

TRENT VALLEY INTERNAL DRAINAGE BOARD

Minutes of a Meeting of the Board held at Winthorpe Community Centre and via Microsoft Teams and Teleconference on Monday, 26th June 2023 at 10.00am.

Elected Members

| | |
|--------|---------------------------|
| Messrs | J. Miller (Chairman) |
| * | T.H. Farr (Vice-Chairman) |
| * | A. Arden |
| | J.B. Ashworth |
| * | A. Bradley |
| | D. Gash |
| * | N.J. Greenhalgh |
| | T Hawthorne |
| * | R.J. Jackson |
| * | D. Loates |
| * | W.J. Staunton |
| | Vacancy |

Nominated Members

Bassetlaw District Council

| | |
|-------|---------------|
| Cllrs | Mrs S. Shaw |
| | J. Slater |
| | L. Stanniland |

Newark and Sherwood District Council

| | |
|---------|----------------|
| * Cllrs | Mrs L. Dales |
| | A. Freeman |
| | K. Melton |
| * | Mrs S. Michael |

Rushcliffe Borough Council

| | |
|---------|-------------------|
| * Cllrs | J. Billin |
| * | Mrs T. Combellack |
| * | G. Fletcher |
| * | T. Wells |

Gedling/Melton Borough Councils

| | |
|----|----------|
| Mr | J. Evens |
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West Lindsey/North Kesteven District Councils

Appointment pending.

* *Present*

| | |
|------------|--|
| * Mr | A. McGill (Chief Executive) |
| * Dr | D. Hickman (Executive Officer) |
| Messrs | R. Brown (Senior Engineer) |
| * | A.J. Malin (Senior Operations Manager) |
| * | M.S. Everett (Operations Manager) |
| * | C. Harris (Auditor to the Board) |
| * Mesdames | N. Hind (Finance Manager) |
| | C.B. Davies (Corporate Services Manager) |

* *In attendance*

Mr T.H. Farr chaired the meeting. He welcomed the new elected Board Members and the auditor, Mr C. Harris, to the Board to the meeting.

1. APOLOGIES

Apologies were received from, Messrs J.B. Ashworth, D. Gash, T. Hawthorne, J. Miller, Cllrs J. Slater and Mrs S. Shaw.

2. DECLARATIONS OF INTEREST

None.

3. NOTIFICATION OF ITEMS OF ANY OTHER BUSINESS

None.

4. BOARD MINUTES (Pages 553 to 563)

RESOLVED

That the minutes of the meeting of the Board held on 30th March 2023 be confirmed as a correct record

5. MATTERS ARISING

Cllr J. Billin referred to Minute 6, Page 554, (Consortium Committee) and queried whether any progress had been made. The Chief Executive confirmed that ADA was awaiting a date for a meeting with DEFRA.

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6. MEMBERSHIP OF COMMITTEES

Mr T.H. Farr asked members to consider membership of the Standards, Finance and Plant and Consortium Committees and the Conservation Advisory Group. Cllr Mrs S. Michael confirmed that she would like to continue with her membership of the Finance and Plant Committee and Cllr Mrs L. Dales also expressed an interest. In respect of the Conservation Advisory Committee, Cllrs T. Wells and Mrs T. Combellack expressed an interest.

Mr T.H. Farr commented that there were a number of newly elected members absent from the meeting and it was important to offer them the opportunity to be appointed to the Committees especially in view of the importance of Finance and Plant and the contributions made via Special Levy.

Note: After the meeting Cllrs G. Fletcher and T. Wells expressed an interest in the Finance and Plant Committee.

RESOLVED

To confirm membership at the September Board Meeting.

7. HEALTH AND SAFETY

The Senior Operations Manager reported that there had been no new changes to Health and Safety legislation since the last Board meeting.

In respect of incidents, he confirmed that there had been four incidents across the Consortium, two road traffic, one damage only to a windscreen and one near miss from a loose manhole cover; fortunately, no injuries had been sustained. He confirmed that there had been no incidents reported in the Trent Valley area.

It was noted that there had been no further cases of Covid 19 reported across the Consortium. Officers continued to encourage the use of good hygiene and housekeeping measures across the Consortium's offices and depots.

A new draft accident/incident form and a new "Near Miss" card had been submitted for approval by the Chief Executive and the Health and Safety Committee. Once approved, the new forms would replace the existing documents. The Senior Operations Manager believed that the introduction of more user-friendly forms would increase the reporting numbers currently being witnessed across the Consortium.

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8. COMPENSATION

It was noted that four compensation claims totalling £525.40 had been paid in accordance with the Board's approved rates since the last meeting.

Following the request at the March Board meeting, the Senior Operations Manager presented the following rates for grain and forage maize for approval:

| <i>Crop</i> | <i>Cost per tonne</i> | <i>Tons per acre</i> | <i>Pence per linear metre weedcutting</i> |
|--------------|---------------------------|--------------------------|---|
| Grain maize | £213 | 15 | 3.16 |
| Forage maize | £40 | 18 | 0.71 |

Mr N. Greenhalgh queried the 15 tons per acre in respect of grain maize, stating that four tons per acre was more realistic. After discussion, it was proposed by Mr W.J. Staunton that delegated authority be granted to the Chairman, Vice-Chairman, Messrs N. Greenhalgh and T. Hawthorne to review and agree the rates.

RESOLVED

That delegated authority be appointed to the Chairman, Vice-Chairman, Mr N. Greenhalgh and Mr T. Hawthorne to review and approve the compensation rates for grain and forage maize.

9. OPERATIONS REPORT

The Operations Manager confirmed that 40% of the 2022/23 winter tree and bush works programme was complete and it was noted that any work not completed would be deferred until next year. The DRAFT 2023/24 winter works programme was also presented for information. Officers updated as below.

Flail mowing for mitigation purposes continued to be undertaken on watercourses which were due to be reformed ensuring the displacement of wildlife habitat in line with legal requirements and the Board's Environmental Policy. Around 35% of planned access improvements and construction works had been completed, highlighting that the installation of the new gates and culverts in the Spalford, Fenton, Collingham, Langar, Bathley, Bleasby and Rampton areas would improve future access.

Bank stabilisation works were being undertaken on the Moor Drain at Cotham; the gabion baskets had been replaced with new stronger cages and the existing land drains had been excavated to improve drainage. These works were located close to the gravity outfall flowing into the river Devon so were dependent on water levels and weather conditions.

Japanese Knotweed on the Car Dyke at Caythorpe, Northern Drain at Kirklington and Drain 41 at Misterton continued to be monitored and controlled. The spraying of weed growth on urban watercourses in Thurgarton, Sutton on Trent, Lowdham, Fairham Brook and Kingston Brook had been completed.

The Board's Depots and Pumping Stations were currently being inspected and maintenance activities carried out. The Orston Depot was being refurbished which included replacement of outdated electrics, removal of asbestos sheets, access improvements and a new office cabin.

The new JCB 140X LC excavator approved by the Board at the cost of £86,000 had been delivered and was performing well.

A visual presentation was included on the above work and members asked for future presentations to include the location of the work for the benefit of new members.

The Senior Operations Manager reported that tenders had been sought for a new Bomford flailmower. Details of the three tenders received were presented; the fourth had declined to tender. Officers recommended the purchase of the Bomford 81-81 flail mower at a net cost

of £41,000 less £9,000 trade-in for the existing 2014 flail, giving a total net cost of £32,000. Provision had been made in the estimates for £45,000.

RESOLVED

- (a) That the operations report be noted.
- (b) The Board approved the purchase of a new Bomford 81-81 flail mower at the net cost of £32,000.00.

10. ASSET RENEWAL AND REFURBISHMENT PROJECTS.

10:1 Moor Lane Pumping Station (TV19300) and Bole Ings Pumping Station (TV21307) - Pump Refurbishment / Replacement

Officers were seeking quotations for both refurbishment and / or replacement of the two small Zenit submersible pumps at Moor Lane Pumping Station (each at 115 l/s) and the two small Zenit submersible pumps (each at 150 l/s) at Bole Ings Pumping Station. Cost's to date for Moor Lane were £337.11 against a budget of £30,000.00 and for Bole Ings £225.98 against a budget of £50,000.00.

Officers reported on three quotations that had been received but stated that a further quotation was awaited in order to comply with the Board's Financial Regulations. It was noted that one of the quotations already received was for replacement rather than refurbishment. Officers requested that delegated authority to be given to the Chairman, Chief Executive and Senior Engineer to award the contract based on the best value for the Board.

Mr N. Greenhalgh queried whether the capacity would be increased at Moor Lane, highlighting that during a wet winter the pumps could not cope and this resulted in flooding of land. The Senior Engineer reported that this was not a full refurbishment and any increase in pump size would require extensive work to the pipework and building, however, the pumping capacity had been reviewed and work would be undertaken to improve the gravity discharge which should help to alleviate the situation. He stated that the station was due for a full refurbishment in ten years and at this point, the size of the pumps would be reviewed, taking into account climate change and future needs for the area.

RESOLVED

That delegated authority be granted to the Chairman, Chief Executive and Senior Engineer to consider the quotations received and to award the refurbishment contract at Moor Lane and Bole Ings Pumping Stations.

10:2 Sturton Pumping Station – Pump Refurbishment (TV16019)

It was reported that the first pump had been refurbished and was reinstalled on the 25th May 2023 but due to issues removing the stoplogs the second pump could not be lifted for removal at that time. The second pump had now been removed for refurbishment and was expected to be reinstalled week commencing 17th July 2023. Additional costs of £1,188.06 for over-pumping would be met by the contractor.

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10:3 Church Laneham Pumping Station Refurbishment (TV21308)

Officers reported that the first pump had been refurbished and reinstalled and the second pump lifted for refurbishment. When the first pump was removed, it was discovered that the isolation valve was seized. Initially, it was thought the valve would have to be replaced, however, the contractor was able to refurbish it. There had been no down time at the station which had remained operational whilst the required refurbishment work was undertaken. Costs to date were £27,373.80 against the approved budget of £25,000.

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10:4 Weir Dyke Pumping Station – Pump Replacement (TV21309)

An order had been placed for the replacement pumps which were in the process of being manufactured. Committed costs to date were £33,507.66 against the approved budget of £30,000.00.

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10:5 Fledborough Pumping Station Refurbishment (TV22306)

It was reported that contractors had attended the site week commencing 1st May 2023 to remove the first pump for refurbishment. A return visit to re-install the refurbished pump and remove the second pump had taken place on the 19th June 2023. There had been no down time at the station which had remained operational whilst the required refurbishment work was undertaken. Committed costs to date were £25,138.76 against the approved budget of £40,000.

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10:6 Torksey Pumping Station Refurbishment (TV16002)

It was reported that the septic tank was not working properly and was filling up with water requiring continual emptying. This would be replaced with a biotechnical unit, the cost of which would be covered from the remaining budget for the scheme. Costs to date were £1,424,853.89 against an approved budget of £1,431,00.00.

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10:7 Sutton on Trent (TV21310) and Thurgarton (TV20505) Flood Alleviation Schemes

Ecological and archaeological surveys were largely complete for Thurgarton and would be commencing at Sutton on Trent pending further engagement with the landowner.

As previously reported, Officers had approached two specialist companies, including the designers of the successful Egmanon scheme, to provide detailed designs so that final costings could be sourced through Balfour Beatty via the Scape consultancy framework. In order to progress design, Officers would shortly be meeting with both companies to agree a definitive timetable for provision of detailed designs.

In respect of Thurgarton, site clearance and preparation works were scheduled for October 2023, with commencement of works either immediately afterwards should the weather prove favourable, or as early as possible in 2024. While the former remained the preferred option, it was possible that early 2024 may represent a more realistic option.

In respect of the scheme at Sutton on Trent, following provision of an appropriate detailed design and further engagement with the landowner, delivery timescales would

be likely to be similar to those for Thurgarton, specifically late 2023 or early 2024 depending on ground conditions.

Mr W.J. Staunton was pleased to see that the Sutton on Trent scheme was progressing and enquired about landowner engagement. In response, the Senior Engineer confirmed that some concerns had been raised and were being investigated and Officers would be liaising closely with those landowners affected. Cllr Mrs S Michael offered her assistance with the negotiations, and it was agreed that Officers would keep her informed.

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10:8 Telemetry system replacement (TV20303)

It was reported that Telemetry control was now available at most installed sites and calibration of both the panels and telemetry to Ordnance Datum had been completed at six sites with 12 remaining. This calibration had taken longer than anticipated but improved the visual presentation and troubleshooting during events. Whilst this did not affect the operation of the system, it was invaluable to both the Duty Officers and the Operations Team. The Board's Mechanical and Electrical Field Engineer and Surveyor had been working together to complete the remaining stations.

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10:9 Capital Works Programme Update

Officers had been working with Balfour Beatty through the Scape consultancy framework to establish an effective methodology for grouping projects. Previously the potential for a single outline business case (OBC) covering the whole of the Lower Trent area had been discussed as a means of significantly reducing the time and costs otherwise incurred by developing one of these documents for each project. It was reported previously that officers were exploring this opportunity initially in the Lindsey Marsh area prior to using that experience to establish a similar approach for Doncaster East, Trent Valley and the Isle of Axholme and North Nottinghamshire area.

Having worked through a DRAFT programme for the Lindsey Marsh area with Stantec (a consultancy with experience of delivering larger OBCs for the Water Management Alliance) it was increasingly apparent that existing approval systems would struggle with proposals on a larger scale that would not demonstrate significant environmental benefits as well as direct linkage on the ground between adjacent catchments. In effect, the required projects in the Lower Trent area did not generate sufficient benefits and were too widely dispersed geographically to offer a realistic prospect of submitting a successful OBC covering the entire area. However, there remained opportunities to continue to develop a joined approach at a smaller scale within the area which would still generate cost and time savings over the previous method of individual OBC preparation for each project. The potential groupings within the TV area would be (i) Burton Road and Sturton, and (ii) Fenton.

Mr W.J. Staunton was disappointed to hear OBC decision and asked for a briefing note to take to the Trent Regional Flood and Coastal Committee.

RECEIVED

11. FINANCE

11:1 Management Accounts and variance report for year ending 31st March 2023

The Finance Manager presented the management accounts up to the 31st March 2023 together with the Income and Expenditure accounts detailing the variance of actual income and costs to estimates. It was confirmed that any income/expenditure relating to Engineering schemes had been removed and would be reported separately.

The Finance Manager reported that the 2022/23 Estimates had allowed for a surplus budget of £7,691.00 which would boost the level of General Reserves. It was also reported at the March 2023 Board Meeting that the predicted deficit position for 2022/23 was expected to be £39,165.41 due to increased electricity costs, however, the actual outturn position was now for a more positive surplus of £153,288.53. The expected overspend on electricity was calculated to be £113,410, however, the overspend had materialised at only £49,965.21 (a difference of £63,444.79) due to drier winter weather conditions. Other material variances affecting the final outturn position was the closure of unspent reforming scheme budgets amounting to £20,326.53 which had been added to General Reserves.

Reports on the Plant Reserves, Engineering Scheme and Capital Receipts Unapplied Reserves were presented to the Board.

It was confirmed that the Board's current Surplus Cash reserves were £378,431.51 as at 31st March 2023. The Board's reserve policy was to hold 30% of net operating expenditure and while the surplus cash position was currently only 19.31%. The Board had taken the decision to increase the Rate for 2023/24, because of high estimated costs relating to electricity. The Finance Manager commented that the surplus cash position as at the end of 2023/24 was predicted to be 29.06% of net operating costs, which was within the Board's policy of 30%.

RESOLVED

That the Variance Report for the Year Ending 31st March 2023 be approved.

11:2 Transfer of Budgets for Approval

Approval for the was sought for attached budget transfers.

RESOLVED

That the attached budget transfers be approved.

11:3 Cash Balances and Borrowings

It was reported that the Board currently had five bank accounts with a total balance of £1,313,977.27.

The Board had one loan outstanding for the value of £528,246.04.

RECEIVED

11:4 Payments over £500

The attached schedule of payments over £500 made since the last meeting was presented for consideration.

RESOLVED

- (a) That cash balances and borrowings be noted.
- (b) That the schedule of payments over £500.00 totalling £245,099.10 be approved.

11:5 5-Year Plan

The Finance Manager presented an updated Five-Year Plan to the Board commenting that this information would help the Board determine future rates increases. The Chief Executive confirmed that electricity prices continued to be monitored. In respect of the greatly increased standing charges he confirmed that DEFRA was speaking to electricity companies and also the Ombudsman. He commented that if it remained dry it would have a significant effect on cash balances as would inflationary pressures reducing.

RECEIVED

12. FINANCIAL STATEMENT AND AGAR

12:1 Final Management Accounts for the Year Ending 31st March 2023

The final accounts for the year ending 31st March 2023 were presented to the Board for consideration and approval including the schedule of Income and Expenditure, Balance Sheet and Schedule of Reserves.

RESOLVED

That the Management Accounts for the Year Ending 31st March 2023 be approved and signed by the Chairman.

12:2 Audit of Accounts for the Year Ending 31st March 2023

The Internal Auditor (Mr C. Harris) presented his report confirming a Substantial Assurance. The Auditor's Action Plan recommended that the Financial Regulations and Mission and Policy Statement due for review at the September Board meeting be amended to remove reference to EU Legislation. Mr Harris commented that the Consortium was well-run with good accounting practices, there was an informative website which was easy to navigate and well populated with useful and key information. He advised the Consortium to keep up to date the key Policies and Procedures.

The Chairman commented on the importance of good governance levels and thanked the Finance Manager.

RESOLVED

That the attached report of the Internal Auditor be noted and the recommendations adopted.

12:3 Annual Governance Statement Review of Internal Control

The Annual Governance Statement of internal control of Part 3 of the Return, page 4, were presented to the Board for consideration and approval.

RESOLVED

That the attached Annual Governance Statement for internal control for year ending 2022/23 be approved and signed by the Chairman.

12:4 Accounting Statements of the Annual Governance and Accountability Return

The Account Statements of Part 3 of the Return, page 5, were presented to the Board for consideration and approval.

RESOLVED

That the attached Accounting Statement for 2022/23 be approved and signed by the Chairman.

12:5 Approval of the Internal Audit Provision

The Finance Manager confirmed that the Association of Drainage Authorities Lincolnshire Branch had appointed the current audit providers TIAA to provide Internal Audit services for the WMC Boards for an initial five-year term from 2017/18 with an option to extend the contract for a further two years from 2023/24. Officers recommended that the Board approve the extension of the contract with TIAA for the two years to 2024/25.

Mr T.H. Farr stated that it was good to have a consistent approach to audit across the Consortium. In response to a question from Cllr T. Wells, the Chief Executive responded that in the interest of openness and transparency and to ensure best value for money, it would be necessary to go out to tender on a regular basis.

The Internal Auditor provided an audit programme of planned areas of work to be covered in the forthcoming audit and this was presented to the Board for consideration and approval.

RESOLVED

That the contract with TIAA for internal audit provision be extended for a further two years to 2024/25.

13. INVESTMENT POLICY

A DRAFT Investment Policy was presented to the Board for consideration and approval.

The Policy outlined the Boards' prudent management of investments giving priority to the security of those investments and also to their liquidity. It identified the procedures for monitoring, assessing, and mitigating the risk of loss of invested sums and ensured that such sums are readily accessible for expenditure whenever needed. An Annual Investment Plan would be determined, taking these key criteria into account.

The Finance Manager commented that as part of the Financial Review existing providers were being investigated for higher interest rate bearing accounts and she sought the Board's approval to be able to transfer funds should an advantageous rates become available. It was noted that this would be within the confines of the Board's financial regulations limit of £500,000 per institution.

She commented that the Financial Compensation Scheme provided protection with a provider up to £85,000.00. All high street banks and the majority of building societies belonged to the scheme, however, it was important to make checks as some providers were

owned by the same institutions, and if this was the case the £85,000 would only apply to one provider.

It was explained that some of the investment providers that may be recommended to the Board would have a credit rating score which was provided to investors by a number of recognised Credit Rating Agencies, these included Moody's Investors Service Ltd, Standard and Poor and Fitch Ratings Ltd. It was agreed to amend Appendix A (paragraph 3) of the Investment Policy to 'The Board shall not invest in any financial institution that does not have a rating of 'A', in at least one of the above credit rating agencies.'

The funds held in the Board's Bank Accounts at any point in time would be subject to future movement with pending payments and receipts. The timing of these transactions was difficult to predict and were dependent on delivery dates for equipment, stage payments and grant receipts. Until an accurate cashflow timetable for the projects could be calculated, Officers recommended that the Board consider an initial investment sum based upon a percentage of the cash surplus figures, where the sum did not exceed the £500,000 limit. The percentages proposed for consideration were 25% or 50%. Officers also asked the Board to consider investment terms and recommended that where an investment was placed in a fixed term deposit with no access, the Board consider an investment term of no less than three months and no more the nine months.

The Chief Executive explained that investment opportunities may not fall into line with Board meetings and the Policy therefore gave the Chairman, Vice Chairman and Chief Executive delegated authority to approve investments and transfers.

The Chief Executive recommended an initial investment through a broker for a term of between three and six months, and stated that an investment plan would be prepared for 2023/24 detailing Officers recommendations for the full year. It was noted that although this was new to the Consortium, other boards had been investing successfully for some years.

In response to members, the Finance Manager gave some examples of interest rates available, e.g. 4.76% for three months, 4.99% for six months, and 5.23% for nine months.

RESOLVED

- (a) That the attached amended Investment Policy be approved.
- (b) The Board open interest-bearing accounts with existing bank/building societies and transfer of funds to obtain a higher return on board funds.
- (c) That an initial investment level of 25% of cash surplus at the 31st March (rounded down to the nearest £5,000) be approved.
- (d) That an initial investment term of between three and nine months be approved.
- (e) That the Board note the balance in the Nat West account which was above that laid down in the Financial Regulations.

Mr R.J. Jackson left the meeting.

14. DRAINAGE RATES AND SPECIAL LEIVES

The Finance Manager reported that drainage rates and special levies collected to 31st March 2023 totalled 99.66%. She confirmed that the total amount outstanding at the year-end was £7,233.16 and since that date £337.62 of this had been collected.

In respect of the current financial year, she confirmed that as at 31st May 2023, 45.46% had been collected; this included just under half of the special levies). She commented that since the preparation of the report the overall percentage collected had increased to 59%.

RECEIVED

15. ENVIRONMENT AGENCY AND PARTNERSHIP MATTERS

The Chief Executive reported that the Board had withheld payment of the precept until the Environment Agency (EA) had provided details of where the money was to be spent. The Chief Executive was due to attend a meeting with Officers of the Environment in the afternoon to discuss issues which included the River Devon, Smite and the Saundby Beck. The Chief Executive confirmed that he would be willing to explore the Board undertaking routine maintenance on the Rivers Devon and Smite over a period of time, but any collaboration would have to include funding for the necessary machinery.

Mr T.H. Farr commented that it was positive to see the Environment Agency engaging with Officers. Mr W.J. Staunton asked at what point would be Board consider releasing the precept funds now that the EA were collaborative.

For the benefit of new members, Mr T.H. Farr gave an overview of the precept and foreign water contributions. He stated that a partnership approach was essential and emphasised that the lack of maintenance of main rivers had a detrimental impact on the Board's systems by stopping the water from being evacuated and by overtopping into the Board's systems.

Mr Sutton had agreed to brief the boards on where the precept was being spent and give quarterly progress updates. He would be highlighting the benefits of these meetings to others to demonstrate that collaborative working was the way forward and that the meetings gave an opportunity to highlight blockers and identify other concerns that boards may have. There would also be an update on the end of year precept account. Members agreed that this was a step in the right direction and welcomed the engagement.

RECEIVED

16. ENVIRONMENTAL REPORT

16:1 The Environment Act 2021 – Biodiversity Duty Guidance – New Guidance

It was reported to the March Board meeting that the Environment Act 2021 had strengthened the "biodiversity duty" on Public Authorities. The Government had recently published its guidance on implementing the Act. The guidance directed that the Board must:

- (a) Consider what it could do to conserve and enhance biodiversity.
- (b) Agree policies and specific objectives based on its consideration.
- (c) Act to deliver its policies and achieve its objectives.

These steps must be completed by 1st January 2024, and thereafter at reviews every five years or sooner. This could most easily be achieved by revising the Board's Biodiversity Action Plan, which would include local nature recovery strategies, species conservation strategies and protected site strategies.

The Government's targets were detailed in its Environmental Improvement Plan. By 2030 the government had committed to halt the decline in species' abundance and

protect 30% of UK land. By 2042, the government had committed to increase species abundance by at least 10% from 2030 surpassing 2022 levels, restore or create at least 500,000 hectares of a range of wildlife rich habitats, reduce the risk of species' extinction, and restore 75% of our one million hectares of terrestrial and freshwater protected sites to favourable condition, securing their wildlife value for the long term.

Actions suggested to achieve this included managing canals and rivers, water-dependent habitats and estuaries and coastal habitats, with one suggestion being "nature corridors" that connect existing habitats. In practise this could represent a connection between the Board's catchments.

With regard to biodiversity net gain, the Board currently sought to maintain the extent of habitat in its consenting activity. Advice Note N03: Environmental Considerations states, "*if a consent is likely to result in a significant loss of wildlife habitat it will be expected as a minimum that an equivalent, or preferably larger, amount of suitable replacement habitat is provided elsewhere, at the applicant's expense*". This should be amended to "*if a consent is likely to result in a loss of wildlife habitat it will be expected as a minimum that a 10% larger amount of suitable replacement habitat is provided elsewhere, at the applicant's expense*" from November 2023.

This aligned with the similar duty for Local Planning Authorities and delivered the enhancement aspect of the Biodiversity Duty. Note: currently small sites were exempt from Biodiversity Net Gain until April 2024.

RESOLVED

- (a) That the Board's Biodiversity Action Plan be updated before 1st January 2024.
- (b) That 10% Biodiversity Net Gain for Byelaw and Section 23 Consent Applications be required from November 2023.

16:2 The Environment Act 2021 - Biodiversity Reporting

Initially IDBs were not required to report their biodiversity duty actions. DEFRA stated that "*other public authorities may be required to publish a report in future*".

The first report was due by 1st January 2026 and thereafter every five years. It was recommended that the Board monitored delivery of their Biodiversity Action Plan and prepared to produce their first report by 1st January 2026. This was best achieved by reporting annually on the Board's Biodiversity Action Plan.

RESOLVED

That delivery of the Biodiversity Action Plan be monitored and reported on annually.

16:3 Sheepwash Brooke in Meadow Park – East Leake

Officers reported that a proposal had been developed some years ago to restore part of the Sheepwash Brooke that ran through Meadow Park in East Leake to its former meandering route. While the project was primarily intended to deliver biodiversity enhancements, it also included an element of flood risk management, specifically by using surplus soil to create a flood bank in the vicinity of the East Leake Co-op car park, which had suffered flooding.

Because of the flood risk element, when the scheme was first proposed the Board provisionally allocated £10,000 to support it, with other contributions potentially to be

provided by the Co-op. The scheme had not progressed when it was initially proposed because its course crossed two rising mains belonging to Severn Trent Water (STW). As older legacy structures, STW was unable at the time to provide sufficient information regarding the depth of these rising mains and the scheme was unable to develop further despite local support. STW was now developing a sewage scheme in the area, and this could provide an opportunity to reconsider the scheme.

Discussions were still at an early stage but more detailed proposals regarding Board resources and engagement with the project would be reported at a future meeting.

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17. PLANNING AND BYELAW POLICY

Officers reported on the following:

17:1 Introduction of charges for the discharge of treated effluent into watercourses within the Board's district

Where mains foul sewers were not available to service new small developments it was often the case that a biotechnical unit or similar system was installed to treat the effluent generated. The treated water was then usually discharged to an adjacent watercourse. There were also a number of proposals to increase the capacity and subsequent discharge from several treatment works within the Consortium's area. These had the potential to create a material impact on the Board's systems.

In the case of small to medium developments the fees were to be calculated by assessing the proposed daily discharge rate per cubic metre. The rate at which the fee was to be charged is proposed at £137 per cubic metre per day (dry weather flow) as a one-off payment. This fee would be subject to annual review in line with the Board's Planning and Byelaw Policy.

Where there were significant increases in discharge to the Board's watercourse for example a major treatment work upgrade, this may result in additional capacity being required within the receiving watercourse or pumping station. Should this be the case, the applicant would be charged the greater amount between the calculated fee and the cost of any necessary upgrades.

RESOLVED

That the introduction of charges for the discharge of treated effluent into watercourses within the Board's district be approved.

17:2 Planning and Byelaw Policy - Annual Review of Surface Water Development Contributions, Commuted Maintenance Fee and Inspection Fees

The Planning and Byelaw Policy required periodic reviews of charges with some increasing annually in line with inflation.

The rate of inflation over the last twelve-month period was up to 15.4%.

Officers recommended that inspection fees be increased as detailed below:

| | Current Fee | Proposed Fee |
|---|-------------|--------------|
| Site Visit | £250 | £290 |
| Each additional structure inspected on a site visit | £100 | £115 |

| | | |
|------------------------|--|--|
| Land Drainage Outfalls | £100 per visit plus £10 per outfall | £115 per visit plus £12 per outfall |
|------------------------|--|--|

Officers recommended that the Surface Water Development Contribution (SWDC) rates (£ per m²) be increased as detailed below:

| Banding | Current SWDC Rate | Proposed SWDC Rate |
|---------|-------------------|--------------------|
| 1 | £13.26 | £15.14 |
| 2 | £11.09 | £12.66 |
| 3 | £9.52 | £10.88 |
| 4 | £7.97 | £9.11 |
| 5 | £6.41 | £7.32 |
| 6 | £4.24 | £4.84 |

Officers recommended that the Commuted Maintenance Fee (CMF) be increased as detailed below:

| Length of culvert | Ø Internal Diameter of Pipe | | | |
|-------------------|-----------------------------|-----------------------|----------------------|-----------------------|
| | Current Ø < 750mm | Proposed Ø < 750mm | Current Ø ≥ 750mm | Proposed Ø ≥ 750mm |
| < 18m | £2,011.08 | £2,320.79 | £4,453.10 | £5,085.44 |
| 19 – 48m | £11,210.10 | £12,936.46 | £19,735.08 | £22,537.46 |
| 49 – 96m | £26,121.90 | £29,831.21 | £31,646.84 | £36,140.69 |
| 97 – 150m | £38,608.26 | £44,090.64 | £55,183.07 | £63,019.07 |

RESOLVED

That the increases in fees and charges as set out above be approved.

Under 17:1 Cllr Mrs S. Shaw queried whether this meant the Board would have more input in the planning process, stating that she would like to see more involvement from the Board. The Chief Executive was keen to improve the relationship with the planning team but emphasised that the Board was not a statutory consultee and could therefore only make recommendations.

18. DELEGATED MATTERS - PLANNING, BYELAWS AND SUPERVISORY ROLE

18:1 Byelaw Applications

The following consents had been granted under delegated authority since the last Board meeting:

- TVIDB/LDC/2023/002 Replacement of a pedestrian footbridge crossing the Board Maintained Halam Beck, an open watercourse at Halam Footpath No.3 at national grid reference 467794 355297 in the parish of Halam
- TVIDB/LDC/2023/004 Erection of temporary scaffolding within the Board maintained Kingston Brook 07 adjacent to footbridge on Gotham Road at national grid reference 450264 327723 in the parish of Kingston on Soar.

RECEIVED

18:2 Section 23 Applications

There had been no consents granted under delegated authority since the last Board Meeting:

No applications had been dealt with on behalf of the Lead Local Flood Authority

RECEIVED

18:3 Planning Applications.

The Board had not objected to any planning application since the last meeting. application since the last meeting.

The Engineer reported that 11 planning applications had been reviewed by Officers since the last Board meeting and appropriate comments made.

RECEIVED

19. ASSOCIATION OF DRAINAGE AUTHOIRITIES

The Chief Executive reminded members that Flood and Water Live would be held on the 5th and 6th July at Carrington.

RECEIVED

20. STAFFING

The Corporate Services Manager gave an update on the recruitment process for the Environmental Officer and Programme Manager vacancies.

The Planning and Byelaw Officer was also leaving and an advert had been placed.

RECEIVED

21. ANY OTHER BUSINESS

RECEIVED

CHAIRMAN

FOR MEMBERS' INFORMATION ONLY

| | | |
|---|---|------------------------|
| TRENT VALLEY INTERNAL DRAINAGE BOARD | File Ref: | Agenda Item: 11 |
| | Meeting: Board Meeting Date: 26th June 2023 | |
| Subject: FINANCE | | |

Recommendations:

- To review and approve the Management Variance Accounts for the year ending 31st March 2023.
- To note the transfers of budget values
- To note the Board's cash balances and borrowings.
- To approve the schedule of payments over £500 made since the last meeting.
- To note the updated 5-year plan.

1. Management Accounts for the Year ending 31st March 2023

1:1 The Management Accounts for the 12-month period ending 31st March 2023 is shown below, summarising the variance of actual income and costs to the approved estimates. The report also shows the Annual Budget amounts for information.

Any income and expenditure relating to Engineering schemes has been removed and will be reported separately, as the movements on the Engineering schemes (expenditure and income movements) do not directly affect the General Cash Reserves, so this enables us to predict the cash funds position that will be available to the Board for any overspends or to meet any extra-ordinary expenditure that a flooding event may create.

The report is a summary of the main Income and Expenditure headings, a more detailed report of the breakdown of those headings can be found at the end of the finance report.

Trent Valley Internal Drainage Board
Variance to Estimates Report - For the 12 months to 31st March 2023

| | Note | Whole Yr Estimate | 31.03.23 Variance | 31.03.23 Estimate | 31.03.23 Actual |
|---|------|----------------------|----------------------|----------------------|---------------------|
| The following income & expenditure is not related to Engineering Schemes | | | | | |
| Total Income including Rates/levy/Consenting Income | | 2,704,589.00 | 95,703.50 | 2,704,589.00 | 2,800,292.50 |
| Total Maintenance Costs for Drains/PS/Consenting | | (841,378.00) | (54,690.51) | (841,378.00) | (896,068.51) |
| Total Supportive expenditure incl Salaries, Plant Running, Precept, Admin & IT | | (1,446,883.00) | 65,182.53 | (1,446,883.00) | (1,381,700.47) |
| | | 416,328.00 | 106,195.52 | 416,328.00 | 522,523.52 |
| Adjustment to Reserves | | | | | |
| Add the intended transfer to Plant Renewals Fund -trf in reserves (rated for) | | 0.00 | 0.00 | 0.00 | 0.00 |
| Funds transferred from plant reserve to meet expenditure | | 0.00 | 0.00 | 0.00 | 0.00 |
| Plant/Vehicle planned net expenditure not occurred in year - held | | 0.00 | (25,000.00) | 0.00 | (25,000.00) |
| Adjustments for Balance Sheet Budget Entries | | | | | |
| Fixed Asset Adjustments | | | | | |
| Vehicle additions | | 0.00 | 0.00 | 0.00 | 0.00 |
| Vehicle disposals | | 0.00 | 2,299.59 | 0.00 | 2,299.59 |
| Plant additions | | (208,000.00) | 16,092.00 | (208,000.00) | (191,908.00) |
| Plant disposals | | 35,000.00 | 8,000.00 | 35,000.00 | 43,000.00 |
| Loan Capital Adjustment | | | | | |
| PWLB Loan repayments - Existing | | (32,953.00) | (0.11) | (32,953.00) | (32,953.11) |
| PWLB Loan repayments - Future | | (17,684.00) | 17,684.00 | (17,684.00) | 0.00 |
| Balance of Income over Expenditure To General Reserves at 31/03/2023 | | 192,691.00 | 125,271.00 | 192,691.00 | 317,962.00 |
| Board Funding towards schemes | | (185,000.00) | 0.00 | (185,000.00) | (185,000.00) |
| Surplus/(deficit) to be taken from General Reserves as at 31st March 2023 | | 7,691.00 | 125,271.00 | 7,691.00 | 132,962.00 |
| Unplanned adjustments to Reserves during period: | | | | | |
| Additional Funds Required for Engineering Schemes to be taken from Applied Reserves | | | 0.00 | | 0.00 |
| Engineering/Ops Scheme funds transferred back to General Reserves | | | 20,326.53 | | 20,326.53 |
| Surplus/(deficit) to be taken from General Reserves as at 31st March 2023 | | 7,691.00 | 145,597.53 | 7,691.00 | 153,288.53 |

Notes on other overspends and underspends are included on the detailed report.

The 2022/23 Estimates allowed for a surplus budget of **£7,691** where the funds will boost the level of the General Reserves.

At the March 2023 Board Meeting the predicted deficit position for 2022/23 was expected to be **£39,165.41** due to the increase in electricity costs. However, the actual outturn position is a more positive surplus of **£153,288.53**.

The expected overspend on electric was calculated to be **£113,410**, however the overspend materialised at only **£49,965.21**, (a difference of £63,444.79) due to drier winter weather conditions. Other material variances affecting the final outturn position was the closure of unspent reforming scheme budgets of **£20,326.53** adding to General Reserves.

1:2 Plant reserves

The following report shows the Plant Reserve and the planned movements in the 2022/23 year.

| | 31.03.2023 | 31.03.2023 |
|---|--------------------------------------|------------------|
| Plant Reserve | <i>Budget held in Plant fund</i> | Actual |
| Balance at 01/04/22 | | 34,300.00 |
| Trf from Plant Reserve to General Reserves - planned in estimates | | 0.00 |
| Earlier Years Budgets - Acquisitions & Disposals made | | |
| | 0.00 | 0.00 |
| This Years Budgets - Acquisitions & Disposals NOT made so cfwd | | |
| Livelihood Lite for flailmowers | | 5,000.00 |
| Fuel management system | | 20,000.00 |
| | 0.00 | 25,000.00 |
| Balance of Plant Reserve cfwd 31/03/23 | | 59,300.00 |
| Planned budget on Plant not yet spent in year - cfwd to cover purchases in the following period | | |
| Flail Mower (Torksey) | Addition 35,000.00 | |
| Bomford Flail Mower (01/04/2014) | Disposal (2,500.00) | |
| flor Williams c/w hiab (Southwell) | Disposal (200.00) | |
| Strimmer | Addition 1,000.00 | |
| Strimmer | Addition 1,000.00 | |
| Livelihood Lite for flailmowers | Addition 5,000.00 | |
| Fuel management system | Addition 20,000.00 | |
| Balance of Plant Reserve cfwd 31/03/23 | 59,300.00 | 59,300.00 |

The Plant reserve holds funds of £59,300, which is expected to be consumed in the 2023/24 financial year, due to delays in deliveries.

1:3 Capital Receipts Unapplied Reserves

The Board held funds within a Capital Receipts Unapplied Reserve to the value of £227,640. These funds originated from the disposal of Board owned assets, such as Castlegate.

Capital Receipts Unapplied are not used for Revenue expenditure and cannot be used to boost general cash reserves. Capital Receipts Unapplied are used to acquire new assets or can be used in the betterment of an existing asset.

Due to the 5-year work programme and the pressure on the rate, the Board approved the use of the Reserve on a number of schemes as follows:

| Capital receipts Unapplied | | Actual |
|--|-------------|-------------------|
| Balance at 01/04/20 | | 227,640.00 |
| 2020/21 | | |
| Allocated to TV20305 Marton PS | (30,000.00) | (30,000.00) |
| Balance at 31/03/21 | | <u>197,640.00</u> |
| 2021/22 | | |
| Allocated to TV21305 Burton Round PS | (10,000.00) | |
| Allocated to TV21307 Bole lngs | (10,000.00) | |
| Allocated to TV21310 Bulham Lane Drain | (55,000.00) | |
| | | (75,000.00) |
| Balance at 31/03/22 | | <u>122,640.00</u> |
| 2022/23 | | |
| Allocated to TV21305 Fledborough PS | (40,000.00) | |
| | | (40,000.00) |
| Balance at 31/03/23 | | <u>82,640.00</u> |
| 2023/24 | | |
| Allocated to TV21305 Burton Round PS | (80,000.00) | |
| | | (80,000.00) |
| Balance at 31/03/24 | | <u>2,640.00</u> |

1:4 General Reserves – Surplus Cash

The General Reserves, as shown on the Balance Sheet, shows the equity of the Board, and these funds are made up of both cash and non-cash assets/liabilities, such as any fixed assets the Board holds in its balance sheet.

Within those General reserves we identify the cash element so that we can ensure we have sufficient funds in the form of cash to meet our everyday expenditure and keep enough in reserve to enable the Board to meet any unplanned expenditure caused by an increase in costs or a flooding event.

The Surplus Cash element of the Reserves is after we have taken account of any other Reserves the Board holds for specific future expenditure, such as Plant Reserves or Capital Receipts Unapplied Reserves.

It is this Surplus Cash reserve we aim to hold a reserve of 30% of Net Operating Costs. Whilst 30% is the Board's policy, we must also take note of the monetary amount to ensure that this is also sufficient.

The following shows the effect of utilising this reserve to our schemes. The resultant outcome for the Surplus Cash at 31st March 2023 is as follows:

| | |
|--|------------------|
| Current Surplus Cash reserves | |
| Adjusted cash position | 1,143,515.28 |
| Capital Projects as at 31/03/23 balances to be met | (623,143.77) |
| | <hr/> 520,371.51 |
| | |
| Balance of cash remaining for general reserves As at 31st March 2023 | <hr/> 520,371.51 |
| | |
| Plant Reserve (rated for) - to be deducted from | 59,300.00 |
| Net Capital receipts - to be deducted from | 82,640.00 |
| | <hr/> 378,431.51 |
| Surplus Cash Reserve Balance As at 31st March 2023 | |
| | |
| Net Operating Expenditure (excluding schemes). Expenditure plus board contribution to schemes less income (not incl rate income) | 1,959,294.32 |
| | |
| Surplus Cash Reserve as a % of Net Operating expenditure as at 31/03/23 | 19.31% |

The predicted cash position was £295,047.57 and 13.94% of expected net operating costs. The actual position at the 31st March 2023 is a more positive position of £378,431.51 and **19.31%**.

The Board took the steps to increase the Rate for 2023/24, as a consequence of high estimated costs relating to electricity in both the current and future years. Notwithstanding that, the surplus cash position at the end of 2023/24 is predicted to be **29.06%** of net operating costs, which is within the realms of the Board's policy of 30% reserves.

1:5 Engineering Schemes

In addition to the income and expenditure that reduces or improves the general reserves, the Board also incurs expenditure in relation to Engineering Schemes.

Due to the nature of those schemes the life of the project can take place over a number of years and therefore any funds are held separately to those of the General Reserve to ensure that these funds are available when the expenditure is required.

A summary of the movement on the Scheme reserves is detailed below for the period to 31st March 2023.

| | Current Year |
|---|------------------------|
| Balances at 1st April 2022 | 561,511.61 |
| Board funding as agreed in Estimates | 185,000.00 |
| Engineering Income Received | 56,500.00 |
| Transfers (to) / from reserves or OPS projects | 19,673.47 |
| Engineering Expenses paid | (199,541.31) |
| Loan Funds received for Projects | 0.00 |
| | <hr/> |
| Balances at 31st March 2023 | 623,143.77 |
| | <hr/> <hr/> |
| | <u>Remaining</u> |
| | <u>Budget</u> |
| | <u>(Incl. Rev)</u> |
| <u>Project</u> | |
| TV11012 - Egmanton FRS | 5,940.41 |
| TV11018 - Beckingham PS | 54,852.83 |
| TV13021 - Swinderby Area Catchment Study | 3,099.69 |
| TV13026 - Lowdham/Caythorpe & Gunthorpe Flood Relief Works | 30,973.86 |
| TV16002 - Torksey PS | -243,592.51 |
| TV16019 - Pumping Station Refurbishment & Replacement Strategy | 34,116.86 |
| TV17011 - Bottesford Sewer | 19,977.95 |
| TV18014 - Car Dyke, Caythorpe | 9,976.43 |
| TV19300 - Moor Lane Pumping Station Refurbishment | 29,677.19 |
| TV19304 - South Clifton Pumping Station Refurbishment | 150,063.73 |
| TV19504 - Ferry Drain Improvements | 0.00 |
| TV20303 - Telemetry Replacement | 2,741.61 |
| TV20304 - Hams Dyke PS refurbishment study | 93,113.29 |
| TV20305 - Marton PS Refurbishment | 73,735.65 |
| TV20306 - Low Marnham PS Concept | 7,309.44 |
| TV20505 - Thurgaton Beck Alleviation Scheme | 18,108.30 |
| TV20901 - Sheepwash Brook Diversion Partnership scheme | 9,558.13 |
| TV21305 - Burton Round PS Refurb | 39,823.72 |
| TV21307 - Bole Ings Mechanical Refurbishment | 49,788.32 |
| TV21308 - Church Laneham Pump Refurb | 24,453.50 |
| TV21309 - Weir Dyke Pump Refurb | 29,506.64 |
| TV21310 - Cuckstool PS & Bulham Lane Flood Relief - Sutton On Trent | 51,367.98 |
| TV21803 - North Scarle / Eagle Road Flood Alleviation Scheme | -10,527.55 |
| TV21900 - Partnership Schemes | 17,712.17 |
| TV22305 - Fenton Marsh PS Refurbishment | 34,932.50 |
| TV22306 - Fledborough PS Pump Refurbishment | 39,516.44 |
| TV22310 - Fenton Marsh New Penstock | 2,321.05 |
| TV22801 - Drain Investigations | 21,719.31 |
| TV23451 - Asset Renewals | 10,876.83 |
| TV23601 - Mink Control | 2,000.00 |
| TV23800 - Catchment Reviews | 10,000.00 |
| ENGINEERING PROJECTS | <hr/> <hr/> 623,143.77 |

2 Transfer of Budgets for Approval

- 2:1 Details regarding the specific schemes and the need for any transfers will be discussed and approved under the Asset Renewals and Refurbishments or under Operations.
- 2:2 For transparency, a schedule of such transfers will be provided at each Board meeting.

Trent Valley Internal Drainage Board Movement of funds from within Engineering Projects or from Reserves Year to 31st March 2023 - Approval at June Board Meeting

Below are listed the transfers occurring in the year to 31st March 2023 for the Board's consideration and approval.

| <u>Engineering Projects underspent - projects closed</u> | | Balance trf |
|--|---|-------------------------------|
| TV20503 | Reforming | -19,185.53 |
| TV21503 | Reforming | 19,325.64 |
| TV22503 | Reforming | 20,186.42 |
| | | <hr/> |
| | | 20,326.53 |
| | | <hr/> |
| | Net funds transferred to/(from) General Reserves | 20,326.53 |
| | | <hr/> <hr/> |
| <u>Other Movements to be approved</u> | | |
| TV23451 | Asset Renewals | 10,876.83 |
| | The above to be transferred from | |
| TV22451 | Asset Renewals | <hr/> -10,876.83 <hr/> |
| TV23800 | Catchment Reviews | 10,000.00 |
| | The above to be transferred from | |
| TV22800 | Catchment Reviews | <hr/> -10,000.00 <hr/> |
| TV23601 | Mink Control | 2,000.00 |
| | The above to be transferred from | |
| TV21601 | Mink Control | <hr/> -2,000.00 <hr/> |

- 2:3 From 2023/24 the Reforming programme and budget will be held in the annual Operations budgets and will close down and renew annually. As the main costs are absorption costs of man and machine, this enables an easier outturn calculation for all annual costs. Any unspent budgets will be returned to reserves annually.
- 2:4 During the 2023/24 Estimate process those budgets required annually, such as Pumping Station Emergency Pump Repairs, Asset Renewals and Small Scheme Allowances, were reviewed and due to the predicted balances to be remaining at 31st March 2023, the need for additional budgets was reduced and any unspent budgets would be held and transferred to the new year.

3. Cash Balances and Borrowings as at 31st March 2023

3:1 Schedule of Balances

| | <i>Amount</i> | <i>Interest Rate</i> |
|--------------------|-----------------------------|----------------------|
| Natwest Current | £10,000.00 | 0.00% |
| Beverley B Society | £4,604.57 | 1.05% |
| Natwest Business | £526,702.37 | 1.00% |
| Natwest Direct | £262,096.91 | 1.00% |
| Santander Deposit | £510,533.42 | 2.76% |
| Cash - Rates | £40.00 | |
| TOTAL | <u>£1,313,977.27</u> | |

3:2 External Borrowing

The following annuity loans are outstanding with the Public Works Loan Board:

| <i>Loan Number</i> | <i>Loan Amount</i> | <i>Commenced</i> | <i>Period (years)</i> | <i>Interest Rate</i> | <i>Balance Outstanding</i> |
|--------------------|--------------------|------------------|-----------------------|--------------------------|----------------------------|
| 504465 | £740,000 | 02 Dec 2015 | 20 | 2.93% | £528,246.04 |
| | | | | TOTAL OUTSTANDING | <u>£528,246.04</u> |

4. Payments over £500

4:1 A schedule of payments over £500 made by the Board since the last meeting is attached for approval.

Schedule of payments over £500 submitted to the Trent Valley Internal Drainage Board on
26th June 2023

| Trans Date | Account | Narrative | Payment Value £ | Notes |
|--------------|--|---------------------------|--------------------|--|
| 07/03/2023 | Newark and Sherwood District Council | PP/NSDC001 | 1,359.60 | Office rental |
| 09/03/2023 | Hitachi Construction Machinery | PP/HITA001 | 922.80 | |
| 09/03/2023 | IBS Engineered Products Ltd | PP/IBSE001 | 8,916.00 | Modification of IBS Beams at Sturton pumping station |
| 09/03/2023 | JH Pickup & Co | PP/PICK001 | 630.00 | |
| 15/03/2023 | Pension and Trade Union | PAYE and Pension Payments | 7,424.05 | |
| 15/03/2023 | Allstar Business Solutions Ltd | PP/ALLS001 | 1,104.78 | Fuel for vehicles |
| 16/03/2023 | P.A.Y.E. | PAYE and Pension Payments | 9,335.22 | |
| 16/03/2023 | Net Wages | PAYE and Pension Payments | 4,810.15 | |
| 16/03/2023 | Pension Fund | PAYE & Pension Payments | 1,392.34 | |
| 17/03/2023 | Lindsey Marsh Drainage Board | PP/LMDB001 | 10,505.89 | Engineering and consenting recharges - February 2023 |
| 17/03/2023 | Specialised Groundcare Ltd | PP/SPEC001 | 2,340.00 | Winter works at Kingston Brook |
| 20/03/2023 | Woldmarsh Producers Ltd | PP/WOLD001 | 4,509.22 | Fuel and materials |
| 24/03/2023 | T.C Harrison JCB | PP/HARR001 | 1,258.64 | |
| 24/03/2023 | IBS Engineered Products Ltd | PP/IBSE001 | 2,382.00 | Modification of IBS Beams at Sturton pumping station |
| 24/03/2023 | Lindsey Marsh Drainage Board | PP/LMDB001 | 5,513.46 | Disbursement recharges - February 2023 |
| 27/03/2023 | Credit Cards | IAT | 526.50 | |
| 28/03/2023 | Allstar Business Solutions Ltd | PP/ALLS001 | 509.95 | |
| 30/03/2023 | Net Wages | PAYE and Pension Payments | 22,078.98 | |
| 31/03/2023 | Bedford Pumps Ltd | PP/BEDP001 | 2,174.22 | Release of retention on Cuckstool pumping station contract |
| 31/03/2023 | Lindsey Marsh Drainage Board | PP/LMDB001 | 25,338.29 | Consortium recharges - February 2023 |
| 31/03/2023 | MEC Recycling | PP/MECR001 | 1,151.28 | Green waste collection at Bole pumping station |
| 31/03/2023 | Newark Advertiser Co Ltd - Iiffe Media | PP/NEWA001 | 684.72 | |
| 31/03/2023 | TIAA | PP/TIAA001 | 1,632.00 | Annual Governance and Accountability Return |
| 03/04/2023 | Portable Office (Hire) Limited | PP/PORT002 | 8,397.00 | Portable office for Orston Depot - 50% |
| 05/04/2023 | Pension Fund and Trade Union | PAYE & Pension Payments | 7,688.53 | |
| 06/04/2023 | Pension Fund and Trade Union | PAYE & Pension Payments | 1,666.96 | |
| 07/04/2023 | Tanvic Group Ltd | PP/TANV002 | 987.02 | |
| 07/04/2023 | Eco Power Civil Engineers | PP/WEST001 | 13,787.61 | Various works at Torksey pumping station |
| 11/04/2023 | P.A.Y.E. | PAYE & Pension Payments | 10,729.44 | |
| 12/04/2023 | Allstar Business Solutions Ltd | PP/ALLS001 | 855.23 | |
| 14/04/2023 | Scottish Hydro Electric | PP/SCOT001 | 528.40 | |
| 28/04/2023 | Association of Drainage Authorities | PP/ADAU001 | 7,165.20 | ADA subscriptions 2023 |
| 28/04/2023 | AIM Electrical Services Ltd | PP/AIME001 | 1,461.59 | |
| 28/04/2023 | T.C Harrison JCB | PP/HARR001 | 1,324.80 | |
| 28/04/2023 | Lindsey Marsh Drainage Board | PP/LMDB001 | 36,745.21 | Consortium, consenting and disbursement recharges - March 23 |
| 28/04/2023 | Newark and Sherwood Locksmiths | PP/NLOC001 | 849.00 | |
| 28/04/2023 | Oliver Seeds Ltd | PP/OLIV001 | 1,130.00 | |
| 28/04/2023 | Plastech | PP/PLAS001 | 9,029.80 | Twinwall pipes |
| 05/05/2023 | Lindsey Marsh Drainage Board | PP/LMDB001 | 2,752.25 | Engineering recharges - March 2023 |
| 05/05/2023 | NCC Pension Fund | PP/NCCP001 | 1,293.36 | |
| 19/05/2023 | AIM Electrical Services Ltd | PP/AIME001 | 3,494.53 | Instalment of PLC with I/O card at Cuckstool pumping station |
| 19/05/2023 | T.C Harrison JCB | PP/HARR001 | 3,198.02 | Renewal of Livelink telemetry |
| 19/05/2023 | Lafarge Tarmac Trading Ltd | PP/LAFA001 | 595.81 | |
| 19/05/2023 | Petaurum HR | PP/PETA001 | 1,354.08 | HR advice for grievance meeting |
| 19/05/2023 | Portable Office (Hire) Limited | PP/PORT002 | 8,397.00 | Portable office for Orston Depot - 50% |
| 19/05/2023 | Schneider Electric Systems UK Limited | PP/SCHN001 | 3,389.44 | Telemetry support at pumping stations |
| 19/05/2023 | R C Setchfield Ltd | PP/SETC | 1,111.73 | Repair to Bomford mower |
| 19/05/2023 | Towergate Insurance | PP/TOWE001 | 667.00 | |
| Total | | | 245,099.10 | |

For data protection purposes some information may be excluded from this report, for example where payments have been made to individuals.

5. Management Accounts detailed report

5:1 Budgeted Income and Expenditure and Balance sheet Expenditure / Income

Trent Valley Internal Drainage Board

Variance to Estimates Report - For the 12 months to 31st March 2023

| | Whole Yr Estimate | 31.03.23 Variance | 31.03.23 Estimate | 31.03.23 Actual | Notes |
|--|----------------------|----------------------|----------------------|---------------------|--|
| INCOME | | | | | |
| Where the Income variance is negative this shows that the income received is less than estimated for | | | | | |
| The following Income is not related to Engineering Schemes | | | | | |
| Agricultural drainage rates | 461,516.00 | 15,401.32 | 461,516.00 | 476,917.32 | |
| Special levies | 1,615,339.00 | 0.00 | 1,615,339.00 | 1,615,339.00 | Special Levies due by 31st May & 30th November. Melton BC paid in Dec 22 |
| Rental, wayleaves & grazing income | 1,430.00 | 3,604.51 | 1,430.00 | 5,034.51 | Incl rental of Laneham House |
| Income from PSCAs | 40,000.00 | 10,104.81 | 40,000.00 | 50,104.81 | PSCA income for EA work |
| Income from rechargeable works | 5,000.00 | (4,745.00) | 5,000.00 | 255.00 | Recharge for movement of plant |
| Income from consenting | 9,500.00 | 10,428.23 | 9,500.00 | 19,928.23 | Income from consenting application fees £4,800, plus surface water contributions £15,128 |
| Income from recharge of disbursements | 0.00 | 790.00 | 0.00 | 790.00 | Relates directly to recharge of disbursements expenditure |
| Contributions to PS expenditure | 0.00 | 0.00 | 0.00 | 0.00 | |
| Contributions to other costs | 5,206.00 | 3,548.42 | 5,206.00 | 8,754.42 | Contribution towards mileage and from EA for on call duties |
| Deferred income, commuted sums & contributions | 0.00 | 0.00 | 0.00 | 0.00 | |
| Other income | 0.00 | 5,379.18 | 0.00 | 5,379.18 | Insurance payment re break in at Depot and summons costs receipts |
| Investment interest | 2,500.00 | 7,415.36 | 2,500.00 | 9,915.36 | Interest from Santander account |
| Own use of plant recharged (absorption) | 316,272.00 | 74,083.76 | 316,272.00 | 390,355.76 | Eng Scheme use boosts Reserves £29,288.50 |
| Own use of labour recharged (absorption) | 247,826.00 | (30,307.09) | 247,826.00 | 217,518.91 | Eng Scheme use boosts Reserves £18,474.13 |
| TOTAL INCOME | 2,704,589.00 | 95,703.50 | 2,704,589.00 | 2,800,292.50 | Positive Variance on Income |

Trent Valley Internal Drainage Board

Variance to Estimates Report - For the 12 months to 31st March 2023

| | Whole Yr Estimate | 31.03.23 Variance | 31.03.23 Estimate | 31.03.23 Actual | Notes |
|---|----------------------|----------------------|----------------------|--------------------|--|
| EXPENDITURE | | | | | |
| Where the expenditure variance is negative this shows that the expenditure is more than estimated for | | | | | |
| MAINTENANCE & DEVELOPMENT EXPENDITURE | | | | | |
| Drain maintenance expenditure | 554,971.00 | (755.64) | 554,971.00 | 555,726.64 | External costs £47k lower than estimate, in the main lower stock allocations |
| Pumping station expenditure | 236,407.00 | (29,548.86) | 236,407.00 | 265,955.86 | External costs £38.2k higher than estimate. Contractor use £17k lower than estimate. Electric £50k higher than the weighted budgets. |
| PSCA Recharge expenditure | 40,000.00 | 1,766.06 | 40,000.00 | 38,233.94 | Cost of EA PSCA work |
| Recharge expenditure | 5,000.00 | 4,745.00 | 5,000.00 | 255.00 | Cost of movement of plant |
| Consenting time expenditure | 5,000.00 | (20,690.30) | 5,000.00 | 25,690.30 | Consultants time recharged from Lindsey Marsh DB |
| Disbursement Costs | 0.00 | (790.00) | 0.00 | 790.00 | Relates directly to recharge of disbursements income |
| Cost of goods sold & stock variances | 0.00 | (9,416.77) | 0.00 | 9,416.77 | Stock variances - match to underspend on Drains Stocks |
| TOTAL MAINTENANCE & DEVELOPMENT EXPENDITURE | 841,378.00 | (54,690.51) | 841,378.00 | 896,068.51 | |

Trent Valley Internal Drainage Board
Variance to Estimates Report - For the 12 months to 31st March 2023

| | Whole Yr Estimate | 31.03.23 Variance | 31.03.23 Estimate | 31.03.23 Actual | Notes |
|---|----------------------|----------------------|----------------------|---------------------|---|
| EXPENDITURE | | | | | |
| Where the expenditure variance is negative this shows that the expenditure is more than estimated for | | | | | |
| SUPPORTIVE EXPENDITURE | | | | | |
| DLO costs | 497,751.00 | 37,391.90 | 497,751.00 | 460,359.10 | Underspend in year £37k due to change in staff & lower pension rates & unfilled positions |
| Other direct expenses | 1,050.00 | (464.94) | 1,050.00 | 1,514.94 | Consumables and Woldmarsh buyers fee |
| Environment Agency precept | 185,634.00 | 0.00 | 185,634.00 | 185,634.00 | |
| Support & establishment costs | 735,526.00 | 20,487.29 | 735,526.00 | 715,038.71 | Salary overspend in yr of £7,937. Fuel costs £11k higher. Plant & vehicle ins costs £10.7k higher due to 2 renewals in yr. Consortium charges are £15.1k lower, as well as LT costs £12.7k lower than estimated |
| Finance costs | 25,912.00 | 8,421.44 | 25,912.00 | 17,490.56 | The future loan interest £8,383 re Torksey, Thurgalon & Marton, included in the estimates, is likely to occur in 23/24 year. Bank charges £100 more than estimate. |
| Depreciation costs | 0.00 | (257,390.76) | 0.00 | 257,390.76 | This is a non-monetary accounting adjustment. |
| Bad debt costs | 0.00 | (1,482.47) | 0.00 | 1,482.47 | Rate write offs |
| Biodiversity & environmental costs | 1,010.00 | 829.31 | 1,010.00 | 180.69 | Service level agreement and barn owl programme |
| TOTAL SUPPORTIVE EXPENDITURE | 1,446,883.00 | (192,208.23) | 1,446,883.00 | 1,639,091.23 | |
| TOTAL EXPENDITURE | 2,288,261.00 | (246,898.74) | 2,288,261.00 | 2,535,159.74 | Negative variance on Overall Expenditure |
| | 416,328.00 | (151,195.24) | 416,328.00 | 265,132.76 | |
| EXCEPTIONAL INCOME | 0.00 | 37,246.11 | 0.00 | 37,246.11 | This is a non-monetary accounting adjustment |
| INCOME OVER EXPENDITURE | 416,328.00 | (113,949.13) | 416,328.00 | 302,378.87 | Negative variance |

Trent Valley Internal Drainage Board
Variance to Estimates Report

| | Whole Yr Estimate | 31.03.23 Variance | 31.03.23 Estimate | 31.03.23 Actual | |
|--|------------------------------|------------------------------|------------------------------|----------------------------|---|
| INCOME OVER EXPENDITURE | 416,328.00 | (113,949.13) | 416,328.00 | 302,378.87 | |
| ADJUSTMENTS TO THE FINANCIAL STATEMENTS TO ADJUSTMENTS FOR NON MONETARY ITEMS | | | | | |
| Remove the effects of Depreciation costs | 0.00 | 257,390.76 | 0.00 | 257,390.76 | This is a non-monetary accounting adjustment |
| Remove the effects of Profit on Disposal - exception income | 0.00 | (37,246.11) | 0.00 | (37,246.11) | This is a non-monetary accounting adjustment |
| | 416,328.00 | 106,195.52 | 416,328.00 | 522,523.52 | |
| ADJUSTMENTS FOR BALANCE SHEET ENTRIES | | | | | |
| Adjustments for Reserves Movements | | | | | |
| Add the intended transfer from Plant Renewals Fund | 0.00 | 0.00 | 0.00 | 0.00 | |
| Plant/Vehicle net expenditure occurred in year - funded from Plant reserve | 0.00 | 0.00 | 0.00 | 0.00 | |
| Plant/Vehicle planned net expenditure not occurred in year - held over to Plant reserve | 0.00 | 25,000.00 | 0.00 | 25,000.00 | |
| | 0.00 | 25,000.00 | 0.00 | 25,000.00 | |
| Fixed Asset Adjustments | | | | | |
| Motor additions | | | | | |
| Motor additions | 0.00 | 0.00 | 0.00 | 0.00 | |
| | 0.00 | 0.00 | 0.00 | 0.00 | |
| Vehicle disposals | | | | | |
| Iveco Flatbed With Hiab Crane (FJ59 FPO) PLN7337 | 0.00 | 0.00 | 0.00 | 0.00 | |
| | 0.00 | (2,299.59) | 0.00 | (2,299.59) | Programmed for 20/21 estimates - Sold 12/7/22 |
| | 0.00 | 0.00 | 0.00 | 0.00 | |
| | 0.00 | (2,299.59) | 0.00 | (2,299.59) | |
| Plant additions | | | | | |
| Flail Mower | 0.00 | 0.00 | 0.00 | 0.00 | Held in plant reserve £35k |
| Strimmer | 0.00 | 0.00 | 0.00 | 0.00 | Held in plant reserve £1k |
| Strimmer | 0.00 | 0.00 | 0.00 | 0.00 | Held in plant reserve £1k |
| Bomford Flail Mower (float) | 35,000.00 | 2,750.00 | 35,000.00 | 37,750.00 | Bomford B81-81 Hedgecutter 09/09/22 |
| Liveline Lite for flailmowers | 5,000.00 | (5,000.00) | 5,000.00 | 0.00 | Budget will be retained in Plant Reserve 23/24 |
| 13t wheeled excavator - Hydradig | 120,000.00 | 12,500.00 | 120,000.00 | 132,500.00 | JCB Hydradig 110W YT72 MLY PLN7062 10/11/22 |
| Loader for yard tractor | 15,000.00 | (2,555.00) | 15,000.00 | 12,445.00 | Quickie Loader & Pallet Forks 15/08/22 PLN7147 |
| Replacement Herder mower head (Laneham) | 13,000.00 | (3,787.00) | 13,000.00 | 9,213.00 | Energreen Spearhead flail head 28/06/22 PLN7148 |
| Fuel management system | 20,000.00 | (20,000.00) | 20,000.00 | 0.00 | Budget will be retained in Plant Reserve 23/24 |
| | 208,000.00 | (16,092.00) | 208,000.00 | 191,908.00 | |
| Plant disposals | | | | | |
| Bomford Flail Mower PLN7137 | 0.00 | 0.00 | 0.00 | 0.00 | Held in plant reserve £2.5k |
| Ifor Williams & hiab PLN7519 | 0.00 | 0.00 | 0.00 | 0.00 | Held in plant reserve £200 |
| Excavator JCB JS160LC (YR63 RZS) PLN7054 | (25,000.00) | 0.00 | (25,000.00) | (25,000.00) | Excavator JCB JS160LC YR63 RZS PLN7054 10/11/22 |
| Flail Mower (float) PLN7143 | (10,000.00) | (8,000.00) | (10,000.00) | (18,000.00) | Bomford Flail Mower PLN7143 09/09/22 |
| | (35,000.00) | (8,000.00) | (35,000.00) | (43,000.00) | |
| Loan Capital Adjustment | | | | | |
| PWLB Loan repayments - Existing | 32,953.00 | 0.11 | 32,953.00 | 32,953.11 | |
| PWLB Loan repayments - Future | 17,684.00 | (17,684.00) | 17,684.00 | 0.00 | No new loans taken to date |
| | 50,637.00 | (17,683.89) | 50,637.00 | 32,953.11 | |
| Non I&E (Costs) & Income | 223,637.00 | (19,075.48) | 223,637.00 | 204,561.52 | |
| Variance at 31/03/2023 | 192,691.00 | 125,271.00 | 192,691.00 | 317,962.00 | |
| Planned Board Funding towards schemes | (185,000.00) | 0.00 | (185,000.00) | (185,000.00) | |
| Surplus/(deficit) to be taken from General Reserves as at 31st March 2023 | 7,691.00 | 125,271.00 | 7,691.00 | 132,962.00 | |
| Additional Funds Required for Engineering Schemes to be taken from General Reserves | 0.00 | 0.00 | 0.00 | 0.00 | |
| Engineering Scheme funds transferred back to General Reserves | 0.00 | 20,326.53 | 0.00 | 20,326.53 | Transfer of budgets June 23 Board Meeting |
| Surplus/(deficit) to be taken from General Reserves as at 31st March 2023 | 7,691.00 | 145,597.53 | 7,691.00 | 153,288.53 | |

6. Updated 5-year Plan

| Trent Valley Internal Drainage Board | | | | | | | | |
|---|--|-------------------|---------------------|------------------|------------------|------------------|------------------|------------------|
| Estimate 5 Year Summary | | | | | | | | |
| | Actual | Estimate | Actual | Estimate | Estimate | Estimate | Estimate | Estimate |
| | 2021/22 | 2022/23 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
| | Year | | | | | | | |
| | <u>Scheme Income / Expenditure - Earmarked funds</u> | | | | | | | |
| Board Contribution to Schemes from Rating Income | 265,000.00 | 185,000 | 185,000.00 | 200,500 | 186,000 | 186,000 | 208,000 | 186,000 |
| Balance Sheet Income or Expenditure | | | | | | | | |
| Plant Renewals (Additions less disposals) | 147,910.44 | 173,000 | 146,608.41 | 170,500 | 200,000 | 200,000 | 198,000 | 207,500 |
| Plant Reserves - future funds | 0.00 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| Plant renewals (not purchased in planned year but will occur in later year) | 34,300.00 | | 25,000.00 | | | | | |
| Plant Renewals Funded from Plant Rate | 0.00 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| Plant Renewals Funded from Plant Reserve | 0.00 | 0 | 0.00 | -32,500 | 0 | 0 | 0 | 0 |
| Loan Capital Repayments - existing | 32,008.40 | 32,953 | 32,953.11 | 33,926 | 34,927 | 35,958 | 37,019 | 37,019 |
| Loan Capital Repayments - future loans | 0.00 | 17,684 | 0.00 | 12,932 | 52,693 | 55,295 | 58,025 | 58,025 |
| Balance Sheet Income or Expenditure | 214,218.84 | 223,637 | 204,561.52 | 184,658 | 287,620 | 291,253 | 293,044 | 302,544 |
| Income & Expenditure Account | | | | | | | | |
| Non-scheme Expenditure: | | | | | | | | |
| Activity & Direct Costs | | | | | | | | |
| Pumping Station Costs | 182,102.34 | 236,407 | 265,955.86 | 416,991 | 474,589 | 486,455 | 498,617 | 511,082 |
| Pumping Station Costs - additional electricity costs for 22/23 | | | | 113,410 | 0 | 0 | 0 | 0 |
| Drain Maintenance Works | 418,890.75 | 554,971 | 555,726.64 | 681,325 | 698,358 | 715,817 | 733,713 | 752,056 |
| PSCA Works | 20,660.74 | 40,000 | 38,233.94 | 28,000 | 28,000.00 | 28,000.00 | 28,000.00 | 28,000.00 |
| Recharge Works | 1,679.10 | 5,000 | 255.00 | 5,000 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 |
| Consenting Costs | 6,706.20 | 5,000 | 25,690.30 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Disbursement Costs | 450.00 | 0 | 790.00 | 0 | 0 | 0 | 0 | 0 |
| Activity & Direct Costs | 630,489.13 | 841,378 | 866,651.74 | 1,284,726 | 1,225,947 | 1,255,272 | 1,285,330 | 1,316,138 |
| Supportive Expenditure | | | | | | | | |
| DLO Wages | 411,511.22 | 481,551 | 441,014.16 | 612,434 | 627,745 | 643,438 | 659,524 | 676,012 |
| DLO Costs | 4,849.82 | 16,200 | 19,344.94 | 22,570 | 23,135 | 23,714 | 24,307 | 24,915 |
| Salaried staff costs | 123,735.49 | 128,374 | 136,311.04 | 121,052 | 124,206 | 127,438 | 130,760 | 134,169 |
| Support & Establishment Costs (incl motor/plant running) | 564,677.89 | 607,152 | 578,727.67 | 700,886 | 701,654 | 712,295 | 736,092 | 780,502 |
| Biodiversity & Environmental Costs | 930.59 | 1,010 | 180.69 | 955 | 979 | 1,004 | 1,029 | 1,055 |
| Bad Debt Costs | 328.69 | 0 | 1,482.47 | 0 | 0 | 0 | 0 | 0 |
| Finance & Bank Charges | 1,229.37 | 1,325 | 1,287.05 | 1,300 | 1,332 | 1,366 | 1,400 | 1,434 |
| Loan Interest Repayments - existing | 17,148.22 | 16,204 | 16,203.51 | 15,231 | 14,230 | 13,199 | 12,137 | 12,137 |
| Loan Interest Repayments - future loans | 0.00 | 8,383 | 0.00 | 20,978 | 82,157 | 79,555 | 76,825 | 73,960 |
| Other costs | 5,765.20 | 1,050 | 10,931.71 | 950 | 974 | 998 | 1,023 | 1,049 |
| EA Precept | 185,634.00 | 185,634 | 185,634.00 | 185,634 | 185,634 | 185,634 | 185,634 | 185,634 |
| Supportive Expenditure | 1,315,811.49 | 1,446,883 | 1,391,117.24 | 1,681,890 | 1,762,046 | 1,788,641 | 1,828,731 | 1,890,867 |
| Total Expenditure plus contributions to schemes | 2,425,619.46 | 2,696,898 | 2,667,330.50 | 3,332,074 | 3,461,613 | 3,521,166 | 3,615,105 | 3,695,549 |
| Non-Scheme Income | | | | | | | | |
| Other Income | -16,431.88 | -9,136 | -29,083.47 | -11,550 | -3,970 | -4,006 | -4,044 | -4,083 |
| PSCA Recharges | -25,920.13 | -40,000 | -50,104.81 | -28,000 | -28,000 | -28,000 | -28,000 | -28,000 |
| Recharge Works Income | -2,682.84 | -5,000 | -255.00 | -5,000 | -5,000 | -5,000 | -5,000 | -5,000 |
| Consenting Income | -2,550.00 | -9,500 | -19,928.23 | -13,000 | -5,000 | -5,000 | -5,000 | -5,000 |
| Disbursement Income | -450.00 | 0 | -790.00 | 0 | 0 | 0 | 0 | 0 |
| Committed Sums | 0.00 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| DLO & Plant costs absorbed into Productive Expenditure | -388,136.17 | -564,098 | -607,874.67 | -707,481 | -646,891 | -662,317 | -701,728 | -694,334 |
| Total Income | -436,171.02 | -627,734 | -708,036.18 | -765,031 | -688,861 | -704,323 | -743,772 | -736,417 |
| To be funded by Rates & Levy | 1,989,348.44 | 2,069,164 | 1,959,294.32 | 2,567,043 | 2,772,752 | 2,816,843 | 2,871,333 | 2,959,132 |
| Agricultural Rates Income | -436,520.63 | -461,516 | -476,917.32 | -642,552 | -648,972 | -655,478 | -662,029 | -668,665 |
| Special Levy Income | -1,500,949.00 | -1,615,339 | -1,615,339.00 | -2,217,184 | -2,239,346 | -2,261,773 | -2,284,414 | -2,307,324 |
| | -1,937,469.63 | -2,076,855 | -2,092,256.32 | -2,859,736 | -2,888,318 | -2,917,251 | -2,946,443 | -2,975,989 |
| Net Surplus/(Deficit) | -61,878.81 | 7,691 | 132,982.00 | 292,693 | 116,566 | 100,408 | 75,110 | 16,857 |
| Agricultural Annual Values A Rate | 4,152,665 | 4,142,164 | 4,142,164 | 4,272,890 | 4,272,890 | 4,272,890 | 4,272,890 | 4,272,890 |
| Special Levy Annual Values A Rate | 12,886,827 | 13,102,086 | 13,102,086 | 13,346,411 | 13,346,411 | 13,346,411 | 13,346,411 | 13,346,411 |
| Agricultural Annual Values B Rate | 193,132 | 193,865 | 193,865 | 193,865 | 193,865 | 193,865 | 193,865 | 193,865 |
| Special Levy Annual Values B Rate | 8,083,257 | 8,122,365 | 8,122,365 | 8,122,365 | 8,122,365 | 8,122,365 | 8,122,365 | 8,122,365 |
| Rate p/E A Rate | 10.420 | 11.045 | 11.045 | 14.911 | 15.060 | 15.211 | 15.363 | 15.517 |
| Rate p/E B Rate | 1.954 | 2.071 | 2.071 | 2.796 | 2.824 | 2.852 | 2.881 | 2.910 |
| Rate % Increase | 6.50% | 6.00% | 6.00% | 35.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Loan debt | | | | | | | | |
| Loan debt - existing loans | 561,199.15 | 528,246 | 528,246.04 | 494,320 | 459,393 | 423,435 | 386,416 | 348,305 |
| Loan debt - potential new loans | 0 | 842,316 | 0 | 1,697,068 | 1,644,375 | 1,589,080 | 1,531,055 | 1,470,164 |
| Total Loan debt | 561,199.15 | 1,370,562 | 528,246.04 | 2,191,388 | 2,103,768 | 2,012,515 | 1,917,471 | 1,818,469 |
| Loan debt as a % of Rateable Income | 28.97% | 65.99% | 25.25% | 76.63% | 72.84% | 68.99% | 65.08% | 61.10% |
| Cash Reserves | | | | | | | | |
| Cash Balances at 31/3 after adjustments | 449,352.98 | 449,353 | 449,352.98 | 748,656 | 864,222 | 964,630 | 1,039,740 | 1,056,597 |
| Current Year Outturn | | -102,237.41 | | | | | | |
| Plant Reserve (rated for) - to be deducted from cash balance reserves | 34,300.00 | 32,500 | 59,300.00 | 0 | 0 | 0 | 0 | 0 |
| Net Capital receipts - to be deducted from cash balance reserves | 122,640.00 | 82,640 | 82,640.00 | 2,640 | 2,640 | 2,640 | 2,640 | 2,640 |
| Surplus Operating Cash | 292,412.98 | 231,976.67 | 307,412.98 | 746,016 | 861,682 | 961,990 | 1,037,100 | 1,053,957 |
| Net Operating costs | 1,989,348.44 | 2,171,401 | 1,959,294.32 | 2,567,043 | 2,772,752 | 2,816,843 | 2,871,333 | 2,959,132 |
| Total Cash as % of Operating costs | 22.59% | 15.99% | 22.93% | 29.16% | 31.17% | 34.25% | 36.21% | 35.71% |
| Surplus Operating Cash as % of Operating costs | 14.70% | 10.68% | 15.69% | 29.06% | 31.07% | 34.18% | 36.12% | 35.62% |

Mrs N. Hind FCCA
Finance Manager

FOR MEMBERS' INFORMATION ONLY

| | | |
|---|---|---|
| TRENT VALLEY INTERNAL DRAINAGE BOARD | File Ref: | Agenda Item: 12 |
| | Meeting: Board Meeting Date: 26th June 2023 | Subject: FINANCIAL STATEMENTS AND AGAR |

| |
|--|
| <p>Recommendations:</p> <ul style="list-style-type: none">• To review and approve the Financial Statements for the Year Ending 31st March 2023 and that the Chairman evidence the Board's approval on Page 4 of the Accounts.• To receive an update on the year end audit from the Board's Internal Auditor.• To review systems of internal control and approve the Annual Governance Statement and that the Chairman and the Chief Executive evidence the Board's approval on Page 4 of the Annual Governance and Accountability Return (AGAR).• To review and approve the Accounting Statements and that the Chairman evidence the Board's approval on Page 5 of the Annual Governance and Accountability Return.• To approve the Option to extend the contract of the Internal Audit provision with TIAA Ltd for a further 2 years for 2023/24 and 2024/2025.• To review and approve the Audit Programme for the 2023/24 internal audit. |
|--|

1. Financial Statements for the year ending 31st March 2023

- 1:1 The Final accounts for the year ending 31st March 2023 are attached for consideration and approval, including schedule of Income and Expenditure, Balance sheet and Schedule of Reserves.
- 1:2 Whilst the Variance report illustrates the income and costs to the budgets, the attached accounts illustrate the income and expenditure and a comparison to last year's accounting figures.
- 1:3 Recommendation is to approve the Financial Statements and request that the Chairman evidence the Board's approval on Page 4 of the Accounts.



TRENT VALLEY INTERNAL DRAINAGE BOARD

**UNAUDITED
FINANCIAL ACCOUNTS**

FOR THE PERIOD 1ST APRIL 2022 TO 31ST MARCH 2023



TRENT VALLEY INTERNAL DRAINAGE BOARD

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Narrative Statement

Annual Report

About the Trent Valley Internal Drainage Board

The Trent Valley Internal Drainage Board (TVIDB) is an independent body created under Land Drainage Statutes responsible for flood defence, drainage and water level management works, other than on main rivers, in a defined geographical area. The Board includes those elected by and representing the occupiers of land in the area and members nominated by the local authorities of Newark & Sherwood, Melton, West Lindsey, North Kesteven, Gedling, South Kesteven, Rushcliffe and Bassetlaw District Councils.

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 within the Board's area.

The address of the registered office is:

The Newark Beacon
Beacon Hill
Cafferata Way
Newark
Nottinghamshire
NG24 2TN

The Board is administered by the Water Management Consortium, a 4 Board Consortium comprising Lindsey Marsh Drainage Board, Isle of Axholme & North Notts WLMB and Doncaster East Internal Drainage Board. The administration address is:

Wellington House
Manby Park
Manby
Louth
Lincolnshire
LN11 8UU

The Board consists of 11 elected members and 13 nominated members.

Elected Members:

J Miller (Chairman)
T H Farr (Vice-Chairman)
A Bradley
A Arden
W J Staunton
N J Greenhalgh
T Hawthorne
R J Jackson
D Loates
D Gash
J B Ashworth



Appointed by Newark & Sherwood District Council

Cllr S Michael
Cllr I Walker
Cllr K Walker
Cllr L Dales

Appointed by Rushcliffe Borough Council

Cllr J Walker (June 2022)
Cllr C Thomas (June 2022)
Cllr C Jeffreys
Cllr G Dickman

Appointed by Bassetlaw District Council

Cllr J Ogle
Cllr J Naish
Cllr S Fielding

Appointed by Gedling / Melton Borough Council

J Evens

Appointed by West Lindsey / North Kesteven District Councils

Cllr P Overton

This document is the Statement of Accounts of TVIDB for the financial year ended 31st March 2023. The accounts consist of:

The Statement of Responsibilities

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

The Income and Expenditure Account

This statement shows the gross expenditure, income and net expenditure on the major activities for which the Board is responsible and compares that cost with the finance provided by the local rate payer and others.

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, the fixed and net current assets employed in its operation, together with summarised information of the fixed assets held. This statement also includes the assets and liabilities of the Board.

The Statement of Movement on Reserves

This statement shows the changes in reserves during the reporting period.

The Statement of Accounting Policies

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

Summary of Financial Performance

The Board's financial position improved during the year as follows:



- 1 **Deficit / Surplus:** The Income & Expenditure Statement shows the expenditure and income relevant to both the engineering schemes and also the general maintenance and support costs of the Board. The Income & Expenditure Statement includes costs that are non-monetary and are accounting adjustments, such as depreciation & pension costs, that do not represent cash leaving the Board. The general maintenance & support income/expenditure resulted in a surplus of **£193,378** whilst the engineering schemes income/expenditure resulted in a deficit of **£143,041**. As the Board earmarks the funds to be allocated to schemes, the timing of the income received and its associated expenditure may indeed fall into different accounting periods. The Statement of Reserves shows the funds remaining in schemes as at the 31st March 2023.
- 2 **Deficit / Surplus:** In addition to the expenditure represented in the Income & Expenditure Statement the Board also incurs costs that are represented in the Balance Sheet values, such as fixed asset additions / disposals and also capital loan repayments. When the Board prepare the annual Estimates of Income and Expenditure these Balance sheet costs must also be included to ensure the Board has sufficient monetary funds to pay such costs.
- 3 **Deficit / Surplus:** The approved 2022/23 Estimates expected a surplus position for the year of **£7,691**; with any surplus being added to General Reserves. Whilst the Board experienced increased costs, mainly in electricity throughout the financial year these were somewhat negated by the reduced costs associated with delays in the timing of expected loan repayments, vacancies within the labour force and also increased income associated with surface water development and PSCA income, the overall outturn resulted in a surplus of **£153,288.53**.
- 4 **Fixed Assets:** During the year the Board purchased a Hydradig excavator, Flail mower, tractor and Herder mower at a total cost of £191,908. The Board disposed of an Iveco Flatbed, JCB excavator and a flail mower for £45,299 making a net profit on disposal of £37,246.
- 5 **Funding:** The Boards expenditure is mainly funded by cash from ratepayers and levies on local Councils. The Board also holds a number of cash reserves. External funding is sought on Schemes from the RFCC and DEFRA.

Five Year Capital Works Programme

As reported and approved by the Board in January of each year, full details of the 5 year capital works programme along with a copy of the full estimates for income and expenditure of the Board, can be requested from the office. These estimates underline the importance of having adequate reserves and detail the funding sources which includes long term debt, flood defence grant in aid and third party contributions.



Statement of Responsibilities for the Statement of Accounts

The Board is required:

- 1 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 Responsible Financial Officer.
- 2 To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- 3 Approve the Statement of Accounts.

The Responsible Financial Officer's responsibilities:

The Responsible Financial Officer is responsible for 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 2023.

In preparing this Statement of Accounts, the Responsible Financial Officer has:

- 1 selected suitable accounting policies and then applied them consistently;
- 2 made judgements and estimates that were reasonable and prudent;
- 3 has completed this Statement of Accounts in accordance with Regulation 11 of the Accounts and Audit Regulations 2015, which all Category 2 Authorities are required to do. This Board is a Category 2 Authority
- 4 applied the accounting concept of a going concern by assuming the IDB will continue to operate for the foreseeable future.

The Responsible Financial Officer has:

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

Certificate of the Responsible Financial Officer:

This Statement of Accounts forms the basis for the Board's Annual return (AGAR) and it is that upon which the Auditor will form an opinion. It provides a true and fair view of the financial position of the Board at 31st March 2023 and its Income and Expenditure for the year then ended.

Name: Nicola Hind FCCA
Designation: Financial Reporting Officer Date: 30th May 2023

Certificate of the Chairman of the Board:

I confirm that the Financial Statements were approved by the Trent Valley Internal Drainage Board at a meeting held on the 26th June 2023.

Name: John Miller
Designation: Chairman Date: 26th June 2023

TRENT VALLEY INTERNAL DRAINAGE BOARD

Income & Expenditure Account

All Values are shown in Pound Sterling

| Notes | 31.03.2023 Current Year | 31.03.2023 Current Year | 31.03.2023 Current Year | 31.03.2023 Previous Year | 31.03.2023 Previous Year | 31.03.2023 Total |
|--|--|---|----------------------------|--|---|---------------------|
| | Annual Maintenance Income & Expenditure account - General reserves | Scheme Income & Expenditure account - Scheme reserves | Total | Annual Maintenance Income & Expenditure account - General reserves | Scheme Income & Expenditure account - Scheme reserves | Total |
| INCOME | | | | | | |
| Agricultural drainage rates | 476,917.32 | | 476,917.32 | 438,520.63 | | 438,520.63 |
| Special levies | 1,615,339.00 | | 1,615,339.00 | 1,500,949.00 | | 1,500,949.00 |
| Rental, wayleaves & grazing income | 5,034.51 | | 5,034.51 | 1,533.67 | | 1,533.67 |
| Income from PSCAs | 50,104.81 | | 50,104.81 | 25,920.13 | | 25,920.13 |
| Income from rechargeable works | 255.00 | | 255.00 | 2,682.84 | | 2,682.84 |
| Income from consenting | 19,926.23 | | 19,926.23 | 2,550.00 | | 2,550.00 |
| Income from recharge of disbursements | 790.00 | | 790.00 | 450.00 | | 450.00 |
| Contributions non-schemes | 8,754.42 | | 8,754.42 | 7,619.74 | | 7,619.74 |
| Investment interest | 9,915.36 | | 9,915.36 | 960.39 | | 960.39 |
| Other income | 5,379.18 | | 5,379.18 | 6,318.08 | | 6,318.08 |
| Grants | | 55,000.00 | 55,000.00 | | 33,000.00 | 33,000.00 |
| Deferred & committed sums released - Schemes | | 1,500.00 | 1,500.00 | | 0.00 | 0.00 |
| Contributions to Schemes | | 390,355.76 | 390,355.76 | 182,946.69 | | 182,946.69 |
| Own use of plant recharged (absorption) | | 217,518.91 | 217,518.91 | 205,189.48 | | 205,189.48 |
| Own use of labour recharged (absorption) | | 2,800,292.50 | 2,856,792.50 | 2,373,640.65 | | 2,406,640.65 |
| TOTAL INCOME | | | 2,856,792.50 | | | 2,406,640.65 |
| MAINTENANCE & DEVELOPMENT EXPENDITURE | | | | | | |
| Engineering scheme expenditure | | 199,541.31 | 199,541.31 | | 344,371.44 | 344,371.44 |
| Drain maintenance expenditure | 29 | 555,726.64 | 555,726.64 | 418,890.75 | | 418,890.75 |
| Pumping station expenditure | 11 | 265,955.86 | 265,955.86 | 182,102.34 | | 182,102.34 |
| PSCA Recharge Expenditure | 3 | 38,233.94 | 38,233.94 | 20,660.74 | | 20,660.74 |
| Recharge expenditure | 4 | 255.00 | 255.00 | 1,679.10 | | 1,679.10 |
| Consenting expenditure | 5 | 25,690.30 | 25,690.30 | 6,705.20 | | 6,705.20 |
| Disbursement Costs | 6 | 790.00 | 790.00 | 450.00 | | 450.00 |
| Cost of goods sold & stock variances | | 9,416.77 | 9,416.77 | 5,084.16 | | 5,084.16 |
| TOTAL MAINTENANCE & DEVELOPMENT EXPENDITURE | | | 1,095,609.82 | | | 979,944.73 |
| | | | | 635,573.29 | 344,371.44 | 979,944.73 |
| SUPPORTIVE EXPENDITURE | | | | | | |
| DLO costs | 12 | 460,359.10 | 460,359.10 | 416,361.04 | | 416,361.04 |
| Other direct expenses | 13 | 1,514.94 | 1,514.94 | 682.04 | | 682.04 |
| Environment Agency precept | | 185,634.00 | 185,634.00 | 185,634.00 | | 185,634.00 |
| Support & establishment costs | 14 | 715,038.71 | 715,038.71 | 688,413.38 | | 688,413.38 |
| Finance costs | 15 | 17,490.56 | 17,490.56 | 18,377.59 | | 18,377.59 |
| Depreciation costs | 16 | 257,390.76 | 257,390.76 | 254,830.88 | | 254,830.88 |
| Bad debt costs | | 1,482.47 | 1,482.47 | 328.69 | | 328.69 |
| Biodiversity & environmental costs | | 180.69 | 180.69 | 930.59 | | 930.59 |
| Pension scheme finance costs | 24 | 109,000.00 | 109,000.00 | 119,000.00 | | 119,000.00 |
| Miscellaneous | | | 0.00 | | | 0.00 |
| TOTAL SUPPORTIVE EXPENDITURE | | | 1,748,091.23 | | | 1,684,558.21 |
| | | | | 1,684,558.21 | 0.00 | 1,684,558.21 |
| TOTAL EXPENDITURE | | | 2,843,701.05 | | | 2,664,502.94 |
| | | | | 2,320,131.50 | 344,371.44 | 2,664,502.94 |
| EXCEPTIONAL INCOME | 17 | 196,132.76 | 13,091.45 | 53,509.15 | (311,371.44) | (257,862.29) |
| | | | 37,246.11 | 30,827.79 | 0.00 | 30,827.79 |
| NET SURPLUS / (DEFICIT) | | | 50,337.66 | | | (227,034.60) |
| | | | | 84,336.94 | (311,371.44) | (227,034.60) |

TRENT VALLEY INTERNAL DRAINAGE BOARD

Balance Sheet Report

All Values are shown in Pound Sterling

| | | <u>31.03.2023</u> | <u>31.03.2022</u> |
|--|-----------|-----------------------|-----------------------|
| | Notes | <u>Current Year</u> | <u>Previous Year</u> |
| FIXED ASSETS | 16 | | |
| Land & buildings | | 261,153.24 | 264,555.00 |
| Pumping stations | | 1,585,308.40 | 1,668,745.72 |
| Plant & equipment | | 816,418.25 | 788,348.33 |
| Motor vehicles | | 90,119.43 | 104,886.51 |
| FIXED ASSETS | | 2,752,999.32 | 2,826,535.56 |
| CURRENT ASSETS | | | |
| Stocks | | 28,854.72 | 20,818.51 |
| Trade debtors | | 23,067.44 | 7,339.10 |
| Rates debtors | | 6,433.16 | 10,385.08 |
| Other debtors | | 3,233.72 | 2,254.85 |
| Cash at Bank and in hand | 18 | 1,313,977.27 | 1,158,545.35 |
| Prepayments | | - | - |
| CURRENT ASSETS | | 1,375,566.31 | 1,199,342.89 |
| CURRENT LIABILITIES - DUE WITHIN 1 YEAR | | | |
| Trade creditors & supplier retentions | 19 | (151,978.34) | (198,520.38) |
| Other creditors | 20 | (9,694.09) | (8,727.72) |
| Accruals | | (3,830.00) | (8,318.09) |
| Taxation & social security | 21 | 13,035.04 | 36,679.31 |
| Loans & hire purchase | 22 | (33,925.71) | (33,925.71) |
| Deferred income & commuted sums | 23 | (79,583.64) | (76,861.42) |
| CURRENT LIABILITIES | | (265,976.74) | (289,674.01) |
| NET CURRENT ASSETS | | 1,109,589.57 | 909,668.88 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 3,862,588.89 | 3,736,204.44 |
| LONG TERM LIABILITIES | | | |
| Loans & hire purchase | 22 | (494,320.33) | (527,273.44) |
| Pension scheme liability | 24 | (648,000.00) | (2,749,000.00) |
| LONG TERM LIABILITIES | | (1,142,320.33) | (3,276,273.44) |
| NET ASSETS | | 2,720,268.56 | 459,931.00 |
| RESERVES: | | | |
| USABLE RESERVES | | | |
| EARMARKED RESERVES | | | |
| Engineering Projects Reserve | 30 | 623,143.77 | 561,511.61 |
| Commuted Sums Reserve | | 0.00 | 0.00 |
| Capital Receipts Unapplied Reserve | | 82,640.00 | 122,640.00 |
| Plant Renewal Fund | | 59,300.00 | 34,300.00 |
| TOTAL EARMARKED | | 765,083.77 | 718,451.61 |
| GENERAL RESERVES | | | |
| General Reserve - Profit & Loss Reserve | | 1,235,992.83 | 1,317,222.17 |
| Current period net surplus / (deficit) | | 50,337.56 | (227,034.50) |
| TOTAL GENERAL RESERVES | | 1,286,330.39 | 1,090,187.67 |
| UNUSABLE RESERVES | | | |
| Revaluation Reserve | | 1,316,854.40 | 1,400,291.72 |
| Pension Reserve | 24 | (648,000.00) | (2,749,000.00) |
| TOTAL NON-DISTRIBUTABLE RESERVES | | 668,854.40 | (1,348,708.28) |
| BOARD'S FUNDS | | 2,720,268.56 | 459,931.00 |

TRENT VALLEY INTERNAL DRAINAGE BOARD

Statement of Changes in Reserves For the Year Ended 31 March 2023

| Usable Reserves | Engineering Projects Reserve | Commuted Sums Reserve | Capital Receipts Unapplied Reserve | Plant Renewal Fund | General Reserve - Profit & Loss Reserve | Total £ |
|------------------------------|------------------------------------|-----------------------------|---|--------------------------|---|---------------------|
| | £ | £ | £ | £ | £ | |
| At 1 April 2022 | 561,511.61 | 0.00 | 122,640.00 | 34,300.00 | 1,090,187.67 | 1,808,639.28 |
| Profit / (Loss) for the Year | - | - | - | - | 50,337.56 | 50,337.56 |
| Board Funding for schemes | 185,000.00 | - | - | - | (185,000.00) | 0.00 |
| Engineering receipts | 56,500.00 | - | - | - | (56,500.00) | 0.00 |
| Other comprehensive income | - | - | - | - | 109,000.00 | 109,000.00 |
| Transfer from other reserves | 40,000.00 | - | - | 25,000.00 | 103,763.85 | 168,763.85 |
| | <u>843,011.61</u> | <u>0.00</u> | <u>122,640.00</u> | <u>59,300.00</u> | <u>1,111,789.08</u> | <u>2,136,740.69</u> |
| Transfer to other reserves | (20,326.53) | 0.00 | (40,000.00) | - | (25,000.00) | (85,326.53) |
| Engineering expenditure | (199,541.31) | - | - | - | 199,541.31 | 0.00 |
| At 31 March 2023 | <u>623,143.77</u> | <u>0.00</u> | <u>82,640.00</u> | <u>59,300.00</u> | <u>1,286,330.39</u> | <u>2,051,414.16</u> |

| Unusable Reserves | Revaluation Reserve | Pension Reserve | Total £ |
|-------------------------------------|------------------------|---------------------|-------------------|
| | £ | £ | |
| At 1 April 2022 | 1,400,291.72 | (2,749,000.00) | (1,348,708.28) |
| Profit / (Loss) for the Year | - | 2,101,000.00 | 2,101,000.00 |
| Transfer from other reserves | - | 0.00 | 0.00 |
| | <u>1,400,291.72</u> | <u>(648,000.00)</u> | <u>752,291.72</u> |
| Transfer to other reserves | 0.00 | 0.00 | 0.00 |
| Depreciation of pumping stations | (83,437.32) | 0.00 | (83,437.32) |
| At 31 March 2023 | <u>1,316,854.40</u> | <u>(648,000.00)</u> | <u>668,854.40</u> |

Reserves Note

Reserves are held to create a working balance to mitigate the impact of uneven cash flows and avoid uneven rate increases or decreases, to create a contingency to cushion the impact of unexpected events and emergencies, and to build funds to meet predicted future expenditure. However, not all reserves can be used to deliver services and these are reflected as Usable and Unusable. Unusable reserves are determined by technical accounting rules and are not available for use by the Board, Revaluation and Pension reserves are examples of Unusable Reserves. Of the Usable Reserves, the Board holds two different types - Allocated or Earmarked Reserves and Unallocated or General Reserves.

Usable Reserves

Allocated or Earmarked Reserves

Allocated or Earmarked Reserves are sums set aside for a specific known future use.

Engineering Project Reserve

The Engineering Project Reserve is an earmarked reserve where the sums have been set aside for a specific project or to meet expenditure for a specific future purpose.

Further notes relating to Engineering Project Reserves can be found in the Notes to the Accounts at Note 30

Commuted Sums Reserve

A commuted sum is a "one-off" receipt, from a 3rd party, of a capital nature that is reserved against future expenditure of a specific nature. Any commuted sums are now held on the balance sheet as a future obligation (creditor) rather than a value in the reserve account.

Capital Receipts Unapplied Reserve

Capital receipts arise from the disposal of land & building assets and are credited to the Capital Receipts Unapplied Reserve from where new building or land assets may be financed from in the future.

Plant Renewal Fund Reserve

The Plant Renewal & Operating Reserve is an earmarked reserve where funds have been set aside and are held for future costs incurred in the provision of new plant.

TRENT VALLEY INTERNAL DRAINAGE BOARD

Statement of Changes in Reserves For the Year Ended 31 March 2023

Unallocated or General Reserves

Unallocated or General Reserves are funds to provide protection against unplanned expenditure.

The General Reserves, as shown on the Balance Sheet, shows the equity of the Board, and these funds are made up of both cash and non-cash assets/liabilities, such as any fixed assets the Board holds in its balance sheet.

When considering the Board's financial position, within those General reserves we identify the cash element so that we can ensure we have sufficient funds in the form of cash to meet our everyday expenditure and keep enough in reserve to enable the Board to meet any unplanned expenditure caused by an increase in costs or a flooding event. The Board's policy is to maintain a level of 30% of average net operating costs. The calculation of average operating costs includes expenditure on pumping stations, watercourse maintenance, administration, other assets and borrowing charges. Non-monetary expenses, such as depreciation, are not included in the calculation.

Unusable Reserves

Revaluation Reserve

The revaluation reserve is a non-monetary accounting adjustment to record movement arising from the revaluation of the Pumping Stations from their historical cost to their value as at the revaluation date. The Revaluation Reserve is reduced annually in line with the value of the depreciation of the Pumping Stations. The Reserve value is not available for use by the Board.

Pension Reserve

The Pension Reserve represents the present values of the Pension scheme, as valued by an independent firm of actuaries, based upon an estimate of the pensions that will be payable in future years taking into consideration assumptions on mortality rates and earnings. The Pension Reserve is not available for use by the Board.

The Pension reserve is in deficit. A deficit arises where the Board has not contributed sufficient funds to match the Actuary's assessment of the future pension commitments as at the balance sheet date. The Actuary's assessment can change significantly from year to year, depending on investment performance, mortality rates and the age profile of the active members of the scheme. The deficit value does not represent the exit costs of closing down the scheme or withdrawing from the LGPS scheme as at the balance sheet date, the cost of which is likely to be much greater than the Pensions Reserve deficit.

Further notes relating to Pensions can be found in the Notes to the Accounts

TRENT VALLEY INTERNAL DRAINAGE BOARD

Notes to the Financial Statements For the Year Ended 31 March 2023

1 General Information

Internal Drainage Boards are independent bodies created under land drainage statutes and the Board is governed by Section 1 of the Land Drainage Act 1991. The Board has permissive powers to undertake flood defence works, other than on main rivers, in a defined geographical area. The Board includes those elected by and representing the occupiers of land in the area and members nominated by the local authorities in the area.

The Board is subject to the Audit Commission Act 1998 and also the Accounts and Audit Regulations as issued under that Act.

2 Accounting Policies

The Board has not elected to prepare a full Statement of Accounts required by larger public bodies (Category 1 Authorities), as provided for in the Local Audit & Accountability Act 2014.

The Board is a Category 2 Authority and it has completed this Statement of Accounts in accordance with Regulation 11 of the Accounts and Audit Regulations 2015, which all Category 2 Authorities are required to do.

The Annual Return has been prepared in accordance with proper practices that are set out in Sections 1 and 2 of the Practitioners' Guide as published by the National Association of Local Councils 2023

Summary of significant accounting policies and key accounting statements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Accounting Concepts

These accounts have been prepared in accordance with the following accounting concepts:

Going Concern

Prudence

Accruals

Statement of compliance

These financial statements have been prepared having regard to the Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006, along with the guidance published by the Association of Drainage Authorities (ADA), with the following exception: -

Government Grants and Subsidies

Grants are credited to the Income & Expenditure account in the year they are received, this is in accordance with the proper practices as per the Practitioners Guide 2023 in the preparation of the AGAR. To ensure that Grant income not spent is held separately to the general reserves, all grants and associated expenditure relating to Engineering Schemes are held separately in the Balance Sheet Reserves and released back to General Reserves during the life of the scheme. This enables the funds allocated and received for a specific purpose to be held separately to the general reserves and ensures that those schemes have sufficient funds available to continue.

Basis of preparation

The financial statements have been prepared using the historical cost convention, except that as disclosed in the accounting policies, certain items are shown at fair value.

These financial statements are prepared in sterling which is the functional currency of the Board.

Tax

Drainage Boards are exempt from Income, Corporation and Capital Gains Taxes. Value Added Tax is included in the accounts only to the extent that it is irrecoverable.

TRENT VALLEY INTERNAL DRAINAGE BOARD

Notes to the Financial Statements For the Year Ended 31 March 2023

Tangible assets

Tangible fixed assets are recognised as expenditure on acquisition, creation or enhancement of fixed assets with a value in excess of £500, or £2,000 in the case of computer equipment, and with an estimated useful life in excess of one year and are capitalised on an accruals basis in the accounts.

Tangible fixed assets are included at historic cost less any depreciation charge.

The useful lives on the various assets held on the Fixed Asset Register are as follows:

Buildings: 50 years

Pumping station contents and weedscreen cleaners: 25 years

Motor vehicles and equipment: 5 years

Excavators and plant: 5-10 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out method (FIFO).

Debtors

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as Current Liabilities if the Board does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as Long Term Liabilities.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds and the amount due on redemption being recognised as a charge to the Income and Expenditure account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in Finance costs.

Borrowings are classified as Current Liabilities unless the Board has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Operating leases

Rentals payable under operating leases are charged to expenditure on a straight-line basis over the term of the lease.

Contingent assets and liabilities

Contingent liabilities are provided for in the accounts by way of accruals quantified by a best estimate on the non-invoiced costs that the Board incurred before the year end and had a legal obligation to settle within 9 months of the year-end.

Defined benefit pension obligation

The Board participates in the Nottinghamshire Local Government Pension Scheme operated by Nottingham County Council.

The expected costs of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the Income and Expenditure account in order to spread the cost over the lives of employees in the schemes. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis.

TRENT VALLEY INTERNAL DRAINAGE BOARD

Notes to the Financial Statements For the Year Ended 31 March 2023

The Board's share of the Pension scheme's assets and liabilities are included at fair value, as calculated annually by the actuary, which in turn gives rise to actuarial gains or losses. Liabilities are discounted to their current price using a discount rate of 4.8% (2.6% in 2022).

TRENT VALLEY INTERNAL DRAINAGE BOARD

Notes to the Financial Statements For the Year Ended 31 March 2023

| | 31.03.2023 Current Year | 31.03.2022 Previous Year |
|--|----------------------------|-----------------------------|
| 3 PSCA Income & Expenses | | |
| PSCA Income | | |
| PSCA Income - EA - DLO works done | 50,104.81 | 25,920.13 |
| | <u>50,104.81</u> | <u>25,920.13</u> |
| Expenses for PSCA works | | |
| PSCA Costs - EA | 38,233.94 | 20,660.74 |
| PSCA costs | <u>38,233.94</u> | <u>20,660.74</u> |
| Income over Expenditure on PSCA | <u>11,870.87</u> | <u>5,259.39</u> |
| 4 Other Recharge Works | | |
| Income | | |
| Works performed recharged income - DLO | 255.00 | 2,682.84 |
| | <u>255.00</u> | <u>2,682.84</u> |
| Expenditure | | |
| Works performed costs & recharged as income | 255.00 | 1,679.10 |
| Income over Expenditure on Recharge works performed | <u>0.00</u> | <u>1,003.74</u> |
| 5 Consenting Recharges | | |
| Income | | |
| Consent & application fees | 4,800.00 | 2,550.00 |
| Surface water fees | 0.00 | 0.00 |
| Consenting fees - commuted income matched to expenses | 15,128.23 | 0.00 |
| | <u>19,928.23</u> | <u>2,550.00</u> |
| Expenditure | | |
| Consenting costs | 25,690.30 | 6,706.20 |
| Income over Expenditure on Consenting Recharge | <u>(5,762.07)</u> | <u>(4,156.20)</u> |
| 6 Disbursement Income & Expenditure | | |
| Recharge of expenditure Income | | |
| Income receipts for expenses | 790.00 | 450.00 |
| Recharge of expenditure | | |
| Expenses (disbursements) to be recharged | 790.00 | 450.00 |
| Income over Expenditure on Disbursements | <u>0.00</u> | <u>0.00</u> |
| Total Income Relating to Recharges | <u>71,078.04</u> | <u>31,602.97</u> |
| Total Expenditure Relating to Recharges | <u>64,969.24</u> | <u>29,496.04</u> |
| | 31.03.2023 | 31.03.2022 |
| | Current Year | Previous Year |
| 7 Contributions - non-Schemes | | |
| Contributions towards DLO costs | 7,905.00 | 5,206.00 |
| Contributions towards vehicle fuel costs - pte mileage | 849.42 | 703.98 |
| Olive Tech fund to match expenditure | | 1,709.76 |
| | <u>8,754.42</u> | <u>7,619.74</u> |
| | 31.03.2023 | 31.03.2022 |
| | Current Year | Previous Year |
| 8 Other income | | |
| Insurance claims | 4,578.33 | 5,318.08 |
| Sale of stocks | 0.00 | 0.00 |
| Sale of assets | 0.00 | 0.00 |
| Sale of land | 0.00 | 0.00 |
| Credit card income | 0.85 | 0.00 |
| Summons costs receipts | 800.00 | 1,000.00 |
| | <u>5,379.18</u> | <u>6,318.08</u> |

TRENT VALLEY INTERNAL DRAINAGE BOARD

Notes to the Financial Statements For the Year Ended 31 March 2023

| | 31.03.2023 Current Year | 31.03.2022 Previous Year |
|--|----------------------------|-----------------------------|
| 9 Use of Own | | |
| Use of Own Plant | | |
| Engineering Projects | 29,288.50 | 7,485.91 |
| PS Projects | 2,969.00 | 2,582.83 |
| Recharge Projects | 23,424.75 | 10,713.33 |
| Drains Maintenance Projects FLA, WEE, WOT, WED | 334,673.51 | 162,164.62 |
| Other | | |
| Total Use of Own Plant | <u>390,355.76</u> | <u>182,946.69</u> |
| Use of Own Labour | | |
| Use of Own Labour - DLO | | |
| Engineering Projects | 18,474.13 | 13,709.46 |
| PS Projects | 9,732.66 | 9,752.91 |
| Recharge Projects | 14,230.72 | 9,925.01 |
| Drains Maintenance Projects FLA, WEE, WOT, WED | 175,081.40 | 171,802.10 |
| Other | | |
| Total Use of Own Labour | <u>217,518.91</u> | <u>205,189.48</u> |
| Total Use of Own Labour & Plant | <u>607,874.67</u> | <u>388,136.17</u> |
| | | |
| | 31.03.2023 | 31.03.2022 |
| | Current Year | Previous Year |
| 10 Drain Maintenance Expenses | | |
| Flailing | 220,729.66 | 116,535.93 |
| Weedcutting | 204,145.98 | 134,796.59 |
| Emergency drain repairs | 246.48 | 594.15 |
| Other drain repairs | 130,604.52 | 166,964.08 |
| | <u>555,726.64</u> | <u>418,890.75</u> |
| Stocks | 10,508.71 | 23,245.19 |
| Use of own plant | 334,673.51 | 162,164.62 |
| Use of own labour | 175,081.40 | 171,802.10 |
| Contractors | 30,535.00 | 54,511.64 |
| Consultants | 680.28 | 1,451.31 |
| Compensation | 3,382.75 | 5,145.83 |
| Expenses reimbursements (inc. travelling) | 864.99 | 570.06 |
| Other costs | 0.00 | 0.00 |
| | <u>555,726.64</u> | <u>418,890.75</u> |
| | | |
| | 31.03.2023 | 31.03.2022 |
| | Current Year | Previous Year |
| 11 Pumping Station Expenses | | |
| Stocks | 39.36 | 369.46 |
| Use of own plant | 2,969.00 | 2,582.83 |
| Use of own labour | 9,732.66 | 9,752.91 |
| Contractors | 14,371.16 | 15,073.31 |
| Consultants | 3,870.72 | 3,888.98 |
| Utilities (Electric) | 187,394.21 | 105,439.72 |
| Utilities (Rates & Water) | 164.47 | 48.49 |
| Utilities (Phone) | 752.08 | 2,471.86 |
| Telemetry | 11,298.12 | 13,817.45 |
| Inspections | 6,921.80 | 6,681.95 |
| Insurance | 28,399.72 | 21,865.14 |
| Expenses reimbursements | 34.94 | 41.24 |
| Other costs | 7.62 | 69.00 |
| | <u>265,955.86</u> | <u>182,102.34</u> |

TRENT VALLEY INTERNAL DRAINAGE BOARD

Notes to the Financial Statements For the Year Ended 31 March 2023

| | | 31.03.2023 | 31.03.2022 |
|--|----------|---------------------|----------------------|
| 11 Pumping Station expenses - per station | | | |
| Marton Pumping Station | TVPS1001 | 39,789.72 | 19,640.90 |
| Fenton Pumping Station | TVPS1002 | 2,936.54 | 4,501.45 |
| Torksey Pumping Station | TVPS1003 | 47,228.40 | 18,909.23 |
| Drinsey Nook Pumping Station | TVPS1004 | 4,390.82 | 3,329.70 |
| South Clifton Pumping Station | TVPS1005 | 2,786.31 | 5,766.28 |
| Lowfield Pumping Station | TVPS2001 | 3,016.89 | 3,214.24 |
| Cuckstool Pumping Station | TVPS3001 | 16,486.88 | 12,452.86 |
| Hams Dyke Pumping Station | TVPS3002 | 4,076.30 | 3,432.42 |
| Weir Dyke Pumping Station | TVPS4001 | 3,342.46 | 3,317.18 |
| Beckingham Pumping Station | TVPS4002 | 35,907.44 | 23,134.11 |
| Bole Pumping Station | TVPS4003 | 9,824.46 | 8,698.87 |
| Wheatley Beck Pumping Station | TVPS4004 | 2,282.33 | 2,773.52 |
| Burton Round Pumping Station | TVPS4005 | 26,712.01 | 15,493.89 |
| Sturton Pumping Station | TVPS4006 | 14,000.67 | 12,288.17 |
| Cottam Pumping Station | TVPS4007 | 31,607.18 | 15,803.46 |
| Moor Lane Pumping Station | TVPS4008 | 2,530.91 | 4,981.89 |
| Church Laneham Pumping Station | TVPS4009 | 5,394.39 | 15,842.11 |
| Fledborough Pumping Station | TVPS4010 | 13,642.15 | 8,522.06 |
| | | <u>265,955.86</u> | <u>182,102.34</u> |
| | | 31.03.2023 | 31.03.2022 |
| | | Current Year | Previous Year |
| 12 DLO costs | | | |
| Wages | | 351,235.92 | 317,330.62 |
| Employers NIC | | 37,279.94 | 31,754.28 |
| Employers Pension | | 46,547.69 | 51,405.67 |
| DLO Travelling | | 5,950.61 | 11,020.65 |
| DLO Training | | 13,153.25 | 344.76 |
| Recruitment costs | | 728.00 | 302.16 |
| PPE & Protective clothing | | 3,863.77 | 3,985.90 |
| DLO Medicals | | 1,599.92 | 217.00 |
| | | <u>460,359.10</u> | <u>416,361.04</u> |
| | | 31.03.2023 | 31.03.2022 |
| | | Current Year | Previous Year |
| 13 Other Direct Costs | | | |
| Sub-contractor | | | |
| Consumables | | 540.58 | 17.50 |
| Buyers fees | | 974.36 | 664.54 |
| | | <u>1,514.94</u> | <u>682.04</u> |
| | | 31.03.2023 | 31.03.2022 |
| | | Current Year | Previous Year |
| 14 Support & Establishment Costs | | | |
| * Staff costs | | 136,311.04 | 123,735.49 |
| Other staff costs incl travelling, training, recruitment, insurances | | 20,961.66 | 17,776.25 |
| Depot costs | | 20,246.83 | 18,593.05 |
| Office costs | | 13,888.30 | 13,007.47 |
| Administration costs including telephone | | 11,212.62 | 9,391.74 |
| Consortium fees | | 256,175.79 | 241,977.66 |
| Advertising costs | | 570.60 | 570.60 |
| Shows and promotions | | 0.00 | |
| Travelling & subsistence costs | | 246.48 | 332.67 |
| Motor vehicle running costs | | 30,418.18 | 24,094.71 |
| Plant vehicle running costs | | 157,880.09 | 157,979.25 |
| Plant (non-motorised) running and maintenance costs | | 17,080.58 | 31,013.18 |
| Small tools renewals | | 1,825.68 | 2,565.51 |
| Office & hire equipment costs | | 362.52 | 1,087.56 |
| IT costs | | 11,122.18 | 19,689.47 |
| Legal & professional fees | | 9,592.42 | 5,176.00 |
| Board expenses | | 8,155.87 | 5,603.24 |
| Subscriptions | | 6,091.83 | 0.00 |
| ADA costs | | 12,791.04 | 5,713.00 |
| Insurances | | 0.00 | 10,106.53 |
| Miscellaneous | | | 0.00 |
| | | <u>715,038.71</u> | <u>688,413.38</u> |

* Staff Costs includes salaries, pensions & NIC of support staff.

TRENT VALLEY INTERNAL DRAINAGE BOARD

Notes to the Financial Statements For the Year Ended 31 March 2023

| | 31.03.2023 Current Year | 31.03.2022 Previous Year | | |
|--|----------------------------|-----------------------------------|--|---------------------|
| 15 Finance Costs | | | | |
| Bank charges | 518.10 | 540.15 | | |
| Credit charges | 362.10 | 354.01 | | |
| Card machine charges | 406.85 | 335.21 | | |
| | <u>1,287.05</u> | <u>1,229.37</u> | | |
| PWLB Loan Interest - existing loans | 16,203.51 | 17,148.22 | | |
| PWLB Loan Interest - future loans | 0.00 | 0.00 | | |
| | <u>16,203.51</u> | <u>17,148.22</u> | | |
| | <u>17,490.56</u> | <u>18,377.59</u> | | |
| 16 Tangible assets | | | | |
| | Land & Buildings | Pumping Stations & Contents | Plant, Equipment & Vehicles £ | Total £ |
| Cost or valuation | | | | |
| At 1 April 2022 | 298,374.00 | 2,503,116.00 | 1,843,844.57 | 4,645,334.57 |
| Additions in year | - | - | 191,908.00 | 191,908.00 |
| Disposals in year | - | - | (169,423.75) | (169,423.75) |
| At 31 March 2023 | <u>298,374.00</u> | <u>2,503,116.00</u> | <u>1,866,328.82</u> | <u>4,667,818.82</u> |
| Depreciation | | | | |
| At 1 April 2022 | 33,819.00 | 834,370.28 | 950,609.73 | 1,818,799.01 |
| Charge in the year | 3,401.76 | 83,437.32 | 170,551.68 | 257,390.76 |
| Eliminated on disposal of assets to plant reserves | - | - | (161,370.27) | (161,370.27) |
| At 31 March 2023 | <u>37,220.76</u> | <u>917,807.60</u> | <u>959,791.14</u> | <u>1,914,819.50</u> |
| Carrying amount | | | | |
| At 31 March 2023 | <u>261,153.24</u> | <u>1,585,308.40</u> | <u>906,537.68</u> | <u>2,752,999.32</u> |
| At 31 March 2022 | <u>264,555.00</u> | <u>1,668,745.72</u> | <u>893,234.84</u> | <u>2,826,535.56</u> |
| During 2019/2020 land at Egmonton was purchased for £128,282, including associated purchase costs. It is the intention of the Board to offer the land for sale once the Egmonton Flood Relief Scheme is complete | | | | |
| | 31.03.2023 Current Year | 31.03.2022 Previous Year | | |
| 16 Tangible assets continued | | | | |
| Depreciation charge on assets | 257,390.76 | 254,830.88 | | |
| | <u>257,390.76</u> | <u>254,830.88</u> | | |
| | 31.03.2023 Current Year | 31.03.2022 Previous Year | | |
| 17 Profit / (Loss) on disposal of assets | | | | |
| Profit / (Loss) on disposal of plant | 34,946.52 | 28,000.00 | | |
| Profit / (Loss) on disposal of vehicles | 2,299.59 | 2,827.79 | | |
| | <u>37,246.11</u> | <u>30,827.79</u> | | |
| | 31.03.2023 Current Year | 31.03.2022 Previous Year | | |
| 18 Cash at bank and in hand | | | | |
| Natwest Current Account | 10,000.00 | 10,112.00 | | |
| Natwest Business Reserve Account | 526,702.37 | 376,701.24 | | |
| Natwest Direct Reserve Account | 262,096.91 | 262,096.91 | | |
| Beverley Building Society | 4,604.57 | 4,589.36 | | |
| Santander Building Society | 510,533.42 | 505,005.84 | | |
| Rates float | 40.00 | 40.00 | | |
| | <u>1,313,977.27</u> | <u>1,158,545.35</u> | | |
| | 31.03.2023 Current Year | 31.03.2022 Previous Year | | |
| 19 Trade creditors and supplier retentions | | | | |
| Trade creditors | (142,508.16) | (182,633.69) | | |
| Supplier retentions | (9,470.18) | (15,886.69) | | |
| | <u>(151,978.34)</u> | <u>(198,520.38)</u> | | |

TRENT VALLEY INTERNAL DRAINAGE BOARD

Notes to the Financial Statements For the Year Ended 31 March 2023

| | | 31.03.2023 Current Year | 31.03.2022 Previous Year |
|--|--------------|------------------------------------|-------------------------------------|
| 20 Other Creditors | | | |
| Pensions | | (9,304.99) | (8,638.27) |
| Trade Union | | (50.50) | (73.00) |
| Child Care Vouchers | | 5.00 | 5.00 |
| Credit cards | | (343.60) | (21.45) |
| | | <u>(9,694.09)</u> | <u>(8,727.72)</u> |
| | | 31.03.2023 Current Year | 31.03.2022 Previous Year |
| 21 Taxation and social security | | | |
| VAT refund due from HMRC | | 23,764.48 | 45,104.84 |
| VAT due to HMRC | | | 0.00 |
| PAYE due to HMRC | | (10,729.44) | (8,425.53) |
| | | <u>13,035.04</u> | <u>36,679.31</u> |
| | | 31.03.2023 Current Year | 31.03.2022 Previous Year |
| 22 Loans | | | |
| Due within 1 year | | | |
| PWLB Loans | | (33,925.71) | (33,925.71) |
| Hire Purchase | | 0.00 | - |
| | | <u>(33,925.71)</u> | <u>(33,925.71)</u> |
| Due after 1 year | | | |
| PWLB Loans | | (494,320.33) | (527,273.44) |
| | | <u>(494,320.33)</u> | <u>(527,273.44)</u> |
| Total Loans & HP outstanding | | <u>(528,246.04)</u> | <u>(561,199.15)</u> |
| | | 31.03.2023 Current Year | 31.03.2022 Previous Year |
| 23 Deferred Receipts & Commuted Sums | | | |
| Commuted sums held for culverts & drains maintenance | | (5,222.22) | (2,500.00) |
| Permisson Homes | | (74,361.42) | (74,361.42) |
| | | <u>(79,583.64)</u> | <u>(76,861.42)</u> |
| | | 31.03.2023 Current Year | 31.03.2022 Previous Year |
| 24 Pensions | | | |
| Income & Expenditure | | | |
| Current Service costs | 122,000.00 | | 151,000.00 |
| Current Service income - Employer contributions | (85,000.00) | | (95,000.00) |
| | | 37,000.00 | 56,000.00 |
| Interest costs on defined benefit obligation | 168,000.00 | | 132,000.00 |
| Interest income on plan assets | (98,000.00) | | (71,000.00) |
| Total Net Interest | | 70,000.00 | 61,000.00 |
| Administration expenses | | 2,000.00 | 2,000.00 |
| Total Loss / (Profit) | | <u>109,000.00</u> | <u>119,000.00</u> |
| | | 31.03.2023 Current Year | 31.03.2022 Previous Year |
| Balance Sheet | | | |
| Changes in the Fair Value of Plan Assets | | | |
| Opening Position at 1st April | | 3,789,000.00 | 3,580,000.00 |
| Contributions by employees | 17,000.00 | | 20,000.00 |
| Contributions by employer * | 85,000.00 | | 95,000.00 |
| Contributions in respect of unfunded benefits | - | 102,000.00 | - |
| Interest Income on Plan Assets | | 98,000.00 | 71,000.00 |
| Remeasurements: ** | | | |
| Return on assets less interest | (167,000.00) | | 193,000.00 |
| Other actuarial gains & (losses) | (30,000.00) | (197,000.00) | - |
| Administration expenses | | (2,000.00) | (2,000.00) |
| Benefits paid out | (167,000.00) | | (161,000.00) |
| Benefits (unfunded) paid out | (6,000.00) | (173,000.00) | (7,000.00) |
| Closing fair value of plan assets at 31st March | | <u>3,617,000.00</u> | <u>3,789,000.00</u> |

TRENT VALLEY INTERNAL DRAINAGE BOARD

Notes to the Financial Statements For the Year Ended 31 March 2023

24 Pensions note continued

Changes in the Defined Benefit Obligation

| | | | | |
|--|--------------|-----------------------|--------------|-----------------------|
| Opening Position at 1st April | | (6,538,000.00) | | (6,674,000.00) |
| Current Service costs | (122,000.00) | | (151,000.00) | |
| Past Service costs *** | - | (122,000.00) | - | (151,000.00) |
| Interest Costs on defined benefit obligation | | (168,000.00) | | (132,000.00) |
| Contributions by employees | | (17,000.00) | | (20,000.00) |
| Remeasurements: ** | | | | |
| Changes in demographic assumptions | 389,000.00 | | - | |
| Changes in financial assumptions | 2,310,000.00 | | 286,000.00 | |
| Other experience **** | (292,000.00) | 2,407,000.00 | (15,000.00) | 271,000.00 |
| Benefits paid out | 167,000.00 | | 161,000.00 | |
| Benefits (unfunded) paid out | 6,000.00 | 173,000.00 | 7,000.00 | 168,000.00 |
| Closing position at 31st March | | <u>(4,265,000.00)</u> | | <u>(6,538,000.00)</u> |
| Balance Sheet | | | | |
| Closing Position of Net assets / (liabilities) - Pension Deficit *** | | <u>(648,000.00)</u> | | <u>(2,749,000.00)</u> |

Movement on Reserves

| | | | | |
|------------------------------|--------------|---------------------|--------------|-------------------|
| Service Costs | (122,000.00) | | (151,000.00) | |
| Employer contributions | 85,000.00 | (37,000.00) | 95,000.00 | (56,000.00) |
| Interest Income | 98,000.00 | | 71,000.00 | |
| Interest costs | (168,000.00) | (70,000.00) | (132,000.00) | (61,000.00) |
| Remeasurement - assets ** | (197,000.00) | | 193,000.00 | |
| Remeasurement obligations ** | 2,407,000.00 | 2,210,000.00 | 271,000.00 | 464,000.00 |
| Administration expenses | | (2,000.00) | | (2,000.00) |
| Movement on Pension Reserve | | <u>2,101,000.00</u> | | <u>345,000.00</u> |

* Contributions by employer - this represents the contributions made by the Board to the Pension Scheme pool. Each employer within the pool pays a contribution rate based on the costs of the benefits of the combined membership of the pool. The contribution represents those made in respect of current employees, based upon their salaries and wages at a rate of 20.2% for the employer, plus the additional contribution made by the Board to address the Pension Deficit. In the year to 31st March 2023 the Board contributed £25,675 (£24,772 in 2022) towards the pension deficit. The deficit for 2022/23 will be £8,920 & the employer primary rate will be 21.3%.

** Remeasurement - Formal actuarial valuations are carried out every 3 years, when the assets and liabilities of the pension scheme are calculated on a detailed basis. The balance sheet totals at 31st March 2023 were based on the previous formal valuation in 2022, any assumptions made in non-valuation years are effectively re-calibrated once a detailed valuation takes place. The next triennial valuation will take place in 2025.

*** Past service costs arise as a result of introduction or withdrawal of, or changes to, member benefits. For example, an award of additional discretionary benefits to a member such as added years by a member would be considered a past service costs. There were no additional benefits which were granted over the year ending 31st March 2023.

**** The experience loss / (gain) on the defined benefit obligation includes £485,000 in respect of the allowance for actual pensions increases and CPI inflation over the accounting period

TRENT VALLEY INTERNAL DRAINAGE BOARD

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

| | 31.03.2023 | 31.03.2022 |
|--|---------------------|----------------------|
| | Current Year | Previous Year |
| 25 Engineering projects Grant Income | | |
| Thurgaton Beck | | 26,000.00 |
| North Scarle | | 7,000.00 |
| Marton PS TV20305 | 55,000.00 | |
| | <u>55,000.00</u> | <u>33,000.00</u> |
| | 31.03.2023 | 31.03.2022 |
| | Current Year | Previous Year |
| 26 Funded from Reserves - Capital Unapplied | | |
| Fledborough PS Pump reserves | 40,000.00 | |
| | <u>40,000.00</u> | <u>0.00</u> |
| | 31.03.2023 | 31.03.2022 |
| | Current Year | Previous Year |
| 27 Contributions to schemes | | |
| North Scarle Flood Relief TV21803 | 1,500.00 | |
| | <u>1,500.00</u> | <u>0.00</u> |
| | 31.03.2023 | 31.03.2022 |
| | Current Year | Previous Year |
| 28 Deferred income & commuted sums released - Schemes | | |
| Commuted sum released to I&E - Persimmon Homes TV19504 | 0.00 | 0.00 |
| | <u>0.00</u> | <u>0.00</u> |
| | 31.03.2023 | 31.03.2022 |
| | Current Year | Previous Year |
| 29 Engineering projects expenditure | | |
| Stocks | 1,866.00 | 11,312.82 |
| Use of own plant | 29,288.50 | 7,485.91 |
| Use of own labour | 18,474.13 | 13,709.46 |
| Contractors | 88,686.53 | 238,043.82 |
| Consultants Internal | 57,127.30 | 59,330.23 |
| Consultants External | 788.40 | 10,042.50 |
| Compensation | 0.00 | 4,000.00 |
| Other costs - incl hard/software | 3,310.45 | 408.00 |
| Expense items reimbursements incl travel | | 38.70 |
| | <u>199,541.31</u> | <u>344,371.44</u> |

TRENT VALLEY INTERNAL DRAINAGE BOARD

Notes to the Financial Statements For the Year Ended 31 March 2023

30 Engineering Projects Reserves

| | 31.03.2023 | 31.03.2022 | Prior Years Continued Schemes |
|--|-------------------|-------------------|-------------------------------------|
| | Current Year | Previous Year | |
| | £ | £ | |
| Value of Engineering reserve b/w/d | | | |
| At 1 April | 561,511.61 | 554,791.55 | |
| Funding received in year | | | |
| Board funding as agreed in the Estimates | 185,000.00 | 265,000.00 | 1,691,859.00 |
| Board funding as agreed outside of Estimates from Reserves | | | |
| Marton PS - From Capital receipts unapplied | | | 30,000.00 |
| Torksey (March 19) | | | 15,000.00 |
| Burton Round - From Capital receipts unapplied | | 10,000.00 | |
| Bole Ings Mech Refurb - From Capital receipts unapplied | | 10,000.00 | |
| Bulham Lane Drain - From Capital receipts unapplied | | 55,000.00 | |
| Mink TV20601 | | | 1,000.00 |
| OPS 2021WED | | | (37,525.20) |
| Close TV14048 Bleasby School Drain & trf balances back to reserves | | (2,089.68) | |
| Close TV17009 Moorhouse Beck & trf balances back to reserves | | (2,309.00) | |
| Close TV17010 Holme Dyke Bleasby & trf balances back to reserves | | (5,222.26) | |
| Close TV18012 Marton Drain & trf balances back to reserves | | (671.53) | |
| Close TV18013 Morton Sewer & trf balances back to reserves | | (7,729.34) | |
| Close TV18015 Rampton Beck & trf balances back to reserves | | (3,886.69) | |
| Close Reforming projects | (20,326.53) | | |
| Fledborough PS pump refurb - From Capital receipts unapplied | 40,000.00 | | |
| Loan funding received in year | | | |
| Beckingham (TV11018) | - | - | 740,000.00 |
| Grant funding received in year (LL & FDGiA) | | | |
| Torksey | | | 961,983.00 |
| Egmanton TV11012 | - | - | 84,000.00 |
| Beckingham (TV11018) | - | - | 638,956.00 |
| Sutton on Trent Imps (TV16001) | - | - | 33,000.00 |
| Lowfields (TV16020) | - | - | 82,000.00 |
| South Clifton TV19304 | | | 20,000.00 |
| Telemetry LL | | | 43,973.94 |
| Thurgaton Beck | | 26,000.00 | |
| North Scarle | | 7,000.00 | |
| Marton PS TV20305 | 55,000.00 | | |
| Deferred / commuted sums received in year | | | |
| Commuted sum Ferry Drain Improvements | 28 | 0.00 | 10,028.58 |
| Contributions received in year | | | |
| Beckingham (TV11018) | | - | 29,485.00 |
| Cottam - EDF | | | 8,033.00 |
| Egmanton | | | 78,762.00 |
| North Scarle Flood Relief TV21803 | 1,500.00 | | |
| Funds received | <u>261,173.47</u> | <u>351,091.50</u> | <u>4,430,555.32</u> |
| Engineering expenditure | | | |
| Expenditure in year | 199,541.31 | 344,371.44 | 3,864,552.57 |
| Difference on Income & Expenditure trf from 1819PS | - | | 11,211.20 |
| Actual expenditure | <u>199,541.31</u> | <u>344,371.44</u> | <u>3,875,763.77</u> |
| Engineering Projects Reserves Balance c/fwd | <u>623,143.77</u> | <u>561,511.61</u> | <u>554,791.55</u> |

31 Related Party Disclosures

Elected members must own land or be a representative of a landowner in the Board's district. The Board's landowners pay drainage rates either as individuals, Partners in Partnerships, or as Directors of limited companies; the exact nature of which is dependent on their acreage/annual value of land and is multiplied by the same rate as all other rate payers.

The Board is a member of the Water Management Consortium. The Consortium consists of three other Boards, Doncaster East Internal Drainage Board, Isle of Axholme & North Notts WLMB and Lindsey Marsh Drainage Board, who provide administrative services to the Board.

2. Audit of Accounts for the Year ending 31st March 2023

2:1 The report of the Internal Auditor will be presented at the meeting. A copy of the Auditors report is attached.



Trent Valley Internal Drainage Board

Assurance Review of Annual Governance and Accountability Return







2022/23

April 2023

Internal Audit

FINAL

Executive Summary

| <p>OVERALL ASSESSMENT</p>  <p>ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE</p> <p>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.</p> | <p>KEY STRATEGIC FINDINGS</p> <ul style="list-style-type: none">  The Water Management Consortium is well-run with good accounting practices.  The Consortium has an informative website which is easy to navigate, well populated with useful and key information.  The Consortium should look to keep up to date their key Policies and Procedures. <p>GOOD PRACTICE IDENTIFIED</p> <ul style="list-style-type: none">  Good corporate governance is practiced by each of the four Boards with the Consortium with appropriate Member involvement.  The Dynamic Risk Register provides good oversight to embed and manage the Consortium's key operational activities. | | | | | | | | |
|--|--|---------|-------------|---------|-------------|---|---|---|---|
| <p>SCOPE</p> <p>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.</p> | <p>ACTION POINTS</p> <table border="1"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> <td>1</td> <td>0</td> </tr> </tbody> </table> | Urgent | Important | Routine | Operational | 0 | 0 | 1 | 0 |
| Urgent | Important | Routine | Operational | | | | | | |
| 0 | 0 | 1 | 0 | | | | | | |

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) |
|------|-----------|---|--|----------|--|-------------------------------------|---------------------------------|
| 1 | Directed | A number of the Board's Policies and Procedures were reviewed and found to be in order and up to date. In addition, the main policies and procedures are all present on the Board's website. The Mission and Policy statement was adopted by the Board on 27 th March 2019 and while it has a five year review period there is reference to EU legislation which should be removed at the next review. Similarly the Financial Regulations which were approved by the Board in March 2019 also has reference to the EU which should now be updated. The review period for Financial Regulations is also every two years? | Policies and procedures to be reviewed and kept up to date in accordance with their review period or earlier if circumstances change and the document requires updating. | 3 | These two policies are due for review and amendment ready for approval at the September Board meeting. | 30/09/23 | CEO |

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.

DRAFT

Operational - Effectiveness Matter (OEM) Action Plan

| Ref | Risk Area | Finding | Suggested Action | Management Comments |
|---|-----------|---------|------------------|---------------------|
| No Operational Effectiveness Matters were identified. | | | | |

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 | <p>Governance Framework</p> <p>There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> | In place | 1 | - |
| RM | <p>Risk Mitigation</p> <p>The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> | in place | - | - |
| C | <p>Compliance</p> <p>Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p> | In place | - | - |

Other Findings

The Agendas and Minutes of the following Trent Valley Internal Drainage Board, Board meetings were reviewed?

- 27th January 2022 (approved 2022/23 penny rate increase of 6%. Drainage rates for the year would be 11.045p for Area A and 2.0710p for area B.)
- 24th March 2022;
- 16th June 2022;
- 28th September 2022; and
- 24th November 2022.

These were all in order and demonstrated good governance with detailed and clear minutes.

The Board have a Risk Management Statement, Strategy and Register which is available on their website. Although the detail in the risk register is not present on their website.

Other Findings

The Water Management Consortium (WMC) operate with two risk registers:

- 1) A Business Risk Register and
- 2) A Dynamic Risk Register.

The business risk register is a corporate overview of the WMC's key risks and would be reviewed regularly and reported annually to the Board. The dynamic risk register enables officers to see the immediate risks and prioritise work according to potential impact. The dynamic risk register is reviewed weekly and is presented to each Board meeting.

The accounting records for the Water Management Consortium that includes the Trent Valley Internal Drainage Board are maintained using the Sage 200 accounting system.

A trial balance was obtained at the time of the audit (31st January 2023) and this was in balance. In addition, the accounting records were in order, up to date and in balance.

The accounts payable system was working well with creditors being paid in a timely manner

The purchase order system was reviewed and found to be in order.

The following invoices were reviewed in detail:

- 16/09/22 – Farmstar Ltd PP/FARM001 £14,934.00 Quickie Loader and pallet forks for tractor.
- 07/10/22 - R C Setchfield PP/SETC £23,700.00 New and part exchange of Bomford hedgecutter
- 28/10/22 - Farmstar Ltd PP/FARM001 £1,886.14.

The above invoices all represented sound purchases all undertaken in accordance with the board's procedures.

The rates and special levies for 2022/23 were set on the 27th January 2022. As at the 31st January 2023 there was a balance of £14,967.21 (sum of credits and debits) on the drainage rate account. All outstanding debt is progressed and any not paid at year end will be carried forward. Debt collection proceedings will be followed if necessary to recover unpaid sums due.






The debtors systems was reviewed and found to be working well. At the time of the audit (February 2023) an aged debtors report was generated which was reviewed and found to be in order.

Very few write offs occur but when one is required through usually the clear inability to collect the debt through bankruptcy etc. the write off is approved by the Board in accordance with Financial Regulations. There had not been any write offs during 2022/23 year to date.

Trent Valley does not hold a petty cash imprest

The payroll system is part of Sage and therefore interfaces well with Sage 200 the accounting package. This is part of the Consortium arrangements.

Other Findings

-  The pay data for week 44 and month 10 were reviewed and found to be in order.
-  The HMRC requirements for PAYE and NI for the month of January 2023 (month 10) had been met and the correct sums paid over as required to HMRC.
-  The asset register was up to date and complete for the items of plant, machinery and vehicles costing in excess of £500.
-  All accounting statements have been undertaken and reconciled to the cash book on a regular basis
-  A sample of sums feeding into the accounting statements were reviewed and verified 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 | - | - |
| S | Sustainability The impact on the organisation's sustainability agenda has been considered. | 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

- Adequate budgetary arrangements are in place and a detailed finance report is reported to every Board meeting. The budget is monitored on a regular basis and Members are able to see how actuals are compared to the original budget at every Board meeting.
- Reserves were reviewed and based upon current and projected rate rises these were adequate and aimed at achieving a 30% reserve position.
- There is a future year's forecast covering five years in place that enables each Board to identify the impact on the rates/special levies and potential future year's rate increases. This is particularly helpful to enable Boards to reflect on future year's rate increases that would impact both the rate payers and local authorities and yet maintain a balanced budget.
- Income and, in particular, the special levies and Environment Agency income is received in a timely manner. All income received is promptly banked. The majority of rating income is received via a bank transfer i.e. direct debit arrangement.
- Bank reconciliations are regularly undertaken these were in order with no unreconciled sums.
- The Board is operating within its approved budget for the 2022/23 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.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. 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

2. 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

3. 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

4. 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

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

Release of Report

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

| Stage | Issued | Response Received |
|-----------------------------------|-------------------------------|-------------------------------|
| Audit Planning Memorandum: | 23 rd January 2023 | 23 rd January 2023 |
| Draft Report: | 13 th March 2023 | 24 th April 2023 |
| Final Report: | 26 th April 2023 | |

AUDIT PLANNING MEMORANDUM

Appendix B

Client: Trent Valley

Review: Annual Governance and Accountability Return

Type of Review: Assurance **Audit Lead:** Chris Harris

Outline scope (per Annual Plan): 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.

Directed

Delivery

Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation. 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.

Detailed scope will consider: Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register. Sustainability: The impact on the organisation's sustainability agenda has been considered.

Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance. Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.

Requested additions to scope: (if required then please provide brief detail)

Exclusions from scope:

Planned Start Date: 20/02/2023

Exit Meeting Date: 09/03/2023

Exit Meeting to be held with:

Andrew McGill and Nikii Hind

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

Annual Internal Audit Report 2022/23

TRENT VALLEY INTERNAL DRAINAGE BOARD

ENTER PUBLIC PAGE ADDRESS <https://tvidb.wmc-idbs.org.uk/> PAGE ADDRESS

During the financial year ended 31 March 2023, 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 2022/23 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 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")</i> | | | ✓ |
| L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation. | ✓ | | |
| M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set)</i> . | ✓ | | |
| N. The authority has complied with the publication requirements for 2021/22 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

21/02/2023 23/02/2023 DD/MM/YYYY

Name of person who carried out the internal audit

CHRISTOPHER R HARRIS INTERNAL AUDITOR
Christopher R Harris

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date

DD/MM/YYYY

***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).**

3. Annual Governance Statement and Review of Internal Control

3:1 The Annual Governance Statement Part 3, page 4, will be presented to the Board for a review of Internal Controls.

3:2 A draft AGAR Part 3 Page 4 is attached for review prior to the meeting.

Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

TRENT VALLEY 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 2023, 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 | has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts. |
| | | | ✓ | |

***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:

DD/MM/YYYY

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

ENTER PUBLIC PAGE ADDRESS <https://tvidb.wmc-idbs.org.uk/>

4. Accounting Statements of the Annual Governance and Accountability Return

- 4:1 The Accounting Statements of Part 3 of the Return, page 5, prepared and signed by the RFO, Nicola Hind FCCA, will be presented to the Board for consideration and approval.
- 4:2 A draft AGAR Part 3 Page 5 is attached for review prior to the meeting.

Section 2 – Accounting Statements 2022/23 for

TRENT VALLEY INTERNAL DRAINAGE BOARD

| | Year ending | | Notes and guidance |
|--|--------------------|--------------------|--|
| | 31 March 2022 £ | 31 March 2023 £ | |
| 1. Balances brought forward | 1,084,406 | 1,020,456 | <i>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.</i> |
| 2. (+) Precept or Rates and Levies | 1,937,470 | 2,092,256 | <i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i> |
| 3. (+) Total other receipts | 112,539 | 204,683 | <i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i> |
| 4. (-) Staff costs | 531,049 | 587,711 | <i>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.</i> |
| 5. (-) Loan interest/capital repayments | 49,157 | 49,157 | <i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i> |
| 6. (-) All other payments | 1,533,753 | 1,457,429 | <i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i> |
| 7. (=) Balances carried forward | 1,020,456 | 1,223,098 | <i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i> |
| 8. Total value of cash and short term investments | 1,158,545 | 1,313,977 | <i>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.</i> |
| 9. Total fixed assets plus long term investments and assets | 4,645,334 | 4,667,819 | <i>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.</i> |
| 10. Total borrowings | 561,199 | 528,246 | <i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i> |

| For Local Councils Only | Yes | No | N/A | |
|---|-----|----|-----|--|
| 11a. Disclosure note re Trust funds (including charitable) | | | | <i>The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.</i> |
| 11b. Disclosure note re Trust funds (including charitable) | | | | <i>The figures in the accounting statements above do not include any Trust transactions.</i> |

I certify that for the year ended 31 March 2023 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

30/05/2003

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

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

5. Approval of the Internal Audit Provision

- 5:1 The Association of Drainage Authorities - Lincolnshire Branch, appointed TIAA Ltd to provide Internal Audit services for the WMC Boards for an initial 5-year term from 2017/18.
- 5:2 As part of the process there was an option to extend the contract for a further two years from 2023/24.
- 5:3 It is recommended to the Board to consider and approve the extension of the Internal Audit service contract TIAA Ltd for the two years to 2024/25.
- 5:4 The Internal Auditor provides annually an audit programme of the planned areas of work to be covered in the forthcoming audit. Should the Board consider any areas of concern, these can be discussed with the Auditor and the programme can be agreed and adapted.
- 5:5 The planned 2023/24 Internal Audit Program is attached for the Board's consideration and approval.

Mrs N. Hind FCCA
Finance Manager

INVESTMENT POLICY

1. POLICY

- 1:1 This Policy sets out the Boards' prudent management of its investments giving priority, firstly, to the security of those investments and, secondly, to their liquidity. It identifies the procedures for monitoring, assessing and mitigating the risk of loss of invested sums and ensures that such sums are readily accessible for expenditure whenever needed. An Annual Investment Plan will be determined, taking these key criteria into account.
- 1:2 This Policy will be approved by the Board and reviewed every three years.
- 1:3 Annual Investment Plan
- 1:3:1 The Boards will each approve the Annual Investment Plan ("the initial Plan") before the start of the financial year.
- 1:3:2 The initial Plan may be replaced by another Plan ("the revised Plan") at any time during the year, on one or more occasions, subject to Board approval. The initial Plan should specify circumstances in which a revised Plan is to be prepared, but a revised Plan may be prepared in other circumstances, if at any time it is considered appropriate.
- 1:3:3 The initial Plan and any revised Plan should, when approved, be made available on the Boards' website.

2. OBJECTIVES

- 2:1 The Boards' Investment Policy adopts two prudent objectives: achieving first of all security, (protecting the capital sum from loss) and then liquidity, (keeping the money readily available for expenditure when needed). The generation of investment income is distinct from these prudential objectives. However, the Boards should not ignore such potential revenues. Once proper levels of security and liquidity are determined, it will then be reasonable to consider what yield can be obtained consistent with those priorities. This widely-recognised investment strategy is sometimes more informally and memorably expressed as follows:

Security - Liquidity - Yield (in that order).

- 2:2 All Annual Investment Plans should reflect these prudential objectives prior to considering what yield can be obtained.

3. INVESTMENT SECURITY

3:1 Specified Investments

- 3:1:1 An investment is a specified investment if all of the following apply:

- (a) the investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling,
- (b) the investment can be either a short term or a long-term investment,
- (c) the making of the investment is not defined as capital expenditure, and

- (d) the investment is made with a body or in an investment scheme of “high credit” quality (see paragraph below).

3:1:2 The Boards recommend that this Policy should define high credit quality, and where this definition refers to credit ratings, the criteria set out in Appendix A are relevant.

3:1:3 The Boards consider that any other type of investments are unsuitable investments.

4. INVESTMENT RISK

4:1 Risk Assessment

4:1:1 This Boards’ approach to assessing the risk of loss of investments, should include making clear in particular:

- (a) to what extent, if any, risk assessment is based upon credit ratings issued by one or more credit rating agencies (see Appendix A);
- (b) where credit ratings are used, how frequently credit ratings are monitored and what action is to be taken when ratings change; and
- (c) what other sources of information on credit risk are used, additional to or instead of credit ratings.

4:1:2 All Board annual investment plans will reflect the above criteria.

4:2 Treasury Management Advisers

4:2:1 The Finance Officer will seek the opinion of advisers offering information, advice or assistance relating to investment, where appropriate. The Finance Officer will monitor and ensure the on-going quality of any such service and brief the Chief Executive accordingly.

4:3 Investment Training

4:3:1 The Board does not consider that any specific treasury management training is necessary as long as the Finance Officer or Chief Executive holds an accounting qualification (ACA, ACCA, CIPFA etc).

5. INVESTMENT LIQUIDITY

5:1 The Boards recommend that this Policy sets out procedures for determining the maximum periods for which funds may prudently be committed. This is to ensure that the Boards have properly assessed the risk of not having immediate access to some of its funds. This would normally be done using a monthly predictive cash flow model.

5:2 An investment should be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid over to the counterparty.

5:3 The Boards recommend that:

- (a) The Total of any investments in an institution should not exceed £500,000.
- (b) This does not include the Boards’ normal day to day bankers.

- (c) The Chairman, Vice-Chairman and Chief Executive have delegated powers to approve investments being placed using an investment broker, bank, building society and other financial institutions.
- (d) The Chairman, Vice-Chairman and Chief Executive have delegated powers to approve transfers for their specific boards.
- (e) Transfers of funds are authorised by two signatories, in common with other financial transactions.
- (f) The Boards are informed of the investments held and the interest rate earned at every full Board meeting.
- (g) Any investments maturing are to be brought to the attention of the Board prior to maturity for review and a decision made regarding any re-investment.

Appendix A

A credit rating agency is one of the following three companies:

- Standard and Poor's; (S&P)
- Moody's Investors Service Ltd
- Fitch Ratings Ltd.

Credit ratings are constantly changing and should therefore be checked at the following times:

- Ahead of any investment or re-investment by the Board
- Whenever market information indicates that a financial institution has an affected rating

The Board shall not invest in any financial institution that does not have a rating of "A", in at least one of the above credit rating agencies.

Credit ratings should not be seen as the only means of assessing creditworthiness but for the straightforward cash investments made by the Board, are deemed appropriate.