

BLACK SLUICE INTERNAL DRAINAGE BOARD

I M Warsap
Chief Executive

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Our Ref: IMW/DW/B10

Your Ref:

Date: 7th January 2015

To the Chairman 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 Wednesday 14th January 2015 at 2pm at which your attendance is requested.



Chief Executive

AGENDA

1. Apologies for absence.
2. To receive and if correct sign the Minutes of the Executive Meeting held on 29th October 2014 (pages 1 - 6).
3. Matters Arising.
4. To consider Period 9 Management Accounts (pages 7-9)
5. To consider the 2015/16 Budget and Ten Year Projections (pages 10-19)
6. To consider the proposals for the Plant Account 2015/16 (page 20)
7. To consider the Development Consent Fee Account (page 21)
8. To consider estimates for Bourne Fen Farm Account (page 22)
9. To receive a confidential report in relation to HR (Pink Paper page 23)
10. To approve Business Plan for 2015/16 (under separate cover).
11. Any Other Business.

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the Offices of the Board on
29th October 2014 at 2pm

Members

Chairman - * Mr M J Scott

* Cllr P Bedford	* Cllr M Brookes
* Mr R Leggott	* Mr K C Casswell
* Mr J R Wray	

* Member Present

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

616 APOLOGIES FOR ABSENCE

There were no apologies for absence.

617 DECLARATIONS OF INTEREST

There were no declarations of interest.

618 MINUTES OF THE LAST MEETING

Minutes of the last meeting held on 4th June 2014, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record.

619 MATTERS ARISING

(a) Sale of Carlton Road - Minute No 547(a)

The Finance Manager informed the Committee that the sale of the Carlton Road offices had been completed on 1st September 2014 with proceeds of £200,000.

Estate Agents fees were £3,000 and Solicitor fees £750.

(b) 2014/15 Budget & 10 Year Estimates - Minute No 547(c)

The Chief Executive informed the Committee that Mowbrays were in administration which is who the order had been placed with to build the secure storage area. New quotes have been sought using the Architect and Structural Engineering drawings previously sourced by Mowbrays.

The Chief Executive recommended to the Committee that the fee's for these drawings should be paid.

The Committee RESOLVED that the Architect and Structural Engineer should be approached to ascertain if they were secured creditors with Mowbray's administrators and if not pay the fees due.

(c) Black Sluice Strategy following the Tidal Surge - Minute No 547(d)

In relation to the Culvert at Slippery Gowt the Chief Executive informed the Committee that he had met the FCC Environmental Company that run the site and we were close to agreeing works to protect the listed culvert.

The Board has also been contacted in relation to a scheme to increase the volume of the Wyberton Catchment which had previously been refused FDGiA by the Environment Agency. They have surplus funds for this type of work if it can be completed before the end of the current financial year. The Chief Executive has sent the report on the morning of the meeting and awaits their response.

(d) Rechargeable Works - Minute No 548(i)

The Chief Executive informed the Committee of an approach to the Board by Calders and Grandidge for the replacement of a private pipe which had been quoted as costing in the region of £150,000. There are no concerns as the Board has worked as a contractor to Calders and Grandidge in the past and the payment terms will ensure the costs incurred at any given time will have been paid for. We currently do not have a limit on rechargeable work that can be carried out without referring to the Board or Committee.

The Committee RESOLVED that any quotations accepted over the value of £40,000 should be referred to the Board or any Committee of the Board before work commences.

(e) Wages Oncost Reserve - Minute No 548(ii)

The Chairman enquired if the effectiveness of the reduction to 220% for internal works on the Wages On-Cost reserve as it seemed to have had little impact. The Finance Manager stated that in the four months since the adjustment the figures had been turned around so that £9,000 has been withdrawn from the reserve and this was expected to increase in the final 6 months of the year.

(f) Data Transparency Web Page - Minute No 549

The Finance Manager stated that the new Data Transparency page was to be constructed in the next week for it to be reviewed with the Internal Auditor when he visits next week.

(g) Solar Panels - Minute No 557

The Finance Manager informed the Committee that the Solar Panels on the head office roof were commissioned on 9th August 2014 and had been generating well with over 8,000kwh's generated to date at approximately 12p per kWh. In addition the electric bills appear to have reduced by about two thirds saving £400 per month.

The Committee requested that the other Pumping Station sites be investigated as to the viability of Solar panels being placed on the roofs.

620 TO RECEIVE THE EA ASSET TRANSFER REPORT - Agenda Item 4

The Chief Executive informed the Committee of an email received from Katharine Samms of the Environment Agency in response to an email sent requesting dates to be arranged for the joint discussions relating to the Black Sluice Catchment Study and the option of transferring assets to the Board's responsibility. The request has been forwarded to the new consultants, Mott MacDonald, and Katharine had enquired as to whether any further information was required to plug any data gaps.

The Officers and the Committee were both of the opinion that the data gaps were currently too extensive to be dealt with until the meetings had commenced as previously agreed and a strategy was agreed to work to going forward.

The Committee RESOLVED that the Chairman of the Board should write to the Chairman of the Regional Flood & Coastal Committee (RFCC), Mr Robert Caudwell, to seek his assistance in relation to the current stall from the EA that they state is due to the change in consultants.

621 TO RECEIVE THE PERIOD 6 MANAGEMENT ACCOUNTS & FORECAST - Agenda Item 5

The Finance Manager presented the Period 6 Management accounts and Forecast highlighting the following;

- Collection of drainage rates were £44,000 in advance of budget
- £200,000 is included in Other Income for the sale of Carlton Road, This was expected in the previous financial year so is not reflected in the budget this year.
- Rechargeable Profit is not included in the budget as vast sums are not expected but can be realised if a fixed price job is completed more efficiently than quoted for.
- Overall Income is within £2,000 of Budget
- Drain Maintenance is over spent compared to budget by almost £50,000 but this is a timing issue as Drain maintenance was completed in the early months of the year instead of the budgeted scheme works which will now be completed at the end of the year allowing Drain Maintenance to recover to budget levels.

- Pumping Station Maintenance is over spent by £19,000. £8,000 of this relates to electric which could be recovered if the volume of pumping over the winter months is not as excessive as it has been for the previous two years.
- Overall the Management Accounts and Forecast show that by the end of the financial year we expect to meet budget and may even be favourable as the electric expenditure has been budgeted based on the higher consumption of the past two winters.
- The Balance Sheet does not show any significant variances although the rate of Interest from Monmouthshire Building Society is set to be reduced 0.5% to 1.25%.

622 DRAINAGE RATES RECOVERY - Agenda Item 6

The Finance Manager presented the report and chart showing the collection rate of drainage rates over the past five years highlighted the change in profile and the fact that up to July this year we had collected £350,000 more than in 2010.

An amended timetable was proposed to the Executive Committee as the original proposal of the Committee had proven over ambitious.

	New Proposal for 2015/16
Rate Demand sent out	Early April
First Reminder (statement)	No later than end of June
First letter to chase payment	No later than end of July
Second letter to chase payment	Mid but not later than end of August
Request Summons from Court	End September but no less than 2 weeks prior to court date
Attend Court for Distress Warrants	Schedule mid October subject to changeable court booking rules

The Committee RESOLVED to accept the amended timetable above.

623 TO CONSIDER THE FIRST DRAFT OF THE 10 YEAR ESTIMATES - Agenda Item 7

The Finance Manager presented a first draft of the 10 year estimates and budget based on previously agreed rate increases and inflationary increases on other items of Income and Expenditure.

After discussion the Chairman stated that he was concerned about the level of balances at the end of 2015/16 and suggested a moratorium in the rate increases for two years. The Finance Manager explained this could result in more substantial increases being required in future years but would look at the possibility.

624 TO CONSIDER THE 8 YEAR PLANT ESTIMATES - Agenda Item 8

The Chief Executive presented the Eight Year plant estimates in a revised format which the Committee acknowledged was much easier to understand. Replacements for 2015/16 include a Twigga to replace the Claas Tractor and Herder Grenadier and 3 trucks to be replaced that are mostly used by the Operations Manager, Operations Supervisor and Pump Engineer.

The Committee requested the report be extended to include what was proposed to replace each vehicle.

The Committee RESOLVED that all Board vehicles are to include livery in future so they are easily identifiable, especially when on private property.

A question was raised as to whether the Jetter and Dump Trailer had been sold yet to which the Chief Executive responded he hoped they would be before the end of the financial year.

The Committee accepted the proposals and requested leasing options be investigated in relation to the replacement of the trucks.

625 TO CONSIDER THE BOARD'S OBJECTIVES, VISION AND MISSION STATEMENT - Agenda Item 9

The Chief Executive presented the draft Board Objectives and the Vision and Mission Statement.

The Committee RESOLVED that the Board's objectives be recommended to the Board.

The Committee requested the following adjustments to the Vision and Mission Statement and RESOLVED with the amendments they be recommended to the Board.

In the first paragraph "safer" be amended to "safe"

In the second paragraph delete "who know their specialist subject inside out"

In the third paragraph delete "With this in mind" and start with "Our mission....."

626 LONE WORKER DEVICES - Agenda Item 10

The Finance Manager presented the Lone Worker report and updated the Committee that Everything Everywhere had provided some quotes and because the line rental is substantially less on lone worker devices the overall cost of the contract, even with 10 new lines, is looking to be less than it is currently.

The Committee RESOLVED that the contract should be accepted immediately if these favourable terms are confirmed.

627 REVIEW OF SALARIES - Agenda Item 11

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 2 of the Public Bodies (Admission to Meetings) Act 1960.

628 ANY OTHER BUSINESS - Agenda Item 12

(a) Board Members

The Chief Executive informed the Committee that Councillor Singleton-Maguire had not attended a meeting of the Board since 6th November 2013. The Land Drainage Act 1991 states;

“If an elected member of an Internal Drainage Board is absent from meetings of the board for more than six months consecutively, he shall, unless his absence is due to illness or some other reason approved by the board, vacate his office at the end of that six months.”

Councillor Bedford informed the Committee, in his role as a Councillor, that it is intended to replace Councillor Singleton-Maguire on the Board at the next full council meeting on 8th December 2014.

(b) The Quadrant Development - Wyberton

In response to a question posed from the Committee the Chief Executive explained that we had not done any further work in relation to the Quadrant Development but we had fed back that we still had concerns in relation to the straightening of the drain to run in line with the high voltage power cables.

(c) Welland & Deepings IDB - Board Members

At our Environmental tour Welland and Deeping's Board Members requested to be invited to the Works Committee tours to see how they operate with a view to implementing something similar with their Board. The Committee AGREED to this proposal.

There being no further business the meeting closed at 4pm.

Black Sluice Internal Drainage Board

Project Summary

2014/15

Period 9 - December 2014

	2014/15 Current Period	2014/15 Actual YTD	2014/15 Budget	Actual / Budget Variance	2014/15 Forecast	Actual / Forecast Variance	2013/14 Actual YTD	2013/14 Variance
Rates & Levies	469,062	1,993,161	1,973,697	19,464	1,985,278	7,883	1,957,328	35,832
Interest & Grants	22,238	28,126	6,003	22,123	7,083	21,043	65,411	(37,285)
Other Income	3,352	228,296	217,949	10,347	218,432	9,864	17,212	211,084
Rechargeable Profit	6,544	18,673	0	18,673	13,546	5,127	49,645	(30,971)
Total Income	501,196	2,268,256	2,197,649	70,607	2,224,339	43,917	2,089,596	178,660
Schemes	4,113	88,801	89,134	333	84,983	(3,818)	123,650	34,849
Pumping Station Schemes	14,870	96,393	100,000	3,607	139,839	43,446	192,105	95,712
Pumping Station Maintenance	44,312	152,911	225,401	(10,246)	247,800	12,153	138,353	(18,787)
Electricity	26,664	82,736					78,507	6,332
Drain Maintenance	65,714	537,995	460,966	(77,029)	505,695	(32,300)	460,848	(77,147)
Environmental Schemes	1,967	10,568	22,973	12,405	7,861	(2,707)	12,781	2,213
Administration & Establishment	46,823	378,588	387,389	8,801	375,994	(2,594)	332,079	(46,509)
EA Precept	138,276	276,552	276,552	0	276,552	0	276,552	0
Total Expenditure	342,739	1,624,545	1,562,415	(62,130)	1,638,724	14,179	1,614,874	(3,338)
Surplus / (Deficit)	158,457	643,711	635,234	8,477	585,615	58,096	474,722	168,990
Movement on reserves								
Development Reserve	0	0	0	0	0	0	(0)	(0)
Plant Reserve	(13,443)	(102,913)	(100,947)	1,966	0	102,913	(112,502)	(9,590)
Wages oncost Reserve	17,019	25,130	0	(25,130)	0	(25,130)	(42,394)	(67,523)
Surplus / (Deficit)	154,881	721,494	736,181	31,641	585,615	(19,687)	629,618	246,103

Black Sluice Internal Drainage Board

Income & Expenditure Summary

2014/15

Period 9 - December 2014

	2014/15	2013/14	Variance
Drainage Rates	1,021,681	998,104	23,577
Special Levies	971,479	959,225	12,255
Recoverable	80,330	220,546	(140,215)
Misc Income	257,265	83,166	174,099
	2,330,756	2,261,040	69,716
Employment Costs	717,251	712,217	(5,034)
Property	155,288	119,960	(35,328)
General Expenses	139,644	110,561	(29,083)
Materials / Stock	37,959	57,889	19,930
Motor & Plant	170,760	219,272	48,512
Miscellaneous	363,115	424,894	61,779
Recharges	(270,609)	(335,873)	(65,264)
Plant	295,852	322,501	26,649
Total Expenditure	1,609,261	1,631,422	22,160
Net Surplus / (Deficit)	721,495	629,618	91,876

Black Sluice Internal Drainage Board

Balance Sheet at Period End

2014/15

Period 9 - December 2014

	<u>2014/15</u>		<u>2013/14</u>	
	£	£	£	£
Operational Land & Buildings Cost	937,739		937,739	
Pumping Stations Cost	3,861,354		3,861,354	
Non-operational Property Cost	90,000		90,000	
Vehicles, Plant & Machinery Cost	501,970		519,199	
Fixed Assets		<u>5,391,063</u>		<u>5,408,292</u>
Stock	17,027		34,080	
Debtors Cont	13,047		5,057	
VAT	48,555		13,507	
Car Loans	0		(62)	
Prepayments	24,628		29,886	
Draw Acc	4,588		3,865	
Call Acc	310,150		210,001	
Petty Cash	185		580	
Natwest Government Procurement C	(685)		(509)	
Reserve Account	1,046,049		951,346	
Total Current Assets		<u>1,398,301</u>		<u>1,295,307</u>
Trade Creditors	(16,223)		(5,425)	
PAYE & NI Control Account	(14,395)		(17,427)	
Superannuation Contrl Account	(14,032)		(17,208)	
Union Subs Control Account	(138)		(133)	
AVC Control Account	(50)		(20)	
Wag & Sal Cont	0		0	
Suspense	0		0	
Total Liabilities		<u>(64,838)</u>		<u>(188,731)</u>
Pension Liability		(2,919,000)		(2,403,000)
		<u><u>3,805,526</u></u>		<u><u>4,111,867</u></u>
Capital Outlay	5,291,278		5,306,127	
Pension Reserve	(2,919,000)		(2,403,000)	
Total Capital		<u>2,372,278</u>		<u>2,903,127</u>
General Reserve	344,335		313,582	
Development Reserve	146,100		138,245	
Plant Reserve	119,275		69,186	
Wage On-Cost Reserve	102,043		58,110	
Surplus/Deficit in Period	721,495		629,618	
Total Reserves		<u>1,433,248</u>		<u>1,208,740</u>
		<u><u>3,805,526</u></u> 0		<u><u>4,111,867</u></u>
<u>Cash & Bank Balances</u>				
Drawings Account		4,588		
Call Account		10,150	310,150	
Natwest Reserve Account @ 0.15%		1,046,049		
Petty Cash		185		
Monmouthshire BS @ 1.25%		300,000	30 Day Notice	
		<u>1,360,288</u>		

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE COMMITTEE – 14th January 2015

AGENDA ITEM No 5

2015/16 BUDGET AND TEN YEAR ESTIMATES

Introduction

A summary of the proposed 2015/16 budget with the estimates for the following 9 years are shown at Annex A to this report. The report also shows the actual figures from 2013/14, the Period 8 forecast figures and budget for the current year.

2015/16 Budget

a) Rates & Levies

The penny rate was increased to 12.30p in the £ for 2014/15 following four years without any increase in the rate. The proposal this year is to increase the rate to 12.51p in the £.

After developments and transfers to the Special Levies have been allowed for this results in a Drainage Rate income of £1,040,880 and the following special Levies;

	2013/14	2014/15	Increase
Boston Borough Council	734,008	749,090	2.05%
South Holland District Council	122,051	124,135	1.71%
South Kesteven District Council	56,637	57,604	1.71%
North Kesteven District Council	58,783	59,786	1.71%
	971,479	990,615	1.97%

b) Interest

Bank and Investment interest has been estimated at £5,000 for the year based on the continuously reducing interest rates for investments. Currently we have investments with Monmouthshire Building Society at a rate of 1.25% and the balance with Natwest Bank at a rate of 0.15%. There is little hope of the market improving during the year.

c) Grants

A total of £348,000 of Flood Defence Grant in Aid (FDGiA) has been included and offset against scheme works detailed later in this report.

d) Use of Development Fund

As previously reported we are intending to proceed with the replacement of the Wyberton Roads Culvert which will be funded from the Development Fee Account with an estimated cost of £75,000.

Historically a £5,000 administration fee has been charged to the fund and this has been included in 2015/16. Details of the reserve can be found later in this report.

e) **Rental Income**

The following rents and other agreements are in place and have been included in the 2015/16 Budget. They were last reviewed on 15th January 2014 when the Hessle Drive Bungalow rent was increased from £3,450pa to £3,600pa. The Depot Field rent was proposed to be increased from £260 to £500. This was later amended to be an increase to £500 over a two year period and therefore will increase to £500 this year. The Depot was revalued for rental purposes and deemed to be favourably valued.

Site	Area/Description	2015/16 Budget Rent pa £
Depot, Swineshead	0.17 acres depot compound, Environment Agency	4,000
Hessle Drive, Boston	Bungalow	3,600
Depot, Swineshead	Ariel Mast, Orange	2,264
Bourne	Discharge permission, Geest Bourne Salads	1,000
Wyberton, Pumping Station	Electricity supply, Port of Boston	462
Depot, Swineshead	Electricity supply, Orange	300
Depot, Swineshead	2.4 acres – field at rear	500
Bourne Slipes	6.8 Acres - Grazing	165
New Hammond Beck	64 chains of bank	36

f) **Other Income**

Consent Applications are charged at £50 each and an estimated 48 have been allowed for over the year. This is double last year as this area of the Board's work is increasing due to additional legislation and the introduction of SUDs. Despite the risk expressed to us by the Environment Agency last year that they could not afford to pay the Highland Water contributions at the rate that had been claimed by the IDB's in what was then the Anglian Region they managed to find the funds and other than a change in the timetable to make payment Highland Water continues to be paid based on the actual costs incurred in the year. Other Miscellaneous Income includes items such as Scrap Metal sales, charges to the Chairman's account and rechargeable costs to employee's and Lincolnshire ADA etc.

g) Drain Schemes

Scheme	Total	Grant	Board Funded	Dev Fund
Leaveslake Drove Diversion	£40,000		£40,000	
General Culvert replacement	£55,000		£55,000	
Roads Culvert Wyberton	£75,000			£75,000
Graft Drain, Northgate	£150,000	£150,000		
Bourne Fen New Dyke Revetment	£40,000		£40,000	
Maltings Lane, Donington	£77,000	£77,000		
Swineshead Phase 2, Culverts	£80,000	£80,000		
	£517,000	£307,000	£135,000	£75,000

Leaveslake Drove Diversion

LLD diversion scheme into SFF with a flapped outfall into SFF

General Culvert Replacement

Culvert No	Total Cost	Area
2072	£5,000	Dowsby Fen
1302	£2,000	Dowsby Fen
1253	£9,000	Horbling Fen
65	£10,000	South Kyme
1280	£13,000	Aslackby Fen
755	£7,000	Maryland
2005	£2,000	Trinity College
2000	£7,000	Trinity College

Wyberton Roads Culvert, Wyberton

Replace existing 1.20m diameter culvert with a 2.10m diameter pipe

Graft drain improvement

Full Engineering Survey and design along the c3000m of the Graft Drain. Works to include the removal/replacement of c25 culverts and the reprofiling and cleansing of the full length of drain, working road side within a traffic management programme.

Bourne Fen New Dyke Revetment

Major cleansing and reinstatement of banks

Malting Lane, Donington

Replacement of defective 300mm concrete piped section

Swineshead phase 2 culverts

Replacement of defective culverts in Swineshead pump catchment, surveys are on-going to identify the culverts that require replacing.

h) Pumping Station Schemes

Scheme	Total	Grant	Board Funded
Black Hole Drove PS, new roof	£16,000		£16,000
Dowsby Lode PS, new roof	£10,000		£10,000
Chainbridge PS, refurbish pump No1	£10,000		£10,000
Donington Wykes PS, replace 2 x pumps	£25,000		£25,000
Holland Fen PS, refurbish weedscreen cleaner	£39,000		£39,000
Sempingham Pump Stn Weedscreen Cleaner	£41,000	£41,000	
	£141,000	£41,000	£100,000

Black Hole Drove PS

New steel roof to PS

Dowsby Lode PS

New steel roof to PS

Chainbridge PS

Refurbish Pump No 1

Donington Wykes PS

Replacement of the 2 x submersible pumps

Holland Fen PS

Refurbish weedscreen cleaner, to include new trolley/supply cable and control panel modifications

Sempringham PS

Second phase of a new weedscreen cleaner and dump area, first phase in 2014/15

i) Pumping Station Maintenance

Pumping Station Maintenance is expected to be slightly overspent at year end. Some preventative works have had to be deferred during the year and it is therefore proposed to increase the budget level to match 2014/15's expected expenditure at £370,000. This is a 4.23% increase in budget levels.

j) Drain Maintenance

Having given it consideration the Operations Department have concluded that it would be more informative if the four summer cutting codes were combined into one and the two drain maintenance codes were combined. This has been included in this way in this budget and below is a table showing the proposed budget for 2015/16 alongside the historic data in the same format.

	2013/14 Actual	2014/15 Budget	2014/15 Forecast @ P08	2015/16 Budget
Summer Cutting	£347,745	£377,000	£356,447	£380,000
Drain Maintenance	£253,326	£225,000	£247,510	£259,000
Chemical	£457	£2,000	£6,072	£0
Bushing	£77,981	£48,000	£47,097	£47,500
Pest Control		£2,000	£0	£0
Jetting		£6,000	£6,000	£1,500
	£679,509	£660,000	£663,126	£688,000

This equates to an increase in drain maintenance budget of 4.24%.

k) Environmental Works

The budget for environmental works has been maintained at £30,000 to encourage the works to be undertaken.

l) Environment Agency Precept

No increase in the Environment Agency Precept is being recommended to the Regional Flood and Coastal Committee in January and therefore £276,552 has been included in the 2015/16 budget. The Precept has been at this rate since 2009/10.

Administration and Establishment

	2013/14 Actual	2014/15 Forecast @ P08	2014/15 Budget	2015/16 Budget
Admin Salaries	£312,135	£306,630	£315,000	£335,000
New Offices	£8,255	£9,240	£10,000	£10,000
Administration	£61,574	£48,002	£53,500	£48,000
Miscellaneous	£6,729	£6,288	£7,200	£6,000
Inspection	£1,096	£1,691	£1,500	£4,500
Election				£1,500
Equipment	£10,624	£25,503	£25,400	£20,000
Boston Office	£13,024	£9,310	£0	£0
Depot	£50,565	£66,808	£75,250	£40,000
Bungalow	£60	£273	£200	£200
	£464,062	£473,745	£488,050	£465,200

Admin Salaries

Admin salaries have been included at the rates agreed at the October 2014 Executive meeting. This also includes the cost for the Administrative Apprentice the Executive Committee Approved to recruit in June 2014.

The Employers lump sum payment for the superannuation increases from £54,000 to £60,000 in 2015/16 of which £19,335 is charged to Admin Salaries.

The relocation payments made to staff that moved from Carlton Road to Swineshead cease on 31st March 2015. This is a reduction of over £5,000 a year.

New Offices

Costs included in the budget are £2,500 for repairs and servicing, £1,000 for Security including the alarms etc. and £6,500 for cleaning and labour.

The cleaning contractor is the largest expenditure and we have signed the current contractor up for an additional three years from October 2014 following a review. Because of the remote location of Swineshead we were only able to obtain two firm quotes and therefore the Chairman's Authorisation was obtained to proceed.

Administration

£10,000 was included in the 2014/15 budget for mileage of the Chief Executives truck. The Chief Executive moved on to Essential User during the year and this budget was no longer required as the costs are included in Admin Salaries.

The budget of £48,000 equates to a 10.28% reduction in budget.

Miscellaneous

The budget has been reduced by 16.66% to £6,000 in line with the Forecast.

Inspection

£1,000 has been included for each of the works inspections this year and £2,500 for a Board's inspection. The last Board inspection was in 2012 to coincide with the opening of the Swineshead Offices.

Election

2015 is Election year and £1000 has been included for the advertising required and £500 as the returning officers fee.

Equipment

4 computers are due to be replaced in 2015/16 and a budget of £1,000 each has been included. This is to also upgrade MS Office from 2007 to 2013 Professional.

£10,000 has also been included as an estimate to renew the Board Room furniture and install Audio Visual equipment to assist with presentations during meetings, to display information when set up as an incident room and for training purposes. We are looking at purchasing more adaptive furniture allowing the room to be set out to suit the meeting or function. It is expected that the chairs may be able to be sold to alleviate some of the cost but the tables are unlikely to generate a great deal due to damage.

Depot

In previous years a considerable amount of labour has been charged to the depot but due to the level of work and better planning and organisation this has been reduced and the time is now charged to the relevant work the men are undertaking. There is still work that will need to be undertaken in the Depot so a budget of £1,750 has been included for the year. This equates to approximately 70 hours.

With the installation of the solar panels the electricity costs incurred at the depot are expected to be reduced. Prior to the installation the costs were in excess of £8,000. £6,500 has been included for 2015/16. After they have been in for a full year the savings will be easier to recognise. The generation costs will be credited to Sundry Income.

2014/15 budget included £20,000 for the construction of the stores but if this one off cost is disregarded the budget of £40,000 equates to a reduction in budget of 27.60%.

Bungalow

The only year on year costs are £60 for the servicing and inspection of the Gas boiler. A further £140 has been included for any other minor repairs.

Overall this is a reduction in the Administration and Establishment budget of 4.68%.

- **Wages On-Cost Reserve**

The Wages on cost reserve contains all the costs that relate to employing the workmen to then generate a recharge rate in relation to their hourly rate. It has been maintained at 240% for the past four years with the exception of a reduction for internal works to 220% in June 2014 due to a concern that the balance held was too high. To reduce the balance held it is proposed to reduce the rate for both internal and external recharges in 2015/16. It is anticipated that this will reduce the reserve amount held and won't adversely affect the Drain Maintenance costs. The effects per hour are shown below.

		2014/15 Per hour	2014/15 240%	2014/15 220%	2015/16 220%
A	1	£ 10.68	£29.48	£27.02	£27.29
I	7	£ 9.84	£27.16	£24.90	£25.14
II	2	£ 9.58	£26.44	£24.24	£24.48
III	3	£ 9.33	£25.75	£23.60	£23.84
IV	2	£ 9.07	£25.03	£22.95	£23.18

£144.85	£ 399.79	£ 366.50	£ 370.11
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Includes 15% uplift for Overtime

	2013/14 Actual	2014/15 Estimate	2015/16 Budget
Wages Costs	486,754	481,927	537,893
Cleaning	583	796	812
Telephone	5,325	5,886	6,004
Advertising		198	202
Copy & Print	70	70	71
H&S	2,802	1,950	1,989
Prot Clothing	2,380	2,471	2,520
Misc	219	425	434
Small Tools	173	248	253
Training	2,494	5,128	5,230
Materials	73		
Plant Fuel		50	51
Contractors		932	950
Consultants		260	265
Leg & Prof		38	39
Labour	11,223	13,092	13,354
Wages Rech	(512,109)	(454,869)	(556,796)
Isuzu (FY11 GFE) - Paul	12	6	6
Isuzu (FY11 GFG) - Sean		9	9
Reserve B/F		102,044.00	43,426.88
Surplus/(Deficit)		(58,617.12)	(13,287.89)
Reserve C/F	102,044.00	43,426.88	30,138.99

m) General Reserve

The overall impact on the general reserve in 2015/16 will be a budgeted deficit of £611 reducing the general reserve to £529,320 (25.64% of Expenditure).

With 2% inflationary increases in all expenditure, except capital schemes, and average 1.74% increases in the penny rate the Balance of the General Reserve on 31st March 2025 will be £486,563 which is 20.09% of the Board's estimated expenditure in that financial year in accordance with the instructions of the Executive Committee to maintain a General Reserve balance at 20% of the annual expenditure.

BLACK SLUICE INTERNAL DRAINAGE BOARD

2015/16 Budget and 10 Year Estimates

Income	Actual 2013/14	Budget 2014/15	Year End Forecast @ P08 2014/15	Budget / Estimates									
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Total Income from Rates and Levies	1,970,438	1,994,983	1,994,983	2,031,496	2,067,222	2,102,948	2,140,297	2,177,647	2,214,997	2,253,970	2,292,944	2,333,541	2,374,139
Interest	4,340	8,000	7,756	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975
Flood Defence Grant in Aid	238,032												
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	22,053	19,647	28,413	22,645	23,098	23,560	24,031	24,512	25,002	25,502	26,012	26,532	27,063
Rechargeable Profit	75,373		12,130										
TOTAL INCOME	2,315,236	2,027,630	2,048,282	2,064,141	2,100,420	2,136,710	2,174,634	2,212,571	2,250,519	2,290,103	2,329,699	2,370,932	2,412,177

Expenditure	Actual 2013/14	Budget 2014/15	Year End Forecast @ P08 2014/15	Budget / Estimates									
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Drain Schemes	168,889	134,000	128,998	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Pumping Station Schemes	323,703	100,000	106,023	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Pumping Station Maintenance	358,172	355,000	369,270	370,000	377,400	384,948	392,647	400,500	408,510	416,680	425,014	433,514	442,184
Electricity													
Drain Maintenance	679,510	660,000	661,619	688,000	701,760	715,795	730,111	744,713	759,608	774,800	790,296	806,102	822,224
Environmental Works	15,612	30,000	30,268	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853
Administration & Establishment	462,043	466,050	452,245	465,200	474,504	483,994	493,674	503,547	513,618	523,891	534,369	545,056	555,957
EA Precept	276,552	276,552	276,552	276,552	282,083	287,725	293,479	299,349	305,336	311,442	317,671	324,025	330,505
Website redesign		2,000	1,500	0	0	0	0	0	0	0	0	0	0
Solar Panels			46,966	0	0	0	0	0	0	0	0	0	0
Depot Alterations		20,000	20,000	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	2,284,481	2,043,602	2,093,441	2,064,752	2,101,347	2,138,674	2,176,747	2,215,582	2,255,194	2,295,598	2,336,810	2,378,846	2,421,723

SURPLUS / (DEFICIT) IN YEAR	30,755	(15,972)	(45,159)	(611)	(927)	(1,964)	(2,113)	(3,012)	(4,675)	(5,495)	(7,110)	(7,915)	(9,546)
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OPENING BALANCE	344,335	375,090	375,090	529,931	529,320	528,393	526,429	524,315	521,304	516,629	511,134	504,023	496,109
Capital Spend on Depot		200,000	200,000										
CLOSING BALANCE	375,090	559,118	529,931	529,320	528,393	526,429	524,315	521,304	516,629	511,134	504,023	496,109	486,563
Reserve % of Expenditure	16.42%	27.36%	25.31%	25.64%	25.15%	24.61%	24.09%	23.53%	22.91%	22.27%	21.57%	20.86%	20.09%

RATE	12.15	12.30	12.30	12.51	12.73	12.95	13.18	13.41	13.64	13.88	14.12	14.37	14.62
Increase in Rates		1.23%	1.23%	1.71%	1.76%	1.73%	1.78%	1.75%	1.72%	1.76%	1.73%	1.77%	1.74%

BLACK SLUICE INTERNAL DRAINAGE BOARD

2015/16 Budget and 10 Year Estimates
For Demonstration Purposes Only

Income	Actual 2013/14	Budget 2014/15	Year End Forecast @ P08 2014/15	Budget / Estimates									
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Total Income from Rates and Levies	1,970,438	1,994,983	1,994,983	2,026,625	2,062,350	2,098,076	2,135,426	2,172,775	2,210,125	2,249,099	2,288,072	2,328,670	2,369,267
Interest	4,340	8,000	7,756	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975
Flood Defence Grant in Aid	238,032												
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	22,053	19,647	28,413	22,645	23,098	23,560	24,031	24,512	25,002	25,502	26,012	26,532	27,063
Rechargeable Profit	75,373		12,130										
TOTAL INCOME	2,315,236	2,027,630	2,048,282	2,059,270	2,095,548	2,131,838	2,169,763	2,207,699	2,245,647	2,285,232	2,324,827	2,366,061	2,407,305

Expenditure	Actual 2013/14	Budget 2014/15	Year End Forecast @ P08 2014/15	Budget / Estimates									
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Drain Schemes	168,889	134,000	128,998	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Pumping Station Schemes	323,703	100,000	106,023	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Pumping Station Maintenance	358,172	355,000	369,270	370,000	377,400	384,948	392,647	400,500	408,510	416,680	425,014	433,514	442,184
Electricity													
Drain Maintenance	679,510	660,000	661,619	688,000	701,760	715,795	730,111	744,713	759,608	774,800	790,296	806,102	822,224
Environmental Works	15,612	30,000	30,268	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853
Administration & Establishment	462,043	466,050	452,245	465,200	474,504	483,994	493,674	503,547	513,618	523,891	534,369	545,056	555,957
EA Precept	276,552	276,552	276,552	276,552	282,083	287,725	293,479	299,349	305,336	311,442	317,671	324,025	330,505
Website redesign		2,000	1,500	0	0	0	0	0	0	0	0	0	0
Solar Panels			46,966	0	0	0	0	0	0	0	0	0	0
Depot Alterations		20,000	20,000	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURE	2,284,481	2,043,602	2,093,441	2,064,752	2,101,347	2,138,674	2,176,747	2,215,582	2,255,194	2,295,598	2,336,810	2,378,846	2,421,723

SURPLUS / (DEFICIT) IN YEAR	30,755	(15,972)	(45,159)	(5,482)	(5,799)	(6,836)	(6,984)	(7,884)	(9,547)	(10,366)	(11,982)	(12,786)	(14,418)
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OPENING BALANCE	344,335	375,090	375,090	529,931	524,449	518,650	511,814	504,829	496,946	487,399	477,033	465,050	452,265
Capital Spend on Depot		200,000	200,000										
CLOSING BALANCE	375,090	559,118	529,931	524,449	518,650	511,814	504,829	496,946	487,399	477,033	465,050	452,265	437,847
Reserve % of Expenditure	16.42%	27.36%	25.31%	25.40%	24.68%	23.93%	23.19%	22.43%	21.61%	20.78%	19.90%	19.01%	18.08%

RATE	12.15	12.30	12.30	12.48	12.70	12.92	13.15	13.38	13.61	13.85	14.09	14.34	14.59
Increase in Rates		1.23%	1.23%	1.46%	1.76%	1.73%	1.78%	1.75%	1.72%	1.76%	1.73%	1.77%	1.74%

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE COMMITTEE – 14th JANUARY 2015

AGENDA ITEM No 6

PLANT AND VEHICLE REPLACEMENT FUND BUDGET 2015/16

The eight year plant projections were presented at the October meeting of the Executive Committee and the budget below has been produced to comply with these.

Balance brought forward @ 1st April 2015 £ 139,490

Proposed Purchases

Spearhead Twiga SPV2 970XT	£	174,800
Weedbasket	£	5,500
100mm Self Priming Pump	£	15,000
3No 4x4 Pickups	£	65,000

-£ 260,300

Proposed disposal of Plant

Claas & Grenadier	£	30,000
Dump Trailer	£	5,000
Jetter	£	8,000
3No 4x4 Pickups	£	35,000

£ 78,000

Estimated generated income £ 120,000

Estimated balance carried forward @ 31st March 2016 £ 77,190

NB: awaiting details regarding 4x4 contract hire

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE COMMITTEE – 14th JANUARY 2015

AGENDA ITEM No 7

DEVELOPMENT CONSENT FEE ACCOUNT

Three contributions have been received in 2014/15. It is likely that fewer contributions will be collected in the future as developers continue to be encouraged to use SUD's.

The rate that the Board at present charges a development consent fee is £72,500 per impermeable Hectare. The single property fee is £1,000. Both are subject to standard VAT.

The Board has for the last few years charged the rate recommended by Water Level Management Alliance to ADA, and it is recommended that the increased rate when available should be charged in 2015/16.

It is recommended that the administration charge should be maintained at £5,000 for 2015/16.

Therefore the account for this year is as follows:-

Balance brought forward @ 1st April 2014 £ 134,767

Income Received/Estimated

Cyden Homes Ltd	£	3,393	
Rolec	£	3,259	
Broadgate Homes	£	4,680	
			£ 11,332

Estimated Expenditure

Administration	£	5,000	
			(£5,000)

Estimated balance carried forward @ 31st March 2015 £ 141,099

It is intended to fund the replacement of the Wyberton Roads Culvert in 2015/16 from this Reserve as detailed in the Budget.

Daniel Withnall
Finance Manager

BLACK SLUICE INTERNAL DRAINAGE BOARD

EXECUTIVE COMMITTEE – 14th JANUARY 2015

AGENDA ITEM No 8

BOURNE NORTH FEN FARM ACCOUNT

1. The Board's Brokers, Brewin Dolphin, forwarded a valuation of the portfolio at 5th October 2014. This showed a current value of £307,108 producing an annual income of £13,030 equating to a yield of 4.20%.
2. The value of the fund has recovered to similar levels as in 2007/08 and there are sufficient balances in the account to pay out a similar contribution to rates in Bourne Fen as in previous years. The income and expenditure of the account over the last three years and an estimate for 2014/15 and 2015/16 are shown below with the rate maintained at the current level of 2.4p in the pound:

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
Income	10,457	11,454	14,810	13,030	13,030
Rate Alleviation	8,719	9,239	9,239	9,242	9,250
Administration	1,800	2,166	4,325	4,500	4,500
Surplus/Deficit	(62)	49	1,246	(712)	(720)

With the above figures the values of the investments and cash (estimated for 2014/15 and 2015/16) are as follows:

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
Investments	278,465	306,067	313,020	307,108	307,108
Cash	8,403	8,452	9,698	8,986	8,266
Total	286,868	314,519	322,718	318,064	325,226

Therefore it is recommended that the rate alleviation for 2015/16 should be maintained at 2.4p in the £.

Daniel Withnall
Finance Officer