Governance
Finance Reserves Policy

1.1 The Middle Level Commissioners require a range of Funds within its Reserves to meet its strategic objectives.

1.2 The aim of these Funds is for them to be of a financial value that is considered sensible when assessed against the scale, complexity and benefits provided by the Commissioners' operations and infrastructure, without being excessive.

1.3 Each Fund will have a management approach and governance arrangements proportionate to the value and criticality of the Fund. Each Fund will be tracked with the status reported to the Middle Level Board at their April and November meetings. Within this there will be a specific health focus on the Asset Management Fund and General Reserves Fund.

1.4 Some of the Funds within its Reserves have been secured and saved for specific ringfenced purposes, for example associated with specific agreements, objectives and/or legislative commitments. Integrity will be maintained within the use of such Funds.

1.5 Discharge contributions received and invested into Reserves from developers will not be treated as a dividend and therefore obviate the need for responsible budgeting in terms of core income from drainage rates and special levies.

1.6 The Middle Level Commissioners are not a normal Internal Drainage Board, therefore our approach to Reserves needs to consider the assets, operations and associated liabilities with our Navigation and Water Resources role, in addition to our Flood Risk Management and Drainage functions.

1.7 The type, scale, value and complexity of our assets and operations, and the associated benefits and risk to communities, land and infrastructure, is also very different to a traditional Internal Drainage Board. Therefore, the general rule of having a year's expenditure (less grant funding) in hand is insufficient for our circumstances.

1.8 It is acknowledged that in the event of a reasonable worst-case scenario of i) major issues at St Germans Pumping Station and/or ii) breaches of MLC high-level carrier raised embankments, that levels of Reserves will never be sufficient or resilient to cater for the cost of response, recovery and repair. This is an inherent financial risk associated with the Middle Level of the Fens and under these circumstances an emergency would need to be declared via the Cambridge & Peterborough and Norfolk Local Resilience Forums.

Approved and adopted at the Middle Level Board: 23/04/2026