

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WATER LEVEL MANAGEMENT BOARD

Minutes of a Meeting of the Board held at The Green Tree Inn and via Microsoft Teams on Tuesday, 27th June 2023, at 10.00 a.m.

Elected Members

* Messrs J. Coggon
* P. Cornish
R. Adam
Vacancy
Vacancy
* J.H.T. Bramhill
* T. Dickinson
* J. Fretwell
* M.A. Harris
* R. Mason
* M. Wagstaff
* M.T. Smith

Nominated by North Lincolnshire Council

Mr I. Bint
* Cllr J. Briggs
* Cllr Mrs J. Kennedy
Cllr T. Mitchell
* Mr M.D. Pilkington
* Cllr Mrs J. Reed
Cllr D. Robinson
Cllr D.J. Rose
Three vacancies

Nominated by Bassetlaw District Council

Cllr Mrs H. Brand
*V Cllr Mrs J.M. Sanger

*V Attended via MS Teams

* *Present*

* Mr A. McGill (Chief Executive)
* Dr D. Hickman (Executive Officer)
* Messrs R. Brown (Senior Engineer)
* A. Malin (Senior Operations Manager)
* G. Sutton (Operations Manager)
* Mesdames N. Hind (Finance Manager)
C.B. Davies (Corporate Services Manager)
* Mr C. Harris (Internal Auditor)

* *In attendance*

The Chairman opened the meeting with a welcome to the new Operations Manager, Graham Sutton, and introduced him to members. Members also welcomed Mrs Judy Kennedy, who had been nominated to the Board by North Lincolnshire Council.

The Chairman reported to members that a letter of thanks had been sent to Cllr R. Allcock with regards to his service to the Board for many years.

1. APOLOGIES

Apologies for absence were received from Cllrs T. Mitchell, D. Robinson and D.J. Rose and Mr M.T. Smith.

2. DECLARATIONS OF INTEREST

Cllr J. Briggs and Cllr Mrs J. Reed declared an interest in planning applications PA/2023/233, PA/2023/259 and PA/2023/428 due to being ward members.

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3. NOTIFICATION OF ITEMS OF ANY OTHER BUSINESS

None.

4. BOARD MINUTES

RESOLVED

That the minutes of a meeting of the Board held on 28th March 2023 be confirmed as a correct record.

5. MATTERS ARISING

5:1 Minute 11, Page 682 - Operations Report

Mr M.A. Harris queried whether there was any further progress on the fishing rights. Officers reported that neither the fishing club nor the Board could locate an existing agreement, therefore an invoice had been sent for the same amount as previously and the Club had been advised that this would be valued and a new Agreement drawn up for next year.

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5:2 Minute 13:5:2, Page 687 - Kelfield Pumping Station Refurbishment

In response to Mr M.A. Harris, the Senior Engineer confirmed that the syphon guard was being manufactured.

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5:3 Minute 16:5, Page 691 - Snow Sewer Grazing

In response to Mr M.D. Pilkington, the Operations Manager confirmed that the wire would be removed the following week.

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6. FINANCE AND PLANT COMMITTEE

The minutes of the meeting held on 6th June 2023 would be brought to the next meeting for members consideration and adoption. Cllr Mrs J. Reed queried whether anything urgent had arisen from the committee that required members' attention. The Chairman confirmed that the Board was recommended to consider the investment policy and an item had been included for discussion under agenda item 13.

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7. HEALTH, SAFETY AND WELFARE

The Senior Operations Manager reported that there had been four accidents/incidents reported since the last meeting across the Consortium. Two of these had occurred in the Board's area, one involving an employee stepping on a loose manhole lid which had now been repaired, the second damage to a windscreen. Fortunately, no injuries were sustained.

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. OPERATIONS REPORT

8:1 Winter Maintenance Works

The Senior Operations Manager reported that the 2022/23 winter programme was now complete.

The updated winter programme for 2023/24 was presented as below:

Drain Name	Catchment	Description of works	Length (m)	Comments
Steelgoose / Folly Drain AXD390200 / AXD390100	Folly Drain	Culvert Installation	12	
South Moor Road Drain AXD055700	Paupers	Reforming	198	
Brunyee Drain AXD055500	Paupers	Reforming	221	
Sile Drain AXD030100	Garthorpe North Outlet	Reforming	541	Complete
Trent Fields Drain AXD030400	Garthorpe North Outlet	Reforming Desilting	1,658	50% Complete
Althorpe Main Drain AXD380100	Althorpe	Desilting	1,998	
Haldenby Drain AXD020800	Adlingfleet	Low Level Culvert	20	
Blackdyke Drain AXD510300	Four Bridges	Reforming Access Improvements	772 24	
Luddington Main Drain AXD051300	Paupers	Access Improvements	12	Complete
North Moor Drain AXD431200	Derrythorpe	Access Improvements	30	
Bawtry Bridge West Drain AXD540700	River Idle	Tree and Bushing	250	
Ash Holt East Drain AXD600700		Tree and Bushing Reforming Access Improvements	337 337 9	
Total (m)			6,419	

Access works on North Moor Drain AXD431200 were complete. Carr Ings drain had been removed from the 2023/24 winter programme as officers deemed that the cost did not represent best value for money to the Board. Alternative options were being explored with any works identified planned for the 2024/25 financial year.

Mr J. Fretwell queried whether there was more work to be completed on Snow Sewer. The Senior Operations Manager confirmed that the work was finished on the watercourse for the current year, however, due to the amount of work required on the watercourse, this would be included in the programme annually.

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8:2 Summer Maintenance Works

Preparation for the summer cutting season was underway and evaluation of plant and machinery in readiness for this was ongoing.

Recent inspections of the Strategic Ordinary Watercourses had confirmed that weed growth had been prolific due to the favourable weather conditions the region had witnessed between April and June.

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8:3 Construction Works

There were no matters to report.

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8:4 Environment Agency (EA) Works

Officers had been informed that the current Operations Manager responsible for issuing the PSCA agreement had moved roles and the post was again vacant. It was not expected that the Board would undertake any PSCA work in the immediate future, however, discussions were ongoing an update would be provided when progress was made.

The Chairman reported that as a result of the Board making the decision to withhold the precept money, positive conversations had taken place with the EA regarding maintenance. The Chief Executive reported that a productive meeting had been held with the Maintenance Lead from the Environment Agency who had confirmed that he would be willing to attend Board meetings to brief members and would also be meeting quarterly with the Board's Officers to discuss PSCA works. Mr M.A. Harris was concerned around the lack of engagement and progress with the EA for many years and the Chief Executive reassured him that officers were seeing more progress than before and were hopeful that discussions would result in work being undertaken on the ground.

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8:5 Plant and Equipment

The three new small Toyota Proace vans previously scheduled for delivery in May 2023 had arrived and had been well received by the Board's DLO.

The Senior Operations Manager reported that two of the Board's vehicles, the Ford Ranger and the Citroen Nemo van had required significant repairs that were not deemed financially viable; both were due to be replaced during the current financial year.

The Chairman, Vice Chairman and Chief Executive had agreed to purchase an Isuzu D-Max 1.9D at a total cost of £29,365.17.

The second vehicle, the Citroen Nemo Van was sold for £1,014.73 including VAT. The Senior Operations Manager presented details of two quotations received for a replacement and recommended that the lowest tender be accepted for a new Toyota Proace at a total cost of £16,360. The Toyota represented the best value for money to the Board and was also supplied with the market leading "relax" warranty covering 10 years or 100,000 miles.

RESOLVED

- (a) That the purchase of the Isuzu D-Max 1.9D be approved retrospectively at a total cost of £29,365.17, the additional amount to be funded from reserves.
- (b) That the Board purchase a Toyota Proace from the 2023/24 plant budget at a cost of £16,359.52; the additional £513.91 to be funded from reserves.

8:6 Pump Run Hours

The pump run hours were presented for members information.

9. COMPENSATION RATES

9:1 Compensation Claims

A schedule of payments of compensation totalling £5,351.28 made since the last meeting was presented for approval.

RESOLVED

That the payments made in accordance with the Board's rates since the last meeting be approved.

9:2 Compensation Rates 2023/24

Compensation rates were being reviewed and finalised rates would be circulated to members and brought back to the next meeting for approval.

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10. ASSET RENEWAL AND REFURBISHMENT PROEJCTS

The Senior Engineer updated on the following projects.

10:1 Kelfield Pumped Catchment Area Improvements (AX16019)

De-commissioning of Black Dyke Pumping Station

Northern Powergrid had disconnected the electrical supply to the building.

CLS Engineering Ltd demolished the building leaving the slab, pump and existing pipework intact. The planning application for the new palisade fence and vehicle gate was being prepared. The Board's officers had met with H. Mell and Sons to discuss the next phase of the project which would include the removal of the existing pump and the modifications to the pipework to allow for connection of a mobile pump.

Kelfield Pumping Station Refurbishment

The replacement fencing around the perimeter of the station had been installed.

Costs to date were £662,351.88 against the approved budget of £656,000. The project had a small overspend of £6,351.68 and further expenditure to complete the work was anticipated. This was specifically related to the works at the site of the former Black Dyke Pumping Station. It was expected that work would be completed by September.

RESOLVED

That £42,000 be transferred from general reserves to cover the overspend and further anticipated costs to complete Kelfield Pumped Catchment Area Improvement Scheme.

10:2 Wrays Drain Relief Scheme – Crowle (AX21505)

A contract for the civils works had been awarded to PBS Construction (North East) Ltd in the amount of £361,553.52.

PBS commenced works on site on 30th March 2023, with the road crossing under Windsor Lane. They would then proceed with low level piping to the outfall into the Board maintained Old River Drain. This unusual start was taken to enable the use of an existing road permit. Had the permit expired without ground being broken, a new permit would have taken a further twelve weeks to obtain, having a detrimental effect on the programme.

The two sections of planned open watercourse would now have a low level 1,050mm diameter pipe, as a result of the poor ground condition pockets identified. This was a variation to the contract but the additional contribution from Severn Trent Water of £165,000 and the Local Levy application for £400,000 would cover the additional cost; officers were anticipating approval by the RFCC.

Costs to date were £414,188.45 against the approved budget of £616,000.

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10:3 Southfield Pumping Station Refurbishment (AX18001)

Officers were currently obtaining quotes for the installation of a temporary dam to enable a thorough inspection of the basin to be undertaken and allow the piles to be shot-blasted and painted. Quotations had also been sought for a gate to be installed within the existing fence-line on the southern bank to improve access.

Design work for the mobile pump connection was underway and quotations would be sought. Costs to date were £268,456.53 against the approved budget of £392,000.

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10:4 Cow Lane Pumping Station – Replacement surge chamber covers and refurbishment of existing penstocks (AX21304)

An order had been placed with H. Mell and Son Ltd to carry out the steel work refurbishments. The works were scheduled to be undertaken in July. Costs to date were £24,520.70 against the approved budget of £31,955.95.

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10:5 Mother Drain Culvert SSSI at Misterton – Investigations (AX22403)

Following discovery of the heavy silt build up within the culvert, ADC (East Anglia) Ltd were approached to provide a quote and plan to remove the silt. A site meeting was being arranged to view the restrictions that were present.

Structural calculations were being carried out in-house for a new raking structure and silt trap to be positioned on the eastern side of the culvert. The Board's officers and DLO were currently evaluating the initial design to ensure that all parties involved with its production and installation were in agreement.

Officers had been in discussions with the Local Levy team and the works required to make the culvert safe did not meet the criteria for a Local Levy application. Officers were looking at an application for FDGiA however there was still some concern over the works meeting the application criteria.

Costs to date were £7,263.56 against the approved budget of £10,000.

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10:6 South Street Pumping Station Refurbishment (AX16014)

The replacement fencing was now complete.

Bosman Watermanagement BV (BWMBV) attended site on 18th April to install the new outside pump. The pump was installed within the allocated time however during testing, it was found to vibrate beyond the expectations of BWMBV.

The Senior Engineer confirmed that the issues with the new pump had been resolved and BWMBV had completed this at no additional cost.

The Senior Engineer reported that the new fish-friendly pump had shown extensive vibration and dampeners were, therefore, installed. This seemed to be successful, however, it was likely that the discharge pipe had no thrust blocks. In response to Mr R. Mason, Officers reported that no provision had been made to instal thrust blocks but these would be included in the end of project report and may be picked up under the Drain Head scheme.

Costs to date were £744,625.34 against the approved budget of £891,000.

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10:7 Derrythorpe Pumping Station – Replacement Weedscreen

Officers were obtaining quotes for hire and install of a temporary dam to allow for a thorough survey of the sump and piles to be undertaken. ADC (East Anglia) Ltd had been approached to provide a price for silt removal.

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10:8 Telemetry System Replacement (AX20303)

Telemetry had been installed at all sites however some sites did not have the functionality of telemetry control until future panel upgrades were undertaken.

Telemetry was now available at all installed sites and calibration of both the panels and telemetry to Ordnance Datum had been completed at all sites except one. 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 very valuable to both the Duty Officers and Operations Teams.

In response to Mr M.A. Harris who queried when the telemetry would be finished and operational, the Senior Engineer confirmed that the telemetry was a working system but just required the visuals for the one remaining site and this was not detrimental to operation. Mr M.A. Harris highlighted the importance of being able to monitor and make sure pumps were being run at the correct times.

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10:9 Capital Works Programme Update

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 reducing time and costs involved in developing OBCs. Having worked through a draft programme for the Lindsey Marsh area with a consultancy experienced in delivering larger OBCs, it was increasingly apparent that existing approval systems were likely to struggle with proposals on a larger scale that could not

demonstrate significant environmental benefits as well as direct linkage on the ground between adjacent catchments. 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.

There were, however, still opportunities to continue to develop a joined approach at a smaller scale within the area which would still generate cost and time savings.

The Senior Engineer reported that this would now mean developing three OBCs for the Board's area. The Executive Officer confirmed officers would push for linking OBCs as much as possible and the Chairman agreed that the more that could be linked and rationalised into fewer OBCs the better.

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11. FINANCE

11:1 Management Accounts for the Year ending 31st March 2023

The Finance Manager presented the attached report showing the Management Accounts for the period ending 31st March 2023.

The 2022/23 estimates allowed for a deficit budget of £9,272 where the funds would be met from general reserves. At the March meeting, the deficit position for 2022/23 was expected to be £160,467.52 due to the increase in electricity costs. However, the actual outturn position was a more positive deficit position of £52,432.97, a difference of £108,034.55.

The expected overspend on electric was calculated to be £206,316, however the overspend materialised at only £94,593.53 due to drier winter weather conditions.

The balance of the plant reserve was £79,447.40 due to timing delays. This would be reduced to zero during the 2023/24 year on delivery of the planned purchases.

The surplus cash reserve balance was £677,756.98 and this equated to 48.88% of net operating expenditure. The surplus cash position at the end of 2023/24 was predicted to be 29.54% of net operating costs, which would be in the realms of the Board's policy of 30% of reserves.

The balance at 31st March 2023 in relation to engineering schemes was £1,091,898.25 and after committed costs this was £215,064.58.

The attached updated 5 year plan was also presented for information.

RESOLVED

That the attached management accounts for the year ending 31st March 2023 be approved.

11:2 Transfer of Budgets for Approval

The transfer of budgets were presented for note, including the Kelfield Pumped Catchment transfer detailed in the Asset Renewal and Refurbishment report.

The Finance Manager reported that the reforming budget would now be held in the annual operations budgets and would close down and renew annually. This was because the majority of costs were for men and machines.

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11:3 Cash and Bank Reserves as at 31st March 2023

It was noted that cash balances were £1,977,979.10. Four loans remained outstanding totalling £780,771.28.

Cllr Mrs J. Reed highlighted the 2023/24 rate increase and asked that the outturn be thoroughly considered before another rate increase.

RECEIVED

11:4 Payments over £500

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

RESOLVED

That the attached schedule of payments over £500 be approved.

12. FINANCIAL STATEMENT AND AGAR

12:1 Financial Statements for the year ending 31st March 2023

The Finance Manager presented the final accounts for the year ending 31st March 2023 for consideration and approval, including the schedule of income and expenditure, balance sheet, and schedule of reserves. It was recommended that the Financial Statements be approved and the Chairman evidence the Board's approval on Page 4 of the accounts.

12:2 Audit of Accounts for the year ending 31st March 2023

The Internal Auditor presented the attached audit report and was pleased to report a Substantial Assurance. It was noted that a small number of policies and procedures required reviewing in accordance with the review period.

12:3 Annual Governance Statement and Review of Internal Control

The attached Annual Governance Statement for 2022/23 was presented for approval.

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

The attached Accounting Statements for 2022/23 were presented for approval.

12:5 Approval of the Internal Audit Provision

The Association of Drainage Authorities appointed TIAA Ltd to provide Internal Audit services for the WMC Boards for an initial five year term from 2017/18. As part of the process there was an option to extend the contract for a further 2 years from 2023/24. It was recommended that the Board consider and approve the extension of the Internal Audit service contract TIAA Ltd for the 2 years to 2024/25.

Cllr Mrs J. Reed queried whether this service was still competitive. The Internal Auditor confirmed that prices had increased in line with inflation and the Chief Executive confirmed that it met good governance regulations.

The attached planned 2023/24 Internal Audit Programme was presented for the Board's consideration and approval.

RESOLVED

- (a) That the Financial Statements for the year ending 31st March 2023 be approved and signed by the Chairman.
- (b) That the systems of internal control and Annual Government Statement be approved and signed by the Chairman and Chief Executive.
- (c) That the Accounting Statements be approved and signed by the Chairman.
- (d) That the contract of the Internal Audit provision with TIAA Ltd be extended for a further two years (2023/24 and 2024/25).

13. INVESTMENT POLICY

13:1 DRAFT Investment Policy

The Finance Manager presented a DRAFT Investment Policy for members consideration and approval. The policy set out the management of the Boards' investments including objectives, investment security, investment risk and investment liquidity. The policy identified the procedures for monitoring, assessing and mitigating the risk of loss of invested sums and ensured that such sums were readily accessible for expenditure whenever needed. This policy would be approved by each Board and reviewed every three years.

13:2 Existing Banks

Officers were in discussions with the banks and building societies where the Board currently had a mandate in place, to open new higher interest-bearing bank accounts. Should a new account become available the Board was asked to consider moving funds to the new account to achieve a higher rate of interest. Where possible this would stay within the confines of the Financial Regulations limit of £500,000 per institution.

13:3 Investment Credit Rating

The Financial Services Compensation Scheme (FSCS) protection covered up to £85,000 of savings per institution. All high street banks and building societies were part of this scheme. Some institutions were owned by other institutions and in this instance, the £85,000 protection would only apply once.

It was noted that should the Board use a broker who invests in building societies and banks, the majority of building societies were not listed for a credit score.

The credit agencies listed in the Investment Policy could have different rating scores per institution. An example was Investec Bank plc had the following credit rating with the agencies listed:

- (a) Moodys: A1
- (b) Standard and Poors (S&P): BB-
- (c) Fitch: BBB+

Where the credit rating of investment institutions differed per credit agency, the Board was asked to consider the investment credit rating.

The Chairman queried whether members should be asked to declare an interest if they held personal investments in institutions that the Board may invest in and the Chief Executive confirmed that as it was just a general decision on how to invest this would not be required.

Mr M. Pilkington queried whether officers had considered the National Savings and Investments Bank as this provided safety of funds of up to £1 million. In response, the Finance Manager stated that this may not apply to local authority bodies.

In response to Mr M.A. Harris who queried whether commission would be payable, the Finance Manager confirmed that these services always came at a cost but it could be the investee or investor's cost, depending on circumstances. The Chief Executive confirmed that this would be taken into account when considering any investments.

After discussion, members were in agreement that the Board should not invest in any financial institution that did not have a rating of "A" in at least one of the above credit rating agencies. The paragraph in Appendix A of the DRAFT Investment Policy stated "The Board should not invest in any financial institution that has a rating less than "A", using the above credit rating agencies" but this would be amended to reflect the Board's decision above.

Cllr Mrs J. Sanger joined the meeting.

13:4 Investment Level

The funds held in the Board's bank account at any point in time would be subject to future movement where payments were to be met and where receipts were to be expected. The timing of those payments and receipts were often difficult to

predict with a level of accuracy and were dependant on such things as expected delivery dates of equipment and stage payments of grant receipts for projects.

Until an accurate cashflow timetable for the projects could be calculated, it was the Officer's recommendation that the Board considered an initial investment sum based upon a percentage of the cash surplus figures, where the sum did not exceed the £500,000 limit. Officers recommended members considered either 25% or 50% of the cash surplus sum at 31st March, rounded down to the nearest £5,000. Officers confirmed that the Board currently had surplus operating costs of £677,756.98; 25% of this would be around £165,000.

The Chief Executive asked members to consider for an initial investment, what was a comfortable level of investment of the Board's funds. The Finance Manager reported that investment brokers didn't support investments of less than £50,000. Mr M.A. Harris suggested this was dependant on the term and that the Board needed to bear in mind that they were not an investment organisation. The Finance Manager confirmed that the term would be discussed and would ideally be between three and nine months. Cllr Mrs J. Reed queried whether funds could be withdrawn at any time and the Finance Manager confirmed they could not. Mr R Mason raised concerns over this in case the Board needed the money urgently. The Chief Executive confirmed that maximising the Board's investment safely would mean lower rate increases.

The Chairman proposed on a level of up to 50% of the cash surplus sum rather than setting an exact percentage. Following Cllr J. Reed's proposal of 25% of the cash surplus, the Chairman withdrew his proposal. The proposal of 25% of the cash surplus at 31st March rounded down to the nearest £5,000 was seconded and members voted in favour. Mr M.D. Pilkington abstained from the vote.

13:5 Investment Term

Mr J. Fretwell queried what the interest rates were for different terms of investment. The Finance Manager confirmed that for a fixed term with Nationwide Building Society, the rate was 4.76% for 3 months, 4.99% for 6 months and 5.23% for nine months. The Finance Manager stated that she could not recommend investing for a period of less than three months due to the amount of paperwork involved in setting up the account and no more than nine months because this would mean moving into a different financial year which would complicate matters.

Mr P. Cornish highlighted that the Board had a form of safety in the money coming in throughout the year from drainage rates and special levies which mediated the fact that some money would be inaccessible due to investment.

RESOLVED

- (a) That the attached Investment Policy be adopted having been amended as 13:3 above.
- (b) That the opening of interest-bearing bank or building society accounts within existing bank mandates, and the transfer of funds to obtain a higher return on Board funds be approved.

- (c) That the investment sum be 25% of the surplus cash reserves at 31st March rounded down to the nearest £5,000.
- (d) That where the investment is a fixed deposit with no instant access, the investment term be no less than three months and no longer than nine months.

14. DRAINAGE RATES AND SPECIAL LEVIES

It was noted that drainage rates outstanding at 31st March 2023 totalled £2,924.17 to be carried forward to the current financial year. £207.64 of this had been received.

Of the 2023/24 year, £119,940.88 (19.23%) of drainage rates and £546,270 (50.09%) of special levies had been collected. A total of £1,047,736.11 remained outstanding.

The Chairman asked Officers to pass on thanks to the Board's Rating Officer.

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15. ENVIRONMENT AGENCY AND PARTNERSHIP MATTERS

This had already been discussed under the operations report.

16. ENVIRONMENTAL REPORT

16:1 The Environment Act 2021 - Biodiversity Duty 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 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 Mink Control

The Greater Lincolnshire Nature Partnership’s ten traps in the Keadby area were installed in August 2022. To date 27 mink had been caught and one water vole in March. The water vole was released unharmed and partners in the Waterlife Recovery Trust were developing excluders to prevent water vole capture in future, these when proven would be widely deployed.

Nottinghamshire Wildlife Trust had submitted an application to Natural England’s Nature Recovery Network for funding mink control in the Erewash and Idle Valleys. They would be using the same methods as the Greater Lincolnshire Nature Partnership.

In response to Mr M.A. Harris, the Senior Engineer confirmed that the 27 mink caught had been sent off for DNA testing to try and establish whether they were crossing borders. Mr M.A. Harris reported sightings of mink and otters on the River Idle and asked what the Environment Agency was doing about the mink problem. The Senior Engineer reported that the Wildlife Trust was applying for additional funding for traps along the Idle Bank and agreed to discuss the mink problem with the Environment Agency.

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17. PLANNING AND BYELAW POLICY – UPDATE

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.

18. BYELAW APPLICATION

An application had been made to erect a single story house extension within nine metres of an open section of the Board maintained White Water Main Drain. The submitted detail showed the Southwestern corner of the proposed extension to be at a distance of 5.084m from the top bank of the watercourse. The location of the works was shown on the attached drawing AX23002_001.

The Operations Team had confirmed that annual maintenance could only take place from the southern side of the watercourse due to the enclosed gardens and existing structures that were on the northern bank. The Senior Engineer reported that the Board hadn't had access to the northern bank for a considerable amount of time.

Several of the existing buildings along the short section of White Water Main Drain were located within the nine metre Byelaw area.

It was recommended that the Board grant consent subject to the following site specific conditions:

- (a) The extension to the property to be located no closer than five metres to the bank top of the watercourse at its nearest point.
- (b) Any damage caused to the bed and/or banks of the watercourse must be fully reinstated to the satisfaction of the Board's Senior Engineer.
- (c) The applicant must take all reasonable measures to ensure that debris would not enter the watercourse. Any debris entering the watercourse to be removed immediately.
- (d) Water voles and other legally protected species could be present, it would be the applicant's responsibility to ensure the works were undertaken in compliance with wildlife legislation. Relevant surveys and working methods to be provided to the Board prior to any works commencing.
- (e) All works to be completed to the satisfaction of the Board's Senior Engineer.

Mr M.A. Harris queried why the other properties were located within the byelaw distance and whether this was due to age and the Senior Engineer confirmed that they were longstanding buildings that had been there for up to 50 years.

RESOLVED

That consent for a house extension within nine metres but no closer than five metres of the Board maintained White Water Main Drain, in the parish of Blythe, be granted subject to the conditions listed above.

19. DELEGATED MATTERS – PLANNING, BYELAWS AND SUPERVISORY ROLE

19:1 Byelaw Applications

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

IOANN/LDC/2023/005 Installation of 15 linear metres of temporary 900mm diameter culvert within Board maintained Occupation Lane Drain at Haxey Graizelound Severn Trent Water treatment works, land off Akeferry Road, Westwoodside at national grid reference 476743 398764 in the parish of Haxey.

IOANN/LDC/2023/006 Installation of 24 linear metres of temporary 900mm diameter culvert within Board maintained Occupation Lane Drain at Haxey Graizelound Severn Trent Water treatment works, land off Akeferry Road, Westwoodside at national grid reference 476684 398465 in the parish of Haxey.

IOANN/LDC/2023/007 Installation of land drainage outfall into Board maintained Occupation Lane Drain to accommodate de-watering activities on site during construction works at Haxey Graizelound Severn Trent

Water treatment works, land off Akeferry Road, Westwoodside at national grid reference 476706 398577 in the parish of Haxey.

RECEIVED

19:2 Section 23 Applications

There had been no Section 23 consents granted since the last meeting.

RECEIVED

19:3 Planning Applications

The Board had objected to planning application number 23/00414/OUT Outline application with some matters reserved (approval being sought for access) for a proposed zero carbon dwelling and the construction of a new feed and storage building and the reconstruction of a stable block.

Officers reported on 12 planning applications which had been dealt with since the last meeting and appropriate comments relating to surface water drainage had been made.

RECEIVED

20. ASSOCIATION OF DRAINAGE AUTHORITIES (ADA)

Members were reminded of the upcoming Flood and Water Live event on 5th and 6th July 2023.

The Chief Executive reported that the ADA Trent Branch meeting had been held recently and was well attended. It had also included a walkout to look at flood management.

RECEIVED

21. STAFFING

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

In response to Mr P. Cornish, the Corporate Services Manager confirmed that applications were in the process of being reviewed for the Foreman position and interviews would be held shortly.

RECEIVED

22. ANY OTHER BUSINESS

None.

CHAIRMAN

FOR MEMBERS' INFORMATION ONLY

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WATER LEVEL MANAGEMENT BOARD Meeting: Board Meeting Date: 27th June 2023	File Ref:	Agenda Item: 10
	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. Method of Accounting

- 1:1 The costs recorded within the Board's Annual Financial Statements, AGAR and IDB1 forms include both the external costs (money leaving the organisation), but also an element of Absorbed costs, which we allocate to our schemes and work programmes based upon a time mechanism and the rate we apply to an hour charge for a man or a piece of plant.
- 1:2 It has been requested that these absorbed costs be removed from the Board Report Management Accounts and the Annual Estimates, to enable a clearer view of what is actual external costs and directly relatable to the funds the Boards must raise from rating but also those costs that directly affect the Cash Surplus Reserves of the Board.

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

- 2:1 The Management Accounts for the 12-month period ending 31st March 2023 is shown below, summarising the variance of actual income and costs to estimates. The report also shows the Annual Budget amounts for information.

The Actual and Budget costs attributed to the Total Annual Maintenance and Cost of Sales Expenditure are after the absorbed costs have been removed.

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.

Isle of Axholme & NNWLMB
Variance to Estimates Report - For the 12 months to 31st March 2023

Notes	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	1,475,201.00	8,813.64	1,475,201.00	1,484,014.64
Absorption Income relating to costs in Schemes	50,450.00	138,925.62	50,450.00	189,375.62
Total Maintenance Costs for Drains/PS/Consenting incl DLO labour	(301,883.00)	(59,401.02)	(301,883.00)	(361,284.02)
Total Supportive expenditure incl Salaries, Plant running, Precept, Admin, IT & Consortium costs	(882,595.00)	(17,775.37)	(882,595.00)	(900,370.37)
	341,173.00	70,562.87	341,173.00	411,735.87
Adjustment to Reserves:				
Planned Addition to Plant Reserves from Rating	(95,000.00)	0.00	(95,000.00)	(95,000.00)
Unrated for Addition to Plant Reserves from Cash General Reserves	0.00	(60,795.14)	0.00	(60,795.14)
Plant/Vehicle planned net expenditure not occurred in year - held over to Plant reserve	0.00	(32,000.00)	0.00	(32,000.00)
Funds transferred from Plant Reserve to General Reserves to meet expenditure	0.00	222,865.30	0.00	222,865.30
Adjustments for Balance Sheet Budget Entries				
Fixed Asset Adjustments				
Vehicle additions	(27,000.00)	27,000.00	(27,000.00)	0.00
Vehicle disposals	5,000.00	(5,000.00)	5,000.00	0.00
Plant additions	(10,000.00)	(261,485.70)	(10,000.00)	(271,485.70)
Plant disposals	500.00	50,500.00	500.00	51,000.00
Loan Capital Adjustment				
PWLB Loan repayments - Existing	(25,661.00)	0.15	(25,661.00)	(25,660.85)
PWLB Loan repayments - Future	(28,584.00)	28,584.00	(28,584.00)	0.00
Balance of Income over Expenditure To General Reserves at 31/03/2023	160,428.00	40,231.48	160,428.00	200,659.48
Board Funding towards schemes	(169,700.00)	0.00	(169,700.00)	(169,700.00)
Surplus/(deficit) to be taken from General Reserves as at 31st March 2023	(9,272.00)	40,231.48	(9,272.00)	30,959.48
Unplanned adjustments to Reserves during period:				
Additional Funds Required for Engineering Schemes to be taken from Applied Reserves		(199,249.58)		(199,249.58)
Engineering/Ops Scheme funds transferred back to General Reserves		115,857.13		115,857.13
Surplus/(deficit) to be taken from General Reserves as at 31st March 2023	(9,272.00)	(43,160.97)	(9,272.00)	(52,432.97)

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

The 2022/23 Estimates allowed for a deficit budget of **£9,272** where the funds would be met from general reserves.

At the March 2023 Board Meeting the predicted deficit position for 2022/23 was expected to be **£160,467.52** due to the increase in electricity costs. However, the actual outturn position is a more positive deficit position of **£52,432.97**, a difference of £108,034.55

The expected overspend on electric was calculated to be **£206,316**, however the overspend materialised at only **£94,593.53** (a difference of £111,722.47) due to drier winter weather conditions.

With the impending increases to electricity costs, to support the General Reserves the Board approved the Transfer of Budgets to move existing Board funds from schemes to General reserves and replace these funds within the scheme via use of the Capital Receipts Unapplied reserves and increasing the proposed loan on Trentside.

Those Transfer of Budgets to close completed schemes at the year-end to be approved, can be found at Note 3.

2:2 Plant reserves

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

Balance at 01/04/22				114,517.56
Trf to General Reserves				
Trf from General Reserves - rated for in estimates				95,000.00
Trf from General Reserves - rated for in estimates in 23/24				60,795.14
Earlier Years Budgets - Acquisitions & Disposals made				
Godwin Pump x1	Addition		(10,507.77)	
Lowloader	Addition		(15,200.00)	
Godwin Pump used	Addition		(19,981.03)	
Tractor Valtra FX72ANV	Addition		(100,526.50)	
Disposal of FX08 OYE PLN7819 MF Tractor	Addition		20,000.00	
Disposal of flail with tractor PLN7826	Addition		5,000.00	
Disposal of Mower head with tractor PLN7855	Addition		1,000.00	
JCB 14 Tn Excavator	Addition		(123,650.00)	
Disposal of JCB YN13 EXE PLN7825	Addition		21,000.00	
			<u>(222,865.30)</u>	<u>(222,865.30)</u>
				47,447.40
This Years Budgets - Acquisitions & Disposals NOT made so cfwd				
Planned budget on Weedbasket - changed to Generator			10,000.00	
2 Vans			27,000.00	
Nemo Van PLN7847 FX65 MKU - disposal			(3,000.00)	
Nemo Van PLN7848 FX16 KZA - disposal			<u>(2,000.00)</u>	
				<u>32,000.00</u>
Balance of Plant Reserve cfwd 31/03/23				
				<u><u>79,447.40</u></u>
Items remaining to be purchased:				
	Budget			
Van	22/23 amended	Addition	12,829.00	
Van	22/23 amended	Disposal	(2,500.00)	
Flail	22/23 amended	Addition	37,118.40	
Planned budget on Weedbasket - changed to Generator	22/23	Addition	10,000.00	
2 Vans	22/23	Addition	27,000.00	
Nemo Van PLN7847 FX65 MKU - disposal	22/23	Disposal	(3,000.00)	
Nemo Van PLN7848 FX16 KZA - disposal	22/23	Disposal	<u>(2,000.00)</u>	
				<u><u>79,447.40</u></u>

The balance on the Plant Reserve will be reduced to Zero during the 2023/24 Financial year on delivery of the planned purchases.

The cost of any planned purchases in later financial years will be required to be rated for in that year.

2:3 General Reserves – Surplus Cash

The General Reserves 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.

Due to the mounting pressures on the Board's funds, the Board has taken steps to improve the Cash Reserves by utilising the Capital Receipts Unapplied Reserve and releasing some Project funds back to General Reserves.

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

Current Surplus Cash reserves	
Adjusted Cash reserves at 31st March 2023	1,849,102.63
Capital Projects as at 31/03/2023 balances to be met	1,091,898.25
Balance of cash remaining for general reserves	<u>757,204.38</u>
Plant Reserve (rated for) - to be deducted from cash balance reserves	79,447.40
Capital receipts unapplied	<u>0.00</u>
Surplus Cash Reserve Balance	<u><u>677,756.98</u></u>
Net Operating Expenditure (excluding schemes). Expenditure plus board contribution to schemes less income (not incl rate income)	1,386,535.64
Surplus Cash Reserve as a % of Net Operating expenditure as at 31/03/23	48.88%

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 **29.54%** of net operating costs, which is within the realms of the Board's policy of 30% reserves.

2:4 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.

Engineering Earmarked funds	Current Year
Balances at 1st April 2022	433,506.70
Board funding as agreed in the Estimates	169,700.00
Engineering Income Received	346,614.00
Loan Funding received	541,000.00
Funded from reserves	83,392.45
Engineering Expenses paid on Recharge project	(482,314.90)
Balances at 31st March 2023	1,091,898.25

Summary:	Board Funding incl trf from other projects	External Funding incl Loans	Expenditure	Remaining Balance for Actuals	Committed Costs & spends since 1/4/23	Balance after Committed	Board funds remaining £
AX16014 South Street Pumping Station Improvements	48,000.00	830,000.00	(629,978.49)	248,021.51	(121,859.92)	126,161.59	0.00
AX16019 Kelfield Pumped Catchment - whole project	478,001.00	219,999.00	(646,740.68)	51,259.32	(15,246.00)	36,013.32	0.00
AX16025 Stealgoose / Folly Drain	57,426.30	16,650.00	(61,231.92)	12,844.38	(125.00)	12,719.38	9,857.52
AX18001 Southfield Pumping Station refurbishment	(39,579.00)	382,000.00	(252,191.53)	90,229.47	(16,265.00)	73,964.47	0.00
AX19301 Trentside Pumping Station Study	8,000.00	0.00	(2,803.63)	5,196.37	(800.00)	4,396.37	4,396.37
AX19305 Wiseton Pumping Station Refurbishment	129,209.73	25,000.00	(65,238.40)	88,971.33	(4,320.00)	84,651.33	60,102.44
AX20303 Telemetry replacement	85,339.61	48,859.94	(130,509.37)	3,690.18	0.00	3,690.18	3,690.18
AX20305 Heckdyke, Four Bridges PS & Langholme	52,643.95	30,000.00	(44,680.28)	37,963.67	(6,108.91)	31,854.76	20,291.48
AX20306 South Street PS (Museum) Alarms	6,000.00	0.00	(235.68)	5,764.32	0.00	5,764.32	5,764.32
AX20307 Common Carr PS Emergency Repairs	209,250.00	0.00	(202,936.49)	6,313.51	0.00	6,313.51	6,313.51
AX20504 Occupation Lane Drain	2,000.00	0.00	(60.15)	1,939.85	0.00	1,939.85	1,939.85
AX21303 Pumping Station Renewal Reserve	80,000.00	0.00	0.00	80,000.00	0.00	80,000.00 *	80,000.00
AX21304 Cow Lane PS Surge Chamber Covers & Penstock Repairs	31,955.95	0.00	(670.70)	31,285.25	(23,850.00)	7,435.25	7,435.25
AX21504 Carr Dyke Flood Relief Scheme	11,815.39	40,000.00	(11,630.05)	40,185.34	0.00	40,185.34	4,447.04
AX21505 Wrays Drain, Crowle	26,015.69	309,000.00	(37,622.21)	297,393.48	(377,016.24)	(79,622.76)	0.00
AX22305 Drain Head (Snow Sewer) PS Refurbishment	20,000.00	0.00	0.00	20,000.00	0.00	20,000.00	20,000.00
AX22403 Mother Drain SSSI Culvert Misterton Investigations	10,000.00	0.00	(7,263.56)	2,736.44	0.00	2,736.44	2,736.44
AX22451 Asset renewals & refurbishments	42,490.32	0.00	(12,820.29)	29,670.03	(13.65)	29,656.38	29,656.38
AX23302 Pumping Station Emergency Repairs	25,000.00	0.00	0.00	25,000.00	0.00	25,000.00	25,000.00
AX23305 Gringley & Scaftworth	8,000.00	0.00	0.00	8,000.00	0.00	8,000.00	8,000.00
AX23600 Barn Owls	533.80	0.00	0.00	533.80	0.00	533.80	533.80
AX23601 Mink Control	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	1,000.00
AX23801 Drainage Investigations	3,900.00	0.00	0.00	3,900.00	0.00	3,900.00	3,900.00
	1,297,002.74	1,901,508.94	(2,106,613.43)	1,091,898.25	(565,604.72)	526,293.53	295,064.58

* AX21303 PS reserve is planned to be used for Occupation Drain in 2023/24 & 2024/25

80,000.00
215,064.58

3 Transfer of Budgets for Approval

3:1 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.

3:2 For transparency, a schedule of such transfers will be provided at each Board meeting.

Isle Of Axholme & North Nottinghamshire WLMB

Movement on reserves - Engineering Projects

Year to 31st March 2023 - Approval at June 2023 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 - remove balances from projects</u>		Balance trf
AX21503	Reforming	1,545.15
AX22503	Reforming incl Snow Sewer	-22,245.99
AX16019	Kelfield Pumped Catchment	-42,000.00
		<hr/>
		-62,700.84

Engineering Projects overspent

0.00

Proposed Funding applied from "bucket" scheme funds

0.00

-62,700.84

Operations/PS Projects underspent

Net funds transferred to/(from) General Reserves

-62,700.84

Other Movements to be approved

AX23801	Drainage Investigations	3,900.00
	The above to be transferred from	
AX22801	Drainage Investigations	<hr/> -3,900.00
AX23302	Pumping Station Emergency Pump repairs	25,000.00
	The above to be transferred from	
AX22302	Pumping Station Emergency Pump repairs	<hr/> -25,000.00
AX23600	Barn Owls	533.80
	The above to be transferred from	
AX22600	Barn Owls	<hr/> -533.80
AX23601	Mink Control	1,000.00
	The above to be transferred from	
AX20601	Mink Control	<hr/> -1,000.00

- 3:3 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 & machine, this enables an easier outturn calculation for all annual costs. Any unspent budgets will be returned to reserves annually.
- 3:4 During the 2023/24 Estimate process those budgets required annually, such as Pumping Station Emergency Pump Repairs and Drainage Investigation, 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.

4. Cash and Bank Reserves as at 31st March 2023

4:1 Schedule of Balances

	<i>Amount</i>	<i>Interest Rate</i>
HSBC Current	£1,184,072.11	0.00%
Santander Bank	£298,235.44	0.70%
Beverley Building Society	£4,762.71	1.05%
Monmouthshire Building Society	£490,813.14	0.60%
Cash	£95.70	0.00%
Total	<u>£1,977,979.10</u>	

4:2 External Borrowing

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

<i>District / Loan Number</i>	<i>Loan Amount</i>	<i>Year Commenced</i>	<i>Period (years)</i>	<i>Interest Rate</i>	<i>Balance Outstanding</i>
Crowle 504464	£350,000.00	2015	20	2.930%	£249,846.21
Southfield 506344	£250,000.00	2022	20	2.900%	£245,344.30
Kelfield 506340	£50,000.00	2022	20	2.900%	£49,068.86
South Street 506342	£241,000.00	2022	20	2.900%	£236,511.91
Total					<u>£780,771.28</u>

5. Payments over £500

5:1 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 Isle of Axholme and North Nottinghamshire Water Level Management Board on 27th June 2023

Trans Date	Account	Narrative	Payment Value £	Notes
16/03/2023	Net Wages	PAYE & Pension Payments	18,927.00	
17/03/2023	H E Brinkley Ltd	PP/BRIN001	2,835.00	Office rental
17/03/2023	K & W Mechanical Services Ltd	PP/KWMS001	523.80	
17/03/2023	Lindsey Marsh Drainage Board	PP/LMDB001	10,779.32	Engineering and consenting recharges - February 23
20/03/2023	P.A.Y.E.	PAYE & Pension Payments	6,237.10	
20/03/2023	Woldmarsh Producers Ltd	PP/WOLD001	4,035.55	Fuel and materials
23/03/2023	Scottish Hydro Electric	PP/SCOT001	3,299.72	Electricity
23/03/2023	Pension Fund	PAYE & Pension Payments	1,665.07	
24/03/2023	Focus Signs (Lincolnshire) Ltd	PP/FOCU001	770.88	
24/03/2023	Lindsey Marsh Drainage Board	PP/LMDB001	3,237.23	Disbursement recharges - February 23
24/03/2023	H Mell & Son Services Ltd	PP/MELL001	5,667.07	Repairs to tree shears and spare blades
24/03/2023	Towergate Risk Solutions	PP/TOWE001	525.60	
31/03/2023	Batchmix Ltd	PP/BATC001	969.22	
31/03/2023	Lindsey Marsh Drainage Board	PP/LMDB001	19,003.72	Consortium recharges - February 23
31/03/2023	TIAA	PP/TIAA001	1,632.00	Annual governance and accountability return
03/04/2023	Pension Fund	PAYE & Pension Payments	1,806.09	
06/04/2023	Shakespeare Martineau LLP	PP/SHAK001	1,507.20	Land registration and search fees - West Butterwick
11/04/2023	P.A.Y.E.	PAYE & Pension Payment	7,180.28	
19/04/2023	Bosman Watermanagement BV	PP/BOSM001	102,000.00	50% of manufacturing of pumps at South Street pumping station
28/04/2023	Association of Drainage Authorities	PP/ADAU001	5,152.80	ADA subscriptions 2023
28/04/2023	Brier Hills Recycling Ltd	PP/BRIE001	1,452.96	Green waste at Wrays Drain
28/04/2023	Fast-Form Systems	PP/FAST001	1,148.18	Additional weekly charge for hire of form work at Common Carrs PS
28/04/2023	Lincolnshire Motors Limited	PP/LINM001	958.80	
28/04/2023	Lindsey Marsh Drainage Board	PP/LMDB001	24,163.21	Consortium, consenting & disbursement recharges - March 23
28/04/2023	Services Machinery Trucks	PP/SERV001	10,725.55	Replacement of hydraulic pump on Volvo excavator
28/04/2023	Steelwrist UK Limited	PP/STEE001	910.56	
05/05/2023	Bedford Pumps Ltd	PP/BEDP001	2,103.08	Release of final retention - Kelfield PS
05/05/2023	Lindsey Marsh Drainage Board	PP/LMDB001	10,858.41	Engineering recharges - March 23
05/05/2023	H Mell & Son Services Ltd	PP/MELL001	1,889.04	
18/05/2023	Inter-Lec Ltd	PP/INTL001	23,118.74	Electrical control panel and pump starter section at South Street PS
18/05/2023	KSB Limited	PP/KSBL	2,282.09	Retention release for cannister pumps at Southfield PS
18/05/2023	Schneider Electric Systems UK Limited	PP/SCHN001	3,751.89	Telemetry support April - June
18/05/2023	Towergate Risk Solutions	PP/TOWE001	667.00	Employee personal accident and legal expenses insurance
Total			<u>281,784.16</u>	

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

6. Management Accounts detailed report

6:1 Income and Expenditure account

Isle of Axholme & NNWLMB

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	517,727.00	(650.88)	517,727.00	517,076.12	
Special levies	900,419.00	0.00	900,419.00	900,419.00	Special Levies due 1st May & 1st November
Rental, wayleaves & grazing income	8,444.00	(1,318.74)	8,444.00	7,125.26	
Income from PSCAs	25,000.00	(25,000.00)	25,000.00	0.00	No PSCA works carried out
Income from rechargeable works	0.00	1,671.08	0.00	1,671.08	Pump attendant services and weed removal at DEIDB
Income from recharge of disbursements	0.00	2,801.99	0.00	2,801.99	Relates directly to recharge of disbursements expenditure
Income from consenting	9,500.00	25,581.28	9,500.00	35,081.28	Includes a surface water development contribution of £32.5 (est £8k)
Contributions to PS expenditure	0.00	946.76	0.00	946.76	Coal Authority - 25% share of costs of Scaftworth PS
Contributions to Drain Maintenance expenditure	0.00	1,000.00	0.00	1,000.00	Contributions towards the cost of Meadow Lane West Drain from Notts County Council
Contributions to other costs	11,111.00	2,168.24	11,111.00	13,279.24	Contributions towards the cost of the apprentice £10,079.24 & Standby charges £3,200- shared with DEIDB
Deferred income, commuted sums & contributions	0.00	0.00	0.00	0.00	
Other income	0.00	1,500.00	0.00	1,500.00	Government payment for apprenticeship scheme
Investment interest	3,000.00	113.91	3,000.00	3,113.91	
TOTAL INCOME - not including absorption income	1,475,201.00	8,813.64	1,475,201.00	1,484,014.64	Positive Variance on Monetary Income
Absorption Income - offset to costs					
Own use of plant recharged (absorption)	157,691.00	71,680.31	157,691.00	229,371.31	
Drains Maintenance Absorbed Plant	(119,546.00)	(5,528.81)	(119,546.00)	(125,074.81)	
PS Maintenance Absorbed Plant	(2,345.00)	88.50	(2,345.00)	(2,256.50)	
PSCA Works Absorbed Plant	(12,000.00)	12,000.00	(12,000.00)	0.00	
Recharge Works Absorbed Plant	0.00	(546.00)	0.00	(546.00)	
Own use of plant recharged (absorption) to Schemes	23,800.00	77,694.00	23,800.00	101,494.00	Use of own plant within schemes improves the General Surplus Cash Position of the Board
Own use of labour recharged (absorption)	167,466.00	(10,245.73)	167,466.00	157,220.27	
Drains Maintenance Absorbed Labour	(100,156.00)	47,326.39	(100,156.00)	(52,829.61)	
PS Maintenance Absorbed Labour	(30,285.00)	14,901.05	(30,285.00)	(15,383.95)	
PSCA Absorbed Labour	(10,375.00)	10,375.00	(10,375.00)	0.00	
Recharge Works Absorbed Labour	0.00	(1,125.09)	0.00	(1,125.09)	
Own use of labour recharged (absorption) to Schemes	26,650.00	61,231.62	26,650.00	87,881.62	Use of own DLO labour within schemes improves the General Surplus Cash Position of the Board
TOTAL INCOME - including absorption income in schemes	1,525,651.00	147,739.26	1,525,651.00	1,673,390.26	Positive Variance on Income - will increase General Cash Reserves

Isle of Axholme & NNWLMB
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	33,040.00	21,944.74	33,040.00	11,095.26	{ External costs only. Stocks under spent by £14.7k . Use of contractors under spent by £4.6k . Small amount of compensation paid in connection with weedcutting. Note only Absorbed costs are £177,904.42
Pumping station expenditure	259,218.00	(71,413.58)	259,218.00	330,631.58	{ External costs only. Early estimates of electric overspend was £206,316, materialised at £94.5k higher than original estimates. Note only Absorbed costs are £17.6k
PSCA Recharge expenditure	2,625.00	2,625.00	2,625.00	0.00	{ No PCSA works carried out as yet
Recharge expenditure	0.00	0.00	0.00	0.00	{ No External costs in the Recharge Works Income. Note Only Absorbed costs were £1,671.09.
Consenting time expenditure	7,000.00	(8,262.81)	7,000.00	15,262.81	{ Consultants time recharged from Lindsey Marsh DB
Disbursement Costs	0.00	(2,801.99)	0.00	2,801.99	Relates directly to recharge of disbursements income
Cost of goods sold & stock variances	0.00	(1,492.38)	0.00	1,492.38	Stock variances
TOTAL MAINTENANCE & DEVELOPMENT EXPENDITURE	301,883.00	(59,401.02)	301,883.00	361,284.02	Negative Variance on Maintenance & Development Expenditure - will decrease General Cash Reserves
SUPPORTIVE EXPENDITURE					
DLO costs	305,986.00	(4,888.32)	305,986.00	310,874.32	DLO wages £6.8k higher than estimated. Less spent on medicals and training than estimated - under budget by £2.1k .
Other direct expenses	1,597.00	(987.35)	1,597.00	2,584.35	Consumables and Woldmarsh buyers fees higher than estimated.
Environment Agency precept	60,619.00	0.00	60,619.00	60,619.00	Net of Highland Water Contributions £58,758
Support & establishment costs	487,520.00	(19,976.63)	487,520.00	507,496.63	{ Fuel costs for plant & vehicle £16.4k higher; Repairs/Service of motorised plant & vehicles £22.9k higher than estimated, includes the repair to LMDB tractor at £9k. Plant/Vehicle Insurance costs are £7.3k higher due to 2 renewals in period. Consortium charges are £6.4k lower, as well as I.T costs £10.9k lower, office costs £3.6k lower, non-motorised running costs £2.8k lower, small tools spend £1.5k lower and office and hire equipment costs are £1.4k lower than estimated.
Finance costs	26,514.00	9,059.82	26,514.00	17,454.18	{ Card machine charges higher, due to higher number of transactions for rate payments. Budget of £9656 interest relates to Loans not yet taken (Heckdyke, Wiseton, Trentside).
Depreciation costs	0.00	(101,755.47)	0.00	101,755.47	This is a non-monetary accounting adjustment.
Bad debt costs	0.00	(1,068.71)	0.00	1,068.71	Rates write offs 2022/23
Biodiversity & environmental costs	359.00	85.82	359.00	273.18	Partnership Service Level Agreement 2022/23
TOTAL SUPPORTIVE EXPENDITURE	882,595.00	(119,530.84)	882,595.00	1,002,125.84	Negative Variance on Supportive Expenditure - will decrease General Cash Reserves
TOTAL EXPENDITURE	1,184,478.00	(178,931.86)	1,184,478.00	1,363,409.86	Negative Variance on Total Expenditure - will decrease General Cash Reserves
	341,173.00	(31,192.60)	341,173.00	309,980.40	
EXCEPTIONAL INCOME	0.00	36,350.50	0.00	36,350.50	This is a non-monetary accounting adjustment
INCOME OVER EXPENDITURE	341,173.00	5,157.90	341,173.00	346,330.90	{ Overall Positive Variance on Income over Expenditure - will increase General Cash Reserves

**Isle of Axholme & NNWLMB
Variance to Estimates Report**

	Whole Yr Estimate	31.03.23 Variance	31.03.23 Estimate	31.03.23 Actual	
INCOME OVER EXPENDITURE	341,173.00	5,157.90	341,173.00	346,330.90	
ADJUSTMENTS TO THE FINANCIAL STATEMENTS TO ARRIVE AT THE ESTIMATES VALUES					
ADJUSTMENTS FOR NON MONETARY ITEMS					
Remove the effects of Depreciation costs	0.00	101,755.47	0.00	101,755.47	This is a non-monetary accounting adjustment
Remove the effects of Profit on Disposal - exception income	0.00	(36,350.50)	0.00	(36,350.50)	This is a non-monetary accounting adjustment
	341,173.00	70,562.87	341,173.00	411,735.87	
ADJUSTMENTS FOR BALANCE SHEET ENTRIES					
Adjustments for Reserves Movements					
Add the intended transfer to Plant Renewals Fund -trf in reserves (rated for)	95,000.00	0.00	95,000.00	95,000.00	BS32
Additional Transfer of funds from Cash Reserves to meet Plant Renewals	0.00	60,795.14	0.00	60,795.14	BS32 - As agreed at the September BM - to be rated for in 2023/24 to replenish the Cash Reserves
Plant/Vehicle planned net expenditure not occurred in year - held over to Plant reserve	0.00	32,000.00	0.00	32,000.00	Budgets held in Plant Reserves BS32
Funds transferred from plant reserve back to general reserves to meet expenditure	0.00	(222,865.30)	0.00	(222,865.30)	See Plant Note & BS31
	95,000.00	(130,070.16)	95,000.00	(35,070.16)	
Fixed Asset Adjustments					
Motor additions					
2 Vans	27,000.00	(27,000.00)	27,000.00	0.00	Vans were expected in Feb 23 & now expected in May 23 Budget will be retained in Plant Reserve 23/24
Motor additions	0.00	0.00	0.00	0.00	
	27,000.00	(27,000.00)	27,000.00	0.00	BS51
Vehicle disposals					
new disposals list					
Nemo Van PLN7847 FX65 MKU	(3,000.00)	3,000.00	(3,000.00)	0.00	Vans were expected in Feb 23 & now expected in May 23
Nemo Van PLN7848 FX16 KZA	(2,000.00)	2,000.00	(2,000.00)	0.00	Vans were expected in Feb 23 & now expected in May 23
	(5,000.00)	5,000.00	(5,000.00)	0.00	BS52
Plant additions					
New additions - list					
2 x Lazer level with detectors battery pack etc	0.00	1,620.40	0.00	1,620.40	not included in estimates
1 x Godwin pump	0.00	10,507.77	0.00	10,507.77	Funds held in Plant reserve
Herbst 24ft 21 tonne 2 axle Low Loader	0.00	15,200.00	0.00	15,200.00	Funds held in Plant reserve
Valtra T194A MR19 4x4 Tractor FX72 ANV	0.00	100,526.50	0.00	100,526.50	Funds held in Plant reserve
Godwin CD150 used pump	0.00	19,981.03	0.00	19,981.03	Funds held in Plant reserve
Planned budget on Weedbasket - changed to Generator	10,000.00	(10,000.00)	10,000.00	0.00	Budget will be retained in Plant Reserve 23/24
JCB 140XLC Excavator YT72 NCA PLN7869	0.00	123,650.00	0.00	123,650.00	Funds held in Plant reserve
	10,000.00	261,485.70	10,000.00	271,485.70	BS41
Plant disposals					
new disposals list					
Hidrostal Betsy Pump disposal PLN7822		(4,000.00)	0.00	(4,000.00)	not included in estimates
MF Tractor FX08 OYE PLN7819		(20,000.00)	0.00	(20,000.00)	Funds held in Plant reserve
Herder Kanonnier PLN7826		(5,000.00)	0.00	(5,000.00)	Funds held in Plant reserve
Eco Mower PLN7855		(1,000.00)	0.00	(1,000.00)	Funds held in Plant reserve
JCB JS135 Excavator YN13 EXE PLN7824		(21,000.00)	0.00	(21,000.00)	Funds held in Plant reserve
Weedbasket & buckets disposal	(500.00)	500.00	(500.00)	0.00	Weedbasket will be kept & repaired
	(500.00)	(50,500.00)	(500.00)	(51,000.00)	BS42
Loan Capital Adjustment					
PWLB Loan repayments - Existing	25,661.00	(0.15)	25,661.00	25,660.85	
PWLB Loan repayments - Future	28,584.00	(28,584.00)	28,584.00	0.00	
	54,245.00	(28,584.15)	54,245.00	25,660.85	
Non I&E (Costs) & Income	180,745.00	30,331.39	180,745.00	211,076.39	
Variance at 31/03/2023	160,428.00	40,231.48	160,428.00	200,659.48	
Planned Board Funding towards schemes	(169,700.00)	0.00	(169,700.00)	(169,700.00)	
Surplus/(deficit) to be taken from General Reserves as at 31st March 2023	(9,272.00)	40,231.48	(9,272.00)	30,959.48	
Unplanned adjustments to Reserves during period:					
See Transfer of Budgets:					
Additional Funds Required for Engineering Schemes to be taken from Applied Reserves		(199,249.58)		(199,249.58)	Capital Receipts Unapplied used on Common CARRS Scheme 22/11/22
Engineering/Ops Scheme funds transferred back to General Reserves		115,857.13		115,857.13	See Trf of Budgets Nov £154,557.97 & Jan BM £24k & June23 BM - £62700.84
Surplus/(deficit) to be taken from General Reserves as at 31st March 2023	(9,272.00)	(43,160.97)	(9,272.00)	(52,432.97)	

7. Adjusted 5-year plan

Isle of Axholme & North Notts Water Level Management Board

Estimate 5 Year Summary

	Actual	Estimate	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Year	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
				1	2	3	4	5
Scheme Income / Expenditure - Earmarked funds								
Board Contribution to Schemes from Rating income -Per Estimates	250,700	169,700	169,700	67,000	254,000	241,000	223,000	198,000
Balance Sheet Income or Expenditure								
Plant Renewals (Additions less disposals)	25,703.44	31,500	220,485.70	36,000	205,500	169,500	245,500	363,000
Plant Reserves - future funds	0.00	95,000	155,795.14	60,795	0	50,000	0	0
Plant renewals (not purchased in planned year but will occur in later year)		52,000	32,000.00					
Plant Renewals Funded from Plant Reserve & replace	-24,958.44	0	-222,865.30	-79,447.40	0	0	0	0
Plant renewals (to be funded out of plant reserves as funds held over)		-52,000	0.00	79,447.40				
Loan Capital Repayments - existing	15,139.09	15,586	25,660.85	36,636	37,711	38,818	39,957	41,129
Loan Capital Repayments - future loans	0.00	38,659	0.00	12,297	25,454	26,645	38,185	39,974
	15,884.09	180,745	211,076.39	145,728	268,665	284,963	323,642	444,103
Expenditure:								
Production & Activity Costs & Cost of Sales								
Pumping Station Costs - external costs only	199,770.22	259,218	330,631.58	552,139	634,595	650,460	666,721	683,388
Pumping Station Costs - additional electricity costs for 22/23				206,316				
Drain Maintenance External costs (Materials/Contractors/Compensation)	21,398.42	33,040	11,095.26	38,513	39,476	40,463	41,475	42,512
Drain Reforming External costs - previously in Schemes				30,200	30,955	31,729	32,522	33,335
PSCA Works - external costs only	12.32	2,625	0.00	0.00	0.00	0.00	0.00	0.00
Recharge Works - external costs only	303.23	0	0.00	0.00	0.00	0.00	0.00	0.00
Disbursement Costs	315.00	0	2,801.99	0	0	0	0	0
Consenting Costs	12,501.51	7,000	15,262.81	14,000	0	0	0	0
DLO Wages	269,302.26	294,180	301,176.28	332,208	340,513	349,026	357,752	366,696
DLO Costs	10,894.56	11,806	9,698.04	12,300	12,608	12,923	13,246	13,576
	514,497.52	607,869	670,665.96	1,185,676	1,058,147	1,084,601	1,111,716	1,139,507
Supportive Expenditure								
Plant Running Costs	147,839.30	134,253	179,694.76	160,200	164,206	168,311	172,520	176,832
Support & Establishment Costs	294,318.35	320,355	294,800.07	388,773	412,986	416,310	431,928	463,181
Salaried staff costs	32,043.60	33,271	34,343.69	34,802	35,672	36,563	37,477	38,414
Finance & Bank Charges	1,544.90	1,350	1,749.01	1,800	1,845	1,891	1,938	1,986
Loan Interest Repayments - existing	8,110.65	7,664	15,705.17	22,452	21,377	20,271	19,132	17,959
Loan Interest Repayments - future loans	0.00	17,500	0.00	17,820	34,781	33,590	47,580	45,791
Other costs	7,186.84	1,597	4,076.73	2,450	2,512	2,574	2,639	2,705
EA Precept	60,619.00	60,619	60,619.00	60,619	60,619	60,619	60,619	60,619
	551,662.64	576,609	590,988.43	688,916	733,998	740,129	773,833	807,487
Total Expenditure plus contributions to schemes	1,332,744.25	1,534,923	1,642,430.78	2,087,320	2,314,810	2,350,693	2,432,191	2,589,097
Income								
Other Income	-13,550.86	-11,444	-11,739.17	-9,124	-9,177	-9,231	-9,287	-9,344
PSCA Recharges	0.00	-25,000	0.00	0	0	0	0	0
Other Recharges	-9,461.43	-11,111	-16,897.08	-17,354	0	0	0	0
Disbursement Income	-315.00	0	-2,801.99	0	0	0	0	0
Consenting Income	-62,314.60	-9,500	-35,081.28	-10,500	-2,563	-2,627	-2,693	-2,760
Commuted Sums	0.00	0	0.00	0	0	0	0	0
DLO & Plant costs absorbed into Schemes	-80,709.19	-50,450	-189,375.62	0	-349,841	-358,587	-367,552	-376,741
Total Income	-166,351.08	-107,505	-255,895.14	-36,978	-361,581	-370,445	-379,532	-388,845
To be funded by Rates & Levy	1,166,393.17	1,427,418	1,386,535.64	2,050,342	1,953,229	1,980,248	2,052,659	2,200,252
Agricultural Rates Income	-497,740.53	-517,727	-517,076.12	-620,492	-701,282	-732,683	-762,121	-796,466
Special Levy Income	-863,214.00	-900,419	-900,419.00	-1,090,596	-1,232,597	-1,287,788	-1,339,530	-1,399,895
	-1,360,954.53	-1,418,146	-1,417,495.12	-1,711,088	-1,933,879	-2,020,471	-2,101,651	-2,196,361
Net Surplus/(Deficit)	194,561.36	-9,272	30,959.48	-339,254	-19,350	40,223	48,992	-3,891
Agricultural Annual Values	3,275,635	3,274,686	3,274,686	3,270,907	3,270,907	3,270,907	3,270,907	3,270,907
Special Levy Annual Values	5,695,252	5,695,252	5,695,252	5,749,054	5,749,054	5,749,054	5,749,054	5,749,054
Rateable Annual Values	8,970,887	8,969,938	8,969,938	9,019,961	9,019,961	9,019,961	9,019,961	9,019,961
Rate p/£	15.2	15.81	15.81	18.97	21.44	22.4	23.3	24.35
Rate % Increase	4.00%	4.00%	4.00%	20.00%	13.00%	4.50%	4.00%	4.50%
Loan debt								
Loan debt - existing loans	265,432.13	249,846	780,771.28	744,135	706,424	667,606	627,649	586,520
Loan debt - potential new loans	0.00	1,251,341	0.00	756,703	731,248	1,034,603	996,418	956,444
Total Loan debt	265,432.13	1,501,187	780,771.28	1,500,838	1,437,672	1,702,209	1,624,067	1,542,964
Loan debt as a % of Rateable Income	19.50%	105.86%	55.08%	87.71%	74.34%	84.25%	77.28%	70.25%
Cash Reserves								
Cash Balances at 31/3 after adjustments	757,204.38	842,932	757,204.38	605,614	586,264	676,487	725,479	721,588
Current Year potential variances								
Plant Reserve (rated for) - to be deducted from cash balance reserves	79,447.40	122,447	79,447.40	0	0	50,000	50,000	50,000
Net Capital receipts - to be deducted from cash balance reserves	0.00	199,250	0.00	0	0	0	0	0
Surplus Operating Cash	677,756.98	521,235	677,756.98	605,614	586,264	626,487	675,479	671,588
Net Operating costs	1,166,393.17	1,427,418	1,386,535.64	2,050,342	1,953,229	1,980,248	2,052,659	2,200,252
Total Cash as % of Operating costs	64.92%	59.05%	54.61%	29.54%	30.02%	34.16%	35.34%	32.80%
Surplus Operating Cash as % of Operating costs	58.11%	36.52%	48.88%	29.54%	30.02%	31.64%	32.91%	30.52%

Mrs N. Hind FCCA
Finance Manager



**ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WATER LEVEL
MANAGEMENT BOARD**

**UNAUDITED
FINANCIAL ACCOUNTS**

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



ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

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Narrative Statement

Annual Report

About the Isle of Axholme & North Nottinghamshire Water Level Management Board

The Isle of Axholme & North Nottinghamshire Water Level Management Board (IOANN) 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 North Lincolnshire, East Riding of Yorkshire, Doncaster Metropolitan, 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 Gables Business Court
Belton Road
Epworth
Doncaster
South Yorkshire
DN9 1JL

The Board is administered by the Water Management Consortium, a 4 Board Consortium comprising Lindsey Marsh Drainage Board, Trent Valley Internal Drainage Board and Doncaster East Internal Drainage Board. The administration address is:

Wellington House
Manby Park
Manby
Louth
Lincolnshire
LN11 8UU

The Board consists of 12 elected members and 13 nominated members.

Elected Members:

J Coggon (Chairman)
P Cornish (Vice-Chairman)
R Adam
J H T Bramhill
T Dickinson
J Fretwell
M A Harris
R Mason
M Wagstaff
M T Smith
2 Vacancies



Appointed by North Lincolnshire Council

Cllr R Allcock

Mr I Bint

Cllr J Briggs

Mrs J Kennedy (November 2022)

Cllr T Mitchell

Mr M D Pilkington

Cllr J Reed

Cllr D Robinson

Cllr D J Rose

2 Vacancies

Appointed by Bassetlaw District Council

Cllr H Brand

Cllr J M Sanger

This document is the Statement of Accounts of IOANN 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, that do not represent cash leaving the Board. The general maintenance & support income/expenditure resulted in a surplus of **£346,331** whilst the engineering schemes income/expenditure resulted in a deficit of **£135,701**. 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 deficit position for the year of **£9,272**; any deficit must be met from general reserves. The Board experienced increased costs, mainly in electricity costs throughout the financial year and the overall outturn resulted in a deficit of **£52,432.97**.
- 4 **Fixed Assets:** During the year the Board purchased a JCB Excavator, Valtra Tractor, 2 Godwin Pumps, Low Loader Trailer, 2 Lazer levels at a total cost of £271,485. The Board disposed of a JCB Excavator, Herder Kanonnier, Eco mower, MF Tractor and a Betsy pump for £51,000 making a net profit on disposal of £36,350.
- 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 Isle of Axholme & North Nottinghamshire Water Level Management Board at a meeting held on the 27th June 2023.

Name: John Coggon
Designation: Chairman Date: 27th June 2023

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

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	31.03.2022 Previous Year	31.03.2022 Previous Year	31.03.2022 Previous Year
		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		517,076.12		517,076.12	497,740.53		497,740.53
Special levies		900,419.00		900,419.00	863,214.00		863,214.00
Rental, wayleaves & grazing income		7,125.26		7,125.26	8,149.17		8,149.17
Income from PSCAs	3	0.00		0.00	0.00		0.00
Income from rechargeable works	4	1,671.08		1,671.08	1,413.97		1,413.97
Income from consenting	5	35,081.28		35,081.28	62,314.60		62,314.60
Income from recharge of disbursements	6	2,801.99		2,801.99	315.00		315.00
Other contributions	7	15,226.00		15,226.00	9,054.32		9,054.32
Other income	8	1,500.00		1,500.00	1,914.25		1,914.25
Investment interest		3,113.91		3,113.91	2,480.58		2,480.58
Contributions to Schemes	24		0.00	0.00		6,500.00	6,500.00
Grants	23		309,000.00	309,000.00		407,000.00	407,000.00
Deferred Income / commuted sums to schemes	25		37,614.00	37,614.00		0.00	0.00
Own use of plant recharged (absorption)		229,371.31		229,371.31	102,474.16		102,474.16
Own use of labour recharged (absorption)		157,220.27		157,220.27	140,466.46		140,466.46
TOTAL INCOME		<u>1,870,606.22</u>	<u>346,614.00</u>	<u>2,217,220.22</u>	<u>1,689,537.04</u>	<u>413,500.00</u>	<u>2,103,037.04</u>
MAINTENANCE & DEVELOPMENT EXPENDITURE							
Engineering scheme expenditure	26		482,314.90	482,314.90		553,609.38	553,609.38
Drain maintenance expenditure	10	188,999.68		188,999.68	159,575.53		159,575.53
Pumping station expenditure	11	348,272.03		348,272.03	223,731.53		223,731.53
PSCA Recharge Expenditure	3	0.00		0.00	28.01		28.01
Recharge expenditure	4	1,671.09		1,671.09	380.55		380.55
Consenting expenditure	5	15,262.81		15,262.81	12,501.51		12,501.51
Disbursement Costs	6	2,801.99		2,801.99	315.00		315.00
Cost of goods sold & stock variances		1,492.38		1,492.38	4,567.73		4,567.73
TOTAL MAINTENANCE & DEVELOPMENT EXPENDITURE		<u>558,499.98</u>	<u>482,314.90</u>	<u>1,040,814.88</u>	<u>401,099.86</u>	<u>553,609.38</u>	<u>954,709.24</u>
SUPPORTIVE EXPENDITURE							
DLO costs	12	310,874.32		310,874.32	280,196.82		280,196.82
Other direct expenses	13	2,584.35		2,584.35	2,619.11		2,619.11
Environment Agency precept		60,619.00		60,619.00	60,619.00		60,619.00
Support & establishment costs	14	507,496.63		507,496.63	472,498.66		472,498.66
Finance costs	15	17,454.18		17,454.18	9,655.55		9,655.55
Depreciation costs	16	101,755.47		101,755.47	91,160.80		91,160.80
Bad debt costs		1,068.71		1,068.71	1,429.41		1,429.41
Biodiversity & environmental costs		273.18		273.18	273.18		273.18
TOTAL SUPPORTIVE EXPENDITURE		<u>1,002,125.84</u>	<u>0.00</u>	<u>1,002,125.84</u>	<u>918,452.53</u>	<u>0.00</u>	<u>918,452.53</u>
TOTAL EXPENDITURE		<u>1,560,625.82</u>	<u>482,314.90</u>	<u>2,042,940.72</u>	<u>1,319,552.39</u>	<u>553,609.38</u>	<u>1,873,161.77</u>
		309,980.40	(135,700.90)	174,279.50	369,984.65	(140,109.38)	229,875.27
EXCEPTIONAL INCOME	16	36,350.50	0.00	36,350.50	153.38	0.00	153.38
NET SURPLUS / (DEFICIT)		<u>346,330.90</u>	<u>(135,700.90)</u>	<u>210,630.00</u>	<u>370,138.03</u>	<u>(140,109.38)</u>	<u>230,028.65</u>

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB**Balance Sheet Report**

All Values are shown in Pound Sterling

	Notes	<u>31.03.2023</u> <u>Current Year</u>	<u>31.03.2022</u> <u>Previous Year</u>
<u>FIXED ASSETS</u>			
Plant & equipment	16	512,754.68	348,503.91
Motor vehicles		<u>47,891.72</u>	<u>57,061.76</u>
FIXED ASSETS		560,646.40	405,565.67
<u>CURRENT ASSETS</u>			
Stocks		55,928.49	35,496.17
Trade debtors		9,654.13	16,161.75
Rates debtors		2,924.17	19,984.93
Other debtors		3,713.68	359.68
Cash at Bank and in hand	17	1,977,979.10	1,495,722.90
Prepayments		-	-
CURRENT ASSETS		<u>2,050,199.57</u>	<u>1,567,725.43</u>
<u>CURRENT LIABILITIES - DUE WITHIN 1 YEAR</u>			
Trade creditors & supplier retentions	18	(166,451.59)	(223,461.69)
Other creditors	19	(3,585.55)	(2,688.01)
Accruals		(4,275.00)	(8,003.00)
Taxation & social security	20	36,597.82	43,627.02
Loans & hire purchase	21	(36,636.16)	(15,585.92)
Deferred income & commuted sums	22	(63,382.62)	(98,985.54)
CURRENT LIABILITIES		<u>(237,733.10)</u>	<u>(305,097.14)</u>
NET CURRENT ASSETS		<u>1,812,466.47</u>	<u>1,262,628.29</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,373,112.87	1,668,193.96
<u>LONG TERM LIABILITIES</u>			
Loans & hire purchase	21	<u>(744,135.12)</u>	<u>(249,846.21)</u>
LONG TERM LIABILITIES		(744,135.12)	(249,846.21)
NET ASSETS		<u><u>1,628,977.75</u></u>	<u><u>1,418,347.75</u></u>
<u>RESERVES:</u>			
<u>USABLE RESERVES</u>			
<u>EARMARKED RESERVES</u>			
Engineering Projects Reserve	27	1,091,898.25	433,506.70
Commuted Sums Reserve		0.00	0.00
Capital Receipts Unapplied Reserve		0.00	199,249.58
Plant Renewal Fund		<u>79,447.40</u>	<u>114,517.56</u>
TOTAL EARMARKED		1,171,345.65	747,273.84
<u>GENERAL RESERVES</u>			
General Reserve - Profit & Loss Reserve		247,002.10	300,935.88
Current period net surplus / (deficit)		<u>210,630.00</u>	<u>370,138.03</u>
TOTAL GENERAL RESERVES		457,632.10	671,073.91
<u>UNUSABLE RESERVES</u>			
Revaluation Reserve		<u>0.00</u>	<u>0.00</u>
TOTAL NON-DISTRIBUTABLE RESERVES		0.00	0.00
BOARD'S FUNDS		<u><u>1,628,977.75</u></u>	<u><u>1,418,347.75</u></u>

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

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

	Engineering Projects Reserve	Commuted Sums Reserve	Capital Receipts Unapplied Reserve	Plant Renewal Fund	General Reserve - Profit & Loss Reserve	Total
	£	£	£	£	£	£
At 1 April 2022	433,506.70	0.00	199,249.58	114,517.56	671,073.91	1,418,347.75
Profit / (Loss) for the Year	-	-	-	-	210,630.00	210,630.00
Board funding for projects	169,700.00	-	-	-	(169,700.00)	0.00
Engineering receipts	346,614.00	-	-	-	(346,614.00)	0.00
Loan Funding receipts	541,000.00	-	-	-	(541,000.00)	0.00
Other comprehensive income	-	-	-	-	-	0.00
Transfer to Plant reserves	-	-	-	155,795.14	-	155,795.14
Transfer from other reserves	199,249.58	-	-	32,000.00	338,722.43	569,972.01
	<u>1,690,070.28</u>	<u>0.00</u>	<u>199,249.58</u>	<u>302,312.70</u>	<u>163,112.34</u>	<u>2,354,744.90</u>
Transfer to other reserves	(115,857.13)	-	(199,249.58)	-	(187,795.14)	(502,901.85)
Net asset Additions	-	-	-	(222,865.30)	-	(222,865.30)
Engineering expenditure	(482,314.90)	-	-	-	482,314.90	0.00
At 31 March 2023	<u>1,091,898.25</u>	<u>0.00</u>	<u>0.00</u>	<u>79,447.40</u>	<u>457,632.10</u>	<u>1,628,977.75</u>

	Revaluation Reserve	Total
	£	£
At 1 April 2022	0.00	0.00
Profit / (Loss) for the Year	-	0.00
Transfer from other reserves	-	0.00
	<u>0.00</u>	<u>0.00</u>
Transfer to other reserves	0.00	0.00
Depreciation of pumping stations	0.00	0.00
At 31 March 2023	<u>0.00</u>	<u>0.00</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.

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

Statement of Movement 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.

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

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.

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

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

Whilst the Board hold Pumping Stations and Land as assets these are currently recorded with a Nil value in the Balance Sheet.

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.

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

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	-	-
	<u>0.00</u>	<u>0.00</u>
Expenses for PSCA works		
PSCA Costs - EA		28.01
PSCA costs	<u>0.00</u>	<u>28.01</u>
Income over Expenditure on PSCA	<u>0.00</u>	<u>(28.01)</u>
4 Other Recharge Works		
Income		
Works performed recharged income - DLO	1,671.08	1,413.97
	<u>1,671.08</u>	<u>1,413.97</u>
Expenditure		
Works performed costs & recharged as income	1,671.09	380.55
Income over Expenditure on Recharge works performed	<u>(0.01)</u>	<u>1,033.42</u>
5 Consenting Recharges		
Income		
Consent & application fees	2,500.00	2,050.00
Surface water fees	32,581.28	60,264.60
	<u>35,081.28</u>	<u>62,314.60</u>
Expenditure		
Consenting costs	15,262.81	12,501.51
Income over Expenditure on Consenting Recharge	<u>19,818.47</u>	<u>49,813.09</u>
6 Disbursement Income & Expenditure		
Recharge of expenditure Income		
Income receipts for expenses	2,801.99	315.00
	<u>2,801.99</u>	<u>315.00</u>
Recharge of expenditure		
Expenses (disbursements) to be recharged	2,801.99	315.00
Income over Expenditure on Disbursements	<u>0.00</u>	<u>0.00</u>
Total Income Relating to Recharges	<u>39,554.35</u>	<u>64,043.57</u>
Total Expenditure Relating to Recharges	<u>19,735.89</u>	<u>13,225.07</u>
	31.03.2023 Current Year	31.03.2022 Previous Year
7 Other Contributions		
Scaftworth Pumping station running 25% of costs to CA	946.76	798.73
Contributions towards Apprentice DLO costs	10,079.24	3,048.73
Contributions towards standby costs	3,200.00	4,200.00
Contribution towards drains maintenance	1,000.00	-
Share of Olive Tech fund	-	1,006.86
	<u>15,226.00</u>	<u>9,054.32</u>
	31.03.2023 Current Year	31.03.2022 Previous Year
8 Other income		
Bank compensation		1,437.25
Sale of stocks		476.00
Apprentice payment	1,500.00	
Other income		1.00
	<u>1,500.00</u>	<u>1,914.25</u>

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

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

	31.03.2023	31.03.2022
	Current Year	Previous Year
9 Use of Own		
Use of Own Plant		
Engineering Projects	101,494.00	23,139.83
PS Projects	2,256.50	4,606.82
Recharge Projects	546.00	0.00
Drains Maintenance Projects FLA, WEE, WOT, WED	125,074.81	74,727.51
Other	0.00	
Total Use of Own Plant	<u>229,371.31</u>	<u>102,474.16</u>
Use of Own Labour		
Use of Own Labour - DLO		
Engineering Projects	87,881.62	57,569.36
PS Projects	15,383.95	19,354.49
Recharge Projects	1,125.09	93.01
Drains Maintenance Projects FLA, WEE, WOT, WED	52,829.61	63,449.60
Other		
Total Use of Own Labour	<u>157,220.27</u>	<u>140,466.46</u>
Total Use of Own Labour & Plant	<u>386,591.58</u>	<u>242,940.62</u>
	31.03.2023	31.03.2022
	Current Year	Previous Year
10 Drain Maintenance Expenses		
Flailing	54,946.80	35,229.14
Weedcutting	115,485.65	79,425.69
Emergency drain repairs	3,243.74	226.71
Other drain repairs	15,323.49	44,693.99
	<u>188,999.68</u>	<u>159,575.53</u>
Stocks	869.17	913.60
Use of own plant	125,074.81	74,727.51
Use of own labour	52,829.61	63,449.60
Contractors	8,492.45	17,833.32
Consultants	1,270.04	1,813.40
Compensation	463.60	838.10
	<u>188,999.68</u>	<u>159,575.53</u>
	31.03.2023	31.03.2022
	Current Year	Previous Year
11 Pumping Station Expenses		
Stocks	3,151.55	481.72
Use of own plant	2,256.50	4,606.82
Use of own labour	15,383.95	19,354.49
Contractors	6,390.60	15,688.75
Consultants	9,637.76	5,860.22
Inspections	5,208.68	2,523.92
Utilities (Electric)	264,978.53	137,218.06
Utilities (Phone, rates)	416.77	2,421.31
Telemetry	12,506.28	12,693.27
Insurance	28,341.41	22,032.52
Other costs		850.45
	<u>348,272.03</u>	<u>223,731.53</u>

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

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

11 Pumping Station Expenses continued

Pumping Station expenses - per station

		31.03.2023	31.03.2022
Whitgift Sluice	AXOF0101	41.74	16.22
Adlingfleet Outfall	AXOF0201	30.27	-
Garthorpe Outfall	AXOF0301	-	-
Waterton hall outfall	AXOF0401	8.46	-
Keadby Warping Drain Outfall	AXOF0801	345.87	-
Cow Lane	AXPS0201	37,416.79	17,530.76
Paupers	AXPS0501	51,442.08	28,698.31
Common Carr	AXPS0601	5,258.91	3,631.81
Bewcarrs	AXPS0801	9,104.87	8,843.25
Godnow	AXPS2401	3,170.72	1,945.42
Althorpe	AXPS3801	4,935.33	7,556.42
Greenholme	AXPS4001	9,284.77	5,535.96
Derrythorpe	AXPS4301	24,837.83	12,862.79
Trentside	AXPS4401	3,920.62	5,744.96
Rushcarr	AXPS4501	7,320.23	6,601.50
Southfield	AXPS4601	32,668.30	19,799.90
Kelfield	AXPS4701	7,559.21	5,384.91
Blackdyke	AXPS4801	1,284.76	1,010.32
South Street	AXPS4901	29,351.88	25,216.86
Drain Head Snow Sewer	AXPS5001	6,904.81	5,912.28
3 Bridges	AXPS5002	1,825.24	1,754.59
4 Bridges	AXPS5101	4,300.28	2,050.18
Heckdyke	AXPS5301	6,078.37	5,777.75
Gringley	AXPS5701	55,486.27	33,412.32
Scaftworth	AXPS5801	3,430.17	2,958.15
Wiseton	AXPS6101	42,264.25	21,486.87
		<u>348,272.03</u>	<u>223,731.53</u>

31.03.2023	31.03.2022
Current Year	Previous Year

12 DLO costs

Wages	259,688.40	232,583.29
Employers NIC	25,717.97	22,763.91
Employers Pension	15,581.31	13,955.06
DLO Travelling	188.60	-
DLO Training	7,022.79	8,202.75
Recruitment costs	-	-
PPE & Protective clothing	2,307.25	1,656.25
DLO Medicals	368.00	1,035.56
	<u>310,874.32</u>	<u>280,196.82</u>

31.03.2023	31.03.2022
Current Year	Previous Year

13 Other Direct Costs

Consumables	1,213.09	1,613.49
Buyers fees	1,371.26	1,005.62
Abstraction fees & licences	-	-
Miscellaneous expenses	-	-
	<u>2,584.35</u>	<u>2,619.11</u>

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

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

	31.03.2023 Current Year	31.03.2022 Previous Year
14 Support & Establishment Costs		
* Staff costs	34,097.29	32,043.60
Other staff costs incl travelling, training, recruitment, insurance	9,863.12	9,298.89
Depot costs	8,043.96	6,608.57
Office costs	16,480.05	21,738.92
Administration costs	6,301.60	5,532.51
Consortium recharges	192,900.27	181,559.20
Advertising costs	893.74	868.00
Travelling & subsistence costs	69.42	9.67
Motor vehicle running costs	56,655.04	36,914.49
Plant vehicle running costs	123,039.72	110,924.81
Plant (non-motorised) running and maintenance costs	19,147.04	22,824.82
Small tools renewals	1,981.95	3,248.50
Office & hire equipment costs	362.52	725.04
IT costs	7,370.79	14,646.93
Legal & professional fees	6,954.33	6,250.66
Board expenses	6,493.85	4,824.21
Subscriptions	0.00	105.00
ADA costs	4,294.00	4,109.00
Insurances	12,547.94	10,265.84
Miscellaneous	0.00	-
	<u>507,496.63</u>	<u>472,498.66</u>

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

	31.03.2023 Current Year	31.03.2022 Previous Year
15 Finance Costs		
Bank charges	1,201.26	1,113.78
Credit charges	45.60	79.80
Card machine charges	502.15	351.32
PWLB Loan Interest	15,705.17	8,110.65
	<u>17,454.18</u>	<u>9,655.55</u>

16 Tangible assets

	Land & Buildings	Pumping Stations & Contents	Plant, Equipment & Vehicles £	Total £
Cost or valuation				
At 1 April 2022	0.00	0.00	1,195,114.46	1,195,114.46
Additions in year	-	-	271,485.70	271,485.70
Disposals in year	-	-	(245,520.00)	(245,520.00)
At 31 March 2023	<u>0.00</u>	<u>0.00</u>	<u>1,221,080.16</u>	<u>1,221,080.16</u>
Depreciation				
At 1 April 2022	0.00	0.00	789,548.79	789,548.79
Charge in the year	-	-	101,755.47	101,755.47
Eliminated on disposal of assets to plant reserves	-	-	(230,870.50)	(230,870.50)
At 31 March 2023	<u>0.00</u>	<u>0.00</u>	<u>660,433.76</u>	<u>660,433.76</u>
Carrying amount				
At 31 March 2023	<u>0.00</u>	<u>0.00</u>	<u>560,646.40</u>	<u>560,646.40</u>
At 31 March 2022	<u>0.00</u>	<u>0.00</u>	<u>405,565.67</u>	<u>405,565.67</u>

	31.03.2023 Current Year	31.03.2022 Previous Year
16 Tangible assets continued		
Depreciation charge on assets	101,755.47	91,160.80
Loss / (Profit) on disposal of plant	(36,350.50)	(153.38)
	<u>65,404.97</u>	<u>91,007.42</u>

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

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

	31.03.2023	31.03.2022
	Current Year	Previous Year
17 Cash at bank and in hand		
HSBC current account	1,184,072.11	704,848.22
Santander Business Reward account	298,235.44	297,605.76
Beverley Building Society	4,762.71	4,746.96
Monmouth Building Society	490,813.14	488,344.66
Cash	95.70	177.30
	<u>1,977,979.10</u>	<u>1,495,722.90</u>
	31.03.2023	31.03.2022
	Current Year	Previous Year
18 Trade creditors and supplier retentions		
Trade creditors	(153,303.31)	(209,329.61)
Supplier retentions	(13,148.28)	(14,132.08)
	<u>(166,451.59)</u>	<u>(223,461.69)</u>
	31.03.2023	31.03.2022
	Current Year	Previous Year
19 Other Creditors		
Wages	-	-
Pensions	(1,806.09)	(1,753.93)
Credit cards	(1,779.46)	(934.08)
Other creditors	-	-
	<u>(3,585.55)</u>	<u>(2,688.01)</u>
	31.03.2023	31.03.2022
	Current Year	Previous Year
20 Taxation and social security		
VAT refund due from HMRC	43,778.10	50,720.41
VAT due to HMRC	-	-
PAYE due to HMRC	(7,180.28)	(7,093.39)
	<u>36,597.82</u>	<u>43,627.02</u>
	31.03.2023	31.03.2022
	Current Year	Previous Year
21 Loans		
Due within 1 year		
PWLB Loans	(36,636.16)	(15,585.92)
Hire Purchase	-	-
Other loans	-	-
	<u>(36,636.16)</u>	<u>(15,585.92)</u>
Due after 1 year		
PWLB Loans	(744,135.12)	(249,846.21)
Other loans	-	-
	<u>(744,135.12)</u>	<u>(249,846.21)</u>
Total Loans & HP outstanding	<u>(780,771.28)</u>	<u>(265,432.13)</u>
	31.03.2023	31.03.2022
	Current Year	Previous Year
22 Deferred Receipts & Commuted Sums		
Commuted sum - Snow Sewer	(60,000.00)	(97,614.00)
Commuted sums held for culverts & drains maintenance	(3,382.62)	(1,371.54)
	<u>(63,382.62)</u>	<u>(98,985.54)</u>
	31.03.2023	31.03.2022
	Current Year	Previous Year
23 Engineering projects Grant Income		
South Street (AX16014)		398,000.00
Southfield (AX18001)		9,000.00
Wrays Drain (AX21505)	309,000.00	
	<u>309,000.00</u>	<u>407,000.00</u>

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

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

	31.03.2023	31.03.2022
	Current Year	Previous Year
24 Contributions to Schemes		
Clayworth Toft Dyke Scheme (AX21506)	0.00	6,500.00
	<u>0.00</u>	<u>6,500.00</u>
	0.00	0.00
	Current Year	Previous Year
25 Deferred income & commuted sums for schemes		
Snow Sewer - Reforming Maintenance	37,614.00	0.00
	<u>37,614.00</u>	<u>0.00</u>
	31.03.2023	31.03.2022
	Current Year	Previous Year
26 Engineering projects expenditure		
Stocks	55,756.33	50,428.44
Use of own plant	101,494.00	23,139.83
Use of own labour	87,881.62	57,569.36
Contractors	162,622.68	302,688.17
Consultants	70,362.76	114,681.31
Compensation	2,059.85	3,985.07
Other costs - incl hard/software	2,137.66	1,117.20
	<u>482,314.90</u>	<u>553,609.38</u>

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

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

27 Engineering Projects Reserves	31.03.2023	31.03.2022	Prior Years
	Current Year	Previous Year	Continued Schemes
	£	£	
Value of Engineering reserve bfwd			
At 1 April	433,506.70	580,634.40	
Funding received in year			
Board funding as agreed in the Estimates	169,700.00	250,700.00	1,680,504.15
Board funding (to)/from Reserves or from balances in Engineering Projects			
Wiseton (AX16025) Sept 18	-	-	16,706.00
Wiseton (AX19305)	-	(205,000.00)	300,000.00
South Street (AX16014)	-	-	34,000.00
Pumping Station Emergency repairs (AX16005)	-	-	8,751.00
Crowled Pumped Area (AX12015)	-	-	44,689.17
Snow Sewer incl in Drain Maintenance (AX18024)	-	-	10,000.00
OPS WED to Emergency flooding event (AX19999)	-	-	13,257.94
Emergency Drain Reps AX20501 to OPS WED	-	-	(24,169.61)
Mink Control (AX20601)	-	-	1,000.00
Trf from New Depot AX18015 to Nom 7803 DEP for Depot reps	-	-	(9,000.00)
Trf from New Depot AX18015 to reserves	-	(23,500.00)	
AX20600 Barn Owl closed & budget trf to reserves	-	(815.33)	
AX21600 Barn Owl closed & budget trf to reserves	-	(202.89)	
AX21801 Drain Investigations closed & budget trf to reserves	-	(4,554.97)	
Reforming closed & budget trf to reserves	20,700.84	(3,645.13)	
AX21504 Car Dyke (per meeting Chair 12/5/22)	(4,000.00)	(25,000.00)	
Toft Dyke Clayworth (AX21506)	(1,433.26)	5,000.00	
AX17015 Toft Dyke Tree & Bushing to Reserves to Close	(5,594.90)		
AX20802 Luddington Drain to Reserves to Close	(549.16)		
AX20803 Medley & Belshaw to Reserves to Close	(17,088.95)		
AX18008 Loud Hall trf from Reserves to Close	612.08		
AX20307 Common Carrs - Funds trf to Reserves	(140,503.78)		
AX19301 Trentside PS trf from Reserves	(20,000.00)		
AX22403 Mother Drain SSSi Culvert Misterton Investigations	10,000.00		
AX16019 Kelfield Pumped Catchment	42,000.00		
To be funded by loans - not taken			
Kelfield (AX16019)(loan intended £346,000)	-	-	341,460.00
Greenholme PS (AX15014)(loan intended £212,516)	-	-	67,062.28
Loan funding received in year	-	-	
Crowled Pumped area	-	-	350,000.00
Kelfield (AX16019)	50,000.00		
Southfield (AX18001)	250,000.00		
South Street (AX16014)	241,000.00		
Funds released from Deferred Income held funds			
25 Snow Sewer - Reforming Maintenance	37,614.00		
To be funded by Other reserves			
AX20307 Funded from Capital Receipts Unapplied	199,249.58		
Grant funding received in year			
Crowled Pumped Area (AX12015)			758,847.00
Greenholme PS Improvements		-	84,000.00
South Street (AX16014)		398,000.00	191,000.00
Kelfield (AX16019)			169,999.00
Steelgoose reforming (LL)			16,650.00
Southfield (AX18001)		9,000.00	123,000.00
Heckdyke / Three/ Four Bridges (AX20305)			30,000.00
Carr Dyke Flood Relief Scheme (AX21504)			40,000.00
Wiseton (LL) (AX19305)			25,000.00
Telemetry Grant (AX20303)			48,859.94
23 Wrays Drain (AX21505)	309,000.00		

ISLE OF AXHOLME AND NORTH NOTTINGHAMSHIRE WLMB

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

Other contributions received in year			
Crowled Pumped Area	-	-	19,000.00
Access Improvements (AX18019)	-	-	2,647.00
Lound Hall (AX18008)			2,453.00
Scaftworth PS to CA 25% contribution			4,682.00
Clayworth Toft Dyke Scheme (AX21506)		6,500.00	12,000.00
Funds received	<u>1,140,706.45</u>	<u>406,481.68</u>	<u>4,362,398.87</u>
Engineering expenditure			
Expenditure in year	482,314.90	553,609.38	3,781,970.94
Difference on Income & Expenditure	-	-	(206.47)
Actual expenditure	<u>482,314.90</u>	<u>553,609.38</u>	<u>3,781,764.47</u>
Engineering Projects Reserves Balance c/fwd	<u>1,091,898.25</u>	<u>433,506.70</u>	<u>580,634.40</u>

28 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, Trent Valley Internal Drainage Board and Lindsey Marsh Drainage Board, who provide administrative services to the Board.



Internal Audit

FINAL

Isle of Axholme and North Nottinghamshire Water Level Management Board

Assurance Review of Annual Governance and Accountability Return

2022/23

April 2023

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

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

SCOPE

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

KEY STRATEGIC FINDINGS

- 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.

GOOD PRACTICE IDENTIFIED

- 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.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	1	1

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
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	<i>These two policies are due for review and amendment ready for approval at the September Board meeting.</i>	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.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Delivery	Reserves were reviewed and based upon current reserves held these were adequate. However, only approving a 20% penny rate rise for 2023/24 will create a challenge to achieve a 30% (of revenue expenditure) reserve position.	The Board do need to reflect on approving a penny rate rise year on year that is sufficient to maintain the reserve position at around 30% of revenue expenditure.	<i>The Board did consider the reserves position in considerable detail when setting the rate. The importance of the 30% balances will be considered fully in the Estimate round starting in November 2023.</i>

ADVISORY NOTE

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

Findings



Directed Risk:

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

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	1	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings



The Agendas and Minutes of the following Isle of Axholme and North Nottinghamshire Water Level Management Board Board meetings were reviewed:

- 25th January 2022 (approved a 4% penny rate rise to 15.81p in the pound);
- 22nd March 2022;
- 14th June 2022;
- 27th September 2022; and
- 22nd 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 Isle of Axholme and North Nottinghamshire Water Management Board are maintained using the Sage 200 accounting system.



A trial balance was obtained at the time of the audit (31 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 detailed:

- 12/10/22 – Towergate Risk Solutions PP/TOWE001 £20,000.00 Insurance premiums 1.9.22 – 31.8.23;
- 13/10/22 – Towergate Risk Solutions PP/TOWE001 £20,000.00 Insurance premiums 1.9.22 – 31.8.23;
- 14/10/22 - Towergate Risk Solutions PP/TOWE001 £16,461.41 Insurance premiums 1.9.22 – 31.8.23;
- 15/10/22 - Towergate Risk Solutions PP/TOWE001 £6,543.76 Insurance premiums 1.9.22 – 31.8.23;
- 23/6/22 - Towergate Risk Solutions PP/TOWE001 £23,649.87 Annual insurance.

Upon examination these invoices were all found to be in order.



The rates and special levies for 2022/23 were set on the 25th January 2022. As at the 31st January 2023 there was a balance of £10,590.00 (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 system was reviewed and found to be working well. At the time of the audit (February 2023) an aged debtor's 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.



There are very few petty cash transactions, and these are usually to reimburse for refreshments. The petty cash imprest for Lindsey Marsh IDB was reconciled and verified by a manager on a regular basis. At the time of the audit the petty cash was reconciled and in balance. The cash balance at the time of the audit was £136.80.

Other Findings



For Petty Cash, no transactions were tested at this audit but the cash book (for petty cash) was reviewed and found to be in order.



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



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	-	1
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.
- 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.

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 January 2023	23 January 2023
Draft Report:	15 th March 2023	24 th April 2023
Final Report:	26 th April 2023	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Isle of Axholme		
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.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:			

Planned Start Date:	30/01/2023	Exit Meeting Date:	09/03/2023	Exit Meeting to be held with:	Andrew McGill and Nikii Hind
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SELF ASSESSMENT RESPONSE

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

Annual Internal Audit Report 2022/23

Isle of Axholme & North Nottinghamshire Water Level Management Board

www.wmc-idbs.org.uk/loAaNN/ICLY AVAILABLE WEBSITE/WEBPAGE 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

Name of person who carried out the internal audit

22/02/2023 24/02/2023 DD/MM/YYYY

Christopher R Harris ENTER NAME OF INTERNAL AUDITOR

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).**

Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

Isle of Axholme & North Nottinghamshire Water Level Management 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.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
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.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
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.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓

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

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

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

www.wmc-idbs.org.uk/loAaNN/ICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

Section 2 – Accounting Statements 2022/23 for

Isle of Axholme & North Nottinghamshire Water Level Management Board

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	1,095,633	1,377,198	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	1,360,955	1,417,495	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	502,763	969,531	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	301,346	335,085	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	23,250	41,366	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	1,257,557	1,475,289	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	1,377,198	1,912,484	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	1,495,723	1,977,979	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	1,195,114	1,221,080	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	265,432	780,771	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

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

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

30/05/2023

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

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.