchment Works	20,000	17,000	(745)	36,255	36,255	0
1237	GiA-Dunsby Fen Catchment Study	20,000	7,000	(6,930)	20,070	20,070	0
1238	GiA-Ewerby Fen Catchment Works	20,000	15,000	(5,224)	29,776	29,776	0
1239	GiA-Flood Aleviation Horbling	20,000	10,000	(5,498)	24,502	24,502	0
1242	GiA-Dowsby Fen Catchment Study		35,000	(4,782)	30,218	30,218	0
1244	Black Sluice Catchment Strategy			930	930	930	0
1245	BSIDB NFM Works		20,000	(20,000)	0		0
		547,760	293,500	(366,237)	475,023	475,023	0

1138 – Sempringham Pumping Station Refurbishment (£200,594 C/F)

This work was delayed starting due to access issues which have now been resolved with the Environment Agency funding road works through the PSCA. £200,594 has been carried forward into 2022/23 and the project will be completed in year.

1165 – PS Automation, Gauge Boards and CCTV (£993 C/F)

This scheme is well underway with 32 of the 34 pumping stations operational remotely with the hardware purchased to complete the remainder. The metric gauge boards have all been purchased and installed. The CCTV is all installed. In total £188,508 has been spent on this scheme with £189,500 funded from Grant money. Originally the Board was contributing £57,000 to this scheme but that was not necessary when the bid was reworked and the entire scheme was funded through FDGiA. An additional £20,000 contingency is being claimed to fund the installation of the remaining telemetry units and an additional controller that is required for Chain Bridge Pumping Station and the setting up of the CCTV and controller software

1167 – Upper Catchment NFM (£39,889 C/F)

This NFM Scheme is for the work Lesley Sharpe is doing on behalf of the Board in relation to working with farmers in the upper catchment. There is also an EA NFM scheme we are involved with that is being completed under the PSCA. Another £20,000 has been granted, which is detailed below as works, in the current financial year for this scheme taking the total grant received to £120,000 with expenditure to date of £60,111.

1229 – NFF Revetments/Pipeline 2018/19 (£71,101 C/F)

After significant delays this project is now almost complete with just the pipe lining remaining. To date £289,899 has been spent on this scheme with the total grant income received being £361,000. £8,000 was also included from the development fund, but has not been used to date and a possible Board Contribution of £70,000 was included in the budget. A contribution from Lincolnshire County Council, towards lining of the pipe under the highway, with potential for a contribution from the Development Fund for the balance.

1234 – Lane Dyke Culvert Replacement (£6,531 expenditure, no grant received to date)

No Grant has been received for this scheme yet but the Grant Manager costs currently sit at £6,531. We will attempt to recover these costs from FDGiA in 2022/23.

1235 – Leaves Lake Culvert Replacement (£17,942 balance)

This scheme did not meet the criteria to proceed. £20,000 grant was awarded with expenditure of £2,058. The EA do not want the excess funds returning with the instruction to spend the funds on “Capital Maintenance”. This has been allocated to Jetting Major Pipelines in 2022/23.

1236 – Bicker Fen Catchment Works (£745 Surplus)

This study is underway with the survey and modelling works completed and the final study report produced in August.

£37,000 Grant has been received for this project with expenditure of £36,255.

1237 – Dunsby Fen Catchment Study (£6,930 C/F)

This study is underway and it is expected that the survey and modelling works will be completed in April, and the final study report produced in August.

£27,000 Grant Income has been received with Expenditure of £20,070.

1238 – Ewerby Fen Catchment Works (£5,224 C/F)

This scheme is underway with the survey and modelling works completed and the final study report produced in August.

£35,000 Grant Income received with Expenditure of £29,776

1239 – Flood Alleviation – Horbling (£5,498 C/F)

This scheme is underway and it is expected that the survey and modelling works will be completed in May, and the final study report produced in August.

£30,000 Grant Income received with expenditure of £24,502

1240 – Leaveslake – Under capacity

This scheme was originally in the budget for £180,000 Grant funding with a £20,000 Board contribution. This scheme did not proceed and was removed from the plan early in 2021/22.

1242 – Dowsby Fen Catchment Study (£4,782 C/F)

This study is underway with the survey and modelling works completed and the final study report produced in August.

£35,000 Grant received with £30,218 expenditure.

1244 – Black Sluice Catchment Strategy (£930 expenditure, no grant received to date)

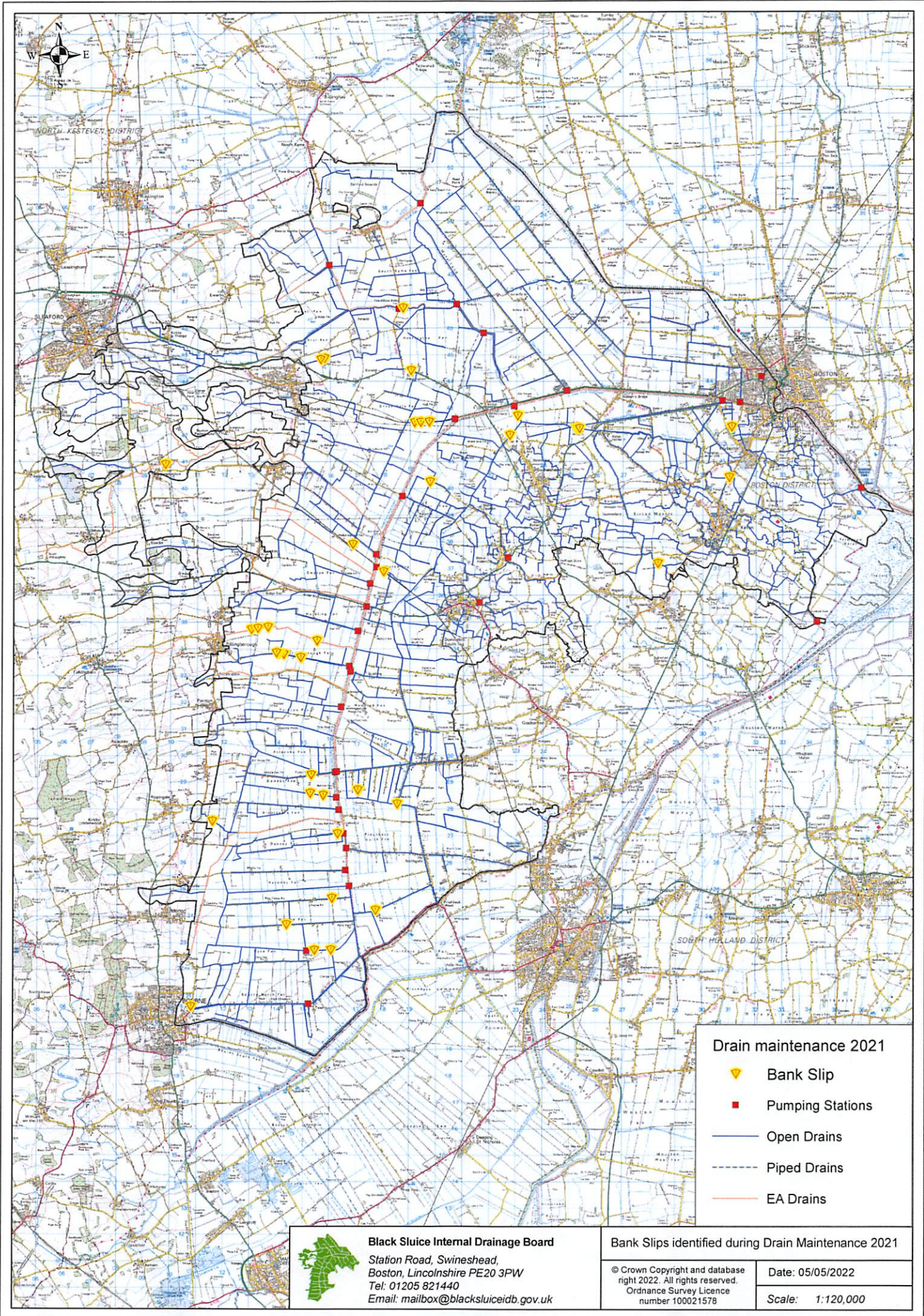
This Scheme has been commissioned to bring all of the studies completed together and complete any other catchments not completed with the overall aim of the entire Board's area being completed. This will then give a complete picture of the Board's area and enable better decision making going forwards, especially in relation to the replacement of pumping stations and the potential change or merging of catchments. The total Grant applied for to complete this scheme is £225,000

1245 – BSIDB NFM Works (£20,000 C/F)


The funds have been received and the works will commence in 2022/23.

Summary

This is the largest area of scheme expenditure currently with £475,023 spent in the financial year and £366,237 of funding remaining to be spent in 2022/23.



- Drain maintenance 2021**
-  Bank Slip
 -  Pumping Stations
 -  Open Drains
 -  Piped Drains
 -  EA Drains

 **Black Sluice Internal Drainage Board**
 Station Road, Swineshead,
 Boston, Lincolnshire PE20 3PW
 Tel: 01205 821440
 Email: mailbox@blacksluiceidb.gov.uk

Bank Slips identified during Drain Maintenance 2021

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 Ordnance Survey Licence number 100021578

Date: 05/05/2022
 Scale: 1:120,000

Annual Governance and Accountability Return 2021/22 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2021/22

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **Annual Internal Audit Report must** be completed by the authority's internal auditor.
 - **Sections 1 and 2 must** be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2022**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2022**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2022
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2021/22

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2022 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2021/22**, approved and signed, page 4
- **Section 2 - Accounting Statements 2021/22**, approved and signed, page 5

Not later than 30 September 2022 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2021/22

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2022.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2021) equals the balance brought forward in the current year (Box 1 of 2022).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2022**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', has an explanation been published?		
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations been published where required?		
	Has the bank reconciliation as at 31 March 2022 been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.		

* *Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2021/22

05 MAY 2022

Black Sluice Internal Drainage Board

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During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")</i>			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements	✓		
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

01/02/2022 02/02/2022 10/02/2022

Christopher R Harris

Signature of person who carried out the internal audit

CR Harris

Date

28/04/2022

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

Black Sluice Internal Drainage Board

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2022, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

14/06/2022

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

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Section 2 – Accounting Statements 2021/22 for

Black Sluice Internal Drainage Board

	Year ending		Notes and guidance	
	31 March 2021 £	31 March 2022 £		
1. Balances brought forward	860,154	1,102,456	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.	
2. (+) Precept or Rates and Levies	2,143,773	2,204,498	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.	
3. (+) Total other receipts	781,920	1,186,557	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.	
4. (-) Staff costs	1,130,416	1,220,088	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.	
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).	
6. (-) All other payments	1,552,975	1,768,279	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).	
7. (=) Balances carried forward	1,102,456	1,505,144	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).	
8. Total value of cash and short term investments	1,980,406	1,836,774	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.	
9. Total fixed assets plus long term investments and assets	6,374,824	6,259,897	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.	
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).	
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
			✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2022 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

SIGNATURE REQUIRED

Date

25/04/2022

I confirm that these Accounting Statements were approved by this authority on this date:

DD/MM/YY

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

Section 3 – External Auditor’s Report and Certificate 2021/22

In respect of

Black Sluice Internal Drainage Board

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/> .

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2021/22

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with *Proper Practices* and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2021/22

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY



Internal Audit

FINAL

Black Sluice Internal Drainage Board


Assurance Review of Annual Governance and Accountability Return

2021/22

March 2022

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The audit covers all areas required by the Annual Governance and Accountability Return (AGAR) and includes, where appropriate, the key risks for a drainage board.

SCOPE

The purpose of the review was to undertake sufficient audit work to be able to sign off the Annual Governance and Accountability Return for Internal Audit.

KEY STRATEGIC FINDINGS

- Black Sluice Internal Drainage Board has good systems in place and the governance, risk and control framework is working well.
- Black Sluice Internal Drainage Board use the Opera suite of software to manage their accounts which supports accurate accounting and good record keeping.

GOOD PRACTICE IDENTIFIED

- Governance, Risk and Control are all well managed by the Black Sluice Internal Drainage Board.
- The Black Sluice Web site is easy to navigate, well populated with useful and key information and kept up to date.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	1

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
No recommendations were raised.							

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Delivery	Reserves are regularly reviewed with an aim to maintain them at around 20% of expenditure as per the requirement of Financial Regulations. The Board are considering however, increase the reserve provision to 30% of annual expenditure and should this happen then Financial Regulations will require amending accordingly.	Any change in the level of reserves will require an amendment to reflect that change in the Board's Financial Regulations.	<p><i>The increase in reserves was approved by the Board at their Board meeting on 23 November 2021.</i></p> <p><i>The Financial Regulations Policy will be reviewed and updated to reflect this at the Audit and Risk Committee meeting on 12 April 2022 to be ratified at the Board meeting on 14 June 2022.</i></p>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings



All the Boards policies and procedures are on their website. These are all appropriate and adequate for a drainage board. The website itself is easy to navigate. The Board Policy Statement which was approved on 30th May 2018 was reviewed. This Policy is reviewed at least every five years. In addition, Financial Regulations which was approved on 23rd November 2021 was also reviewed and found to be in order.



All Board agendas and minutes (none confidential) are on the Boards website. The following were reviewed and found to be comprehensive and informative:

- 10th February 2021 (all 21 Members were present).
- 30th June 2021 (20 Members were present) - concern was raised over the increase in expenditure caused by excessive rainfall and the use of reserves.

Other Findings










- Q All Committee agendas and minutes (none confidential) are on the Boards website. The following were reviewed and found to be comprehensive and informative. The Executive Committee minutes of the following meetings were reviewed:

 - 7th April 2021(all six members in attendance).
 - 5th May 2021 (all six members in attendance)
 - 12th May 2021 (all six members in attendance)
 - 29th September 2021 (all six members in attendance).
- Q The Risk management strategy and policy which was approved on 30th June 2021 and is reviewed annually was reviewed and found to be in order.
- Q The risk register and the controls is a comprehensive document that is regularly reviewed by the Audit and Risk Committee.
- Q The Board use the ADA key objectives as there overarching objectives that support the operation and direction of the IDB.
- Q "Opera" is the main accounting package for the IDB. Opera is part of a suite of software solutions provided by Pegasus a software developer.
- Q Management accounts are submitted to every Board meeting to inform Members of the current financial state of the IDB with year to date figures. Drainage Rates and Special Levies are also reported on a regular basis to each Board meeting.
- Q The Purchase Order system was reviewed and it was confirmed that where appropriate to use the Purchase Order system, goods received had been confirmed and invoices had been matched back to the purchase order. The approval process was in accordance with Financial Regulations/Procurement policy.
- Q The following invoices were selected for a detailed review:

 - Wells Plant Hire - Invoice 3095 for £42,000 paid on the 23rd September 2021.
 - Roythornes LLP - Invoice 190407 for £10,962 paid on the 13th May 2021.

In addition, the Board use Woldmarsh to supply many of their regular items such as fuel and electricity as this company can obtain bulk discount as they act for many clients. Details of the checks and balances in place to verify the accuracy of the Woldmarsh invoices was obtained. All invoices examined along with their supporting data were in order.
- Q Rates for 2021/22 were approved at the Board meeting on 10th February 2021 (Sub district No. 1 (6.58p) and Sub-District No. 2 (13.16p)). These sums would provide a rate income estimated to be £1,097,203.81 for the year.
- Q At the 28th January 2022 the amount of uncollected rates was £3,644.75. Of this £1,163.18 had been paid and was awaiting posting; £1,413.48 was with the bailiffs for collection; £502.09 had agreements in place to pay; £84.23 was being chased internally; and £481.77 was a bankruptcy case.

Other Findings

-  For general debtors, there were no outstanding debts over three months old. Overall both rates and general debts are promptly paid.
-  A small number of write offs were made during the year. One write off was for £2,340.23 on 15th June 2021 (Ashley King (Developments) Ltd - Rates for Glasshouses that were removed on 23rd April 2021). The Board approved this write off at its meeting on the 23 November 2021.
-  Petty Cash has been used much less due to the pandemic with office staff also working from home. The December 2021 petty cash reconciliation was reviewed and found to be in order and reconciled (£200.09) with a £2 cash shortage variance. Due to the pandemic and home working there is little Petty Cash movement and as such no transactions have been tested this year.
-  The payroll for December 2021 was reviewed and found to be in order. Payroll is a well-controlled and cyclical process only requiring adjustment for new starters or leavers or when a pay increase is required. The system was working well and in order.
-  The whole payroll for December 2021 including expenses was reviewed and found to be in order. In addition, national insurance and income tax deductions had been correctly made and these had been paid over to HMRC.
-  Pension deductions and payment to the Lincolnshire County Council (LCC) pension fund were reviewed for the month of December 2021. These were in order and the sums involved were paid over to LCC.
-  The asset register at the end of March 2021 was reviewed and found to be in order. From previous reviews the register is well maintained.
-  Accounting Statements are undertaken and these reconcile to the cash book.
-  Data feeding into the Accounting Statements was confirmed to be correct.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	1
FC	Financial Constraint The process operates within the agreed financial budget for the year.	In place	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings

- Management accounts, including budget data, are reported regularly to Members and the Board. The Board papers for the year were reviewed and it was confirmed that appropriate financial and budget data was presented to every Board meeting.
- The Board maintain a 10 year forecast which enable future increases in both the penny rate and precept to be calculated and for such bodies as the precepting authorities to be consulted well in advance of any increases being made. The Executive Committee were looking to approve the budget for 2022/23 with a 5.09% rate increase.
- The majority of income is received via a bank transfer. Cash is normally retained and used as petty cash. Cheques are banked at the local Post Office as and when received. There had been little activity regarding cash and cheques due to the pandemic. The recording and banking of income was working well.
- The various (Call account, Drawings account, Reserves account) bank and credit card reconciliations were examined and found to be in order and in balance as at period 9 (December) 2021.
- The Board is operating within its approved budget for the 2021/22 financial year.
- Good practice is adopted by the Board to respond to business interruption events and to enhance the economic, effective and efficient delivery of its services.

Scope and Limitations of the Review

- The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

- The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

- The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

- The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

- We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

- The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	17 th December 2021	17 th December 2021
Draft Report:	8 th March 2022	9 th March 2022
Final Report:	10 th March 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Black Sluice IDB		
Review:	Annual Governance and Accountability Return 2021/22		
Type of Review:	Assurance	Audit Lead:	Chris Harris

Outline scope (per Annual Plan):	To undertake sufficient audit work to be able to sign off the Annual Governance and Accountability Return for Internal Audit.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Financial constraint: The process operates with the agreed financial budget for the year.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:			

Planned Start Date:	31/01/2022	Exit Meeting Date:	10/02/2022	Exit Meeting to be held with:	Daniel Withnall and Ian Warsap
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

**Black Sluice Internal Drainage Board
10 Year Capital Schemes Budget
2022/23 to 2031/32**

Year	Type	Scheme	Total	Grant	Local Levy / Other Contributions	Possible Board Contribution	Drain	PS
2022/23	Drain	Ewerby Fen Catchment Works	£530,000	£410,000	£70,000	£50,000		
	Drain	Graft Drain improvements	£0				£0	
	Drain	Dowsby Lode Catchment Works	£45,000	£20,000		£25,000		
	Drain	Haconby Fen Catchment Works	£20,000	£20,000				
	Pump	Sempringham PS Refurbishment	£200,594	£200,594				
	Pump	PS Automation & Gauge Boards	£20,993	£20,993				
	Drain	BSIDB NFM Studies	£39,889	£39,889				
	Drain	NFF Revetments/Pipeline 18/19	£149,101	£71,101	£8,000	£70,000		
	Drain	Lane Dyke Culvert Replacement	£469	£469				
	Drain	Black Sluice Catchment Strategy	£247,249	£247,249				
	Drain	BSIDB NFM Works	£20,000	£20,000				
	Drain	Alternative Programme access works	£20,000				£20,000	
	Drain	Major Slip Repairs	£90,000				£90,000	
	Drain	Jetting Major Pipelines	£20,000				£20,000	
	Pump	Dyke Fen PS, refurbish 1 pump motor	£3,000					£3,000
	Pump	Dunsby Fen PS, refurbish 1 pump motor	£3,000					£3,000
	Pump	Gosberton Fen PS refurbish 1 pump motor	£4,000					£4,000
Drain	General culvert replacement contributions	£5,000				£5,000		
			£1,418,295	£1,050,295	£78,000	£145,000	£136,000	£10,000
2023/24	Drain	Horbling Town Beck Flood Alleviation scheme	£525,000	£410,000	£95,000	£20,000		
	Drain	Dunsby Fen Catchment Works	£335,000	£230,000	£55,000	£50,000		
	Pump	Great Hale Fen PS refurbish weedscreen cleaner	£75,000					£75,000
	Drain	Jetting to major pipelines	£75,000				£75,000	
	Pump	Dyke Fen PS, refurbish 1 pump and 1 motor	£25,000					£25,000
	Pump	Kirton Marsh PS new roof	£11,000					£11,000
	Drain	Quadring North Fen roadside revetment	£24,000				£24,000	
	Drain	Alternative Programme access works	£20,000				£20,000	
	Drain	General culvert replacement contributions	£5,000				£5,000	
			£1,095,000	£640,000	£150,000	£70,000	£124,000	£111,000
2024/25	Drain	NFF Desilting	£65,000				£65,000	
	Drain	Bicker Fen Catchment works	£325,000	£275,000	£1,000	£49,000		
	Drain	Dowsby Lode Catchment Works	£245,000	£245,000				
	Drain	Jetting to major pipelines	£75,000				£75,000	
	Pump	Ewerby Fen PS Replace control panel	£60,000					£60,000
	Pump	Kirton Marsh PS refurbish 1 pump and 1 motor	£30,000					£30,000
	Drain	Dyke Fen (New Dyke) revetments	£25,000				£25,000	
	Drain	General culvert replacement contributions	£5,000				£5,000	
			£830,000	£520,000	£1,000	£49,000	£170,000	£90,000
2025/26	Drain	Claydyke desilting	£85,000				£65,000	
	Drain	Haconby Fen Catchment Works	£280,000	£255,000		£25,000		
	Drain	Dowsby Fen Catchment Works	£300,000	£275,000		£25,000		
	Pump	Damford PS replace control panel	£65,000					£65,000
	Pump	Horbling Fen PS new roof	£12,000					£12,000
	Drain	Jetting to major pipelines	£40,000				£40,000	
	Drain	Spread & Level Lagoon NFF	£10,000				£10,000	
	Drain	Dyke Fen (New Dyke) revetments	£35,000				£35,000	
	Drain	NFF Desilting	£20,000				£20,000	
	Pump	Haconby PS refurbish axial flow pump	£25,000					£25,000
Drain	General culvert replacement contributions	£5,000				£5,000		
			£867,000	£530,000		£50,000	£175,000	£102,000
2026/27	Drain	Claydyke desilting	£65,000				£65,000	
	Drain	SFFD Desilting Guthrum to Blackhole Drove PS	£60,000				£60,000	
	Drain	Jetting to major pipelines	£50,000				£50,000	
	Pump	Gosberton Fen PS Refurbish 3 x axial flow pumps	£75,000					£75,000
	Pump	Haconby Fen PS Replace control panel	£35,000					£35,000
	Drain	General culvert replacement contributions	£5,000				£5,000	
			£290,000				£180,000	£110,000
2027/28	Drain	SFFD Desilting Guthrum to Blackhole Drove PS	£80,000				£80,000	
	Drain	Jetting to major pipelines	£50,000				£50,000	
	Pump	Cooks Lock p/s refurbish weedscreen cleaner	£80,000					£80,000
	Drain	New Hammond Beck Desilting	£40,000				£40,000	
	Pump	Bicker Fen replacement control panel	£33,000					£33,000
	Pump	Bicker Fen refurb 1 x axial flow pump	£25,000					£25,000
	Drain	General culvert replacement contributions	£5,000				£5,000	
			£313,000				£175,000	£138,000
2028/29	Drain	Old Hammond Beck Desilting	£80,000				£80,000	
	Drain	Jetting to major pipelines	£60,000				£60,000	
	Pump	Donington NI refurbish 3 x axial flow pumps	£75,000					£75,000
	Pump	Kirton Marsh p/s replace control panel	£35,000					£35,000
	Drain	Bourne Fen 28/10 Revetment	£30,000				£30,000	
	Pump	Great Hale Fen refurb 1 x axial flow pump	£17,000					£17,000
	Pump	Helpringham p/s new roof	£13,000					£13,000
	Drain	General culvert replacement contributions	£5,000				£5,000	
			£315,000				£175,000	£140,000
2029/30	Drain	Jetting to major pipelines	£60,000				£60,000	
	Pump	Chain Bridge p/s refurbish 3 x axial flow pumps	£80,000					£80,000
	Drain	Gosberton pump drain desilting/pump inspection	£36,000				£36,000	
	Drain	Dowsby Fen pump drain desilting/pump inspection	£36,000				£36,000	
	Pump	Quadring Fen p/s replace control panel	£40,000					£40,000
	Pump	Allen House p/s replace control panel	£32,000					£32,000
	Drain	Chain Bridge pump drain desilting/pump inspection	£36,000				£36,000	
	Drain	General culvert replacement contributions	£5,000				£5,000	
			£325,000				£173,000	£152,000
2030/31	Drain	Swineshead pump drain desilting/under pump inspections	£60,000				£60,000	
	Drain	Jetting to major pipelines	£60,000				£60,000	
	Pump	Horbling p/s control panel	£45,000					£45,000
	Pump	Mallard Hum control panel	£45,000					£45,000
	Drain	Cooks Lock pump drain desilting/under pump inspections	£42,000				£42,000	
	Pump	Trinity College refurb pumps	£35,000					£35,000
	Drain	Black Hole Drove p/s under pump inspections	£25,000				£25,000	
	Drain	General culvert replacement contributions	£5,000				£5,000	
			£317,000				£192,000	£125,000
2031/32	Drain	Jetting to major pipelines	£70,000				£70,000	
	Drain	Heckington Fen pump drain desilting under pump inspections	£24,925				£24,925	
	Pump	Billingborough Fen p/s control panel	£50,000					£50,000
	Pump	Dowsby Lode p/s control panel	£50,000					£50,000
	Pump	Pinchbeck Fen p/s control panel	£50,000					£50,000
	Drain	Holland Fen pump drain desilting/under pump inspections	£50,000				£50,000	
Drain	Helpringham pump drain desilting/under pump inspections	£30,000				£30,000		
			£324,925				£174,925	£150,000

PLANT REPLACEMENT BUDGETS 2022/23

Amended Post 2021/22 Year End based on an inflationary increase of 5%

Existing Plant/Equipment	Year Purchased	Purchase Price	Hours / Miles As at 31 March 2022	Age to Replace	Replace Year	New Plant	Replace Cost	Estimated Trade in Target	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
									£262,206	£128,875	£66,119	£66,014	£67,552	£166,618	£2,500	£104,288	£292,515	£272,392
Twiga SPV2 (2015)	2015/16	£174,800	5,667 hrs	8	2023/24	Twiga/Herder?	£258,259	£64,565		£193,694								£286,175
Twiga SPV2 (2019)	2019/20	£197,150	2104 hrs	8	2027/28	Twiga/Herder?	£291,280	£72,820					£218,460					
Twiga SPV2 (2017)	2017/18	£205,811	3421 hrs	8	2025/26	Twiga/Herder?	£304,077	£76,019			£228,057							
Aebi T211	2016/17	£55,058	2905 hrs	13	2029/30	Aebi & Rear Flail	£103,820	£15,972								£87,848		
Hitachi ZX 210LC-5B	2016/17	£133,845	6,382 hrs	8	2024/25	20T Excavator	£197,750	£49,438			£148,313							
Unimog	2020/21	£148,000	55,703 km	8	2028/29	New unimog	£218,663	£54,666							£163,998			
JCB 130 Telescopic LR	2019/20	£105,350	4,068 hrs	8	2027/28	13T Telescopic Exc.	£155,650	£38,912						£116,737				
JCB 145 Standard & LR	2019/20	£129,850	2,961 hrs	7	2026/27	13T LR	£182,712	£52,203				£130,509						
JCB 145 Telescopic LR	2022/23	£143,000		8	2030/31	JS145 Telescopic Exc	£211,276	£52,819	£118,000									£158,457
JCB 130 Telescopic LR	2014/15	£94,490	9,259 hrs	8	2022/23	13T Telescopic Exc.	£139,605	£34,901	£104,704									£154,695
JCB 531 Teleporter	2012/13	£43,470	3,489 hrs	12	2024/25		£78,066	£13,011			£65,055							
Vauxhall (Filter)	2019/20	£16,255	31,681 miles	7	2026/27	Filters Van	£22,872	£3,267					£19,605					
Mitsubishi(Pump Engineer)	2019/20	£20,431	39,794 miles	4	2023/24	Pick-Up	£24,834	£6,209		£18,626				£22,639				£27,518
Mitsubishi(Works Supervisor)	2019/20	£20,431	71,618 miles	4	2023/24	Pick-Up	£24,834	£6,209		£18,626				£22,639				£27,518
Mitsubishi(Pump Maintenance)	2019/20	£20,431	31,499 miles	4	2023/24	Pick-Up	£24,834	£6,209		£18,626				£22,639				£27,518
Mitsubishi (Works Manager)	2019/20	£20,000	24,771 miles	3	2023/24	Pick-Up	£23,153	£7,718		£15,435				£22,639				£26,208
Vauxhall Tipper	2012/13	£16,165	94,462 miles	10	2022/23	Tipper	£26,331	£2,633	£23,698									
Dump Trailer 1	2006	£13,832		16	2022/23	Dump Trailer	£30,194	£3,774	£26,419									
Low Loader Trailer	2020/21	£27,000		16	2036/37	Low Loader	£58,938	£7,367										
Tipping Trailer	2003/04	£2,680		19	2022/23		£6,772		£6,772									
4m Trailer	1999/00	£1,750		23	2022/23		£4,238		£4,238									
100mm Self priming Pump				15	2022/23		£22,000		£22,000									
Vibrating piling hammer	2015/16			20	2035/36													
150mm Portable Pump	2006	£16,050		15	2022/23		£30,000		£30,000									
Compressor	2008	£4,950		18	2023/24		£6,000			£6,000								
Ride on Lawnmower	2016/17			8	2024/25		£17,000	£4,250			£12,750							
Fuel Tanks									£2,500							£3,000		
8" Mobile Pump	2021/22	£52,566		20	2041/42		£139,473											
Weedbaskets										£7,000		£7,718			£8,934	£9,381	£9,850	£10,342
Net Spend from Plant Reserve									£338,331	£278,006	£226,117	£235,775	£150,113	£425,755	£172,932	£100,228	£323,002	£405,280
Generated									£205,000	£215,250	£226,013	£237,313	£249,179	£261,638	£274,720	£288,456	£302,878	£318,022
Balance C/F									£128,875	£66,119	£66,014	£67,552	£166,618	£2,500	£104,288	£292,515	£272,392	£185,134

BLACK SLUICE INTERNAL DRAINAGE BOARD
2022/23 Budget and 10 Year Estimates
Representative with final 2022/23 figures and amended Schemes

Income	Actual	Budget	Actual @	Budget / Estimates									
	2020/21	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Rates and Levies	2,143,773	2,209,972	2,204,498	2,328,165	2,421,631	2,518,496	2,606,865	2,671,442	2,737,718	2,805,693	2,875,368	2,946,743	3,019,817
Interest & Investment Income	16,247	16,501	11,833	15,662	15,975	16,295	16,621	16,953	17,292	17,638	17,991	18,351	18,718
Grants/Local Levy	316,986	282,000	293,500	772,000	790,000	521,000	530,000						
Contribution Development Fund	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Income	58,526	22,867	37,224	23,066	23,527	23,998	24,478	24,967	25,467	25,976	26,496	27,025	27,566
Rechargeable Income	368,040	595,301	822,534	570,608	276,020	281,541	287,171	292,915	298,773	304,749	310,844	317,060	323,402
Solar Panel Income	17,121	18,752	16,466	18,583	18,955	19,334	19,720	20,115	20,517	20,927	21,346	21,773	22,208
TOTAL INCOME	2,925,693	3,150,393	3,391,055	3,733,084	3,551,108	3,385,663	3,489,855	3,031,392	3,104,767	3,179,983	3,257,044	3,335,952	3,416,711

Expenditure	Actual	Budget	Actual @	Budget / Estimates									
	2020/21	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Board Funded Schemes	302,926	204,000	122,298	290,000	305,000	309,000	327,000	290,000	313,000	315,000	325,000	317,000	324,925
FDGiA/Local Levy Funded Schemes	141,222	282,000	475,024	1,128,295	790,000	521,000	530,000						
Pumping Station Maintenance	326,769	392,841	381,849	448,942	457,921	467,079	478,756	490,725	502,993	515,568	528,457	541,669	555,210
Electricity	247,733												
Drain Maintenance	823,466	893,205	763,367	876,167	893,690	911,564	934,353	957,712	981,655	1,006,196	1,031,351	1,057,135	1,083,563
Environmental Works	15,873	20,000	19,578	20,000	20,400	20,808	21,328	21,861	22,408	22,968	23,542	24,131	24,734
Administration & Establishment	559,536	564,314	578,579	608,714	623,932	639,530	655,518	671,906	688,704	705,922	723,570	741,659	760,200
EA Precept	276,552	276,552	276,552	276,552	276,552	276,552	276,552	276,552	283,466	290,552	297,816	305,262	312,893
Rechargeable Expenditure	315,597	541,183	743,006	530,798	256,763	261,898	267,136	272,479	277,929	283,487	289,157	294,940	300,839
Solar Panel Expenditure	2,327	2,538	3,414	2,534	2,585	2,636	2,702	2,770	2,839	2,910	2,983	3,057	3,134
TOTAL EXPENDITURE	3,012,001	3,176,633	3,363,667	4,182,002	3,626,843	3,410,068	3,493,347	2,984,006	3,072,994	3,142,604	3,221,876	3,284,852	3,365,499

OPENING BALANCE	1,220,944	1,234,636	1,234,636	1,262,024	813,106	737,372	712,967	709,475	756,862	788,635	826,015	861,182	912,282
Introduced from Plant Reserve	100,000												
SURPLUS / (DEFICIT) IN YEAR	(86,308)	(26,240)	27,388	(448,918)	(75,734)	(24,405)	(3,491)	47,386	31,774	37,379	35,168	51,100	51,212
CLOSING BALANCE	1,234,636	1,208,396	1,262,024	813,106	737,372	712,967	709,475	756,862	788,635	826,015	861,182	912,282	963,494

Reserve % of Expenditure	40.99%	38.04%	37.52%	19.44%	20.33%	20.91%	20.31%	25.36%	25.66%	26.28%	26.73%	27.77%	28.63%
Reserve % of Expenditure (Excl Grants)	45.81%	41.75%	43.69%	26.63%	25.99%	24.68%	23.94%	25.36%	25.66%	26.28%	26.73%	27.77%	28.63%

RATE	12.84	13.16	13.16	13.70	14.25	14.82	15.34	15.72	16.11	16.51	16.92	17.34	17.77
Increase in Rates		2.49%	2.49%	4.10%	4.01%	4.00%	3.51%	2.48%	2.48%	2.48%	2.48%	2.48%	2.48%

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE COMMITTEE - 17 MAY 2022

AGENDA ITEM 12

Consider the request for payment of compensation for grass by a Board Member & Rate Payer

The Board's current Policy No. 46; Crop Loss Compensation states:

The Board will only pay crop loss compensation to the ratepayer if a field is cropped at the time the work is carried out and the work causes damage to the crop or coverage of the crop with arising's from the works.

Compensation will not be payable for access through grassland.

A Board member/rate payer has submitted an invoice for loss of hay/silage following de-silting works carried out by the Board.

The Operations Manager had approved the invoice for payment in line with his duties but the Finance Manager as the RFO has withheld payment subject to the Executive Committee's approval due to the possibility of setting a precedent of paying invoices to Board members and the process being outside the scope of Policy 46.

The minutes of the Northern Works Committee meeting on the 26th February 2019 states:

Mr J Fowler noted that it should possibly be considered to bring grassland into the same category as arable land for compensation.

The Finance Manager noted that he didn't feel that grassland could be categorised as a crop generically as there could be various different scenarios. For instance, it could be somebody's front lawn, but it would then be classed as a nuisance and so the board wouldn't be able to put the spoil there. He felt there ought to be some further investigation done into this matter, so that it is clear when the board have authority to put spoil in a certain area of grass and when the board are required to pay compensation.

Mr R Leggott suggested that the concept of grassland, with regard to identifying a standard approach, be brought to the Board meeting when considering compensation as a whole. All AGREED.

The minutes of the Board meeting on the 26th June 2019 states:

The Operations Manager made reference to previous deliberation around whether grass land should be considered as an arable crop eligible for compensation from the Board.

He proposed that these cases be analysed on an individual basis between himself and the landowner, adding that there aren't that many grass land cases that arise.

Mr P Holmes added he felt this was a good idea, making reference to different types of grassland i.e. grazing, conservation, amenity etc.

All AGREED for the Operations Manager to consider and make decisions around grassland in relation to compensation on an individual basis.

The proposal is to agree to pay the claimant for the loss of hay/silage in line with the Boards Crop Loss Compensation Policy, i.e., Item 2; Following any crop damage, the Boards Officers seek to agree any crop loss payments with the relevant party involved.

Secondly to review the Board's current Crop Loss Policy (No.46) to include for the Operations Manager to consider and make decisions around hay, silage, grazing, conservation, amenity and rotational grass land in relation to compensation on an individual basis.

The reviewed Policy No. 46 will be placed on the Northern and Southern Works Committee's agenda.

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE COMMITTEE – 17 MAY 2022

AGENDA ITEM 13

Ill Health Insurance

Email received from Lincolnshire County Council on 12 April 2022:

'You may have been at the Annual Employer's Meeting in March, or seen it on the shared website, where I spoke about the Fund moving to a self-insurance scheme rather than the external offering with Legal and General (LGIM) that we currently have in place, and to have this running from April 2023.

Details of the self-insurance scheme are that the Fund creates a notional pot to cover Tier 1 and Tier 2 ill health's and Death in Service events, to spread the risk across the Fund and prevent large increases in liabilities should an employer suffer from such an event. This is particularly important for smaller employers but can still have a substantial impact on any employer's liabilities should they have a number of cases.

You currently pay an element of your contribution rate to LGIM, so instead, this element would be notionally put into the Fund's ill health reserve. When an employer has an event, then the reserve is used to pay out so that there isn't an impact on an individual employer's liabilities. This is adjusted at each valuation to take account of any such events.

Checks would be put in place to ensure that employers do not misuse the scheme, such as the Fund needing to agree any benefits awarded where it goes against the recommendations of the independent registered medical practitioner, in ill health cases.

The benefits and drawbacks are set out below:

Benefits	Drawbacks
No additional cost – already in contribution rate	Winners and losers – cross-subsidisation
Targets risks outside of employers' control	Fund retains the risk – not transferred to third party
Simpler than external insurance	
Protects the funding position of all employers	
Removes risk of employer failure due to unaffordable strain cost	
Efficient – done as part of valuation process	
No profit element	

As one of the 29 employers in the Fund that has taken up the arrangements with LGIM, you have the option to opt-out of this arrangement if you wish to do so and continue paying LGIM's premium as you currently do.

Further information on the self-insurance scheme will be included within the Funding Strategy Statement that will be consulted on as part of the 2022 Valuation.

*If you'd like a conversation about this, please let me know, otherwise I should be grateful if you would confirm by **31 May** if you wish to opt-out, so we can make the arrangements as part of the Valuation process. If I do not hear from you, I will assume you are content to join the self-insurance scheme.'*

Bourne Fen Farm Trust Fund

Revenue Account for Year Ended 31st March 2022

<i>Income</i>	2021	2021
	£	£
Investment Income	14,105	13,493
 <i>Expenditure</i>		
Contribution to Rates	9,247	9,245
Bank Charges	4	4
Contribution to Administration	4,766	4,456
	14,017	13,705
Surplus	88	(212)

Balance Sheet as at 31st March 2022

<i>Capital Assets</i>	<i>Note</i>	2021	2021
Investments	A	357,970	361,885
 <i>Current Assets</i>			
Bank Account		15,819	15,497
Debtors		370	604
		16,189	16,101
 <i>Current Assets</i>			
Creditors			
Net Current Assets		374,159	377,986
 <i>Fund Balances & Reserves</i>			
Revaluation Reserve		258,907	262,822
Capital Fund		104,120	104,120
Revenue Reserve		11,132	11,044
		374,159	377,986
Reserves		374,159	377,986

The above represents a trust fund which was vested in the Black Sluice IDB to fund rate alleviations to the rate payers in the area of Bourne North Fen.

Bourne Fen Farm Trust Fund

Valuation By Brewin Dolphin Stockbrokers

NOTE A

	2022	2021	2022	2021
	% of	% of		
Analysis By Sector	Value	Value	Value £	Value £
UK Equities	20.27	22.04	72,545	79,762
Overseas Equities	38.12	34.95	136,451	126,457
Qualifying Corporate Bonds	18.28	19.23	65,447	69,599
Overseas Bonds	4.68	4.97	16,766	17,985
Absolute Return	5.00	5.20	17,906	18,812
Property	3.19	2.80	11,413	10,140
Other Investments	9.04	8.91	32,356	32,246
Cash	1.42	1.90	5,086	6,884
TOTALS	100.00	100.00	357,970	361,885

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE COMMITTEE – 17 MAY 2022

AGENDA ITEM 15

Lincs Flood Risk and Water Management Partnership Skills Group

The aim of the skills group is convened to assess the skills gaps across flood risk management authorities (RMA) in Lincolnshire and, from this understanding, build a programme of 'grow your own' skills development.

The end goal being to leave a legacy of qualified and experienced professionals in the medium to long term to meet the challenges of water management across Lincolnshire.

The student's development will involve rotation throughout the RMAs to include apprenticeships, hosting, secondments, assignments, job shadowing, work experience placements etc. All Lincolnshire RMAs through voluntary involvement will be included, i.e. Environment Agency, Lincolnshire County Council, Borough and District Councils, IDB's, Anglian Water Services, etc.

The group will build connections with academic institutions to enhance existing and possibly develop new educational offers. It will seek to join with relevant professional bodies to provide professional membership possibilities.

I request we become involved with this group as I am becoming aware of the Boards future challenges that lay ahead due to our own successes, particularly within the Engineering, Operational, Environmental and Surveying departments.

I propose that we join the Lincs FRWMP Skills Group, obtain the costs involved and incorporate these into future budgets.

Ian Warsap
Chief Executive

Black Sluice Internal Drainage Board

Unaudited Financial Statements

For The Year Ended 31st March 2022

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Contents

Members of The Board	4
Annual Report	5
Annual Governance Statement	6
Statement of Responsibilities	7
Statement of Accounting Policies	8 - 9
Income & Expenditure Account	10
Balance Sheet	11
Notes to the Accounts	12 - 14

Black Sluice Internal Drainage Board - Members

Elected Members		Electoral District
Mr K C Casswell	Chairman - Board	E
	Chairman - Executive Committee	
Mr P Holmes	Vice Chairman - Board	G
	Chairman - Northern Works	
	Chairman - Environment Committee	
Mr M Rollinson	Chairman - Southern Works	F
Mr J Fowler	Chairman - Structures	G
Mr W Ash		D
Mr J F Atkinson		D
Mr V A Barker		C
Mr M Leggott		A
Mr R Needham		B
Mr P Robinson		B
Mr C Wray		E

Members Appointed by District Councils

Boston Borough Council	
Mr T Ashton	
Mr R Austin	
Mr P Bedford	
Mr M Brookes	Chairman - Audit & Risk Committee
Mr M Cooper	
Mr F Pickett	
Mr P Skinner	

South Holland District Council	
Mr S Walsh	

South Kesteven District Council	
Mr P Moseley	

North Kesteven District Council	
Mr M Head	

Senior Officers	
Mr Ian Warsap Bsc. C Eng	Chief Executive Officer
Mr Daniel Withnall MCGI MInstLM FMAAT	Finance Manager

ANNUAL REPORT

Introduction

The Black Sluice Internal Drainage Board is an independent body created under land drainage statutes responsible for flood risk, land drainage and water level management works, other than on main rivers, in the Black Sluice IDB area. Board Members are either elected by and represent the occupiers of land in the area or are nominated by the District Councils in the Board's area. The Board consists of 11 elected members and 10 nominated members. Further details are on page 4.

The Board secures income mainly from drainage levies on farmers and other occupiers and from special levies on local authorities. The Board also pays levies to the Environment Agency to fund works on main rivers that protect the drainage district.

This document is the statement of accounts of Black Sluice IDB for the financial year ending 31st March 2022, set out on pages 6 to 14. The accounts consist of:

The Annual Governance Statement

The system of internal control is designed to manage the risk to a reasonable level, the IDB's statement details how this is achieved.

The Statement of Responsibilities

This statement identifies the officer who is responsible for the proper administration of the Board's financial affairs.

The Statement of Accounting Policies

This statement details the legislation and source of accounting principles on which the financial statements are prepared.

The Income and Expenditure Account

This statement summarises the resources that have been generated and consumed in providing services and managing the IDB during the last year.

The Balance Sheet

This statement is fundamental to the understanding of the Board's financial position at the year end. It shows the balances and reserves at the Board's disposal and the fixed and net current assets employed in its operation, together with summarised information on the fixed assets held. The statement also includes assets and liabilities of the Board.

Notes to the Accounts

The notes relating to the statements above are detailed after the core statements.

THE ANNUAL GOVERNANCE STATEMENT

We acknowledge as the Members of the Black Sluice Internal Drainage Board our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31st March 2022, that:

	Agreed - Yes or No	Yes' means that the board:
1 We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	Yes	prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Yes	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	Yes	has only done what it has the legal power to do and has complied with proper practices in doing so.
4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	Yes	during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5 We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	Yes	considered and documented the financial and other risks it faces and has dealt with them properly.
6 We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	Yes	arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7 We took appropriate action on all matters raised in reports from internal and external audit.	Yes	responded to matters brought to its attention by internal and external audit.
8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	Yes	disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

This annual governance statement is approved by the body and recorded as minute reference dated 14 June 2022.

Signed on behalf of Black Sluice Internal Drainage Board.

.....
Mr Keith Casswell
Chairman
14 June 2022

.....
Mr Daniel Withnall
Finance Manager
14 June 2022

THE STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Board is required:

- a) to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Board, that officer is the Finance Manager.
- b) to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Finance Manager's Responsibilities

The Finance Manager is responsible for the preparation of the Board's Statement of Accounts which is required to present a true and fair view of the financial position of the Board at the accounting date and its income and expenditure for the year ended 31st March 2022.

In preparing this statement of accounts, the Finance Manager has:-

- a) selected suitable accounting policies and then applied them consistently,
- b) made judgement and estimates that were reasonable and prudent,
- c) compiled the accounts in accordance with UK Generally Accepted Accounting Practices,
- d) applied the accounting concept of a 'going concern' by assuming that the IDB will continue to operate for the foreseeable future.

The Finance Manager has also:-

- a) kept proper accounting records which were up to date;
- b) taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Finance Manager

These Financial Statements present a true and fair view of the financial position of the Board at 31 March 2022 and its income and expenditure for the year then ended.

.....
Mr Daniel Withnall
14 June 2022

Certificate of the Chairman of the Board

I confirm that these accounts have been approved by the Black Sluice Internal Drainage Board at a meeting held on the 14 June 2022.

.....
Mr Keith Casswell
14 June 2022

STATEMENT OF ACCOUNTING POLICIES

1. General

These accounts have been prepared in accordance with the following accounting concepts:- Accruals, Relevance, Consistency, Reliability, Comparability, Understandability, Materiality and Going Concern.

2. Fixed Assets

Fixed assets are recognised as expenditure on acquisition, creation or enhancements with a value in excess of £5,000 and a useful life in excess of one year.

Fixed assets are valued on the following basis:-

- a) Land is included at historic cost.
- b) Operational Buildings are included in the balance sheet at valuation. The Offices and Depot were valued on 31st March 2021 by Mr Robert J Hurst FRICS FAAV, Chartered Surveyor, at market value. It is the Boards intention to value Operational Buildings at an open market value every five years and not depreciate in the intervening years.
- c) Pumping Stations were valued on 31st March 2009 by Mr JW Castley FRICS FAAV, Chartered Surveyor, at open market valuation. It is the Boards intention to retain these values in the accounts as a nominal value and not depreciate in the intervening years.
- d) Non - Operational Property is included in the balance sheet at market value. It was valued on 31st March 2021 by Mr Robert J Hurst FRICS FAAV, Chartered Surveyor, at market value. It is the Boards intention to value non-operational property at an open market value every five years and not depreciate in the intervening years.
- e) Vehicles, Plant & Equipment are included at cost less depreciation.

Disposals are written off at cost less depreciation. Any surplus/deficit arising is charged/credited to the appropriate reserve.

Depreciation has been provided on a straight line basis, on motor vehicles and equipment, excavators and plant, computers, office equipment with a purchase cost in excess of £5,000.

Plant & Vehicles	7 Years
Equipment	4 Years

3. Income

Income includes drainage rates on local agricultural land and buildings, special levies on district/borough councils, recharged works, government grants, rental income and interest on investments. Where applicable, this is net of Value Added Tax and is recognised when the Board has a right to receive the income.

4. Expenditure

Expenditure is included on an accruals basis.

5. Stock & Work in Progress

Stocks and work in progress are stated at the lower of cost or net realisable value.

6. Government Grants and Contributions

Government grants and contributions have been credited to the income and expenditure account on an accruals basis. Government grants used for the acquisition of fixed assets have been deducted from the purchase price of the asset.

7. Provisions

The Board sets aside provisions where there is a definite liability, but the amount and timing of settlement is not known. Details are given as notes to the accounting statements.

8. Pensions

The Board paid an employers contribution of £225,452 on employees pensionable pay into the Lincolnshire County Council pension fund

9. Discontinued Operations

The Board had no material operations which it acquired or which were discontinued in the year and therefore no separate disclosure is required in respect of the Income and Expenditure account and balance sheet accounts.

10. Internal Interest

Interest is allocated to the Income and Expenditure Account, Development Fund, Plant Fund and Wages Oncost Fund based on the average level of their balances.

Black Sluice Internal Drainage Board Income and Expenditure Account For Year Ended 31st March 2022

	Note	2021/22	2020/21
Income		£	£
Drainage Rates		1,095,204	1,070,863
Special Levies on Councils	1	1,109,294	1,072,910
Income from Rechargeable Works		822,534	368,040
Grant Income (Including Local Levy)	2	293,500	316,986
Sundry Income	3	46,324	68,281
Rental Income		7,366	7,366
Investment Income		10,590	15,509
Development Reserve Contribution		5,000	5,000
Interest		1,243	738
		3,391,055	2,925,693
Expenditure			
Drain Maintenance		763,367	823,466
Cost of Rechargeable Works		743,006	315,597
Administration Costs		445,192	430,471
Pumping Stations		381,849	574,502
Asset Refurbishments	4	597,322	444,148
Environment Agency Precept		276,552	276,552
Establishment Charges		63,440	68,747
Miscellaneous Charges		19,674	16,457
Depot Costs		53,687	46,188
Environmental Schemes		19,578	15,873
		3,363,667	3,012,001
Surplus / (Deficit)		27,388	(86,308)

Black Sluice Internal Drainage Board

Balance Sheet as at 31st March 2022

	Note	2021/22	2020/21
Fixed Assets			
Pumping Stations		3,861,354	3,861,354
Land & Buildings		1,009,350	1,009,350
Vehicles, Plant & Equipment		724,193	839,120
Non Operational Assets		165,000	165,000
	8	5,759,897	5,874,824
Current Assets			
Stock		36,539	33,807
Debtors & Prepayments	9	200,428	168,864
Investment Valuation		487,191	487,758
Cash at bank & in hand	10	1,836,774	1,980,409
		2,560,932	2,670,838
Current Liabilities			
Creditors	11	(568,597)	(1,080,624)
Net Current Assets		1,992,335	1,590,214
Liability related to defined pension scheme		(2,703,000)	(3,476,000)
Total Assets less Liabilities		5,049,232	3,989,038
Capital Reserve			
Capital Reserve		5,759,896	5,874,826
Pension Reserve		(2,703,000)	(3,476,000)
Investment Revaluation Reserve		(12,809)	(12,242)
		3,044,087	2,386,584
Revenue Reserve			
Revenue Reserve		1,262,024	1,234,636
Development Reserve		406,439	275,903
Plant Reserve		262,206	64,105
Wages Oncost Reserve		74,476	27,810
		2,005,145	1,602,454
	12	5,049,232	3,989,038

Mr K Casswell
Chairman
14 June 2022

Mr DJ Withnall
Finance Manager
14 June 2022

Black Sluice Internal Drainage Board

Notes to the Accounts

	2021/22	2020/21
	£	£
1 Special Levies		
Boston Borough Council	842,838	813,157
South Holland District Council	134,532	131,037
North Kesteven District Council	71,228	69,496
South Kesteven District Council	60,696	59,220
	1,109,294	1,072,910

	2021/22	2020/21
	£	£
2 Government Grants received from Defra		
NFF Revetment Works		83,830
Sempringham PS Weedscreen Cleaner		58,156
SFF Upper Catchment NFM and Control Analysis	20,000	75,000
Leaves Lake Drove, Under capacity South Forty Foot Outfall		20,000
Dunsby Fen Catchment Works	7,000	20,000
Flood Alleviation Scheme Horbling Town Beck	10,000	20,000
Bicker Fen Catchment Works	17,000	20,000
Ewerby Fen Catchment Works	15,000	20,000
Telemetry Software & CCTV	189,500	
Dowsby Fen Catchment Study	35,000	
	293,500	316,986

	2021/22	2020/21
	£	£
3 Sundry Income		
Sundry Income	29,858	51,160
Solar Income	16,466	17,121
	46,324	68,281

	2021/22	2020/21
	£	£
4 Asset Refurbishments		
Drain Asset Improvements	368,955	237,094
Pumping Station Refurbishments	228,367	207,054
	597,322	444,148

5 Remuneration

The table below shows the number of employees whose remuneration was greater than £50,000:

Band £	2021/22	2020/21
50,000 to 59,999		
60,000 to 69,999	1	1
70,000 to 79,999	1	1
80,000 to 89,999		
90,000 to 99,999	1	1
	3	3

6 Audit Fees

	2021/22	2020/21
	£	Restated £
Fees paid to the Board's External Auditor	2,800	2,400

7 Related Party Transactions

Some members of the Board pay Drainage Rates at the prevailing rate.

Black Sluice Internal Drainage Board

Notes to the Accounts

8 Tangible Fixed Assets

	Land & Operational Buildings £	Pumping Stations £	Non Operational Property £	Vehicles, Plant & Equipment £	Total £
Cost					
Opening Balance	1,009,350	3,861,354	165,000	1,728,796	6,764,500
Additions	0	0	0	58,246	58,246
Disposals	0	0	0	(24,995)	(24,995)
Revaluation	0	0	0	0	0
As at 31st March 2022	1,009,350	3,861,354	165,000	1,762,047	6,797,751
Depreciation					
Opening Balance	0	0	0	(889,673)	(889,673)
Disposals	0	0	0	20,579	20,579
Charge for year	0	0	0	(168,760)	(168,760)
As at 31st March 2022	0	0	0	(1,037,854)	(1,037,854)
Net Book Value					
As at 31st March 2021	1,009,350	3,861,354	165,000	839,123	5,874,827
As at 31st March 2022	1,009,350	3,861,354	165,000	724,193	5,759,897

9 Debtors & Payment in Advance

	2021/22 £	2020/21 £
Trade Debtors	108,136	176,240
Prepayments	81,111	81,236
Officers Car Loans	15,896	10,631
Rechargeable Work in Progress	8,821	3,210
HM Revenue & Customs (VAT)	(14,936)	(103,320)
Drainage Rate Debtors	1,400	867
	200,428	168,864

10 Cash at Bank & in hand

	2021/22 £	2020/21 £
Bank Deposits	1,836,368	1,980,167
Petty Cash	406	242
	1,836,774	1,980,409

11 Creditors

	2021/22 £	2020/21 £
Trade Creditors	198,236	172,159
Accruals	370,361	908,465
	568,597	1,080,624

12 Reserves

	Balance 31/03/2021	Additions in Year	Withdrawals in year	Balance 31/03/2022
Capital Reserve	5,874,826	53,830	(168,760)	5,759,896
Pension Reserve	(3,476,000)	773,000		(2,703,000)
Investment Revaluation Reserve	(12,242)		(566)	(12,809)
Revenue Reserve	1,234,636	27,388		1,262,024
Development Reserve	275,903	135,536	(5,000)	406,439
Plant Reserve	64,105	257,648	(59,547)	262,206
Wages Oncost Reserve	27,810	258,449	(211,783)	74,476
	3,989,038	1,505,851	(445,656)	5,049,232

Development Reserve- The Board makes a one off charge to developers to allow an increase in flow into the Board's drainage system. These charges are kept in the Development Fund and used to fund future improvements to the Board's drainage system to accommodate these additional flows.

Plant Reserve - The Plant Fund generates income internally throughout the year from all works carried out using the Board's plant. Offset against this income are all the expenses related to the plant and the fund is built up to replace the plant items when required. The depreciation is also charged to this account.

Wages Oncost Reserve - The Wages Oncost Fund generates income internally throughout the year from all work using the Board's Labour. Offset against this income are all the expenses related to employing the workforce.