Administered by:

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24th October 2024

Dear Board Members

Haddenham Level Drainage Commissioners
Thursday 7th November 2024

Please find overleaf the agenda for the meeting of the Board to be hosted at the Chapel, Station Road, Haddenham at 5.00pm on Thursday 7th November 2024.

As you'll be aware, we administer thirty Boards that mostly all meet within similar date ranges. Thank you to the majority of Members who already confirm their attendance proactively.

Please help us manage your Board effectively by **proactively letting Polly know as soon as possible, by telephone or email, if you can attend the meeting, or not, or if you're uncertain.** This results in less abortive time and cost to the running of all Boards.

It is important that we have early confirmation whether or not the Board will be quorate.

Yours truly
P BURROWS, FCIWEM C.WEM CEnv
Clerk to the Board

Haddenham Level Drainage Commissioners

Thursday 7th November 2024 – 5pm

The Chapel, Station Road, Haddenham

Agenda:

Item No	*Topic*	*Format*	*Lead*
1	Welcome & apologies	Verbal	Chair
2	Declarations of Interest	Verbal	Chair
3	Minutes of last meeting and matters arising	Pages 3 - 15	Chair
4	Constitution & Membership • Attendance • Vacancies & appointments • Composition and amalgamations • Training	Pages 16 - 18	Clerk
5	Clerk's Report	Pages 19 - 24	Clerk
6	Chairman's Items • Defra GiA for Slackers • Construction of Irrigation Reservoirs - Willow Hall Farm • Atlas Machine • Future Clerking arrangements	verbal	Chair
7	Environment Report	Info to follow	Env Rep
8	Consulting Engineer's Reports, including: • Capital Programme & FCRM Grant-In-Aid	Pages 25 - 28	Clerk
9	Health & Safety	Verbal	Chair/DO
10	District Officer's Report	Verbal	DO
11	Governance • Completion of the Annual return for 2023/2024 • Internal Auditor report 2023/2024 • Internal Controls & Banking • Risk Assessment • Policy reviews • Exercise of Public Rights	Pages 29 - 32 Pages 33 - 37 Pages 38 - 47 Pages 48 - 50	Clerk
12	Finance Report • Highland Water & Precept • Budget Monitoring 2024/2025	Pages 51 - 52 Page 53	Chair
13	Date of Next Meeting	Verbal	Chair
14	Any other business	Verbal	Chair

HADDENHAM LEVEL DRAINAGE COMMISSIONERS

At a Meeting of the Haddenham Level Drainage Commissioners
hosted at the Baptist Hall, Station Road, Haddenham at 5.00pm on Thursday 25th April 2024

PRESENT

M Church Esq (Chairman)	T Chambers Esq	K Robinson Esq
J Smith (Vice-Chairman)	J Darby Esq	K Furness Esq
C Bidwell Esq	R Flint Esq	T Hughes Esq
S Cheetham Esq	R Darby Esq	A Lensen Esq
Mrs M Darby	R Lee Esq	N Tebbitt Esq
R Waddelow Esq	G Wilson Esq	A Yarrow Esq
I Chambers Esq		

Ms Sam Ablett (Representing the Clerk to the Commissioners), Gary Roberts (Engineer) and Mr David Jordan (District Engineer) were also present.

The Chairman enquired whether ALL Commissioners were happy for the meeting to be recorded. All members were in agreement.

Miss Ablett asked all members to sign the attendance sheet and referred to the schedule attached, which recorded the ADA training videos that had been viewed by members. She reported that not all members who had viewed the videos had advised the Middle Level Offices and this was important as details had to be included in the IDB1 return and submitted to DEFRA. She asked all members to mark on the schedule the videos they had watched so a record could be kept.

Apologies for absence

Apologies for absence were received from Mrs L Flint, P Mappledoram Esq, E Veal Esq and N Wright Esq.

C.529 Declarations of Interest

The Chairman reminded Commissioners of the importance of declaring an interest in any matter included in today's agenda that involved or was likely to affect any individual on the Board.

The Chairman declared interests in minute nos. C.539 and C.540.

C.530 Confirmation of Minutes of Last Meeting and Matters Arising

RESOLVED

> That the Minutes of the Meetings of the Commissioners held on the 2nd November 2023 are recorded correctly and that they be confirmed and signed.

C.531 Constitution & Membership

Miss Ablett referred to the number of elected and appointed members and their attendance record at meetings. The Chairman felt that the attendance register, shown in the report, was a good update.

Miss Ablett advised the Commissioners that the Land Drainage Act 1991 allows for members that do not attend meetings for 6 months to be asked to stand down and the attendance record was to assist the Commissioners in making any such decisions.

Appointments

The Commissioners considered the annual appointment of the Chairman & Vice-Chairman and District Officer.

RESOLVED

That M Church Esq be appointed as Chairman of the Commissioners

That J Smith Esq be appointed as Vice-Chairman of the Commissioners

That M Church Esq be appointed as District Officer to the Commissioners

C.532 Clerks Report

Miss Ablett referred to the Clerk's comments regarding the procurement of electricity for the Middle Level Commissioners and its administered Boards. She reported that an Electricity Committee had been formed bringing together a small group of IDB Chairs to review options and ultimately decide on the next contract arrangements. She advised the Chairman was a member of the Electricity Committee.

Miss Ablett enquired whether the Commissioners would authorise the Electricity Committee to decide the next electricity contract on their behalf.

RESOLVED

That the report be noted.

That the Electricity Committee be authorised to decide the next electricity contract on behalf of the Commissioners.

C.533 Environment Officers Report

Miss Ablett referred members to the Environment Officers report, she had distributed earlier and advised this would help to maintain minimum legal compliance and should be integrated into the Commissioners standard practices.

Miss Ablett advised the Clerk was encouraging the Commissioners to consider appointing an Environmental Representative, similar to the Commissioner's Health & Safety representative, who would act as Sofi's go to person.

Members expressed their concerns regarding appointing an Environmental Representative and enquired what this would involve. Miss Ablett gave a brief outline of the role, but advised that Sofi, the Environment Officer, would be able to explain this in detail.

She reported that Sofi would be in touch with the Chairman shortly, to arrange a district visit and to discuss and refresh the Bio-diversity action plan.

RESOLVED

> That the District Engineer be appointed as the Commissioners' Environmental Representative.
>
> That the Environment Officer sends a brief note of what the role involves to the Chairman, Vice Chairman and District Engineer.

C.534 Chairman's Items

a) Construction of Irrigation Reservoirs

Mr Roberts reported that an agreement with Mick George Ltd. had been finalised. He advised that on instruction from the Chairman, he had issued a response to the planning variation application, removing the Commissioners' objection, but made some comments. He further advised he had requested conditions on the application, which mainly covered the clarification of the submitted document so that the agreement took precedent to resolve some inconsistencies and to ensure the groundwater monitoring regime is retained as per the agreement and previous planning conditions.

Mr Roberts confirmed the recharge trenches required by the agreement were in place, with the exception of the section within the reservoir, which was restricted by archaeology conditions. He advised that a site meeting had been requested to agree management proposals, whilst this section was missing. He added that the site meeting would also inspect the recharge trenches to confirm they were at the required depth.

Mr Roberts reported that in addition to the agreement, Mick George Limited had asked for an additional dewatering discharge location, and he advised the Chairman did not consider this would be a problem, but the site meeting would confirm this additional point of discharge was acceptable.

Mr Roberts advised that, at the date of this meeting, the planning variation was still pending consideration.

Members enquired whether the invoices raised to Mick George Limited had been paid and whether the Commissioners were able to charge interest for late payment.

Miss Ablett advised that all invoices had been paid by the due date and only the latest invoice raised on 5th April remained outstanding. She confirmed she would enquire whether the Commissioners were able to charge interest for late payment.

Mr Roberts advised that a review of costs would be undertaken when electricity prices were known.

RESOLVED

> That the Clerk be asked to advise the Chairman whether the Commissioners are able to charge interest on late payment of invoices.
>
> That the contract rates charged be re-visited once the new electricity rates were known.

b) Catchwater

The Chairman reported the Catchwater had overflown at Staples Leys to Highland Side, several times during heavy periods of rain, which had flooded AgReserves arable field, although this did drain after a few days.

He advised that after further heavy rainfall the Catchwater started to flood on the fen side and Mr Waddelow had kindly offered to assist and the District Engineer was able to source sufficient material to raise the bank to stop the flow and prevent a major flooding incident.

Mr Lensen thanked Waddelow Farms for their assistance, together with the District Engineer for identifying the problem and resolving it so quickly.

The Chairman expressed his concern that this type of incident would increase due to the amount of development planned for the area.

Further discussion occurred in relation to how this could be prevented in the future and whether the bank could be raised.

RESOLVED

> That the Chairman writes to Bill Hunt, a Cambridgeshire County Councillor regarding the raising of the bank.
>
> That the Chairman contacts Andrew Newton of the Ely Group of IDB's to ascertain what action they are taking with regards to the problems arising with the Catchwater.

c) Line Dykes

The Chairman reported that maintenance of line dykes was not being undertaken since the Commissioners had relinquished responsibility a few years ago.

The Vice Chairman enquired whether the Commissioners considered any of the line dykes needed collective maintenance.

This was discussed further, and it was agreed that members would advise the Chairman and Vice Chairman if any were identified as requiring any maintenance.

d) Water Controllers

The Vice Chairman considered the Commissioners should identify if there were any locations within the district that would benefit from the installation of water control structures, should any further grant funding be made available.

The Chairman advised that both he and the District Engineer were aware of several structures that could be installed if further GiA became available.

e) Culverts

i) Cracknell Drove

The Chairman reminded the Commissioners that at their November meeting it had been resolved to replace the culvert at Cracknell Drove. He reported he had obtained 3 quotes and advised Members of the amounts and contractors to be considered. The Commissioners considered the quotes and approved the quote received from MN Jones Digger Service in the sum of £21,927 and agreed this should be funded from the asset replacement fund.

RESOLVED

> That the replacement of the culvert be approved and that the cost be funded from the asset replacement fund.

ii) Hoghill to Aldreth

The Chairman reported that he had finally met with the Cambridgeshire County Council bridge surveyor who had agreed that the Council was responsible for the four culverts. It was agreed that the Commissioners should undertake the work to replace them and invoice the Council, once an order had been received.

RESOLVED

> That the Chairman contacts Cambridgeshire County Council to obtain an order for the Commissioners to replace the four culverts on their behalf and once received the work be commenced.

iii) Dairy House Drove

The Chairman confirmed that the replacement of the culvert at Dairy House Drove was the responsibility of Cambridgeshire County Council and advised he had requested quotes to replace the culvert with twin wall plastic.

RESOLVED

> That the Chairman obtain quotes for the replacement of the culvert and requests an order from Cambridgeshire County Council before any work is commenced.

C.535 Consulting Engineers' Reports

Miss Ablett referred the Commissioners to the Consulting Engineers Reports.

Attention was drawn to item 3.3 of the report – New developments and the use of SuDS and Members were asked for their views.

This was discussed further, and Members raised concerns over the effectiveness of the use of SuDS. They considered that current systems did not operate effectively, and current surface water design practises did not take into account exceptional weather conditions or the complex systems within the Fens.
They expressed their concerns regarding the use of attenuation systems and confirmed they had the same concerns as those raised by other Boards, especially with the increased development within the district.

Miss Ablett referred to the Capital Programme and advised that a District Wide study was programmed to start in 2025, which would identify works required regarding the district and pumping stations. She explained that once the study had been completed it would highlight what works were necessary, the urgency of the works and the estimated costs and this information would be used to update the Capital Programme, which would then become more meaningful.

Miss Ablett warned the Commissioners should bear in mind that not all works may be fully funded by GIA and
Therefore, they need to consider how these works would be funded in the future.

RESOLVED

i) That the reports be approved

ii) New Developments – SuDs

That the Planning Engineer be advised that the Commissioners support the response to SuDS by other Boards and have concerns relating to increased development within the district and the use of attention systems.

iii) The Capital Programme be approved in principle and kept under review.

C.536 Health & Safety

The Chairman gave a verbal update following his meeting with COPE Safety Management and reported the only point raised was that relating to the erection of warning signage at both pumping stations. The Commissioners agreed that the consulting engineer should be asked to provide a quote to the Chairman and Vice Chairman for the supply of the requested signage and that the Chairman and Vice Chairman take any action they see fit.

RESOLVED

That the consulting engineer provides the Chairman with a quote for the supply of signage for both pumping stations and the Chairman and Vice Chairman be authorised to take any action considered necessary.

C.537 District Officer's Report

The District Officer reminded Commissioners of the extreme rainfall experienced since their last meeting in November and handed details of the pumping hours to the Commissioners for their information.

He advised that the telemetry provided valuable information and allowed remote access, which enabled the District Engineer to react when necessary.

He referred to the comments made by the Consulting Engineer in his report regarding repairs to the weedscreen trolley and of his comments regarding the overhaul of the weedscreen and control panel at Sutton Gault pumping station and confirmed he had nothing further to add.

Miss Ablett reminded the Commissioners of the costs associated with the overhaul should the weedscreen prove to be unreliable and advised they needed to consider how this would be funded when considering the rate and levy to be set for 2024-2025.

C.538 Governance

a) Completion of the Annual Accounts and Annual Return of the Commissioners – 2022/2023

i) The Commissioners considered and approved the comments of the Auditors on the Annual Return for the year that ended on the 31st March 2023.

ii) The Commissioners considered and approved the Audit Report of the Internal Auditor for the year that ended on the 31st March 2023.

b) Risk Management Strategy

Miss Ablett outlined that the Commissioner's Risk Management Strategy had been due an update, that the Clerk had drafted and published an updated strategy for all IDBs clerked by the Middle Level Commissioners. The new strategy will run from 2024 to 2027 and outlines how Members and the Middle Level Commissioners staff govern the Commissioner's risks.

The Commissioners approved their new risk management strategy.

c) Insured Sums

Miss Ablett referred to the insured sums of the pumping stations and reminded Commissioners of the Clerk's comments in his report, when determining their valuations for insurance purposes Members should recognise the limitations associated with their valuations and the risks, they hold of being underinsured.

Discussions followed regarding the valuation of pumping stations and Miss Ablett reported that it was hoped a meeting would soon be arranged with a company, recommended by the Commissioner's insurers, who may be able to assist with the valuation of the pumping stations. She advised that once this meeting had taken place and further information was available this would be reported to the Chairman.

RESOLVED

i) That the insured sums be approved and continue to be index linked until such time as valuations are available.
ii) That the Clerk obtains a quote for a professional valuation of the pumping stations and sent to the Chairman & Vice-Chairman.
iii) That the Clerk obtains a quote for a professional valuation of the Commissioners' bungalow and sent to the Chairman & Vice-Chairman.
iv) That the quotes be sent to the Chairman and Vice Chairman.

d) Finance Regulations & Finance Code

Miss Ablett reported that the Commissioner's Finance Regulations and Finance Code Policy were due for review and renewal this year. However, she informed the Commissioners that it was intended to carry out a full review of the Middle level Service Provision, the introduction of Key Health Indicators and to start a review of the IDB landscape of drainage boards within the Middle Level. Further, these reviews would also trigger a review of the finance dept. at the Middle Level and all these matters would likely influence areas of delegation regarding finance through the Middle Level offices, it would therefore make sense to retain the current regulations and policy pending a more in-depth review.

RESOLVED

That the Commissioner's current Finance regulations and Finance Code Policy be approved for a further year and the Clerk and Responsible Finance Officer be authorised to carry out a full review of both and report at next year's meeting.

e) Review of Internal Controls

Miss Ablett reported that the financial controls that the Middle Level Commissioners have in place in their services to the Commissioners have now been summarised and are available on the Board's webpage.

The Board considered and expressed satisfaction with the current system of internal controls.

f) Exercise of Public Rights

Miss Ablett referred to the publishing of the Notice of Public Rights and publication of unaudited Annual return, Statement of Accounts, Annual Governance Statement and the Notice of Conclusion of the Audit and Right to inspect the Annual Return.

g) Consideration of potential litigation, liabilities, commitments.

Miss Ablett reported that as part of the Annual Governance review the Commissioners were required to consider if there were any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end that have a financial impact on the authority. She confirmed that there were no such matters that have been raised through the office of the clerk. Members gave consideration to the position.

RESOLVED

> That there are no such events that would have an adverse financial impact on the Commissioners that would need to be included within the accounting statements for the financial year ended 31st March 2024.

h) Defra IDB1

Miss Ablett referred to the completed IDB1 form for 2022/2023 which the Commissioners noted and approved.

i) Annual Governance Statement

The Commissioners considered and approved the Annual Governance Statement for the year ended 31st March 2024.

RESOLVED

> That the Chairman be authorised to sign the Annual Governance Statement on behalf of the Commissioners for the financial year ended 31st March 2024.

C.539 Finance – Looking Back

Finance officer's review and key messages.

Miss Ablett referred to the comments concerning the 2023/24 year which the Commissioners considered and approved.

Payments 2023

The Commissioners considered and approved the Payments amounting to £235,310.09 which had been made during the financial year ending 31st March 2024.

(NB: The Chairman declared an interest in the payments made to him as District Officer.)

Annual Accounts and Finance Papers 2023/2024

The Commissioners considered and approved the Annual Accounts and bank reconciliation for the year ended 31st March 2024 as required in the Audit Regulations and authorised the Chairman to complete and sign the Annual Return 2023/2024.

RESOLVED

> That the Chairman be authorised to sign the Annual Return on behalf of the Commissioners for the year ended 31st March 2024.

C.540 Finance – Looking Forward

Finance officer's review and key messages.

The Commissioners considered & approved the comments concerning the 2024/25 forecast period.

Fees, Remuneration & Subscriptions:

i) District Labour - District Engineer's Wage Increase – 2024/2025
Miss Ablett reported the District Engineer's wages would be increased in accordance with the Middle Level Commissioners' pay award.

ii) District Officers Fees
The Chairman declared an interest and the Vice Chairman took the Chair.

The Commissioners gave consideration to the District Officers' fees for 2024/2025.

RESOLVED

a) That the sum of £2,688 be allowed for the services of the District Officer for 2024/2025.

Charges for hire of plant when engaged on private work.

Consideration was given to whether any revisions were necessary in the Commissioners' charges for hiring plant for private work (last reviewed – April 2023): -

Atlas 360 Wheeled Excavator

Present charges inclusive of operator's wages and travelling time:

- £30.00 per hour in the district

- £45.00 per hour outside the district

RESOLVED

That no change be made to the hire charges.

iii) ADA subscription

That the increased ADA subscription of £724 be paid.

iv) Water Resources East Contribution

The Commissioners were asked to consider and reaffirm its contribution estimated at £150 towards the Board Member role representing local IDBs within Water Resources East (WRE)

RESOLVED

The Commissioners approved to contribute a further £150.

v) Precept to the Environment Agency

Miss Ablett advised the Anglian (Great Ouse) Regional Flood & Coastal Committee (RFCC) determined that the Precept will increase by 3% for 2024.

The precept for 2022/2023 was £36,672.

vi) Highland Water

Miss Ablett reported that following the submission of claims for contributions the gross sum of £11,236.44 (inclusive of supervision) has been received from the Environment Agency (£11,756.50 representing 80% of the Commissioners' estimated expenditure for the financial year 2023/24 less £520.06 overpaid in respect of the financial year 2022/23)

Estimates & Rate Requirements for 2024/25

Miss Ablett advised that when considering the rating estimates and the Agricultural Drainage Rates and Special Levy requirements for 2024/2025, the Commissioners should note the comments made by the responsible Finance Officer, and she went through the detail of the report and asked the Commissioners to be sure they were comfortable with the estimates made.

The Commissioners considered estimates of expenditure and proposals for special levy and drainage rates in respect of the financial year 2024/2025 and were informed by the Clerk that under the Land Drainage Act 1991 the proportions of their net expenditure to be met by drainage rates on agricultural hereditaments and by special levy on local billing authorities would be respectively 64.28% and 35.72%.

RESOLVED

i) That the estimates be amended to reduce improvement works to the quote received of £22,000 and that no transfer be made to the asset replacement fund in 2024-2025 and the reinstatement of balances be recovered over the next couple of years.
ii) That a total sum of £253,224 be raised by drainage rates and special levy.

iii) That the amounts comprised in the sum referred to in ii) above to be raised by drainage rates and to be met by special levy are £162,783 and £90,441 respectively

iv) That a rate of 50p in the £ be laid and assessed on Agricultural hereditaments in the district.

v) That a Special levy of £90,441 be made and issued to East Cambridgeshire District Council for the purpose of meeting such expenditure.

vi) That the seal of the Commissioners be affixed to the record of drainage rates and special levies and to the special levy referred to in resolution iv).

vii) That the Clerk be authorised to rec over all unpaid rates and levy by such statutory powers as may be available.

C.541 Date & Time of next Meeting

RESOLVED

That the next Meeting of the Commissioners be held on Thursday 7th November 2024.

C.542 Any Other Business

a) Mr Darby brought to the Commissioners attention that water from a potato washing farm/facility was entering the drain north of Cracknell Drove and expressed his concern regarding the water quality and whether it posed a threat to crops.
b) The Chairman enquired whether the Commissioners wished for him to become a member of Fenland Soil, on behalf of the Commissioners, which would be at cost of £50.

RESOLVED

That the District Engineer arranges for water samples to be taken at the drain north of Cracknell Drove and tested.

That the Chairman be authorised to become a member of Fenland Soil and that the membership fee of £50 be paid.

HADDENHAM LEVEL DRAINAGE COMMISSIONERS

At an Emergency Meeting of the Haddenham Level Drainage Commissioners held at the Farm Office, A G Wright & Son (farms)Ltd, Haddenham at 5.00pm on Wednesday 18th September 2024

PRESENT

M Church Esq (Chairman)	R Darby
C Bidwell	K Furness
I Chambers	T Hughes
S Cheetham	R Lee
J Darby	N Tebbitt

A Yarrow

Mr Robert Hill (Representing the Clerk to the Commissioners was also present.

Apologies for absence

Apologies for absence were received from J Smith & G Wilson.

Mr Hill reminded members that the meeting had been called as an emergency meeting and was scheduled as a single item agenda and as such minutes of the previous meeting of 25th April 2024 would be reviewed for approval at the next scheduled meeting of the Commissioners on 7th November 2024.

C.543 Replacement of the Commissioners Excavator.

The Chairman referred to his letter to all Commissioners of 29th August 2024 and briefly referred to the circumstances of the accident and his discussions with the insurers. He confirmed that the write-off settlement as agreed of £75,490 (£75,740 less £250 excess) has now been received.

He reported that he had discussed matters with the Vice-Chairman and had initially looked at sourcing a second-hand machine, however, it had not been possible to find a machine suitable for the Commissioners work and had obtained quotations for a new machine. As drainage board work was of a different nature to normal excavator construction works there was a limited range available, and he had received quotations for an Atlas 165 wheeled excavator and a Hitachi ZX150W-7-PB.

He had discussed the Atlas machine with the previous district officer of Sutton & Mepal IDB, who had recently purchased the same machine and had received a very positive recommendation. Although the Downham and Stoke Ferry drainage board operate a Hitachi machine it was not to the same specification as the Atlas and would require some alterations and although cheaper than the Atlas was still a standard machine and would not provide the same value for money in carrying out the Commissioners maintenance works.

In response to Mr Lee, the chairman confirmed that the quotation for the Atlas excavator was for the same machine as now purchased by Sutton & Mepal IDB.

The Chairman reported that he had reviewed the current budget with Mr Hill and also on the meeting of the Middle Level electricity sub-committee, on which he sat. He confirmed that the new electricity contract rates would be significantly lower when the new contract starts from October than with the current contract.

He further reported that following his letter being sent, all comments received back were in favour of purchasing a new machine.

Mr R Darby queried the lead in time for delivery of a new machine and considered the purchase of a new machine would be beneficial to the Commissioners.

In response to Mr Furness, the Chairman confirmed that the new Atlas machine would have a three-year warranty.

Mr Hill reported that following the earlier Government announcement of a storm recovery fund, a claim for £72,509.44 had been submitted and had now been paid. He confirmed that the final loan repayment for previous asset replacement would be made December 2024, and it would be likely that the first repayment due on a new loan would fall in the next financial year. In response to Mr Tebbitt, he confirmed that the loan rate would be fixed on the day the loan was taken and that the current indicative repayment cost of a loan of £100,000 repayable over 10 years was £12,600 per year. He reported further that any amount up to the maximum authorised could be taken over a period up to the maximum for which the approval was given.

RESOLVED

> That the Commissioners purchase a new Atlas 165 wheeled excavator for the quoted price of £165,000 (plus VAT).
>
> That the Commissioners approve for a loan to be taken with the Public Works Loan Board up to a maximum of £100,000.00 repayable over a maximum of 10 years for the purchase of the Atlas 165 wheeled excavator.
>
> That the Chairman and Vice-Chairman be authorised to place an order for the new Atlas 165 wheeled excavator.
>
> That the Chairman and Vice-chairman be authorised to approve the loan draw down when required.

Mr R Darby considered that it could be possible to delay the replacement culvert included in the current year’s budget. The Chairman confirmed that following the April meeting, the order had been placed.

The Chairman reported that Mr Hill had confirmed that he would be retiring at the end of January 2025 and that he had always found him to be readily available for help and advice, even at times prior to the Middle Level taking over the clerkship of the Commissioners.

RESOLVED

> That the appreciation of the Commissioners for the works carried out on behalf of the Commissioners by Mr Robert Hill be recorded in the minutes.

Provided by the Middle Level Commissioners		Item No:	4
Meeting:	**HADDENHAM LEVEL DRAINAGE COMMISSIONERS**	**Subject:**	**CONSTITUTION & MEMBERSHIP**
Date:	**Thursday 7th November 2024**	**Officer Responsible:**	**Polly Tombleson**

RECOMMENDATIONS

The Board is asked to:

A. Note the current status of its membership and the role they each play as members serving the interests of the Board.
B. Review attendance records and identify any resolutions as necessary.
C. No Vacancies of Elected members at this present time.
D. Determine whether there are composition changes and/or amalgamations it wishes to progress.
E. Reenforce the need for members to view all five 'Good Governance' videos.
F. Identify any topic areas for additional training, as well as any inspection/site visit requirements.

1. Current status

1.1 The table below outline the current composition of the Board and the quorum as detailed in the standing orders.

	Elected Members	Appointed Members	Total Members	Quorum
Composition	24	N/A		6
Actual	24	2 ECDC	26	
Vacancies	0			

1.2 The table below details the current appointed Commissioners.

No	Name	Status (one of four categories)	Commentary
1	C Bidwell	Landowner/ratepayer	
2	C Chambers	Landowner/ratepayer	
3	I Chambers	Landowner/ratepayer	
4	T Chambers	Landowner/ratepayer	
5	M Church	Representative of A G Wright & Sons	Chairman
6	J Darby	Landowner/ratepayer	
7	M Darby	Landowner/ratepayer	
8	R Darby	Landowner/ratepayer	
9	J Dennis	Landowner/ratepayer	
10	W Dennis	Landowner/ratepayer	
11	L Flint	Nominee of Mrs L Burton	
12	R Flint	Nominee of Mrs L Burton	
13	K Furness	Representative of E R Everett & Son	
14	T Hughes	Representative of BS Pell Trust	
15	R Lee	Landowner/ratepayer	
16	A Lensen	Representative of A G Reserves Ltd	
17	P Mappledoram	Landowner/ratepayer	
18	K Robinson	Representative of Sutton Smallholders	
19	J Smith	Representative of A G Wright & Sons	Vice-Chair
20	N Tebbitt	Landowner/ratepayer	
21	E Veal	Landowner/ratepayer	
22	R Waddelow	Landowner/ratepayer	

23	N Wright	Landowner/ratepayer	
24	A Yarrow	Landowner/ratepayer	

1.3 The table below details the current appointed members of the Board.

No	Name	Appointing Council as at July 2023	Commentary (one of three categories)
1	S Cheetham	HPC	Councillor
2	G Wilson	ECDC	Councillor
3			
4			

1.4 Special levy paying District Councils appoint members to Boards and their role is to be part of the Board representing all the non-agricultural interests within the Board's district. The Council must consider appointing members who have relevant knowledge or experience that is relevant to the Board and its district.

1.5 Appointed members do not need to be councillors or employees of the Council, therefore can represent wider relevant interests within the district, eg major infrastructure, commerce, community groups, environmental interests.

1.6 All Members are reminded that have equal status to each-other around the Board table and are here to serve the interests of the Board.

2. Attendance

2.1 The table below outlines the attendance record for the last four meetings of the Board.

Elected Members

No	Name	18/09/2024	25/04/2024	2/11/2023	27/04/2023
1	C Bidwell	Present	Present		apologies
2	C Chambers				
3	I Chambers	Present	Present	Present	Present
4	T Chambers		Present	Present	Present
5	M Church	Present	Present	Present	Present
6	A J Darby	Present	Present	Present	Present
7	M Darby		Present	Present	Present
8	R Darby	Present	Present	Present	Present
9	J Dennis				
10	W Dennis				
11	L Flint		Apologies	apologies	apologies
12	R Flint		Present	apologies	Present
13	K Furness	Present	Present	Present	apologies
14	T Hughes	Present	Present	apologies	
15	R Lee	Present	Present	Present	Present
16	A Lensen		Present	Present	apologies
17	P Mappledoram		Apologies	Present	Present
18	K Robinson		Present	Present	Present
19	J Smith	Apologies	Present	Present	Present
20	N Tebbitt	Present	Present		Present
21	E Veal		Apologies		apologies
22	R Waddelow		Present	Present	apologies
23	N Wright		Apologies	Present	Present
24	A Yarrow	Present	Present	Present	Present

Attendance at Chairs Meetings

No	Name	6/10/2023	13/12/2022	12/04/2022	2/11/2021
1	M Church	Present	Present	Present	Present

Appointed Members (current and previous)

No	Name (Council)	18/09/2024	25/04/2024	2/11/2023	27/4/2023
1	Cllr S Cheetham HPC	Present	Present	Present	Present
2	Cllr G Wilson ECDC	Apologies	Present	Present	Present
3					
4					

3. Elections, vacancies & appointments

3.1 Annual appointment of Chairman, Vice-Chair & District Officer.

4. Composition and amalgamations

4.1 The Board is encouraged to continually monitor and review its membership, financial and climate resilience, along with assessing its influence locally, regionally and nationally. These are all factors that may lead the Board to consider changing its composition and/or amalgamation with (an)other Board(s).

4.2 Amalgamations and composition changes are not swift processes and can take a number of years. They require planning and additional/specialist resourcing by the MLC as your clerk, Environment Agency and Defra. Therefore, the Board is encouraged to think ahead five to ten years in its decision making, thinking about the next generation.

5. Training

5.1 All Members are asked to digest the Good Governance Guide for Internal Drainage Boards published by the Association of Drainage Authorities and view the five accompanying videos intended to bring the guide to life. They are available via https://middlelevel.gov.uk/about/idb-governance/

5.2 To date 0 of 26 Board Members have reported viewing all five videos.
To date 1 of 26 Board members have reported viewing 1 of the five videos
To date 18 of 26 Board members have reported viewing 2 of the five videos
To date 1 of 26 Board members have reported viewing 4 of the five videos

5.3 Members are asked to identify any topics areas they would value further training on as well as any site inspections that would help them undertake their role on the Board more effectively.

5.4 Member training is reported to Defra as part of the annual IDB1 return.

Author Name: Polly Tombleson
Role: Senior Business Support Officer

Provided by the Middle Level Commissioners		Item No:	5
Meeting:	**HADDENHAM LEVEL COMMISSIONERS**	**Subject:**	**CLERK'S REPORT**
Date:	**Thursday 7th November 2024**	**Officer Responsible:**	**Paul Burrows**

RECOMMENDATIONS

The Board is asked to:

A. Note the content of the report and feedback on items as appropriate.

1. MLC Services to IDBs

We have made the business decision to focus our clerking and technical services offer to IDBs within the Middle Level where there is water management connectivity with the Middle Level Commissioners' catchment.

The continued service offer to IDBs is contingent on their open-mindedness, support and leadership within the reform/amalgamation agenda, as this is needed to create a more sustainable medium- long term business model between the MLC and IDBs. It also contingent on IDBs taking active decisions to manage their risks appropriately to sustain and/or improve their health.

Therefore, the following eight IDBs have been provided with notice that our service offer will be discontinued:

- Bluntisham IDB
- Over & Willingham IDB
- Haddenham Level Drainage Commissioners
- Swavesey IDB
- Hundred Foot Washes IDB
- Hundred of Wisbech IDB
- Waldersey IDB
- Feldale IDB (administered by the Whittlesey Consortium of IDBs)

This covers all the services offered by MLC, i.e. clerking (admin, governance and finance), environment, M&E, planning & consenting, operations, survey, GIS and capital works.

The 'consultancy agreement' for clerkship services between the MLC and each IDB requires no less than 6-months' notice by either party expiring on 31st March in any year. Therefore, notice must be given by the end of September in any year. To provide each IDB with sufficient time to source alternative suppliers and to enable us to work with those suppliers and the IDB on a transition plan, the termination of services will come into force on 1st April 2026 at the latest. We will however conclude the year-end accounts and annual returns for 2025/26 which happens after 1st April 2026.

It is likely that there will be certain activities or pieces of work that may need to be continued beyond this date until a suitable milestone is reached. This will be agreed as part of a transition plan and a bespoke fee arrangement will be agreed for each of these.

Our service offer to Sutton & Mepal IDB and Manea & Welney DDC will continue given:

- The Old Bedford River interrelationship and potential future amalgamation with Upwell IDB.

- The Fens Reservoir proposal and Cranbrook/Counterdrain strategy may change the water management connectivity between these districts and the Middle Level Commissioners' system.

We are in discussion with Ramsey IDB with a view to taking on their clerkship.

We are refocussing because:

- There has been significant incremental change over the last 10-20 years in terms of IDB governance standards, financial requirements, health & safety, and environmental legislation.
- The scale of M&E and capital works is increasing as a generation of assets deteriorate and come to the end of their reliable life.
- Development pressures and the squeeze on Byelaws have intensified over the last 15 years.
- There is now much more of a need than in the past to work in partnership with a wider range of bodies across an increasingly diversifying suite of agendas.
- The active member inputs around many IDBs have reduced given the changes in farming and age demographic and some Boards are now struggling for attendance.
- The scale of strategic issues facing the Middle Level catchment has and will continue to increase exponentially and will require more focussed working with a broader range of partners locally, regionally and nationally than ever before (e.g. scale and impact of development, pressure on water resources, Fens Reservoir, scale of MLC capital works, impact of climate change on our system, lowland peat, environmental enhancement).
- We are not exploiting the opportunity to maximise sources of income beyond the drainage rate and special levy funding base.

All of the above means that MLC staffing resource is currently spread far too thinly and has been for some time. We consider that the organisation broadly has the staff capacity to provide a good level of service for the Middle Level Commissioners' responsibilities alone. Many staff are working well beyond their contracted hours to provide as good a service as possible for the MLC and the IDBs we currently have a service provision relationship with.

This all means that our service provision to IDBs is now having a direct impact on the delivery of the Middle Level Commissioners' responsibilities, therefore increasing their risks, liabilities and costs. The quality of service provided to all IDBs is also not where we feel it needs to be, which affects all IDBs.

The shorter-term measures to mitigate this are:

- Focussing our service provision
- Creating a new MLC Service Catalogue, including a review of fee arrangements, targeted improvements in efficiency, effectiveness and productivity.
- Introducing Key Health Indicators to better enable IDBs to manage their risks and enable comparison across the Middle Level.
- Targeted increase of staff capacity and use of 'bought in service'.
- Developing a 'case for change' in terms of IDB reform/amalgamation across the Middle Level (this needs resourcing).
- Ongoing amalgamation of March East & Euximoor IDBs and reconstitutions of Conington & Holme IDB and Warboys, Somersham & Pidley IDB.

The medium-term measures to mitigate this are:

- IDB reform/amalgamation across the Middle Level, including a review of the business model between the MLC and IDBs.
- Increasing and diversifying income, including a review of our charges associated with planning and consenting.

In terms of developing a new catalogue and associated fee structure, this is underway but not yet as developed as hoped given workload challenges. New staff are also bringing a new perspective to this. There are a few significant gaps in service provision emerging that need to be explored with the IDBs and would require resourcing (finance and people) and training. These include:

- Consent compliance
- Enforcement (inc complex cases and legacy issues)
- Major development and sites of concern (inc, multi-agency working)
- Authorisations and powers of entry
- Proactively formalising land registry, easements and agreements
- Communications and engagement

To ensure no conflict of interests within our service provision to IDBs, we will not undertake private work for ratepayers, landowners, developers, or any prospective consent applicant. It is particularly important that ratepayers' and Board Members understand and respect this position within any works they plan or are involved in that may need consent from the IDB or MLC. This will support Board Members in managing their own conflict of interest and within their code of conduct. There may be exceptions to this that will need to be reviewed and agreed between the MLC Chief Executive/Clerk and IDB Chairman.

2. The IDB governance future within the Middle Level of the Fens

As previously reported to the MLC Board and IDBs, on 15th February 2024 the Chairs, Vice Chairs and Board Members who sit on more than one IDB within the Middle Level (and those outside the catchment that we administer) had been invited to an informal session in Ramsey to share thoughts about the future IDB governance landscape within the Middle Level and whether action was needed to ensure this was resilient for the future.

The consensus from those who attended was that we needed to act, and a small working group was identified to draft an initial case for change. The working group met on 5th September 2024 and were joined by Innes Thomson, ADA Chief Executive. The group used the 'Geoff Beel' vision from 2009 as a starting point to discuss the primary drivers for change and the key concerns that any proposed new model would need to take account of.

A summary of the discussion:

- Change is not new within the Middle Level and there has been ongoing evolution of IDBs.
- We need to locally design and drive future change, proactively taking control of our own collective future. IDBs are the decision makers.
- We need to agree what we need to look like in 5-15 years to be sustainable and efficient for the subsequent 25 years.
- Do Nothing and Do Minimum (continued incremental change) are not considered as options as amongst other risks they increase the likelihood of reform being directed upon us.
- The scope is to develop options and then identify a preferred option for the future IDB model of IDBs within the Middle Level catchment ie where we have two tiers of land drainage.
- Similar discussions are happening elsewhere and currently the new government is in supportive and listening mode. We need to develop our approach very much with the Minister (plus Defra and Environment Agency) not for the Minister.
- We risk becoming more of an anomaly if other IDB landscapes drive reform and we do not.
- Amalgamating IDBs into the Middle Level Commissioners or becoming one very large two tier IDB has been ruled out and will not be recommended to the MLC Board (see below for rationale).

- We think options for one, two, three, four and maybe five IDBs need to be developed to an outline design stage. The management and operational delivery model may change for each of these.
- Any preferred option would need to ensure and ideally enhance value for money and make sense from a business point of view.
- Private Districts are an added complexity that ought to be considered within a detailed design phase, once a core IDB preferred option has been determined.
- There is a recognition that additional resources are needed to develop and deliver a case for change. IDBs will need to make a provision/contribution for this and in doing so increase the likelihood of securing funding from others. Seed funding to get us moving is needed ahead of asking 24 IDBs for funds.
- There is a recognition that implementation of a preferred option would need to be resourced, managed and led as a change programme.

The Middle Level Commissioners, whilst having the responsibilities and functions of an Internal Drainage Board under the Land Drainage Act 1991 and Floods & Water Management Act 2010, have functions and responsibilities beyond a 'normal' IDB that are specified and catered for within a suite of primary legislation, predominantly the Middle Level Acts.

Amalgamating 24 IDBs into the Middle Level Commissioners would likely need new primary legislation and similarly becoming one large two-tier Middle Level IDB (solely acting under the Land Drainage Act) would mean repealing a suite of primary legislation. Both approaches would be significantly more complex, costly time-consuming and controversial than recent experience with the Middle Level Act (2018) that introduced navigation licensing.

Repealing the Middle Level Acts and becoming a Middle Level IDB would mean new legislation and a new body would be needed to take over the MLC's navigation authority role (or the Environment Agency subsume these) and potentially our water transfer role. This would add unwelcomed additional complexity to water level management within the Middle Level given how the system and infrastructure serves and balances a variety of interests and is likely to be largely unsupported by many of beneficiaries of our system.

The next steps identified:

- Paul Burrows and Innes Thomson to pitch for seed funding from the Environment Agency's Fens2100+ programme. Paul Burrows to ask the MLC Board to consider a financial contribution at their meeting on 7th November 2024.
- MLC to then act as lead client bringing in local knowledgeable extra hands to develop the scoping and outline design. A scope for this will need to be developed.
- The ambition would be to present outline design options via IDB 2025 meetings. This ambition is subject to funding, resources and not having an exceptionally wet winter to contend with again.
- Working Group to meet again in January 2025 (dependent upon the above).

3. Electricity

3.1 Electricity Service

In terms of standing charge policy, our appearance on BBC Countryfile has contributed to Ofgem consulting on a revised approach. They have no definite timescales as yet unfortunately but have reiterated that IDBs remain an important case study for them and one they will continue to raise with decision-makers within government.

A group made up of nominated IDB Chairs along with the MLC Chairman and Vice Chair reviewed the electricity contract. Having reviewed options, it was agreed by all to enter into a 12 month fully fixed, 100% renewable power electricity contract with EDF Energy, together with a service level agreement with Green Energy Advice Bureau (GEAB), who will manage the contract and validate invoices.

New Unit Rates are within the range of 21-29p. Following the last TCR in 2023/2024 the annual standing charges amounted to £155,662.32, these now stand at £130,467.61 before adding St. Germans, which at present equates to £49,122.50, being a total of £179,590.11, an annual increase of £23,927.79 across the portfolio. The St. Germans quote does not include the Targeted Charging Review (TCR) charges, which is not down to GEAB nor EDF, but a supplier wide decision due to the EH1V type of meter, which means suppliers will charge the TCR as they are charged from the Distribution Network Operator (DNO).

We have been advised that the standing charges will continue to increase due to the TCR charges as these are going up year on year. The DUoS (Distribution) and TNUoS (Transmission) charges are set each year, and this is the distribution and transportations costs and will be affected by such things as oil prices and demand for dealing with Liquified Natural Gas (LNG) shipments.

4. Charging for Planning & Consenting

As previously reported, we have for a long time been reactive and had insufficient resources to cater for the amount and range of planning and consenting workload for the Commissioners and IDBs with an inability to step back and identify and implement improvements. Our reputation has suffered, and we receive regular complaints.

With new leadership capacity and capability within Technical Services, we are now in a healthier position to identify and drive improvements. A key foundation of improvement is a review and implementation of our charging approach for developers and consent applicants. We have identified that we are significantly out of sync with neighbours and have likely been missing out on substantial income over many years. This is income that could in part be reinvested into developing our capacity and capability to improve our service, as well as contributing to asset improvement budgets.

The Board is asked to support the need to review our charging model to maximise income. The intent is to present a proposal to the MLC Board for approval in April 2025 with subsequent approval being sought by the IDBs thereafter.

5. Highland Water & IDB Precept.

On 18th October 2024 we were informed that the Environment Agency has insufficient sufficient budget to cover all the IDB Highland Water Claims. Their intent is to make payment capped to their budget and then bring IDBs from within the Anglian (Great Ouse) Regional Flood & Coastal Committee (RFCC) area together in November 2024 to review options. The Anglian (Northern) Regional Flood & Coastal Committee has provided Lincolnshire IDBs with reassurance that the shortfall will be met, even if from the RFCC's local levy funding. At their meeting on 17th October 2024, the Anglian (Great Ouse) RFCC also voted on a 2% increase in IDB Precept for the year 2025/26.

If relevant to the specific IDB, the Board is asked to delegate the decision to the Clerk in conjunction with the Chairman on whether to appeal under (s57 (4) of the Land Drainage Act) any reduced or non-payment of its Highland Water Claims. The Board is asked to support the packaging any such appeal with similar appeals from MLC administered IDBs and potentially IDBs from the wider Gt Ouse catchment. Any appeal must be lodged within 6-weeks of formal notification.

The Board is asked to delegate the decision on whether to appeal the IDB Precept (under s40 of the Water Resources Act) to the Clerk in conjunction with the Chairman. Any appeal must be lodged within 6-weeks of formal notification.

6. Rating

As previously reported the Water Management Alliance's (WMA) support for their rating software (DRS2005) which we use to manage and issue circa 4000 drainage rates on behalf of the Commissioners and administered IDBs will be discontinued on 31 March 2025. ADA subsequently decided not to lead on the redevelopment of DRS.

The WMA have re-written DRS for their members IDBs in Access 365, which will be made available for other IDBs to use under licence. This software is known as DRS365 and runs on their Terminal Server, which will be securely operated, maintained and supported remotely.

Upgrading to DRS 365 (the software licence, training and transitioning work) will cost circa £10k per site (ie covering MLC and our administered IDBs) and the annual support charge will be circa £5k per site. This covers their costs and provides a more robust, sustainable and better supported system than we currently have, reducing risk to MLC and our administered IDBs. These costs will be reviewed next on 1 April 2025 and annually thereafter. The existing DRS2005 maintenance fee is £1k per annum.

The only other options we have would be to create our own software (which is impractical) or revert to a paper-based system (which would be a retrograde and resource intensive step). In these circumstances the WMA would offer a year extension to the DRS2005, hosted on their server, but at our risk should Microsoft decide to turn off the Access 2003 platform upon which the existing DRS is dependent.

7. Debt Management

Having had limited success with previous bailiffs, we are trialling a new approach to debt management. We have issued a suite of legacy drainage rate and developer charges debt held by the Commissioners and some IDBs to Glenwood debt management company. They operate on a no win no fee basis, and if they prove successful there is opportunity to issue them cases much earlier on in the process, at non-payment stage. This could be significantly more efficient in terms of staff time and hopefully more effective.

Author Name: Paul Burrows
Role: Clerk

Provided by the Middle Level Commissioners		Item No:	8
Meeting:	**HADDENHAM LEVEL DRAINAGE COMMISSIONERS (Hereafter referred to as the Board)**	**Subject:**	**CONSULTING ENGINEERS REPORT: CHIEF ENGINEER'S SUMMARY, TECHNICAL SERVICES, M&E & CAPITAL PROGRAMME**
Date:	**Thursday 7th November 2024**	**Officer Responsible:**	**Nicola Oldfield**

RECOMMENDATIONS

The Board is asked to:

A. **Decide how to proceed in light of GiA funding uncertainty.**
B. **Approve £12k for refresh of the weedscreen control system at Sutton Gault (see Appendix 2 M&E).**
C. **Review the pumping station key dates provided in Appendix 2 item 1.4. If there are any discrepancies, please let the M&E Engineer know.**

1. Technical Services

1.1 No planning, Byelaw Consent (to undertake works in and around watercourses or to discharge to a watercourse) or infiltration device applications have been responded to since the last meeting.

1.2 <u>Update on outstanding abstraction licences for Commissioners' inlets off the Old West River</u>
The abstraction licence applications for the outstanding inlets off the Old West River are almost complete and the engineer is obtaining the latest information following a colleague's leave and will report back to the Chairman.

1.3 <u>Update on Willow Hall Farm irrigation reservoirs</u>
The MLC Engineer has continued to liaise with the Chairman and Vice Chairman regarding the agreement between the Board and Mick George Ltd (MG Ltd) in respect of Willow Hall Farm irrigation reservoirs (MLC Ref No 356/PL/008). The Chairman, Vice Chairman, District Officer and MLC Engineer continue to liaise with MG Ltd to monitor the reservoir construction on a day-to-day basis.

Dewatering of the working area and first of the reservoirs has been ongoing throughout the year. An invoice for volumes discharged between October 2023 to the end of March 2024 has been paid. Invoices for dewatering volumes will be issued every 6 months based on readings provided by the Chairman.

The variation to planning permission (Cambridgeshire County Council Ref: CCC/22/075/VAR, MLC Ref No 356/PL/015) has been reopened on the Cambridgeshire County Council planning portal and at the time of writing the status of the application is "pending consideration". A year-round abstraction licence was issued to the quarry operator, MG Ltd, in July 2023 by the Environment Agency.

A site meeting was planned for early April to check the installed recharge trenches, discuss measures for managing the recharge of groundwater until the missing section of trench is installed, and discuss a proposed additional dewatering discharge location to the south of the site. However, MG Ltd have not yet organised this meeting. Proposals for a second dewatering consent to the front of the site have not progressed further and appear unlikely to be required. The District Officer is monitoring the site, and the Chairman is in regular contact with MG Ltd.

2. Capital Programme

2.1 In terms of FCRM Grant-in-Aid (FCRM GiA) the likelihood is that there will be no funding allocation within the current spending review period.

The Board is asked to decide how to proceed.

2.2 Haddenham Level Drainage Commissioners were included within the MLC Catchwater's study element of the Tranche 2 bid for the £75m from Defra. Disappointingly, we have yet to hear the outcome of Tranche 2 but we understand there was an over-subscription, and the decisions have been deferred to ministers within the new government. The original requirement was for delivery within 2024/25, which is now even more impractical.

Author Name: Nicola Oldfield
Role: Chief Engineer

Appendix 1: M&E Report

APPENDIX 1

Provided by the Middle Level Commissioners		Item No:	8
Meeting:	**HADDENHAM LEVEL DC (Hereafter referred to as the Board)**	**Subject:**	**CONSULTING ENGINEERS REPORT: MECHANICAL & ELECTRICAL**
Date:	**Thursday 7th November 2024**	**Officer Responsible:**	**Dave Bantoft**

1. Mechanical & Electrical

1.1 <u>M&E key messages and advice</u>

Other than the matters described below, only routine maintenance has been carried out since the last meeting and the pumping plant at each of the stations is mechanically and electrically in a satisfactory condition.

Due to the volatility of the electricity market and issues with meters, taking regular and accurate manual electricity meter readings is becoming very important; even for sites with meters that are read remotely. This is so that bills can be verified to ensure correct rates are being applied. The pump run hours information is also very useful for comparing pumping seasons and for the district study.

Mr D Jordan has been providing regular and reliable monthly readings on behalf of the Board which has enabled MLC to successfully dispute 80446 kWh of incorrectly invoiced electricity usage at Sutton Gault Pumping Station.

1.2 <u>Minor Works</u>

1.2.1 ***Sutton Gault***

The weedscreen trolley travel motor failed on the 22nd December 2023, a new replacement was sourced and fitted on 28th December 2023. The weedscreen is now in excess of 25 years old and would benefit from a complete overhaul including the control panel. Similar overhauls have cost around £20k for the trolley overhaul and £10k for a replacement control panel.

As a minimum I recommend a refresh of the current weedscreen control system to include new PLC, HMI, inverter drive and catenary cables. This will cost in the region of £12k and will improve reliability of the unit. Without these works the weedscreen cleaner is likely to be unreliable and the station is not designed in a way that allows cleaning of the screen with a digger. Full overhaul or replacement could then be completed as part of the future pumping station refurbishment or replacement.

Please approve £12k for refresh of the weedscreen control system.

On 27th February 2024, the pump motor was reported as noisy and current fluctuating. The fault was traced to worn slip ring brushes; an old unit was fitted as a temporary repair while the new replacements were sourced. A complete new set of brushes were fitted on 4th March and spares kept in stock. The brush rings are worn and pitted which increases brush wear. The slip ring unit was removed during August 2024 and the unit re-machined and refitted within 48hrs.

1.2.2 ***Haddenham***

On 6th January there was a fault that stopped all pumps at the station. The pumps had restarted on arrival. The incoming supply voltage was low, and it is suspected that the supply had temporarily failed. Pumps tested ok and subsequent checks on incoming voltage have been good.

The weedscreen grab had been catching intermittently on the screen at pump 1. On 13th February the depth of the grab was raised slightly and that has prevented the fault occurring since. When the drain is next pumped down to drain works level the screen should be checked for damage or objects stuck within it.

1.3 Inspections

1.3.1 HSB Engineering annual inspections for insurance were carried out on 10th September 2024.

1.3.2 EICR Test and Due dates are shown below. Inspections were successfully completed at Sutton Gault and Haddenham Bungalow in March 2024.

LOCATION		EICR	
Board	**Station**	**EICR Pass Date**	**EICR Due**
Haddenham	Haddenham Bungalow	29-Mar-24	29-Mar-2027
Haddenham	Haddenham PS	19-Mar-21	19-Mar-2026
Haddenham	Sutton Gault	29-Mar-24	29-Mar-2029

1.4 Pumping Station Key Dates

Please review the pumping station key dates below, if there are any discrepancies or you can add any details, please let me know. The key dates are an important reference and will feed into the upcoming Key Health Indicators and District Studies.

Station	Built	Pump	Pump Overhaul	Motor O/H	Thrust Bearing	Controls	Telemetry
Haddenham PS	2011	2011	2011	2011	2011	2011	Y
Sutton Gault	1971	1971	1990	1990	1990	2016	Y

	Weedscreen			
Station	**Bars**	**WSC**	**WSC O/H**	**Controls**
Haddenham PS	2011	2011	2011	2011
Sutton Gault	1998	1998	1998	1998

Author Name: Dave Bantoft
Role: M&E Engineer

Provided by the Middle Level Commissioners		Item No:	11
Meeting:	**HADDENHAM LEVEL DISTRICT DRAINAGE COMMISSIONERS**	**Subject:**	**GOVERNANCE**
Date:	**Thursday 7th November 2024**	**Officer Responsible:**	**Paul Burrows**

RECOMMENDATIONS

The Board is asked to:

A. Review and approve the Annual & Auditor's Reports for the year ending 31st March 2024
B. Note the continued appointment of Whitings as Internal Auditor.
C. Consider and approve of authorised officers for operational/regulatory roles
D. Consider and approve resolutions regarding new Responsible Finance Officer
E. Consider the pumping station valuation proposal.
F. Review and approve the updated Policies & consider and approve the Data Protection Officer
G. Highlight if there are any specific risks or issues not covered within its Risk Management Strategy that may need review ahead of the next formal update.
H. Consideration of potential litigation, liabilities, commitments

1. Annual Governance & Accountability Return (AGAR) and Internal Auditor

1.1 The AGAR provides the framework by which the governance of the Board is assessed. The Board's last AGAR is available on its page via www.middlelevel.gov.uk

1.2 The Board/Commissioners to consider:

- the comments of the auditors on the Annual Return for the year ended 31st March 2024. (Appendix 1)
- the Audit Report of the Internal Auditor for the year ended 31st March 2024. (Appendix 2)

1.3 The Board are reminded that Whitings LLP were appointed as internal auditor for a five-year period commencing 1st April 2023 (financial years 2023/24 to 2027/28).

1.4 The Board is asked to act on the advice of the Auditor within its decision making.

2. Authorisations

We have undertaken a review of how we enact our powers of entry and are introducing new identification badges for all MLC employees alongside training in conflict resolution and creation of a violence and aggression at work policy. Contractors working on our behalf are issued with a letter of authorisation. This is an approach that administered IDBs would also benefit from.

The Board are asked to confirm the stance that all employees and contractors of the Middle Level Commissioners are considered as duly authorised officers and therefore able to use the Board's powers and IDB Byelaws for their operational and regulatory roles on behalf of the Board.

The Board are asked to confirm the stance that their Chairman, Vice Chairman, District Officer(s), pump attendants and employees (if applicable) are considered as duly authorised officers and therefore able to use the Board's powers and IDB Byelaws for their operational and regulatory roles on behalf of the Board.

3. Responsible Finance Officer

Robert Hill the MLC Treasurer leaves at the end of January 2025 and Andrew Wool has been appointed as MLC Head of Finance. There are a number of resolutions recommended to the Board to manage the transition and improve resilience, thus reducing risk to the Board.

The Board are requested to approve, that while there is a Service Level Agreement for the provision of clerking services in place between the Board and the Middle Level Commissioners:

a) **That the role of the position of Head of Finance to the Middle Level Commissioners is to include the appointment as Responsible Financial Officer to the Board.**

b) **That the person appointed as Head of Finance for the Middle Level Commissioners be added to the Barclays Bank PLC mandate and authorised to sign cheques and authorised to make payments on behalf of the Board.**

c) **That the person appointed as clerk to the Middle Level Commissioners be added to the Barclays Bank PLC mandate and be authorised to sign cheques and to authorise payments on behalf of the Board.**

d) **That the person appointed as Head of Finance to the Middle Level Commissioners will be appointed as the administrator on behalf of the Middle Level Commissioners to the Barclays Bank PLC internet banking platform as used by the Middle Level Commissioners.**

e) **That following Mr Robert Hill leaving the employment of the Commissioners that the Head of Finance of the Middle Level Commissioners be delegated the authority to appoint a member of the finance team to be an additional administrator on the Barclays Bank PLC internet banking platform as used by the Middle Level Commissioners.**

4. Risk Assessment and Insured Values

4.1 Our insurance has been arranged using Towergate insurance brokers for the year to 31st March 2025. AXA offered a 2-year extension of the tri-partite agreement we had previously signed, and this was accepted as they offered to keep our business combined policy premium at the same rate for 2025-2026, subject to there being any changes to the existing cover, i.e. increase in valuations.

Having professional valuations of ours and IDB pumping stations for insurance purposes is an action identified by our internal auditors. We have received a proposal from a company called Kroll and they have offered two options:

- Sample site visits to a representative set of 15 pumping stations followed by a desk top assessment covering the remainder - £30k + VAT and expenses.
- Site visits to all pumping stations - £55k + VAT and expenses.

This is clearly a sizable project that we would need to oversee as client and facilitate a seamless programme of visits with relevant IDB officers to keep expenses reasonable. Within their terms and conditions there is also client liability for the quality and completeness of data and information they request in order to fulfil their valuations. We will need to review the proposal with IDB Chairs and establish how costs would be apportioned.

The Board's is asked for their opinion on the pumping station valuation proposal.

5. Policy Reviews

We have an ongoing review and update of policies. Within this we are also improving our management of Freedom of Information requests. The update to the Privacy Policy has identified some area of Data Protection that require further attention. It is timely to schedule a Data Audit, which will help to identify any further areas that require updating. Additional staff and Board/IDB training will be a likely result, along with some other strengthening of procedures across the business.

The Board are asked to note the update and re-publication of their Complaints Procedure and Privacy Policy.

The Board are asked to review and approve the publication of an Anti-Bribery policy (Appendix 3) which includes the need to log offers of gifts and hospitality.

The Board are asked to approve that the MLC Lead Clerk, currently Ruth Martin, acts as their Data Protection Officer and acknowledge that this role will be associated within the incumbent employee role of MLC Lead Clerk.

6. IDB1

6.1 Defra Reporting

All IDBs are required to report annually to Defra via an Annual Report called an IDB1 form. These reports are copied to the Environment Agency and to the relevant District Councils.

In September 2024 an updated form has been issued to cover the 2023/24 returns and is due for submission by 28 February 2025.

There are new or enhanced questions within the form which indicate increasing expectations on IDBs of government.

In summary:

- Breakdown with financial reporting of electricity and fuel cost
- Reporting on biodiversity enhancement expenditure alongside conservation
- Value of drainage rate debt
- Detail of any Public Sector Cooperation Agreements
- Whether a specific Board Member is focussed on ensuring that health and safety is considered within board decision making.
- Significant new reporting expectations in terms of public engagement, including media engagement, public meetings and public events.

6.2 Currently we are working through the additional information required and the changes needed to our systems to align with these requirements. Forms will be completed and submitted and reported at the next scheduled meeting of the Board.

7. Consideration of potential litigation, liabilities, commitments:

7.1 The clerk to report.

Author Name: Paul Burrows
Role: Clerk

Appendix 1	**Annual Governance & Accountability Return (AGAR) for the year ending 2024.**
Appendix 2	**Internal Audit Report**
Appendix 3	**Anti-bribery policy**

Haddenham Level Drainage Commissioners

Notice of conclusion of the audit

Annual Governance & Accountability Return for the year ended 31st March 2024

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014
Section 16 of the Accounts and Audit Regulations 2015 (SI 2015 /234)

1 The Audit of accounts for the Haddenham Level Drainage Commissioners for the year ended 31st March 2024 has been completed and the accounts have been published.

2 The Annual Governance & Accountability Return including the auditor's certificate and opinion is available for inspection and copying by any local government elector of the area of Haddenham Level Drainage Commissioners on application to:

The Clerk
Haddenham Level Drainage Commissioners
85 Whittlesey Road
March
Cambridgeshire
PE15 0AH

between the hours of 9.00am and 4.00pm on Mondays to Fridays (excluding public holidays), when any local elector may make copies of the Annual Return.

3 Copies will be provided to any local elector on payment of £2.40 for each copy of the Annual Return

Announcement made by: P Burrows - Clerk to the Board

Date of Announcement: 15th August 2024

Annual Internal Audit Report 2023/24

HADDENHAM LEVEL DRAINAGE COMMISSIONERS

WWW.MIDDLELEVEL.GOV.UK

During the financial year ended 31 March 2024, 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 2023/24 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 2022/23, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")*			✓
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 *(during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).*	✓		
N. The authority has complied with the publication requirements for 2022/23 AGAR *(see AGAR Page 1 Guidance Notes).*	✓		

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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: 26/04/2024 30/04/2024 01/05/2024

Name of person who carried out the internal audit: WHITINGS LLP

Signature of person who carried out the internal audit: B. BEECH – WHITINGS LLP

Date: 01/05/2024

***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 2023/24

We acknowledge as the members of:

HADDENHAM LEVEL DRAINAGE COMMISSIONERS

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 2024, that:

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

	Yes	No	N/A	
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.				has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

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

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

25/04/2024

and recorded as minute reference:

C.538

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

Chair M. Clarke

Clerk [signature]

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Section 2 – Accounting Statements 2023/24 for

HADDENHAM LEVEL DRAINAGE COMMISSIONERS

	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	*Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.*
1. Balances brought forward	252,941	256,201	*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	192,882	223,465	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	38,946	71,357	*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	37,016	44,438	*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	42,964	42,964	*Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).*
6. (-) All other payments	148,588	262,613	*Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).*
7. (=) Balances carried forward	256,201	201,008	*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	283,859	339,223	*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	2,493,805	2,493,805	*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	236,993	202,855	*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 exclude any Trust transactions.*

I certify that for the year ended 31 March 2024 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

Date 05/04/2024

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

25/04/2024

as recorded in minute reference:

C:539

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

M. Chire

Section 3 – External Auditor's Report and Certificate 2023/24

In respect of **Haddenham Level Drainage Commissioners – DB0035**

1 Respective responsibilities of the auditor and the authority

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

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

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

- summarises the accounting records for the year ended 31 March 2024; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor's limited assurance opinion 2023/24

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

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

None

3 External auditor certificate 2023/24

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2024.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature	PKF Littlejohn LLP	Date	08/08/2024

Whitings
Chartered Accountants LLP
Fenland House, 15B Hostmoor Avenue
March, Cambridgeshire, PE15 0AX
t: 01354 652304
e: march@whitingsllp.co.uk
w: whitingsllp.co.uk

BB/MM053
30 June 2024

Messrs. P Burrows, R Hill and S Ablett
Middle Level Offices
85 Whittlesey Road
March
Cambs.
PE15 0AH

Dear Messrs. P Burrows, R. Hill, and S Ablett,

MLC administered Internal Drainage Boards - Internal Audit 2023-2024

Having completed the internal audit work for the various Internal Drainage Boards administered by the Middle Level Commissioners officers for the year ended 31 March 2024, we are pleased to provide you with the following recommendations to be considered for implementation. We have included some general points and some points which are related to specific boards.

General points

1. **Asset Valuations and Insurances – mainly for residential properties.**

   It is noted that, whilst a large proportion of boards took the option to revalue for insurance purposes their pumping station and residential assets during recent years, there are still some boards that have not followed suit. We have seen elsewhere that such revaluations have sometimes resulted in significant uplifts in value, and as such we would suggest that any remaining boards that have yet to carry out such an exercise do so at the earliest convenience. It should be noted that this is largely in relation to residential property. Should a complete rebuild following an unforeseen catastrophic event be required, current valuations may no longer be appropriate given today's prices which may lead to a shortfall in funds which would have to be drawn out of surplus funds if other financial arrangements were not available.

   We would recommend that in the absence of specific information to the contrary suggesting need for earlier review, that a revaluation exercise be performed for insurance purposes at least every 5 years on all major board assets. This is especially important given the significant increase in material and labour costs seen in recent times as a result of rising inflation and global material shortages. However, we are pleased to note that boards are being asked whether they wish for insurance to be index linked going forward and would strong suggest that all boards agree to this proposal.

Client comment:

While we have put it to Boards to review pumping station valuations for insurance purposes, as separate statutory authorities it is up to each Board to review and approve what they consider to be an appropriate valuation and your point concerning possible under-insured amounts having to be funded directly by the Board following an event has been highlighted previously. We are recommending that Boards should look to index link valuations and we will continue in asking all Boards again to consider this at subsequent meetings, along with consideration of current valuations. Valuation of residential property is an area we have and will continue to focus on for future meetings.

A number of Boards have recognised the potential impact of increased costs on valuations and have taking steps to re-value, however, the consulting engineer is currently reviewing the methodology for valuation of pumping stations, to ensure there is a robust process, which will be then used going forward.

This is an area already programmed to be reviewed every five years and hopefully with indexing we may not require such individual valuations going forward.

2. **Employee Benefits**

Following HMRC's announcement that double cab pickups would be treated as cars rather than vans for benefit in kind purchases from 1st July 2024 this was swiftly reigned in following a backlash from affected parties, largely from the construction and agricultural sectors. Given the new Labour governments need to increase the tax receipts into the Treasury this could be a measure that is revisited and we would advise that you be mindful of any changes that arise in the forthcoming Autumn Budget, although nothing has been confirmed at this stage.

With regards to other employee benefits, we note that where applicable these are being recognised as benefits in kind and disclosed on the form P11d, we would encourage the value of these benefits to be reviewed on a regular basis to ensure that these are reflective of what the employee receives, especially where some boards providing the living accommodation to their employees.

Client comment:

We are aware of the case and potential implications to employees of classification of vehicles, and for this and other areas will be following the autumn budget closely. Generally, we do not make changes concerning additional passenger/load capabilities to that of the original manufacturer's specification, which are relied upon alongside the HMRC guidance when designating vehicles for taxation/benefits in kind.

The benefit charge for living accommodation is calculated in accordance with HMRC recommended valuations. We have started payrolling any standard benefits but are currently unable to do this for accommodation and use of vehicles.

3. Provisions

We are pleased to note that, in the main; provisions recognised within the accounts of applicable boards are being monitored and written back as required. There are still isolated cases where provisions are "brought forward and carried forward" that relate in excess of the standard life of debt, being 6 years. Whilst we are satisfied there is reasonable rationale for their retention we would question whether payments could be reinforced if the life of debt has been exceeded, with the exception of amounts recognised in respect of development contributions. We would encourage continued review of provisions brought forward from prior years, especially those exceeding the standard life of debt, writing these off as appropriate, with board approval as appropriate.

Client comment:

As part of the year end accounting procedures, provisions/balances are looked at on an individual basis and decisions made on relevance as to retain or to write back.

4. Budget figures

We refer to the significant overspend arising in the 2023/24 against the budget set for the same period. We understand that this is largely due to the unprecedented levels of rainfall experienced during the 2023/24 winter period which in turn resulted in the most significant volume of water ever pumped by the organisation. Which has resulted in pumping stations operating at capacity for a number of months, using significantly more fuel and electricity to enable this.

Given the change in weather patterns globally and in our region, we would recommend that a higher budgeted energy and fuel cost be provided for in the budget going forwards, and that the organisation maintain sufficient reserves to combat any such deficiencies in the future. Consideration should also be taken as to whether budgets should be updated for actual results if significant variances are apparent, to ensure they remain meaningful to the individual boards to which they relate.

Client comment:

As part of the finance regulations, we are required to carry out a budget monitoring exercise during the course of the year. For those Boards that have a relevant meeting, this is reviewed by the Board at their autumn/winter meeting. For all other Boards the monitoring exercise is completed as at the end of the calendar year, at this point the majority of the drain maintenance works have been completed, as would be any planned maintenance works at pumping stations. The expenditure to-date is then forecast to the end of the financial year and compared to the budget and initially sent to the chairman for review. Depending on the outcome of the monitoring exercise depends on whether it is considered appropriate to hold an emergency meeting. However, it is likely that if there were an extraordinary event the Board would be aware "in real time" and appropriate action taken at that point.

It is not policy to update budgets depending on levels of expenditure as there is no ability to increase revenue through rates and special levy once they have been set. The original budget is therefore used as comparative to analyse variances of actual expenditure against.

We have started to use a 5-year average for pumping volumes, calculating these against actual/anticipated electricity unit rates. For the 2024/2025 rate setting process we started to build in a 'climate change factor' into the 5-year average calculation, which will be refined for future years. While aware of the need to hold sufficient balances, this was highlighted during the 2023/2024 storm events and as well as having climate change awareness in the budget setting process Boards also were required to take steps concerning the reinstatement of balances depleted during the year.

It is intended to introduce a range of Key Health Indicators for all boards, part of which will be taking into account the impact of climate change on budgets and relevant level of balances required.

5. Surplus Funds

In previous years we have communicated the importance of investing cash assets that are not required to fund operational needs, to combat the erosion of these liquid assets through inflation. We are pleased to see that the organisation have taken heed of this advice and made a number of deposits with Barclays, in addition to discussing the potential pooling of cash resources with IDB's under their administration to gain access to higher rates of interest. Whilst inflation has now fallen back to 2%, the lowest level in nearly three years, it is important to continue to reinvest and "sweat" these assets going forward.

Client comment0:

We are currently making treasury deposits for individual Boards within the mandated authority given by each authority but need to manage this with specific cash flow requirements while also making consideration to having balances available for potential event situations requiring immediate cash. We will be monitoring additional staff time required to manage this while discussing matters further with our bankers.

6. Rental of Land

It was previously noted that some IDB's were renting out land to tenants at lower than market rate and that this should be reviewed to ensure value for money principles were being applied.

We are happy to note that some IDB's have increased the rental values of land to market rates, although there are still some IDB's where the rental value is significantly below market value and we advise that the market values are increased for these boards to ensure value for money principles are applied going forwards.

Client comment:

Boards which have land holding for rent generally review rents in accordance with tenancy agreements and use local land agents for guidance. A number of Boards have small holdings of land which are let at reasonable rates with a view to keep the land tidy and in good order as they are not necessarily commercially viable. A number of Boards have slamp land, which cannot be considered the same as general agricultural land for rental purposes. All Boards look to get the best rents available, but these are relevant to the size and type of land being let.

7. Financial Regulations

Last year we noted that the Financial Regulations were due to be updated by the end of the year, following a delay due to the retirement of the Chief Executive and appointing of the new Chief Executive/Clerk in February 2023. We are pleased to see that during 2024 the boards are reviewing and approving the updated Financial Regulations and Financial Code and look forward to considering this area during the course of the 2024/25 internal audit.

Client comments:

There will be a full review of the provision of clerking services and will be, as has been mentioned reviewing these regulations for presentation to boards for the 2025 meeting season.

8. Bank Transfers

We are satisfied with the accuracy of bank and cash balances and have successfully reconciled these to the underlying accounting records. We note that transfers between bank accounts are being recorded as movement per-month in the accounting records, on enquiry this was due to time constraints experienced within the finance department during the financial year. Whilst we are satisfied that reconciliations have been carried out manually correctly, we would recommend that all bank movements are fully reflected in the postings to the accounting software of the board.

Client comment:

Concerning audit point 5 – surplus funds, to maximise returns within the mandated authority with Barclays we are required to operate linked accounts, with receipts/payments being made from the standard current account. This account has a fixed balance which is adjusted following receipts/payments to it – surplus balances above the fixed limit transferred to the Business Premium account, deficit balances below the fixed amount transferred from the Business Premium account to the current account. These transfers are adjusted through the accounting software in relation to the statement frequency, with both accounts being fully reconciled – a credit in one account being matched with a debit in the other. Current staff resources do not allow for additional time to be spent transferring individual values, the net transfer for the statement being made – as we are doing this for around 28 accounts this currently provides the best value for money to the boards.

9. National Saving & Investment bank accounts

We understand that a formal complaint has been lodged with National Savings & Investments. Firstly in relation to the organisation and its administered entities desire to change the signatories on the investment accounts held with this organisation and secondly due to the fact that bank statements for the period to 31 March 2024 have not been received for the majority of boards. As a result interest receivable has had to be estimated, we have considered the estimations and are happy that these are reasonable by reference to the last received statement and the applicable interest rate. We look forward to reviewing the position in the 2024/25 financial year.

Client comment:

This was an unfortunate situation but to recognise the interest in the correct accounting period estimates were made. Differences between estimates and actuals will be adjusted through the 2024/2025 accounting statements.

10. Website Publication

We note that there has been, for a number of years, significant information available to the public. We note that for some boards the latest information does not appear to have been updated, for example the JPAG practitioner guide on the website across all the boards has not been updated since the 2018/19. An updated version of JPAG guide is made available each year.

The same situation related to the Annual Return Form (DEF-IDB1), which appeared have not been updated since year ended 31 March 2022.

We would recommend that all items are updated on the website for applicable boards as soon as practicable, or remove if regulations do not require such information to be published on the website.

Client comment:

Every effort is made to update the relevant pages of all authorities in an efficient and timely manner and in accordance with the regulations.

Your comment is noted and procedures are being amended concerning this for the future.

11. Outstanding old cheques and unreconciled transactions

We are pleased to note that the majority of old outstanding cheques and unreconciled transactions are being written off across all Board in the timely manner. However, there was the isolated cases where this has not occurred. We would suggest that concerted effort is made to ensure all old and unreconciled transactions are written off as soon as it is clear that such transactions will not be paid in or received.

Client comment:

Bank reconciliations should be looked at and cleared for older unpresented transactions, however, these will initially be transferred to debtor/creditor until their statutory standard life has expired. For 'house-keeping' these will be looked at as part of the year-end processes.

12. Fees for the service of District Officers and Pump Attendants

We have noted that not all boards are approving payment rates for the services rendered by District Officers and/or Pumping Attendant during the board meetings, instead approval is confirmed as a percentage increase, generally being in line with the Middle Level Commissioners award.

We appreciate that the board is approving the payment lists, where the amount is specified. However, we would suggest to include the amount to the discussion during the meeting and confirm the approved sum in the minutes as per prior years.

Client comment:

District Officer/pump attendants are contracted services and the boards are approving an amount for the provision of these services, however, the point is noted and the actual amount payable discussed at the meeting should be recorded in the minutes.

Specific Points

Nightlayers IDB

During our review it was noted that land sold during the year was not recorded on the fixed asset register. Our subsequent enquiries found that as the land was considered of minimal value individually this was included within the adjoining pumping station's valuation and was within the footprint of the old pumping station site. The consideration achieved is higher than would generally be expected due to its importance to a local developer.

We would suggest that you consider whether any other parcels of land held by administered boards could be sold in similar circumstances and if so, whether the valuation individually or as part of the overall pumping station valuation is appropriate.

Client comment:

While we are aware of these circumstances the Nightlayers position was rare. We will monitor sites which could have areas with potential for re-sale, substantial value can only be attached after developers make applications and this proves to be the only access. Unless these circumstances arise an uplift in valuation will not be possible.

Waldersey IDB and Hundred of Wisbech IDB – Joint Pumping Arrangement

As in previous years it is noted that there is a discrepancy between debtor held in Waldersey IDB and the creditor held in Hundred of Wisbech IDB.

Waldersey IDB – Debtor	£92,912.67
Hundred of Wisbech IDB - Creditor	£93,919.96
Difference	**£1,007.29**

We are pleased to note that this difference is insignificant for the current year. The difference arises due to the accounts of Hundred of Wisbech IDB being completed before Waldersey IDB, leading to a provision being required in the former's books in the absence of more accurate information being available. The difference is adjusted in the following year's Accounts for Hundred of Wisbech.

We note that there have been discussions to potentially amalgamate the two boards, this would eradicate the anomaly. However, in the absence of this, we suggest that meetings and account preparation periods be brought into line, if possible, to eradicate this issue.

Client comment:

These costs relate to the contribution for the costs of the shared pumping facility and at the time of production of the year end accounting statements discussions were taking place concerning potential changes to the contribution as a result of changes in land use. A new proposal had been put forward which was broadly approved by both Boards.

There are no current plans to change meeting dates so as one set of accounts is finalised before the other there is likely to remain creditor/debtor position in both sets of accounts although now that all older balances have been cleared, any in-year balance should be cleared, generally a year in arrears.

At the 2024 meetings for both Boards amalgamation was discussed and both Boards have approved to enter into discussions concerning a potential amalgamation between the Boards.

March East IDB

During our review it was noted that the pumping station attendants' payments were not all authorised during the year. This included an additional payment to the Binnimoor pumping station's attendant following him taking over from the previous attendant. We understand following discussion with the board that this was the result of an error in the minutes as the fees' amount was not specified, but the payments were clearly approved by the board. We would suggest that the board considers their internal processes for ensuring the accuracy of minutes.

Client comment:

The services of pump attendant are carried out by contractors and the Board approves the payment for these services. Procedures have been looked at to ensure proper recording in the minutes.

Hundred of Wisbech

We noted that a parcel of land has been transferred to the board during the 2023-24 year with the attenuation pond, sized at approximately 1 acre. This land was estimated by the Chairman and District Officer to have a value totalling £5,000, a value approved by the Board. We have not been provided with any professional valuation or justification with regards to this valuation. We understand that the land cannot be used for development or agriculture, making it difficult to value due to the lack of specific use.

We understand that the consideration of land valuation has conducted after the year end and details should be included in the next published minutes related to June 2024 meeting.

We look forward to reviewing this in due course.

Client comment:

This area is designated as an attenuation pond, holding surface water to discharge at a controlled rate into the District System. The valuation takes into account its use and therefore limited value. In view of this and to maintain value for money for the Board it was agreed by the officers of the Board not to engage professional valuers.

Manea & Welney

During our review, it was noticed that the Debtors Report showed a significant unallocated amount of £1,456,606.99. Following discussion with the client, we understand that this is an isolated incident related to software issue and not down to the human error. We are satisfied that balance showing on the Debtors Report is correct and no difference was identified.

We take this opportunity to thank your staff involved in our audit for their assistance and cooperation in achieving substantial completion by the stated target deadlines. We trust that the engagement team have not caused significant disruption during the execution of their procedures.

Yours sincerely,

Whitings LLP

Whitings LLP

And administered IDBs.

Governance

Anti Bribery Policy

(includes gifts, hospitality & donations)

2024 - 2029

The Bribery Act 2010 is the legislation relating to bribery. Very generally, this is defined as giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so. This could cover seeking to influence a decision-maker by giving some kind of extra benefit to that decision maker rather than what can legitimately be offered as part of a tender process.

Government guidance summarises that it is illegal to offer, promise, give, request, agree, receive or accept bribes – and highlights that organisations should have an anti-bribery policy if there is a risk that someone who works for you or on your behalf might be exposed to bribery.

An anti-bribery policy should be appropriate to the level of risk the organisation faces and should include:

- your approach to reducing and controlling the risks of bribery.
- rules about accepting gifts, hospitality or donations.
- guidance on how to conduct your business, eg negotiating contracts.
- rules on avoiding or stopping conflicts of interest.

Risk Assessment

The Middle Level Commissioners and administered Internal Drainage Boards are considered as at minimal risk of bribery given that business is undertaken almost entirely within the UK.

As there is very little risk of bribery being committed on behalf of the organisation it is considered that there is no need for extensive written documentation or policies.

The most likely area of MLC or IDB business with a bribery risk are outlined below and these already have adequate controls:

- Bribery by others to secure business from the MLC/IDB
- Bribery by others to secure regulatory decisions from MLC/IDBs
- Bribery by others to secure operational benefits from MLC/IDBs
- Bribery by MLC/IDB employees or MLC Board/IDB members of others to influence an advantage.

Control Measures

- MLC/IDB Board Member declarations of interest and the application by the clerk of these within meetings and decision making.
- Boards, their delegated Committees and/or MLC employees as service providers making key procurement and regulatory decisions rather than individuals.
- Application and review of Internal Controls
- Within the MLC staff structure there are no procurement/regulatory decisions made without more than one employee being involved
- Application of Member Code of Conduct and employee performance and disciplinary procedures
- Offers of gifts, hospitality and donations to be reported to the Chief Executive/Clerk.

Gifts, Hospitality and/or Donations

Employees and members should treat with extreme caution any offer of a gift, favour or hospitality that is made to them personally. The person or organisation making the offer may be doing or seeking to do business with the MLC/Board or may be applying to the MLC/Board for some decision to be taken in his favour or someone with whom he is connected.

There are no hard and fast rules about the acceptance or refusal of hospitality or tokens of goodwill. For example, working lunches may be an appropriate way of doing business provided they are approved by the Chief Executive/Clerk and provided no extravagance is involved. In the same way it may be reasonable for staff/members to represent the MLC/Board at a social function or sporting event organised by outside persons or bodies. Persons attending such functions or events as part of an official MLC/Board delegation are exempt from the above registration requirement, providing their attendance has been approved by the Chief Executive.

Each member or employee is personally responsible for all decisions connected with the acceptance or offer of gifts or hospitality and for avoiding risk of damage to public confidence. The receipt and detail of gifts and hospitality should always be reported to the Chief Executive/Clerk.

When gifts and/or hospitality have to be declined, those making the offer should be courteously but firmly informed of the procedures and standards operated by the MLC/Board and told why hospitality cannot be accepted. This should be logged within the register in order to track any patterns.

Members and employees should not accept significant personal gifts from contractors and outside suppliers, although the Board will allow members and employees to keep insignificant items of token value such as pens, calendars and diaries of an estimated value below £20. These insignificant items do not require recording in the Gifts and Hospitality Register.

Acceptance by members and employees of hospitality through attendance at relevant conferences and courses is acceptable where it is clear the hospitality is corporate rather than personal and where the member or employee is satisfied that any purchasing decisions will not be compromised. Where visits to inspect equipment, supplies or services are required, employees and members should ensure that the MLC/Board meets the cost of such visits to avoid jeopardising the integrity of subsequent purchasing decisions.

Procedure

MLC/IDB Board Members and Employees are required to log the offer and acceptance/rejection of a gift, hospitality or donation within the Gifts and Hospitality Register by emailing details of the offer to chiefofficers@middlelevel.gov.uk

Dealing with Bribery

Bribery committed by an employee will be considered a disciplinary issue and likely to be treated as gross misconduct.

Bribery or attempted bribery committed by a third party may lead to the termination of the business relationship.

Bribery committed by an MLC or IDB Member will be considered as a breach of the Member Code of Conduct.

Provided by the Middle Level Commissioners		Item No:		12
Meeting:	**HADDENHAM LEVEL DRAINAGE COMMISSIONERS**	**Subject:**	**FINANCE REPORT**	
Date:	**Thursday 7th November 2024**	**Officer Responsible:**	**Robert Hill/Sam Ablett**	

RECOMMENDATIONS

The Board is asked to:

A. Fees, renumerations and Subscriptions
B. Note the Precept to the Environment Agency & Highland Water Contributions
C. Review Budget Monitoring 2024/2025

1. Storm Recovery Grant

Following the setting of the rates for 2024/2025 we were advised of the criteria for submissions of claims against the Government announced Storm Recovery Grant and a claim for the first phase of funding (T1) was submitted for £72,509.44, which has now been received. Although claims have been submitted for combined IDB works against the Storm Recovery resilience works (T2) there has been no indication from the Environment Agency concerning the progress of claims submitted or possible eventual payment of claims.

2. Highland Water Contributions

2.1 When completing the budget proposal claims were estimated against the likely out-turn for 2023/2024 and the budgeted expenditure for 2024/2025. The winter storm events gave claims significantly in excess of previous claims but following an understanding that the Environment Agency were able to switch funding within their revenue/capital programmes the full estimated claims were included in the rating proposals. The highland water claim included within the rating estimates was £19,171.98. Following an earlier Government announcement, details were eventually released concerning the Storm Recovery Grant and a claim for the first trance (T1) was submitted in the sum of £72,509.44.

2.2 To adjust for this additional funding the relevant elements of the Storm Recovery Grant (T1) need to be adjusted against the highland water claims. The highland water calculation for these additional receipts amounts to £3,397.25, which will be adjusted from the Strom Recovery Grant.
Payment of the submitted highland water claims are currently outstanding although the Environment Agency has recently been in contact seeking additional information concerning submitted claims. The forecast has been completed using the submitted claims.

3. Precept to the Environment Agency

3.1 Internal Drainage Boards are required to pay a Precept (IDB Precept) to the Environment Agency for their expenses managing water passing into main rivers. Predominantly, the Precept funds additional maintenance downstream of and/or benefitting IDB districts.

The precept for 2022/2023 was £36,672.

4. Replacement Excavator – Public Works Loan application

This matter is to be dealt with as a separate agenda item withing the papers.

5. Budget monitoring

The current forecast for income/expenditure to 31st March 2025 shows that expenditure could be in-line with the budget against which rates were set.

However, members are advised that these figures are estimating pumping costs to be in-line with the budget proposal against which the rates have been set and should therefore also take into account the significant financial implications major storm events can have on drainage Board budgets.

When completing the 2023/2024 out-turn concerns were raised by the finance officer over the electricity charges for Sutton Gault pumping station and a claim was lodged against the supplier (Corona Energy). The final out-turn figures were completed using those charged and this matter was highlighted at the meeting. Following further works by the engineer a credit adjustment has now been received in the sum of £19,830. This is shown within the forecast as 'income' – The highland water claim within the rate budget was based on the totals within the out-turn figures and the subsequent claim submitted to the Environment Agency was based on the adjusted totals. The resulting highland water value will be adjusted against the Corona Energy credit adjustment.

The forecast figures include a provision of £12,000 for repairs at Sutton gault pumping station as recommended by the engineer.

The full highland water claims have been included but while payment remains outstanding it is the recommendation that the balance of the Storm recovery Grant (T1) is held in reserve.

The Commissioners have received £75,490 as settlement for the Atlas excavator. These funds will be used against the purchase of a new machine and at this time are not reflected in these figures.

To balance the budget the reinstatement of balances provision has been reduced by £9,090 from the budgeted amount to £6,290.

There will be a full reconciliation of balances at the financial year end.

Author Name: Robert Hill/Sam Ablett
Role: Treasurer/Assistant Treasurer

Appendix 1 Budget Monitoring

Appendix 1

HADDENHAM LEVEL DRAINAGE COMMISSIONERS
BUDGET MONITORING 2024/2025

			Approved Budget 2024/2025	Actual TO 30th Sept. 2024	Forecast to 31st March 2025
1	CHANNEL MAINTENANCE		16,800	15,944 [A]	25,000 [B]
2	LABOUR		52,000	28,034	55,500
3	REPAIRS AND RENEWALS		13,000	6,646 [C]	24,500 [D]
4	FUEL		92,000	21,814	92,000 [E]
5	RATES, INSURANCES & TELEPHONES		12,425 [F]	9,330 [F]	14,500 [F]
6	ADMINISTRATION		14,750	8,092	16,750
7	ASSET REPLACEMENT		0	0	0
8	E. A. PRECEPT		38,906	19,453	38,906
9	LOAN REPAYMENT		42,964	21,482	42,964 [G]
10	IMPROVEMENT WORKS		21,000 [H]	1,355	21,000 [H]
11	REINSTATEMENT OF BALANCES		15,389 [I]	0.00	6,290 [I]
			319,234	**132,149**	**337,410**
	INCOME		**66,010**	**22,089** [J]	**84,186** [K]
	Net Expenditure	253,224	**253,224**	**110,060**	**253,224** [L]
	Rate Requirement		**50.00** p		
	Rate set				
	AV 506,448				
	Gen. Fund balance	open	148,893	148,893	148,893
	Rates raised	50.00p	253,224	205,454	253,638
	net expenditure		253,224	110,060	253,224
	adj. balances		15,389		6,290
	closing balance		**164,282**	**244,287**	**155,597**

A -	Includes for:	
	Flail mowing - Contractor	5,940
	Excavator hire - Contractor	4,524
		10,464
B -	Includes provision for contractor accounts	6,300
C -	Includes repair pump motor - Sutton Gault p/s	2,567
D -	Includes provision for Sutton gault p/s w/s/c reps.	12,000
E -	provisions estimated to budget allowances	
F -	Includes gross water charges (re-charged to 3rd party)	
G -	First repayments for addition loan for excavator replacement likley to fall into 25/26 financial year	
H -	Provision for replacement of culverts	
I -	Provision for reinstaement of balances reduced by winter 23/24 pumping	
J -	Includes credit against 23/24 Sutton p/s electricity	19,830
K -	Includes metered discharge	15,000
	Includes calculated highland water claim	15,374
	Includes asset fund for new culverts	21,000
	Includes credit against 23/24 Sutton p/s electricity	19,830
		71,204
L -	**Figures do not include for Storm receovery funding**	
	Does not include excavator insurance receipt	
	Figures assume highland water claims to be paid in full	