SUTTON AND MEPAL
INTERNAL DRAINAGE BOARD

At a Meeting of the Sutton and Mepal Internal Drainage Board
Held at the Chatteris Cricket Club on Thursday 16th January 2025.

PRESENT

M Latta (Chair)
C Lee (Vice-Chair)
R Angood
C Baker
S Criswell (HDC)
T Edgley
D Griffiths
E Jackson
M Jackson
R Lee
R Smith
J Sole
P Sole
E Veal
W Veal

The Lead Clerk Mrs Ruth Martin representing the Clerk was in attendance and also Middle Level Head of Finance Andrew Wool. The Chairman introduced Mr Wool to the Board.

Apologies for absence

Apologies for absence were received from Mr A Allan and Mr M Heading.

B.2373 Declarations of Interest

The Chairman reminded Members 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.

Members agreed to declare any interests during the course of the meeting.

B.2374 Confirmation of Minutes

Mr Edward Veal asked that the minutes be amended to show his attendance at the last meeting.

The minutes were confirmed as a true record and no Matters Arising were identified.

RESOLVED

> That the Minutes of the Meeting of the Board/Commissioners held on the 23rd May 2024 are recorded correctly and that they be confirmed and signed.

B.2375 Constitution & Membership

Viz:

Provided by the Middle Level Commissioners		Item No:	4
Meeting:	**SUTTON & MEPAL IDB**	**Subject:**	**CONSTITUTION & MEMBERSHIP**
Date:	**Thursday 16th January 2025**	**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. There are currently **0** vacancies
D. To consider previous discussions of amalgamation – SM, MWe & Up.
E. Reinforce 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	16	N/A		8
Actual	16	1 HDC	17	
Vacancies	0		0	

1.2 The table below details the current elected members of the Board

No	Name	Status (one of four categories)	Commentary
1	A Allan	Nominee of ratepayer (Allan Partners)	
2	R Angood	Ratepayer	
3	T Edgley	Nominee of ratepayer (R A Latta Farms Ltd)	
4	D Griffiths	Nominee of Ratepayer (Mick George Ltd)	
5	M Heading	Ratepayer	
6	M Jackson	Nominee of ratepayer (DJ & MO Jackson)	
7	M Latta	Ratepayer	Chairman
8	C Lee	Nominee of ratepayer (P J Lee & Sons)	Vice-Chair
9	R Lee	Nominee of ratepayer (P J Lee & Sons)	
10	R Smith	Ratepayer	
11	J Sole	Nominee of ratepayer (A Sole & Son)	
12	P Sole	Nominee of ratepayer (A Sole & Son)	
13	E Veal	Ratepayer	
14	W Veal	Ratepayer	
15	C Baker	Nominee of ratepayer (A G Heading)	
16	E Jackson	Nominee of ratepayer (DJ & MO Jackson)	

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

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.

No	Name	Appointing Council	Commentary (one of three categories)
1	Stephen Criswell	HDC	Councillor
2			

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	23/05/2024	23/05/2024	18/01/2024	25/5/2023
1	A Allan	Present	Present	Present	Attended
2	R Angood	Present	Present	Present	Attended
3	C Baker	Present	Present	N/A	N/A
4	T Edgley	Present	Present	Present	Attended
5	D Griffiths	N/A	N/A	N/A	N/A
6	M Heading	Present	Present	Apologies	Apologies
7	E Jackson	Present	Present	N/A	N/A
8	M Jackson	Present	Present	Present	Attended
9	M Latta	Present	Present	Present	Attended
10	C Lee	Present	Present	Present	Attended
11	R Lee	Present	Present	Present	
12	R Smith			Present	Attended
13	J Sole			Present	Attended
14	P Sole	Present	Present	Present	Attended
15	E Veal			Present	Apologies
16	W Veal	Apologies	Apologies	Apologies	Apologies

Attendance at Chairs Meetings

No	Name	6/12/2024	6/10/2023	13/12/2022	12/4/2022
1	M Latta	Attended	Attended	Attended	Attended

Appointed Members (current and previous)

No	Name (Council)	23/05/2024	18/01/2024	25/5/2023	12/1/2023
1	Stephen Criswell HDC	Present	Present	Apologies	Attended
2					
3					

3. Elections, vacancies & appointments

3.1 Next Election will be in 2026.

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.

4.3 The Clerk to report on discussions regarding a possible amalgamation between – SM, MWe & Up.

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 15 Board Members have reported viewing all five videos.
To date 7 of 15 Board Members have reported viewing 2 of the 5 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

The Board agreed that the report be taken as read, and Mrs Martin drew their particular attention to some of the content. There are currently no vacancies on the Board, and Mrs Martin thanked the Board members for their regular attendance.

Amalgamations

The Chairman asked if this Board was being instructed that it must amalgamate, to which Mrs Martin responded that there is currently no instruction in place from the Middle Level Commissioners that Boards it administers must amalgamate. However, it would be prudent for the Board to consider the future need to amalgamate as this may become a Government requirement of the future and it would be preferable for the Boards to direct any action that may be required.

Training

The Board were reminded to view the Good Governance videos if they have not already done so and asked to advise the Clerk once completed.

B.2376 Clerk's Report
Viz:

Provided by the Middle Level Commissioners		Item No:	5
Meeting:	**SUTTON & MEPAL INTERNAL DRAINAGE BOARD**	**Subject:**	**CLERK'S REPORT**
Date:	**Thursday 16th January 2025**	**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 (Transmition) 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. 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.

6. 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:	Under Clerks report
Meeting:	**SUTTON & MEPAL INTERNAL DRAINAGE BOARD**	**Subject:**	**FENS RESERVOIR**
Date:	**Thursday 16th January 2025**	**Officer Responsible:**	**Paul Burrows**

RECOMMENDATIONS

The Board is asked to:

A. Approve that the Board act as one with the Middle Level Commissioners and other impacted IDBs. Therefore, the Middle Level Commissioners staff, consultants and legal service provider are authorised to act on behalf of and represent the Board.

B. Acknowledge that the Fens Reservoir DCO may need to overwrite/disallow existing statutory powers held by the Board and delegate the decision making on this to the Clerk, engaging with the Chairman/Vice Chairman as he sees fit.

1. Latest position

1.1 On behalf of the Middle Level Commissioners and IDBs, we responded to the phase two public consultation and having worked closely with Anglian Water over the last 24-months, what is now clear within the proposals is that in terms of water source, water transfer, site flood resilience, emergency drawdown and downstream water transfer routes, the planning, construction and operation of the reservoir will be dependent upon the Middle Level Commissioners' and IDB infrastructure, our operations and our resources. These need to be ready and resilient for this enhanced future role.

1.2 Whilst the Middle Level has always been key within UK food security, the Fens Reservoir (see website) is a game-changer as our collective infrastructure and operations will also become critical for regional housing and economic growth beyond our catchment. This is arguably the boldest and most transformational investment in the Fens since the original great drainage schemes of the 1600s. It presents a great opportunity to bring resilience and investment into the Middle Level as we face the accelerated challenges of a changing climate as evidenced within the recent Future Fens Integrated Adaptation Programme's Climate Change Risk Assessment.

1.3 We will be prioritising input into the Fens Reservoir as the potential gains are significant and the stakes are high. Therefore, please be mindful that other service standards may be affected.

1.4 We have been recovering our staff time costs associated with many aspects of supporting Anglian Water develop the Fens Reservoir proposals through a Service level Agreement (SLA). The SLA is being updated to cover additional technical support we need to bring in, e.g. consultants. We are also finalising a separate agreement for reservoir project funded additional staff capacity.

1.5 By spring 2025 Anglian Water aim to have a whole scheme solution identified ahead of another design freeze and third non statutory public consultation.

2. IDB Interests

2.1 The table below outlines the IDBs that we administer that are directly impacted in one way or another by the proposals so far. However, with the Middle Level being the proposed primary source of water, this means indirectly all the other IDBs that gravity outfall or pump into the Middle Level Commissioners watercourses also have an interest.

Organisation	Direct Interest areas	Notes
Middle Level Commissioners	Interaction with and impact on MLC infrastructure and operations: • Water sources • Emergency drawdown • Site design • Downstream transfer Governance impacts of reservoir	
Curf & Wimblington Combined IDB	Interaction with and impact on IDB infrastructure and operations: • Site design (main site) • Downstream transfer Governance impacts of reservoir	
Commissioners for imbanking fen lands and low grounds within the Parishes of Chatteris, Doddington and Wimblington, also known as the 'Imbanking Commissioners'	*Governance opportunities the reservoir may enable dissolve the Commissioners and redistribute assets*	
Nightlayers IDB	Interaction with and impact on IDB infrastructure and operations: • Site design (treatment works) • Downstream transfer Governance impacts of reservoir	
Sutton & Mepal IDB	Interaction with and impact on IDB infrastructure and operations: • Downstream transfer	
Warboys Somersham & Pixley IDB	Interaction with and impact on IDB infrastructure and operations: • Downstream transfer	
Manea & Welney District Drainage Commissioners	Interaction with and impact on IDB infrastructure and operations: • Downstream transfer	
Upwell IDB	Interaction with and impact on IDB infrastructure and operations: • Downstream transfer	
Bluntisham IDB	Interaction with and impact on IDB infrastructure and operations: • Downstream transfer	*From 1st April 2026 we are discontinuing MLC services to these IDBs. With them and their new service provider we'll need to consider what this means for the Fens Reservoir.*
Hundred Foot Washes IDB	Ouse Washes as a potential water source	

3. Legal approach

3.1 Over the coming months we need to work with Anglian Water to develop a draft 'Statement of Common Ground' and identify any 'Principle Areas of Disagreement'.

In terms of our external legal costs, Anglian Water have confirmed that they are prepared to cover the reasonable costs associated with activities that assist in the Development Consent Order (DCO) process/implementation of the scheme. This would be Anglian Water covering legal costs associated with:

1. The drafting, negotiation and completion of any legal agreements for the protection of MLC's assets (as a result of the DCO).
2. The drafting, negotiation and completion of any legal agreements in relation to operational matters required to be agreed/formalised to allow the DCO to be implemented/operate.
3. The drafting and negotiation of any protective provisions on the face of the DCO.
4. Entering into, and review of, the Statement of Common Ground (SoCGs)

Anglian Water would <u>not</u> expect to cover <u>any legal costs</u> related to activities such as:

1. Review of consultation and other materials and the drafting/review of consultation responses
2. Drafting/review of relevant and written representations during the DCO examination.
3. Drafting of responses to Examining Authority posed questions directly to MLC.
4. Drafting/review of any other written submissions during the DCO examination (e.g. Principle Areas of Disagreement (PADSS)).
5. Attendance at hearings.

3.2 We approached several external solicitors with experience in DCOs and are due to get into contract with our preferred supplier in January 2025.

3.3 For the Fens Reservoir, if the Middle Level Commissioners (including their employees and consultants) are to act on behalf of the MLC and IDBs they administer in a manner that is legally robust for a scheme of this complexity and significance, it is prudent to secure specific delegations and authority from each organisation.

3.4 Acting as one will enable efficiencies, increase agility, improve responsiveness and help manage and mitigate conflict of interests that some individual MLC/IDB Board Members have with the Fens Reservoir.

3.5 Acting independently would mean each organisation may need different staffing and legal service arrangements to look after their individual interest, i.e. the MLC staffing structure would not be able to act for each IDB as well as the MLC. This is impractical. It is also unlikely we would be able to practically manage the terms of any security/non-disclosure requirements that come with a scheme of this type by acting independently.

3.6 As the Fens Reservoir Development Consent Order will disallow/overwrite exiting statutory powers held by the Middle Level Commissioners and IDBs, the Board is asked to acknowledge this need and delegate the decision-making authority to the Clerk engaging with the Chairman/Vice Chair as he sees fit.

Author Name: Paul Burrows
Role: Clerk

Mrs Martin advised that the report would be taken as read, to which the Board agreed.

Mrs Martin reminded the Board that although MLC have given notice to some Boards that their services are being withdrawn, this Board was no affected. However, MLC are reviewing governance across all IDBs and a Focus Group is in place and a study has been commissioned, the first results of which are due to be delivered to the Focus Group later today and will be shared wider in the near future.

The Chairman added that depending on what happens with Welches Dam and the Cranbrook Strategy, this Board may need to coordinate with neighbouring Boards. This may require more involvement of the Board and could result in a 30 year strategy or longer. He added that in 5 or 10 years time the Board may need to talk to neighbouring Boards about amalgamations, although this could be complicated and this Board needs to start thinking about this now.

Mrs Martin advised the Board of a review of the charging models for Planning and Consenting, which the Board agreed.

Fens Reservoir

The Board were referred to the Clerks Report, and Mrs Martin outlined progress to date and how the scheme may affect this Board. The Lead Clerk advised the Board that once the DCO is in place, existing statutory powers will be overwritten and so it is essential to have the right provisions in place. By acting as one we have a louder voice. The Board had some concerns that decisions would be made without their knowledge that would have an impact on them, but Mrs Martin confirmed that any decisions affecting the Board would be made in conjunction with the Chair/Vice Chair and where appropriate brought to the attention of the Board.

RESOLVED

i) That the Board act as one with the Middle Level Commissioners and other impacted IDBs. Therefore, the Middle Level Commissioners staff, consultants and legal service provider are authorised to act on behalf of and represent the Board.

ii) That the Board acknowledge that the Fens Reservoir DCO may need to overwrite/disallow existing statutory powers held by the Board and delegate the decision making on this to the Clerk, engaging with the Chairman/Vice Chairman as he sees fit.

B.2377 Environment Officers' Report

Due to workload Mrs Martin advised that the Environment Officer is unable to provide a report to this meeting, but that a report will be given at the next meeting.

B.2378 Consulting Engineers' Reports
Viz:

Provided by the Middle Level Commissioners		**Item No:**	**7**
Meeting:	**SUTTON & MEPAL IDB (Hereafter referred to as the Board)**	**Subject:**	**CONSULTING ENGINEERS REPORT: CHIEF ENGINEER'S SUMMARY AND CAPITAL PROGRAMME**
Date:	**Thursday 16 January 2025**	**Officer Responsible:**	**Nicola Oldfield**

RECOMMENDATIONS

The Board is asked to:

A. **Acknowledge the proposed approach to introduce interim charges for responding to applicant's questions.**
B. **Further to the last Board meeting the Board is asked to confirm whether it wishes to create, adopt and issue standing advice notes for its district and instruct the Consulting Engineer accordingly.**
C. **Provide their thoughts on both the Witcham Meadlands and Coopers Farm sites to the Planning Engineer.**
D. **Erect an agricultural storage building and formation of a hardstanding area (Retrospective) on land to the north of Kings Farm Cottage, Langwood Fen Drove, Chatteris: Confirm if it wishes the outstanding matter to be resolved to its conclusion.**
E. **Mixed Use Development on land at Tithe Barn Farm and south east of London Road, Chatteris – Hallam Land Management Ltd: The Board is asked whether it wishes to reconsider its position.**
F. **Confirm if it wishes to submit any bids for the IDB Fund T2B.**
G. **Consider the development of an investment plan for asset refurbishment/replacement in light of uncertainty of GiA funding and instruct the Consulting Engineer accordingly.**
H. **Review and approve its Capital Programme taking account of the advice in the M&E Report.**

1. **Technical Services**

1.1 Since Chris Bailey started as our new Head of Technical Services, we have been updating the catalogue of services which the MLC could provide. Given the increasing frequency of complex cases where Boards consider there may be a need for regulation and enforcement dependent on the costs and benefits, we are reviewing and updating training, policies, and capacity to undertake enforcement and compliance regulation on behalf of the Boards we represent.

1.2 We are receiving an increased number of questions from developers ahead of planning applications/consent applications, with an expectation that we can provide the information freely. Until we have completed the review of our charging model, we will be introducing interim charges for answering these questions if applicants do not enter into a pre-app agreement. There is already a provision for this within our existing charging structure.

Please refer to item 4 in the Clerks report.

2. Summary of Key Planning Issues

We will, when possible, seek the Board's input, rather than wait for Board meetings. This will be done via correspondence with the Chair, Vice Chair/District Officer, and any appropriate sub-committees.

2.1 **Proposed reforms to the National Planning Policy Framework and other changes to the planning system - Open consultation**

Following the change of government in July an open consultation was held between 30th July and 24th September 2024 on proposed reforms to the National Planning Policy Framework (NPPF) and other changes to the planning system.

As the NPPF sets out government's planning policies for England and how these are expected to be applied, it is therefore a significant driver and influence on development related planning policy, and it was essential that a suitable response be made.

During August the Boards' Chairs were given the opportunity to comment on the issues raised within the draft consultation document and provide comments and any other related items of unease that the Boards had.

A response, which was primarily providing answers to specific questions, was submitted before the deadline.

One of the big issues related to development of the "green belt" and the introduction of the "grey belt" but the consultation also included decision making, climate change, flood risk, and environmental related issues. Responses to specific questions contained within the consultation included:

1. The advantages and disadvantages of restoring the 5-Year Housing Land Supply (5YHLS).

2. Further supporting effective co-operation on cross boundary and strategic planning matters.

3. The LPA's need to understand, consider and acknowledge the impact of new development on their special levy and future funding requests under Defra's Partnership Funding Policy. Under this policy housing built or converted after January 2012 is **not** included in FCERM government grant in aid calculations.

4. The need to consider the adoption of appropriate measures that consider the whole water cycle process such as rainwater harvesting and the re-use of as much water as possible.

5. The need for bodies involved in the planning process but which are not LPAs to be provided with suitable compensation, benefit and other incentives for contributing to and enabling the aspirational growth and local economy.

The opportunity was taken to raise some issues not covered by the reform consultation as a concern by many Boards, in the hope that these points are heard and acted upon. These included:

A. The Fenland Situation – special requirements needed due to the low-lying topography, the managed flood risk and land drainage systems, the provision of enabling infrastructure to allow life to continue and also accommodate current growth aspirations.

B. The flawed methodology used by LPAs and poor decisions made by the LPAs when considering and allocating sites often caused by the need to meet government targets.

C. The impacts of growth and climate change and the need to revise nationally accepted design standards.

The revised NPPF constitutes a significant departure from previous versions with 810 changes. It was issued during December and its contents are currently being reviewed.

2.2 **New developments and the use of SuDS**

Analysis of the responses from the last round of meetings revealed that the Board and its members had overwhelming concerns about the uses of SuDS Devices from the design, construction, ownership, management and maintenance phases.

Despite the new government growth agenda, as partly discussed above, it appears unlikely that the previously announced implementation of Schedule 3 of the Flood and Water Management Act and the introduction of the SuDS Approval Board (SAB) will occur in the near future.

The Board's System Flood & Drainage Infrastructure Capacity

Further to the last Board meeting the Board is asked to confirm whether it wishes to create, adopt and issue standing advice notes for its district and instruct the Consulting Engineer accordingly.

2.3 **Cranbrook/Counter Drain (CCD) Flood Risk Management (FRM) Strategy**

Further to the last Board Meeting the recommencement of the once regular Update Meetings has not occurred but the Environment Agency advises that work continues on this long-term Strategy. A return to regular meetings even on a trimonthly or quarterly basis has been requested.

The MLC Planning Engineer continues to represent the Boards on the Stakeholder Group and associated engagement but was unable to attend an EA "Internal Workshop" held in August.

An MLC & IDB Meeting, attended by members of the Board's sub-committee, together with the Commissioners' Chief Engineer and Head of Technical Services, who both sit on the Project Board, was held during December. This included a general discussion concerning the IDBs involved and provided a brief update on the current situation but largely required them to reaffirm their position.

From the Board's perspective little or slow progress appears to be made. It is also noted that there have been several outcomes which the Boards have contributed to but have not yet been supplied for review/consideration. The EA have been advised that it is difficult to make a recommendation when none of the detail is known. Therefore, on the Boards' behalf a request was made for the provision of any outcomes – Lidar, ground water, topographical survey, hydraulic modelling etc but this has not yet been received.

Also refer to Section 4.2.

2.4 **Developments within the Masterplan area**

NB – The following entries provide an update since the January 2024 Meeting Report.

<u>Witcham Meadlands Quarry, Block Fen Drove, Mepal – Mick George (Haulage) Ltd (MLC Ref No 156); Mick George Ltd (MLC Ref Nos 207, 211, 213, 286, 289, 303 & 395); Langwood Fen (Cambridgeshire Aggregates Ltd) (MLC Ref No 316)</u>

Members will be aware that there is a considerable history to the Witcham Meadlands Quarry. This is briefly summarised below:

The original application for the Witcham Meadlands Quarry involved the extraction of sand and gravel and restoration to agricultural use by infilling with inert waste, together with the erection of processing plant and operation of inert waste recycling centre. That application was granted consent (F/0490/00/CM and E/0507/00/CM) in June 2001. The consent was then varied in August 2008 to allow for the importation and deposit of non-hazardous waste (E/3015/07/CM and F/2010/07/CM).

Installation of a contaminated soil washing plant was granted consent in August 2010, E/03016/09/CW, along with a waste transfer station, skip storage facilities and associated traffic movements (F/02013/07/CW). Conditions 3 and 4 of consent E/03016/09/CW were varied in November 2010 to allow for the importation and processing of unprocessed inert and non-hazardous materials (E/03005/10/CW). In March 2012 consent was granted to also allow hazardous waste to be imported and processed on site and further varied in April 2014 to allow for the importation and deposit of stable non-reactive hazardous waste under consents F/02020/11/CW and E/03012/11/CW.

An application for an extension to the quarry was submitted by Aggregate Industries and granted in July 2011 (F/02017/08/CM) which was followed in November by a consent (E/03012/12/CW) allowing the extension of the soils and mineral processing area, along with the stockpile area including bio-remediation.

Further consents granted for the site include the erection of a ready mixed concrete plant (October 2002 – F/2013/02/CM), and removal of a clay stockpile (August 2010 - F/02003/10/CM).

The planning permission granted (Ref. F/2011/18/CW) incorporated all the previous consented operations into a single standalone planning permission which expires in 2031.

A retrospective planning application CCC/24/065/FUL (MLC Ref. No. 395) for the Continued disposal of stable non-reactive hazardous waste with revised final contours and restoration (part retrospective) together with the creation of wet grassland on previously restored agricultural land on part of the site at Witcham Meadlands Quarry, Mepal was validated by the County Council in July 2024.

The restoration profile for a landform up to a 4m Above Ordnance Datum (AOD) with a shallow dome was approved by virtue of Consent No. F/2011/18/CM granted in 2019. The retrospective proposal seeks to raise the maximum profile to 6.35m AOD and will require approximately 241,300m^3 of additional fill material to achieve this.

Planning permission was subsequently granted in October. The Decision Notice includes Conditions 23 – 25 which relate to Surface water drainage – including a specific reference to the LLFA; Ecological mitigation strategy and a Construction Environmental Management Plan (CEMP). There is an Informative relating to the Mandatory pre commencement condition on biodiversity net gain but not referring to the Board.

The proposals relate the restoration of the quarry involves the District Drains between Points 3-4-toward Point 5. A letter issued on the Boards behalf was sent to the County advising of this together with a surface water attenuation area; Proposed reservoirs and scrapes; Feeder Drains; Water pumping system. See the amended Drg. No. M3/47/24/02 Rev. – that is included in Appendix 3 because of this.

The presence of a raised clay topped dome adjacent to the Boards system raises a concern about unregulated direct discharges into it. The applicant advises that:

> "… the surface water flows will be channelled to the northern drain via shallow gradient swales which will then flow in a NE direction toward the small reservoir that will feed the wet grasslands habitat across the site.
>
> "A 300mm diameter pipe will be installed within this ditch at a gradient of 1:33 which will limit flows to 193 litres/sec being below the previous predicted green field discharge rate of 200 litres/sec. as referred to within the Amber Planning Surface Water Drainage Assessment 2018 (as appended at Appendix B of the submitted Flood Risk Assessment and Surface Water Drainage Strategy update)."

This is shown on the extract from the Drainage Plan Drg. No. M3/47/24/06 which forms part of Appendix 3.

The content is noted but concerns remain about the suitability of the proposal, and it is considered that the use of the term swale is misleading as any infiltration will be extremely small. The term watercourse would be more appropriate.

Despite several requests for the provision of details concerning the habitat creation the submission documents are the first real opportunity to view the proposals.

Having considered these the habitat creation presents several challenges to the Board which are currently being investigated include:

A. The ability for the Board to undertake its normal programme of routine maintenance operations and the potential risk and increased costs created as a result of the habitat restoration and the presence of a Scheduled Ancient Monument (highlighted yellow) beside a District Drain.

B. The change in bearing pressure of the restored soils due to the wet grassland habitat. Is specialist equipment required?

C. The effect of the proposed reservoirs and scrape (highlighted orange) in close proximity to the Boards system.

D. The size of the surface water attenuation pond and the rate and volume of flow discharging into the Boards system.

E. Water Quality related issues – The control of pollution, nutrients, nitrates, silt and other sediments.

F. Other Environmental Issues.

A review is currently being undertaken and the results will form the basis for further discussion with the applicant/operator. The Board will be kept informed of the position.

Members will be aware that the applicant/operator was acquired by Heidelberg Materials in May 2024 and a meeting with the relevant contact has been suggested in early 2025.

<u>Developments at Hundreds (Coopers) Farm, Langwood Fen Drove, Chatteris – A Sole & Son (MLC Ref No 091), Hanson Quarry Products Europe Ltd (MLC Ref Nos 9A & 218), Mr P Sole (MLC Ref No 319) & A Sole & Sons Ltd (MLC Ref No 354 & 369)</u>

Further to the Boards June 2022 Meeting Report an application has been received from the sites mineral operator, Mick George Ltd. (MGL), to discharge water arising from quarrying operations into watercourses within the catchment area. This has subsequently been approved subject to the imposition of several conditions.

MGL have supplied an ecological survey which refers to a Water Vole survey previously completed for the Coopers Farm development together with a Preliminary Ecological Appraisal (PEA) Report and Aquatic Invertebrate and Botanical Survey documents.

However, a response received from MGL's Head of Waste Permitting and Compliance considers that the:

A. Typical headwall designs specified are not suitable for the type of discharge being planned ".. as the pipework will be laid across the ground from the excavation to the ditches and not installed below ground level. We'd previously suggested that sandbags could be placed in such a way to minimise any potential scouring within the ditch, or we could by using larger sections of pipework at the outflow reduce the velocity of the discharged water again to minimise any scouring."

B. Condition relating to the monitoring of groundwater levels ".. has been included in error and should be removed."

C. Emission limits monitoring for suspended solids and pH are excessive adding that he "can't agree to it".

This suggests that this site has historically been operating with an "agreement" that we have tried to formalise by issuing this consent, the operators replying that they have not been and cannot comply with the consent conditions, may mean the site should be classed as in breach of consent/agreement conditions.

The matter has been discussed internally with the Head of Technical Services, who has a background in mineral and wastes sites, compliance and permitting; and the Ecology & Environmental Services Manager who confirm that if the contested items are not implemented then the Board, who are the "competent authority" would be unable to discharge its environmental responsibilities and the consent would need to be revoked.

It is suggested that a meeting is organised in the New Year with Heidelberg Materials who acquired MGL in May to identify why meeting these requirements is not possible and to discuss the matter further. Similarly, a discussion with CCC's Case Officer would also be appropriate as there could be planning related implications.

The Boards thoughts on both the Witcham Meadlands and Coopers Farm sites, above, would be appreciated.

Erect an agricultural storage building and formation of a hardstanding area (Retrospective) on land to the north of Kings Farm Cottage, Langwood Fen Drove, Chatteris - Mr A Allan (MLC Ref No 393 & 396)

A retrospective planning application was validated by Fenland District Council in July 2024. Due to the proximity of the "red line" application boundary a letter was sent to Fenland DC, in accordance with current practice, advising of the close proximity to the Boards Drain at Kings Farm (Point 10). Closer inspection of the submission documents identified that this was not the situation. In the absence of suitably detailed plans, it is difficult to be positive but the building and hardstanding appears to be 30m away from the channel brink, but the crushed stone shown could encroach within the maintenance access strip.

Planning permission was granted, subject to the imposition of conditions, in September 2024. The only planning condition does not specifically refer to surface water disposal, but the Decision Notice does include a Drainage Advisory Notice.

The FRA submitted to support the planning application advised that this building, which on its own covers 380 m^2, will discharge surface water to infiltration devices. However, it is noted that the applicant has not provided adequate information to prove that a viable solution that meets the Boards current design requirements exists and that the Boards consent is not needed.

Does the Board require this outstanding matter to be resolved to its conclusion.

2.5 **Other Developments**

Mixed Use Development on land at Tithe Barn Farm and south east of London Road, Chatteris – Hallam Land Management Ltd (MLC Ref Nos. 160, 184, 606 & 630)

Members will recall that this site was discussed at its January 2022 Meeting and it was resolved that:

i. The Board would not be able to approve the proposals as presented.

ii. The Planning Engineer be authorised to go back to the applicant and inform them of the Board's position and for him to discuss proposals further with the applicant.

iii. The Board support the outline proposals A-F within the Consulting Engineers report.

iv. The Board require updated proposals in accordance with their requirements to be made for consideration by the Board.

NB. Items A-F were:

A. The current FRA is reviewed to ensure that it meets the Board's requirements.

B. The ponds should be designed to accommodate a 100% impermeable area within the "urban" areas ie residential, employment, local centre, school etc; and/or a greater allowance for climate change or be able to accommodate more extreme historic rainfall events whichever is the greater.

C. The Phase 1 pond should be in addition to the Phase 2 pond. The size of the Phase 2 pond should not be reduced.

D. A plan showing both the temporary and long-term amendments to the local water level management system is prepared and agreed by the relevant parties.

E. Ensure that adequate arrangements are made for the long-term ownership funding, management and maintenance arrangements for the upkeep of any water level and flood risk management system, whether on or off site, in perpetuity. These requirements may be in addition to those imposed by planning conditions or required by the LLFA and that details of the works to be carried out by the occupier/landowner, adopting authority, the Management Company or other responsible person/authority, together with the costs attached, are included in the "Homeowners Pack" and the Deed of Sale.

F. Regular Progress Meetings are held to be attended by the parties concerned.

Copies of the extracts from the Engineers Report and the draft Meeting Minutes were attached to an e-mail dated 14th February 2022 that was issued to Brookbanks, the promoters agent.

Despite the contents of these documents and the lack of a suitable agreement no further contact has been received until recently when an enquiry was sent by BDW Northampton (a trading name of Barratt Developments PLC). It is also understood that several Discharge of planning conditions applications have been submitted.

As discussed previously a development of this size will take some time to be completed, say 15-20 years, and may involve several developers. It is suggested that in order to protect itself the Board seeks appropriate reassurance perhaps in the form of an "agreed strategy" or similar on how the site will be established and progress in the long term. This will include but will not be limited to the improvement of existing and installation of relevant infrastructure; long term maintenance arrangements; retention, protection, and maintenance of existing open watercourses; ecological protection and enhancement etc.

In view of the strategic nature of the site it is considered essential that the Board engages with the relevant parties including the LPA and developers(s) and an e-mail was issued to Fenland District Council, who despite criticism from Councillors about failing to engage have responded by advising that:

"Condition 32 has been discharged under F/YR24/3150/COND" – with no consultation with any of the Boards involved.

"… the LPA will not involve themselves in this matter further, unless changes need to be made to the surface water drainage scheme approved by the LPA as a result of discussion with the IDB."

Having reviewed the content of the relevant documents the principles and position remains unchanged in "general terms". However, there have been some subsequent changes in respect of national and local policies, for example, the impacts of climate change, the need to review current design practices and procedures, including the contents of items 1.2 and 2.1.

The Board is asked whether it wishes to reconsider its position.

2.6 **Planning Updates & Consultations**

Huntingdonshire District Council

The Commissioners have responded on the Board's behalf concerning the following:

SFRA Level 1 Update – Unfortunately, both the Council and its consultant failed to undertake any meaningful consultation with either the Commissioners or the relevant Boards whose watercourses perform multiple functions including providing a point of discharge for several adopted sewers and WRC's, transfer water for water resources purposes and reduce flood risk within Huntingdonshire. This is most disappointing, considered to be poor practice and without this input the documents are considered to be flawed. Extreme caution is required when undertaking any site allocations or when making decisions on planning applications within the respective catchments.

A meeting with Huntingdonshire District Council has been suggested for the new year to discuss these issues.

The next Community Infrastructure Levy (CIL) funding round – A request was received from HDC for the submission of relevant applications.

Further Issues and Options Paper – The response included the following:

Advice and or commenting on the Fenland Situation, the inability for sites to discharge during high rainfall events with potential "locking" potentially up to five days, the impacts of growth and climate change and the need to revise nationally accepted design standards, the allocation of sites, achieving Well Designed Places, Growth Strategy Options, Green and Blue Infrastructure, the Approach to Climate Change, Effective co-operation and cross boundary developments, and Managing flood risk to improve its effectiveness.

3. **IDB Recovery Fund T2B**

Funding allocations for Tranche 2A were confirmed in mid-November and work is underway to deliver by the end of March 2025.

A bid was submitted on behalf of the Board for Pump 2 replacement as part of an IDB package totalling £42,000.00

The bid was successful, and work should be completed by the end of March 2025.

At the end of November 2024, we received confirmation of the bidding window for the remaining £19m. Expressions of interest for Tranche 2B are to be submitted between 4th December 2024 and

31st January 2025, for capital-only works to be delivered in 2025/26. Outcome of the bids is expected at the end of February 2025.

The criterion for bids is for the modernisation, innovation, and upgrade of IDB assets and waterways, making them more effective, sustainable, environmentally friendly for agricultural land, flood risk and rural communities.

The Board is asked to confirm if it wishes to submit any bids.

4. **Capital Programme**

4.1 In terms of FCRM Grant-in-Aid (FCRM GiA) the current indication is that there will be no further funding allocation within the current spending review period. This has meant that the catchment study due to start this year will not be funded to completion next year and work has been stopped.

4.2 However, at the recent Cranbrook/Counter Drain Flood Risk Management Strategy meeting it was agreed that detailed structural inspections of the adjacent Boards' pumping stations could be completed this financial year to inform the strategy. It is therefore proposed to use the funding allocated to the catchment study this year to deliver an asset inspection of the Board's pumping station. The Consulting Engineer will progress this in consultation with the Environment Agency. The results of the inspection will confirm the residual life of the pumping station and inform future grant funding bids.

4.3 The Board's Capital Programme is shown as Appendix 1.

Author Name: Nicola Oldfield
Role: Chief Engineer

Appendix 1: Capital Improvement Programme 2024/25
Appendix 2: List of applications responded to since last report
Appendix 3: M&E Report
Appendix 4: Amended drawing & Drainage Plan relating to item 2.4

Appendix 1

Sutton & Mepal Internal Drainage Board

Capital Improvement Programme (2024/2025)

		PREVIOUS YEARS	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	FUTURE YEARS	ALL YEARS
		Pre Yr 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Post Year 10	Total Expenditure
Mepal p/s	Pumping station replacement	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5,000.0	0.0	0.0	5000.0
	Pumping station pumping and control equipment replacement	36.5	0	40.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	86.5
	Pumping station automatic weedscreen cleaning equipmet	0	0	0.0	0.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0
	Pumping station Control building refurbishment/replacement	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	5.0
	Pumping station compound/surrounds improvements	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plant & Vehicles	Toyota Hilux Pick up	0.0	0	0.0	0.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0
	Case Tractor	0	0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	100.0
	Spearhead Twiga flail mower	0.0	0	0.0	0.0	0.0	35.0	0.0	0.0	0.0	0.0	0.0	0.0	35.0
	Conver Weedcutting Boat C480F	0	0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50.0
	Atlas 140w wheeled excavator	0	130	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	130.0
	Piling hammer	0	0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0
Drainage Channels	Cranbrook inprovement scheme	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		36.5	**130**	**40**	**60**	**15**	**50**	**0**	**0**	**100**	**5,000**	**0**	**5**	**5,437**

Identified on PAFS 2020 submission

Plant & Vehicles.	Approved at Meeting June 2022 - State Aided Schemes
Replacement strategy	Include improvements to drain and culverts together with replacement control panel.
Last reviewed June 2022 - approved	
	Excavator replacement provisional - to be discussed at meeting - *(not included in budget propsal - funded from asset fund)*
	Approved at meeting May 2022 - replace excavator (likley Nov/Dec 2023)

Asset	Purchased	Replaceme	Est. cost
Toyota Hilux Pick up	2015/2016	10 years	15
Case Tractor	2019/20	10 years	100
Spearhead Twiga flail mower	2016/2017	10 years	32
Conver Weedcutting Boat C480F		9 Years	50
Atlas 140w wheeled excavator	2011/12	10 years	130
Piling hammer (new purchase)	2016/2017	10 years	10

Appendix 2

The following planning applications have been responded to since the last meeting:

MLC Ref.	Council Ref.	Applicant	Type of Development	Location
395	CCC/24/065/FUL & H24/00496/CCA	Mick George Ltd	Waste/Habitat Creation	Witcham Meadlands Quarry, Block Fen Drove, Mepal
396	F/YR24/0561/F	Mr A Allan	Agricultural (Storage building)	Langwood Fen Drove, Chatteris

The following applications for Byelaw Consent (to discharge to a watercourse) have been granted since the last meeting:

MLC Ref	Council Ref	Consent No	Applicant	Location	Date consent granted
369	CCC/22/099/DCON	05	Mick George Ltd	Langwood Fen Drove, Chatteris	03/09/2024

No Byelaw Consent (to undertake works in and around watercourses) applications have been granted during the reporting period.

There have been no infiltration device applications acknowledged since the last meeting.

Appendix 3

Provided by the Middle Level Commissioners		Item No:		7
Meeting:	**SUTTON & MEPAL IDB (Hereafter referred to as the Board)**	**Subject:**	**CONSULTING ENGINEERS REPORT: MECHANICAL & ELECTRICAL**	
Date:	**Thursday 16 January 2025**	**Officer Responsible:**		**Dave Bantoft**

1. M&E key messages and advice

1.1 Other than the matters described below or previously reported, only routine maintenance has been carried out since the last meeting and the pumping plant at the station is mechanically and electrically in a satisfactory condition. The station and control panels are at an age where reliability is starting to become a concern.

In light of uncertainty of GiA funding the Board is strongly advised to consider the development of an investment plan for asset refurbishment/replacement. The Board is asked to instruct the Consulting Engineer accordingly.

1.2 **Pumps**

These are the pumps currently fitted:

Pump 1 - Previously overhauled spare unit fitted.
- Overhauled 2014 fitted July 2022 and showing signs of failure.

Pump 2 - New unit fitted October 2023
Pump 3 - New unit fitted October 2019

The Pump fitted as pump 1 is showing signs of failure. The insulation resistance has been fluctuating and at the start of this pumping season the startup current was very high indicating that the pump had seized. It took several attempts for the pump to start and run successfully.

A replacement pump has been ordered and is due for delivery w/c 12th February 2025.

The pump removed from pump 2 canister was working when removed on the 27th September 2023 but it had poor insulation resistance which is a sign of water ingress into the motor. It is one of the original pumps and has been overhauled in the past. Overhauling this unit again is not recommended as due to its age it is unlikely to be viable or reliable. This pump cannot be considered a reliable spare.

The pump control panel is now 35 years old, and replacement should be considered to ensure continuing reliability. Replacement of this control panel is likely to cost in the region of £40k to £70k. It may be viable to overhaul the current panels with modern components.

The ultrasonic level controller would benefit from replacement due to its age; a program glitch last winter caused a fault that would only allow 2 pumps to run.
This is a good opportunity to replace the level controller and integrate it with telemetry., which is likely to cost in the region of £5k to £7k.

The weed screen cleaner is also now 35 years old. It was overhauled in 2014 including a refurbished control panel. This unit is a one off which makes spare parts more difficult to source which leads to longer downtime. The unit should be considered for replacement, which would cost in the region of £50k.

1.3 <u>Electricity Readings</u>

Taking regular and accurate manual electricity meter readings is very important; even for sites with meters that are read remotely. There have been cases of significant variances between bills and actual usage, regular meter readings and pump hours readings are essential for verifying bills and forecasting usage. **This year we have been able to successfully challenge 93000 kWh of incorrectly invoiced electricity, this would not have been possible without the manual readings.**

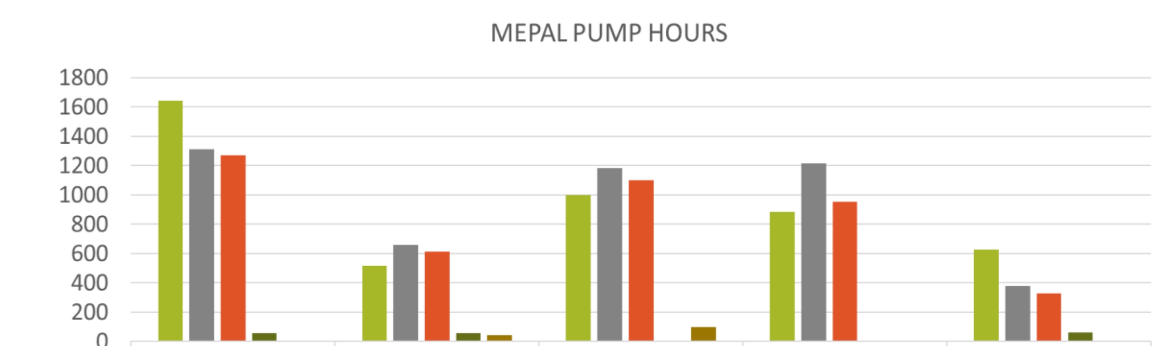
Moving forward it is requested that the Pump Attendants/District Officers take electricity meter readings and pump run hours readings monthly (as close to the 1st of each month as they can) and then forward them onto the M&E Engineer on david.bantoft@middlelevel.gov.uk or 07768 026119.

If you are unable to provide readings, or would prefer, the MLC can take quarterly readings; these will be at a cost to the Board for the time and mileage involved. Please approve this if it is required. Approximate cost will be £60 per station per quarter.

Jim Cooper has always provided regular monthly readings.

2. Pumping summary

Please note only part year figures from December 23 to November 24 are shown for the electric pumps, it does not include the volumes pumped by the engine.



	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025 TO 1/11/24
PUMP 1	1644	517	997	882	628
PUMP 2	1310	659	1185	1214	377
PUMP 3	1271	611	1102	955	328
PUMP 4	55	55	8	1	62
WSC		44	99		

3. Inspections

3.1 HSB Engineering annual inspections for insurance were carried out during November 2024.

3.2 The mandatory site Electrical Installation Condition Report (due every 5 years) was successfully completed in August 2024.

Board	Station	EICR Date	EICR Due
Sutton & Mepal	Mepal	30-Aug-2024	30-Aug-2029

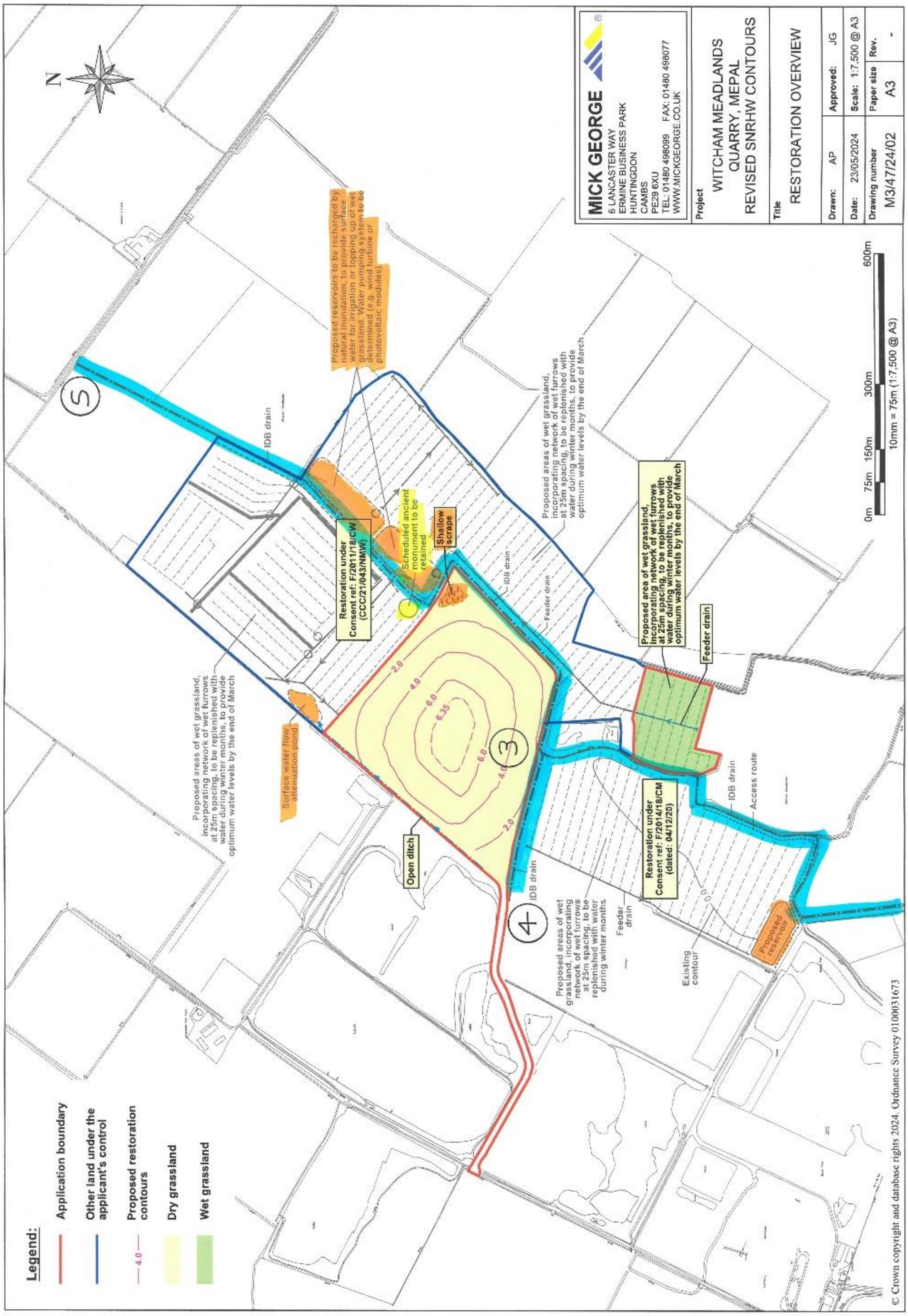
4. **Pumping Station Key Dates**

4.1 **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.**

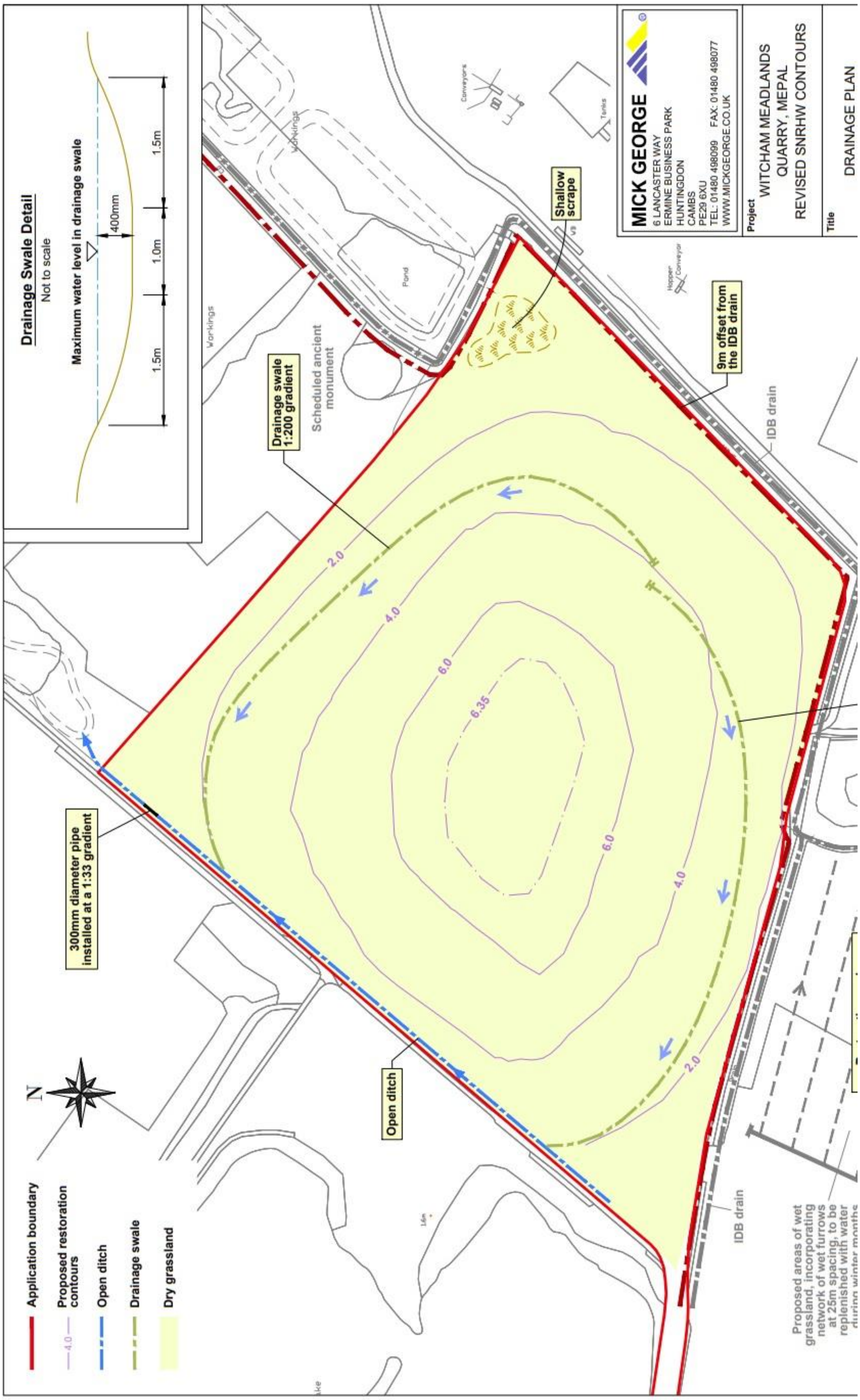
	Station				Weedscreen		
Station	**Built**	**Pump Canisters**	**Pump Overhaul**	**Controls**	**WSC**	**WSC O/H**	**Controls**
Mepal	1929/ 1990	1990	Pump 1: 2014 (fitted 2022), Pump 2: new 2023, Pump 3: new 2019	1990	1990	2014	1990

Author Name: Dave Bantoft
Role: M&E Engineer

Appendix 4



Drg. No M3/47/24/02 - Amended by MLC



Extract from Drg. No. M3/47/24/06

Mrs Martin referred to the Consulting Engineers' report.

Technical Services

Further to minute B.2365, the Board were asked to agree that whilst the developer charging model is reviewed, that the Board agree with the introduction of interim charges for answering developers' enquiries prior to application. The Board acknowledged this decision.

At the last meeting of the Board, the Board were advised that Middle Level Commissioners had issued Standing Advice that the Middle Level system is at capacity. With this in mind, the Board were asked if it wished to create, adopt and issue standing advice notes for the district. The Board agreed that the Consulting Engineer be asked to create the relevant documentation advising that the district is at capacity.

Developments within the Masterplan area

Witcham Meadlands Quarry, Block Fen Drove, Mepal and Hundreds (Coopers) Farm, Langwood Fen Drove, Chatteris

Comments were sought from the Board by the Planning Engineer in relation to the developments on the Witcham Meadlands and Coopers Farm sites. Mr P Sole declared an interest in this item, and was able to provide the Board with an update. He advised that he had not been aware that there were any issues with the consent for this development until recently, but there had been some delays bringing this to a conclusion due to changes in Middle Level Commissioners personnel. A site meeting has been planned for later that day to bring the relevant parties together to finalise a solution. He advised that the conditions issued with the consent were not accepted by the applicants, but this should be easily resolved with the site meeting. The Chairman also advised that he is involved in the discussions.

Agricultural storage building and formation of a hardstanding area (retrospective) on land to the north of Kings Farm Cottage, Langwood Fen Drove, Chatteris

The Board were advised of the retrospective application to erect an agricultural storage building and formation of a hardstanding at Kings Farm Cottage, Langwood Fen Drove, Chatteris. The Board confirmed that they wished for the matter to be resolved to its conclusion.

Mixed Use Development on land at Tithe Barn Farm and south east of London Road, Chatteris

The Board were then advised that a further application has been received in relation to the development on land at Tithe Barn Farm and south east of London Road, Chatteris. The Chairman reminded the Board that only major planning applications will go across his desk, and that anything significant will be brought to these meetings. He reminded the Board that there is sub-committee is in place regarding this item. The Board had previously commented on the development in 2022, and the Planning Engineer has asked if the Board wished to reconsider their position. The Board agreed that their position has not changed and the comments previously made still stand.

Planning Updates and Consultations

Item 2.6 of the Consulting Engineers report was not discussed, although Mr Criswell declared an interest in this item and asked to be copied into any correspondence as he may be able to progress this item in his role as Councillor.

IDB Recovery Fund T2B

The Board were advised that the bid made in Tranche 2A had been successful, with £42,000 having been received for the replacement of Pump 2. Mr R Lee asked that the Boards thanks be passed on to all at Middle Level Commissioners that were involved in the bid submission.

The Board were advised that the bidding window for Tranche 2B is now open, with bids to be submitted before the 31st January 2025, and works must be delivered in the 2025/26 financial year. The Board were asked to confirm if they wished to submit any bids. The Board reviewed the works identified in the Consulting Engineers Mechanical and Electrical Report and asked if bids could be submitted for any of these items if applicable, and especially the pump control panel replacement and the replacement level controller. They also asked if bids could be submitted for the installation of inverter drives on pumps, which would reduce energy usage by giving more control over pump speeds. Also requested was the installation of generator switch over gear, to enable the use of an external generator in times of electricity failure or high energy prices. It was agreed that any work would need to coincide with the Cranbrook Strategy.

Capital Programme

The Board were advised of the expectation that there would no longer be any funding allocation from the FCRM Grant-in-Aid within the current spending review period. Mr R Lee suggested that before any decisions are made about the development of an investment plan for asset refurbishment / replacement, and before reviewing the Capital Programme in light of the M&E report, the outcome of the T2B funding bid be awaited. The Chairman agreed that it would be preferable to wait, and this was agreed by the Board.

RESOLVED

i) The Board acknowledges the proposed approach to introduce interim charges for responding to applicant's questions.

ii) Further to the last Board meeting the Board confirms that it wishes to create, adopt and issue standing advice notes for its district and instruct the Consulting Engineer accordingly.

iii) The Board have provided comments on the Witcham Meadlands and Coopers Farm sites to the Planning Engineer

iv) That the Board wishes the outstanding matter of the erection of an agricultural storage building and formation of a hardstanding area (Retrospective) on land to the north of Kings Farm Cottage, Langwood Fen Drove, Chatteris to be resolved to its conclusion by the Planning Engineer.

v) That the Board does not wish to reconsider their opinion in relation to the Mixed-Use Development on land at Tithe Barn Farm and southeast of London Road, Chatteris, and that its position remains the same.

vi) That the Board wishes to submit T2B bids for any items the Consulting Engineer thinks suitable, and to particularly consider items highlighted in the M&E report, the installation of inverters at the pumping station, and the installation of generator equipment.

vii) That the consideration of the development of an investment plan for asset refurbishment / replacement in light of uncertainty of GiA funding, and the review of the Capital Programme be revisited once the T2B bids have been resolved.

B.2379 Health & Safety

The Chairman advised that there was nothing to report.

B.2380 District Officers Report

The Chairman gave an update on the District Officers role. The former District Officer gave his notice in November and left 4 weeks later. The Chairman then contacted one of the previous candidates, Zack Robinson, and asked him to cover the role on a self-employed basis. He was known to the Board as he had previously carried out works for the Board. He has now been offered the District Officer role and has accepted. His salary has been set at £45,000 but will not include overtime. He will manage his own hours, with longer hours being worked where needed such as in the winter months, and shorter hours when there is less work. He does not wish for the Bungalow to be included. The Board were concerned that other routine maintenance items such as maintenance of the boat may be overlooked, but the Chairman advised that these items would still be a requirement of the role.

The new District Officer will require minimal additional training and has had no overlap with the previous District Officer. There are no agency charges involved with the recruitment and as he is already known to the Board no requirement for protracted interview and trialling process. The Vice Chairman added that he and the Chairman did interview some other candidates but agreed on the appointment of Mr Robinson. He is still working on a subcontract basis but will be formally starting the role from 1st February 2025.

The Vice Chairman added that Mr Robinson is well qualified for the role, but that any outstanding training will be revisited at future Health and Safety meetings.

The previous District Officer is now employed by a Board members company, but it was noted that he was not involved with the recruitment process where the previous District Officer was involved.

It was noted that Mr Robinson currently carries out private works for other Board members, and it was confirmed that this could continue in his own time, but that Board works would take priority. The Chairman asked the Board to feed back any issues to him.

The Board thanked the Chairman for resolving this issue.

The Chairman confirmed that the new District Officer would provide a report at the next meeting, but that all equipment was in working order.

B.2381 Governance

Viz:

Provided by the Middle Level Commissioners		**Item No:**	**10**
Meeting:	**SUTTON & MEPAL INTERNAL DRAINAGE BOARD**	**Subject:**	**GOVERNANCE**
Date:	**Thursday 16th January 2025**	**Officer Responsible:**	**Paul Burrows**

RECOMMENDATIONS

The Board is asked to:

A. Consider and approve the Annual Return 2023/2024
B. Consider and approve the Auditors Report for 2023/2024
C. Note the continued appointment of Whitings as Internal Auditor.
D. Consider and approve of authorised officers for operational/regulatory roles
E. Consider and approve resolutions regarding new Responsible Finance Officer
F. Consider the pumping station valuation proposal
G. Review and approve the updated Policy included as appendix.
H. Consider and approve the Data Protection Officer
I. 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.
J. Note the system of financial Internal Controls that are in place and consider whether additional controls are required within the running and decision making of the Board.
K. Exercise of Public Rights
L. 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 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. Internal Controls

2.1 Within the financial operations at the Middle Level offices there are a series of controls in place to ensure the segregation of duties, so as far as practical within a small workforce, that no one person has control of a single operation from start to finish. The Internal Controls are available via the website within the 'Governance' section on the Board's page.

2.2 Note the Financial Code for the Board is included within its 'Governance Documents' also available on its page via www.middlevel.gov.uk

2.3 The Board needs to ensure there is adequate separation of duties within its running and decision making. Members are asked to refresh themselves as to the Member Code of Conduct (available within the Governance Documents on the Board's webpage) and ensure their declarations of interests are clear and up-to-date.

2.4 If a Board Member (or their business) undertakes contracted work (or bids for such work) for the Board it is recommended that they be excluded from any decision making as a matter of course and that appropriate contractual arrangements are in place.

2.5 If the Member also has a lead role for the Board (eg Chairman/Vice Chairman) then it is important that the Board puts in place safeguards to ensure a separation of duties, particularly being clear on who is acting as lead client for the contractor.

3. 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.

4. 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:

i) **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.**

ii) **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.**

iii) **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.**

iv) **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.**

v) **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 Board.**

5. Risk Assessment and Insured Values

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.

5.2 The insured values for the Board's assets are detailed below:

SUTTON & MEPAL IDB
FIXED ASSETS AS AT 31ST MARCH 2025

PUMPING STATIONS & BUNGALOW

		As At 31st March 2025
Fortrey Hall Pumping Station	Electric	1,300,000.00
Fortrey Hall Pumping Station	Diesel	1,500,000.00
		2,800,000.00
Mepal Pumping Station Bungalow (Professionally Revalued in 2020-2021)		250,000.00
		3,050,000.00

6. 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 which includes the need to log offers of gifts and hospitality & Financial Regulation Policy. (Appendix 3)

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.

7. IDB1

7.1 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.

8. Exercise of Public Rights

8.1 For completion of the Annual Governance Statement the Board is required to confirm that they provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.

8.2 In order to warrant a positive response to this assertion the authority needs to have taken the following actions in respect of the previous annual return:

Exercise of Public Rights: The authority provided for the exercise of public rights set out in Sections 26 and 27 of the Local Audit and Accountability Act 2014. Part 5 of the Accounts and Audit Regulations 2015 requires the RFO to have published including on the authority's website or other website:

- Sections 1 and 2 of the annual return
- A declaration that the status of the statement of accounts is 'unaudited;' and

- A statement that sets out details of how public rights can be exercised, as set out in Regulation 15(2)(b), which includes the period for the exercise of public rights.

8.3 In addition, a notice of the conclusion of the external auditor's limited assurance review of the annual return, together with relevant accompanying information, has been published in accordance with the requirements of Regulation 16 of the Accounts and Audit Regulations 2015. We also display the 'Local Authority Accounts – A Summary of Your Rights' with the notice.

8.4 The Clerk to refer 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.

9. Consideration of potential litigation, liabilities, commitments:

9.1 The clerk to report.

Author Name: Paul Burrows
Role: Clerk

Appendix 1 Annual Return 2023/2024
Appendix 2 Audit Report 2023/2024
Appendix 3 Anti-Bribery & Financial Regulations Policies

Appendix 1

Sutton & Mepal Internal Drainage Board

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 Sutton & Mepal Internal Drainage Board 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 Sutton & Mepal Internal Drainage Board

The Clerk
Sutton & Mepal Internal Drainage Board
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: 23rd August 2024

Annual Internal Audit Report 2023/24

SUTTON & MEPAL INTERNAL DRAINAGE BOARD

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).*	✓		

	Yes	No	Not applicable
O. (For local councils only) 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: 29/05/2024 04/06/2024 12/06/2024

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

Signature of person who carried out the internal audit: 8. [illegible] – WHITINGS LLP

Date: 12/06/2024

***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:

SUTTON & MEPAL INTERNAL DRAINAGE BOARD

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 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.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

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

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

23/05/2024

and recorded as minute reference:

G 2368

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

Chair

Clerk

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Section 2 – Accounting Statements 2023/24 for

SUTTON & MEPAL INTERNAL DRAINAGE BOARD

	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	[illegible]
1. Balances brought forward	682,359	669,071	*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	271,218	289,476	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	12,863	85,945	*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	37,190	59,100	*Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.*
5. (-) Loan interest/capital repayments	0	0	*Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).*
6. (-) All other payments	260,179	589,366	*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	669,071	396,026	*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	683,227	547,800	*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	3,202,164	3,289,164	*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			*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 26/04/2024

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

23/05/2024

as recorded in minute reference:

C.2369

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

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

In respect of **Sutton & Mepal Internal Drainage board – DB0105**

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 16/08/2024

Appendix 2

Whitings
Chartered Accountants LLP
Fenland House, 158 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

Appendix 3

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.

Sutton & Mepal IDB

Administered by:

middle level commissioners

Governance
Financial Regulations 2025 – 2035

References in this Code to ‘’the Clerk’’ shall be a reference to such officers of the Middle Level Commissioners (MLC) as may from time to time undertake the relevant work or functions on behalf of the Board and references to "the Chairman" shall also include the Vice Chairman.

A SUMMARY

1. These Financial Regulations should be read in conjunction with the Board’s, Standing Orders, Regulations as to proceedings, Schedule of Reserved Matters and Scheme of Delegations to ensure that its resources are properly managed, accounted for and controlled.

2. The level at which decisions relating to the finances and functions of the Board are to be taken are as set out in the Schedule of Reserved Matters and the Scheme of Delegations

3. The Clerk shall be responsible for maintaining adequate and effective controls and procedures in the manner and format he/she considers to be best and shall where appropriate, prepare additional rules of procedure or guidance, supplementary to these Regulations.

4. The Clerk shall be responsible for setting up and maintaining the financial and management accounting/reporting systems, processes, procedures and coding lists. Such systems shall be properly documented and shall not be changed without the approval of the Clerk. The Head of Finance (Treasurer) to the Middle Level Commissioners shall be the Board’s Responsible Financial Officer, as defined in and for the purposes of the Accounts and Audit Regulations. The MLC finance team will support the Head of Finance in providing this function.

5. The Clerk shall advise the Board and carry out the Boards instructions in securing economy, efficiency and effectiveness in its use of resources and for ensuring that value for money is provided.

6. The Clerk shall ensure that the Board’s Financial Statements for each Financial Year ending 31 March are prepared in compliance with the requirements of the Accounts and Audit Regulations and the Financial Reporting Standard for Smaller Entities and, so far as may be appropriate, the Practitioners’ Guide to the Preparation of Financial Statements for IDBs (and any subsequent requirements) applicable at the time of preparation.

7. The Clerk shall ensure that the Board considers and approves its Financial Statements for a Financial Year in accordance with the provisions of the Accounts and Audit Regulations.

8. All employees and members have a responsibility for health and safety, compliance with policies and legislation, procedures and codes of practice, for the general security of the Board’s property, and, for economy efficiency and effectiveness in the use of resources.

9. All members and employees shall familiarise themselves with and observe the Schedule of Reserved Matters, the Scheme of Delegations and these Regulations.
10. Failure to comply with any aspect of these Regulations may result in disciplinary action being taken against the individual(s) concerned. Serious breaches by Board Members may result in action being taken against them, in accordance with the Members Code of Conduct.

B SCHEME OF BUDGET DELEGATION

1. The Clerk shall be a budget holder and is responsible to the Board for the overall management of the Board's Finances, the Expenditure Estimates and all Budgets.

2. The Board's Consulting Engineer is responsible to the Board to the extent that he/she is so authorised by the Board and is allocated funds for the purpose of preparing and managing the Board's Capital Works Budget.

3. The Board's Consulting Engineer and/or the Chairman and/or the District Officer are responsible to the Board to the extent that they are so authorised by the Board and are allocated funds for the purpose of preparing and managing where applicable the Board's Maintenance Works Budget, the Plant/Labour Operating Accounts, the Plant Renewals Budget, the Stock Control Account and the Rechargeable Works Budget and any other matter in respect of which they are authorised under the Scheme of Delegations.

4. Other than as set out in the Scheme of Delegations or where authorised to do so by a resolution of the Board, no other person shall be empowered to enter contracts on behalf of the Board unless authorised to do so by a budget holder. Nor shall any other person commit the Board to a particular course of action or provide an undertaking or assurance to any third party without the prior consent of the Clerk and/or Responsible Finance Officer and/or the Chairman.

5. No budget holder other than the Chairman shall procure goods and services, charge, allocate or otherwise commit expenditure against a budget that they have no budgetary responsibility for.

C MANAGING BUDGETS & REPORTING

1. The Clerk shall be responsible for preparing the Board's Estimates/Budgets, for monitoring income and expenditure during the course of the year, for alerting the Chairman to any material variances, and, for providing budget holders with the financial information that they require and assisting them as necessary to enable them to properly prepare/manage their budgets. The Clerk shall further ensure that the Board are presented with and consider the proposed expenditure estimates in order that the Rates and Special Levies can be determined for each financial year in due time in accordance with the Land Drainage Act 1991 and it is the individual budget holder's responsibility to provide him/her with their detailed budgets and supporting information in order that this may be done.

2. Any drainage rate refunds due for whatever reason shall be approved by the Clerk prior to being paid or otherwise accounted for.

3. All correcting journal entries shall always be authorised and approved by the Clerk.

4. The Clerk shall ensure that appropriate mechanisms are in place for alerting the Chairman immediately should a Local Authority fail to make their Special Levy payment at the agreed time, or where Drainage Rates are outstanding following reminder. The Clerk and Chairman will agree a course of action and whether a special meeting of the Board is required.

5. Every budget holder is responsible for seeking to ensure that actual expenditure on each of their budgets does not exceed the budget as approved and shall regularly monitor income/expenditure to this end. Budget holders shall, whenever practicable, get approval for material adverse variances to any of their budgets that are anticipated. Approval shall be sought in accordance with the Schedule of Reserved Matters and the Scheme of Delegations.
6. The Clerk may convene a meeting of the Board or a Committee. The Chairman or any 3 other Board members shall also have the power to convene such a meeting.

7. The Consulting Engineer shall prepare a Report for each Board meeting at which such items appear on the agenda detailing amongst other things the progress made on approved capital schemes in respect of which he/she has been instructed during the reporting period as compared to approved budgeted costs, and, when appropriate, will propose new capital schemes for consideration. Such Report will also detail any maintenance work which he/she has organised for the Board during the reporting period and the cost of such work.

8. The Clerk shall also prepare Financial Report(s) for each Board meeting and, shall prepare any other management accounting/financial report that may be required by the Board.

9. In considering its financial health, estimates, rates and investment strategy, the Board will consider as a minimum:
   I. Whether it has sufficient General Fund Reserves to cater for above average annual expenditure due to, for example, excessive pumping or urgent works.
   II. Whether it is utilising and planning for use of any Development Charges account appropriately for future capital works.
   III. Whether it has sufficient Asset Improvement/Future Works budget taking account of its asset base, asset age/reliability, capital programme requirements and likely grant eligibility.
   IV. Its financial ability to secure and pay off a suitable value Public Works Loan to bridge any gap between its Asset Improvement/Future Works budget and likely value of works.

D PURCHASING GOODS & SERVICES (INCLUDING PLANT)

1. Unless otherwise authorised by the Board by resolution or required under the terms of any formal procedures relating to such work, budget holders shall always comply with the following procedures when procuring goods and services.

   Quotations/Tenders will be sought as follows, other than in emergency situations where approved buying groups or agreed contractors/consultants/suppliers for a particular area of work or expertise have been appointed or are used or where approved service level agreements are in force. These threshold amounts may be amended from time to time by resolution of the Board:

Estimated Value of Goods/Services Quotes/	Quotation/Tenders to be sought
<= £5,000	No quotations/tenders required
> £5,000 and <= £10,000	Obtain 1 written quotation
> £10,000	Obtain 3 quotations or 3 tenders as appropriate

2. The budget holder shall be responsible for ensuring that quotations or tenders are sought when required by the above table. Where it is not possible to get the required quotations or tenders, the Chairman’s written approval must be obtained prior to awarding any contract.

3. Any agreed contractors, consultants or suppliers list shall be maintained and kept up to date by the Clerk.
4. A budget holder must never agree to permit a third party to provide them with goods/services where tenders or quotations are required without obtaining a copy of their terms of business beforehand.

5. Budget holders shall fully comply with all Competition Law, the Bribery Act 2010 and the Modern Slavery Act 2015 and shall so far as is reasonable, satisfy themselves as to the insurance policies of contractors, and their systems of work before awarding works contracts.

6. Budget holders shall not enter into any contract that has been reserved to the Board or delegated to a Board Committee without obtaining the Clerk's approval beforehand. The Clerk shall not permit any budget holder to enter in to such a contract if he/she considers it to be inappropriate or that the required approval has not been given.

7. The relevant budget holder is responsible for ensuring that the procurement of all goods and services is authorised by the Board or in accordance with the Scheme of Delegations. All emergency work must be approved by the Chairman.

8. All procurement of goods and services shall be authorised by the signing and dating of an official purchase order or purchase instruction. On so authorising the procurement of goods or services the budget holder will have satisfied themselves that the Financial Regulations have been complied with and that any approval required by the Schedule of Reserved Matters and the Scheme of Delegations has been obtained. The Clerk shall be authorised to raise, sign and date a purchase order or purchase instruction where the procurement has been authorised by resolution of the Board.

9. The budget holder must never break down a job and string a number of purchase orders or authorisations together simply to avoid having to get 3 written quotations/tenders.

10. The following information must be clearly stated on each purchase order or instruction:

    i. The name of the supplier.

    ii. The agreed price of the goods/services required, other than in an emergency or where impractical to do so.

    iii. The Unique Order No as approved by the budget holder.

11. The Clerk shall ensure that procedures are in place for establishing when goods or services, have been charged, allocated or otherwise expenditure has been committed against an unauthorised budget.

12. All quotes/tenders, delivery notes, invoices for payment and credit notes shall be matched to the official purchase order or instruction, examined and coded before they are proposed for payment or set off. If the budget holder or the Clerk deems any invoice/credit note to be incorrect they shall not process such invoices/credit notes for payment or set off until satisfied that payment or set off is properly due. The quotes/tenders, purchase orders and delivery notes where required to be signed or where amended, shall all be filed together with the invoices/credit notes as otherwise directed by the Clerk

13. The Clerk shall ensure that all Invoices which have been approved for payment are duly scheduled for payment.

14. All Invoices shall be authorised by the Chairman and checked by the Clerk prior to making payment.

15. Where it is considered that there are valid reasons for departing from these procedures the approval of the Chairman shall be obtained. Any such departure shall be reported to the Board.

E BANK MANDATE AND INVESTMENTS

1. No changes shall be made to the Board’s bankers or the bank mandate without the prior consent of the Board.

2. Approved signatories for the Board’s bank accounts are as follows:

    1. The Chairman

    2. Such other member(s) as shall from time to time be authorised by the Board

    3. Such officers of the Middle Level Commissioners as shall from time to time be authorised by the Board

3. All cheque books, deposit books, banking cards, online access and other documentation or materials relating to the Board's bank accounts shall be retained in the custody of the Clerk.

4. All payments, bank transfers and Investments shall be made in the most efficient/secure manner as determined from time to time by the Clerk

5. The Clerk shall maintain Contact Details relating to financial transactions. All bank accounts shall be reconciled monthly and checked at regular intervals by separate officers of the Clerk.

F INVESTMENTS AND BORROWINGS STRATEGY

1. All investments made by the Board are made within guidance received from CIPFA (Chartered Institute of Public Finance Accountants) Guidance for the Public Sector, and relevant legislation:

    - The Board’s investment activities are limited by statute

    - The Board may invest with major Banks and/or Building Societies

    - The Board’s investments are to be regarded as low/medium risk

    - The Board’s investments must be made in the name of the Board and not any named individual

2. All investments shall be negotiated by the Clerk and reported to the Board. They must be for an appropriate period.

3. All borrowings shall be effected in the name of the Board and shall be from the Public Works Loans Board. In an emergency there may be an exception.

4. No borrowings shall be taken out without a resolution of the Board.

5. All investment certificates and other documents relating thereto shall be retained in the custody of the Clerk.

G COLLECTING MONEY

1. The Clerk shall be responsible for ensuring that all monies received are properly recorded in the accounting records.

2. Electronic copies of all receipts issued shall be retained for at least six years.

3. The Clerk shall be responsible for ensuring that the Drainage Rates and Special Levies are substantially collected by **1 November** each year. Outstanding Rates/Levies shall be pursued in a timely manner after that date.

4. The Clerk shall ensure that procedures are in place for all debts to be substantially collected within 30 days from the Debtor Invoice tax point date and for when a debt becomes 3 months overdue or whenever a debt becomes doubtful or is disputed.

H FUNDING APPLICATIONS

1. Ideally any grant or third-party funding opportunities will be reviewed, supported and approved by the Board, however bidding windows normally constrain the ability to enact this meaning Boards potentially missing out on funding. Therefore, the Clerk and/or Chairman shall be empowered to bid for grant and/or other third-party funding on behalf of the Board. This includes being able to determine and accept any risk exposure.

I SUNDRY DEBTORS

1. Each budget holder shall be responsible for providing the Clerk with the necessary information to enable rechargeable work to be properly accounted for and invoiced, and, any other debts due to be properly invoiced. The budget holder shall advise the Clerk whenever an Invoice is to be raised for goods provided or services rendered, under their control.

2. The Clerk shall ensure that all such Invoices are properly raised as soon as practicable after being authorised.

3. The Clerk shall be responsible for ensuring that all other debts due to the Board are properly raised when required and collected appropriately.

4. The Clerk shall be responsible for ensuring that the Board consider whether any rents payable to them should be reviewed by a Chartered Surveyor at least once every 5 years.

5. The Clerk shall calculate any claims for Highland Water payments from the Environment Agency and send such claims to the Agency by the dates specified by the Agency.

6. Any refunds due to debtors for whatever reason shall be approved by the Clerk prior to being paid or otherwise accounted for.

8. The Clerk shall be empowered to collect all sundry debts due.

9 The Clerk shall obtain the Chairmans approval for instigating legal proceedings to collect outstanding amounts in excess of the County Court Small Claims limit.

J EMPLOYING/MANAGING STAFF

1. The Chairman shall be responsible to the Board for all matters regarding any employees, including employment policies, procedures, terms and conditions. The Chairman acts as the employee's line manager. This includes taking capability and disciplinary action against Board employees having followed due process.

2. The Board's approval shall be required for the employment of additional permanent staff.

3. The Chairman shall have the authority to employ temporary staff and replace permanent staff provided the employment costs are contained within the Expenditure Estimates/Budgets approved by the Board.

4 Subject to the above paragraphs and to the terms of any employee's contract, Board members shall not individually have the power to formally offer anyone any form of employment or to dismiss a Board employee, or otherwise take disciplinary action against any of the Board's employees unless the Board has specifically authorised such action by resolution.

5. Board members other than the Chairman and the District Officer shall not individually give instructions to any of the Board's employees, unless delegation has been approved by the Board.

6. The Chairman and the District Officer shall be responsible for managing the day-to-day activities of employees and for determining the nature and extent of these activities.

K ASSET ACCOUNTING/MANAGEMENT

1. Any assets to be sold will be advertised in the appropriate media or by the method most appropriate for securing best value and will be sold for the highest offer (of legitimate bids from reputable sources) unless they are being part-exchanged or traded-in when acquiring another asset, or otherwise sold for a budget price approved by the Board.

2. The Clerk shall be responsible for documenting and maintaining the records of the Board's Assets.

L AUDIT

1. As a requirement of the Accounts and Audit Regulations the Clerk shall ensure that the Board is presented with the Internal Auditor's Report each year. The Board are required to review and where necessary take appropriate action.

M SALARIES AND WAGES

1. The Board shall, where appropriate, seek independent advice before making significant changes to terms and conditions of employment and, save where such changes are as a result of legislative change, no changes shall be made to terms and conditions of employment (deliberately or otherwise) without the prior consent of the Board.

2. The Clerk shall be responsible for the proper compilation of the payroll(s) and for the final determination of pay, as approved by the Board.

3. All annual holiday entitlements (including any carried forward provisions) shall be agreed with the Chairman and/or the District Officer at the beginning of every financial year and signed off by him/her as such, in accordance with the Board's terms and conditions of employment.

4. All time-off in lieu, sick leave, working-from-home arrangements and other absences from work or the work place shall be approved in writing by the Chairman and/or the District Officer.

5. All proposed payments of salaries and wages shall be authorised by the Clerk prior to being made.

N INSURANCES

1. The Clerk shall be responsible for expeditiously submitting all insurance claims that the Board agrees should be pursued. The Board shall be responsible for providing the Clerk with all of the necessary information he/she deems necessary in order to successfully make an insurance claim.

2. The Chairman and/or the District Officer shall immediately notify the Clerk of any loss, liability or damage or any event likely to lead to a claim on any of the Board's insurance policies and shall, where appropriate, notify the police of the relevant circumstances.

O SECURITY

1 Keys to the Board's buildings and property shall be controlled by the Chairman and/or the District Officer who shall maintain the list of such key holders.

P REVIEW OF FINANCIAL REGULATIONS

1. The Board and Clerk reserves the right to make reasonable changes to these Regulations at any time in future.

2. Failure to take action against any employee or Member following a breach of the Financial Regulations does not constitute a waiver of the Board's right to take disciplinary action on any future breaches of the Financial Regulations and no single or partial action taken shall prevent any further disciplinary action being taken or other action being taken against any employee or Member.

a) Completion of the Annual Accounts and Annual Return of the Board – 2023/2024.

i) The Board/Commissioners considered and approved the comments of the Auditors on the Annual Return for the year that ended on the 31st March 2024.

ii) The Board/Commissioners considered and approved the Audit Report of the Internal Auditor for the year that ended on the 31st March 2024.

iii) The Board noted and agreed the continued appointment of Whitings as Internal Auditor.

b) Review of Internal Controls

Mrs Martin reported that the internal controls that the Middle Level Commissioners have in place in their services to the Board have now been summarised and are available on the Board's web-page.
The Board considered and expressed satisfaction with the current system of internal controls.

c) Authorisations

The Board considered the review of authorisations.

RESOLVED

i) The Board considered and authorised that all employees and contractors of the Middle Level Commissioners are considered as duly authorised officers and are therefore able to use the Boards powers and IDB byelaws for their operational and regulatory roles on behalf of the Board.

ii) The Board confirmed their stance that their Chairman, Vice-Chair and District Officers, Pump Attendants and employees are considered as duly authorised officers and therefore able to use the Boards powers and IDB byelaws for their operational and regulatory roles on behalf of the Board.

e) Responsible Finance Officer

RESOLVED

The Board considered and approved the recommendations that:

vi) 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.

vii) 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.

viii) That the Chairman and Vice-Chair be approved to be added to the Barclays Bank Plc mandate.

ix) 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.

x) 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.

xi) That following Mr Robert Hill leaving the employment of the Middle Level 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 Board.

f) Insurance Valuations

The Chairman noted that it had been resolved at the last meeting that the Insurance Valuation be increased to £5million but that the Finance Report did not reflect this. Mrs Martin agreed to confirm this with the Assistant Treasurer.

POST MEETING NOTE:

It has been confirmed that the insured values were amended as requested after the last meeting, and the incorrect figures included in the pack in error.

g) Policy Reviews & DPO

The Board considered the review of the policies.

RESOLVED

i) The Board considered and approved the policy reviews for the Complaints Procedure, Privacy policy, the Anti-Bribery and Financial Regulation policies.

ii) The Board considered and approved adoption of updated Finance Regulations covering the period 2025-2035.

iii) That the Board approve that while there is a service level agreement for provision of clerking services in place between the Board and the Middle Level Commissioners, the Middle Level Commissioner's Lead Clerk acts as their Data Protection Officer.

i) Exercise of Public Rights

Mrs Martin 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.

j) Consideration of potential litigation, liabilities, commitments.

Mrs Martin reported that as part of the Annual Governance review the Board 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. He 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 Board that would need to be included within the accounting statements for the financial year ended 31st March 2025.

B.2382 Finance Report
Viz:

Provided by the Middle Level Commissioners		**Item No:**	**11**
Meeting:	**SUTTON AND MEPAL INTERNAL DRAINAGE BOARD**	**Subject:**	**FINANCE REPORT**
Date:	**Thursday 16th January 2024**	**Officer Responsible:**	**Andrew Wool/Sam Ablett**

RECOMMENDATIONS

The Board is asked to:

A. Consider the Finance Officer's summary
B. Note the Budgeting review within Appendix 1.
C. Fees, remuneration and subscriptions
D. Note the Highland Water contributions
E. Review the Contributions from Developers (Confidential papers)
F. Note the Precept to the Environment Agency

Finance Officer's review and key messages

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 £118,255.96, which has now been received.

Claims were submitted for combined IDB works against the Storm Recovery resilience works (T2) the Environmental Agency have approved these schemes and 50% of the claims have been received. Works are underway in order to get these works delivered by the 31st March 2025 deadline.

1. **Budget Monitoring**

1.1 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. Appendix 1

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.

The Highland Water claims have been included, these have been adjusted for the Storm Recovery Grant, at the time of writing the payment remains outstanding and it is the recommendation that the balance of the Storm recovery Grant (T1) is held in reserve.

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

2. Highland Water Contributions

2.1 Under Section 57 of Land Drainage Act 1991 the Board can make a claim for funding to the Environment Agency for the additional costs of the onward management of water from the district's highland. It is at the Environment Agency's discretion if they pay the contribution, and it is accounted for within the local team's annual maintenance budget.

2.2 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 £25,260. Following an earlier Government announcement, details were eventually released concerning the Storm Recovery Grant and a claim excess pumping costs for the first trance (T1) was submitted in the sum of £118,255.96.

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 £9,460.48, which will be adjusted from the Strom Recovery Grant.

We can confirm that theses adjusted Highland Water claims have been paid.

The Highland Water claims totalling £25,471.50 were submitted based on actual out-turn. Against this we need to adjust the Storm recovery elements of £9,460.48, leaving a net claim of £16,011.02. We have now been notified by the Environment Agency that they will not be able to meet all payments in full for this year and the payment will be £14,173.99 a shortfall in year of £1,837.03 against the claims.

The early indications are that for 2025/2026 Highland Water claims will be capped at around £5,485.

3. Contributions from Developers – Confidential papers

4. Precept to the Environment Agency

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 Anglian (Great Ouse) Regional Flood & Coastal Committee (RFCC) determined that the Precept will increase by 2% for 2025

The precept for 2024 was £122,392.

Author Name: Andrew Wool/Sam Ablett
Role: Treasurer/Assistant Treasurer

Enclosure 1 Contributions from Developers (CONFIDENTIAL PAPERS)

Appendix 1 Budget Monitoring

Appendix 1

SUTTON AND MEPAL INTERNAL DRAINAGE BOARD
BUDGET MONITORING 2024/2025

		Approved budget 2024/2025 £	Actual to 30th November 2024 £	Forecast to 31st March 2025 £
1	Rates, Telephones and Insurances	7,150	10,284	11,250 [A]
2	Drainworks, Repairs and Renewals (including Environmental measures)	30,000	8,998 [B]	30,000 [C]
	Drainage Channel - Cranbrook	0	0	0
3	Oil and Electricity	153,000	43,866 [D]	153,000 [E]
4	District Labour	53,750	37,576	53,576
5	Administration Charge, Health and Safety Contract, Audit Fee, Printing, Stationery, Advertising, Association of Drainage Authorities Subscriptions Etc.	21,400	12,706	23,570
6	Environment Agency - Precept	122,392	122,392	122,392
7	Plant Replacement	25,000 [F]	0	25,000 [F]
8	Reinstatement Of Balances	41,774 [G]	0	41,774 [G]
		454,466	235,821	460,561
	LESS :			
	Use Of Balances	0	0	0
	Revenue Income	55,505	11,459	53,384 [H]
		398,961	224,362	407,176
	General Fund			
	Open balance	198,181	198,181	198,181
	Rates Raised - 62.75p	398,960	398,960	398,960
	Net Expenditure	398,961	224,362	407,176
	Storm Recovery/Balances		108,795	150,569
	Close balance	198,180	481,575	340,534

Remarks

A - Increased Insurance Premium and Rates on Bungalow.

B - Includes for:

Maintenance/general	6,201
Service/repairs to excavator	919
Pumping station/general repairs	1,879
	8,998

C - Includes for:

Maintenance/general	7,000
Service/repairs to excavator	3,500
Pumping station/general repairs	19,500
	30,000

D - Includes accounts to August, estimated to March

E - Provision based on increased annual pumped volume and estimate for new contract rates from October 2024

F - Provision for plant replacement strategy 25,000

G - Provision for reinstatement of balances reduced by winter 23/24 pumping. Year 1 of 3

H - Includes metered discharge (not paid) 20,000
Includes: Partial Highland Water claim 23,634

DOES NOT INCLUDE RENTAL FRON BUNGALOW

i) Finance officer's review and key messages

The Head of Finance, Mr A Wool, delivered his key messages. He reported that a claim for £118,255.96 was submitted to the Storm Recovery Grant (T1) scheme which has now been received. A further claim of £42,000 was submitted to the T2 scheme of which 50% has been received, the balance being paid on receipt of the pumps and payment being made.

ii) Budgeting

Mr Wool advised that a slight overspend is currently forecast. There is still uncertainty over electricity costs which has been reflected in the forecast. The Board were reminded that a major storm event may affect this further.

iii) Highland Water Contributions and IDB Precept

Mr Wool outlined the current situation to the Board. The Board were advised that on 18th October 2024 Middle Level Commissioners were informed that the Environment Agency has insufficient 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) RFCC has provided Lincolnshire IDBs with reassurance that the shortfall will be met, even if from the RFCC's local levy funding.

Mr Wool advised that there was a high likelihood that the Environment Agency would not meet this Boards full claims this year, with the prognosis for a greater shortfall in 2025/26 onwards. Claims have also been adjusted against the relevant elements of the Storm Recovery Grant so the original claim of £25,471.50 was adjusted by £9,460.48 to leave a net claim of £16,011.02. The Environment Agency have notified that £14,173.99 will be paid, leaving a shortfall of £1,837.03.

The Board have also been advised that it is expected that there will be a shortfall for the financial year 2026/27, with the claim being capped at £5,485.

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.

Members were advised that at their meeting of 17th October 2024, the Anglian (Great Ouse) Regional Flood & Coastal Committee (RFCC) determined that the Precept will increase by 2% for 2025/26.

The Board were advised that it would be possible to appeal against the shortfall in Highland Water claim payments alongside the increase in the IDB Precept.

RESOLVED

> The Board agrees 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 supports 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 agreed 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 withing 6-weeks of formal notification.

Fees, Remuneration & Subscriptions :

iv) ADA subscription

Mr Wool reported that ADA increased subscriptions by 6.5% for 2025, from £805 to £858.

RESOLVED

That the requested increased ADA subscription for 2025 be paid.

v) Water Resources East

The Board agreed to continue their contribution of £150 towards Water Resources East should ADA choose to keep a Director position on their Board.

vi) Contributions from Developers

The Confidential Papers were reviewed by the Board. The Chairman was pleased to see the figures.

RESOLVED

The Confidential Papers were reviewed and agreed by the Board.

B.2383 Date of next Meeting

RESOLVED

That the next Meeting of the Board be held on Thursday 22nd May 2025 at 8.30am at the Chatteris Cricket Club. The meeting will commence with a district inspection.

The following meeting will be held on Thursday 15th January 2026 at 8.30am at the Chatteris Cricket Club.

B.2384 Any Other Business

The Chairman reported to the Board that the Pumping Station Bungalow currently remains empty and that the incoming District Officer does not which to take up the tenancy. The Chairman has been in touch with Cheffins and has been advised that it has a rental value of £900-1000/month less their charges. The Chairman has a potential tenant with a dog, who is interested in the property who wishes to take on an immediate tenancy. As the prospective tenant is a relative of the Chairman, he would be prepared to act a guarantor for the tenant.

A fence will also need to be installed between the bungalow and the pumping station, and the Chairman has obtained a quote of £1600 for the works, although this is for a 4ft high fence. It was agreed that a 6ft high fence should be installed. It was also agreed that the fence should be positioned to ensure access to all of the pumping station grounds for the District Officer, without having to gain access to the bungalow garden. It will also be necessary to install a cooker in the bungalow, which was agreed. The Board discussed the need to move the oil tank and it was agreed that it should remain in its current position.

Mr R Lee asked if the bungalow needed redecorating before a new tenant moves in. The Chairman advised that although the décor was dated the property was in good condition. He recommended allowing the tenant to decorate with the Board agreeing to supply the materials. Mr Wool advised the Board that whilst the property remains vacant, the Board is paying an enhanced council tax rate.

It was agreed by the Board that the property be let, that it would be acceptable for the tenant to have a dog, and that the Chairman monitor the tenancy and be the point of contact for the tenant. The Chairman proposed that the rent be set at £900/month and this was agreed by the Board. The Chairman agreed to oversee the arrangement of a short term tenancy agreement, and to arrange for materials to be provided for decoration.

RESOLVED

The Chairman make arrangements for a Short Term Tenancy Agreement to be entered into.

Mrs Martin advised the Board that a letter had been received from East Cambridgeshire District Council, advising that the Pumping Station building at Engine Bank is to be added to the Local Interest Register. This is not the same as the property being 'listed' but does highlight the importance of the building. The Board agreed not to challenge the inclusion.

Mrs Martin also asked the Board for any information they could provide the Planning Officer in relation to the previous agreement to the infilling of a length of IDB controlled watercourse at Chatteris Road, Somersham. Most Board members recalled the agreement, and advised that the scheme had been agreed on the proviso that the adjacent landowner, a Mr David Newman, would recondition the ditch should there be any issues on the adjoining land. The Board asked that the Planning Officer pass the responsibility back to Mr Newman but as the affected landowner is a ratepayer, that the Chairman would be available to meet them on site should it be required.

RESOLVED

The Planning Officer to progress as appropriate.

The meeting then closed at 10.07am.

…………………………………………………..
Chairman

……………………………
Date