

F&GP Meeting

Wednesday 12 December 2018

**The Gables Hotel, Falfield
10.30am**

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

TERMS OF REFERENCE OF FINANCE AND GENERAL PURPOSES COMMITTEE

Approved 22 June 2016 Minute No.2349 (a)

Matters for determination by the Committee.

1. The appointment of Internal Auditors.
2. Consideration of any Report or Opinion from the Internal Auditors.
3. Consideration of a summary of internal audit work undertaken (whether of a financial or ethical nature).
4. Commissioning work from either the Internal or External Auditor.
5. The approval/revision of the Risk Register.
6. The approval/revision of the Business Continuity Plan.
7. Reviewing payments made.
8. The recovery of rate arrears and sundry debts.
9. To monitor spending against the approved budget.

Matters for recommendation by the Committee to the Board

10. To consider the Annual Budget and Rate Setting prior to the February Board meeting in each year.
11. To review the Annual Business Plan.
12. To review the Medium Term Financial Plan.
13. To monitor the Board's Treasury Management policies and practices.
14. To keep under review the Board's insurance policies.
15. To liaise with the National Audit Office or any successor or equivalent, regarding the appointment of the External Auditor.
16. To consider any letter or report issued by the External Auditor.
17. To ensure the effective monitoring and review of policies and strategies.
18. To consider legislative changes (or proposed legislative changes) which may affect the Board's statutory functions.
19. To identify any Member training needs in various aspects of the Board's responsibilities.

**Minutes of the Finance & General Purposes Committee of the
Lower Severn (2005) Internal Drainage Board
Meeting held Wednesday 12th September 2018 at 10.30 am
At the Gables Hotel Falfield**

Present:

Ald C Williams

Chairman

Ald B Richards

Mr J Hore

Mr G Simms

Mr G Littleton

Mr R Thatcher

Martin Dear

Accounts Officer

AO

Kieran Warren

Principal Officer

PO

Sue Williams

Minutes

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| 2718. | Apologies: Apologies were received from: Cllr P Awford, Mr M Barnes and Cllr M Riddle. | |
| 2719. | Appointment of Chairman for the Meeting In the absence of Cllr Riddle the Committee appointed Ald C Williams as Chairman for the meeting. | |
| 2720. | Declarations of Interest There were no declarations of interest. | |
| 2721. | Minutes of the Previous Meeting It was resolved that: <ul style="list-style-type: none"> The minutes of the Finance & General Purposes Committee Meeting held on 6th June 2018 be approved as a correct record. | |
| 2722. | Actions from Previous Meeting The PO reported to the Committee that Action 8 to Minute 2672 had not been completed. Following the judgement awarded by Gloucestershire County Court, in the Board's favour, the case had been referred to Bristol County Court. Until the outcome was known the recovery of costs could not proceed; it was not known when a determination would be received. | |
| 2723. | Treasury Sub-Committee Reports The minutes of the Treasury Sub-Committee Meeting held 18 th July 2018 were noted by the Committee At the Treasury Sub-Committee meeting held 5 th September 2018 the Chairman reported that the Sub-Committee had recommended a draft Capital Financing and Reserves Policy for approval. The policy supported strategic operational plans by clearly identifying designated reserves which would feature in future management accounts. The Treasury Sub-Committee would review the level of reserves annually in relation to the rates collected. It was recommended that <ul style="list-style-type: none"> The draft Capital Financing and Reserves Policy, as appended A to these minutes, be referred to the Board for approval | <u>Action 1</u> For Board approval |
| 2724. | Risk Management Strategy & Policy The AO had adapted the ADA template to suit the Board's requirement and responsibilities. His report is appended B. | |

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| | <p>It was recommended that:</p> <ul style="list-style-type: none"> The Risk Management Strategy and Risk Management Policy, as appended B to these minutes, be referred to the Board for approval. | <p><u>Action 2</u> For Board approval</p> |
| 2725. | <p>Risk Register</p> <p>The Committee considered an updated Risk Register for approval. It was pointed out that the document did not have an author. The PO replied that the register was a compilation of inputs from all officers but ultimately the PO owned the Register.</p> <p>Cllr Riddle had emailed his observations. He suggested that under the category 'Human Resources' there should be an entry that accounted for items such as staff injuries, disease, risk assessments training for staff and machinery operators, first aid training, provision and wearing PPE and accident records. The Committee agreed that these valid risks ought to be included by expanding risk HR2.</p> <p>In response to a question about the Board's responsibility for landowners carrying out maintenance on stretches of watercourse, the PO said that unless the work was contracted by the LSIDB the Board would not be responsible for a landowner doing this work.</p> <p>Mr Simms emphasised that when contractors were used the Board was not absolved of responsibility as it was the Board's duty to ensure that safety requirements etc were met.</p> <p>The Chairman suggested that an entry should be included under Governance to address reputational risk, as this was common practice in other organisations. Mr Simms asked that the final wording include reference to personnel behaviour as well.</p> <p>Ald Richards commented that this was an important document and the Board should see the final Risk Register once the additional entries were approved by the F&GP Committee.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> The Risk Register as circulated be approved. The PO to be recognised as the author of the Risk Register. The F&GP Committee to review the document again at its next meeting in December when the additional Human Resources and Governance items had been incorporated. The Board to be updated at the September meeting of these actions. | <p><u>Action 3</u> Include additional items in the Risk Register to review at next F&GP meeting.</p> <p><u>Action 4</u> Report to full Board in the meantime.</p> |
| 2726. | <p>Management Accounts</p> <p>These showed a surplus of £16,717 for the 3 months to 30th June 2018.</p> <p>The AO pointed out that on future balance sheets the developer's contributions would be shown as a designated reserve and not a long-term liability in line with the Reserves Policy (minute 2723 refers).</p> | |
| 2727. | <p>Cash Flow</p> <p>The AO reported that he was in the process of depositing £500,000 surplus cash with a number of challenger banks.</p> | |
| 2728. | <p>Medium Term Financial Plan</p> <p>The MTFP had been adjusted for the 2018 pay award, a 2% annual increase to 2022/2023 and incorporated the recommendation from the S&P Committee.</p> | |

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| | <p>The Plan also included a rate increase every year for the next 4 years. The AO pointed out that based on these projections the surplus fell into deficit for years 3 and 4.</p> <p>The Chairman reminded the Committee that the conclusion of the Capital Programme, to be considered by the Engineering Committee in November 2018, would have a significant effect on the MTFP.</p> | |
| 2729. | <p>Developers' Contributions</p> <p>The AO explained that developers could opt to pay a commuted sum for the Board to carry out future maintenance of balance ponds and rhines in the Severnside Development area or to undertake the maintenance themselves.</p> <p>Mr Hore commented that he was aware of a particular pond on a site where the landowner had opted to carry out their own maintenance and that this pond that had not been not been maintained to the same standard as those maintained by the Board.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The Engineers prepare a short report to explain the management of these strategic ponds and rhines. | <p><u>Action 5</u> Engineer to prepare a report.</p> |
| 2730. | <p>Internal Audit for 2018/19</p> <p>The PO had prepared a report and recommended that Bishop Fleming be re-appointed based on their execution of the last internal audit. Members heard that the fee proposal submitted by Bishop Fleming for these services represented a very small increase on the fee paid for the 2017/18 audit.</p> <p>Mr Simms asked if there was any merit of offering a two-year deal.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • Bishop Fleming be re-appointed to complete the 2018/19 internal audit • Subject to the submission of a quotation acceptable to him, the PO be authorised to conclude a two-year contract with Bishop Fleming. | |
| 2731. | <p>Defra – Annual Report for the year to 31st March 2018</p> <p>Members noted the return.</p> <p>The PO explained that a report on the adoption of a biosecurity process had been prepared for a forthcoming meeting of the Engineering Committee. Future annual reports to Defra would include confirmation that the Board had adopted a Biosecurity Policy and associated procedures.</p> | |
| 2732. | <p>Default Ratepayers</p> <p>Outstanding rates were noted. It was not anticipated that a Court hearing would be required to recover rates.</p> | |
| 2733. | <p>Payments Noted</p> <p>The Committee noted the payments and transfers made between 1st May 2018 and 31st July 2018.</p> | |
| | Meeting closed 11.30 am | |

Lower Severn (2005) Internal Drainage Board

CAPITAL FINANCING AND RESERVES POLICY

Introduction

Reserves are an essential part of good financial management. They help the Board cope with unpredictable financial pressures and plan for future spending commitments. The purpose of this Reserves policy is to maintain an adequate level of funds to support the ongoing operations of the Board and to provide a source of internal funds for operational priorities such as rhine and ditch maintenance, pumping station running costs and repair, capital replacement and improvement programmes.

The Reserves policy will complement other governance and financial policies and will support the goals and strategies contained in strategic and operational plans.

Background

The Board is required to set a balanced budget annually, which broadly means that cash raised within the year correlates to the cash expended in that year. However, variances to the budget will occur. This may result in surplus funds through unbudgeted income such as Developer Contributions, better values achieved on the sale of assets or additional income from grants, contributions and recharges. Expenditure might be greater than budgeted for example such as lower values achieved on sales of assets, greater maintenance costs than predicted or an increase in pump electricity usage.

There will also be the funding of major (capital) spend. Most purchases, mainly vehicles and plant, are resourced through internal funds which are then replenished through appropriate depreciation charges based upon the life of the assets.

However, there may be instances where monies need to be identified to fund larger capital spend items such as the replacement of pumps or significant flood alleviation and land drainage management schemes. When this occurs, forward planning will need to take place in order to ensure that sufficient funds are available at the appropriate times.

Importantly, there is a requirement to manage cash flows to ensure that cash is available when needed.

Types of Reserve

There are two types of Reserves:

- Earmarked Reserves – funds that are set aside to meet known or future predicted future spending.
- Unallocated Reserves – funds that are working balances to manage cash flow and protect annual budgets against unplanned expenditure.

Reserves Held

Earmarked

- Development (Commutated Sums)

This reserve consists of sums received from developers to maintain agreed rhines, ditches and ponds in perpetuity within specified areas.

- **Pump Replacement**

This reserve is a provision to meet the costs of replacing the pumps at pumping stations to meet the 2009 Eel Regulations

- **Pension**

This reserve is the liability, of the Board, related to the defined benefit pension scheme. Note it is a negative reserve.

- **Revaluation**

This reserve is the increase in value of land and buildings, from cost, as at 15 January 2015.

Unallocated

- **Income and Expenditure**

This reserve provides protection against unplanned expenditure. Any under spend, at the year end, is transferred to this reserve. Any over spend, at the year end, is met from this reserve.

Review of Reserves

Each reserve will be reviewed, on an annual basis by the Treasury Sub-Committee prior to review by the Board. The Board's review will form part of the annual budget setting process. Part of this review will include considering guidance published by the Association of Drainage Authorities.

Creation / Cessation of a Reserve

An earmarked reserve may be created for a specific purpose if it is agreed by the Board. Likewise, the Board may close an earmarked reserve if it is no longer required. Any remaining funds in a Reserve to be closed will be transferred to another reserve.

Level of Reserves Held

The Board has no legal powers to hold reserves other than those for reasonable working capital needs, or for specifically earmarked purposes.

If, at the year end, the Income and Expenditure Reserve is significantly higher than the annual Special Levies and Agricultural Rates income then an explanation will be provided by the Board. The Board's Financial Regulations state that the general provision, including a contingency, should be maintained which is equivalent to approximately 30% of the Board's annual expenditure.

Liquidity of Reserves

Reserves will be held jointly in general cash and investment accounts of the Board.

COMMITTEE: Finance and General Purposes

MEETING DATE: 12.09.2018

REF: MD

REPORT BY: Accounts Officer

RISK MANAGEMENT STRATEGY AND POLICY

Introduction

ADA has a **model risk management strategy and policy** for IDBs to adopt.

ADA has worked with IDBs and Defra to develop a suite of governance documents to assist IDBs with putting in place and maintaining good governance arrangements. The risk management strategy and policy is one of these documents.

Background

The purpose of a risk management strategy is to effectively manage potential opportunities and threats to the Board achieving its objectives. Some risks will always exist and can never be eliminated. They therefore need to be appropriately managed.

The risk management policy states that the Board will methodically address risks associated with what it does and the service it provides.

Risk management is not just about financial management, it is about achieving the Boards objectives in order to deliver high quality public services.

A Lower Severn (2005) Internal Drainage Board customised version of the Risk Management Strategy and Policy is attached.

Recommendation

That the Risk Management Strategy and Policy, be referred to the Full Board for formal adoption.

Martin Dear

Accounts Officer

Lower Severn (2005) Internal Drainage Board

Risk Management Strategy

Risk Management Policy

Contents

1. Purpose, Aims & Objectives
2. Accountabilities, Roles & Reporting Lines
3. Skills & Expertise
4. Embedding Risk Management
5. Risks and the Decision Making Process
6. Risk Evaluation and Control
7. Supporting Innovation & Improvement

Appendices

- A – Risk Management Strategy Statement
- B – Risk Management Policy Document

Risk Management Strategy

1. Purpose, Aims and Objectives

1.1 The purpose of the Risk Management Strategy is to effectively manage potential opportunities and threats to the Board achieving its objectives. See attached Risk Management Policy Statement, Appendix A.

1.2 The Risk Management Strategy has the following aims and objectives;

- Integration of Risk Management into the culture of the Board
- Raising awareness of the need for Risk Management by all those connected with the delivery of services (including partners)
- Enabling the Board to anticipate and respond to changing social, environmental and legislative conditions
- Minimisation of injury, damage, loss and inconvenience to staff, members of the public, service users, assets etc. arising from or connected with the delivery of the Board's services
- Introduction of a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice
- Minimisation of the cost of risk

1.3 To achieve these aims and objectives, the following strategy is proposed;

- Establish clear accountabilities, roles and reporting lines for all employees
- Acquire and develop the necessary skills and expertise
- Provide for risk assessment in all decision making processes of the Board
- Develop a resource allocation framework to allocate (target) resources for risk management
- Develop toolkits, procedures and guidelines for use across the Board
- Develop arrangements to measure performance of Risk Management activities against the aims and objectives
- To make all partners and service providers aware of the Board's expectations on risk, both generally as set out in its Risk Management Policy and where necessary in particular areas of the Board's operations

1.4 The Board's Risk Management Strategy is based on the Audit Commission's definition of Risk:

'Risk is the threat that an event or action will adversely affect the organisation's ability to achieve its objectives and to successfully execute its strategies'.

2. Accountabilities, Roles and Reporting Lines

2.1 A framework has been implemented that has addressed the following issues:

- The different types of risk – Strategic and Operational
- Where it should be managed
- Corporate, and Operational roles and accountabilities
- The need to drive the policy throughout the Board
- Prompt reporting of accidents, losses, changes etc.

2.2 In many cases, risk management follows existing service management arrangements.

2.3 Strategic risk is best managed by the Board.

2.4 The Accounts Officer will be responsible for the Board's overall risk management strategy, and will report to the Board.

2.5 The Land Drainage Engineer will be responsible for the Board's overall Health and Safety policy and will report to the Board.

2.6 It is envisaged that the development of a risk management strategy will encourage ownership of risk and will allow for easier monitoring and reporting on remedial actions / controls.

3. Skills and Expertise

3.1 Having established roles and responsibilities for risk management, the Board must ensure that it has the skills and expertise necessary. It will achieve this by providing Risk Management Training for Officers and where appropriate providing awareness courses that address the individual needs of both the manual workforce and office staff.

3.2 Training will include seminars focusing on best practice in risk management and awareness courses will also focus on specific risks in areas such as the following:

- Partnership working
- Project management
- Employment Law
- Operation of Board vehicles and equipment
- Manual labour tasks e.g. Health and Safety issues

4. Embedding Risk Management

4.1 Risk management is an important part of the service planning process. This will enable both strategic and operational risk, as well as the accumulation of risks from a number of areas to be properly considered. Over time the Board aims to be able to demonstrate that there is a fully embedded process.

4.2 This strategy and the information contained within the appendices provides a framework to be used by all levels of staff and Members in the implementation of risk management as an integral part of good management.

5. Risks and Decision Making Process

5.1 Risk needs to be addressed at the point at which decisions are being taken. Where Members and Officers are asked to make decisions, they should be advised of the risks associated with recommendations being made. The training described in the preceding section will enable this to happen.

5.2 The Board will need to demonstrate that it took reasonable steps to consider the risks involved in a decision.

5.3 A risk assessment will take place prior to a significant decision being taken.

5.4 There needs to be a balance struck between efficiency of the decision making process and the need to address risk. Risk assessment is seen to be particularly valuable in options appraisal. All significant decision reports to the Board or Committees should include an assessment of risk to demonstrate that risks (both threats and opportunities) have been addressed.

5.5 This process does not guarantee that decisions will always be right but it will demonstrate that the risks have been considered and the evidence will support this.

6. Risk Evaluation and Control

6.1 A risk register will be used to record the Board's objectives and the risks to achieving these. Once these have been identified an assessment of the impact and likelihood of occurrence is made using

knowledge of current controls and assurances and a risk score determined. Any gaps in controls and/or assurance should then be identified and an action plan for improvement developed.

6.2 The risk score is obtained using the risk matrix below:

RISK ASSESSMENT MATRIX

| | | | | |
|---|--------|--------------------------------------|---|---------------------------------------|
| Likelihood of occurrence ↑ HIGH MEDIUM LOW ↓ | HIGH | Low Impact High Likelihood 3 | Medium Impact High Likelihood 6 | High Impact High Likelihood 9 |
| | MEDIUM | Low Impact Medium Likelihood 2 | Medium Impact Medium Likelihood 4 | High Impact Medium Likelihood 6 |
| | LOW | Low Impact Low Likelihood 1 | Medium Impact Low Likelihood 2 | High Impact Low Likelihood 3 |
| | | LOW | MEDIUM | HIGH |
| | | ← Impact on the Business → | | |

The high, medium and low categories

for impact and likelihood are defined as follows:

IMPACT

- *High* – will have a catastrophic effect on the operation/service delivery. May result in major financial loss (over £100,000) and/or major service disruption (+ 5 days) or impact on the public. Death of an individual or several people. Complete failure of project or extreme delay (over 2 months). Many individual personal details compromised/revealed. Adverse publicity in national press.
- *Medium* – will have a noticeable effect on the operation/service delivery. May result in significant financial loss (over £25,000). Will cause a degree of disruption (2 – 5 days) or impact on the public. Severe injury to an individual or several people. Adverse effect on project/significant slippage. Some individual personal details compromised/revealed. Adverse publicity in local press.
- *Low* – where the consequences will not be severe and any associated losses and or financial implications will be low (up to £10,000). Negligible effect on service delivery (1 day). Minor injury or discomfort to an individual or several people. Isolated individual personal detail compromised/revealed. NB A number of low incidents may have a significant cumulative effect and require attention.

LIKELIHOOD

- *High* – very likely to happen
- *Medium* – likely to happen infrequently
- *Low* – unlikely to happen

Using the risk matrix produces a risk rating score that will enable risks to be prioritised using one or more of the “four T’s”. Scores are gained by multiplying impact level by likelihood level – Low = 1, Medium = 2, High = 3.

- Tolerate - score >2 - accept the risk
- Treat - score 3 – 4 - take cost effective in-house actions to reduce the risk
- Transfer – score 6 - let someone else take the risk (e.g. by insurance or passing responsibility for the risk to a contractor)
- Terminate – score 9 - agree that the risk is too high and do not proceed with the project or activity

7. Supporting Innovation and Improvement

7.1 Risk Management will be incorporated into the business planning process for the Board with a risk assessment of all business aims being undertaken as part of the annual process.

7.2 The Board's internal auditor will have a role in reviewing the effectiveness of control measures that have been put in place to ensure that risk management measures are working.

Appendix A

RISK MANAGEMENT STRATEGY STATEMENT

The Board believes that risk is a feature of all businesses. Some risks will always exist and can never be eliminated: they therefore need to be appropriately managed.

The Board recognises that it has a responsibility to manage hazards and risks and supports a structured and focused approach to managing them by approval of a Risk Management Strategy.

In this way the Board will improve its ability to achieve its strategic objectives and enhance the value of services it provides to the community.

The Boards Risk Management objectives are to:

- Embed risk management into the culture and operations of the Board
- Adopt a systematic approach to risk management as an integral part of service planning and performance management
- Manage risk in accordance with best practice
- Anticipate and respond to changing social, environmental and legislative requirements
- Ensure all employees have clear responsibility for both the ownership and cost of risk and the tools to effectively reduce / control it

These objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the organisation for risk management
- Incorporating risk management in the Board's decision making and operational management processes
- Reinforcing the importance of effective risk management through training
- Incorporating risk management considerations into Service / Business Planning, Project Management, Partnerships & Procurement Processes
- Monitoring risk management arrangements on a regular basis

The benefits of Risk Management include:

- Safer environment for all
- Improved public relations and reputation for the organisation
- Improved efficiency within the organisation
- Protect employees and others from harm
- Reduction in probability / size of uninsured or uninsurable losses
- Competitive Insurance Premiums (as insurers recognise the Board as being a "low risk")
- Maximise efficient use of available resources.

Appendix B

RISK MANAGEMENT POLICY DOCUMENT

In all types of undertaking, there is the potential for events and consequences that may either be opportunities for benefit or threats to success. Internal Drainage Boards are no different and risk management is increasingly recognised as being central to their strategic management. It is a process whereby Internal Drainage Boards methodically address the risks associated with what they do and the services which they provide. The focus of good risk management is to identify what can go wrong and take steps to avoid this or successfully manage the consequences.

Risk management is not just about financial management; it is about achieving the objectives of the organisation to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, the ability to achieve desired targets.

Internal Drainage Boards need to keep under review and, if need be, strengthen their own corporate governance arrangements, thereby improving their stewardship of public funds and providing positive and continuing assurance to ratepayers.

The Board already looks at risk as part of their day to day activities but there is now a need to look at, adapt, improve where necessary and document existing processes.

The importance of looking afresh at risk comes in the wake of a more demanding society, bold initiatives and more challenge when things go wrong. It also arises because of the significant changes taking place as a result of the Defra IDB Review. Internal Drainage Boards currently face pressures that potentially give rise to a range of new and complex risks and which suggest that risk management is more important now than at any other time.

Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. As a minimum, the members should:

- take steps to identify and update key risks facing the Board;
- evaluate the potential consequences to the Board if an event identified as a risk takes place; and
- decide upon appropriate measures to avoid, reduce or control the risk or its consequences.

This Risk Management Policy document is designed to be a living document which will be continually updated when new risks are identified or when existing risks change.

The assessment of potential impact will be classified as high, medium or low. At the same time, it will assess how likely a risk is to occur and this will enable the Board to decide which risks it should pay most attention to when considering what measures to take to manage the risks.

After identifying and evaluating risks the responsible officer will need to decide upon appropriate measures to take in order to avoid, reduce or control the risks or their consequences.

**Minutes of Treasury Management Sub-Committee Meeting
Of the Lower Severn (2005) Internal Drainage Board
Held Wednesday 7th November 2018 at 3.15 pm
At the Gables Hotel, Falfield**

Present: Ald C Williams Chairman
Mr M Barnes
Mr J Nichols
Cllr M Riddle
Martin Dear Accounts Officer AO
Sue Williams Minutes

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| 2763. | Election of Treasury Sub-Committee Chairman The AO invited nominations for the post of Sub-Committee Chairman. <ul style="list-style-type: none">Ald C Williams was elected Chairman of the Sub-Committee for the ensuing year. | | | | | | | | | |
| 2764. | Apologies/Welcome There were no apologies. The Chairman welcomed Mr Barnes to his first the Treasury Sub-Committee meeting. | | | | | | | | | |
| 2765. | Declaration of Member's Interest No interests were declared. | | | | | | | | | |
| 2766. | Minutes of the Previous Meeting It was resolved that: <ul style="list-style-type: none">The minutes of the 5th September 2018 meeting be approved as a true and accurate record. | | | | | | | | | |
| 2767. | Cash Deposits Following the last Sub-Committee meeting the AO had closed the deposit accounts as agreed and had approached the challenger banks to make deposits as outlined in minute 2708. He reported that he had not made the deposits as intended, this was due to the banks not recognising the LSIDB within the FSCS protection scheme. According to the FSCS definition of a small authority, the LSIDB did not qualify and therefore any deposits the Board made would not be protected under the FSCS scheme. The AO asked the Committee how they wished to proceed. Mr Nichols suggested the four main clearing banks would be the most secure place to invest cash deposits. The AO had obtained some interest rates for the Sub-Committee's information. He explained banks other than Nat West would need to have a current account opened together with a deposit account these may attract small bank changes. <table><tr><td>Lloyds</td><td>NatWest</td></tr><tr><td>32-day notice account @ 0.75%</td><td>35-day notice account @ 0.55%</td></tr><tr><td>3 months fixed @ 0.7%</td><td>3 months fixed @ 0.57%</td></tr><tr><td>6 months fixed @ 0.75%</td><td>6 months fixed @ 0.67%</td></tr></table> | Lloyds | NatWest | 32-day notice account @ 0.75% | 35-day notice account @ 0.55% | 3 months fixed @ 0.7% | 3 months fixed @ 0.57% | 6 months fixed @ 0.75% | 6 months fixed @ 0.67% | |
| Lloyds | NatWest | | | | | | | | | |
| 32-day notice account @ 0.75% | 35-day notice account @ 0.55% | | | | | | | | | |
| 3 months fixed @ 0.7% | 3 months fixed @ 0.57% | | | | | | | | | |
| 6 months fixed @ 0.75% | 6 months fixed @ 0.67% | | | | | | | | | |

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| | <p>Mr Nichols suggested that it would be rational to use a short notice account as it was generally felt that interest rates would rise. He asked the AO how many accounts did he have time to administer.</p> <p>The AO explained it took time to set up an account and would be easier to administer fewer accounts. He suggested that if the Sub-Committee were assured that clearing banks would not be allowed to fail by government, the Board would be exposed to no more risk using just one bank that using more.</p> <p>The Chairman said the AO needed flexibility.</p> <p>Mr Nichols suggested that the Board use two banks and keep an eye on the interest rates offered by the other banks.</p> <p>The Chairman clarified that the two accounts suggested by Mr Nichols were in addition to the existing deposit account operated at NatWest used for the working capital which attracted a small amount of interest.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • Two or three new deposit accounts be opened in addition the existing NatWest Direct Reserve. • The AO to have the flexibility to allocate £500,000 between the accounts to attract the best return. • The maximum fixed term to be no more than 6 months. | <p><u>Action 1</u> Open Deposit Account with clearing banks to invest £500,000</p> |
| 2768. | <p>Treasury Management Policy</p> <p>The AO explained that as a result of the decision to not use Challenger Banks the Treasury Management Policy approved by the Board in June 2018 (minute 2684 refers) would need to be updated. A draft would be prepared for the next Treasury Sub-Committee meeting to be held 13th March 2019.</p> | <p><u>Action 2</u> To update Treasury Management Policy</p> |
| 2770. | <p>Smith Williamson Investment</p> <p>Mr Nichols requested that Smith & Williamson in future provide a comparison of the 66% equity performance to the MSCI World Index, as this had out performed Smith & Williamson in the last quarter, with less risk as the investment was spread further.</p> <p>The Chairman asked the AO to enquire whether it was possible to provide that information as an additional performance indicator.</p> | <p><u>Action 3</u> AO to ask Smith & Williamson to provide additional performance indicator</p> |
| | The meeting closed at 3.45 pm | |

REF: MD

REPORT BY: Accounts Officer

EXTERNAL AUDIT REPORT

For the year ending 31 March 2018

Introduction

The External Auditors have now published their report and certificate for 2017/18.

The report and certificate is included within the Annual Governance and Accountability Return (AGAR) 2017/18, which is attached to this report.

The AGAR has been published on the Board's website together with a Notice of conclusion of audit.

It is the opinion of the Auditors that two items were not accurately completed this year and that these items need correcting prior to submission of next year's AGAR.

These are:

- Developer funds should be accounted for in the year that they are received, and then held as an earmarked reserve;
- The long term investments should be recorded at cost rather than at market value.

The External Auditors are not requesting a restatement of the AGAR for 2017/18 but are requesting that these items are treated in this way next year.

Accounts Officer Comments

We will have to comply with the wishes of the External Auditor for next year.

There is no proposal to change the presentation of the management accounts to this committee or the Board following the External Auditor's comments.

Recommendations

That the external auditors report and certificate for 2017/18 be noted.

Martin Dear

Accounts Officer

Local Councils, Internal Drainage Boards and other Smaller Authorities in England

Annual Governance and Accountability Return 2017/18 Part 3

To be completed by:

- all smaller authorities* where either the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; and
- any other smaller authorities that either:
 - are unable to certify themselves as exempt; or
 - have requested a limited assurance review.

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2017/18

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with Proper Practices.
2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:
 - The **annual internal audit report** is completed by the authority's internal auditor.
 - **Sections 1 and 2** are to be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved **before 2 July 2018**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or requesting a limited assurance review, **must** send to the external auditor:
 - the Annual Governance and Accountability Return Sections 1, 2 and 3, together with
 - a bank reconciliation as at 31 March 2018
 - an explanation of any significant year on year variances in the accounting statements
 - your notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2017/18

Unless requested, do not send any original records to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed and is able to give an opinion on the limited assurance review, the Annual Governance and Accountability Return including **Section 3 – External Auditor Report and Certificate** will be returned to the authority.

Publication Requirements

Smaller authorities with either income or expenditure exceeding £25,000 **must** publish on a public website, under the Accounts and Audit Regulations 2015, the Annual Governance and Accountability Return:

- **Section 1 – Annual Governance Statement 2017/18**, page 4
- **Section 2 – Accounting Statements 2017/18**, page 5
- **Section 3 – The External Auditor Report and Certificate 2017/18**, page 6
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

**for a complete list of bodies that may be smaller authorities refer to schedule 2 to Local Audit and Accountability Act 2014.*

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2017/18

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the Annual Governance and Accountability Return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed Annual Governance and Accountability Return. Any amendments must be approved by the authority, properly initialled and accompanied by an explanation. If the Annual Governance and Accountability Return contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the annual internal audit report prior to approving the annual governance statement and before approving the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before sending it to the external auditor.
- Do not send the external auditor any information not specifically requested. However, you **must** inform your external auditor about any change of Clerk, Responsible Finance Officer or Chairman, and provide relevant email addresses and telephone numbers.
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the Annual Governance and Accountability Return covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the explanation.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs will be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2017) equals the balance brought forward in the current year (Box 1 of 2018).
- Please enter the authority's name **only** in Section 3 on Page 6. **Do not complete the remainder of that section**, which is reserved for the external auditor.
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the accounts and accounting records can be inspected. Whatever period the RFO sets it **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor.

| Completion checklist – 'No' answers mean you may not have met requirements | | Yes | No |
|--|--|-----|----|
| All sections | Have all highlighted boxes have been completed? | | |
| | Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor? | | |
| Internal Audit Report | Have all highlighted boxes have been completed by the internal auditor and explanations provided? | | |
| Section 1 | For any statement to which the response is 'no', is an explanation provided? | | |
| Section 2 | Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting? | | |
| | Has an explanation of significant variations from last year to this year been provided? | | |
| | The bank reconciliation as at 31 March 2018 is agreed to Box 8? | | |
| | Has an explanation of any difference between Box 7 and Box 8 been provided? | | |
| Sections 1 and 2 | Trust funds – have all disclosures been made if the authority is a sole managing trustee? NB: do not send trust accounting statements unless requested or instructed. | | |

*More guidance on completing this annual return is available in **Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices**, which can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk or from www.ada.org.uk

Annual Internal Audit Report 2017/18

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2018.

The internal audit for 2017/18 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 | Agreed? Please choose one of the following | | |
|--|--|-----|---------------|
| | 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 and year-end bank account reconciliations were properly carried out. | ✓ | | |
| 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. (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

JAN / FEB 2018

Name of person who carried out the internal audit

BISHOP FLEMING LLP INTERNAL AUDITOR

Signature of person who carried out the internal audit

Bishop Fleming LLP

Date

22/05/18

*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 2017/18

We acknowledge as the members of:

Lower Severn (2005) 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 2018, 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. | ✓ | | <i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i> |
| 2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. | ✓ | | <i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i> |
| 3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances. | ✓ | | <i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i> |
| 4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations. | | ✓ | <i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i> |
| 5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required. | ✓ | | <i>considered and documented the financial and other risks it faces and dealt with them properly.</i> |
| 6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems. | ✓ | | <i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i> |
| 7. We took appropriate action on all matters raised in reports from internal and external audit. | ✓ | | <i>responded to matters brought to its attention by internal and external audit.</i> |
| 8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements. | ✓ | | <i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i> |
| 9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit. | Yes | No | N/A |
| | | | ✓ |

*Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the authority will address the weaknesses identified.

This Annual Governance Statement is approved by this authority and recorded as minute reference:

2688

dated 27/06/2018

Signed by the Chairman and Clerk of the meeting where approval is given:

Chairman

Clerk

[Signature]

K. Warren

Other information required by the Transparency Codes (not part of Annual Governance Statement)

Authority web address

admin@lowersevernidb.org.uk


Section 2 – Accounting Statements 2017/18 for

Lower Severn (2005) Internal Drainage Board

| | Year ending | | Notes and guidance |
|---|-----------------------|-----------------------|--|
| | 31 March 2017 £ | 31 March 2018 £ | |
| 1. Balances brought forward | 287,437 | 531,978 | <i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i> |
| 2. (+) Precept or Rates and Levies | 1,235,670 | 1,238,796 | <i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i> |
| 3. (+) Total other receipts | 320,728 | 282,336 | <i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i> |
| 4. (-) Staff costs | 642,913 | 667,478 | <i>Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.</i> |
| 5. (-) Loan interest/capital repayments | 0 | 0 | <i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i> |
| 6. (-) All other payments | 668,944 | 571,081 | <i>Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).</i> |
| 7. (=) Balances carried forward | 531,978 | 814,551 | <i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i> |
| 8. Total value of cash and short term investments | 692,131 | 1,375,894 | <i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i> |
| 9. Total fixed assets plus long term investments and assets | 1,462,266 | 1,361,266 | <i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i> |
| 10. Total borrowings | 0 | 0 | <i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i> |
| 11. (For Local Councils Only) Disclosure note re Trust funds (including charitable) | Yes | No | <i>The Council acts as sole trustee for and is responsible for managing Trust funds or assets.</i> |
| | | | <i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i> |

I certify that for the year ended 31 March 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

SIGNATURE

Date 27/06/2018

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

27/06/2018

and recorded as minute reference:

MINUTE REFERENCE
2689

Signed by Chairman of the meeting where approval of the Accounting Statements is given

SIGNATURE REQUIRED


Section 3 – External Auditor Report and Certificate 2017/18

In respect of **Lower Severn (2005) Internal Drainage Board DB0131**

1 Respective responsibilities of the body and the auditor

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 2018; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2017/18

Except for the matters reported below*, 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.

The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

- Information received from the smaller authority indicates that developer funds have been held as a reconciling item between Boxes 7 and 8 in the current and prior years. This income should have been included in Box 3 in the year it was received, and then held as an earmarked reserve. Boxes 1 and 7 for both years are therefore understated.
- Box 9 includes long term investments – these have been included at fair value rather than cost as is required by proper practices. Box 9 for both years is therefore overstated.

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

None

3 External auditor certificate 2017/18

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 2018.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF LITTLEJOHN LLP

Date

27/09/2018

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

REF: MD

REPORT BY: Accounts Officer

RISK REGISTER

Introduction

At the previous meeting of this Committee, on 12 September 2018, an agenda item was the Risk Register.

At the meeting of 12 September 2018, it was resolved that:

- The Principal Officer to be recognised as the author of the Risk Register.
- The F&GP Committee to review the document again at its meeting in December when the additional Human Resources and Governance items had been incorporated.

These decisions have been actioned and the revised Risk Register is attached.

Actions

The Risk Register now states that the owner of the document is the Principal Officer.

Additional Human Resources inputs have been made to item HR2.

A Reputational Risk has been added within the Governance section of the Risk Register.

Recommendation

That the Risk Register be approved and forwarded to the Full Board for noting.

Martin Dear

Accounts Officer

Lower Severn (2005) Internal Drainage Board

RISK REGISTER

As at 12 December 2018

The owner of this document is the Principal Officer

| Category of Risk | Risk | Likelihood (without controls) | Impact (without controls) | Risk Level (without controls) | Risk response and control procedure | Monitoring and Assurance | Actions | Likelihood (with current controls) | Impact (with current controls) | Risk Level (with current controls) | Responsibility |
|-------------------|--|-------------------------------|---------------------------|-------------------------------|---|--|---|------------------------------------|--------------------------------|------------------------------------|------------------------|
| Governance | | | | | | | | | | | |
| G1 | Gradual or sudden loss of reputation | High | High | High | Treat As an action or non-action by the Board, employee, subcontractor or supplier. This includes personal behaviour. | Ensure that all risks are minimised. Ensure plans are fulfilled. | Use governance arrangements to utilise monitoring and feedback controls and assurances. Ensure that the Board is sensitive to changes and can respond accordingly. | Low | High | Medium | Board, PO, AO, LDE, CE |
| | | | | | Treat Inappropriate behaviour by a member of staff. Staff not aware of their importance in maintaining the Boards reputation. | Staff training given on the importance of their actions or non action. Emphasise that they are the contact point for members of the public. | Staff receive ongoing appropriate training. | | | | |
| G2 | Board doesn't have adequate competency/skills to understand or control the business. | Medium | Medium | Medium | Treat 14 elected members, landowners and owner occupiers have a vested interest in ensuring drainage is effective. | The Board consists of 14 elected members and 15 appointed members. The appointed members are determined by the local Councils within the Board's area. | Board members receive appropriate ongoing training. | Low | Medium | Low | Board |
| G3 | Difficulty in appointing new Board Members. | Low | Low | Low | Tolerate Board consists of elected and appointed members. Member turnover is low. | Electoral register in place and updated to enable elections to take place. Last elections took place in October 2015. | Open elections for new Board Members due in October 2018. | Low | Low | Low | Board |
| G4 | Susceptibility to concentration of power. | High | High | High | Treat Management meetings held on a regular basis, Chairman and Vice Chairman involved. | There are five committees that report to the Board. Each committee has an appointed Chair. | Segregation of duties and regular meetings between Board and key members of staff to review major issues and future actions. Schemes of delegation to both Chair and Officers in place. | Medium | Medium | Medium | Board |

| | | | | | | | | | | | |
|-----------|---|------|------|------|--|--|---|--------|--------|--------|-------|
| G5 | There is no overall strategy for the organisation as a whole. | High | High | High | Treat The Board has a business plan and a corporate strategy. | Business plan in place and reviewed annually. | Regular review of forthcoming reporting deadlines at the Board meetings. | Medium | Medium | Medium | Board |
| G6 | Failure to comply with key legislation, regulations and Corporation requirements. | High | High | High | Treat Regular Board meetings take place. | Reports to Board on new legislation and regulations. Membership of Association of Drainage Authorities (ADA). Regular review of publicly available websites. | Regular review of forthcoming reporting deadlines at the board meetings. Access specialist advice as appropriate. | Low | High | Medium | Board |
| | | | | | Transfer Audit takes place on Management and Accounts to ensure compliance with legislation. | PKF Littlejohn appointed as external auditors by Smaller Authorities' Audit Appointments. Internal Auditors appointed annually. | | | | | |
| G7 | Board not assuming control of key statutory requirements e.g. Health and Safety and Risk. | High | High | High | Treat Citation appointed as Health and Safety and Human Resources advisors. | Reports to Board. LDE monitors and maintains Health and Safety records. | Board have been made aware of the key legislative requirements to ensure they understand their responsibilities. Board members to attend training courses as appropriate. | Low | Low | Low | Board |
| | | | | | Transfer Indemnity policy is in place so board do not have to pay compensation. | Included in insurance cover with Zurich Municipal. | Level of cover reviewed annually. | | | | |
| G8 | Implementation of Eel Regulations. | High | High | High | Treat Consultants appointed to report on steps to take to meet the statutory regulations. | Engineers to report to Engineering Committee as necessary. Pump replacement programme in place. | Frequent update to Engineering Committee and Full Board. | Low | High | Medium | Board |

| Category of Risk | Risk | Likelihood (without controls) | Impact (without controls) | Risk Level without controls | Risk response and control procedure | Monitoring and Assurance | Actions | Likelihood (with current controls) | Impact (with current controls) | Risk Level (with current controls) | Responsibility |
|------------------|---|-------------------------------|---------------------------|-----------------------------|--|---|---|------------------------------------|--------------------------------|------------------------------------|--------------------------|
| Finance | | | | | | | | | | | |
| V1. | Inaccurate assumptions in place within the Business Plan. | High | High | High | Treat There is a Business Plan in place and it is reviewed annually. | Business plan reviewed by the Board at least annually. Medium Term Financial Plan reviewed by F&GP Committee. | Business Plan stating objectives of the Board is in place. Medium Term Financial Plan prepared. | Medium | Medium | Medium | Board and F&GP Committee |
| V2 | Inadequate internal control resulting in poor financial management. | Medium | High | High | Treat Bishop Fleming have been appointed as Internal Auditors. | Auditors to be appointed annually. | Appointed at the September F&GP meeting. | Low | Medium | Low | Board |
| V3 | Security of deposit takers. | Medium | High | High | Treat Use NatWest as the main bankers. Cash deposits to be placed, up to a maximum of £85,000, with institutions that are participants of the Financial Services Compensation Scheme. The maximum fixed term to be six months. | Treasury Sub Committee to review investments and performance. | Regular reporting to the Treasury Sub Committee. | Low | Medium | Low | Board and F&GP Committee |
| V4 | Investments. | High | High | High | Treat Appointed Smith and Williamson as investment managers. | Treasury Sub Committee to review investments and performance. | Regular reporting to the Treasury Sub Committee. | Low | Medium | Low | F&GP Committee |
| V5 | Inaccurate Accounting. | Medium | High | High | Transfer Accounts are audited by external Auditors appointed by the Audit Commission. | External Auditors report on and certify the Annual Governance and Accountability Return (AGAR). | AO responds and takes action regarding recommendations made by the External or Internal Auditors. | Low | Medium | Low | AO and F&GP Committee |
| | | | | | Treat Accounts Officer to be responsible to the preparation of accounts. | Management Accounts are regularly presented to F&GP Committee. | Accounts/budgets prepared by Accounts Officer. | | | | |

| | | | | | | | | | | | |
|----|--|--------|--------|--------|--|--|---|--------|--------|--------|-------------------------------|
| V6 | Fraud occurring through deliberate activity. | High | High | High | Transfer Internal audit will look for fraudulent activity as part of the annual audit process. | Performed by Internal Auditors | Fraud and whistle blowing policy circulated to all staff. | Medium | Medium | Medium | All Staff |
| | | | | | Treat Chairman and Vice Chairman have access to internet banking. | Access log available. | Accounts Officer has been added as a bank signatory and internet banking. Further segregation of duties. | | | | Board |
| | | | | | Transfer Increased Fidelity Guarantee Insurance. | Cover reviewed annually. | Community insurance cover with Zurich Municipal. | | | | Board and PO |
| | | | | | Treat Fraud policy and whistle blowing policy in place. | Policy in place approved by the Board. Fraud and whistle blowing policy circulated to all staff. | Fraud and whistle blowing policy circulated to new staff. | | | | PO |
| | | | | | Treat Register of members interests held on file. | Register maintained and available for review. | Updated as members interests change. | | | | PO |
| | | | | | Treat Ensure no unauthorised transfer of funds from bank accounts. | Bank signatories regularly reviewed. | Dual authorisation of payments and bank transfers required. | | | | PO and AO |
| V7 | Effect on inflation and exchange rate movements on specific areas. | Low | Low | Low | Treat Budget overspent in year. | Budget agreed by the Board in February. Considered when levy and agricultural rate set by Board in February. | Monitored regularly by F&GP Committee. | Low | Low | Low | Board , F&GP Committee and AO |
| V8 | Impact of movements in interest rates on income. | Low | Low | Low | Treat All cash balances held in approved banks. | Monitoring of budget, Medium Term Financial Plan and Severnside funds. | Actual rates and revised estimated presented to Board in February and November. Treasury management policy approved annually. | Low | Low | Low | Board, F&GP Committee and AO |
| V9 | Failure to achieve value for money. | Medium | Medium | Medium | Treat Three quotes are obtained for any major purchase over £5,000 unless there are few suppliers. Compliance with Financial Regulations. | AO reviews with LDE/CE. | Chairman and Vice Chairman informed of award and reasons. | Low | Low | Low | Board and AO |

| Category of Risk | Risk | Likelihood (without controls) | Impact (without controls) | Risk Level without controls | Risk response and control procedure | Monitoring and Assurance | Actions | Likelihood (with current controls) | Impact (with current controls) | Risk Level (with current controls) | Responsibility |
|-----------------------------------|---|-------------------------------|---------------------------|-----------------------------|--|--|--|------------------------------------|--------------------------------|------------------------------------|--------------------------------------|
| Management and Maintenance | | | | | | | | | | | |
| M1 | Increased risk of flooding owing to inaccurate assumptions affecting the planned maintenance programme. | Medium | High | High | Treat There is a realistic planned maintenance programme. | LDE monitors progress of the plan throughout the year. | Progress regularly reported to the Engineering Committee and the Board. | Low | High | Medium | Board, Engineering Committee and LDE |
| M2 | Inadequate provision for safeguarding the Boards assets. Loss of Machinery through theft or damage. | Medium | High | High | Treat Machines are locked up and fenced off. Spare Machines are available to meet work schedules. | Location is reported daily. Spares either held in workshop, or immediate delivery. Repairs carried out on site/workshop. | Staff training on type of equipment and all aspects of Health, Safety and risk review. All plant machinery insured through Fenton Insurance Services. All machines are tagged. | Low | High | Medium | LDE |
| M3 | Loss of specific personnel leading to work being incomplete on schedule. | Low | High | Medium | Treat Skilled workers are trained up so if one could not work then another could, ensuring minimum down time. | Training schedules are maintained by the LDE. | Staff are trained to use equipment as appropriate. | Low | Low | Low | LDE |
| M4 | Damage to Third Party property or individuals | Medium | High | High | Treat Risk assessments undertaken | Close Supervision by Foreman and LDE. Covered by insurance | Regular staff training and updating of information held re maps, access etc. | Low | High | Medium | LDE |
| M5 | Pumps fail to operate | Medium | High | High | Treat Pumps maintained and checked at regular intervals | Planned maintenance undertaken. Pumps checked by Foreman | Pump replacement programme enacted | Low | High | Medium | LDE |
| M6 | Watercourse unable to convey water | High | High | High | Treat Rhines and ditches regularly cleared of weed growth. Flaps desilted on a regular basis . Culverts regularly checked and cleared out. | Planned maintenance undertaken. Rhines and Ditches checked by Foreman. | Planned annual maintenance schedule. | Low | High | Medium | LDE |
| M7 | Lack of progress of the Biodiversity Action Plan | High | High | High | Treat Aims and objectives are met. | Approved by Board. | Implementation of plan by modifications to standard operations in designated locations and in special projects with partners. Progress regularly reported to the Board on meeting the targets in the plan. | Medium | Medium | Medium | CE and LDE |

| Category of Risk | Risk | Likelihood (without controls) | Impact (without controls) | Risk Level without controls | Risk response and control procedure | Monitoring and Assurance | Actions | Likelihood (with current controls) | Impact (with current controls) | Risk Level (with current controls) | Responsibility | | | | |
|------------------|---|-------------------------------|---------------------------|-----------------------------|--|---|---|------------------------------------|--------------------------------|------------------------------------|------------------|--|--|--|--|
| Human Resources | | | | | | | | | | | | | | | |
| HR1 | Inability to retain or recruit new staff. | Medium | Medium | Medium | Treat Pay review, pensions. | Board agree all pay reviews and changes. | Pay scales are reviewed to ensure they remain competitive. | Low | Medium | Low | Board, PO and AO | | | | |
| | | | | | Tolerate Pay in line with expected action of skill level of staff. | Pay scales are set annually, at national level. Changes to staff responsibilities are set against tables/spine points. | Pay scales and conditions are reviewed at least annually to ensure they remain competitive. Non monetary benefits such as holiday entitlement is monitored to ensure that this also remains competitive to aid recruitment and retention. | | | | | | | | |
| | | | | | Treat Increase training. | Training schedules are maintained. | Staff receive ongoing relevant training. | | | | | | | | |
| | | | | | Transfer Pension fund review. | Annual review by actuaries of Glos LGPS. LGPS scheme closed to new staff in July 2015. Staff appointed since August 2015 are auto enrolled into a defined contribution Pension Scheme. | LGPS Employer contributions are revised on basis of actuaries triennial review. Review of Employer contribution to defined contribution pension scheme. | | | | | | | | |
| HR2 | Incidents to staff. | Medium | High | High | Treat Lone working training, manual handling and use of ladders. | Training schedules are maintained. Skyguard Lone worker system in place. | Where possible restrict amount of lone working. | Low | High | Medium | LDE | | | | |
| | | | | | Treat Street work signage training has been given. | Training schedules are maintained. | All workers have completed signage training. | | | | | | | | |
| | | | | | Treat Accident occurs which injures a member of staff. | Risk assessments are undertaken before starting a job. Staff wear appropriate Personal Proactive Equipment. Staff are trained on machinery before they operate it. Accidents are reported and logged. | All workers have completed appropriate training. The LDE reviews all risk assessments. | | | | | | | | |
| | | | | | Treat A member of staff contracts a disease. | | | | | | | | | | |
| | | | | | Treat First aid training. | Health and Safety Training schedules are maintained. | All workers have completed first aid training. | | | | | | | | |
| | | | | | Transfer Fidelity Guarantee Insurance cover. | Cover reviewed annually. | Cover under community Insurance through Zurich Municipal. | | | | AO | | | | |

| | | | | | | | | | | | |
|-----|---|--------|--------|--------|--|---|--|-----|-----|-----|---------------|
| HR3 | Loss of key members of staff in a small team. | Medium | Medium | Medium | Tolerate Other drainage boards, Environment Agency and Local Authorities could be asked to advise on operational needs if engineers were to leave. | Member of ADA and in dialogue with other Boards and use of consultants. | Ensure that admin duties are understood by more than one individual. Engineers overlap to ensure spread of knowledge. | Low | Low | Low | AO,LDE and CE |
|-----|---|--------|--------|--------|--|---|--|-----|-----|-----|---------------|

| Category of Risk | Risk | Likelihood (without controls) | Impact (without controls) | Risk Level (without controls) | Risk response and control procedure | Monitoring and Assurance | Actions | Likelihood (with current controls) | Impact (with current controls) | Risk Level (with current controls) | Responsibility |
|--------------------------|--|-------------------------------|---------------------------|-------------------------------|--|--|--|------------------------------------|--------------------------------|------------------------------------|-------------------|
| Office Systems/IT | | | | | | | | | | | |
| O1 | Disaster to office premises/IT. | Low | High | Medium | <p>Treat Can work from home using a Laptop which will have server access.</p> <p>Treat Backups of server daily and once a week major backup.</p> | Business Continuity/Disaster Recovery plan tested satisfactorily in 2011 with Orchard computers. | <p>A disaster recovery plan has been approved and clearly explains the steps that should be taken dependent on the type of disaster that occurs.</p> <p>Orchard Computer services. Daily/weekly backups.</p> | Low | Medium | Low | PO,CE, LDE and AO |
| O2 | Failure to store confidential and personal data in a secure environment. | High | High | High | Treat Ensure compliance with Data Protection Act 2018 and General Data Protection Regulation. | Review of data held annually. Destruction of data that is either out of date or no longer required. Paper records to be destroyed by a secure method and computer records to be deleted and erased. | Ensure that all staff and the Board are aware of the need to keep data secure and the implications of releasing personal sensitive data | Low | High | Medium | AO |
| O3 | Failure to provide adequate insurance cover. | Medium | High | High | Transfer Level of Insurance cover is reviewed annually . | Cover reviewed annually. | Cover provided through Zurich Municipal. | Low | Low | Low | AO |
| O4 | Inadequate functionality of IT systems. | Low | Medium | Low | Tolerate IT Systems are updated as and when they are needed. No specific high spec computers are needed, all packages used are basic and non bespoke. | Sage upgrades are incorporated as available. Microsoft Office upgraded as appropriate. Data base holding rating information updated as necessary. Drainage Rating System (DRS) has been implemented. | IT Systems are reviewed on a regular basis. New/upgrades to software packages only purchased as necessary to improve information and efficiency of the business. | Low | Low | Low | PO and CE |

Key: CE - Civil Engineer
LDE - Land Drainage Engineer
AO - Accounts Officer
PO - Principal Officer

F&GP Committee - Finance & General Purpose Committee

IT REVIEW**Introduction**

At the F & GP Committee meeting held on 6 June 2018, Members resolved as follows:

IT Review

The PO had been asked to review the Board's IT support structure, Minute 2605 referred. The PO explained that the existing contract with the Board's current IT support provider, Orchard Computer Systems, ran until March 2019.

He had invited three further companies that covered the Board's area, together with Orchard Computer Systems to quote for the same level of service as currently provided. These quotes were expected by the end of October 2018 and would be reported to the Committee at its December 2018 meeting [Minute 2671 refers].

The present position

The support currently provided is summarised at Appendix 1.

Comparative costs from other providers

Besides our current Yate-based providers, I identified three IT support companies, based in Bristol and Bath, and covering the Bristol/Somerset/Gloucester area. They were asked to supply quotations on a like-for-like basis to mirror the level of service the Board presently enjoys.

| COMPANY | TENDER FIGURE £pa |
|---------|----------------------|
| A | 4,420.00 |
| B | 3,690.00 |
| C | No bid |
| D | No bid |

Recommendation That the tenders be discussed, with a view to the appointment of Company B subject to the Committee's satisfaction that their service is robust and reliable.

Kieran Warren, Principal Officer

IT SUPPORT SERVICES SPECIFICATION

Unlimited access to telephone support during normal working hours (09:00 - 17:30, Monday - Friday).

Contact can be initiated by any member of your staff. We recommend however that you nominate someone to be our normal point of contact. We can then liaise with that person to ensure they are fully aware of the current status

4 working hour response for Business Critical issues

8 working hour response for all other issues

Maintenance of user accounts, mailboxes and internet access

24/7 system monitoring to identify any potential weaknesses or failures before they become critical. Issues will be dealt with during the normal contracted working hours set out below

Repair or replacement of faulty PC and File Server hardware including parts and labour. Excludes portable devices (i.e. Laptops / Notebooks / MACbooks and Tablets etc.)

Reinstallation and configuration of PC, Laptop / Notebook / MACbook and File Server Operating Systems and other key software, providing installation media and / or licence keys are made available

Following a system problem, re-installation of PC, Laptop / Notebook / MACbook and File Server application software (providing installation media and / or licence keys are made available) and restore data (providing adequate backups are made available).

Repair or replacement of faulty Network Hardware – Firewalls, Routers, Switches and UPS including parts and labour (excludes UPS batteries)

Maintenance of user rights and firewall settings in server based networks

Assistance with routines such as restoring files from backups etc.

Undertake routine Operating System updates that will benefit the operation of your computer systems

Undertake Operating System configuration changes.

Investigate printing issues and make configuration changes etc

Investigate issues with portable devices and assist with configuration changes etc

Liaise with third party suppliers (ISPs, Telecom companies, software houses etc) on Board's behalf

Maintain a record of all events affecting the IT systems known to OCS in order to monitor performance and reliability

Advice on appropriate maintenance and development strategies

Set up and manage a secure automatic copy of complete system images (operating system, data and applications) to a disk based device called a NAS (Network Attached Storage).

Where communications etc. allow, this will include copying the images offsite to an alternate office or home.

Set up and manage a secure automatic copy of complete system images (operating system, data and applications) to a disk based device called a NAS (Network Attached Storage).

The NAS device will be located offsite at our provider's Data Centre

Provide and support a managed anti-virus product.

Provide and support a managed email security solution.

Provide assistance for mobile email.

REF: MD

REPORT BY: Accounts Officer

PRECEPT AND FOREIGN WATER CONTRIBUTION

Introduction

At the recent liaison meeting between the Environment Agency and Local Drainage Boards the precept and foreign water contribution was raised. Subsequently the Environment Agency has sent a letter to the LSIDB, a copy of which is attached.

The letter has been issued in connection with the proposed 2% increase to precept and foreign water contributions for the forthcoming financial year 2019/20.

This is in line with the 2% annual increase that was agreed in principle by all IDBs in the English Severn and Wye catchment at the start of Defra's 6-year investment programme for flood and coastal risk management, which runs from 2015/21.

The letter provides details of the amount of Precept and Foreign Water Contribution from 2015/16 to 2018/19.

Please note that:

- The figures as stated in this letter agree with the figures in the 2018/19 budget.
- A 2% increase has been assumed in the draft budget for 2019/20.
- The Medium Term Financial Plan assumes a 2% increase per annum.

Actions

The Environment Agency is asking for a response to this letter to confirm that the proposed 2% increase to precept and foreign water contributions for 2019/20 are acceptable.

Recommendations

- That the letter from the Environment Agency be noted.
- The Accounts Officer to respond to this letter stating that the proposed 2% increase to precept and foreign water contributions for 2019/20 are acceptable.

Martin Dear

Accounts Officer



Cllr M Riddle
Lower Severn Internal Drainage Board
Waterside Buildings
Oldbury Naite
Thornbury
South Glos.
BS35 1RF

Our ref: LSIDB/DLE

Date: 20 November 2018

Dear Cllr Riddle

Increase in Precept and Foreign Water Contribution

It was good to see you at the Internal Drainage board liaison meeting held in Stourport on the 15 November 2018. I felt the meeting went really well, and it was great to meet the various representatives present.

You'll recall that we discussed the annual 2% increase in precept and foreign water contribution during item 7 of the meeting's agenda. Whilst the principle of this approach was agreed with yourselves at the commencement of the Environment Agency's six year programme in 2015 it was apparent that some Board representatives felt that insufficient notice had been given of the need to vote on the matter this year. The discussion went on to conclude that the Board members present would be content to approve the proposed changes remotely, in time for the subsequent vote at the meeting of the Severn and Wye Regional Flood and Coastal Committee on the 8th January 2019, subject to further clarification on the proposed changes.

With this in mind, the table below sets out how the precept and foreign water contribution has changed for the Lower Severn Internal Drainage Board since the approval in principle in 2015.

| Year | Precept, £ | Foreign Water Contribution, £ | Net Precept / FWC, £ |
|------|------------|-------------------------------|----------------------|
| 2015 | 193,651 | 151,495 | 42,156 |
| 2016 | 197,603 | 154,587 | 43,016 |
| 2017 | 201,556 | 157,687 | 43,869 |
| 2018 | 205,587 | 160,841 | 44,746 |

You will note, this year, that proposed changes result in a net increase in cost to the Board of £877. I trust that this gives you sufficient information with which to confirm that changes for 2018 are acceptable on the Board's behalf, and would ask that you respond to this letter by Friday 21st December 2018. This will allow us time to collate responses and take them to the January meeting of the Regional Flood and Coastal Committee for approval.

If you require any further information, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'D Edwards', with a long horizontal flourish extending to the left.

David Edwards

Partnerships and Strategic Overview Team Leader

West Midlands (Covering Shropshire Herefordshire Worcestershire and Gloucestershire)

Environment Agency, West Midlands area, Hafren House, Welshpool Road, Shelton,
Shrewsbury, Shropshire, SY3 8BB

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www.gov.uk/environment-agency

**Minutes of the Engineering Committee
Of the Lower Severn (2005) Internal Drainage Board
Meeting held Wednesday 21st November 2018 at 10.30 am
At The Gables Hotel Falfield**

Present:

| | |
|----------------|----------|
| Mr Barnes | Chairman |
| Mr W J Cornock | |
| Mr T Cullimore | |
| Mr R Godwin | |
| Miss R Hewlett | |
| Mr Hyslop | |
| Mr P Goodey | |

Cllr J Jones
Mr I Ractliffe
Mr G Simms
Mr R Thatcher

Staff:

| | |
|---------------|------------------------|
| Martin Dear | Accounts Officer |
| James Druett | Land Drainage Engineer |
| James Thomas | Civil Engineer |
| Kieran Warren | Principal Officer |
| Sue Williams | Minutes |

AO
LDE
CE
PO

| | | |
|-------|---|---|
| 2771. | Appointment of Engineering Committee Chairman Resolved that: <ul style="list-style-type: none"> Mr Barnes was appointed Committee Chairman for the ensuing year. | |
| 2772. | Apologies No apologies were received. | |
| 2773. | Declarations of Interest No interests were declared. | |
| 2774. | Minutes of Previous Engineering Committee Meeting It was resolved that: <ul style="list-style-type: none"> The minutes of the Engineering Committee meeting held 10th May 2018 were approved as an accurate record of that meeting. | |
| 2775. | Biosecurity Policy & Procedures ADA had produced a model policy and procedure to address the spread of invasive plant species. The PO had adapted the model to complement the Biodiversity Action Plan that had been adopted by the Board (minute 2523 refers). The LDE confirmed that Japanese Knotweed had become more evident in recent years, particularly in the south of the Board's area. The policy and procedure addressed the following: <ul style="list-style-type: none"> Notifying staff, regulators, contractors and landowners when invasive non-native species are found; Advising these parties on the appropriate course of action; Recording the incidence of infestation and actions taken; Decontaminating clothing, protective equipment, tools and machinery as appropriate; and Training staff so that they can identify invasive species and take appropriate action as directed by the Civil Engineer. It was resolved that: <ul style="list-style-type: none"> The policy and procedure appended to these minutes be referred to the Board for approval. | Action 1 Add to the Board agenda for approval policy Appendix 1 |

| | | |
|-------|---|---|
| 2776. | <p>Machinery Replacement Programme</p> <p>The LDE explained that at the Engineering Committee meeting held 22nd November 2017 he was instructed to prepare a replacement programme based on engine hours rather than a fixed term replacement. Having considered the two programmes the LDE concluded that 7,000 engine hours was a rational benchmark for replacement. He had produced for members a programme that applied this approach. Most of the Board's plant completed 1,000 hours per annum. There were 3 machines that were used seasonally that could be pushed back to be replaced every nine years rather than every seven years based on engine hours. He had also taken into account peaks and troughs of expenditure in each financial year.</p> <p>Mr Simms supported the revised programme and said that it should be kept under review as information and experience was gathered.</p> <p><u>Energreen 1500 AU11 HCH</u></p> <p>The Committee had deferred this replacement in 2018/19 for one year, owing to low hours. The LDE recommended that a replacement should be deferred for another year when he would expect the machine to have accumulated 6,000 hours. He did not want to replace this machine any later than this as it would clash with other replacements and create a financial spike in the programme.</p> <p><u>New Holland 3.6 wheeled Excavator WX09 FYF</u></p> <p>The LDE had looked at replacement options for this machine. New Holland had discontinued the model. He reported he had only found one model that fitted the Board's requirements for weight, reach and stability; JCB Hydradig. The LDE hoped to have the machine on demonstration before he could make a commitment.</p> <p>Mr Cullimore asked if these machines came with an extended warranty. He suggested that a warranty extended by four years with a high excess would cover major repairs and may be attractive to the Board. The LDE undertook to check the insurance options prior to purchase.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The Energreen 1500 be replaced in 2020/21. • The New Holland 3.6 wheeled excavator be replaced in 2019/20 with a JCB Hydradig subject to a working demonstration of this machine satisfying the LDE it is suitable for the Board's requirements. | <p><u>Action 2</u></p> <p>LDE to investigate extended warranty on new machinery purchases</p> |
| 2777. | <p>De-maining</p> <p>The Board had accepted the principal of de-mainment at the meeting held 27th June 2018 (minute 2683 refers). The Engineers were tasked to formulate a strategy to assess the rivers for de-mainment.</p> <p>The CE reported that they had identified 83 km of low priority watercourses that could be demoted for less frequent maintenance. This would free resources to maintain the 16.2 km of proposed de-mained watercourse namely: Longdon Brook, Tirley Main Drain and Wicksters/Capehall Brook</p> <p>If the Board wished to proceed the EA would be formally requested to begin the process of de-mainment. The CE recommended that a provision of £30,000 be budgeted in 2019/20 to enable the Engineers to commission surveys such as the structure, condition and ecology of each watercourse in order to progress the application.</p> <p>The CE explained that the Engineering Committee could approve this budget but he felt the decision should be ratified by the full Board as it represented a strategic change of maintenance policy.</p> | |

| | | |
|-------|---|--|
| | <p>Members questioned whether the EA should fund the survey works. The CE said that de-mainment would not happen if the Board did not undertake the necessary surveys.</p> <p>Mr Simms was concerned that the proposed strategy would not incur additional costs. The CE replied that the strategy should not increase the maintenance budget but there could be extra capital expenditure on structures that the Board may have to commit to; this would not be known until the survey works had been completed.</p> <p>Regarding the transfer of EA resources; the CE explained that the EA categorised these watercourses as low priority, as they only protected agricultural land and therefore there was no budget to transfer.</p> <p>Some members were concerned about mowing the low priority watercourses less frequently.</p> <p>Members debated whether there were benefits of applying for all three watercourses or singly. The CE advised that to apply for them individually would be a long-drawn-out process that could take years.</p> <p>Mr Hyslop asked whether Worcestershire Wildlife Trust had already completed an ecological survey where they owned land alongside the Longdon Brook.</p> <p>The CE explained that riparian owners involved on a watercourse had very different objectives and it would be difficult to find a balance that accommodated all the interested individuals.</p> <p>A majority were in favour of the recommendations There were no objections.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> • The Environment Agency be formally approached to consider the de-maining of the Longdon Brook, Tirley Main Drain, and the Wicksters/Capehall Brook. • A budget of £30,000 be provided in the financial year 2019/20 for the commissioning of surveys required to process a de-mainment application, to be ratified by the Board. | <p><u>Action 3</u> Add to the Board agenda for ratification</p> |
| 2778. | <p>Production of Capital Programme</p> <p>In accordance with Minute 2693 the PO had produced a draft Capital Programme. He explained that this was a working document. The plan included the pump replacement programme and machinery replacement programme. In consultation with the Engineers and Accounts Officer, eight new projects had been added that could be considered once the pump replacement programme had been completed.</p> <p>The PO had also proposed assessment criteria to evaluate the merits and benefits of each project and prioritise the schemes. He envisaged there would be several drafts for the Committee to consider before a final version was accepted by the Board</p> <p>The AO explained that the £350k per annum that had been generated from rates to fund the pump replacement programme could be used to finance the Capital Programme, if members decided to adopt the programme.</p> <p>Mr Hyslop was mindful that the pump replacements programme was just underway and it was too early to know what the final expenditure would be.</p> <p>Mr Simms stated that the Board needed to consider the future and that this programme would start a healthy process and debate.</p> | <p><u>Action 3</u> The Capital Programme to include a brief description of</p> |

| | | |
|--------------|---|------------------|
| | <p>It was resolved that:</p> <ul style="list-style-type: none"> (1) The format and proposed assessment criteria for the Capital Programme, as set out at Appendix 2, be referred to the Board for approval; (2) All Members be invited to propose projects for inclusion in the Programme (3) The Capital Programme be included on all Committee agendas at least on an annual basis. (4) The Capital Programme be included as a standard item on the agenda for all future Engineering Committee meetings so that information can be regularly updated and progress monitored. (5) The Engineering Committee continue to manage the Programme on behalf of the Board. | the new projects |
| 2779. | <p>Gloucestershire NFU Severn Estuary Stakeholders Meeting</p> <p>The Engineers and Members from the Board had attended a recent meeting of this group.</p> <p>Representatives from the EA Midlands and Wessex regions informed attendees that the EA had reviewed their approach to the maintenance of outfalls between Avonmouth and Sharpness and in future would take a re-active approach. CCTV would be installed to monitor the outfalls and the EA would respond when an outfall did not operate.</p> <p>Members that attended had considered that this could be an improvement on the current situation.</p> | |
| 2780. | <p>EA/IDB Liaison Meeting</p> <p>THE LDE had raised the Board's concerns at the Liaison Meeting with regard to Hill Pill and Arlingham Pill.</p> | |
| | The meeting closed at 11.55 am | |

Lower Severn (2005) Internal Drainage Board]

Biosecurity Policy

PURPOSE

This document sets out the Biosecurity Policy of the Lower Severn IDB. It covers activities undertaken by the IDB on a daily basis to reduce the spread and damage from invasive non-native species.

It is intended that the Board's staff and contractors will follow procedures commensurate with this Policy.

POLICY STATEMENT

Invasive non-native species are widespread nationally and if left uncontrolled present a threat to our aquatic and riparian systems. It is imperative that our field operations to manage flood risk and water levels do not exacerbate the risks to the environment and economy that are posed by these species. Failure to minimise the spread of invasive non-native species, when visiting a site where an invasive non-native species is known to be present, can risk prosecution under the Wildlife & Countryside Act 1981.

Vigilance is required if we are to stop the spread of invasive non-native species, and it is imperative that we integrate basic biosecurity in our operations to prevent this spread. Much to do with biosecurity involves awareness, common sense and agreed procedures.

RESPONSIBILITIES

The Board is responsible for reviewing and approving the content and implementation of this Policy.

The Board will ensure any new contracts let will include reference to the Policy where a risk is considered to exist arising from the works involved.

All Board Members, staff and contractors are required to comply with the Policy's requirements and share responsibility for performance in implementing the Policy in regard to the health, safety and welfare of the environment.

IMPLEMENTATION

This Policy is implemented through supporting guidance documentation covering biosecurity procedures.

Where biosecurity risks have been identified operational Staff will be provided with training and information on identification of invasive non-native species likely to be found within the Drainage District.

All operational machinery, tools and personal protection equipment (PPE) identified as at risk of cross-contamination will be subject to 'check, clean, dry' decontamination procedures before moving between operations on watercourses and sites.

All Operational Staff will report sightings of invasive non-native species to the Board's Civil Engineer or the GB Non-Native Species Secretariat directly.

APPROVAL

This Policy was approved by the Board on 6 February 2019. This Policy will be reviewed, at a minimum, every five years.

Lower Severn (2005) Internal Drainage Board

Biosecurity Procedures

PURPOSE

These procedures aim to help Board members, staff, and operators working for the IDB to identify key biosecurity risks pertinent to the internal drainage district and the Board's activities, and identify measures to address these risks.

Accidentally spread invasive non-native species may be harmful to the environment and potentially damaging the reputation of the Board, compromising its ability to operate, or work with partners. Operators visiting a site where an invasive non-native species is known to be present, should take measures to ensure they do not spread it. Failure to do so can risk prosecution under the Wildlife & Countryside Act 1981.

OBJECTIVES

- Increase awareness around invasive non-native species via training.
- Identify, and keep a record of, known areas where invasive non-native species are an issue.
- Ensure effective cleaning of equipment, machinery, and clothes.
- Ensure operators take care to avoid transporting water and material between water bodies where a risk has been identified.
- Ensure ongoing monitoring of invasive non-native species when undertaking operations.
- Remain vigilant when undertaking operations to identify any further areas where invasive non-native species exist.

RESPONSIBILITIES

Awareness

The Civil Engineer will have oversight of biosecurity, disseminate information, and report on these matters.

The Board's staff will be encouraged to seek information on invasive non-native species and biosecurity practices. The Environment Agency and Non-native Species Secretariat have relevant useful information.

If a risk is identified then the operator concerned or contractor should be made aware of the priority invasive non-native species, with specific attention to aquatic and riparian species of concern and those known to be present in the surrounding area. Training for staff and operatives shall be provided as appropriate, and information will be disseminated through toolbox talks, workshops, leaflets, emails etc. Contractors should be asked to confirm that they have similar arrangements in place.

Signage, species alerts/information sheets, or guidance should be in place, making operators aware of the risks, and providing advice on how to prevent spread.

Monitoring

Operators should be vigilant in the field for invasive non-native species and have an appropriate mechanism for recording and reporting sightings of suspected species, location, and relevant details.

New sightings should be reported to the Civil Engineer and other authorities and/or land managers as appropriate. The PlantTracker app (www.plantracker.org.uk/), available free for Apple and Android devices, shows you how to identify invasive non-native plant species and enables you to easily submit geo-located photos whenever you find one.

Planning works

Biosecurity should be taken into consideration alongside other factors, such as health and safety, when planning operations and standard working procedures.

The risk of spreading invasive non-native species can be reduced by reducing the contact time in which equipment is exposed to the water. This is particularly important for items such as trailers, which have cavities that may retain water and be hard to inspect.

Propagules are small bits of plant that become detached and give rise to a new plant. Working practices that either reduce, or contain and remove, propagules should be encouraged where practicable, especially in regards to mechanical vegetation control.

Cleaning

Remember: Check, Clean, Dry - www.nonnativespecies.org/checkcleandry/

Decontamination is an essential process to be carried out prior to leaving a site where invasive species are present. This ensures that any foreign matter remains on the land/watercourse of origin, rather than taking it to another location.

Where it is not possible to conduct the decontamination prior to leaving the land/watercourse where the work was conducted (e.g. steam cleaning larger equipment), the operation should be carried out immediately afterwards at the depot or another secure site before the next operation.

Where a cross contamination risk has been identified any field team moving from a contaminated site should carry a 'disinfection box'. This should contain an appropriate commercial disinfectant, a spray bottle, cloths or sponges, a scrubbing brush and protective gloves.

On completion of a field operation, for situations where cross contamination is identified as a risk, the following principles apply:

1. Visually inspect all tools, equipment and machinery that has come into contact with the water for evidence of attached plant or animal material, or adherent mud or debris.
2. Remove any attached or adherent material before leaving the site of operation.
3. Washing/hosing with water will be sufficient to remove debris from most tools, equipment and machinery. Use hot water where possible.
4. Ensure that all water is drained from any water retaining compartments, outboard motors, tanks and other equipment before transportation elsewhere.
5. A high pressure washer or steam cleaner may be essential for more difficult stains or soil, paying particular attention to the tyres, tracks and undercarriage of vehicles and buckets, hulls, outboard motors and submerged parts of machinery. High-pressure steam cleaning, with water >40°C, is recommended for larger equipment, excavators, boats, trailers, and outboard motors that are being moved from one watercourse to another.
6. Clothing and PPE should be visually inspected and any attached vegetation or debris removed. Soiled clothing and PPE should be removed for laundering and boots scrubbed clean; hands and other body parts may also need cleaning.
7. Finally, decontamination by spraying on a commercial disinfectant at the recommended strength to the cleaned boots, tools, equipment or machinery will ensure any remaining disease agents or pests are destroyed.

Every effort should be made to ensure that the decontamination process is a public exercise and where appropriate tactfully brought to the attention of the land owner or manager at the appropriate time. It is not just a question of doing the right thing but also being seen to be doing it. In this way, public confidence will be maintained in flood and water level management operations.

APPROVAL

These procedures were adopted on 6 February 2019.

Appendix 2

Assessment Criteria

In order to ensure consistency and fair consideration for all potential projects, it will be helpful to identify and agree the criteria by which these projects will be judged prior to their inclusion in the programme. The following criteria are proposed:

1. The number of residential, agricultural and commercial properties that will enjoy greater flood protection benefits.
2. The area of farmland that will enjoy greater flood protection benefits.
3. The status of the land, ie where it is designated as a RAMSAR, SPA or SSSI site, the site of a Scheduled Ancient Monument or supports the implementation of the Board's Biodiversity Action Plan.
4. The extent (if any) to which the project assists the Board in the discharge of its statutory responsibilities.
5. The ongoing maintenance costs of the project (if any) post-completion.
6. The extent to which the Board's general maintenance programme might reduce as a result of the proposed works.
7. Confirmation of the Board's ability to finance the project in the proposed timescale.
8. The availability of external funding to support the financing of the works.
9. Where it can be measured, the Return On Investment for the project.

These principles should also govern the priority attached to each project. Should the Board need to respond urgently to a flooding event, then funds may have to be diverted from the Capital Programme. In such a case slippage might be unavoidable.

LSIDB PROJECTS 2019/20 - 2025/26

| PROJECT | BENEFITS | NET COST ESTIMATE £k | MAINTENANCE IMPLICATIONS + OR - | TIMESCALE | RETURN ON INVESTMENT | COMMENTS Description of scheme Criteria met |
|--|---|------------------------------|---------------------------------------|--|-------------------------|---|
| Plant + Vehicles Tractor/mower | Health & Safety and Efficiency | 140* | | 2021/22 | | Offset by sale of old m/c |
| Excavator | Health & Safety and Efficiency | 90* 130* 110* | | 2019/20 2021/22 2023/24 | | Offset by sale of old m/c |
| Vehicles | Health & Safety and Efficiency | 25* 25* | | 2023/24 2024/25 | | Offset by sale of old m/c |
| Spearhead m/cs | Health & Safety and Efficiency | 170* 360* 260* | | 2020/21 2022/23 2024/25 | | Offset by part exchange |
| Pumping Stations Renewals | Statutory, Environmental and Efficiency | 200* 225* 250* 275* | | 2019/20 2020/21 2021/22 2022/23 | | |
| Drainage Schemes | | | | | | |
| Hill Pill outfall | | 75 | | | | Survey work approved |
| Aust/Olveston | | 500 | | ? | | |
| Demainment works | | 30 | | 2019/20 | | |
| Cornham | | 500 | | ? | | |
| Rea Lane pumps | | 250 | | ? | | |
| Epney | | | | ? | | |
| Rockhampton | | | | ? | | |
| Renew office and workshop | | 400 | | ? | | |

* Sum already budgeted.

REF: MD

REPORT BY: Accounts Officer

ACCOUNTS OFFICER REPORTS

Introduction

The supporting information for items listed below are included in this section of the papers.

1. 2nd Quarter Management Accounts - 1 April 2018 to 30th September 2018.

The management accounts to 30th September 2018 shows a projected surplus of £10,743. This is against a budgeted surplus of £5,133. A positive variance of £5,610. The supporting notes explains the reasons for the variance.

2. Forecast results for the year ended 31st March 2019.

The outturn forecast shows a predicted surplus of £16,285. This is against a budgeted surplus of £17,460. A negative variance of £1,175. The supporting notes explains the reasons for the variance.

3. Draft Budget for 2019/20

The draft budget shows a deficit of £21,853. It is proposed that the deficit will be met from Reserves. The draft budget assumes that the rate and levy is increased from 8.5p to 9.0p. The supporting notes explains the proposed increases/decreases in income and expenditure from the previous year.

4. Capital Expenditure for 2018/19 and 2019/20

The supporting papers include the proposed Capital Expenditure for 2019/20 and the actual Capital Expenditure in 2018/19 to 30th September 2018.

5. Apportionment between Charging Authorities

The annual values have been calculated as at 31 October 2018. This apportions the Special Levies between the Charging Authorities and the amount to be collected from the Agricultural Rate. A rate of 9.0p is illustrated.

6. Medium Term Financial Plan 2019/24

The Medium Term Financial Plan 2019/24 shows the following:

- In 2019/20 a deficit of £24,000;
- In 2020/21 a surplus of £23,000;
- In 2021/22 a deficit of £7,000;
- In 2022/23 a deficit of £26,000;
- In 2024/25 a surplus of £2,000.

The supporting notes explains the proposed/anticipated increases in income and expenditure for the next five years.

7. Cash Flow to April 2019

The projected cash flow to April 2019 shows a projected cash balance of £1,082,000 at the end of this year.

8. Developers Funds as at 30th September 2018

The schedule of Developers Funds shows the estimated balances as at 31st March 2019 and 31st March 2020.

Actions

For the meeting of the F&GP Committee on 23 January 2019 the following will be updated:

- Management Accounts - 1 April 2018 to 30th November 2018;
- Forecast results for the year ended 31st March 2019;
- Draft Budget for 2019/20;
- Capital Expenditure for 2018/19 and 2019/20;
- Apportionment between Charging Authorities;
- Medium Term Financial Plan 2019/24;
- Cash Flow to April 2019;
- Developers Funds as at 30th November 2018.

Recommendations

That the following reports be noted:

1. 2nd Quarter Management Accounts - 1 April 2018 to 30th September 2018;
2. Forecast results for the year ended 31st March 2019;
3. Draft Budget for 2019/20;
4. Capital Expenditure for 2018/19 and 2019/20;
5. Apportionment between Charging Authorities;
6. Medium Term Financial Plan 2019/24;
7. Cash Flow to April 2019;
8. Developers Funds as at 30th September 2018.

Martin Dear

Accounts Officer

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

BALANCE SHEET AS AT 30 SEPTEMBER 2018

| | Note | £ | 30/09/18 £ | 30/09/17 £ | Variance £ | 31/03/18 £ | Variance £ |
|--|------|-----------------|------------------|-------------------|----------------|------------------|---------------|
| FIXED ASSETS | | | | | | | |
| Fixed Assets | 1 | <u>753,177</u> | 753,177 | 848,956 | -95,779 | 787,465 | -34,288 |
| LONG TERM ASSETS | | | | | | | |
| Investments | | <u>604,445</u> | 604,445 | 579,172 | 25,273 | 573,801 | 30,644 |
| CURRENT ASSETS | | | | | | | |
| Stock +WiP | | 55,165 | | 51,032 | 4,133 | 53,208 | 1,957 |
| Trade debtors | | 2,100 | | 2,186 | -86 | 917 | 1,183 |
| Drainage rate debtors | | 292 | | 4,553 | -4,261 | 0 | 292 |
| VAT Claim | | 5,851 | | 4,346 | 1,505 | 5,289 | 562 |
| Prepayments | | 18,709 | | 1,834 | 16,875 | 35,660 | -16,951 |
| Cash at bank and in hand | | 1,233,175 | | 428,471 | 804,704 | 975,669 | 257,506 |
| Short term deposits | | <u>0</u> | | <u>500,000</u> | -500,000 | <u>400,225</u> | -400,225 |
| | | | 1,315,292 | 992,422 | 322,870 | 1,470,968 | -155,676 |
| CURRENT LIABILITIES | | | | | | | |
| Trade Creditors | | -36,551 | | -27,883 | -8,668 | -20,577 | -15,974 |
| Other Creditors | | -33,395 | | -28,056 | -5,339 | -25,697 | -7,698 |
| Accrued expenses | | -515 | | 0 | -515 | -10,025 | 9,510 |
| Finance Leases due within one year | | -886 | | 0 | -886 | -886 | 0 |
| Prepaid Rates | 2 | -55,145 | | -53,393 | -1,752 | 0 | -55,145 |
| Prepaid Levies | 2 | -9,090 | | -13,165 | 4,075 | -328,782 | 319,692 |
| Prepaid Severnside | | <u>-20,600</u> | | <u>0</u> | -20,600 | <u>0</u> | -20,600 |
| | | | -156,182 | -122,497 | -33,685 | -385,967 | 229,785 |
| NET CURRENT ASSETS | | | 1,159,110 | 869,925 | 289,185 | 1,085,001 | 74,109 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 2,516,732 | 2,298,053 | 218,679 | 2,446,267 | 70,465 |
| LONG TERM LIABILITIES | | | | | | | |
| Finance Leases | | -533 | | -1,504 | 971 | -1,016 | 483 |
| Pension scheme deficit | | <u>-954,000</u> | | <u>-1,097,000</u> | 143,000 | <u>-954,000</u> | 0 |
| | | | -954,533 | -1,098,504 | 143,971 | -955,016 | 483 |
| NET ASSETS | | | 1,562,199 | 1,199,549 | 362,650 | 1,491,251 | 70,948 |
| FINANCED BY: | | | | | | | |
| CAPITAL ACCOUNT | | | 666,569 | 666,569 | 0 | 666,569 | 0 |
| INCOME AND EXPENDITURE ACCOUNT | | | | | | | |
| Balance brought forward | | 523,570 | | 477,926 | 45,644 | 477,926 | 45,644 |
| Net surplus for the 6 months | | <u>10,743</u> | | <u>-8,235</u> | 18,978 | <u>45,644</u> | -34,901 |
| | | | 534,313 | 469,691 | 64,622 | 523,570 | 10,743 |
| Developer (Commutated Sums) Reserve | | | 832,729 | 799,025 | 33,704 | 843,235 | -10,506 |
| Revaluation Reserve | | | 144,583 | 146,042 | -1,459 | 146,042 | -1,459 |
| Pump Station Reserve | 3 | | 338,005 | 215,222 | 122,783 | 265,835 | 72,170 |
| Pension Reserve | | | -954,000 | -1,097,000 | 143,000 | -954,000 | 0 |
| | | | 1,562,199 | 1,199,549 | 362,650 | 1,491,251 | 70,948 |

Notes

1. Fixed Assets include purchases, sales and depreciation for 6 months to 30 September 2018.
 2. In all cases the balance sheet has been adjusted to reflect receipts and payments made in advance of the period earned or due.
 3. This Reserve is held as cash and increases by £14,583 each month.
- There is a corresponding monthly charge in the income and expenditure account.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

INCOME AND EXPENDITURE 6 MONTHS TO 30 September 2018

| Income | Note | Actual | Budget | Variance | 30 September 2017 | Variance |
|-------------------------------|------|----------------|----------------|---------------|----------------------|----------------|
| | | £ | £ | £ | £ | £ |
| Levies charged to Authorities | 1 | 592,581 | 592,581 | 0 | 566,171 | 26,410 |
| Agricultural Rates | 1 | 55,144 | 55,149 | -5 | 53,393 | 1,751 |
| Rechargeable works | | 10,704 | 8,000 | 2,704 | 6,397 | 4,307 |
| Application fees | | 2,300 | 0 | 2,300 | 400 | 1,900 |
| Consultancy Fees Recharged | | 9,600 | 0 | 9,600 | 0 | 9,600 |
| Surplus on sale of assets | | 605 | -158 | 763 | 3,249 | -2,644 |
| Miscellaneous Income | | 0 | 600 | -600 | 120 | -120 |
| Foreign Water Grant | | 80,421 | 80,421 | 0 | 78,840 | 1,581 |
| Severnside drawdowns | 1 | 20,600 | 20,600 | 0 | 26,000 | -5,400 |
| Interest | | 1,112 | 750 | 362 | 463 | 649 |
| Total | | 773,067 | 757,943 | 15,124 | 735,033 | 38,034 |
| Expenditure | | | | | | |
| Payroll | 2 | 345,799 | 342,794 | -3,005 | 320,725 | -25,074 |
| Office maintenance | | 10,947 | 11,050 | 103 | 12,781 | 1,834 |
| Maintenance | 3 | 185,303 | 177,480 | -7,823 | 175,109 | -10,194 |
| EA Levy | | 102,794 | 102,794 | 0 | 100,777 | -2,017 |
| Motor travel and subsistence | | 10,667 | 10,031 | -636 | 9,394 | -1,273 |
| Communications | | 2,822 | 2,125 | -697 | 1,859 | -963 |
| Administration | 4 | 15,932 | 18,250 | 2,318 | 19,176 | 3,244 |
| Engineering Consultancy fees | | 24,698 | 22,500 | -2,198 | 20,850 | -3,848 |
| M49 culvert consultants fees | | 0 | 0 | 0 | 6,000 | 6,000 |
| Legal and professional fees | | 1,734 | 3,000 | 1,266 | 3,764 | 2,030 |
| Audit and Accountancy fees | | 0 | 0 | 0 | 2,113 | 2,113 |
| Depreciation | | 60,128 | 61,586 | 1,458 | 69,530 | 9,402 |
| Bank charges | | 1,500 | 1,200 | -300 | 1,190 | -310 |
| Total | | 762,324 | 752,810 | -9,514 | 743,268 | -19,056 |
| Surplus for 6 months | | 10,743 | 5,133 | 5,610 | -8,235 | 18,978 |

Notes on Variances

The results for 6 months show a surplus of £10,743 against a budget surplus of £5,133.

The major reasons for the variances are:-

1) In all these cases the income and expenditure has been included for the 6 months irrespective of when the monies are received or paid. The appropriate adjustments are made on the balance sheet.

2) Payroll - Increase due to pay awards.

3) Maintenance costs analysis is as follows:

| | Actual £ | Budget £ | Variance £ | Explanation of major variances |
|------------------------------|-------------|-------------|---------------|---|
| Plant Maintenance | 43,406 | 36,100 | -7,306 | Energreen, Bomford Mower and Claas Tractor repairs. Gates, pipes, posts, fill material and fencing. Installing Flap Valves at Oldbury (£3,715 recharged). |
| Maintenance Compensation | 1,006 | 500 | -506 | |
| Vehicle, Plant | 39,822 | 36,230 | -3,592 | Red Diesel (Gas Oil) Purchases |
| Workshop Fixtures & Fittings | 4,960 | 5,300 | 340 | |
| Pump Station Electricity | 5,123 | 8,250 | 3,127 | |
| Health & Safety | 3,486 | 3,600 | 114 | |
| Pump Station Reserve | 87,500 | 87,500 | 0 | |
| | 185,303 | 177,480 | -7,823 | |

4) Administration costs include £2,026 in respect of 2018/19 rates which are based on land holdings less than 125 AV and deemed uneconomical to collect.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Proposed Budget 2019/20

| | Budget 2018/19 8.5p | Predicted Out turn 2018/19 | Variance | Notes | Proposed Budget 2019/20 9.0p | Variance | Notes |
|--|---------------------------|----------------------------------|----------------|-------|---------------------------------------|----------------|-------|
| column | £ 1 | £ 2 | £ 3(2-1) | | £ 4 | £ 5(4-2) | |
| Income | | | | | | | |
| Levies charged to authorities | 1,185,162 | 1,185,162 | 0 | | 1,255,191 | 70,029 | 7 |
| Agricultural rate | 110,299 | 110,330 | 31 | | 116,790 | 6,460 | 7 |
| Foreign Water Grant | 160,641 | 160,641 | | | 163,854 | 3,213 | 14 |
| Rechargeable works | 20,000 | 20,000 | 0 | | 20,000 | 0 | |
| Application fees & wayleaves | 1,200 | 2,300 | 1,100 | 1 | 2,900 | 600 | |
| Plan checking fees | 0 | 0 | 0 | | 0 | 0 | |
| Eng. Consultancy recharged | 0 | 9,600 | 9,600 | 1 | 0 | -9,600 | 8 |
| Severnside capital drawdown | 20,600 | 20,600 | 0 | | 21,218 | 618 | 9 |
| Severnside maintenance drawdown | 20,600 | 20,600 | 0 | | 21,218 | 618 | 9 |
| Bank interest | 1,500 | 2,000 | 500 | 1 | 2,000 | 0 | |
| Miscellaneous income | 0 | 0 | 0 | | 0 | 0 | |
| Book profit (loss) on plant sales | -158 | 614 | 772 | 2 | 5,989 | 5,375 | 10 |
| Total | 1,519,844 | 1,531,847 | 12,003 | | 1,609,160 | 77,313 | |
| Expenditure | | | | | | | |
| Payroll | 673,511 | 686,620 | -13,109 | 3 | 743,301 | -56,681 | 11 |
| Office maintenance | 21,800 | 21,800 | 0 | | 22,475 | -675 | |
| Plant maintenance | 183,500 | 190,500 | -7,000 | 4 | 193,500 | -3,000 | 12 |
| EA Levy | 205,587 | 205,587 | 0 | | 209,699 | -4,112 | 13 |
| Motor, travel & subsistence | 20,862 | 20,862 | 0 | | 21,462 | -600 | |
| Communications | 4,250 | 4,250 | 0 | | 4,000 | 250 | |
| Administration | 36,100 | 36,100 | 0 | | 34,480 | 1,620 | 14 |
| Eng. Consultancy general | 45,000 | 45,000 | 0 | | 45,000 | 0 | |
| Eng. Consultancy recharged | 0 | 0 | 0 | | 0 | 0 | |
| Eng. Consultancy De-maining | 0 | 0 | 0 | | 30,000 | -30,000 | 15 |
| Legal & professional fees | 6,000 | 3,000 | 3,000 | 5 | 3,000 | 0 | |
| Audit & accountancy fees | 5,000 | 5,000 | 0 | | 5,000 | 0 | |
| Depreciation | 123,174 | 119,243 | 3,931 | 6 | 116,096 | 3,147 | 16 |
| Bank charges | 2,600 | 2,600 | 0 | | 3,000 | -400 | |
| Total | -1,327,384 | -1,340,562 | -13,178 | | -1,431,013 | -90,451 | |
| Transfer to pumping station reserve | -175,000 | -175,000 | 0 | | -200,000 | -25,000 | 17 |
| Surplus (deficit) to (from) General reserve | 17,460 | 16,285 | -1,175 | | -21,853 | -38,138 | |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Predicted out turn

2018/19

Notes

- 1 This reflects the activity in the year to 30 September 2018.
- 2 Net effect of the sale of the Norton trailer, the Nissan Navara and obsolete computer equipment being written off. Plus the sale of the Land Rover canopy.
- 3 Increase due to annual pay award and Fitter's pay review.
- 4 Plant Maintenance is going to be overspent due to machinery repair costs and the cost of Diesel. This is partly offset by pump station electricity costs being below budget.
- 5 This reflects the activity in the year to 30 September 2018.
- 6 The Depreciation charge lower than expected. This is due to an adjustment of the revaluation of Marshfield building and no unexpected purchases.

Proposed Budget

2019/20

Notes

The proposed budget indicates a deficit of £21,853 if the rate is increased to 9.0p.
An increase of 1p in the rate generates additional income of £152,000.

Each budget line has been reviewed in detail with particular emphasis on cost savings.

- 7 This figure indicates a levy increase to 9.0p. Agricultural rates based on 125 Annual Value and below are deemed uneconomic to collect. This is estimated to be £2,170 in 2019/20.
- 8 Income does not include any consultancy fees recharged in respect of any rechargeable work that might be carried out.
- 9 Severnside drawdowns are based on a 3% increase each year.
- 10 This is the assumed profit on sale of the New Holland Excavator.
- 11 Payroll assumes an annual pay award of 2% in July 2019.
- 12 Plant Maintenance has been increased to reflect the continued pressure on this budget.
- 13 The EA levy and the Foreign Water Grant will increase by 2% per annum.
- 14 Reduction in Subscriptions budget from £8,000 to £6,000. Reflects current position.
- 15 Provision for Eng. Consultancy Fees for De-maining project.
- 16 Depreciation Charge is low and will increase in future years as major plant and machinery purchases are made.
- 17 The transfer to the Pump Station Reserve has been increased to £200,000.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Capital Expenditure Budget 2018/19

| | Budget Purchases cost £ | Purchase cost £ | Sales book value £ | Proceeds of sale £ | Book profit on sale £ |
|---------------------------------------|----------------------------------|-----------------------|--------------------------|--------------------------|--------------------------------|
| Plant and Machinery | | | | | |
| Items not included in original budget | | | | | |
| Purchase of Bowser 950l Double Axle | | 3,525 | | | |
| Sale of Trailer Norton No.2 | | | 2 | 1,909 | 1,907 |
| | 0 | 3,525 | 2 | 1,909 | 1,907 |
| Office | | | | | |
| Items not included in original budget | | | | | |
| Write off - ECPC Core duo | | | 47 | | -47 |
| Write off - ECPC Core duo | | | 61 | | -61 |
| Write off - Server and Laptops | | | 1,460 | | -1,460 |
| Purchase - 2 Laptops and 1 Computer | | 1,765 | | | |
| | 0 | 1,765 | 1,568 | 0 | -1,568 |
| Motor Vehicles | | | | | |
| New Ford Ranger - WP18 GXY | 25,000 | 23,578 | | | |
| Sale of Nissan Navara OV57 FPK | | | 4,158 | 4,167 | 9 |
| | 25,000 | 23,578 | 4,158 | 4,167 | 9 |
| Total fixed asset changes | 25,000 | 28,868 | 5,728 | 6,076 | 348 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Capital Expenditure Budget 2019/20

| | Budget Purchases cost | Purchase cost | Sales book value | Proceeds of sale | Book profit on sale (loss) |
|--|-----------------------------|------------------|---------------------|---------------------|-------------------------------------|
| | £ | £ | £ | £ | £ |
| Plant and Machinery | | | | | |
| New Wheeled Excavator | 100,000 | | | | |
| Sale of New Holland Excavator WX09 FYF | | | 4,011 | 10,000 | 5,989 |
| | 100,000 | 0 | 4,011 | 10,000 | 5,989 |
| Motor Vehicles | | | | | |
| | 0 | 0 | 0 | 0 | 0 |
| Total fixed asset changes | 100,000 | 0 | 4,011 | 10,000 | 5,989 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

APPORTIONMENT BETWEEN CHARGING AUTHORITIES

| CHARGING AUTHORITIES LEVIES ANNUAL VALUES AS AT | | | Proposed | Previous | Increase due | Increase due | Total | |
|---|-------------------|---------------|------------------|------------------|--------------------|------------------|---------------|------|
| 31 October 2018 | | | Levy | Levy | to land transfers, | to levy and rate | Increase | |
| Charging Authorities | AV | Percentage | 2019/20 | 2018/19 | rates to levies | rise of 0.5p | | |
| | | | 0.09 | 0.085 | | | | |
| | | | £ | £ | £ | £ | £ | |
| Bristol City Council | 7,720,586 | 50.65 | 694,853 | 656,250 | 0 | 38,603 | 38,603 | |
| South Gloucestershire Council | 3,237,026 | 21.23 | 291,332 | 274,939 | 208 | 16,185 | 16,393 | |
| Stroud District Council | 1,596,563 | 10.47 | 143,691 | 135,708 | 0 | 7,983 | 7,983 | |
| Gloucester City Council | 729,073 | 4.78 | 65,617 | 61,971 | 0 | 3,645 | 3,646 | |
| Forest of Dean Council | 449,414 | 2.95 | 40,447 | 38,113 | 87 | 2,247 | 2,334 | |
| Herefordshire Council | 123,087 | 0.81 | 11,078 | 10,462 | 0 | 615 | 616 | |
| Tewkesbury Borough Council | 73,933 | 0.48 | 6,654 | 6,284 | 0 | 370 | 370 | |
| Malvern Hills District Council | 16,880 | 0.11 | 1,519 | 1,435 | 0 | 84 | 84 | |
| | 13,946,562 | 91.49 | 1,255,191 | 1,185,162 | 296 | 69,733 | 70,029 | 0.00 |
| Local Authorities | 13,946,562 | 91.49 | 1,255,191 | 1,185,162 | 296 | 69,733 | 70,029 | |
| Agricultural rates | 1,297,668 | 8.51 | 116,790 | 110,299 | 3 | 6,488 | 6,491 | |
| (per DRS) | 15,244,230 | 100.00 | 1,371,981 | 1,295,461 | 299 | 76,221 | 76,520 | 0.00 |

The final percentages will be based on 31 December 2018 annual values

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

MTFP (Medium Term Financial Plan)

A) Income and Expenditure

| | Rate - Pence in the Pound | | | | | | |
|--|-------------------------------------|-------------------------------------|---|---|---|---|---|
| | 8.5 | 9.0 | 9.5 | 10.0 | 10.5 | 11.0 | |
| | No Increase | Increase | | | | | |
| | Year 2019/20 Budget £000's | Year 2019/20 Budget £000's | Year 1 2020/21 Estimate £000's | Year 2 2021/22 Estimate £000's | Year 3 2022/23 Estimate £000's | Year 4 2023/24 Estimate £000's | Total all years 2020/24 £000's |
| Income (line10) | 1,532 | 1,609 | 1,701 | 1,765 | 1,858 | 1,924 | 7,249 |
| Expenditure (line 24) | 1,631 | 1,631 | 1,676 | 1,770 | 1,882 | 1,920 | 7,249 |
| Net surplus/-deficit (line 25) | -99 | -22 | 25 | -5 | -24 | 4 | 0 |
| Free reserves b/f (line26) | 540 | 540 | 518 | 543 | 538 | 514 | 518 |
| Free reserves c/f (line27) | 441 | 518 | 543 | 538 | 514 | 518 | 518 |
| Revenue reserve as % of expenditure | 27.07% | 31.74% | 32.37% | 30.39% | 27.29% | 26.95% | 7.14% |

B) Working Capital - Cash Flow

| | Year 2019/20 Budget £000's | Year 2019/20 Budget £000's | Year 1 2020/21 Estimate £000's | Year 2 2021/22 Estimate £000's | Year 3 2022/23 Estimate £000's | Year 4 2023/24 Estimate £000's | Total all years 2020/24 £000's |
|---------------------|-------------------------------------|-------------------------------------|---|---|---|---|---|
| Balances b/f | 720 | 720 | 718 | 689 | 585 | 416 | 718 |
| Net cash movement | -79 | -2 | -29 | -103 | -169 | 80 | -221 |
| Balances c/f | 641 | 718 | 689 | 585 | 416 | 497 | 497 |

C) Cash at Bank

| | Year 2019/20 Budget £000's | Year 2019/20 Budget £000's | Year 1 2020/21 Estimate £000's | Year 2 2021/22 Estimate £000's | Year 3 2022/23 Estimate £000's | Year 4 2023/24 Estimate £000's | Total all years 2020/24 £000's |
|-----------------------------|-------------------------------------|-------------------------------------|---|---|---|---|---|
| Working Capital | 641 | 718 | 689 | 585 | 416 | 497 | 497 |
| Pump Station Reserve | 178 | 178 | 50 | 300 | 189 | 489 | 489 |
| Developer Reserve | 185 | 185 | 142 | 97 | 51 | 4 | 4 |
| | 1,004 | 1,081 | 880 | 982 | 657 | 990 | 990 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Medium Term Financial Plan (MTFP)

| | | | Rate - Pence in the Pound | | | | | | |
|---|------|------|---------------------------|----------|----------|----------|----------|----------|-----------|
| | | | 8.5 | 9.0 | 9.5 | 10.0 | 10.5 | 11.0 | |
| Income and Expenditure basis | Line | Note | No Increase | Increase | | | | | |
| | | | YEAR | YEAR | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | Total |
| | | | 2019/20 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | all years |
| | | | Budget | Budget | Estimate | Estimate | Estimate | Estimate | 2020/24 |
| | | | £000's | £000's | £000's | £000's | £000's | £000's | £000's |
| Income | | | | | | | | | |
| Levies and charges to Authorities | 1 | 1 | 1,185 | 1,255 | 1,325 | 1,394 | 1,464 | 1,534 | 5,717 |
| Agricultural rates | 2 | 2 | 110 | 117 | 123 | 130 | 136 | 143 | 532 |
| sub total + | 3 | | 1,295 | 1,372 | 1,448 | 1,524 | 1,600 | 1,676 | 6,249 |
| Foreign Water Grant + Grant in aid | | 3 | 164 | 164 | 167 | 171 | 174 | 178 | 689 |
| Drawdown from Severnside funds | 5 | 4 | 42 | 42 | 43 | 45 | 46 | 47 | 181 |
| Other Income | 6 | | 23 | 23 | 20 | 20 | 20 | 20 | 80 |
| Bank interest | 7 | 5 | 2 | 2 | 2 | 2 | 2 | 2 | 8 |
| Surplus on sale of fixed assets | 8 | | 6 | 6 | 21 | 4 | 16 | 1 | 42 |
| sub total + | 9 | | 237 | 237 | 254 | 241 | 258 | 248 | 1,000 |
| total+ | 10 | | 1,532 | 1,609 | 1,701 | 1,765 | 1,858 | 1,924 | 7,249 |
| Expenditure | | | | | | | | | |
| Payroll | 11 | 6 | 743 | 743 | 758 | 773 | 788 | 804 | 3,124 |
| Office maintenance | 12 | | 22 | 22 | 22 | 22 | 22 | 22 | 88 |
| Maintenance plant and machinery | 13 | 7 | 194 | 194 | 204 | 214 | 225 | 236 | 878 |
| EA Levy | 14 | 3 | 210 | 210 | 214 | 218 | 223 | 227 | 883 |
| Motor travel and subsistence | 15 | | 21 | 21 | 21 | 21 | 21 | 21 | 84 |
| Communications | 16 | | 4 | 4 | 4 | 4 | 4 | 4 | 16 |
| Administration | 17 | 8 | 35 | 35 | 36 | 36 | 37 | 38 | 147 |
| Engineering consultancy fees | 18 | 9 | 75 | 75 | 45 | 45 | 45 | 45 | 180 |
| Legal and professional fees | 19 | | 3 | 3 | 3 | 3 | 3 | 3 | 12 |
| Audit and Accountancy fees | 20 | | 5 | 5 | 5 | 5 | 5 | 5 | 20 |
| Depreciation | 21 | 10 | 116 | 116 | 137 | 175 | 231 | 212 | 756 |
| Bank charges | 22 | | 3 | 3 | 3 | 3 | 3 | 3 | 12 |
| Transfer to pumping station reserve | 23 | 11 | 200 | 200 | 225 | 250 | 275 | 300 | 1,050 |
| total | 24 | | 1,631 | 1,631 | 1,676 | 1,770 | 1,882 | 1,920 | 7,249 |
| Net estimated +surplus -deficit | 25 | | -99 | -22 | 25 | -5 | -24 | 4 | 0 |
| Free reserves | 26 | b/f | 540 | 540 | 518 | 543 | 538 | 514 | 518 |
| Free reserves | 27 | c/f | 441 | 518 | 543 | 538 | 514 | 518 | 518 |
| Adjust for non cash items | | | | | | | | | |
| Depreciation | 28 | 10 | 116 | 116 | 137 | 175 | 231 | 212 | 756 |
| Surplus on sale on fixed assets | 29 | | -6 | -6 | -21 | -4 | -16 | -1 | -42 |
| Cash items not included | | | | | | | | | |
| Capital purchases net of sales receipts | 30 | 12 | -90 | -90 | -170 | -270 | -360 | -135 | -935 |
| Adjustment for cash flow purposes | 31 | | 20 | 20 | -54 | -99 | -145 | 76 | -221 |
| Net creditors/debtors | 32 | | 0 | 0 | | | | | |
| Net cash flow movement | 33 | | -79 | -2 | -29 | -103 | -169 | 80 | -221 |
| Working Capital | 34 | b/f | 720 | 720 | 718 | 689 | 585 | 416 | 718 |
| Working Capital | 35 | | 641 | 718 | 689 | 585 | 416 | 497 | 497 |
| Add pump station reserve | 36 | | 178 | 178 | 50 | 300 | 189 | 489 | 489 |
| Add Developer Reserve | 37 | | 185 | 185 | 142 | 97 | 51 | 4 | 4 |
| Bank balances | 38 | c/f | 1,004 | 1,081 | 880 | 982 | 657 | 990 | 990 |

Note:

- Proposed rates and levies increase.
- Agricultural rates - there will be a write off of £2,170 due to under 125 AV not collected.
- EA have informed the Board that a net annual payment of £45,000 will increase by 2% per annum
- Assumes a 3% increase per annum.
- Bank interest assumed at 0.5% on average annual balances
- Based on current headcount. 2.0% annual pay increase 2019 to 2024.
- Assumes a 5% increase in costs per annum.
- Assumes that Business Rates and Utility bills increase by 3% per annum.
- Includes £30,000 for De-maining surveys for 1 year only (2019/20).
- Depreciation is a non cash item and is added back for cash flow purposes.
- The transfer to the Pump Station Reserve increases by £25,000 per annum.
- Capital purchases/sales include :-
In 2019/20 Wheeled Excavator £100k less proceeds New Holland WX09 FYF £10k = £90k
In 2020/21 Energreen 1500, £200k less proceeds Energreen AU11 HCH £30k = £170k.
In 2021/22 Claas Mower £150k, less proceeds Claas 697 OU07 JXX £10k = 140k
New Holland Excavator £140k, less proceeds Hyundai WX12 CWL £10k = £130k. Total for the year £270k
In 2022/23 Energreen SPV3 £400k, less proceeds Energreen VX65 HVB £40k = £360k.
In 2023/24 New Kobelco Excavator £125k , less proceeds Kobelco Excavator WU16 TZM £15k = £110k.
New Isuzu £30k, less proceeds Isuzu WU17 NVD £5K = £25k. Total for the year £135k.
In 2024/25 Energreen SPV2 £300k, less proceeds Energreen VX65 HTA £40k = £260k
New Ford Ranger £30k, less proceeds Ford WP18 GXY £5K = £25k. Total for the year £285k.

Lower Severn (2005) Internal Drainage Board

| Cash | | Cash flow No 1 A/C NatWest | | | | | | | | | | | | |
|---------------------------|------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 2018 | | | | | | | | | | 2019 | | |
| | Note | Mar £ 000's actual | Apr £ 000's actual | May £ 000's actual | Jun £ 000's actual | Jul £ 000's actual | Aug £ 000's actual | Sep £ 000's actual | Oct £ 000's forecast | Nov £ 000's forecast | Dec £ 000's forecast | Jan £ 000's forecast | Feb £ 000's forecast | Mar £ 000's forecast |
| Balance b/f | | 391 | 100 | 233 | 139 | 62 | 74 | 100 | 67 | 43 | 27 | -58 | 294 | 289 |
| Other income | 3 | 18 | 1 | 6 | 9 | 16 | 2 | 3 | 7 | 7 | 9 | 7 | 7 | 7 |
| VAT | | 0 | 5 | 4 | 5 | 3 | 9 | 5 | 2 | 2 | 3 | 2 | 2 | 2 |
| Severnside | | 0 | 46 | 0 | 0 | 0 | 41 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Levies | 1 | 0 | 99 | 175 | 0 | 0 | 0 | 0 | 0 | 592 | 0 | 0 | 0 | 0 |
| Rates | 2 | 0 | 63 | 22 | 0 | 9 | 4 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| sub total | | 409 | 314 | 440 | 153 | 90 | 130 | 109 | 76 | 644 | 39 | -49 | 303 | 298 |
| Expenditure | 3 | -54 | -26 | -40 | -36 | -31 | -30 | -27 | -160 | -57 | -42 | -57 | -60 | -60 |
| Plant | | 0 | 0 | 0 | 0 | -29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EA Levy | | 0 | 0 | -11 | 0 | -11 | 0 | 0 | -11 | 0 | 0 | -11 | 0 | 0 |
| Transfer to No. 2 A/c | | -55 | -55 | -50 | -55 | -55 | -65 | -65 | -62 | -60 | -55 | -55 | -54 | -55 |
| Net transfers | 3 | -200 | 0 | -200 | 0 | 110 | 65 | 50 | 200 | -500 | 0 | 466 | 100 | 150 |
| sub total | | -309 | -81 | -301 | -91 | -16 | -30 | -42 | -33 | -617 | -97 | 343 | -14 | 35 |
| Balance c/f | | 100 | 233 | 139 | 62 | 74 | 100 | 67 | 43 | 27 | -58 | 294 | 289 | 333 |
| Other balances | | | | | | | | | | | | | | |
| NatWest | | | | | | | | | | | | | | |
| No 2 Account | | 31 | 32 | 29 | 30 | 29 | 33 | 32 | 31 | 31 | 31 | 31 | 31 | 31 |
| Bonus Saver | 4 | 529 | 529 | 729 | 729 | 619 | 554 | 599 | 934 | 934 | 934 | 468 | 368 | 218 |
| Lloyds | | 400 | 400 | 400 | 400 | 401 | 401 | 307 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deposit Accounts | | | | | | | | | | 500 | 500 | 500 | 500 | 500 |
| Total | | 960 | 961 | 1,158 | 1,159 | 1,049 | 988 | 938 | 965 | 1,465 | 1,465 | 999 | 899 | 749 |
| All LSIDB balances | | 1,060 | 1,194 | 1,297 | 1,221 | 1,123 | 1,088 | 1,005 | 1,008 | 1,492 | 1,407 | 1,293 | 1,188 | 1,082 |

The LSIDB balances include £265,835 of pumping station reserve at 31/03/2018. There are transfers to this reserve of £175,000 in 2018/19.

The forecast spend in year is £212,683. Forecast Pump Station Reserve at 31/03/2019 is £228,152.

Pump Station Reserve as at 30/09/2018 is £338,005.

From October All LSIDB balances includes Developers (Commuted Sums) cash.

1. Levies received May and November

2. Rates received in May

3. Income and Expenditure as per Budget profile.

4. Direct Bonus Saver account at NatWest earns 0.2% interest

Lower Severn (2005) Internal Drainage Board

Reconciliation of cash as per the Balance Sheet and the Cash Flow Statement

| | £ | £ |
|--|------------------|----------------|
| Balance Sheet as at 30 September 2018 | | |
| Cash at bank and in hand | 1,233,175 | |
| Less Petty Cash | <u>148</u> | |
| Cash at Bank | 1,233,027 | |
| Less: Cash Flow as at 30 September 2018 | <u>1,004,743</u> | |
| | | 228,284 |
| Developer (Commutated Sums) Reserve | 832,729 | |
| Less Investments (Smith & Williamson) | <u>604,445</u> | |
| | | <u>228,284</u> |
| Difference | | 0 |

Investments

| | As at 30 September 2018 |
|--|--------------------------------|
| | £ |
| Capital | |
| Amount through Smith & Williamson (net) | 500,000 |
| Market value | <u>596,231</u> |
| Change in value | 96,231 |
| Income | 8,194 |
| Total return | <u>104,425</u> |
| Portfolio return since 31 December 2017 | 0.56% |
| Note: Market Index Movements | 2.90% |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Developers Funds September 2018

| | £ |
|--|----------------|
| Balance at 1 April 2018 | 843,235 |
| Increase in value of investments | 30,624 |
| Interest received | 50 |
| Transfer to Board 2018/19 Maintenance and Capital | -41,200 |
| Estimated balance 31/03/2019 | <u>832,709</u> |
| Transfer to Board 2019/20 Maintenance and Capital | -42,436 |
| Estimated balance 31/03/2020 | <u>790,273</u> |

Payments to be **Noted****August 2018**

Payment Date From : 01/08/2018

Payment Date To : 31/08/2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|--|---|------------------------------------|
| Orchard Computer Services | Quarterly Maintenance Cover | 563.00 |
| Mr CJN Williams | C Williams - Mileages for 27/06/18 | 19.80 |
| TESCO | Water for office | 21.00 |
| Avon Hydraulics (UK) Ltd | BSP Plugs | 14.23 |
| CROMWELL GROUP HOLDINGS LTD | Hammer, Sockets, Wrench Set, Threadlocker | 135.08 |
| West Oils Environmental Ltd | Disposal of Oil | 116.40 |
| Mr CJN Williams | C Williams - Mileages for 18/07/18 | 23.40 |
| Konica Minolta Business Solutions (UK) Ltd | Quarterly hire of Photocopier | 83.88 |
| HM Land Registry | Land registry Search | 6.00 |
| DVLA | Licence for WO14 OEY | 165.00 |
| DVLA | Credit card fee | 2.50 |
| Electronic Partners | Shipping to Bomford | 6.90 |
| CROMWELL GROUP HOLDINGS LTD | Bin Liners & Rivets | 51.69 |
| CROMWELL GROUP HOLDINGS LTD | Safety Trainers | 84.00 |
| Orchard Computer Services | SDL Renewal | 118.80 |
| Bristol Wessex Billing Services Ltd | Water Bill | 62.19 |
| Pitney Bowes Ltd | Franking Machine Rental | 15.54 |
| Spearhead Machinery Ltd | Expansion Vessel for VX65 HTA | 467.35 |
| LISTER WILDER LTD | Reversing Camera for Ford Ranger | 98.40 |
| K J Conner & Son | Cleaning for July | 276.00 |
| Just Ecology Environmental Consultancy Ltd | Slimbridge WLMP | 4,680.00 |
| Certas Energy UK Ltd | 5836 litres Gas Oil | 3,914.78 |
| Konica Minolta Business Solutions (UK) Ltd | Quarterly printing charge | 114.31 |
| Moorepay Ltd | July Payroll Costs | 100.14 |
| GAP SUPPLIES | Plywood sheet & screws for Ford Ranger | 18.67 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| Avon Hydraulics (UK) Ltd | Hose assembly for Bomford Eagle Mower | 48.00 |
| Avon Hydraulics (UK) Ltd | Hose assembly for WX09 FYF | 54.00 |
| Spearhead Machinery Ltd | New Inlet Doc to VX65 HVB | Invoice FYI 5,760.00 |
| Spearhead Machinery Ltd | Site visit & Diagnose fault on VX65 HVB | 618.00 |
| CROMWELL GROUP HOLDINGS LTD | Hammer, Pliers, Wrench, Grafting Tools | 130.49 |
| Pirtek Gloucester | Hydraulic hose for VX65 HTA | 272.70 |
| TONY CULLIMORE SERVICES | Creosoted Stakes & Posts | 1,751.56 |
| TONY CULLIMORE SERVICES | Safety Boots | 79.99 |
| TONY CULLIMORE SERVICES | Barbed Wire | 278.98 |
| Miles Tyre & Exhaust Services | Replacement tyres for Ford Ranger | 618.00 |
| HYDRA ENGINEERING SERVICES LTD | Hydraulic Ram repair to VX65 HVB | 388.80 |
| Spearhead Machinery Ltd | Filter for AU11 HCH | 314.82 |
| Smiths (Gloucester) Ltd | Waste Management - Set up & Collections | 169.38 |
| TAILORMADE OFFICE SUP.LTD | A3 Paper, A4 Paper, Batteries & Post It Notes | 64.28 |
| Picksons | Flashing Lights for AU11 HCH & WP18 GXY | 111.00 |
| Picksons | Flashing Lights for AU11 HCH & WP18 GXY | 111.00 |
| Picksons | Strip Lamp for WP18 GXY | 53.40 |
| Picksons | Wiper blade for AU11 HCH | 29.40 |
| Citation Ltd | Legal Fees | 300.00 |
| FILTRATION LTD | Filters for WX12 CWL | 28.80 |
| Water Management Alliance | DRS Annual Maintenance 19/08/18 - 18/08/19 | 1,030.20 |
| SOUTH GLOUCESTERSHIRE COUNCIL | Business Rates | 732.00 |
| Pirtek Gloucester | Hose & swivel Joints for VX65 HTA | 129.19 |
| CROMWELL GROUP HOLDINGS LTD | Jobber Drill Bits | 8.16 |
| Plan Communications Ltd | Mobile Phone Bill | 224.62 |
| ZEN INTERNET LTD | Monthly Internet Charge | 46.50 |
| MERRETT D C | Transportation of WX12 CWL | 144.00 |
| PMC Fluidpower Ltd t/as Group HES | Motors for Bomford Eagle Mower | 450.43 |
| Hydroscand Ltd | Hose assembly for VX65 HTA | 23.94 |
| RPM Fuels & Tanks | 950L Double Axle Highway Tow Fuel Tank & Pump | 4,230.00 |
| RPM Fuels & Tanks | Carriage | 198.00 |
| Cablestream Ltd | Office phone line rental & calls | 86.39 |
| BRITISH TELECOM | Quarterly alternative phone line | 45.47 |

August 2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|------------------------|-------------------------|------------------------------------|
| Dual Energy Direct Ltd | Lapperditch Electricity | 16.71 |
| Dual Energy Direct Ltd | Office Electricity | 153.07 |
| Dual Energy Direct Ltd | Oldbury P/S Electricity | 24.41 |
| Dual Energy Direct Ltd | Saul Electricity | 12.12 |
| Dual Energy Direct Ltd | Wicks Green Electricity | 9.40 |
| | | <u>29,918.27</u> |

Please note that the amounts shown above include Vat where applicable

| | |
|--|------------------|
| Amount Paid this Period | 29,918.27 |
| Credits | <u>(9.40)</u> |
| Amount Paid this Period (Supplier Invoices) | 29,908.87 |

Bank Payments for August 2018

| | | |
|---------|--|---------------|
| NatWest | Bankline Charge | 108.60 |
| NatWest | Bank Charges (Rates Cheques Banked) | <u>65.37</u> |
| | Amount Paid this Period (Bank Payments) | 173.97 |

Total Amount Paid this Period - August 2018
£30,082.84

Payments to be **Noted****September 2018**

Payment Date From : 01/09/2018

Payment Date To : 30/09/2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|-----------------------------------|--|------------------------------------|
| Dual Energy Direct Ltd | Wicks Green Electricity | 0.01 |
| Eurocarparts | Filters for WN03 NVK | 0.03 |
| Information Commissioner's Office | Annual Data Protection Fee | 35.00 |
| Regency Hampers Ltd | Staff Welfare | 16.25 |
| Regency Hampers Ltd | Staff Welfare | 30.98 |
| Orchard Computer Services | Quarterly Maintenance Cover | 563.00 |
| RS COMPONENTS LTD | Fuse & Fuse Holders | 99.02 |
| Motion Consultants Ltd | General Consultancy advise for Jun 18 | 604.80 |
| Motion Consultants Ltd | Saul Pumping Station Project - Jun 18 | 3,374.60 |
| Tincknell Fuels Ltd | 6500 litres Gas Oil | 4,474.08 |
| Water Environment Ltd | Elmore Back P/S Strategic Modelling | Invoice FYI 5,202.00 |
| Water Environment Ltd | Elmore Back P/S Strategic Modelling | 208.00 |
| TAILORMADE OFFICE SUP.LTD | Rexel Shredder | 563.94 |
| Avon Hydraulics (UK) Ltd | Hydraulic hose assembly for WX09 FYF | 51.52 |
| LISTER WILDER LTD | Flashing Light & bolts for VX65 HVB | 91.04 |
| LISTER WILDER LTD | Filter & bolts for AU11 HCH | 52.68 |
| Halfords | Rubber mat for WP18 GXY | 20.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| Leader Air Conditioning Ltd | Annual Air Con Maintenance | 444.00 |
| K J Conner & Son | Cleaning for August | 276.00 |
| Claas Western Ltd | Long life Grease | 792.00 |
| Tincknell Fuels Ltd | 6000 litres Gas Oil | 4,187.52 |
| Electronic Partners | Parts for Bomford Mower | 21.79 |
| HM Land Registry | Land Registry Search | 6.00 |
| BRT Group | Timing belts for Normat Mower | 58.70 |
| AVON ALARMS LTD | Annual Maintenance on Intruder Alarm | 96.00 |
| Moorepay Ltd | Payroll costs for Aug 18 | 100.14 |
| MERRETT D C | Transportation of WX12 CWL | 180.00 |
| Hydroscand Ltd | 2 x hose assemblies for WX12 CWL | 34.96 |
| GAP SUPPLIES | Tube of Stixall | 6.42 |
| Picksons | Core cable for WP18 GXY | 50.63 |
| Smiths (Gloucester) Ltd | Waste Management for Aug18 | 32.88 |
| FILTRATION LTD | Filters for AU11 HCH | 73.69 |
| TAILORMADE OFFICE SUP.LTD | Lever Arch Files, Laminating Pouches, Planner | 60.76 |
| CROMWELL GROUP HOLDINGS LTD | Belts for Normat Mower | 94.61 |
| Motion Consultants Ltd | Saul P/S Contract for Jul 18 | 864.00 |
| Motion Consultants Ltd | General Consultancy Advise Severnside for Jul 18 | 1,152.00 |
| ZEN INTERNET LTD | Monthly Internet Charge | 46.50 |
| MERRETT D C | Transportation of WX12 CWL | 180.00 |
| SOUTH GLOUCESTERSHIRE COUNCIL | Business Rates | 732.00 |
| Citation Ltd | Legal Fees | 300.00 |
| Dual Energy Direct Ltd | Saul Electricity | 12.39 |
| Dual Energy Direct Ltd | Lapperditch Electricity | 15.11 |
| Dual Energy Direct Ltd | Marshfield Electricity | 19.58 |
| Dual Energy Direct Ltd | Elmore Back Electricity | 56.02 |
| Dual Energy Direct Ltd | Office Electricity | 296.33 |
| Dual Energy Direct Ltd | Oldbury P/S Electricity | 11.82 |
| Plan Communications Ltd | Mobile Phones Bill | 224.34 |
| Pirtek Gloucester | Hydraulic Hose for VX65 HTA | 172.76 |
| Hydroscand Ltd | Hydraulic hose for WX12 CWL | 81.88 |
| CROMWELL GROUP HOLDINGS LTD | Assort Screws , washers & bolts | 21.71 |
| Cablestream Ltd | Office phone line rental & calls | 89.35 |
| Glamorgan Telecom Ltd | Ext 224 pick up added | 54.00 |
| FENTON INSURANCE SOLUTIONS LTD | Adj - addition of WP18 GXY | 421.97 |
| | | 26,660.81 |

Please note that the amounts shown above include Vat where applicable

Bank Payments for September 2018

NatWest

Bankline Charge & Bank Charges

| | |
|--|------------------|
| Amount Paid this Period | 26,660.81 |
| t | (58.30) |
| Amount Paid this Period (Supplier Invoices) | 26,602.51 |
| Amount Paid this Period (Bank Charges) | 140.17 |

Total Amount Paid this Period**£26,742.68**

Payments to be **Noted****October 2018**

Payment Date From : 01/10/2018

Payment Date To : 31/10/2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|--------------------------------|---|------------------------------------|
| Mr J Nichols | J Nicholls - Mileages for 27/06/18 | 5.40 |
| Orchard Computer Services | Quarterly Maintenance Cover | 563.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| Glamorgan Telecom Ltd | Annual Maintenance 14/10/18 - 13/10/19 | 297.60 |
| Mr CJN Williams | C Williams - Mileages for 05/09/18 | 23.40 |
| RS COMPONENTS LTD | Spare plugs | 35.16 |
| Toolstop | 12V Ratchet Wrench Kit | 95.00 |
| Water Environment Ltd | Hydraulic Modelling Assessment for the Wave | Invoice FYI 11,856.00 |
| Mr BB Richards | B Richards - Mileages for 12/09/18 | 20.25 |
| Mr CJN Williams | C Williams - Mileages for 12/09/18 | 19.80 |
| Mr R Thatcher | R Thatcher - Mileages for 12/09/18 | 33.75 |
| HORE MR J | J Hore - Mileages for 12/09/18 | 10.80 |
| Thomas Silvey Ltd | 1500 litres Derv | 1,897.02 |
| The Gables Hotel | Room hire for 12/09/18 | 60.00 |
| Hydroscand Ltd | Spare O Rings for stock | 64.08 |
| Miles Tyre & Exhaust Services | Exhaust clamps for WP18 GXY | 9.00 |
| Reach Publishing Services Ltd | Election Notification in WDP | 261.24 |
| metals4U.co.uk | Steel for roof rack on WP18 GXY | 67.70 |
| Certas Energy UK Ltd | 6000 litres Gas Oil | 4,266.00 |
| M J Burgess Ltd | MOT on WN03 NVK | 54.00 |
| ARCO LTD | First Aid Kits, Burns Kit, Hand Wipes | 239.04 |
| ARCO LTD | Sandbags | 81.60 |
| Motion Consultants Ltd | General Consultancy Advice for Aug 18 | 768.00 |
| Motion Consultants Ltd | Saul Pumping Station | 983.92 |
| Galleon Supplies Ltd | Hand Towels | 187.50 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| M J Burgess Ltd | MOT on OV57 FPK | 54.00 |
| M J Burgess Ltd | MOT on VN62 RPY | 54.00 |
| ENGINEERING & HIRE LTD | Replacement parts for Ridding Buckets on WX09 FYF | 812.60 |
| ENGINEERING & HIRE LTD | Replacement parts for Ridding Buckets on AU11 HCH | 812.60 |
| ENGINEERING & HIRE LTD | Replacement parts for Ridding Buckets on WX12 CWL | 812.60 |
| ENGINEERING & HIRE LTD | Replacement parts for Ridding Buckets on WO14 OEY | Invoice FYI 812.60 |
| ENGINEERING & HIRE LTD | Replacement parts for Ridding Buckets on VX65 HTA | 812.60 |
| ENGINEERING & HIRE LTD | Replacement parts for Ridding Buckets on VX65 HVB | 812.60 |
| ENGINEERING & HIRE LTD | Replacement parts for Ridding Buckets on WU16 TZM | 812.71 |
| Pitney Bowes Ltd | Hire of Franking Machine for Aug & Sep 18 | 31.08 |
| HYDRA ENGINEERING SERVICES LTD | Hydraulic Ram Repair to WX09 FYF | 333.60 |
| ÇROMWELL GROUP HOLDINGS LTD | Assort screws, nuts, bolts, cable ties etc | 56.70 |
| Hydroscand Ltd | 2 x hose assemblies for VX65 HVB | 47.21 |
| BRT Group | Bearings & Seals for Mower | 405.38 |
| K J Conner & Son | Cleaning for September | 276.00 |
| Pirtek Bristol | Parts for WX09 FYF | 11.93 |
| Pirtek Bristol | Drum of Adblue | 23.94 |
| Hydroscand Ltd | Hose assembly for VX65 HVB | 38.63 |
| Mr K Withers | K Withers - Mileages for 26/09/18 | 13.50 |
| ClIr S Morgan | S Morgan - Mileages for 26/09/18 | 16.65 |
| Mr BB Richards | B Richards - Mileages for 26/09/18 | 20.70 |
| ClIr Bronwen Behan | B Behan - Mileages for 26/09/18 | 26.10 |
| ClIr P Awford | P Awford - Mileages for 26/09/18 | 31.50 |
| Mrs F Collins | F Collins - Mileages for 26/09/18 | 26.10 |
| Rose Hewlett | R Hewlett - Mileages for 26/09/18 | 11.25 |
| Mr CJN Williams | C Williams - Mileages for 26/09/18 | 19.80 |
| Mr W J Cornock | J Cornock - Mileages for 26/09/18 | 6.00 |
| Mr I Ractliffe | I Ractcliffe - Mileages for 26/09/18 | 10.80 |
| Mr P Abraham | P Abraham - Mileages for 26/09/18 | 15.30 |
| Mr R Godwin | R Godwin - Mileages for 26/09/18 | 15.30 |
| Beeline Eng. Products Ltd | Belts for Bomford Mower | 161.89 |
| Buycarparts.co.uk | Filters for VN62 RPY | 36.35 |

Payments to be Noted

October 2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|--|--|------------------------------------|
| Highways England Company Ltd | Severn Bridge Tolls | 11.20 |
| Just Ecology Environmental Consultancy Ltd | Slimbridge WLMP - Final Invoice | 3,963.60 |
| PKF Littlejohn LLP | External Audit Fees for YE 31 Mar 2018 | 2,400.00 |
| ENVIRONMENT AGENCY | IDB Precept net of FWG | Invoice FYI 11,186.50 |
| ASSOCIATION OF DRAINAGE AUTHORITIES | 3 x Delegates for Ada Conference | 432.00 |
| Avon Hydraulics (UK) Ltd | Hose for AU11 HCH | 15.93 |
| The Gables Hotel | Room hire & Refreshments for 26/09/18 | 110.00 |
| BNP PARIBAS LEASE GROUP | Quarterly Office Telecoms rental | 414.00 |
| TAILORMADE OFFICE SUP.LTD | A4 Paper, Staples, Binding Covers, Shredder Oil Sheets | 103.06 |
| Moorepay Ltd | Payroll costs for Sep 18 | 100.14 |
| Plan Communications Ltd | Mobile Phones Bill | 223.68 |
| SOUTH GLOUCESTERSHIRE COUNCIL | Business Rates | 732.00 |
| Citation Ltd | Legal Fees | 300.00 |
| Smiths (Gloucester) Ltd | Waste management for Sep 18 | 32.88 |
| BRT Group | Bearings & seals for VX65 HTA | 98.80 |
| BRT Group | Bearings & seals for VX65 HVB | 98.79 |
| BRT Group | Bearings & seals for AU11 HCH | 98.82 |
| Tilney Ltd | Pension Consulting Services 01/02/18 - 31/07/18 | 600.00 |
| Certas Energy UK Ltd | 6311 litres Gas Oil | 4,575.73 |
| ZEN INTERNET LTD | Monthly internet charges | 46.50 |
| Dual Energy Direct Ltd | Office Electricity | 42.66 |
| Dual Energy Direct Ltd | Saul Electricity | 10.84 |
| Dual Energy Direct Ltd | Marshfield Electricity | 31.12 |
| Dual Energy Direct Ltd | Lapperditch Electricity | 13.84 |
| Dual Energy Direct Ltd | Elmore Back Electricity | 65.87 |
| Dual Energy Direct Ltd | Oldbury P/S Electricity | 3.72 |
| ARCO LTD | Eye Pods | 16.20 |
| Nomenca Ltd | Saul P/S Application No. 1 | 3,454.91 |
| Hydroscand Ltd | Hose assembly for WX12 CWL | 18.83 |
| Hydroscand Ltd | Gloves | 15.35 |
| LITTLETON MR G | G Littleton Mileages 01/04/18 - 30/09/18 | 138.60 |
| Cablestream Ltd | Office phone line rental & calls | 74.56 |
| | | <u>58,785.41</u> |

Please note that the amounts shown above include Vat where applicable

| | |
|--|------------------|
| Amount Paid this Period | 58,785.41 |
| Credits | <u>(31.12)</u> |
| Amount Paid this Period (Supplier Invoices) | 58,754.29 |

Bank Payments for October 2018

| | | |
|---------|---|---------------|
| NatWest | Bankline & Bank Charges | <u>135.96</u> |
| | Amount Paid this Period (Bank Charges) | 135.96 |

Total Amount Paid this Period - October 2018
£58,890.25

Payments to be Noted Aug 18 - Oct 18

| | |
|--------------|--------------------|
| Aug 18 | 30,082.84 |
| Sep 18 | 26,742.68 |
| Oct 18 | <u>58,890.25</u> |
| TOTAL | £115,715.77 |

Date From : 01/08/2018

Date To : 31/10/2018

Aug 2018 - Oct 2018

| No | Type | Date | N/C | Ref | Details | Net Amount | Tax Amount | Gross Amount | Bank Rec. B Date |
|-------|------|------------|------|-----|---|-------------------|-------------|-------------------|---------------------|
| 75968 | BP | 15/08/2018 | 2231 | D/D | Aug 18 Peoples Pension Cont - Jul 18 | 655.40 | 0.00 | 655.40 | R 31/08/2018 |
| 75969 | BP | 17/08/2018 | 2230 | D/D | Glos CC - Pension Cont for Jul | 14,794.67 | 0.00 | 14,794.67 | R 31/08/2018 |
| 75970 | BP | 22/08/2018 | 2210 | D/D | HMRC - Liability for Jul 18 | 12,466.75 | 0.00 | 12,466.75 | R 31/08/2018 |
| 75971 | BP | 28/08/2018 | 2220 | D/D | LSIDB Salary for Aug 18 | 32,956.32 | 0.00 | 32,956.32 | R 31/08/2018 |
| 75972 | BP | 28/08/2018 | 2211 | D/D | GMB - Union Cont for Aug 18 | 39.66 | 0.00 | 39.66 | R 31/08/2018 |
| 76229 | BP | 17/09/2018 | 2231 | D/D | Sep 18 Peoples Pension Cont - Aug 18 | 804.38 | 0.00 | 804.38 | R 30/09/2018 |
| 76230 | BP | 19/09/2018 | 2230 | D/D | Glos CC - Pension Cont for Aug | 15,529.05 | 0.00 | 15,529.05 | R 30/09/2018 |
| 76231 | BP | 21/09/2018 | 2210 | D/D | HMRC - Liability for Aug 18 | 14,313.23 | 0.00 | 14,313.23 | R 30/09/2018 |
| 76232 | BP | 28/09/2018 | 2220 | D/D | LSIDB Salary for Sep 18 | 35,409.70 | 0.00 | 35,409.70 | R 30/09/2018 |
| 76233 | BP | 28/09/2018 | 2211 | D/D | GMB - Union Cont for Sep 18 | 39.66 | 0.00 | 39.66 | R 30/09/2018 |
| 76448 | BP | 15/10/2018 | 2231 | D/D | Oct 18 Peoples Pension Cont - Sep 18 | 823.88 | 0.00 | 823.88 | R 31/10/2018 |
| 76449 | BP | 19/10/2018 | 2230 | D/D | Glos CC - Pension Cont for Sep | 16,628.18 | 0.00 | 16,628.18 | R 31/10/2018 |
| 76450 | BP | 22/10/2018 | 2210 | D/D | HMRC - Liability for Sep 18 | 15,943.26 | 0.00 | 15,943.26 | R 31/10/2018 |
| 76451 | BP | 26/10/2018 | 2220 | D/D | LSIDB Salary for Oct 18 | 34,537.71 | 0.00 | 34,537.71 | R 31/10/2018 |
| 76452 | BP | 26/10/2018 | 2211 | D/D | GMB - Union Cont for Oct 18 | 41.10 | 0.00 | 41.10 | R 31/10/2018 |
| | | | | | | <u>194,982.95</u> | <u>0.00</u> | <u>194,982.95</u> | |
| | | | | | | <u>194,982.95</u> | <u>0.00</u> | <u>194,982.95</u> | |

Petty CashLower Severn (2005) Internal Drainage **Board**

Page: 1

Petty Cash

Date From: 01/08/2018
Date To: 31/10/2018

Aug 2018 - Oct 2018

| No | Type | Date | Ref | Details | | Net £ | Tax £ | Gross £ | B | Bank Rec. | Date |
|--------|------|------------|------|------------------------------|---------------|---------------|-------------|---------------|---|-------------------|------|
| 75976 | CP | 02/08/2018 | 7326 | Bridge Tolls | Aug 18 | 11.20 | 0.00 | 11.20 | R | 31/08/2018 | |
| 75977 | CP | 06/08/2018 | 7327 | Tesco - 2 x Milks | | 2.18 | 0.00 | 2.18 | R | 31/08/2018 | |
| 75978 | CP | 13/08/2018 | 7328 | Milk & Paracetamols | | 3.09 | 0.00 | 3.09 | R | 31/08/2018 | |
| 75979 | CP | 20/08/2018 | 7329 | Post Office - Milk | | 3.50 | 0.00 | 3.50 | R | 31/08/2018 | |
| 75980 | CP | 27/08/2018 | 7330 | Card for GRL | | 1.63 | 0.32 | 1.95 | R | 31/08/2018 | |
| 75981 | CP | 28/08/2018 | 7331 | Tesco - 1 x Milk | | 1.09 | 0.00 | <u>1.09</u> | R | <u>31/08/2018</u> | |
| 76237 | CP | 03/09/2018 | 7332 | Bridge Tolls for NG | Sep 18 | 11.20 | 0.00 | 11.20 | R | 30/09/2018 | |
| 76238 | CP | 03/09/2018 | 7333 | Milk & biscuits for Treasury | | 3.37 | 0.00 | 3.37 | R | 30/09/2018 | |
| 76239 | CP | 04/09/2018 | 7334 | Sandwiches for working lunch | | 31.85 | 6.37 | 38.22 | R | 30/09/2018 | |
| 76240 | CP | 10/09/2018 | 7335 | Tesco - 2 x Milks | | 2.18 | 0.00 | 2.18 | R | 30/09/2018 | |
| 76241 | CP | 17/09/2018 | 7336 | PO - 2 x Milks | | 3.04 | 0.00 | 3.04 | R | 30/09/2018 | |
| 76242 | CP | 18/09/2018 | 7337 | Tesco - Tea, Coffee, Sugar | | 19.36 | 0.00 | 19.36 | R | 30/09/2018 | |
| 76243 | CP | 24/09/2018 | 7338 | Tesco - 2 x Milks | | 2.18 | 0.00 | <u>2.18</u> | R | <u>30/09/2018</u> | |
| 76481 | CP | 01/10/2018 | 7339 | Tesco - 1 x Milk | Oct 18 | 1.09 | 0.00 | 1.09 | R | 31/10/2018 | |
| 76482 | CP | 08/10/2018 | 7340 | PO - Milk | | 2.20 | 0.00 | 2.20 | R | 31/10/2018 | |
| 76483 | CP | 11/10/2018 | 7341 | McColls - Milk | | 1.20 | 0.00 | 1.20 | R | 31/10/2018 | |
| 76484 | CP | 10/10/2018 | 7342 | Butties - Sandwiches for | | 14.80 | 2.96 | 17.76 | R | 31/10/2018 | |
| 76485 | CP | 15/10/2018 | 7343 | Tescos - 2 x Milks | | 2.18 | 0.00 | 2.18 | R | 31/10/2018 | |
| 76486 | CP | 24/10/2018 | 7344 | Tesco - 1 x Milk | | 1.09 | 0.00 | 1.09 | R | 31/10/2018 | |
| 76487 | CP | 29/10/2018 | 7345 | Tescos - 2 x Milks | | 2.18 | 0.00 | 2.18 | R | 31/10/2018 | |
| Totals | | | | | £ | <u>120.61</u> | <u>9.65</u> | <u>130.26</u> | | | |

Transfers Between Accounts August 2018 - October 2018

| Bank | NominalRecord.AccountName | Type | Date | Journal | TransactionNominal.Details | Amount |
|------|----------------------------------|------|------------|---------|---|-------------|
| 1200 | NAT WEST ACCOUNT NO 1: | JD | 15/08/2018 | J1270 | Tsf from Direct Res to No1 Acc | 65,000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 15/08/2018 | J1271 | Tsf from No1 acc to No2 acc Re : Wages | -65,000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JD | 24/08/2018 | J1273 | Severnside Drawdown for 2018/19 | 41,200.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JD | 13/09/2018 | J1279 | Tsf from Direct Res to No1 Acc | 50,000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 13/09/2018 | J1280 | Tsf No1 acc to No2 acc Re: wages | -65,000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JD | 14/09/2018 | J1282 | Tsf from lloyds Current to No1 Acc | 95,000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 14/09/2018 | J1283 | Tsf from No1 Acc to Direct Res | -95,000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JD | 04/10/2018 | J1288 | Tsf from Lloyds current to No1 Acc (To close Acc) | 95,000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JD | 05/10/2018 | J1289 | Tsf from Lloyds current to No1 Acc (To close Acc) | 95,000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 05/10/2018 | J1290 | Tsf from No1 Acc to Direct Res | -190,000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JD | 10/10/2018 | J1291 | Tsf from lloyds Current to No1 Acc To Close Acc) | 95,000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JD | 11/10/2018 | J1292 | Tsf from lloyds Current to No1 Acc To Close Acc) | 70,367.97 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 12/10/2018 | J1293 | Tsf from No1 Acc to Direct Res (To close Lloyds) | -95,000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 12/10/2018 | J1294 | Tsf from No1 Acc to Direct Res (To close Lloyds) | -70,367.97 |
| 1200 | NAT WEST ACCOUNT NO 1: | JD | 12/10/2018 | J1295 | Tsf from Hempsted Pond to No1 Acc (To close Acc) | 32,737.97 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 12/10/2018 | J1296 | Tsf from No1 Acc to Dir Res (Hempsted Pond) | -32,737.97 |
| 1200 | NAT WEST ACCOUNT NO 1: | JD | 12/10/2018 | J1297 | Tsf from Area Wide to No1 Acc (To close Acc) | 146,360.39 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 12/10/2018 | J1298 | Tsf from No1 Acc to Dir Res (Area Wide) | -146,360.39 |
| 1200 | NAT WEST ACCOUNT NO 1: | JD | 12/10/2018 | J1299 | Tsf fromDir Res to No1 Acc (Re Wages/Creditors) | 100,000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 12/10/2018 | J1300 | Tsf from No1 Acc to No2 Acc (Re Wages) | -70,000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 12/10/2018 | J1301 | Tsf from No1 Acc to Petty Cash | -100.00 |
| 1201 | NAT WEST ACCOUNT NO 2: | JD | 15/08/2018 | J1271 | Tsf from No1 acc to No2 acc Re : Wages | 65,000.00 |
| 1201 | NAT WEST ACCOUNT NO 2: | JD | 13/09/2018 | J1280 | Tsf No1 acc to No2 acc Re: wages | 65,000.00 |
| 1201 | NAT WEST ACCOUNT NO 2: | JD | 12/10/2018 | J1300 | Tsf from No1 Acc to No2 Acc (Re Wages) | 70,000.00 |
| 1230 | PETTY CASH | JD | 12/10/2018 | J1301 | Tsf from No1 Acc to Petty Cash | 100.00 |
| 1251 | ACC CLOSED - NW :(Hempsted Pond) | JC | 12/10/2018 | J1295 | Tsf from Hempsted Pond to No1 Acc (To close Acc) | -32,737.97 |
| 1251 | ACC CLOSED - NW :(Hempsted Pond) | JC | 17/10/2018 | J1306 | Tsf of Interest to close Hempsted Pond Acc | -2.11 |

| Bank | NominalRecord.AccountName | Type | Date | Journal | TransactionNominal.Details | Amount |
|------|-----------------------------------|------|------------|---------|---|-------------|
| 1253 | ACC CLOSED - LLOYDS (Com Sums) | JC | 24/08/2018 | J1273 | Severnside Drawdown for 2018/19 Commuted Sums | -20,600.00 |
| 1253 | ACC CLOSED - LLOYDS (Com Sums) | JD | 03/09/2018 | J1281 | Tsf from Lloyds 32 day to Lloyds current | 401,182.29 |
| 1253 | ACC CLOSED - LLOYDS (Com Sums) | JC | 14/09/2018 | J1282 | Tsf from lloyds Current to No1 Acc | -95,000.00 |
| 1253 | ACC CLOSED - LLOYDS (Com Sums) | JC | 04/10/2018 | J1288 | Tsf from Lloyds current to No1 Acc (To close Acc) | -95,000.00 |
| 1253 | ACC CLOSED - LLOYDS (Com Sums) | JC | 05/10/2018 | J1289 | Tsf from Lloyds current to No1 Acc (To close Acc) | -95,000.00 |
| 1253 | ACC CLOSED - LLOYDS (Com Sums) | JC | 10/10/2018 | J1291 | Tsf from lloyds Current to No1 Acc To Close Acc) | -95,000.00 |
| 1253 | ACC CLOSED - LLOYDS (Com Sums) | JC | 11/10/2018 | J1292 | Tsf from lloyds Current to No1 Acc To Close Acc) | -70,367.97 |
| 1255 | ACC CLOSED - (Area Wide Charge) : | JC | 24/08/2018 | J1273 | Severnside Drawdown for 2018/19 Area Wide Charge | -20,600.00 |
| 1255 | ACC CLOSED - (Area Wide Charge) : | JC | 12/10/2018 | J1297 | Tsf from Area Wide to No1 Acc (To close Acc) | -146,360.39 |
| 1255 | ACC CLOSED - (Area Wide Charge) : | JC | 17/10/2018 | J1307 | Tsf of Interst to close Area Wide Acc | -9.42 |
| 1257 | Nat West Direct Reserve Acc | JC | 15/08/2018 | J1270 | Tsf from Direct Res to No1 Acc | -65,000.00 |
| 1257 | Nat West Direct Reserve Acc | JC | 13/09/2018 | J1279 | Tsf from Direct Res to No1 Acc | -50,000.00 |
| 1257 | Nat West Direct Reserve Acc | JD | 14/09/2018 | J1283 | Tsf from No1 Acc to Direct Res | 95,000.00 |
| 1257 | Nat West Direct Reserve Acc | JD | 05/10/2018 | J1290 | Tsf from No1 Acc to Direct Res | 190,000.00 |
| 1257 | Nat West Direct Reserve Acc | JD | 12/10/2018 | J1293 | Tsf from No1 Acc to Direct Res (To close Lloyds) | 95,000.00 |
| 1257 | Nat West Direct Reserve Acc | JD | 12/10/2018 | J1294 | Tsf from No1 Acc to Direct Res (To close Lloyds) | 70,367.97 |
| 1257 | Nat West Direct Reserve Acc | JD | 12/10/2018 | J1296 | Tsf from No1 Acc to Dir Res (Hempsted Pond) | 32,737.97 |
| 1257 | Nat West Direct Reserve Acc | JD | 12/10/2018 | J1298 | Tsf from No1 Acc to Dir Res (Area Wide) | 146,360.39 |
| 1257 | Nat West Direct Reserve Acc | JC | 12/10/2018 | J1299 | Tsf fromDir Res to No1 Acc (Re Wages/Creditors) | -100,000.00 |
| 1257 | Nat West Direct Reserve Acc | JD | 17/10/2018 | J1306 | Tsf of Interest to close Hempsted Pond Acc | 2.11 |
| 1257 | Nat West Direct Reserve Acc | JD | 17/10/2018 | J1307 | Tsf of Interst to close Area Wide Acc | 9.42 |
| 1259 | ACC CLOSED - Lloyds 32 Day Notice | JC | 03/09/2018 | J1281 | Tsf from Lloyds 32 day to Lloyds current | -401,182.29 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

F&GP Meeting

Wednesday 12th September 2018

**The Gables Hotel, Falfield
10.30am**

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

TERMS OF REFERENCE OF FINANCE AND GENERAL PURPOSES COMMITTEE

Approved 22 June 2016 Minute No.2349 (a)

Matters for determination by the Committee.

1. The appointment of Internal Auditors.
2. Consideration of any Report or Opinion from the Internal Auditors.
3. Consideration of a summary of internal audit work undertaken (whether of a financial or ethical nature).
4. Commissioning work from either the Internal or External Auditor.
5. The approval/revision of the Risk Register.
6. The approval/revision of the Business Continuity Plan.
7. Reviewing payments made.
8. The recovery of rate arrears and sundry debts.
9. To monitor spending against the approved budget.

Matters for recommendation by the Committee to the Board

10. To consider the Annual Budget and Rate Setting prior to the February Board meeting in each year.
11. To review the Annual Business Plan.
12. To review the Medium Term Financial Plan.
13. To monitor the Board's Treasury Management policies and practices.
14. To keep under review the Board's insurance policies.
15. To liaise with the National Audit Office or any successor or equivalent, regarding the appointment of the External Auditor.
16. To consider any letter or report issued by the External Auditor.
17. To ensure the effective monitoring and review of policies and strategies.
18. To consider legislative changes (or proposed legislative changes) which may affect the Board's statutory functions.
19. To identify any Member training needs in various aspects of the Board's responsibilities.

**Minutes of the Finance & General Purposes Committee of the
Lower Severn (2005) Internal Drainage Board
Meeting held Wednesday 6th June 2018 at 10.30 am
At the Gables Hotel Falfield**

Present:

Cllr M Riddle

Chairman

Cllr P Awford

Mr M Barnes

Mr J Hore

Mr G Littleton

Ald B Richards

Mr G Simms

Ald C Williams

Martin Dear

Accounts Officer

AO

Kieran Warren

Principal Officer

PO

Sue Williams

Minutes

| | | |
|-------|---|---------------------------------------|
| 2659. | Apologies: Apologies were received from Mr J Cornock and Mr R Thatcher. | |
| 2660. | Declarations of Interest There were no declarations of interest. | |
| 2661. | Minutes of the Previous Meeting It was resolved that: <ul style="list-style-type: none"> The minutes of the Finance & General Purposes Committee Meeting held on 31st January 2018 be approved as a correct record. | |
| 2662. | Treasury Sub-Committee Report The draft minutes of the Treasury Sub Committee Meeting held 14 th March 2018 were noted. | |
| 2663. | Treasury Management Policy The AO had reviewed the Treasury Management Policy, in light of the Treasury Sub-Committee Minute 2650, to better invest surplus cash funds. The current policy was restrictive in terms of the financial institutions available to the Sub-Committee. He recommended that the Treasury Management Policy be amended to enable financial institutions in the Financial Services Compensation Scheme to be included. It was the AO's intention to arrange a meeting of the Treasury Sub-Committee to discuss in more detail the placement of surplus cash deposits once a revised Treasury Management Policy had been approved by the Board. It was resolved: <ul style="list-style-type: none"> That the Treasury Management Policy be amended to include Approved Financial Institutions. Subject to this amendment to recommend the Treasury Management Policy. | <u>Action 1</u> For Board approval |
| 2664. | Pension Fund The Pension Fund statement as at 31 March 2018 showed a net unfunded liability of £954,000. The Employer contribution costs for 2018/19 would be £156,000. | |
| 2665. | Management Accounts to 31st March 2018 The Management Accounts showed there had been a surplus for the 12 months of £45,644. | <u>Action 2</u> For noting |

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| | <p>It was suggested that it may be helpful if management accounts showed the variances between the current year and the previous year, not just the current year and the budget. The AO agreed to do this in the future.</p> | <p>Action 3 AO to Include additional information in future management accounts</p> |
| 2666. | <p>Cash Flow Forecast to 31st March 2019 and Investment Valuation The AO had prepared a monthly forecast of cash balances for 2018/19. When the Treasury Sub-Committee meet to discuss the investment of surplus cash, consideration would be given to the accessibility to funds as well as securing a better return for funds not required in the short term.</p> <p>Investment valuations were noted.</p> | |
| 2667. | <p>Insurance Policies Schedule The Committee reviewed the schedule of insurance cover.</p> <p>It was resolved:</p> <ul style="list-style-type: none"> To recommend to the Board that the schedule of insurances policies, were adequate to cover the Board's requirements. | <p>Action 4 For Board approval</p> |
| 2668. | <p>Statement of Accounts The AO had produced the Statement of Accounts for 2017/18. He explained this document was not a requirement under the new audit arrangements and would not be produced again. This being the first year of the limited assurance audit he felt it would be helpful to members who were familiar with this format.</p> | |
| 2669. | <p>Internal Audit Report The PO reported that Bishop Fleming had completed the internal audit for 2017/18, the Committee were circulated the report in full. Out of 31 tests there were four areas for attention. Three amber; areas identified as a weakness in the current internal controls and one green; an area to improve the current level of control.</p> <p>Procedures had been put in place to address areas highlighted in the auditors' report.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> The internal auditors' report, be accepted The proposed actions in the PO report be approved. | <p>Action 5 For Board approval</p> |
| 2670. | <p>Annual Governance and Accountability Return 2017/18 The AO explained this was the first limited assurance review. The internal audit report, completed by Bishop Fleming, would be sent with the return. PKF Littlejohn, the external auditor, would remotely inspect the documentation submitted. They would form an opinion and an 'External Auditor Report and Certificate' would be issued.</p> <p>The AO brought to the Committee's attention to the Annual Governance Statement. He had inserted a 'no' response when answering the question regarding electors' rights. The Committee were reminded that last year the external auditor had reported that the notice of public rights to inspect the 2016/17 accounts had been advertised later than the statutory regulations required; the time allowed for inspection was extended by 10 days to give the full 30 days.</p> <p>The AO explained that the Accounting Statement circulated to the Committee would be amended prior to circulation for Board approval. This comprised minor changes to boxes 1, 5, 6, 7 and 10 concerning</p> | |

| | | |
|-------|--|--|
| | <p>the financial lease for telephones. The changes made no material difference to the accounts.</p> <p>Next year the AO suggested that the June Board meeting should be held earlier to be able to submit the information required to the external auditor by their preferred date. This had been 11th June 2018 this year.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> Subject to the amended Accounting Statement. To recommend to the Board that the Annual Governance and Accountability Return 2017/18 be approved. | <p><u>Action 6</u> For Board approval</p> |
| 2671. | <p>IT Review</p> <p>The PO had been asked to review the Board's IT support structure, Minute 2605 referred.</p> <p>The PO explained that the existing contract with the Board's current IT support provider, Orchard Computer Systems, ran until March 2019. He had invited three further companies that covered the Board's area, together with the Orchard Computer Systems to quote for the same level of service as currently provided. These quotes were expected by the end of October 2018 and would be reported to the Committee at its December 2018 meeting.</p> | <p><u>Action 7</u> PO to prepare IT report</p> |
| 2672. | <p>Default Works Costs Recovery</p> <p>Resolved that:</p> <ul style="list-style-type: none"> In accordance with the Board's Standing Orders the public and/or press be excluded whilst the confidential detail of this matter was transacted. <p>The PO reported that following on from the judgement that was granted in favour of the Board by the County Court, in respect of this matter, the defendant had made an application to the Court to have the judgement set aside. The PO and the CE had attended the hearing at Gloucester County Court. The judge dismissed the defendant's application.</p> <p>The PO asked the Committee how they wished the debt to be recovered. He had consulted a solicitor to as to the options available to the Board to recover the costs.</p> <ol style="list-style-type: none"> Obtain a warrant of control Order an attachment to the defendant's earnings Obtain a Third-Party Debt Order Place a charge on the defendant's property <p>All the options involved extra costs.</p> <p>The Committee agreed that the debt and costs awarded by the Court should be pursued as a point of principle, despite further costs being involved.</p> <p>Resolved that:</p> <ul style="list-style-type: none"> The PO to establish more detail regarding options 3 and 4 above to recover the outstanding debt and costs. The PO, in liaison with the Chairman to approve the most effective option. | <p><u>Action 8</u> PO establish the merits of options 3 and 4 and to consult with the Chairman how to proceed.</p> |

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| 2673. | Payments Noted The Committee noted the payments and transfers made between 1 st January 2018 and 30 th April 2018. | |
| | Meeting closed 11.30 am | |

Un-approved

**Minutes of Treasury Management Sub-Committee Meeting
Of the Lower Severn (2005) Internal Drainage Board
Held Wednesday 18th July 2018 at 10.00 am
At Drainage Board Offices, Waterside Buildings**

Present: Ald C Williams Chairman
Mr G Littleton
Mr J Nichols
Cllr M Riddle
Martin Dear Accounts Officer AO
Sue Williams Minutes

| | | |
|--------------|--|--|
| 2700. | Apologies No apologies | |
| 2701. | Declaration of Member's Interest No interests were declared. | |
| 2702. | Minutes of the Previous Meeting It was resolved that: <ul style="list-style-type: none"> The minutes of the 14th March 2018 meeting be approved as a true and accurate record. | |
| 2703. | <p>Cash Deposits</p> <p>The AO had prepared a monthly cash flow to the 31st March 2019. The Sub-Committee noted the fluctuation in balance over this period demonstrated that maximum flexibility was a priority consideration when placing deposits.</p> <p>The Sub-Committee identified that £500k could be invested in deposit accounts.</p> <p>The AO had circulated 21 examples of instant and 12-month term accounts, offered by institutions authorised by the Financial Services Compensation Scheme.</p> <p>The Sub-Committee observed that the difference in interest rates between instant and 12 months term accounts was minor at the time of the meeting.</p> <p>It was resolved:</p> <ul style="list-style-type: none"> The AO close the Nat West; Hempsted Pond, Area Wide Charge accounts and the Lloyds; Commuted Sum 32-day notice deposit account. <p>It was resolved that:</p> <ul style="list-style-type: none"> £500,000 be approved by the Sub-Committee as being available for investment in deposit accounts for a better return. <p>It was resolved that:</p> <ul style="list-style-type: none"> The AO be given discretion to place deposits: <ol style="list-style-type: none"> Up to a maximum of £85,000 with institutions that were participants of the FSCS. The maximum fixed term to be up to six months. Fixed term notice accounts were acceptable. Ensure that funds were available when needed. | <p><u>Action 1</u> AO to notify Members of deposit placements.</p> |

| | | |
|--------------|---|--|
| | <p>It was resolved that:</p> <ul style="list-style-type: none"> • The AO notify the Sub-Committee Members by email once the investments had been placed. • This strategy to be reviewed annually. • A list of the investments to be included on the agenda of future Treasury Sub-Committee meetings. | |
| 2704. | <p>Reserve Policy</p> <p>The Sub-Committee considered that the Board should develop a 'Reserves Policy' that recognised the Board's objectives in raising levies and rates for building up reserves for specific purposes.</p> <p>The Sub-Committee asked the AO to broadly draft a policy for them to consider at the next Treasury Sub-Committee meeting prior to recommendation to the F&GP and Board for approval.</p> | <p><u>Action 2</u> AO to draft a broad outline for a Reserves Policy</p> |
| | The meeting closed at 10.45 am | |

REF: MD

REPORT BY: Accounts Officer

RISK MANAGEMENT STRATEGY AND POLICY

Introduction

ADA has a **model risk management strategy and policy** for IDBs to adopt.

ADA has worked with IDBs and Defra to develop a suite of governance documents to assist IDBs with putting in place and maintaining good governance arrangements. The risk management strategy and policy is one of these documents.

Background

The purpose of a risk management strategy is to effectively manage potential opportunities and threats to the Board achieving its objectives. Some risks will always exist and can never be eliminated. They therefore need to be appropriately managed.

The risk management policy states that the Board will methodically address risks associated with what it does and the service it provides.

Risk management is not just about financial management, it is about achieving the Boards objectives in order to deliver high quality public services.

A Lower Severn (2005) Internal Drainage Board customised version of the Risk Management Strategy and Policy is attached at Appendix 1.

Recommendation

That the Risk Management Strategy and Policy, as set out at Appendix 1, be referred to the Full Board for formal adoption.

Martin Dear

Accounts Officer

Lower Severn (2005) Internal Drainage Board

Risk Management Strategy

Risk Management Policy

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- A – Risk Management Strategy Statement
- B – Risk Management Policy Document

Risk Management Strategy

1. Purpose, Aims and Objectives

1.1 The purpose of the Risk Management Strategy is to effectively manage potential opportunities and threats to the Board achieving its objectives. See attached Risk Management Policy Statement, Appendix A.

1.2 The Risk Management Strategy has the following aims and objectives;

- Integration of Risk Management into the culture of the Board
- Raising awareness of the need for Risk Management by all those connected with the delivery of services (including partners)
- Enabling the Board to anticipate and respond to changing social, environmental and legislative conditions
- Minimisation of injury, damage, loss and inconvenience to staff, members of the public, service users, assets etc. arising from or connected with the delivery of the Board's services
- Introduction of a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice
- Minimisation of the cost of risk

1.3 To achieve these aims and objectives, the following strategy is proposed;

- Establish clear accountabilities, roles and reporting lines for all employees
- Acquire and develop the necessary skills and expertise
- Provide for risk assessment in all decision making processes of the Board
- Develop a resource allocation framework to allocate (target) resources for risk management
- Develop toolkits, procedures and guidelines for use across the Board
- Develop arrangements to measure performance of Risk Management activities against the aims and objectives
- To make all partners and service providers aware of the Board's expectations on risk, both generally as set out in its Risk Management Policy and where necessary in particular areas of the Board's operations

1.4 The Board's Risk Management Strategy is based on the Audit Commission's definition of Risk:

'Risk is the threat that an event or action will adversely affect the organisation's ability to achieve its objectives and to successfully execute its strategies'.

2. Accountabilities, Roles and Reporting Lines

2.1 A framework has been implemented that has addressed the following issues:

- The different types of risk – Strategic and Operational
- Where it should be managed
- Corporate, and Operational roles and accountabilities
- The need to drive the policy throughout the Board
- Prompt reporting of accidents, losses, changes etc.

2.2 In many cases, risk management follows existing service management arrangements.

2.3 Strategic risk is best managed by the Board.

2.4 The Accounts Officer will be responsible for the Board's overall risk management strategy, and will report to the Board.

2.5 The Land Drainage Engineer will be responsible for the Board's overall Health and Safety policy and will report to the Board.

2.6 It is envisaged that the development of a risk management strategy will encourage ownership of risk and will allow for easier monitoring and reporting on remedial actions / controls.

3. Skills and Expertise

3.1 Having established roles and responsibilities for risk management, the Board must ensure that it has the skills and expertise necessary. It will achieve this by providing Risk Management Training for Officers and where appropriate providing awareness courses that address the individual needs of both the manual workforce and office staff.

3.2 Training will include seminars focusing on best practice in risk management and awareness courses will also focus on specific risks in areas such as the following:

- Partnership working
- Project management
- Employment Law
- Operation of Board vehicles and equipment
- Manual labour tasks e.g. Health and Safety issues

4. Embedding Risk Management

4.1 Risk management is an important part of the service planning process. This will enable both strategic and operational risk, as well as the accumulation of risks from a number of areas to be properly considered. Over time the Board aims to be able to demonstrate that there is a fully embedded process.

4.2 This strategy and the information contained within the appendices provides a framework to be used by all levels of staff and Members in the implementation of risk management as an integral part of good management.

5. Risks and Decision Making Process

5.1 Risk needs to be addressed at the point at which decisions are being taken. Where Members and Officers are asked to make decisions they should be advised of the risks associated with recommendations being made. The training described in the preceding section will enable this to happen.

5.2 The Board will need to demonstrate that it took reasonable steps to consider the risks involved in a decision.

5.3 A risk assessment will take place prior to a significant decision being taken.

5.4 There needs to be a balance struck between efficiency of the decision making process and the need to address risk. Risk assessment is seen to be particularly valuable in options appraisal. All significant decision reports to the Board or Committees should include an assessment of risk to demonstrate that risks (both threats and opportunities) have been addressed.

5.5 This process does not guarantee that decisions will always be right but it will demonstrate that the risks have been considered and the evidence will support this.

6. Risk Evaluation and Control

6.1 A risk register will be used to record the Board's objectives and the risks to achieving these. Once these have been identified an assessment of the impact and likelihood of occurrence is made using knowledge of current controls and assurances and a risk score determined. Any gaps in controls and/or assurance should then be identified and an action plan for improvement developed.

6.2 The risk score is obtained using the risk matrix below:

RISK ASSESSMENT MATRIX

| | | | |
|---|--------------------------------------|---|---------------------------------------|
| Likelihood of occurrence ↑ HIGH MEDIUM LOW ↓ | Low Impact High Likelihood 3 | Medium Impact High Likelihood 6 | High Impact High Likelihood 9 |
| | Low Impact Medium Likelihood 2 | Medium Impact Medium Likelihood 4 | High Impact Medium Likelihood 6 |
| | Low Impact Low Likelihood 1 | Medium Impact Low Likelihood 2 | High Impact Low Likelihood 3 |
| | LOW | MEDIUM | HIGH |
| | ← Impact on the Business → | | |

The high, medium and low categories for impact and likelihood are defined as follows:

IMPACT

- *High* – will have a catastrophic effect on the operation/service delivery. May result in major financial loss (over £100,000) and/or major service disruption (+ 5 days) or impact on the public. Death of an individual or several people. Complete failure of project or extreme delay (over 2 months). Many individual personal details compromised/revealed. Adverse publicity in national press.
- *Medium* – will have a noticeable effect on the operation/service delivery. May result in significant financial loss (over £25,000). Will cause a degree of disruption (2 – 5 days) or

impact on the public. Severe injury to an individual or several people. Adverse effect on project/significant slippage. Some individual personal details compromised/revealed. Adverse publicity in local press.

- *Low* – where the consequences will not be severe and any associated losses and or financial implications will be low (up to £10,000). Negligible effect on service delivery (1 day). Minor injury or discomfort to an individual or several people. Isolated individual personal detail compromised/revealed. NB A number of low incidents may have a significant cumulative effect and require attention.

LIKELIHOOD

- *High* – very likely to happen
- *Medium* – likely to happen infrequently
- *Low* – unlikely to happen

Using the risk matrix produces a risk rating score that will enable risks to be prioritised using one or more of the “four T’s”. Scores are gained by multiplying impact level by likelihood level – Low = 1, Medium = 2, High = 3.

- **Tolerate** - score >2 - accept the risk
- **Treat** - score 3 – 4 - take cost effective in-house actions to reduce the risk
- **Transfer** – score 6 - let someone else take the risk (e.g. by insurance or passing responsibility for the risk to a contractor)
- **Terminate** – score 9 - agree that the risk is too high and do not proceed with the project or activity

7. Supporting Innovation and Improvement

7.1 Risk Management will be incorporated into the business planning process for the Board with a risk assessment of all business aims being undertaken as part of the annual process.

7.2 The Board’s internal auditor will have a role in reviewing the effectiveness of control measures that have been put in place to ensure that risk management measures are working.

Appendix A

RISK MANAGEMENT STRATEGY STATEMENT

The Board believes that risk is a feature of all businesses. Some risks will always exist and can never be eliminated: they therefore need to be appropriately managed.

The Board recognises that it has a responsibility to manage hazards and risks and supports a structured and focused approach to managing them by approval of a Risk Management Strategy.

In this way the Board will improve its ability to achieve its strategic objectives and enhance the value of services it provides to the community.

The Boards Risk Management objectives are to:

- Embed risk management into the culture and operations of the Board
- Adopt a systematic approach to risk management as an integral part of service planning and performance management
- Manage risk in accordance with best practice
- Anticipate and respond to changing social, environmental and legislative requirements
- Ensure all employees have clear responsibility for both the ownership and cost of risk and the tools to effectively reduce / control it

These objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the organisation for risk management
- Incorporating risk management in the Boards decision making and operational management processes
- Reinforcing the importance of effective risk management through training
- Incorporating risk management considerations into Service / Business Planning, Project Management, Partnerships & Procurement Processes
- Monitoring risk management arrangements on a regular basis

The benefits of Risk Management include:

- Safer environment for all
- Improved public relations and reputation for the organisation
- Improved efficiency within the organisation
- Protect employees and others from harm
- Reduction in probability / size of uninsured or uninsurable losses
- Competitive Insurance Premiums (as insurers recognise the Board as being a “low risk”)
- Maximise efficient use of available resources.

Appendix B

RISK MANAGEMENT POLICY DOCUMENT

In all types of undertaking, there is the potential for events and consequences that may either be opportunities for benefit or threats to success. Internal Drainage Boards are no different and risk management is increasingly recognised as being central to their strategic management. It is a process whereby Internal Drainage Boards methodically address the risks associated with what they do and the services which they provide. The focus of good risk management is to identify what can go wrong and take steps to avoid this or successfully manage the consequences.

Risk management is not just about financial management; it is about achieving the objectives of the organisation to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, the ability to achieve desired targets.

Internal Drainage Boards need to keep under review and, if need be, strengthen their own corporate governance arrangements, thereby improving their stewardship of public funds and providing positive and continuing assurance to ratepayers.

The Board already looks at risk as part of their day to day activities but there is now a need to look at, adapt, improve where necessary and document existing processes.

The importance of looking afresh at risk comes in the wake of a more demanding society, bold initiatives and more challenge when things go wrong. It also arises because of the significant changes taking place as a result of the Defra IDB Review. Internal Drainage Boards currently face pressures that potentially give rise to a range of new and complex risks and which suggest that risk management is more important now than at any other time.

Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. As a minimum, the members should:

- take steps to identify and update key risks facing the Board;
- evaluate the potential consequences to the Board if an event identified as a risk takes place; and
- decide upon appropriate measures to avoid, reduce or control the risk or its consequences.

This Risk Management Policy document is designed to be a living document which will be continually updated when new risks are identified or when existing risks change.

The assessment of potential impact will be classified as high, medium or low. At the same time it will assess how likely a risk is to occur and this will enable the Board to decide which risks it should pay most attention to when considering what measures to take to manage the risks.

After identifying and evaluating risks the responsible officer will need to decide upon appropriate measures to take in order to avoid, reduce or control the risks or their consequences.

Lower Severn (2005) Internal Drainage Board

RISK REGISTER

As at 12 September 2018

| Category of Risk | Risk | Likelihood (without controls) | Impact (without controls) | Risk Level (without controls) | Risk response and control procedure | Monitoring and Assurance | Actions | Likelihood (with current controls) | Impact (with current controls) | Risk Level (with current controls) | Responsibility |
|-------------------|--|-------------------------------|---------------------------|-------------------------------|--|--|---|------------------------------------|--------------------------------|------------------------------------|----------------|
| Governance | | | | | | | | | | | |
| G1 | Board doesn't have adequate competency/skills to understand or control the business. | Medium | Medium | Medium | Treat 14 elected members, landowners and owner occupiers have a vested interest in ensuring drainage is effective. | The Board consists of 14 elected members and 15 appointed members. The appointed members are determined by the local Councils within the Board's area. | Board members receive appropriate ongoing training. | Low | Medium | Low | Board |
| G2 | Difficulty in appointing new Board Members. | Low | Low | Low | Tolerate Board consists of elected and appointed members. Member turnover is low. | Electoral register in place and updated to enable elections to take place. Last elections took place in October 2015. | Open elections for new Board Members due in October 2018. | Low | Low | Low | Board |
| G3 | Susceptibility to concentration of power. | High | High | High | Treat Management meetings held on a regular basis, Chairman and Vice Chairman involved. | There are five committees that report to the Board. Each committee has an appointed Chair. | Segregation of duties and regular meetings between Board and key members of staff to review major issues and future actions. Schemes of delegation to both Chair and Officers in place. | Medium | Medium | Medium | Board |
| G4 | There is no overall strategy for the organisation as a whole. | High | High | High | Treat The Board has a business plan and a corporate strategy. | Business plan in place and reviewed annually. | Regular review of forthcoming reporting deadlines at the Board meetings. | Medium | Medium | Medium | Board |
| G5 | Failure to comply with key legislation, regulations and Corporation requirements. | High | High | High | Treat Regular Board meetings take place. | Reports to Board on new legislation and regulations. Membership of Association of Drainage Authorities (ADA). Regular review of publicly available websites. | Regular review of forthcoming reporting deadlines at the board meetings. Access specialist advice as appropriate. | Low | High | Medium | Board |
| | | | | | Transfer Audit takes place on Management and Accounts to ensure compliance with legislation. | PKF Littlejohn appointed as external auditors by Smaller Authorities' Audit Appointments. Internal Auditors appointed annually. | | | | | |

| | | | | | | | | | | | |
|----|---|------|------|------|---|---|---|-----|------|--------|-------|
| G6 | Board not assuming control of key statutory requirements e.g. Health and Safety and Risk. | High | High | High | Treat Citation appointed as Health and Safety and Human Resources advisors. | Reports to Board. LDE monitors and maintains Health and Safety records. | Board have been made aware of the key legislative requirements to ensure they understand their responsibilities. Board members to attend training courses as appropriate. | Low | Low | Low | Board |
| | | | | | Transfer Indemnity policy is in place so board do not have to pay compensation. | Included in insurance cover with Zurich Municipal. | Level of cover reviewed annually. | | | | |
| G7 | Implementation of Eel Regulations. | High | High | High | Treat Consultants appointed to report on steps to take to meet the statutory regulations. | Engineers to report to Engineering Committee as necessary. Pump replacement programme in place. | Frequent update to Engineering Committee and Full Board. | Low | High | Medium | Board |

| Category of Risk | Risk | Likelihood (without controls) | Impact (without controls) | Risk Level without controls | Risk response and control procedure | Monitoring and Assurance | Actions | Likelihood (with current controls) | Impact (with current controls) | Risk Level (with current controls) | Responsibility |
|------------------|---|-------------------------------|---------------------------|-----------------------------|--|---|---|------------------------------------|--------------------------------|------------------------------------|--------------------------|
| Finance | | | | | | | | | | | |
| V1. | Inaccurate assumptions in place within the Business Plan. | High | High | High | Treat There is a Business Plan in place and it is reviewed annually. | Business plan reviewed by the Board at least annually. Medium Term Financial Plan reviewed by F&GP Committee. | Business Plan stating objectives of the Board is in place. Medium Term Financial Plan prepared. | Medium | Medium | Medium | Board and F&GP Committee |
| V2 | Inadequate internal control resulting in poor financial management. | Medium | High | High | Treat Bishop Fleming have been appointed as Internal Auditors. | Auditors to be appointed annually. | Appointed at the September F&GP meeting. | Low | Medium | Low | Board |
| V3 | Security of deposit takers. | Medium | High | High | Treat Use NatWest as the main bankers. Cash deposits to be placed, up to a maximum of £85,000, with institutions that are participants of the Financial Services Compensation Scheme. The maximum fixed term to be six months. | Treasury Sub Committee to review investments and performance. | Regular reporting to the Treasury Sub Committee. | Low | Medium | Low | Board and F&GP Committee |
| V4 | Investments. | High | High | High | Treat Appointed Smith and Williamson as investment managers. | Treasury Sub Committee to review investments and performance. | Regular reporting to the Treasury Sub Committee. | Low | Medium | Low | F&GP Committee |
| V5 | Inaccurate Accounting. | Medium | High | High | Transfer Accounts are audited by external Auditors appointed by the Audit Commission. | External Auditors report on and certify the Annual Governance and Accountability Return (AGAR). | AO responds and takes action regarding recommendations made by the External or Internal Auditors. | Low | Medium | Low | AO and F&GP Committee |
| | | | | | Treat Accounts Officer to be responsible to the preparation of accounts. | Management Accounts are regularly presented to F&GP Committee. | Accounts/budgets prepared by Accounts Officer. | | | | |

| | | | | | | | | | | | |
|----|--|--------|--------|--------|--|--|---|--------|--------|--------|-------------------------------|
| V6 | Fraud occurring through deliberate activity. | High | High | High | Transfer Internal audit will look for fraudulent activity as part of the annual audit process. | Performed by Internal Auditors | Fraud and whistle blowing policy circulated to all staff. | Medium | Medium | Medium | All Staff |
| | | | | | Treat Chairman and Vice Chairman have access to internet banking. | Access log available. | Accounts Officer has been added as a bank signatory and internet banking. Further segregation of duties. | | | | Board |
| | | | | | Transfer Increased Fidelity Guarantee Insurance. | Cover reviewed annually. | Community insurance cover with Zurich Municipal. | | | | Board and PO |
| | | | | | Treat Fraud policy and whistle blowing policy in place. | Policy in place approved by the Board. Fraud and whistle blowing policy circulated to all staff. | Fraud and whistle blowing policy circulated to new staff. | | | | PO |
| | | | | | Treat Register of members interests held on file. | Register maintained and available for review. | Updated as members interests change. | | | | PO |
| | | | | | Treat Ensure no unauthorised transfer of funds from bank accounts. | Bank signatories regularly reviewed. | Dual authorisation of payments and bank transfers required. | | | | PO and AO |
| V7 | Effect on inflation and exchange rate movements on specific areas. | Low | Low | Low | Treat Budget overspent in year. | Budget agreed by the Board in February. Considered when levy and agricultural rate set by Board in February. | Monitored regularly by F&GP Committee. | Low | Low | Low | Board , F&GP Committee and AO |
| V8 | Impact of movements in interest rates on income. | Low | Low | Low | Treat All cash balances held in approved banks. | Monitoring of budget, Medium Term Financial Plan and Severnside funds. | Actual rates and revised estimated presented to Board in February and November. Treasury management policy approved annually. | Low | Low | Low | Board, F&GP Committee and AO |
| V9 | Failure to achieve value for money. | Medium | Medium | Medium | Treat Three quotes are obtained for any major purchase over £5,000 unless there are few suppliers. Compliance with Financial Regulations. | AO reviews with LDE/CE. | Chairman and Vice Chairman informed of award and reasons. | Low | Low | Low | Board and AO |

| Category of Risk | Risk | Likelihood (without controls) | Impact (without controls) | Risk Level without controls | Risk response and control procedure | Monitoring and Assurance | Actions | Likelihood (with current controls) | Impact (with current controls) | Risk Level (with current controls) | Responsibility |
|-----------------------------------|---|-------------------------------|---------------------------|-----------------------------|--|--|--|------------------------------------|--------------------------------|------------------------------------|--------------------------------------|
| Management and Maintenance | | | | | | | | | | | |
| M1 | Increased risk of flooding owing to inaccurate assumptions affecting the planned maintenance programme. | Medium | High | High | Treat There is a realistic planned maintenance programme. | LDE monitors progress of the plan throughout the year. | Progress regularly reported to the Engineering Committee and the Board. | Low | High | Medium | Board, Engineering Committee and LDE |
| M2 | Inadequate provision for safeguarding the Boards assets. Loss of Machinery through theft or damage. | Medium | High | High | Treat Machines are locked up and fenced off. Spare Machines are available to meet work schedules. | Location is reported daily. Spares either held in workshop, or immediate delivery. Repairs carried out on site/workshop. | Staff training on type of equipment and all aspects of Health, Safety and risk review. All plant machinery insured through Fenton Insurance Services. All machines are tagged. | Low | High | Medium | LDE |
| M3 | Loss of specific personnel leading to work being incomplete on schedule. | Low | High | Medium | Treat Skilled workers are trained up so if one could not work then another could, ensuring minimum down time. | Training schedules are maintained by the LDE. | Staff are trained to use equipment as appropriate. | Low | Low | Low | LDE |
| M4 | Damage to Third Party property or individuals | Medium | High | High | Treat Risk assessments undertaken | Close Supervision by Foreman and LDE. Covered by insurance | Regular staff training and updating of information held re maps, access etc. | Low | High | Medium | LDE |
| M5 | Pumps fail to operate | Medium | High | High | Treat Pumps maintained and checked at regular intervals | Planned maintenance undertaken. Pumps checked by Foreman | Pump replacement programme enacted | Low | High | Medium | LDE |
| M6 | Watercourse unable to convey water | High | High | High | Treat Rhines and ditches regularly cleared of weed growth. Flaps desilted on a regular basis . Culverts regularly checked and cleared out. | Planned maintenance undertaken. Rhines and Ditches checked by Foreman. | Planned annual maintenance schedule. | Low | High | Medium | LDE |
| M7 | Lack of progress of the Biodiversity Action Plan | High | High | High | Treat Aims and objectives are met. | Approved by Board. | Implementation of plan by modifications to standard operations in designated locations and in special projects with partners. Progress regularly reported to the Board on meeting the targets in the plan. | Medium | Medium | Medium | CE and LDE |

| Category of Risk | Risk | Likelihood (without controls) | Impact (without controls) | Risk Level without controls | Risk response and control procedure | Monitoring and Assurance | Actions | Likelihood (with current controls) | Impact (with current controls) | Risk Level (with current controls) | Responsibility |
|------------------------|---|-------------------------------|---------------------------|-----------------------------|--|--|---|------------------------------------|--------------------------------|------------------------------------|------------------|
| Human Resources | | | | | | | | | | | |
| HR1 | Inability to retain or recruit new staff. | Medium | Medium | Medium | Treat Pay review, pensions. | Board agree all pay reviews and changes. | Pay scales are reviewed to ensure they remain competitive. | Low | Medium | Low | Board, PO and AO |
| | | | | | Tolerate Pay in line with expected action of skill level of staff. | Pay scales are set annually, at national level. Changes to staff responsibilities are set against tables/spine points. | Pay scales and conditions are reviewed at least annually to ensure they remain competitive. Non monetary benefits such as holiday entitlement is monitored to ensure that this also remains competitive to aid recruitment and retention. | | | | |
| | | | | | Treat Increase training. | Training schedules are maintained. | Staff receive ongoing relevant training. | | | | |
| | | | | | Transfer Pension fund review. | Annual review by actuaries of Glos LGPS. LGPS scheme closed to new staff in July 2015. Staff appointed since August 2015 are auto enrolled into a defined contribution Pension Scheme. | LGPS Employer contributions are revised on basis of actuaries triennial review. Review of Employer contribution to defined contribution pension scheme. | | | | |
| HR2 | Incidents to staff through lone working. | Medium | High | High | Treat Lone working training, manual handling and use of ladders. | Training schedules are maintained. Skyguard Lone worker system in place. | Where possible restrict amount of lone working. | Low | High | Medium | LDE |
| | | | | | Treat Street work signage training has been given. | Training schedules are maintained. | All workers have complete signage training. | | | | |
| | | | | | Treat First aid training. | Health and Safety Training schedules are maintained. | All workers have completed first aid training. | | | | AO |
| | | | | | Transfer Fidelity Guarantee Insurance cover. | Cover reviewed annually. | Cover under community Insurance through Zurich Municipal. | | | | |
| HR3 | Loss of key members of staff in a small team. | Medium | Medium | Medium | Tolerate Other drainage boards, Environment Agency and Local Authorities could be asked to advise on operational needs if engineers were to leave. | Member of ADA and in dialogue with other Boards and use of consultants. | Ensure that admin duties are understood by more than one individual. Engineers overlap to ensure spread of knowledge. | Low | Low | Low | AO, LDE and CE |

| Category of Risk | Risk | Likelihood (without controls) | Impact (without controls) | Risk Level (without controls) | Risk response and control procedure | Monitoring and Assurance | Actions | Likelihood (with current controls) | Impact (with current controls) | Risk Level (with current controls) | Responsibility |
|--------------------------|--|-------------------------------|---------------------------|-------------------------------|--|--|--|------------------------------------|--------------------------------|------------------------------------|-------------------|
| Office Systems/IT | | | | | | | | | | | |
| O1 | Disaster to office premises/IT. | Low | High | Medium | <p>Treat Can work from home using a Laptop which will have server access.</p> <p>Treat Backups of server daily and once a week major backup.</p> | Business Continuity/Disaster Recovery plan tested satisfactorily in 2011 with Orchard computers. | <p>A disaster recovery plan has been approved and clearly explains the steps that should be taken dependent on the type of disaster that occurs.</p> <p>Orchard Computer services. Daily/weekly backups.</p> | Low | Medium | Low | PO,CE, LDE and AO |
| O2 | Failure to store confidential and personal data in a secure environment. | High | High | High | Treat Ensure compliance with Data Protection Act 2018 and General Data Protection Regulation. | Review of data held annually. Destruction of data that is either out of date or no longer required. Paper records to be destroyed by a secure method and computer records to be deleted and erased. | Ensure that all staff and the Board are aware of the need to keep data secure and the implications of releasing personal sensitive data | Low | High | Medium | AO |
| O3 | Failure to provide adequate insurance cover. | Medium | High | High | Transfer Level of Insurance cover is reviewed annually . | Cover reviewed annually. | Cover provided through Zurich Municipal. | Low | Low | Low | AO |
| O4 | Inadequate functionality of IT systems. | Low | Medium | Low | Tolerate IT Systems are updated as and when they are needed. No specific high spec computers are needed, all packages used are basic and non bespoke. | Sage upgrades are incorporated as available. Microsoft Office upgraded as appropriate. Data base holding rating information updated as necessary. Drainage Rating System (DRS) has been implemented. | IT Systems are reviewed on a regular basis. New/upgrades to software packages only purchased as necessary to improve information and efficiency of the business. | Low | Low | Low | PO and CE |

Key: CE - Civil Engineer
LDE - Land Drainage Engineer
AO - Accounts Officer
PO - Principal Officer

F&GP Committee - Finance & General Purpose Committee

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

BALANCE SHEET AS AT 30 JUNE 2018

| | Note | £ | 30/06/18 £ | 30/06/17 £ | Variance £ | 31/03/18 £ | Variance £ |
|--|------|-----------|---------------|---------------|---------------|---------------|---------------|
| FIXED ASSETS | | | | | | | |
| Fixed Assets | 1 | 758,527 | 758,527 | 864,712 | -106,185 | 787,465 | -28,938 |
| LONG TERM ASSETS | | | | | | | |
| Investments | | 600,143 | 600,143 | 573,668 | 26,475 | 573,801 | 26,342 |
| CURRENT ASSETS | | | | | | | |
| Stock +WiP | | 46,817 | | 30,791 | 16,026 | 53,208 | -6,391 |
| Trade debtors | | 17,635 | | 1,933 | 15,702 | 917 | 16,718 |
| Drainage rate debtors | | 14,369 | | 8,615 | 5,754 | 0 | 14,369 |
| VAT Claim | | 2,510 | | 4,589 | -2,079 | 5,289 | -2,779 |
| Prepayments | | 26,859 | | 6 | 26,853 | 35,660 | -8,801 |
| Cash at bank and in hand | | 1,089,887 | | 793,566 | 296,321 | 975,669 | 114,218 |
| Short term deposits | | 400,769 | | 400,000 | 769 | 400,225 | 544 |
| | | | 1,598,846 | 1,239,500 | 359,346 | 1,470,968 | 127,878 |
| CURRENT LIABILITIES | | | | | | | |
| Trade Creditors | | -24,559 | | -25,647 | 1,088 | -20,577 | -3,982 |
| Other Creditors | | -25,352 | | -22,910 | -2,442 | -25,697 | 345 |
| Accrued expenses | | -2,515 | | -6,000 | 3,485 | -10,025 | 7,510 |
| Finance Leases due within one year | | -886 | | -886 | 0 | -886 | 0 |
| Prepaid Rates | 2 | -82,717 | | -80,063 | -2,654 | 0 | -82,717 |
| Prepaid Levies | 2 | -305,381 | | -283,090 | -22,291 | -328,782 | 23,401 |
| | | | -441,410 | -418,596 | -22,814 | -385,967 | -55,443 |
| NET CURRENT ASSETS | | | 1,157,436 | 820,904 | 336,532 | 1,085,001 | 72,435 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 2,516,106 | 2,259,284 | 256,822 | 2,446,267 | 69,839 |
| LONG TERM LIABILITIES | | | | | | | |
| Developers' contributions | | -859,304 | | -809,518 | -49,786 | -843,235 | -16,069 |
| Finance Leases | | -754 | | -1,348 | 594 | -1,016 | 262 |
| Pension scheme deficit | | -954,000 | | -1,097,000 | 143,000 | -954,000 | 0 |
| | | | -1,814,058 | -1,907,866 | 93,808 | -1,798,251 | -15,807 |
| NET ASSETS | | | 702,048 | 351,418 | 350,630 | 648,016 | 54,032 |
| FINANCED BY: | | | | | | | |
| CAPITAL ACCOUNT | | | 666,569 | 666,569 | 0 | 666,569 | 0 |
| INCOME AND EXPENDITURE ACCOUNT | | | | | | | |
| Balance brought forward | | 523,570 | | 477,926 | 45,644 | 477,926 | 45,644 |
| Net surplus for the 3 months | | 16,717 | | -19,841 | 36,558 | 45,644 | -28,927 |
| | | | 540,287 | 458,085 | 82,202 | 523,570 | 16,717 |
| Revaluation reserve | | | 146,042 | 146,042 | 0 | 146,042 | 0 |
| Pump station reserve | 3 | | 303,150 | 177,722 | 125,428 | 265,835 | 37,315 |
| Pension reserve | | | -954,000 | -1,097,000 | 143,000 | -954,000 | 0 |
| | | | 702,048 | 351,418 | 350,630 | 648,016 | 54,032 |

Notes

1. Fixed Assets include purchases, sales and depreciation for 3 months to 30 June 2018.
2. In all cases the balance sheet has been adjusted to reflect receipts and payments made in advance of the period earned or due.
3. This Reserve includes a monthly transfer of £14,583.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

INCOME AND EXPENDITURE 3 MONTHS TO 30 JUNE 2018

| Income | Note | Actual £ | Budget £ | Variance £ | 30 June 2017 £ | Variance £ |
|-------------------------------|------|----------------|----------------|---------------|-------------------|---------------|
| Levies charged to Authorities | 1 | 296,291 | 296,291 | 0 | 283,086 | 13,205 |
| Agricultural Rates | 1 | 27,572 | 27,575 | -3 | 26,688 | 884 |
| Rechargeable works | | 7,334 | 2,000 | 5,334 | 4,785 | 2,549 |
| Application fees | | 650 | 0 | 650 | 150 | 500 |
| Plan checking fees | | 0 | 0 | 0 | 0 | 0 |
| Consultancy Fees Recharged | | 9,600 | 0 | 9,600 | 0 | 9,600 |
| Surplus on sale of assets | | 605 | -158 | 763 | 0 | 605 |
| Miscellaneous Income | | 0 | 300 | -300 | 0 | 0 |
| Foreign Water Grant | | 40,210 | 40,210 | 0 | 39,420 | 790 |
| Severnside drawdowns | 1 | 10,300 | 10,300 | 0 | 10,000 | 300 |
| Interest | | 623 | 375 | 248 | 5 | 618 |
| Total | | 393,185 | 376,893 | 16,292 | 364,134 | 29,051 |
| Expenditure | | | | | | |
| Payroll | 2 | 160,124 | 163,080 | 2,956 | 150,126 | -9,998 |
| Office maintenance | | 4,828 | 5,525 | 697 | 10,409 | 5,581 |
| Maintenance | 3 | 94,008 | 88,355 | -5,653 | 90,849 | -3,159 |
| EA Levy | | 51,397 | 51,397 | 0 | 50,389 | -1,008 |
| Motor travel and subsistence | | 5,605 | 4,915 | -690 | 4,100 | -1,505 |
| Communications | | 1,257 | 1,062 | -195 | 890 | -367 |
| Administration | 4 | 11,211 | 10,150 | -1,061 | 14,680 | 3,469 |
| Engineering Consultancy fees | | 15,391 | 11,250 | -4,141 | 16,584 | 1,193 |
| M49 culvert consultants fees | | 0 | 0 | 0 | 6,000 | 6,000 |
| Legal and professional fees | | 825 | 1,500 | 675 | 2,359 | 1,534 |
| Audit and Accountancy fees | | 0 | 0 | 0 | 2,113 | 2,113 |
| Depreciation | | 30,793 | 30,793 | 0 | 34,765 | 3,972 |
| Bank charges | | 1,029 | 600 | -429 | 713 | -316 |
| Total | | 376,468 | 368,627 | -7,841 | 383,977 | 7,509 |
| Surplus for 3 months | | 16,717 | 8,266 | 8,451 | -19,843 | 36,560 |

Notes on Variances

The results for 3 months show a surplus of £16,717 against a budget surplus of £8,266

The major reasons for the variances are:-

1) In all these cases the income and expenditure has been included for the 3 months irrespective of when the monies are received or paid. The appropriate adjustments are made on the balance sheet.

2) Payroll - Monthly costs will increase over the summer months.

3) Maintenance costs analysis is as follows:

| | Actual £ | Budget £ | Variance £ | Explanation of major variances |
|------------------------------|-------------|-------------|---------------|---|
| Plant Maintenance | 22,517 | 18,050 | -4,467 | Bomford Mower and Claas Tractor repairs. Installing Flap Valves at Oldbury. Gates, pipes, posts, fill material and fencing. |
| Maintenance Compensation | 0 | 300 | 300 | |
| Vehicle, Plant | 16,422 | 18,065 | 1,643 | |
| Workshop Fixtures & Fittings | 3,737 | 2,640 | -1,097 | |
| Pump Station Electricity | 4,992 | 3,750 | -1,242 | |
| Health & Safety | 2,590 | 1,800 | -790 | |
| Pump Station Reserve | 43,750 | 43,750 | 0 | |
| | 94,008 | 88,355 | -5,653 | |

4) Administration costs include £2,026 in respect of 2018/19 rates which are based on land holdings less than 125 AV and deemed uneconomical to collect.

Lower Severn (2005) Internal Drainage Board

| Cash | | Cash flow No 1 A/C NatWest | | | | | | | | | | | | |
|---------------------------|------|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 2018 | | | | | | | | | | 2019 | | |
| | Note | Mar £ 000's actual | Apr £ 000's actual | May £ 000's actual | Jun £ 000's actual | Jul £ 000's forecast | Aug £ 000's forecast | Sep £ 000's forecast | Oct £ 000's forecast | Nov £ 000's forecast | Dec £ 000's forecast | Jan £ 000's forecast | Feb £ 000's forecast | Mar £ 000's forecast |
| Balance b/f | | 391 | 100 | 233 | 139 | 62 | 74 | 93 | 119 | 95 | 79 | 54 | 40 | 60 |
| Other income | 3 | 18 | 1 | 6 | 9 | 16 | 7 | 6 | 7 | 7 | 9 | 7 | 7 | 7 |
| VAT | | 0 | 5 | 4 | 5 | 3 | 2 | 14 | 2 | 2 | 3 | 2 | 2 | 2 |
| Severnside | | 0 | 46 | 0 | 0 | 0 | 41 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Levies | 1 | 0 | 99 | 175 | 0 | 0 | 0 | 0 | 0 | 592 | 0 | 0 | 0 | 0 |
| Rates | 2 | 0 | 63 | 22 | 0 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| sub total | | 409 | 314 | 440 | 153 | 90 | 124 | 113 | 128 | 696 | 91 | 63 | 49 | 69 |
| Expenditure | 3 | -54 | -26 | -40 | -36 | -31 | -31 | -32 | -160 | -57 | -42 | -357 | -35 | -35 |
| Plant | | 0 | 0 | 0 | 0 | -29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EA Levy | | 0 | 0 | -11 | 0 | -11 | 0 | 0 | -11 | 0 | 0 | -11 | 0 | 0 |
| Transfer to No. 2 A/c | | -55 | -55 | -50 | -55 | -55 | -65 | -62 | -62 | -60 | -55 | -55 | -54 | -55 |
| Net transfers | 3 | -200 | 0 | -200 | 0 | 110 | 65 | 100 | 200 | -500 | 60 | 400 | 100 | 80 |
| sub total | | -309 | -81 | -301 | -91 | -16 | -31 | 6 | -33 | -617 | -37 | -23 | 11 | -10 |
| Balance c/f | | 100 | 233 | 139 | 62 | 74 | 93 | 119 | 95 | 79 | 54 | 40 | 60 | 59 |
| Other balances | | | | | | | | | | | | | | |
| NatWest | | | | | | | | | | | | | | |
| No 2 Account | | 31 | 32 | 29 | 30 | 29 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 |
| Bonus Saver | 4 | 529 | 529 | 729 | 729 | 619 | 554 | 454 | 254 | 754 | 694 | 294 | 194 | 114 |
| Lloyds 32 day n | 5 | 400 | 400 | 400 | 400 | 401 | 401 | 401 | 401 | 401 | 401 | 401 | 401 | 401 |
| Total | | 960 | 961 | 1,158 | 1,159 | 1,049 | 986 | 886 | 686 | 1,186 | 1,126 | 726 | 626 | 546 |
| All LSIDB balances | | 1,060 | 1,194 | 1,297 | 1,221 | 1,123 | 1,079 | 1,005 | 781 | 1,265 | 1,180 | 766 | 686 | 605 |

The LSIDB balances include £265,835 of pumping station reserve at 31/03/2018. There are transfers to this reserve of £175,000 in 2018/19.

The forecast spend in year is £462,683. Forecast Pump Station Reserve at 31/03/2019 is £-21,848.

Pump Station Reserve as at 30/06/2018 is £303,150.

1. Levies received May and November
2. Rates received in May
3. Income and Expenditure as per Budget profile.
4. Direct Bonus Saver account at NatWest earns 0.15% interest
5. Lloyds 32 day notice deposit earns 0.57% interest.

Lower Severn (2005) Internal Drainage Board

Reconciliation of cash as per the Balance Sheet and the Cash Flow Statement

| | £ | £ |
|---|----------------|----------|
| Balance Sheet as at 30 June 2018 | | |
| Cash at bank and in hand | 1,089,887 | |
| Less Petty Cash | <u>181</u> | |
| Cash at Bank | 1,089,706 | |
| Short Term Deposits | <u>400,769</u> | |
| | 1,490,475 | |
| Less: Cash Flow as at 30 June 2018 | 1,221,014 | |
| Drawdown at 30 June 2018 | <u>10,300</u> | |
| | 1,231,314 | |
| | | 259,161 |
| Developers Contributions | 859,304 | |
| Less Investments (Smith &Williamson) | <u>600,143</u> | |
| | | 259,161 |
| Difference | | <u>0</u> |

Investments

| | As at 30 June 2018 £ |
|--|-------------------------|
| Capital | |
| Amount through Smith & Williamson (net) | 500,000 |
| Market value | <u>586,736</u> |
| Change in value | 86,736 |
| Income | 13,407 |
| Total return | <u>100,143</u> |
| Portfolio return since 31 December 2017 | -0.16% |
| Note: Market Index Movements | 1.25% |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

MTFP (Medium Term Financial Plan)

A) Income and Expenditure

| | Rate - Pence in the Pound | | | | | | |
|--|--|---|---|---|---|---|---|
| | 8.5 | 8.5 | 8.9 | 9.2 | 9.6 | 9.9 | |
| | Original Year 2018/19 Budget £000's | Updated Year 2018/19 Budget £000's | Year 1 2019/20 Estimate £000's | Year 2 2020/21 Estimate £000's | Year 3 2021/22 Estimate £000's | Year 4 2022/23 Estimate £000's | Total All Years 2019/23 £000's |
| Income (line10) | 1,520 | 1,520 | 1,613 | 1,635 | 1,705 | 1,787 | 6,740 |
| Expenditure (line 24) | 1,503 | 1,515 | 1,606 | 1,618 | 1,713 | 1,836 | 6,774 |
| Net surplus/-deficit (line 25) | 17 | 6 | 7 | 17 | -9 | -49 | -34 |
| Free reserves b/f (line26) | 471 | 471 | 477 | 484 | 501 | 492 | 477 |
| Free reserves c/f (line27) | 488 | 477 | 484 | 501 | 492 | 443 | 443 |
| Revenue reserve as % of expenditure | 32.50% | 31.49% | 30.15% | 30.95% | 28.71% | 24.10% | 6.53% |
| B) Cash Flow | Original Year 2018/19 Budget £000's | Updated Year 2018/19 Budget £000's | Year 1 2019/20 Estimate £000's | Year 2 2020/21 Estimate £000's | Year 3 2021/22 Estimate £000's | Year 4 2022/23 Estimate £000's | Total All Years 2019/23 £000's |
| Balances b/f | 498 | 512 | 622 | 527 | 667 | 553 | 622 |
| Net cash movement | 121 | 110 | -95 | 140 | -114 | -211 | -280 |
| Balances c/f | 619 | 622 | 527 | 667 | 553 | 342 | 342 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Medium Term Financial Plan (MTFP)

| | | | Rate - Pence in the Pound | | | | | | |
|--|------|--------|----------------------------|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|
| | | | 8.5 | 8.5 | 8.9 | 9.2 | 9.6 | 9.9 | |
| Income and Expenditure basis | Line | Note | Original | Updated | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | Total |
| | | | YEAR 2018/19 Budget £000's | YEAR 2018/19 Budget £000's | 2019/20 Estimate £000's | 2020/21 Estimate £000's | 2021/22 Estimate £000's | 2022/23 Estimate £000's | all years 2019/23 £000's |
| Income | | | | | | | | | |
| Levies and charges to Authorities | 1 | 1 | 1,185 | 1,185 | 1,241 | 1,283 | 1,339 | 1,380 | 5,243 |
| Agricultural rates | 2 | 2 | 110 | 110 | 115 | 119 | 125 | 128 | 488 |
| sub total + | 3 | | 1,295 | 1,295 | 1,356 | 1,402 | 1,463 | 1,509 | 5,731 |
| Foreign Water Grant + Grant in aid | | 3 | 161 | 161 | 164 | 168 | 171 | 174 | 677 |
| Drawdown from Severnside funds | 5 | 4 | 41 | 41 | 42 | 43 | 45 | 46 | 177 |
| Other Income | 6 | | 21 | 21 | 20 | 20 | 20 | 20 | 80 |
| Bank interest | 7 | 5 | 2 | 2 | 2 | 2 | 2 | 2 | 8 |
| Surplus on sale of fixed assets | 8 | | 0 | 0 | 28 | 0 | 4 | 36 | 68 |
| sub total + | 9 | | 225 | 225 | 257 | 233 | 241 | 278 | 1,009 |
| total+ | 10 | | 1,520 | 1,520 | 1,613 | 1,635 | 1,705 | 1,787 | 6,740 |
| Expenditure | | | | | | | | | |
| Payroll | 11 | 6 | 675 | 687 | 701 | 715 | 729 | 744 | 2,888 |
| Office maintenance | 12 | | 22 | 22 | 22 | 22 | 22 | 22 | 88 |
| Maintenance plant and machinery | 13 | 7 | 164 | 164 | 172 | 180 | 189 | 199 | 740 |
| EA Levy | 14 | 3 | 206 | 206 | 210 | 214 | 219 | 223 | 866 |
| Motor travel and subsistence | 15 | | 19 | 19 | 19 | 20 | 20 | 20 | 79 |
| Communications | 16 | | 4 | 4 | 4 | 4 | 4 | 4 | 16 |
| Administration | 17 | 8 | 54 | 54 | 55 | 56 | 56 | 57 | 224 |
| Engineering consultancy fees | 18 | | 45 | 45 | 45 | 45 | 45 | 45 | 180 |
| Legal and professional fees | 19 | | 3 | 3 | 3 | 3 | 3 | 3 | 12 |
| Audit and Accountancy fees | 20 | | 8 | 8 | 8 | 8 | 8 | 8 | 32 |
| Depreciation | 21 | 9 | 125 | 125 | 165 | 124 | 165 | 234 | 687 |
| Bank charges | 22 | | 3 | 3 | 3 | 3 | 3 | 3 | 12 |
| Transfer to pumping station reserve | 23 | 10 | 175 | 175 | 200 | 225 | 250 | 275 | 950 |
| total | 24 | | 1,503 | 1,515 | 1,606 | 1,618 | 1,713 | 1,836 | 6,774 |
| Net estimated +surplus -deficit | 25 | | 17 | 6 | 7 | 17 | -9 | -49 | -34 |
| Free reserves | 26 | b/f | 471 | 471 | 477 | 484 | 501 | 492 | 477 |
| Free reserves | 27 | c/f | 488 | 477 | 484 | 501 | 492 | 443 | 443 |
| Adjust for non cash items | | | | | | | | | |
| Depreciation | 28 | 9 | 125 | 125 | 165 | 124 | 165 | 234 | 687 |
| Surplus on sale on fixed assets | 29 | | 0 | 0 | -28 | 0 | 0 | -36 | -64 |
| Cash items not included | | | | | | | | | |
| Capital purchases net of sales receipts | 30 | 11 | -21 | -21 | -239 | 0 | -270 | -360 | -869 |
| Adjustment for cash flow purposes | 31 | | 104 | 104 | -103 | 124 | -105 | -162 | -246 |
| Net creditors/debtors | 32 | | 0 | 0 | | | | | |
| Net cash flow movement | 33 | | 121 | 110 | -95 | 140 | -114 | -211 | -280 |
| Bank balances | 34 | b/f | 498 | 512 | 622 | 527 | 667 | 553 | 622 |
| Working Capital | 35 | | 619 | 622 | 527 | 667 | 553 | 342 | 342 |
| Add pump station reserve | 36 | | -22 | -22 | 178 | 50 | 300 | 189 | 189 |
| Bank balances | 37 | 12 c/f | 597 | 600 | 705 | 717 | 853 | 531 | 531 |

Note:

- Proposed rates and levies increase.
- Agricultural rates - there will be a write off of £2,050 due to under 125 AV not collected.
- EA have informed the Board that a net annual payment of £45,000 will increase by 2% per annum
- Based on costs of Engineering consultants and part of Civil engineer time. Increase by 2% per annum.
- Bank interest assumed at 0.5% on average annual balances
- Based on current headcount. 1.0% annual pay increase 2018 to 2023.
Annual pay increase now adjusted to 1.98% for 2018 then 2% for future years.
Includes Fitter's pay award from 01.04.2018.
- Assumes a 5% increase in costs per annum.
- Assumes that Business Rates and Utility bills increase by 2% per annum.
- Depreciation is a non cash item and is added back for cash flow purposes.
- The transfer to the Pump Station Reserve increases by £25,000 per annum.
- Capital purchases/sales include :-
In 2018/19 Ford Ranger £25k, sell Nissan Navara £4k = £21k.
In 2019/20 Wheeled Excavator £100k less proceeds NH WX09 FYF £10k = £90k
Energreen 1500, £184k less proceeds £35k for Energreen AU11 HCH =£149k. Total for the year £239k
In 2020/21 No Purchase or sales are planned
In 2021/22 Claas Mower £150k, less proceeds Claas 697 £10k = 140k
New Holland Excavator £140k, less proceeds Hyundai £10k = £130k. Total for the year £270k
In 2022/23 Energreen SPV2 £200k, Trade in £40k = £160k
Energreen SPV3 £240k, Trade in £40k = £200k. Total for the year £360k.
- Bank Balances exclude Severnside balances.

INTERNAL AUDIT FOR 2018/19

Introduction

At the F & GP Committee meeting held on 6 September 2017, Members appointed Bishop Fleming as its internal auditors for 2017/18 [Minute 2547 refers]. The accountancy firm won the contract in open competition against five other invited bidders. (NB In the event, only two firms chose to submit bids within the prescribed timescale.) Their fee for this work - £2500 – was the lowest of the bids received. Both the Accounts Officer and myself can confirm that BF provided a perfectly satisfactory service and fully met the Board's specification in terms of professional service provision, timeliness and price.

Options

The Board need to appoint internal auditors for the current financial year and can choose to

- (1) Re-appoint Bishop Fleming, subject to the submission of a fee bid acceptable to the Principal Officer in consultation with the Accounts Officer; or
- (2) Seek bids from five or six accountancy firms eligible to undertake this work.

Recommendations

That, subject to the above proviso, Bishop Fleming be appointed as the Board's internal auditors for 2018/19.

Kieran Warren

Principal Officer



Annual Report for the year ended

31 March 2018

The Law – the following annual report is provided in accordance with Paragraph 4 of Schedule 2 to the Land Drainage Act 1991.

No later than 31 August 2018 a copy must be provided to:

- Department for Environment, Food and Rural Affairs, Flood Management Division, Floor 3, Seacole, 2 Marsham Street, London SW1P 4DF via floodreports@defra.gsi.gov.uk
- National Flood and Coastal Risk Manager (Strategic Delivery), The Environment Agency, Horizon House, Deanery Road, Bristol, BS1 5AH via rachael.hill@environment-agency.gov.uk
- The Chief Executives of:
 - all local authorities that pay special levies to the Board;
 - all County Councils or London Boroughs within which the Board is situated.

Please complete the form electronically. If you are unable to complete the form electronically, please complete in BLOCK LETTERS using **black ink**.

Please round all cash figures down to nearest whole £.

LOWER SEVERN (2005) ENTER INTERNAL DRAINAGE BOARD NAME HERE Internal Drainage Board

Section A – Financial information

Preliminary information on special levies issued by the Board for 2018- 19

Information requested below is essential in calculating future formula spending share. It is not covered elsewhere on this form or by the external auditor's certificate.

| Special levies information for financial year 2018-19 (forecast) | |
|--|--------------------|
| Name of local authority | 2018-19 forecast £ |
| 1. BRISTOL CITY COUNCIL | 656,250 |
| 2. SOUTH GLOUCESTERSHIRE COUNCIL | 274,939 |
| 3. STROUD DISTRICT COUNCIL | 135,708 |
| 4. GLOUCESTER CITY COUNCIL | 61,971 |
| 5. FOREST OF DEAN COUNCIL | 38,113 |
| 6. HEREFORDSHIRE COUNCIL | 10,462 |
| 7. TEWKESBURY BOROUGH COUNCIL | 6,284 |
| 8. MALVERN HILLS | 1,435 |
| Total | 1,185,162 |

Section A – Financial information (continued)

Income and Expenditure Account for the year ending 31 March 2018

All Internal Drainage Boards must ensure that the Income and Expenditure information provided below is consistent with the Board's annual accounting statements which have been prepared in accordance with proper practices found in *Governance and Accountability for Smaller Authorities in England – A Practitioners' Guide to proper practices to be applied in the preparation of statutory annual accounts and governance statements March 2017*

| | Notes | Year ending 31 March 2018 £ |
|---|-------|--------------------------------|
| INCOME | | |
| 1. Drainage Rates | | X 106,454 |
| 2. Special Levies | | X 1,132,342 |
| 3. Higher Land Water Contributions from the Environment Agency | | X 157,687 |
| 4. Contributions received from developers/other beneficiaries | | X 46,000 |
| 5. Government Grants (includes capital grants from EA and levy contributions) | | X 0 |
| 6. PSCAs from EA and other RMAs | | X 0 |
| 7. Loans | | X 0 |
| 8. Rechargeable Works | | X 59,043 |
| 9. Interest and Investment Income | | X 1,496 |
| 10. Rents and Acknowledgements | | X 0 |
| 11. Other Income | | X 11,609 |
| Total income | | X 1,514,631 |
| EXPENDITURE | | |
| 12. New Works and Improvement Works | | Y 0 |
| 13. Total precept to the Environment Agency | | Y 201,556 |
| 14. Watercourse maintenance | | Y 911,024 |
| 15. Pumping Stations, Sluices and Water level control structures | | Y 169,514 |
| 16. Administration | | Y 164,117 |
| 17. PSCAs | | Y 0 |
| 18. Rechargeable Works | | Y 26,025 |
| 19. Finance Charges | | Y 0 |
| 20. SSSIs | | Y 0 |
| 21. IDB Biodiversity and conservation (other than item 20 expenditure) | | Y 0 |
| 22. Other Expenditure | | Y 0 |
| Total expenditure | | Y 1,472,236 |

| EXCEPTIONAL ITEMS | | | |
|--|--|--------------|---------|
| 23. Profits/(losses) arising from the disposal of fixed assets | | Z | 3,249 |
| Net Operating Surplus/(Deficit) for the year | | X-Y+Z | 45,644 |
| 24. Developers Funds income not applied in year | | | 843,235 |
| 25. Grant income not applied in year | | | 0 |

Notes:

11. Include all other Income, such as absorption account surpluses (for example plant and labour absorption accounts).
12. State the gross cost of undertaking minor capital works that have not been capitalised and the annual depreciation charges of all major schemes that have been capitalised. You should also include a fair proportion of the support costs directly associated with delivery of the schemes.
13. State the total precept demanded for the year as properly issued by the Environment Agency, in accordance with section 141 of the Water Resources Act 1991. Providing that the precept has been properly issued as before stated it should always be included here, even when the Board has appealed against the amount of contribution, in accordance with section 140 of the Water Resources Act 1991. Where the Board knows with certainty the outcome of any such appeal, it should also include the appropriate accrual/prepayment.
14. State all costs associated with the maintenance of watercourses, meaning work associated with open channels, pipelines, culverts, bridges, etc. Plant, vehicle and labour charges should include a fair proportion of the overheads such as depot/workshop costs, employment on-costs, insurances and depreciation, etc. You should also include a fair proportion of the support costs directly associated with delivery of the maintenance programme.
15. State all costs associated with maintaining and operating the pumping stations, sluices and water level control structures. Plant, vehicle and labour charges should include a fair proportion of the overheads such as depot/workshop costs, employment on-costs, insurances and depreciation, etc. You should also include a fair proportion of the support costs directly associated with maintaining and operating the pumping stations, sluices and water level control structures.
16. Include the cost of non-technical staff only, office accommodation, annual depreciation of office equipment that has been capitalised, minor office equipment that has not been capitalised, postages, telecoms', stationery, printing, advertising, auditing of accounts, general insurances and all other costs associated with supporting the organisation. Please note that this does not include support costs, which are directly associated with the delivery of front line services.
17. State all costs associated with the PSCA
18. State all costs associated with undertaking work for third parties. Plant, vehicle and labour charges should include a fair proportion of the overheads such as depot/workshop costs, employment on-costs, insurances and depreciation, etc. You should also include a fair proportion of the support costs directly associated with undertaking the rechargeable work.
19. Include the cost of servicing any borrowing, in terms of bank/loan/hire purchase Interest payable.
20. State all costs associated with undertaking works – capital or maintenance – specifically for helping to achieve favourable condition on Sites of Special Scientific Interest (SSSIs). In most cases, these costs will be incurred in implementing actions set out in SSSI Water Level Management Plans or SSSI River Restoration Plans.
21. State all costs associated with undertaking works – capital or maintenance – that are likely intended to help conserve biodiversity (other than works on SSSIs). These costs are likely to be incurred in implementing actions set out in an IDB's Biodiversity Action Plan or other conservation actions on non-designated sites.
22. Include all other expenditure, such as a provision for bad/doubtful debts, write-offs, and absorption account deficits (for example plant and labour absorption accounts).
23. For the disposal of assets, state the difference between any proceeds from the sale/disposal of the asset and the cost of the asset less accumulated depreciation.
24. Total balance of developer fund year end.
25. Unspent grant at year end.

Section B –IDB Reporting

Policy Delivery Statement

Boards are required to produce a publicly available policy statement setting out their plans for delivering the Government's policy aims and objectives. It is recommended that these statements be published on Boards' websites where they have them and reviewed every three years.

Is an up to date statement in place and copy (or weblink) provided to Defra, and EA? Yes ☒ No ☐

Biodiversity

Please indicate whether your Board has a Biodiversity Action Plan Yes ☒ No ☐

If "yes" is the Biodiversity Action Plan available on your website? Yes ☒ No ☐

What year was your Biodiversity Action Plan last updated? 2016

Have you reported progress on BAP implementation on your web site? Yes ☐ No ☒

When was biodiversity last discussed at a Board meeting (date)? 28 June 2017

Do you have a biosecurity process? Yes ☐ No ☒

SSSI water level management plans

Please indicate whether your Board is responsible for any SSSI water level management plans? Yes ☒ No ☐

If so, which ones:

Walmore Common, Burley Dean, Slimbridge WWT, Chaceley Meadow, Ashleworth Hams

Area of SSSI with IDB water level management plans 419 Hectares

Area of SSSI where IDB water level management activities are contributing to recovering or favourable condition? 373 Hectares

Area of SSSI where IDB water level management actions are required to achieve recovering or favourable condition?

0

Access to environmental expertise

Does your IDB have access to environmental expertise? If so please tick all those options below through which environmental expertise is regularly provided to your IDB:

| | |
|--|-------------------------------------|
| Appropriately skilled Board Members (e.g. Board member from an Environmental Body/Authority) | <input type="checkbox"/> |
| Co-opted members | <input type="checkbox"/> |
| Directly employed staff | <input type="checkbox"/> |
| Contracted persons or consultants | <input checked="" type="checkbox"/> |
| Environmental Partners/NGOs | <input checked="" type="checkbox"/> |
| Other (please describe) | <input type="checkbox"/> |

Asset Management

What system/database does your Board use to manage the assets it is responsible for?

| | |
|-------------------------|-------------------------------------|
| ADIS | <input checked="" type="checkbox"/> |
| Paper Records | <input type="checkbox"/> |
| Other Electronic System | <input type="checkbox"/> |

Has your Board continued to undertake visual inspections and update asset databases on an annual basis?

Yes ☒ No ☐

What is the cumulative total of identified watercourse (in km) that the Board periodically maintains?

500 Km

How many pumping stations does the Board operate?

6

What is the cumulative design capacity of the Board’s pumping station(s) (enter zero if no stations are operated)?

4.5 metres cubic per second

Health and Safety

| | | |
|--|---|--|
| Does the Board have a current Health and Safety policy in place? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| Does the Board have a responsible officer for Health and Safety? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| Have there been any reportable incidents in the past year? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

If so, please summarise in the box below:

Guidance and Best Practice

Has your IDB adopted a formal Scheme of Delegation? Yes ☒ No ☐

Has your IDB provided training for board members in the last year in the any of the following areas?

Governance ☐

Finance ☐

Environment ☐

Health, safety and welfare ☐

Communications and engagement ☐

Other (please describe) ☐

Is your Board's website information current for this financial year? (Board membership, audited accounts, programmes of works, WLMPS, etc) Yes ☒ No ☐

Has your IDB adopted computerised accounting and rating systems? Yes ☒ No ☐

Has your board published all minutes of meetings on the website?..... Yes ☒ No ☐

Does the Board publish information on its website on its approach to maintenance works and provide contact details to allow for and encourage public engagement? Yes ☒ No ☐

When planning maintenance and capital works are environmental impacts taken into account and wherever possible best practice applied? Yes ☒ No ☐

Has your Board adopted the following governance documents?

Standing Orders Yes ☒ No ☐

Have the Standing Orders been approved by Ministers Yes ☒ No ☐

Byelaws Yes ☒ No ☐

If you have Byelaws, have you adopted the latest model byelaws published in 2012..... Yes ☐ No ☒

Have the Byelaws been approved by Ministers..... Yes ☒ No ☐

Code of Conduct for Board Members..... Yes ☒ No ☐

Financial Regulations.....Yes ☒ No ☐

Register of Member's Interests.....Yes ☒ No ☐

Anti-fraud and corruption policy.....Yes ☒ No ☐

Board membership and attendance

| | |
|--|----|
| How many Board members (in total – elected and appointed) do you have on your IDB? | 29 |
| Seats available to appointed members under the Land Drainage Act 1991. | 15 |
| Number of elected members on the board at year end. | 14 |
| Number of appointed members on the board at year end. | 15 |
| Mean average number of elected members in attendance at each board meeting over the last financial year. | 11 |
| Mean average number of appointed members in attendance at each board meeting over the last financial year. | 10 |

Have you held elections within the last three years?.....Yes ☒ No ☐ N/A ☐

Did elections comply with the requirements specified by the Secretary of State under Regulation 28 of the Land Drainage (Election of Drainage Boards) Regulations 1938?..... Yes ☒ No ☐ N/A ☐

Complaints procedure

Is the procedure for a member of the public to make a complaint about the IDB accessible from the front page of its website?.....Yes ☒ No ☐

| | |
|--|---|
| Number of complaints received in the financial year? | 0 |
| Number of complaints outstanding in the financial year? | 0 |
| Number of complaints referred to the Local Government Ombudsman? | 0 |
| Number of complaints upheld by the Local Government Ombudsman? | 0 |

Public Engagement

Set out what your Board has done in this financial year to engage with the public (tick relevant box(es) below):

| | |
|--|-------------------------------------|
| Press releases | <input type="checkbox"/> |
| Newsletters | <input checked="" type="checkbox"/> |
| Web site | <input checked="" type="checkbox"/> |
| Meetings | <input checked="" type="checkbox"/> |
| Shows/events (including open days/inspections) | <input type="checkbox"/> |
| Consultations | <input type="checkbox"/> |
| Notices | <input checked="" type="checkbox"/> |

Percentage (in value) of drainage rates outstanding at year end?

0

Section B: NOTES

Guidance and Best Practice

Has your Board published **all** minutes of meetings on the web site? In answering this question, this should apply to all the main Board meetings held in the year and any appropriate meetings the Board has held with external stakeholders.

Board membership and attendance

When referring to **elected members** of the Board, this relates to the number of landowners/drainage rate payers that are elected to the Board.

When referring to **appointed members** of the Board, this relates to the number of members appointed by the local authorities to represent the local council taxpayers.

When referring to mean average number of elected and appointed members in attendance at meetings at each board meeting – **this should be expressed as a number of attendees** and not as a percentage attendance.

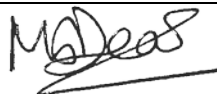
With regard to elections, under Schedule 1 of the Land Drainage Act 1991, elected members should hold office for three years, at which point a further election is held. When elections are held, they should comply with the requirements under Regulation 28 of the Land Drainage (Election of Drainage Boards) Regulations 1938 – to advertise and notify local stakeholders accordingly.

Section C – Declaration

LOWER SEVERN (2005) ENTER INTERNAL DRAINAGE BOARD NAME HERE Internal Drainage Board

I confirm that the information provided in sections A-C or with this form is correct.

Signature



Date

23 August 2018

Name in BLOCK LETTERS

Martin Dear

Designation

Accounts Officer

Email address

MDear@lowersevernidb.org.uk

Payments to be Noted

May 2018 – Jul 2018

Lower Severn (2005) Internal Drainage **Board**

Payments to be **Noted**

Page: 1

No 1 Account

May 2018

Payment Date From : 01/05/2018

Payment Date To : 31/05/2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|--|---|------------------------------------|
| Orchard Computer Services | Quarterly Maintenance Cover | 563.00 |
| Mr J Nichols | J Nichols - Mileages for 14/03/18 | 0.45 |
| Mr W J Cornock | J Cornock - Mileages for 04/04/18 | 6.30 |
| Mr P Abraham | P Abraham - Mileages for 04/04/18 | 13.50 |
| Mr K Withers | K Withers - Mileages for 04/04/18 | 13.50 |
| RS COMPONENTS LTD | Relay plugins | 42.34 |
| Autobulbs Direct | Dashboard Bulbs | 19.95 |
| Honey Brothers Ltd | Fibreglass Screwfit Pole set & Attachments | 504.96 |
| Bob Richardson Tools & Fasteners Ltd | Assort Chimney Nuts | 21.77 |
| Pearson Vue | Renewal test for NG | 25.00 |
| JOHN DAVIDSON (PIPES) LTD | Solid Weholite Pipe | 1,716.67 |
| ARCO LTD | Assort Coveralls, Safety Specs, Handwash | 254.25 |
| ARCO LTD | Sandbags | 240.12 |
| ARCO LTD | Cable Ties, Tape Measure | 59.66 |
| Claas Western Ltd | Fan belt for OU07 JXX` | 44.92 |
| ARCO LTD | Paper Rolls | 93.12 |
| ARCO LTD | Trenching Shovels | 41.93 |
| CROMWELL GROUP HOLDINGS LTD | Pipe repair tape | 14.29 |
| Hydroscand Ltd | Hose assembly for WX12 CWL | 30.06 |
| BRT Group | Oil Seal for AU11 HCH | 15.26 |
| Moorepay Ltd | Year End Payroll Costs | 114.95 |
| Pitney Bowes Ltd | Franking machine rental Mar & Apr | 31.08 |
| Konica Minolta Business Solutions (UK) Ltd | Quarterly hire of Photocopier | 83.88 |
| Konica Minolta Business Solutions (UK) Ltd | Quarterly copy charge | 141.94 |
| LISTER WILDER LTD | Chainsaw Boots | 95.00 |
| LISTER WILDER LTD | Easy Start, Shackles, Linch Pins | 71.20 |
| LISTER WILDER LTD | Chainsaw Boots | 178.00 |
| LISTER WILDER LTD | Drill Guard | 7.19 |
| LISTER WILDER LTD | Wiper Blades & spares for VN62 RPY | 23.40 |
| K J Conner & Son | Cleaning for April | 276.00 |
| Just Ecology Environmental Consultancy Ltd | WLMP for Slimbridge | 4,584.00 |
| Sainsbury's Supermarkets Ltd | Sun Spray for Operatives | 27.00 |
| Hall-Fast Industrial Supplies Ltd | Wire Strainers | 202.79 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | 2 x Land Registry Searches | 12.00 |
| HM Land Registry | 2 x Land Registry Searches | 12.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| DVLA | Road Tax for WX09 FYF | 165.00 |
| DVLA | Credit Card fee | 2.50 |
| TESCO | Petrol for chainsaws | 43.08 |
| Eurocarparts | Filters for OV57 FPK | 55.80 |
| Honey Brothers Ltd | Chainsaw Jacket | 100.01 |
| Honey Brothers Ltd | Oil filling systems | 30.00 |
| Barcan & Kirby | Solicitor Fees Re Unpaid Invoice | 180.00 |
| Seals+Direct Ltd | Seals for VN62 RPY | 67.62 |
| ENVIRONMENT AGENCY | Precept net of FWG | Invoice FYI 11,186.50 |
| GAP SUPPLIES | 2 x pallets cement & Sand | 1,158.05 |
| TAILORMADE OFFICE SUP.LTD | A4 Paper, Lever Arch Files, Dividers, Wallets | 74.27 |
| GREENHAM TRADING LTD | Safety Boots, Waders, Carex | 336.37 |
| Green Farm Seeds Ltd | Grass Seed | 384.00 |
| CROMWELL GROUP HOLDINGS LTD | Assort Screws, Nuts, Hammers, Hacksaw Blades | 284.70 |
| Moorepay Ltd | Payroll Costs for April | 100.14 |
| MERRETT D C | Transportation of WU16 TZM | 180.00 |
| BOC LTD | Rental of Acetylene | 216.84 |
| FILTRATION LTD | Filters for VX65 HTA | 352.38 |
| FILTRATION LTD | Filters for AU11 HCH | 176.20 |
| FILTRATION LTD | Filters for WU16 TZM | 10.33 |
| FILTRATION LTD | Filters for OU07 JXX | 74.33 |
| FILTRATION LTD | Filters for WX08 OSY | 94.21 |

Payments to be Noted

May 2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|---|---|------------------------------------|
| FILTRATION LTD | Filters for Bomford Eagle Mower | 127.67 |
| FILTRATION LTD | Filters for WX14 LGO | 89.63 |
| FILTRATION LTD | Filters for VX65 HTA | 80.98 |
| FILTRATION LTD | Filters for VX65 HVB | 140.88 |
| Motion Consultants Ltd | Saul Pumping Station Eel Regs | Invoice FYI 2,304.00 |
| Motion Consultants Ltd | Central Avenue Rhine Widening Project Consultancy | Invoice FYI 3,520.44 |
| Motion Consultants Ltd | General Consultancy Advice | Invoice FYI 1,344.00 |
| TONY CULLIMORE SERVICES | Gate Plates, Stop Taps | 75.23 |
| TONY CULLIMORE SERVICES | Safety Wellingtons | 27.50 |
| TONY CULLIMORE SERVICES | Gate | 103.76 |
| TONY CULLIMORE SERVICES | Membrane, Assort Nails, Stakes | 1,021.87 |
| TONY CULLIMORE SERVICES | Fencing Pliers | 45.86 |
| Plan Communications Ltd | Mobile Phones Bill | 223.20 |
| Moreton C Cullimore (Gravels) Ltd | Crushed Limestone | 249.48 |
| Dual Energy Direct Ltd | Saul Electricity | 78.51 |
| Dual Energy Direct Ltd | Oldbury P/S Electricity | 1,751.02 |
| Dual Energy Direct Ltd | Lapperditch Electricity | 211.43 |
| Dual Energy Direct Ltd | Office Electricity | 373.56 |
| Dual Energy Direct Ltd | Elmore Back Electricity | 122.29 |
| Dual Energy Direct Ltd | Marshfield Electricity | 123.74 |
| Dual Energy Direct Ltd | Wicks Green Electricity | 1,219.07 |
| ZEN INTERNET LTD | Monthly Internet Charge | 46.50 |
| Cllr S Morgan | S Morgan - Mileages for 09/05/18 | 16.65 |
| Mr J Nichols | J Nicholls - Mileages for 09/05/18 | 5.40 |
| Cllr Bronwen Behan | B Behan - Mileages for 09/05/18 | 26.10 |
| Cllr P Awford | P Awford - Mileages for 09/05/18 | 31.50 |
| Mr P Burford | P Burford - Mileages for 09/05/18 | 27.00 |
| Mr R Godwin | R Godwin - Mileages for 09/05/18 | 15.30 |
| Mr P Abraham | P Abraham - Mileages for 09/05/18 | 15.30 |
| Mr W J Cornock | J Cornock - Mileages for 10/05/18 | 6.30 |
| Mr I Ractliffe | I Ractliffe - Mileages for 10/05/18 | 22.50 |
| Mr R Thatcher | R Thatcher - Mileages for 10/05/18 | 27.00 |
| Mr R Godwin | R Godwin - Mileages for 10/05/18 | 15.30 |
| Citation Ltd | Legal Fees | 300.00 |
| SOUTH GLOUCESTERSHIRE COUNCIL | Business Rates | 732.00 |
| The Gables Hotel | Room hire & Refreshments for 09/05/18 | 65.00 |
| The Gables Hotel | Room hire & Refreshments for 10/05/18 | 127.50 |
| Hydroscand Ltd | 2 x hose assembly's for VX65 HVB | 66.44 |
| PMC Fluidpower Ltd t/as Group HES | Assort Seals & repair Packs | 87.90 |
| PMC Fluidpower Ltd t/as Group HES | Long lasting spray grease | 30.96 |
| JOHN DAVIDSON (PIPES) LTD | Twinwall pipe & Couplers | 232.62 |
| Cablestream Ltd | Office phone line rental & calls | 87.65 |
| CROMWELL GROUP HOLDINGS LTD | Assort Washers | 11.04 |
| Moreton C Cullimore (Gravels) Ltd | 9 x loads Type 1 stone | 2,310.84 |
| CARR R MR | Rhine Spraying | 696.00 |
| CARR R MR | Rhine Spraying | 480.00 |
| Hymans Robertson Financial Services LLP | III Health Liability Insurance | 4,217.75 |
| HM Land Registry | Land registr Search | 6.00 |
| BRITISH TELECOM | Alternative phone line | 45.47 |
| Thomas Silvey Ltd | 2004 litres Derv | 2,428.61 |
| | | 50,286.56 |

Please note that the amounts shown above include Vat where applicable

Amount Paid this Period (Supplier Invoices) 50,286.56**Bank Payments for May**

| | | |
|---------|--|---------------|
| NatWest | Bankline Charge | 103.40 |
| NatWest | Bank Charges (Rates Cheques Banked) | <u>301.98</u> |
| | Amount Paid this Period (Bank Payments) | 405.38 |

Total Amount Paid this Period - May 2018**£50,691.94**

Lower Severn (2005) Internal Drainage **Board**

Payments to be **Noted**

Page: 1

No 1 Account

June 2018

Payment Date From : 01/06/2018

Payment Date To : 30/06/2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|-----------------------------------|--|------------------------------------|
| Honey Brothers Ltd | Chainsaw Jacket | 100.01 |
| HM Land Registry | Land registry Search | 6.00 |
| HM Land Registry | Land registry Search | 3.00 |
| HM Land Registry | Land registry Search | 3.00 |
| Orchard Computer Services | Quarterly Maintenance Cover | 563.00 |
| Amazon.co.uk | Legal Book | 41.96 |
| Thomson Reuters | Legal Book - Watercourses | 75.00 |
| Highways England Company Ltd | Severn Bridge Tolls | 11.20 |
| GAP SUPPLIES | 10mm to dust | 512.63 |
| JOHN DAVIDSON (PIPES) LTD | Coiled duct | 55.61 |
| Gloucestershire LGPS | Actuarial Recharge for FRS102 | 588.00 |
| Claas Western Ltd | Repairs to WX14 LGO - parts | 491.88 |
| Claas Western Ltd | Repairs to WX14 LGO - labour | 1,588.80 |
| MERRETT D C | Transportation of WU16 TZM | 144.00 |
| Sainsbury's Supermarkets Ltd | Insect repellent & sun screen | 70.00 |
| TESCO | Petrol for Chainsaws | 24.09 |
| Highways England Company Ltd | Severn Bridge Tolls | 11.20 |
| HM Land Registry | Land Registry Search | 6.00 |
| metals4U.co.uk | Assort lengths of metal | 275.47 |
| JOHN DAVIDSON (PIPES) LTD | Assort twinwall pipes. sockets & coil | 949.51 |
| Pitney Bowes Ltd | Hire of Franking Machine - May 18 | 15.54 |
| Pitney Bowes Ltd | Top up Postage | 306.84 |
| Orchard Computer Services | 2 x Laptops & 1 x Computer | 2,118.00 |
| Orchard Computer Services | 3 x Microsoft Office | 1,134.00 |
| Orchard Computer Services | Monitor & 3 x Ergo Keyboards | 666.00 |
| K J Conner & Son | Cleaning for May | 276.00 |
| CROMWELL GROUP HOLDINGS LTD | Assort Washers & Nuts | 36.76 |
| Amazon.co.uk | Surveying Staff | 39.62 |
| Amazon.co.uk | Ink for Franking Machine | 15.99 |
| St John Ambulance | First Aid Courses for AT | 258.00 |
| St John Ambulance | First Aid Courses for JT & JD | 720.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| GAP SUPPLIES | Lengths of wood. Ex Foam | 19.33 |
| GAP SUPPLIES | Cement & Postfast | 335.67 |
| Motion Consultants Ltd | Saul P/S advise on tender & contract matters - Apr | 2,016.00 |
| Motion Consultants Ltd | Consultancy advice for Apr | 1,776.00 |
| Moorepay Ltd | Payroll costs for May | 100.14 |
| NATWEST | Card Fee for JT | 14.58 |
| NATWEST | Card Fee for PD | 14.58 |
| TONY CULLIMORE SERVICES | Gate | 104.89 |
| TONY CULLIMORE SERVICES | Gate plate & Hex bolts & nuts | 36.84 |
| TONY CULLIMORE SERVICES | Round rails, barbed wire & nails | 815.57 |
| TONY CULLIMORE SERVICES | Gate posts | 79.66 |
| G R Tuck | Length of steel | 20.12 |
| Moreton C Cullimore (Gravels) Ltd | 2 x loads of Type 1 stone | 415.29 |
| Moreton C Cullimore (Gravels) Ltd | Type1 stone | 240.41 |
| ZEN INTERNET LTD | Internet monthly charge | 46.50 |
| Mr BB Richards | B Richards - Mileages for 06/06/18 | 20.70 |
| Cllr P Awford | P Awford - Mileages for 06/06/18 | 27.00 |
| Mr C.J.N Williams | C Williams - Mileages for 06/06/18 | 19.80 |
| HORE MR J | J Hore - Mileages for 06/06/18 | 10.80 |
| Miles Tyre & Exhaust Services | Puncture repair to Trailer | 14.40 |
| Miles Tyre & Exhaust Services | Tube for Norton Trailer | 23.97 |
| Dual Energy Direct Ltd | Saul P/S Electricity | 13.77 |
| Dual Energy Direct Ltd | Oldbury P/S Electricity | 304.85 |
| Dual Energy Direct Ltd | Lapperditch P/S Electricity | 36.45 |
| Dual Energy Direct Ltd | Office Electricity | 261.55 |
| Dual Energy Direct Ltd | Elmore Back P/S Electricity | 1,032.83 |

Payments to be **Noted****June 2018**

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|-------------------------------|---------------------------------------|------------------------------------|
| Dual Energy Direct Ltd | Marshfield P/S Electricity | 134.91 |
| Dual Energy Direct Ltd | Wicks Green P/S Electricity | 635.06 |
| Ebay | Ebay fees for April | 302.44 |
| Certas Energy UK Ltd | 7000 litres Gas Oil | 4,819.92 |
| Plan Communications Ltd | Mobile Phones Bill | 223.20 |
| The Gables Hotel | Room hire & refreshments for 06/06/18 | 105.00 |
| Cablestream Ltd | Office phone line rental & calls | 82.34 |
| Water Environment Ltd | Central Park Plots 10-12 Modelling | Invoice FYI 9,600.00 |
| Citation Ltd | Legal Fees | 300.00 |
| SOUTH GLOUCESTERSHIRE COUNCIL | Business Rates | 732.00 |
| Molson Equipment Services Ltd | Door glass for WO14 OEY (To Return) | Credit 193.91 |
| | | <u>36,055.59</u> |

Please note that the amounts shown above include Vat where applicable

| | |
|--|------------------|
| Amount Paid this Period | 36,055.59 |
| Credits | <u>(193.91)</u> |
| Amount Paid this Period (Supplier Invoices) | 35,861.68 |

Bank Payments for June 2018

| | | |
|---------|--|---------------|
| NatWest | Bankline Charge | 109.80 |
| NatWest | Bank Charges (Rates Cheques Banked) | <u>71.04</u> |
| | Amount Paid this Period (Bank Payments) | 180.84 |

Total Amount Paid this Period - June 2018

£36,042.52

Lower Severn (2005) Internal Drainage **Board**

Payments to be **Noted**

Page: 1

No1 Account

July 2018

Payment Date From : 01/07/2018

Payment Date To : 31/07/2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|--|---|------------------------------------|
| Orchard Computer Services | Quarterly Maintenance Cover | 563.00 |
| Highways England Company Ltd | Severn Bridge Tolls for PD | 11.20 |
| DVLA | Licence for WU17 NVD | 250.00 |
| DVLA | Card Fees | 2.50 |
| DVLA | Licence for WU16 TZM | 165.00 |
| DVLA | Card Fees | 2.50 |
| DVLA | Licence for WN03 NVK | 250.00 |
| DVLA | Card Fees | 2.50 |
| HM Land Registry | Land Registry Search | 3.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| Powertool World | Makita battery | 58.95 |
| MOWER DOCTOR | Head for strimmer | 35.94 |
| Skyguard Ltd | 12 month mandown subscription for 12 people | 1,866.24 |
| CROMWELL GROUP HOLDINGS LTD | Drills, head & drill driver | 142.53 |
| Orchard Computer Services | Replacement Acer Monitors | 738.00 |
| Avon Hydraulics (UK) Ltd | Extension hose & parts for pressure washer | 341.44 |
| N&J Aluminium Linings Ltd | Samson Canopy for Ford Ranger | 1,742.00 |
| Molson Equipment Services Ltd | Door glass for WO14 OEY | 175.72 |
| Pitney Bowes Ltd | Hire of Franking Machine for Jun | 15.54 |
| TAILORMADE OFFICE SUP.LTD | 2 x Crown Binders, Crown sheets, A4 Paper, Binding | 334.45 |
| K J Conner & Son | Cleaning for Jun | 276.00 |
| Motion Consultants Ltd | Saul P/S Consultancy Fees for May 18 | 3,402.00 |
| Motion Consultants Ltd | Consultancy advice for May | 1,056.00 |
| Motion Consultants Ltd | Central Rhine, Severnside consultancy | 788.76 |
| Solum (SW) Ltd | Installation of flap valves at Oldbury - (rechargeable) | 4,458.66 |
| Mr P Burford | P Burford - Mileages for 27/06/18 | 27.00 |
| Rose Hewlett | R Hewlett - Mileages for 27/06/18 | 11.25 |
| Cllr S Morgan | S Morgan - Mileages for 27/06/18 | 16.65 |
| Cllr E Orpen | E Orpen - Mileages for 27/06/18 | 9.00 |
| HORE MR J | J Hore - Mileages for 27/06/18 | 9.90 |
| Mr R Thatcher | R Thatcher - Mileages for 27/06/18 | 31.50 |
| Cllr Bronwen Behan | B Behan - Mileages for 27/06/18 | 26.10 |
| Mr P Abraham | P Abraham - Mileages for 27/06/18 | 15.30 |
| Mr BB Richards | B Richards - Mileages for 27/06/18 | 20.70 |
| Bristol & Gloucestershire Archaeological Society | Donation as agreed by Board | 500.00 |
| HM Land Registry | 2 x Land registry Searches | 12.00 |
| Eurocarparts | Filters for WN03 NVK | 34.87 |
| MERRETT D C | Transportation of WX12 CWL | 180.00 |
| MERRETT D C | Transportation of WU16 TZM | 180.00 |
| ENVIRONMENT AGENCY | Precept net of FWG | 11,186.50 |
| GAP SUPPLIES | Paint, Brushes, Putty, Sandtex for depot | 198.95 |
| The Gables Hotel | Room hire & refreshments for 27/06/18 | 130.00 |
| Moorepay Ltd | Payroll costs for June | 100.14 |
| RS COMPONENTS LTD | Replacement screen for Bomford Eagle | 51.02 |
| CROMWELL GROUP HOLDINGS LTD | Sledge Hammes, Guage & stand | 106.18 |
| CROMWELL GROUP HOLDINGS LTD | Water containers, assort gloves | 177.27 |
| CROMWELL GROUP HOLDINGS LTD | Leak detector spray, blade knife, hammer file set | 58.74 |
| BNP PARIBAS LEASE GROUP | Quarterly Office telecoms rental | 462.00 |
| BOMFORD TURNER LTD | ICS Control box for Bomford Mower | 2,304.88 |
| Amazon.co.uk | Charging Cables | 17.98 |
| HSS Hire Service Group Ltd | Hire of podium step | 126.00 |
| HSS Hire Service Group Ltd | Deposit to £250.00 | 124.00 |
| PMC Fluidpower Ltd t/as Group HES | Adan seal kits | 117.00 |
| ZEN INTERNET LTD | Internet charges | 46.50 |
| Ford Fuel Oils | Assort lubricants & grease | 889.97 |
| SOUTH GLOUCESTERSHIRE COUNCIL | Business Rates | 732.00 |
| Citation Ltd | Legal Fees | 300.00 |
| FILTRATION LTD | Filters for WX12 CWL | 109.68 |
| TONY CULLIMORE SERVICES | Barbed wire, assort stakes , Gates & hooks, plates | 1,575.29 |
| TONY CULLIMORE SERVICES | Gates Plates | 28.61 |

July 2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|-------------------------|------------------------------------|------------------------------------|
| TONY CULLIMORE SERVICES | Creosoted Posts | 394.94 |
| TONY CULLIMORE SERVICES | Posts, Barbed Wire | 332.06 |
| Green Farm Seeds Ltd | Grass seed | 320.00 |
| Dual Energy Direct Ltd | Elmore Back Electricity | 110.25 |
| Dual Energy Direct Ltd | Lapperditch Electricity | 18.09 |
| Dual Energy Direct Ltd | Office Electricity | 142.86 |
| Dual Energy Direct Ltd | Oldbury P/S Electricity | 313.61 |
| Dual Energy Direct Ltd | Saul Electricity | 10.56 |
| Dual Energy Direct Ltd | Marshfield Electricity | 120.56 |
| Thomas Silvey Ltd | 3500 litres Gas Oil | 2,374.68 |
| M J FEWS LTD | Joint, Locknut & bolt for WN03 NVK | 74.90 |
| Registry Trust Ltd | Supply Court Information | 10.00 |
| McVeigh Parker | Assort stakes & posts | 1,618.56 |
| Thornbury Motors | Ford Ranger | 2,528.00 |
| Thornbury Motors | Licence & registration Fee | 305.00 |
| Thornbury Motors | Ford Ranger | 25,134.00 |
| Amazon.co.uk | Amazon | 7.99 |
| Cablestream Ltd | Office phone line rental & calls | 83.29 |
| Hydroscand Ltd | Filters for VX65 HVB | 21.26 |
| Plan Communications Ltd | Mobile Phones Bill | 223.35 |
| | | <u>70,748.87</u> |

**credit of £1,360.36
applied**

Invoice FYI

Please note that the amounts shown above include Vat where applicable

| | |
|--|-------------------|
| Amount Paid this Period | 70,748.87 |
| Credits | <u>(1,360.36)</u> |
| Amount Paid this Period (Supplier Invoices) | 69,388.51 |

Bank Payments for July 2018

| | | |
|---------|--|-----------------|
| NatWest | Maintenance Compensation Payments | 1,005.80 |
| NatWest | Bankline Charge | 102.60 |
| | Bank Charges | <u>52.21</u> |
| | Amount Paid this Period (Bank Payments) | 1,160.61 |

Total Amount Paid this Period - July 2018
£70,549.12

Payments to be Noted May 18 - Jul 18

| | |
|--------------|--------------------|
| May 2018 | 50,691.94 |
| Jun 2018 | 36,042.52 |
| Jul 2018 | <u>70,549.12</u> |
| Total | £157,283.58 |

Lower Severn (2005) Internal Drainage Board

Payments to be Noted

Date From : 01/05/2018

Date To : 31/07/2018

May 2018- Jul 2018

| No | Type | Date | N/C | Ref | Details | Net Amount | Tax Amount | Gross Amount | Bank Rec. B Date |
|-------|------|------------|------|-----|---|-------------------|-------------|-------------------|---------------------|
| 75058 | BP | 15/05/2018 | 2231 | D/D | May 18 Peoples Pension Cont - Apr 18 | 598.92 | 0.00 | 598.92 | R 31/05/2018 |
| 75059 | BP | 18/05/2018 | 2230 | D/D | Glos CC - Pension Cont for Apr | 13,950.02 | 0.00 | 13,950.02 | R 31/05/2018 |
| 75060 | BP | 22/05/2018 | 2210 | D/D | HMRC - Liability for Apr 18 | 11,086.42 | 0.00 | 11,086.42 | R 31/05/2018 |
| 75061 | BP | 25/05/2018 | 2220 | D/D | LSIDB Salary for May 18 | 27,697.77 | 0.00 | 27,697.77 | R 31/05/2018 |
| 75062 | BP | 25/05/2018 | 2211 | D/D | GMB - Union Cont for May 18 | 39.66 | 0.00 | 39.66 | R 31/05/2018 |
| 75389 | BP | 15/06/2018 | 2231 | D/D | Jun 18 Peoples Pension Cont - May 18 | 634.04 | 0.00 | 634.04 | R 30/06/2018 |
| 75390 | BP | 19/06/2018 | 2230 | D/D | Glos CC - Pension Cont for May | 13,854.87 | 0.00 | 13,854.87 | R 30/06/2018 |
| 75391 | BP | 22/06/2018 | 2210 | D/D | HMRC - Liability for May 18 | 10,851.71 | 0.00 | 10,851.71 | R 30/06/2018 |
| 75392 | BP | 28/06/2018 | 2220 | D/D | LSIDB Salary for Jun 18 | 28,715.32 | 0.00 | 28,715.32 | R 30/06/2018 |
| 75393 | BP | 28/06/2018 | 2211 | D/D | GMB - Union Cont for Jun 18 | 39.66 | 0.00 | 39.66 | R 30/06/2018 |
| 75721 | BP | 16/07/2018 | 2231 | D/D | Jul 18 Peoples Pension Cont - Jun 18 | 613.42 | 0.00 | 613.42 | R 31/07/2018 |
| 75722 | BP | 19/07/2018 | 2230 | D/D | Glos CC - Pension Cont for Jun | 13,854.87 | 0.00 | 13,854.87 | R 31/07/2018 |
| 75723 | BP | 20/07/2018 | 2210 | D/D | HMRC - Liability for Jun 18 | 10,884.31 | 0.00 | 10,884.31 | R 31/07/2018 |
| 75724 | BP | 27/07/2018 | 2220 | D/D | LSIDB Salary for Jul 18 | 29,741.41 | 0.00 | 29,741.41 | R 31/07/2018 |
| 75725 | BP | 27/07/2018 | 2211 | D/D | GMB - Union Cont for Jul 18 | 39.66 | 0.00 | 39.66 | R 31/07/2018 |
| | | | | | | <u>162,602.06</u> | <u>0.00</u> | <u>162,602.06</u> | |
| | | | | | | <u>162,602.06</u> | <u>0.00</u> | <u>162,602.06</u> | |

Date From: 01/05/2018
Date To: 31/07/2018

May 2018 - Jul 2018

Bank From: 1230
Bank To: 1230

| No | Type | Date | Ref | Details | Net £ | Tax £ | Gross £ | B | Bank Rec. | Date |
|--------|------|------------|------|----------------------------------|--------------------|-------------|---------------|---|------------|------|
| 75043 | CP | 09/05/2018 | 7296 | Post Office - Milk | May 18 1.75 | 0.00 | 1.75 | R | 31/05/2018 | |
| 75044 | CP | 09/05/2018 | 7297 | Post Office - Milk | 3.04 | 0.00 | 3.04 | R | 31/05/2018 | |
| 75045 | CP | 13/05/2018 | 7298 | Tesco - 2 x milks | 2.18 | 0.00 | 2.18 | R | 31/05/2018 | |
| 75046 | CP | 14/05/2018 | 7299 | Tesco - Milk (no receipt) | 1.09 | 0.00 | 1.09 | R | 31/05/2018 | |
| 75047 | CP | 15/05/2018 | 7300 | Severn Bridge Toll | 11.20 | 0.00 | 11.20 | R | 31/05/2018 | |
| 75048 | CP | 16/05/2018 | 7301 | Lunch for JT & JD - Pillning | 10.00 | 0.00 | 10.00 | R | 31/05/2018 | |
| 75049 | CP | 17/05/2018 | 7302 | Car Parking for JT (Court) | 2.50 | 0.00 | 2.50 | R | 31/05/2018 | |
| 75050 | CP | 21/05/2018 | 7303 | Tesco - Tea, Coffee, Sugar, Milk | 33.51 | 0.00 | 33.51 | R | 31/05/2018 | |
| 75051 | CP | 23/05/2018 | 7304 | Severn Bridge Toll | 11.20 | 0.00 | 11.20 | R | 31/05/2018 | |
| 75052 | CP | 24/05/2018 | 7305 | Severn Bridge Toll | 11.20 | 0.00 | 11.20 | R | 31/05/2018 | |
| 75053 | CP | 29/05/2018 | 7306 | Severn Bridge Toll | 11.20 | 0.00 | 11.20 | R | 31/05/2018 | |
| 75054 | CP | 29/05/2018 | 7307 | Tesco - 2 x milks | 2.18 | 0.00 | 2.18 | R | 31/05/2018 | |
| 75397 | CP | 01/06/2018 | 7308 | Car Parking for JD Guildford (no | Jun 18 4.00 | 0.00 | 4.00 | R | 30/06/2018 | |
| 75398 | CP | 04/06/2018 | 7309 | Tesco - 2 x milks | 2.18 | 0.00 | 2.18 | R | 30/06/2018 | |
| 75399 | CP | 12/06/2018 | 7310 | Milk & juice for meeting | 3.78 | 0.00 | 3.78 | R | 30/06/2018 | |
| 75400 | CP | 14/06/2018 | 7311 | Sandwiches for working lunch | 14.80 | 2.96 | 17.76 | R | 30/06/2018 | |
| 75401 | CP | 18/06/2018 | 7312 | Aldi - 2 x milks | 2.18 | 0.00 | 2.18 | R | 30/06/2018 | |
| 75402 | CP | 18/06/2018 | 7313 | Card for AT | 1.91 | 0.38 | 2.29 | R | 30/06/2018 | |
| 75403 | CP | 25/06/2018 | 7314 | Tesco - 2 x milks | 2.18 | 0.00 | 2.18 | R | 30/06/2018 | |
| 75748 | CP | 02/07/2018 | 7315 | Post Office - 2 x Milks | Jul 18 3.30 | 0.00 | 3.30 | R | 31/07/2018 | |
| 75749 | CP | 03/07/2018 | 7316 | Tesco - 2 x Milks | 2.18 | 0.00 | 2.18 | R | 31/07/2018 | |
| 75750 | CP | 04/07/2018 | 7317 | Tesco - Tea, Coffee, Sugar | 32.38 | 0.00 | 32.38 | R | 31/07/2018 | |
| 75751 | CP | 11/07/2018 | 7318 | Post Office - Milk | 1.65 | 0.00 | 1.65 | R | 31/07/2018 | |
| 75752 | CP | 13/07/2018 | 7319 | Recycling box for glass | 9.28 | 0.00 | 9.28 | R | 31/07/2018 | |
| 75753 | CP | 13/07/2018 | 7320 | Postage to South Glos | 13.14 | 0.00 | 13.14 | R | 31/07/2018 | |
| 75754 | CP | 16/07/2018 | 7321 | Tesco - 1 x Milk | 1.09 | 0.00 | 1.09 | R | 31/07/2018 | |
| 75755 | CP | 16/07/2018 | 7322 | Biscuits & milk for Meeting | 4.03 | 0.00 | 4.03 | R | 31/07/2018 | |
| 75756 | CP | 23/07/2018 | 7323 | Tesco - 1 x Milk | 1.09 | 0.00 | 1.09 | R | 31/07/2018 | |
| 75757 | CP | 30/07/2018 | 7324 | Tesco - 1 x Milk | 1.09 | 0.00 | 1.09 | R | 31/07/2018 | |
| 75758 | CP | 30/07/2018 | 7325 | Bridge Tolls | 11.20 | 0.00 | 11.20 | R | 31/07/2018 | |
| Totals | | | | | £ <u>212.51</u> | <u>3.34</u> | <u>215.85</u> | | | |

Bank Transfers May 2018 - July 2018

| Bank | NominalRecord.AccountName | Type | Date | Journal | TransactionNominal.Details | Amount |
|------|-----------------------------|------|------------|----------------|--|------------|
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 17/05/2018 | J1246 | Tsf from No1 Acc to No2 /acc (Wages) | -50000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 18/05/2018 | J1247 | Tsf from No1 Acc to Direct Res | -200000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 24/05/2018 | J1249 | Tsf from No1 Acc to Petty Cash | -200.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 20/06/2018 | J1258 | Tsf from No1 acc to No2 acc Re : Wages | -55000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JD | 12/07/2018 | J1263 | Tsf from Direct Res to No1 Acc | 110000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 12/07/2018 | J1264 | Tsf from No1 acc to No2 acc Re : Wages | -55000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: | JC | 10/07/2018 | J1265 (010902) | Tsf from No1 acc to Petty Cash | -150.00 |
| 1201 | NAT WEST ACCOUNT NO 2: | JD | 17/05/2018 | J1246 | Tsf from No1 Acc to No2 /acc (Wages) | 50000.00 |
| 1201 | NAT WEST ACCOUNT NO 2: | JD | 20/06/2018 | J1258 | Tsf from No1 acc to No2 acc Re : Wages | 55000.00 |
| 1201 | NAT WEST ACCOUNT NO 2: | JD | 12/07/2018 | J1264 | Tsf from No1 acc to No2 acc Re : Wages | 55000.00 |
| 1230 | PETTY CASH | JD | 24/05/2018 | J1249 | Tsf from No1 Acc to Petty Cash | 200.00 |
| 1230 | PETTY CASH | JD | 10/07/2018 | J1265 (010902) | Tsf from No1 acc to Petty Cash | 150.00 |
| 1257 | Nat West Direct Reserve Acc | JD | 18/05/2018 | J1247 | Tsf from No1 Acc to Direct Res | 200000.00 |
| 1257 | Nat West Direct Reserve Acc | JC | 12/07/2018 | J1263 | Tsf from Direct Res to No1 Acc | -110000.00 |

F&GP Meeting

Wednesday 6th June 2018

**The Gables Hotel, Falfield
10.30am**

**TERMS OF REFERENCE OF FINANCE AND GENERAL PURPOSES
COMMITTEE approved at Minute 2056, 17th September 2014**

Matters for determination by the Committee.

1. The appointment of Internal Auditors.
2. Consideration of any Report or Opinion from the Internal Auditors.
3. Consideration of a summary of internal audit work undertaken (whether of a financial or ethical nature).
4. Commissioning work from either the Internal or External Auditor.
5. The approval/revision of the Risk Register.
6. The approval/revision of the Business Continuity Plan.
7. Reviewing payments made.
8. The recovery of rate arrears and sundry debts.
9. To monitor spending against the approved budget.

Matters for recommendation by the Committee to the Board

10. To consider the Annual Budget and Rate Setting prior to the February Board meeting in each year.
11. To review the Annual Business Plan.
12. To review the Medium Term Financial Plan.
13. To monitor the Board's Treasury Management policies and practices.
14. To keep under review the Board's insurance policies.
15. To liaise with the National Audit Office regarding the appointment of the External Auditor.
16. To consider any letter or report issued by the External Auditor.
17. To ensure the effective monitoring and review of policies and strategies.
18. To consider legislative changes (or proposed legislative changes) which may affect the Board's statutory functions.
19. To identify any Member training needs in various aspects of the Board's responsibilities.

**Minutes of the Finance & General Purposes Committee of the
Lower Severn (2005) Internal Drainage Board
Meeting held Wednesday 31st January 2018 at 10.30 am
At The Gables Hotel Falfield**

Present:

Cllr M Riddle
Mr M Barnes
Mr J Cornock
Mr G Littleton

Chairman

Ald B Richards
Mr G Simms
Mr R Thatcher
Ald C Williams

Martin Dear
Kieran Warren
James Thomas
Sue Williams

Accounts Officer
Principal Officer
Civil Engineer
Minutes

AO
PO
CE

| | | |
|--------------|--|--|
| 2612. | Apologies: Apologies were received from Cllr P Awford and Mr J Hore. | |
| 2613. | Declarations of Interest There were no declarations. | |
| 2614. | Minutes of the Previous Meeting It was resolved that: <ul style="list-style-type: none"> The minutes of the Finance and General Purposes Committee Meeting held on 13th December 2017 be approved as a correct record. | |
| 2615. | <p>Accounts Officer Reports <u>Management Accounts</u> The accounts to 30th November 2017 showed a deficit of £9,715.</p> <p><u>Forecast results for the year ended 31st March 2018</u> A deficit of £2,780 was predicted at the year end.</p> <p><u>Draft Budget 2018/19</u> A draft budget had been produced based on an assumed drainage rate of 8.5p and included an additional £25,000 increment for the pump replacement reserve. The AO predicted a £17,460 surplus at 31 March 2019.</p> <p><u>Medium Term Financial Plan to 2022/2023</u> The AO had built in a gradual rate increase each year to 2022/2023 to give an indication of bank balances over this period. He had allowed for the machinery replacement programme agreed by the Engineering Committee and the £25k per annum increase for pump replacement reserve.</p> <p><u>Pump Replacement Programme</u> The AO had revised the programme to illustrate the Committee's preferred option to increase the provision by £25k per annum until 2025/26. Expenditure on the Saul pump would fall in 2018/19, a year later than previously estimated and the Oldbury Station had been re-scheduled to be the last for refurbishment.</p> <p><u>Severnside Cash Flow</u> The AO had calculated three scenarios showing returns on investments; at 4%, 6% and 8%; this also assumed a low bank rate. He had been cautious to exclude any further income from developers. He explained that this work showed that there would come a point when, instead of</p> | |

| | | |
|--------------|---|--|
| | <p>reinvesting the dividend back into more capital with Smith and Williamson, the dividend should come back to pay the £40k per annum that goes out for Severnside maintenance and capital.</p> <p>The AO asked the Committee how they wanted to proceed.</p> <p>The Committee appreciated the work the AO had completed. The Chairman and Members asked the AO to continue to update the spreadsheet, using the three return rates of 4%, 6% and 8%, so the Committee could review the information in the future.</p> <p><u>Current Account Cash Flow</u> The AO reported that the Cambridge & Counties Bank had withdrawn the 31 day notice account following the Bank of England base rate increase, before the intended deposit of £85k had been transferred. The AO wanted to do some more work to profile the budget expenditure for next year on a monthly basis factoring in the 2018/19 drainage rate. He would report to the next Committee meeting with firmer figures.</p> <p><u>Ratepayer Information/Newsletter</u> The Committee suggested that information about the proportion of the drainage rate that was raised for pump replacement and other expenditure such as pension contribution should be communicated to ratepayers via a newsletter, sent with demand notes; a pie chart could be used to illustrate this.</p> | <p><u>Action 1</u> AO - Continue to update spreadsheet</p> <p><u>Action 2</u> Report to Committee</p> <p><u>Action 3</u> PO - Newsletter/pie chart</p> |
| 2616. | <p>Rate Setting 2018/19 The Committee had considered the accounts and budgets.</p> <p>It was agreed to recommend to the full Board Meeting on the 7th February 2018 that:</p> <ul style="list-style-type: none"> • A drainage rate for the year ending 31st March 2019 be set at 8.5p in the £. • This was a unanimous decision. | |
| 2617. | <p>Default Works – Costs Recovery The PO reported that he had submitted papers to the Small Claims Court as actioned by the Board, in accordance with Minute 2561. The Court had informed that PO that the defendant had filed an acknowledgement of service and indicated that he would file a defence. The Committee were agreed that this claim must be pursued.</p> <p>The report was noted.</p> | |
| 2618. | <p>Internal Audit Report 2017/18 The PO reported that the internal audit report had been received from Bishop Fleming after the papers for the meeting had been posted. The full report would be circulated for consideration at the next meeting. The PO reported that 31 tests had been carried out and 4 issues had been highlighted as amber or green concerns based on the auditors' traffic light system of recommendations for improvement.</p> <p>The report was noted.</p> | <p><u>Action 4</u> Circulate report to next Committee meeting</p> |
| 2619. | <p>Payments Noted The Committee noted the payments and transfers made between 1st November 2017 and 31st December 2017 appended to these minutes.</p> | |
| | Meeting closed 11.15 am | |

Actions Update

Actions from F&GP Meeting held 31st January 2018

| Action No | Officer | Action | Update |
|-----------|---------|--|------------|
| 1 | AO | <u>Severnside Cash Flow</u> Continue to update spreadsheet | Completed |
| 2 | AO | <u>Current Account Cash Flow</u> Report to Committee | See Agenda |
| 3 | PO | <u>Ratepayers Information/Pie Chart</u> Newsletter/pie chart | Completed |
| 4 | AO | <u>Internal Audit Report 2017/18</u> Circulate report to next Committee meeting | See Agenda |

**Minutes of Treasury Management Sub-Committee Meeting
Of the Lower Severn (2005) Internal Drainage Board
Held Wednesday 14th March 2018 at 10.00 am
At Drainage Board Offices, Waterside Buildings**

Present: Ald C Williams Chairman
Mr G Littleton
Mr J Nichols
Cllr M Riddle
Martin Dear Accounts Officer AO
Sue Williams Minutes

| | | |
|--------------|---|---|
| 2641. | Election Chair for 2017/18 It was resolved that: <ul style="list-style-type: none"> Ald Williams be appointed to chair the Treasury Sub-Committee until the annual meeting in November 2018. | |
| 2642. | Apologies Vere Boscawen had forwarded his apologies for not attending the meeting. Now the fund had been set up it was his intention to attend the Treasury Sub-Committee meeting annually. | |
| 2643. | Declaration of Member's Interest No interests were declared. | |
| 2644. | Minutes of the Previous Meeting It was resolved that: <ul style="list-style-type: none"> The minutes of the 1st November 2017 meeting be approved as a true and accurate record. | |
| 2645. | Market Update Smith & Williamson had circulated updated valuations of the Board's securities. As Mr Boscawen was not in attendance the AO summarised his discussion with Vere Boscawen on the markets. In January 2018 the markets had risen but had re-adjusted in February and had settled in March. As most of the LSIDB investments were outside the UK any negative effect of BREXIT would be minimised. If the value of the £ fell overseas investments would be more attractive. Market growth had been strong. Inflation was rising but any increase in interest rates would be by small increments. The UK economy was strong but may be slowed by BREXIT and overseas markets were also strong. He commented that the LSIDB should remain comfortable with the investments and considered there was no need to be change the portfolio at this time. | |
| 2646. | Review of Current Portfolio The Committee reviewed the latest portfolio performance. The AO was asked to obtain 'Key Investor Information Document (KIID)' for the two infrastructure funds; Sequoia Economic and John Laing which had shown poor capital growth but good gross yield income and to ask Smith & Williamson to comment. | <u>Action 1</u> AO – KIID for two infrastructure funds |

| | | |
|--------------|--|--|
| 2647. | <p>Future Investment Strategy</p> <p>The Committee were happy to continue with the medium term risk strategy and were satisfied with the spread of investments within the portfolio.</p> <p>The AO asked the Committee to mindful that in the future investment income would be required to balance out rate increases rather than be re-invested.</p> | |
| 2648. | <p>Smith & Williamson Agreement</p> <p>Smith & Williamson had reviewed their agreement and made changes to the way information was provided to investors. The Client Money Account would be closed and funds transferred to the LSIDB investment account.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> The changes itemised in the Smith and Williamson agreement dated March 2018 be accepted. | <p><u>Action 2</u> AO – Accept the agreement</p> |
| 2649. | <p>Schedule of Increases in Investments</p> <p>The last £50,000 had been transferred to Smith and Williamson for investment, making the total invested £500,000 at the 31st March 2017. The AO had produced a schedule to make an easy comparison, using the 31st March 2017 as the base date. This showed a total return of 5.94% in the 10 months to 31st January 2018.</p> <p>The Committee found the schedule a useful tool and suggested that when the AO updated the schedule for future meetings he include a comparison with RPI and World Index and also to itemise the management charge.</p> | <p><u>Action 3</u> AO Include additional information</p> |
| 2650. | <p>Cash Flow – Cash Deposits</p> <p>The AO had produced a summary of the annual cash flow forecast from 2018/19 to 2022/23. The Committee requested the AO research short term deposit accounts with a view to getting a better return on cash surplus cash that was available throughout the year. This should include a wider range of banks than the Board had previously considered. The AO explained that a maximum of £85,000 could be deposited to be guaranteed by the government in each account.</p> <p>It was agreed to hold an ad hoc Treasury Sub-Committee meeting prior to June, to consider this information. In the meantime the AO would establish if the Sub-Committee could place deposits or if full Board approval was required.</p> <p>The AO asked the Committee the reasons for the number of separate bank accounts. The AO was instructed to contact the former RFO.</p> | <p><u>Action 3</u> AO - Research deposit accounts before June. Check terms of reference. Arrange meeting</p> <p><u>Action 4</u> AO to contact former RFO</p> |
| | The meeting closed at 10.45 am | |

REF: MD

REPORT BY: Accounts Officer

TREASURY MANAGEMENT POLICY

Introduction

At the last Treasury Sub-Committee Meeting an agenda item considered the cash deposits that the Board currently holds and the interest that was being earned on these deposits.

You will note, from the minutes of that meeting, that the Committee requested the AO research short term deposit accounts with a view to getting a better return on surplus cash that was available throughout the year. This should include a wider range of banks than the Board had previously considered. The AO explained that a maximum of £85,000 could be deposited to be guaranteed by the government in each account.

The current Treasury Management Policy states under Approved Financial Institutions:

The Board's funds are currently held at NatWest and Lloyds Banking Group. NatWest is a 100% subsidiary of RBS (Royal Bank of Scotland). In February 2009, the UK Government injected funds into RBS which gave it a shareholding stake of 81%. RBS is a 'nationalised bank'

Lloyds had also received large injections of UK Government funds. These have since been repaid following the sale of the Government holdings.

Cambridge and Counties Bank.

Under minute No. 2413 at 9 November 2016 Board meeting, the Board approved placing funds on 31 day notice with CCB. A maximum limit of £200,000 is set for funds placed with CCB. To date no funds have been placed with CCB.

Cambridge and Counties Bank no longer offer a 31 Day notice account.

There are about 150 banks that are members of the Financial Services Compensation Scheme. The Scheme guarantees deposits of up to £85,000 for investors. These banks offer greater interest rates than the big four. Typically, depending on the type of account, this can be of the order of 1 to 2 %. Further details of the Scheme are given in the next paragraph.

The **Financial Services Compensation Scheme** (FSCS) is the UK's statutory Deposit insurance and investors compensation scheme for customers of authorised financial services firms. This means that FSCS can pay compensation if a firm is

unable, or likely to be unable, to pay claims against it. The Deposit is guaranteed subject to a maximum amount. This is currently £85,000.

The Financial Regulations state that any changes to the banking arrangements require approval of the Board.

Proposal

To amend the Treasury Management Policy regarding Approved Financial Institutions:

1. To remove the reference to Cambridge and Counties Bank
2. To add 'The Treasury Sub-Committee has the approval to invest cash sums with authorised financial services institutions in the Financial Services Compensation Scheme, up to the maximum amount guaranteed for each institution.'

Recommendation

To recommend to the Board that the Proposal as stated above is approved.

Martin Dear

Accounts Officer

June 2018

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Pension Fund position 31 March 2018

The results of the Actuarial valuation at 31 March 2018 have been received

The results indicate an decrease in the unfunded liabilities compared with 31 March 2017 of £143,000 due to :-

Board's position

| | Accounts 2017/18 | Accounts 2016/17 |
|-------------------------------|---------------------|---------------------|
| | £000's | £000's |
| Value of assets | 4,310 | 4,065 |
| Value of liabilities | -5,264 | -5,162 |
| Net unfunded liability | -954 | -1,097 |

Employer Contribution costs

| | Accounts 2017/18 | Accounts 2016/17 | Budget 2018/19 |
|-----------------------------------|---------------------|---------------------|-------------------|
| | £000's | £000's | £000's |
| Employers contribution | 92 | 63 | 93 |
| Lump sum contribution | 57 | 76 | 57 |
| Ill Health early retirement cover | 6 | 6 | 6 |
| Total | 155 | 145 | 156 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

BALANCE SHEET AS AT 31 MARCH 2018

| | Note | £ | 31/03/18 £ | 31/03/17 £ |
|--|------|-----------------|-------------------------|--|
| FIXED ASSETS | | | | |
| Fixed Assets | | <u>787,465</u> | 787,465 | <u>898,781</u> 898,781 |
| LONG TERM ASSETS | | | | |
| Investments | | <u>573,801</u> | 573,801 | <u>563,485</u> 563,485 |
| CURRENT ASSETS | | | | |
| Stock +WiP | | 53,208 | | 33,882 |
| Trade debtors | | 917 | | 29,235 |
| VAT claim | | 5,289 | | 0 |
| Prepayments | | 35,660 | | 7,150 |
| Cash at bank and in hand | | 975,669 | | 492,131 |
| Short term deposits | | <u>400,225</u> | 1,470,968 | <u>200,000</u> 762,398 |
| CURRENT LIABILITIES | | | | |
| Trade Creditors | | -20,577 | | -20,026 |
| Other Creditors | | -25,697 | | -25,782 |
| Accrued expenses | | -10,025 | | -5,722 |
| Finance Leases due within one year | | -886 | | -677 |
| Prepaid rates | | <u>-328,782</u> | -385,967 | <u>0</u> -52,207 |
| NET CURRENT ASSETS | | | 1,085,001 | 710,191 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>2,446,267</u> | <u>2,172,457</u> |
| LONG TERM LIABILITIES | | | | |
| Developers' contributions | | -843,235 | | -739,796 |
| Finance Leases | | -1,016 | | -1,902 |
| Pension scheme deficit | | <u>-954,000</u> | -1,798,251 | <u>-1,097,000</u> -1,838,698 |
| NET ASSETS | | | <u>648,016</u> | <u>333,759</u> |
| FINANCED BY: | | | | |
| CAPITAL ACCOUNT | | | 666,569 | 666,569 |
| INCOME AND EXPENDITURE ACCOUNT | | | | |
| Balance brought forward | | 477,926 | | 411,439 |
| Net surplus for the 12 months | | <u>45,644</u> | 523,570 | <u>66,487</u> 477,926 |
| Revaluation reserve | | | 146,042 | 146,042 |
| Pump station reserve | | | 265,835 | <u>140,222</u> |
| Pension reserve | | | -954,000 | -1,097,000 |
| | | | <u>648,016</u> | <u>333,759</u> |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

INCOME AND EXPENDITURE 12 MONTHS TO 31 MARCH 2018

| Income | Note | Actual £ | Budget £ | Variance £ |
|-------------------------------|------|------------------|------------------|----------------|
| Levies charged to Authorities | | 1,132,342 | 1,132,342 | 0 |
| Agricultural Rates | 1 | 106,454 | 106,698 | -244 |
| Rechargeable works | | 27,813 | 20,000 | 7,813 |
| Application fees | | 1,750 | 1,200 | 550 |
| Plan checking fees | | 0 | 0 | 0 |
| Consultancy Fees Recharged | | 31,230 | 0 | 31,230 |
| Surplus on sale of assets | | 3,249 | 4,000 | -751 |
| Miscellaneous Income | | 9,859 | 0 | 9,859 |
| Foreign Water Grant | | 157,687 | 157,679 | 8 |
| Severnside drawdowns | 1 | 46,000 | 40,000 | 6,000 |
| Interest | | 1,496 | 1,500 | -4 |
| Total | | 1,517,880 | 1,463,419 | 54,461 |
| Expenditure | | | | |
| Payroll | 2 | 650,488 | 642,000 | -8,488 |
| Office maintenance | | 16,079 | 22,026 | 5,947 |
| Maintenance | 3 | 319,662 | 323,500 | 3,838 |
| EA Levy | | 201,556 | 201,555 | -1 |
| Motor travel and subsistence | | 22,116 | 18,000 | -4,116 |
| Communications | | 5,356 | 4,200 | -1,156 |
| Administration | | 35,331 | 32,650 | -2,681 |
| Engineering Consultancy fees | | 54,985 | 45,000 | -9,985 |
| M49 culvert consultants fees | | 6,000 | 0 | -6,000 |
| Legal and professional fees | | 6,674 | 8,000 | 1,326 |
| Audit and Accountancy fees | | 6,613 | 10,680 | 4,067 |
| Depreciation | | 144,348 | 139,059 | -5,289 |
| Bank charges | | 3,028 | 2,600 | -428 |
| Total | | 1,472,236 | 1,449,270 | -22,966 |
| Surplus for 12 months | | 45,644 | 14,149 | 31,495 |

Notes on Variances

The results for 12 months show a surplus of £45,644 against a budget surplus of £14,149

The major reasons for the variances are:-

1) Miscellaneous Income consists of the following:

| | Actual £ | Budget £ | Variance £ |
|--------------------------------------|-------------|-------------|---------------|
| Refund from the Audit Commission | 1,140 | 0 | 1,140 |
| Court Costs | 120 | 0 | 120 |
| Insurance Receipt: Fuel Bowser | 500 | 0 | 500 |
| Insurance Receipt: Energreen Repairs | 7,858 | 0 | 7,858 |
| Income from Scrapped Batteries | 241 | 0 | 241 |
| | 9,859 | 0 | 9,859 |

2) Payroll is over budget by £8,488. This is predominately due to Non-contracted overtime.

3) Maintenance costs analysis is as follows:

| | Actual £ | Budget £ | Variance £ | Explanation for major variances |
|------------------------------|-------------|-------------|---------------|--|
| Plant Maintenance | 74,619 | 62,200 | -12,419 | New Dipper Arm, Tractor Bearing Wheel, Energreen Hydraulic Pump, Ridding Buckets, Hydraulic Ram. |
| Maintenance Compensation | 1,747 | 1,000 | -747 | Profiling of Oldbury Highland Rhine |
| Vehicle, Plant | 64,618 | 72,500 | 7,882 | |
| Workshop Fixtures & Fittings | 7,649 | 10,600 | 2,951 | |
| Pump Station Electricity | 11,557 | 20,000 | 8,443 | |
| Health & Safety | 9,472 | 7,200 | -2,272 | First Aid Training for Operatives |
| | | | | Clothing and Equipment Replacement |
| Pump Station Reserve | 150,000 | 150,000 | 0 | |
| | 319,662 | 323,500 | 3,838 | |

Lower Severn (2005) Internal Drainage Board

| Cash | | Cash flow No 1 A/C NatWest | | | | | | | | | | 2019 | | |
|---------------------------|----------|----------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 2018 | | | | | | | | | | | | |
| | Note | Mar £ 000's actual | Apr £ 000's actual | May £ 000's forecast | Jun £ 000's forecast | Jul £ 000's forecast | Aug £ 000's forecast | Sep £ 000's forecast | Oct £ 000's forecast | Nov £ 000's forecast | Dec £ 000's forecast | Jan £ 000's forecast | Feb £ 000's forecast | Mar £ 000's forecast |
| Balance b/f | | 391 | 100 | 233 | 140 | 67 | 87 | 65 | 97 | 118 | 106 | 36 | 63 | 89 |
| Other income | 3 | 18 | 1 | 0 | 2 | 2 | 3 | 2 | 2 | 2 | 3 | 2 | 2 | 2 |
| VAT | | 0 | 5 | 4 | 2 | 2 | 2 | 14 | 2 | 2 | 3 | 2 | 2 | 2 |
| Severnside | | 0 | 46 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 41 |
| Levies | 1 | 0 | 99 | 183 | 0 | 0 | 0 | 0 | 0 | 592 | 0 | 0 | 0 | 0 |
| Rates | 2 | 0 | 63 | 47 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| sub total | | 409 | 314 | 467 | 144 | 71 | 92 | 81 | 101 | 714 | 112 | 40 | 67 | 134 |
| Expenditure | 3 | -54 | -26 | -25 | -23 | -24 | -168 | -24 | -24 | -28 | -24 | -24 | -26 | -351 |
| Plant | | 0 | 0 | -25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EA Levy | | 0 | 0 | -23 | 0 | 0 | 0 | 0 | 0 | -22 | 0 | 0 | 0 | 0 |
| Transfer to No. 2 A/c | | -55 | -55 | -54 | -54 | -60 | -59 | -60 | -59 | -58 | -52 | -53 | -52 | -53 |
| Net transfers | 3 | -200 | 0 | -200 | 0 | 100 | 200 | 100 | 100 | -500 | 0 | 100 | 100 | 300 |
| sub total | | -309 | -81 | -327 | -77 | 16 | -27 | 16 | 17 | -608 | -76 | 23 | 22 | -104 |
| Balance c/f | | 100 | 233 | 140 | 67 | 87 | 65 | 97 | 118 | 106 | 36 | 63 | 89 | 30 |
| Other balances | | | | | | | | | | | | | | |
| NatWest | | | | | | | | | | | | | | |
| No 2 Account | | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 |
| Bonus Saver | 4 | 529 | 529 | 729 | 729 | 629 | 429 | 329 | 229 | 729 | 729 | 629 | 529 | 229 |
| Lloyds 32 day n | 5 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| Total | | 960 | 960 | 1,160 | 1,160 | 1,060 | 860 | 760 | 660 | 1,160 | 1,160 | 1,060 | 960 | 660 |
| All LSIDB balances | | 1,060 | 1,193 | 1,300 | 1,227 | 1,147 | 925 | 857 | 778 | 1,266 | 1,196 | 1,123 | 1,049 | 690 |

The LSIDB balances include £265,835 of pumping station reserve at 31/03/2018. Thereafter increase by £175,000 per month less any expenditure in year.
Forecast pumping station spend in year of £469,000

1. Levies received May and November
2. Rates received in May
3. Income and Expenditure as per Budget profile.
4. Direct Bonus Saver account at NatWest earns 0.15% interest
5. Lloyds 32 day notice deposit earns 0.57% interest.

Lower Severn (2005) Internal Drainage Board

Reconciliation of cash as per the Balance Sheet and the Cash Flow Statement

| | £ | £ |
|---|------------------|----------------|
| Balance Sheet as at 31 March 2018 | | |
| Cash at bank and in hand | 975,669 | |
| Less Petty Cash | <u>137</u> | |
| Cash at Bank | 975,532 | |
| Short Term Deposits | <u>400,225</u> | |
| | <u>1,375,757</u> | |
| Cash Flow as at 31 March 2018 | 1,059,808 | |
| Post Sage Closedown Adjustments: | | |
| Drawdown at year end | 46,000 | |
| Interest Received on Lloyds Deposit Account | <u>515</u> | |
| Adjusted Cash Flow as at 31 March 2018 | <u>1,106,323</u> | |
| | | 269,434 |
| Developers Contributions | 843,235 | |
| Less Investments (Smith & Williamson) | <u>573,801</u> | |
| | | <u>269,434</u> |
| Difference | | 0 |

Investments

| | As at 31 March 2018 £ | As at 30 April 2018 £ |
|--|--------------------------|--------------------------|
| Capital | | |
| Amount through Smith & Williamson (net) | 500,000 | 500,000 |
| Market value | <u>564,319</u> | <u>581,720</u> |
| change in value | <u>64,319</u> | <u>81,720</u> |
| Income | 9,482 | 9,399 |
| Total return | <u>73,801</u> | <u>91,119</u> |
| Portfolio return since 31 December 2016 | 6.67% | |
| Note: Market Index Movements | 5.61% | |
| Portfolio return since 31 December 2017 | -4.58% | -1.66% |
| Note: Market Index Movements | -3.92% | -1.04% |

| Insurance Policies | | | | | | | |
|---|--------------------|---|--------------|--------------------------------|--------------------------------|--------|------------------|
| Insurer | Policy No | Cover | Renewal Date | Incl IPT 2018/19 Premium | Incl IPT 2017/18 Premium | Paid | Increase |
| Lloyds Syndicate ERS218 (Fenton Insurance Solutions) | 50000626 | <i>Comprehensive Cover including plant, unspecified non self propelled attached or detached implements exceeding £20,000 and trailers not exceeding £100,000. Any Items are specified . Any authorised licensed driver 25 and over on Drainage Board Business and Social Domestic & Pleasure. £100 Excess accidental damage, fire, theft, windscreen.</i> | 01/04/2018 | £14,046.00 | £13,420.00 | Mar-18 | £626.00 |
| Zurich Municipal | XAO 272027-0033-00 | <i>Material Damage, All Risks, Public/ Products/Pollution Liability £10,000,000, Employers Liability £10,000,000, Fidelity Guarantee £2,000,000, Personal Accident £500,000-£2,000,000. Excess £250 for Malicious Damage, Storm or Flood, escape of water, falling trees or branches. £100 theft, accidental damage. In addition Business interruption Insurance has been taken out to cover any additional costs in the event that the board's premises are not accessible (Fire, flood etc). The cover is £220,000 for the year.</i> | 01/04/2018 | £9,246.00 | £8,990.94 | Mar-18 | £255.06 |
| Please Note! We are not insured for: Money, Hirers Liability, Libel & Slander, Legal Expenses & Uninsured loss recovery, Deterioration of Stock, Legal Expenses. | | | | | | | |
| Allianz Insurance Engineering (Fentons insurance Solutions) | NZ/22726215 | <i>Cover includes all pumps and related equipment. An indemnity limit of £250,000 for machinery damage/ breakdown to 12 pumps and machinery.</i> | 01/04/2018 | £2,703.22 | £2,440.60 | Mar-18 | £262.62 |
| Total premiums | | | | £25,995.22 | £24,851.54 | | £1,143.68 |
| This Insurance Policy Schedule has been reviewed and is agreed to be sufficient for the Lower Severn (2005) Internal Drainage Boards needs. | | | | | | | |
| Signed:..... G R Littleton (Chairman) | | | Dated:..... | | Minute Number:..... | | |

Statement of Accounts

Year Ending 31 March 2018

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Statement of Accounts Year Ending 31 March 2018

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LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Membership as at 31 March 2018

Elected Members

| Name | Contact Details | Notes |
|------------------|----------------------------------|-----------------------|
| Mr G R Littleton | chairman@lowersevernidb.org.uk | Chairman of the Board |
| Mr M Barnes | linhaymike@gmail.com | |
| Mrs F Collins | fiona@the-collins.org | |
| Mr W J Cornock | mjcornock@aol.com | |
| Mr T Cullimore | tjcullimore@aol.com | |
| Mr R Godwin | rag.farms@cotswoldwireless.co.uk | |
| Ms R. Hewlett | framptonrose@gmail.com | |
| Mr J Hore | johnhore.1721@gmail.com | |
| Mr R Hyslop | hyslopbr@gmail.com | |
| Mr J Nicholls | jwnich76@gmail.com | |
| Mr I Ractliffe | iractliffe@hotmail.co.uk | |
| Mr R Thatcher | rob@hillworthfarm.co.uk | |
| Mr K Withers | kmw3@btconnect.com | |
| Mr G Simms | Geoff.p.simms@gmail.com | |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Membership as at 31 March 2018

Appointed Members

| Name | Contact Details | Notes |
|--|--|----------------------|
| Vice Chairman of the Board Cllr M Riddle | matthew.riddle@southglos.gov.uk | South Glos Council |
| Bristol City Council Cllr P Abraham Cllr J English Cllr S Milestone Mr P Goodey Alderman B Richards Alderman CJN Williams | peter.abraham@bristol.gov.uk cllr.jude.english@bristol.gov.uk suemilestone@icloud.com patrick.goodey@bristol.gov.uk cjinwilliams31@gmail.com | Appointed March 2018 |
| South Gloucestershire Council Cllr S Walker Cllr E Orpen | sue.walker@southglos.gov.uk eve.orpen1@btinternet.com | |
| Stroud District Council Cllr J Jones | cllr.john.jones@stroud.gov.uk | |
| Gloucester City Council Cllr S Morgan | steve.morgan@gloucester.gov.uk | |
| Forest of Dean District Council Cllr P Burford | phjburford@burford-designs.co.uk | |
| Herefordshire Council Cllr AW Johnson | ajohnson@herefordshire.gov.uk | |
| Tewksbury Borough Council Cllr PW Awford | councillor.awford@tewkesbury.gov.uk | |
| Malvern Hills District Council Cllr B Behan | bronwen.behan@malvernhillsc.net | |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Senior Officers 31 March 2018

| Name | Address |
|-------------------------------|--|
| Principal Officer | Waterside Buildings, Oldbury Naite, South Gloucestershire, BS35 1RF Telephone Number 01454 413340 Email address : admin@lowersevernldb.org.uk |
| Mr K. Warren | |
| Civil Engineer | |
| Mr J. Thomas | |
| Land Drainage Engineer | |
| Mr J. Druett | |
| Accounts Officer | |
| Mr M Dear | |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Narrative Report 31 March 2018

The Lower Severn (2005) Drainage Board is an independent body created under Land Drainage Statutes responsible for flood defence, drainage and water level management works, other than on main rivers in the Lower Severn IDB area.

The Board secures income mainly from drainage levies on land owners and occupiers and from special levies on local authorities. The Board also pays levies to the Environment Agency to fund works on main rivers that protect the drainage area.

At the 31 March 2018 there are 29 Board Members. 15 are nominated by the 8 local authorities that the Board area covers. 14 Members are elected by landowners and occupiers within the Board's area.

This document is the Statement of Accounts of the Lower Severn (2005) Internal Drainage Board for the financial year 2017/18 which are set out on pages 7 to 22.

The Accounts consist of:

The Annual Governance Statement

The Accounts and Audit Regulations 2015 require boards to conduct an annual review of the effectiveness of its systems of internal control and to include a statement on internal control, prepared in accordance with proper practices with its accounting statements.

The Statement of Responsibilities

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

The Income and Expenditure Account

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

The Statement of changes in Equity

This statement reconciles the change in equity between accounting periods

The Statement of Comprehensive Income

The statement includes all gains and losses that are not included in the income and expenditure account such as the deficit arising on the valuation of the pension fund.

The Balance Sheet

This statement is fundamental to the understanding of the Board's financial position at the year end. It shows the balances and reserves at the Board's disposal and the fixed and net current assets employed in its operation, together with summarised information on the fixed assets held. The statement also includes assets and liabilities of the Board.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Narrative Report 31 March 2018 Continued

Summary of Financial Performance

The Board reported a surplus for the year of £45,644 compared with £66,847 in 2016/17. The Board has continued to transfer funds to a pump station reserve to cover the expected costs of replacing the six pumping stations in order to meet the 2009 Eel Regulations.

The Board's unfunded liability to the Gloucestershire Local Government Pension Fund reduced by £143,000. The Board has accepted the recommendations of the scheme's actuary on the appropriate method of addressing this shortfall based on the results of the triennial review carried out as at 31 March 2016 and the updated actuarial valuation at 31 March 2018.

These have been included in the Board's 2018/19 budget.

The Board closed the Local Government scheme to new employees on 31 July 2015. From 1 August 2015 all new employees have been offered a defined contribution scheme pension through the Peoples Pension.

Outlook - Medium Term Financial Plan (MTFP)

The Board faces significant pressure on its finances over the medium term. The two major areas of concern relate to:-

- a) The increasing costs of meeting the Local Government Pension Fund liability. The Board have included in the budget and future estimates, the increased cost of the annual employer and lump sum contributions which the Actuaries have provided in their year-end valuation. The percentage and lump sum payments are set for the years 2017 – 2020. It is intended that a full actuarial triennial valuation will be undertaken at the 31st March 2019.
- b) The capital cost of implementing the 2009 Eel Regulations.

The estimated costs of these have been included in the Medium Term Financial Plan which covers the four years from 2018/19 to 2021/22.

| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|--------------------------|----------------|----------------|----------------|----------------|----------------|
| | Actual | Budget | Estimate | Estimate | Estimate |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income | 1,516 | 1,520 | 1,613 | 1,635 | 1,705 |
| Expenditure | 1,470 | 1,507 | 1,599 | 1,611 | 1,706 |
| Surplus/(deficit) | 46 | 13 | 14 | 24 | -1 |
| Free reserves b/f | 411 | 477 | 490 | 504 | 528 |
| Free reserves c/f | 477 | 490 | 504 | 528 | 527 |

The MTFP includes estimates for all income and expenditure including the depreciation on all capital expenditure over the four years. The figures shown above do not include Financial Reporting Standard (FRS) 102 pension fund adjustments. This does not change the estimated surplus. The Rate and Special levy included in the plan assumes an annual increase of between 3% and 4% for the three years 2018/19 to 2020/21.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Annual Governance Statement

The Lower Severn (2005) Internal Drainage Board acknowledges its responsibility for ensuring that there is a sound system of internal control, including the preparation of the Statement of Accounts, and confirm, to the best of our knowledge and belief, with respect to the Board's Statement of Accounts for the year ended 31 March 2018, that:

- 1 We have approved the statement of accounts which has been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.
- 2 We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.
- 3 We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the Board to conduct its business or its finances.
- 4 The exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations will be published on 28 June 2018.
- 5 We have carried out an assessment of the risks facing the Board and taken appropriate steps to manage those risks, including the introduction of internal controls and external insurance cover where required.
- 6 We have maintained throughout the year an adequate and effective system of internal control of the Board's accounting records and control systems and carried out a review of its effectiveness.
- 7 We have taken appropriate action on all matters raised in previous reports from the internal and external auditors. No significant issues have been raised following work carried out by the internal auditors.
- 8 We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Board and, where appropriate, have included them in the Statement of Accounts.

This annual governance statement is approved by the Board on 27th June 2018.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Statement of Responsibilities for the Statement of Accounts

The Board is required:

To make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Board that officer is the Accounts Officer (the Responsible Financial Officer) and/or the Principal Officer.

To manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets.

The Responsible Financial Officer's Responsibilities

The Responsible Financial Officer is responsible for the preparation of the Board's Statement of Accounts which is required to present a true and fair view of the financial position of the Board at the accounting date and its income and expenditure for the year ended 31 March 2018.

In preparing the statement of accounts, the Responsible Financial Officer has:

- (i) selected suitable accounting policies and then applied them consistently;
- (ii) made judgements and estimates that were reasonable and prudent;
- (iii) compiled the accounts in accordance with the Financial Reporting Standard 102 issued by the Accounting Standards Board and reconciled these Accounts to the Financial Statements, which have been prepared in accordance the Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements published by the Association of Drainage Authorities in 2018;
- (iv) applied the accounting concept of a "going concern" by assuming that the IDB will continue to operate for the foreseeable future:

The Responsible Financial Officer has:

- (i) kept proper accounting records which were up to date:
- (ii) taken reasonable steps for the prevention and detection of fraud and other irregularities

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Statement of Accounting Policies

1 General

- 1.1 The statement of accounts has been prepared in accordance with the Financial Reporting Standard 102, under section 1A. The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

2 Accounting convention

The accounting convention adopted is historical cost, modified by the revaluation of certain categories of tangible fixed assets.

3 General concepts

These statements have been prepared with due regard to the following:

- 3.1 Quality of information- providing detailed and current information to support these accounts.
- 3.2 Relevance: providing financial information that is useful for assessing the stewardship of public funds.
- 3.3 Reliability: providing financial information that properly represents what it purports to represent, is neutral, free from material error, is complete within the bounds of materiality and which has been prudently prepared.
- 3.4 Comparability: is consistent and can be compared with the previous year's activity.
- 3.5 Understandability: allowing the reader to interpret the financial position of the Board.
- 3.6 Materiality: an item of information is material to the Financial Statements if it's misstatement or omission might reasonably be expected to influence assessment of the Lower Severn (2005) Internal Drainage Board's stewardship economic decisions or comparison with other organisations, based on those financial statements

4 Overriding accounting concepts

- 4.1 Accruals: Financial Statements are prepared on an accruals basis.
- 4.2 Going Concern: The accounts are prepared on the assumption that the Lower Severn (2005) Internal Drainage Board will continue in operational existence into the foreseeable future i.e. there is no intention to significantly curtail the scale of operation.
- 4.3 Legislative Requirements: It is a fundamental principle that where specific legislative requirements and accounting principles conflict, legislative requirements take precedence.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Statement of Accounting Policies continued

5 Tangible Fixed Assets

Tangible fixed assets are valued on the following basis:-

- 5.1 Land is freehold and held at revaluation amount of £185,000 the original cost was £125,000. The buildings are held at the revaluation amount of £205,000, the original cost was £170,000. These revaluations were carried out on 15 January 2015 by M.Blacken MFRICS FAAV of David James and Partners. The valuation was based on current market value. The buildings are depreciated over 20 years. Pumps and ancillary equipment are shown at replacement cost and depreciated over their useful economic life which the Board estimates is 15 years from the date of purchase or major overhaul.
All other tangible fixed assets are included at cost less annual depreciation of 25% calculated on cost less depreciation to date.
- 5.2 Tangible fixed assets are recognised as expenditure on the acquisition, creation or enhancement of fixed assets with a value in excess of £500 and with estimated useful lives in excess of one year are capitalised on an accruals basis in the accounts.
- 5.3 Disposals are written off at cost less depreciation. Any surplus/deficit arising is credited/charged to the Income and Expenditure Account as a profit or loss on disposal.
- 5.4 Depreciation has been provided for, using the reducing balance method on vehicles, plant and machinery, fixtures and fittings and office equipment with a purchase cost in excess of £500.
- 5.5 Intangible assets are included at cost less annual depreciation of 25% calculated on cost less depreciation to date. This is based on the useful life of these assets which is estimated to be 25 years.

6 Stock and work in progress

- 6.1 Stocks and work in progress are valued at the lower of cost or net realisable value. Work in Progress are costs incurred carrying out engineering work for developer's not yet completed and invoiced.

The Board held a material amount of consumable stock at the year-end based on a formal stock take valuation.

7 Short Term deposits

- 7.1 Short term deposits with maturities of less than one year are held with approved Banks, and are shown in the Balance Sheet at cost and include accrued interest.

8 Long Term Investments

- 8.1 These investments are valued at fair market value.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Statement of Accounting Policies continued

9 Revenue

- 9.1 Agricultural rates and Local Authority levies are credited to the Income and Expenditure account when demand notices are issued.
Government grants and contributions have been credited to the Income and Expenditure account in the year entitlements are awarded.
All other income is recognised in the Income and Expenditure account in the period to which the amounts relate.

10 Operating Expenses and Creditors

- 10.1 Expenditure is recognised on an accruals basis as a liability is incurred. All expenditure is allocated to the appropriate expenditure category listed on the Income and Expenditure account on page 14. All items held as creditors are current and are expected to be paid within 12 months.

11 Employee Benefits

- 11.1 Employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which the employees render service to the Board.

12 Finance Leases

- 12.1 Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the property, plant or equipment from the lessor to the lessee.

13 Provisions

- 13.1 The Board sets aside provisions where there is a known obligation, but the amount or timing of settlements is not known. Details are given as notes to the accounting statements.

14 Pensions

- 14.1 The Board participates in the Local Government Pension Scheme (LGPS), which is categorised as a defined benefit scheme and is administered by Gloucestershire County Council. A separate disclosure setting out the measurement and valuation basis can be found in note 10 to the accounts. This Scheme was closed to new drainage board employees on 31 July 2015. A defined contribution scheme has been opened through the Peoples Pension for new employees.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Statement of Accounting Policies continued

15 Reserves

- 15.1 The Board has received sums from developers to maintain agreed rhines, ditches and ponds in perpetuity within the areas specified.
Annual sums are drawn down from these balances to carry out work as required. The funds are held in investments and cash deposits and the interest earned retained in the specific accounts. The income earned on investments is reinvested.

16 Post balance sheet events

- 16.1 Any material post balance sheet events, which did not exist at the date of the balance sheet, have been disclosed as a separate note to the accounts.

17 Taxation

- 17.1 The Board is exempt from Income, Corporation and Capital Gains Taxes. Value Added Tax is included in the accounts only to the extent that it is irrecoverable.

18 Discontinued operations

- 18.1 The Board had no material operations which it acquired or which were discontinued in the year and therefore no separate disclosure is required in respect of the revenue and balance sheet accounts.

19 Judgements

- 19.1 In the application of the Board's accounting policies, the Board is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
- 19.2 The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both and current and future periods.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

BALANCE SHEET AS AT 31 MARCH 2018

| | | 2018 | | 2017 | |
|---|----|-----------------|-----------------------|-------------------|-----------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Assets | 1 | 784,092 | | 894,094 | |
| Intangible assets | 2 | 2,230 | | 2,973 | |
| Finance Leases | 3 | <u>1,143</u> | | <u>1,714</u> | |
| | | | 787,465 | | 898,781 |
| LONG TERM ASSETS | | | | | |
| Investments | 4 | | 573,801 | | 563,485 |
| CURRENT ASSETS | | | | | |
| Stock and work in progress | 5 | 53,208 | | 33,882 | |
| Trade debtors | | 917 | | 29,235 | |
| Drainage rate debtors | | 0 | | 0 | |
| VAT claim | | 5,289 | | 0 | |
| Prepayments | | 35,660 | | 7,150 | |
| Cash at Bank and in hand | 6 | 975,669 | | 492,131 | |
| Short term deposits | 7 | <u>400,225</u> | | <u>200,000</u> | |
| | | | 1,470,968 | | 762,398 |
| CURRENT LIABILITIES | | | | | |
| Trade creditors | 8 | -20,577 | | -20,026 | |
| Other creditors | 8 | -25,697 | | -25,782 | |
| Accrued expenses | 8 | -10,025 | | -5,722 | |
| Prepaid Levy | 8 | -328,782 | | 0 | |
| Finance Leases due within one year | 3 | <u>-886</u> | | <u>-677</u> | |
| | | | -385,967 | | -52,207 |
| NET CURRENT ASSETS | | | <u>1,085,001</u> | | <u>710,191</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | | <u>2,446,267</u> | | <u>2,172,457</u> |
| LONG TERM LIABILITIES | | | | | |
| Developers' contributions | 9 | -843,235 | | -739,796 | |
| Finance Leases | 3 | -1,016 | | -1,902 | |
| Liability related to defined benefit pension scheme | 10 | <u>-954,000</u> | | <u>-1,097,000</u> | |
| | | | -1,798,251 | | -1,838,698 |
| NET ASSETS | | | <u><u>648,016</u></u> | | <u><u>333,759</u></u> |
| FINANCED BY: | | | | | |
| CAPITAL ACCOUNT | | | 666,569 | | 666,569 |
| INCOME and EXPENDITURE ACCOUNT | | | | | |
| Balance brought forward | | 477,926 | | 411,439 | |
| Net surplus for the year | | <u>45,644</u> | | <u>66,487</u> | |
| Balance carried forward | | | 523,570 | | 477,926 |
| Revaluation reserve | | | 146,042 | | 146,042 |
| Pump Station Reserve | | | 265,835 | | 140,222 |
| Pension reserve | 10 | | -954,000 | | -1,097,000 |
| | | | <u><u>648,016</u></u> | | <u><u>333,759</u></u> |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2018

| | Note | 2018 | | 2017 |
|--|------|----------------|------------------|------------------|
| | | £ | £ | £ |
| INCOME | | | | |
| Levies charged to authorities | 11 | 1,132,342 | 1,129,062 | |
| Agricultural Rates | | 104,430 | 104,646 | |
| Foreign Water Grant & Grant in Aid | 12 | 157,687 | 154,587 | |
| Other income | | <u>39,422</u> | <u>37,513</u> | |
| | | | 1,433,881 | 1,425,808 |
| OTHER INCOME AND INTEREST RECEIVED | | | | |
| Draw down from Severnside infrastructure/maintenance | 9 | 46,000 | 40,000 | |
| Bank Interest received | | 1,496 | 1,198 | |
| Consultancy fees | | 31,230 | 60,930 | |
| Net profit on disposal of fixed assets | | 3,249 | 12,760 | |
| Expected return on pension scheme assets | 10 | <u>106,000</u> | <u>105,000</u> | |
| | | | 187,975 | 219,888 |
| TOTAL INCOME FOR THE YEAR | | | 1,621,856 | 1,645,696 |
| EXPENDITURE | | | | |
| Payroll | | 501,488 | 489,657 | |
| Office maintenance | | 16,079 | 17,054 | |
| Maintenance | | 169,662 | 152,985 | |
| EA Levy | 12 | 201,556 | 197,603 | |
| Motor, travelling and subsistence | | 22,116 | 21,025 | |
| Communications | | 5,356 | 5,388 | |
| Administration | | 33,307 | 32,547 | |
| Engineering consultancy fees | 14 | 60,985 | 72,481 | |
| Legal and professional fees | | 6,674 | 6,075 | |
| Audit and Accountancy fees | 15 | 6,613 | 11,795 | |
| Depreciation | 1 | 143,777 | 174,968 | |
| Finance leases depreciation | | 571 | 573 | |
| Bank charges | | 3,028 | 3,058 | |
| Pump Station Reserve | | 150,000 | 150,000 | |
| Current service cost | 10 | 150,000 | 96,000 | |
| Interest on pension scheme liabilities | 10 | <u>135,000</u> | <u>154,000</u> | |
| TOTAL EXPENDITURE FOR THE YEAR | | | 1,606,212 | 1,585,209 |
| NET SURPLUS FOR THE YEAR | | | 15,644 | 60,487 |
| Appropriation from pensions reserve | 10 | | 30,000 | 6,000 |
| TRANSFER TO INCOME AND EXPENDITURE ACCOUNT | | | 45,644 | 66,487 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Statement of Changes in Equity

| Note | Capital £ | Revaluation Reserve £ | Pump Reserve £ 1 | Income and Expenditure £ | Pension Reserve £ | Total £ |
|--------------------------------|----------------------|--------------------------------------|-------------------------------------|---|----------------------------------|--------------------|
| Opening reserves 1 April 2017 | 666,569 | 146,042 | 140,222 | 477,926 | -1,097,000 | 333,759 |
| Surplus/(Deficit) for the year | 0 | 0 | 0 | 45,644 | 143,000 | 188,644 |
| Transfers for the year | 0 | 0 | 125,613 | 0 | 0 | 125,613 |
| Closing reserves 31 March 2018 | 666,569 | 146,042 | 265,835 | 523,570 | -954,000 | 648,016 |

Notes :

Pump Reserve 1 In the year a provision of £150,000 was set aside to meet the costs of replacing the pumping stations to meet the 2009 Eel. Regulations. Costs of £24,387 were incurred in relation to this project.

Statement of Comprehensive Income

| | £ |
|---|----------------|
| For the year ended 31 March 2018 | 45,644 |
| Re-measurement of the defined benefit liability | 143,000 |
| Comprehensive income for the year. | 188,644 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Notes to the Accounts

Year Ended 31 March 2018

1. TANGIBLE FIXED ASSETS

| | Freehold Land £ | Freehold Buildings £ | Pumps & weir £ | Plant & Machinery £ | Motor Vehicles £ | Fixtures & Fittings £ | Office Equipment £ | Total £ |
|-----------------------|-----------------------|----------------------------|----------------------|---------------------------|------------------------|-----------------------------|--------------------------|----------------|
| Cost | | | | | | | | |
| At 1 April 2017 | 185,000 | 205,000 | 188,217 | 1,098,702 | 63,348 | 25,325 | 24,619 | 1,790,211 |
| Additions | 0 | 0 | 0 | 701 | 22,261 | 1,266 | 12,056 | 36,284 |
| Disposals | 0 | 0 | 0 | 0 | -18,267 | 0 | 0 | -18,267 |
| At 31 March 2018 | 185,000 | 205,000 | 188,217 | 1,099,403 | 67,342 | 26,591 | 36,675 | 1,808,228 |
| Depreciation | | | | | | | | |
| At 1 April 2017 | 0 | 22,210 | 134,015 | 656,003 | 49,238 | 15,866 | 18,785 | 896,117 |
| Charge for the year | 0 | 10,250 | 6,358 | 110,850 | 8,279 | 2,681 | 4,616 | 143,034 |
| On disposals | 0 | 0 | 0 | 0 | -15,015 | 0 | 0 | -15,015 |
| At 31 March 2018 | 0 | 32,460 | 140,373 | 766,853 | 42,502 | 18,547 | 23,401 | 1,024,136 |
| Net book value | | | | | | | | |
| At 31 March 2018 | 185,000 | 172,540 | 47,844 | 332,550 | 24,840 | 8,044 | 13,274 | 784,092 |
| At 31 March 2017 | 185,000 | 182,790 | 54,202 | 442,699 | 14,110 | 9,459 | 5,834 | 894,094 |

2. INTANGIBLE ASSETS

| | 2018 £ |
|-----------------------|---------------|
| Cost | |
| At 1 April 2017 | 13,857 |
| Additions | 0 |
| Disposals | 0 |
| At 31 March 2018 | 13,857 |
| Amortisation | |
| At 1 April 2017 | 10,884 |
| Charge for the year | 743 |
| On disposals | 0 |
| At 31 March 2018 | 11,627 |
| Net book value | |
| At 31 March 2018 | 2,230 |
| At 31 March 2017 | 2,973 |

3. FINANCE LEASES

| | 2018 £ | 2017 £ |
|-----------------------------------|--------------|--------------|
| The Board has one finance lease:- | | |
| Asset values | | |
| Telephone system | 1,143 | 1,714 |
| Short Term Liabilities | | |
| New telephone system | 886 | 677 |
| Long Term Liabilities | | |
| New telephone system | 1,016 | 1,902 |
| | 1,902 | 2,579 |

4. INVESTMENTS

| | 2018 £ | 2017 £ |
|-------------------|----------------|----------------|
| Investments funds | 546,319 | 550,114 |
| Client accounts | 27,482 | 13,371 |
| | 573,801 | 563,485 |

Investments are managed by Smith & Williamson Investment Management LLP on a non discretionary basis. The funds have been invested in monthly tranches in a diversified portfolio of collectives . The funds are part of contributions received from developers see note 9. It is intended to hold these over a number of years. Each of the 17 funds held are valued at fair market value.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Notes to the Accounts continued

Year Ended 31 March 2018

5. STOCK AND WORK IN PROGRESS

| | 2018 £ | 2017 £ |
|---|---------------|---------------|
| Stock has been valued at the lower of cost and net realisable value and consists of | | |
| Consumable stores | 21,615 | 12,274 |
| Fuel and oils | 8,085 | 7,730 |
| Work in progress are costs incurred carrying out engineering consultancy work for developers not yet completed and invoiced | 23,508 | 13,878 |
| | 53,208 | 33,882 |

6. CASH AT BANK AND IN HAND

| | 2018 £ | 2017 £ |
|--------------|----------------|----------------|
| NatWest Bank | 879,231 | 396,172 |
| Lloyds Bank | 96,301 | 95,786 |
| Cash in hand | 137 | 173 |
| | 975,669 | 492,131 |

7. SHORT TERM DEPOSITS

| | 2018 £ | 2017 £ |
|-------------|----------------|----------------|
| Lloyds Bank | 400,225 | 200,000 |

8. CREDITORS AND ACCRUALS

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Trade creditors relate to suppliers invoices paid in April 2018 | 20,577 | 20,026 |
| Other creditors relate to amounts due to HMRC and pension contributions paid in April 2018 | 25,697 | 25,782 |
| Accrued expenses relate to estimates of amounts due to suppliers awaiting invoices | 10,025 | 5,722 |
| Prepaid Levy | 328,782 | 0 |

9. DEVELOPERS' CONTRIBUTIONS

| | 2018 £ | 2017 £ |
|---|----------------|----------------|
| Balances 1 April 2017 | 739,796 | 630,399 |
| Amounts received from developers | 139,073 | 84,730 |
| Drawdown to the Board net of bank interest earned | -46,000 | -40,000 |
| Bank interest | 50 | 29 |
| Adjustment to value of investments | 10,316 | 64,638 |
| Balance 31 March 2018 | 843,235 | 739,796 |

Contributions have been negotiated with developers to maintain agreed rhines, ditches and ponds.
Annual sums are drawn down from these balances as a contribution towards the costs of maintenance.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Notes to the Accounts continued

Year Ended 31 March 2018

10. RETIREMENT BENEFITS

Participation in pension scheme

As part of the terms and conditions of employment of its employees, the Board offers retirement benefits. Although these benefits will not be payable until employees retire, the Board has a commitment to make payments that need to be disclosed at the time that employees earn their future entitlement

The Board participates in the Local Government Pension Scheme (LGPS), administered by Gloucestershire County Council. It is a funded scheme, which means that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pensions' liabilities with investment assets.

Transactions relating to retirement benefits

The Board recognises the real cost of retirement in the payroll costs when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that we are required to make against the Board's costs is on the cash payable in the year.

| 2017 | | Table1 - Transactions relating to retirement benefits | | | |
|------------|-------------|--|--|------------|-------------|
| £000's | % of pay | Income and Expenditure Account | | 2018 | |
| | | | | £000's | % of pay |
| | | <i>Net costs of services :-</i> | | | |
| -96 | 26.6 | Current service cost | | -150 | 40.8 |
| -96 | 26.6 | <i>Net operating (income) expenditure:-</i> | | -150 | 40.8 |
| -154 | 42.5 | Interest cost | | -135 | 36.7 |
| 145 | -29.0 | Expected return on assets in the scheme | | 106 | -28.8 |
| 105 | 40.1 | <i>Net charge to the income and Expenditure Account</i> | | 179 | 48.7 |
| | | Statement of Movement in Board's reserves | | | |
| | | Reversal of net charges made for retirement benefits in accordance with FRS 102 | | | |
| -145 | | Actual amount charged against the Income and Expenditure account for pensions in the year: | | | |
| | | Employer's contributions payable to scheme | | | |
| 139 | | | | 149 | |
| -6 | | Net impact on Income and Expenditure account | | -30 | |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Notes to the Accounts continued

Year Ended 31 March 2018

10. RETIREMENT BENEFITS CONTINUED

Assets and liabilities in relation to retirement benefits

The underlying assets and liabilities for retirement benefits attributable to the Board at 31 March 2018 are as follows:

| | Table 2 - Pension fund assets and liabilities | |
|---------------|--|---------------|
| 2017 | | 2018 |
| £000's | | £000's |
| -5,165 | Funded benefits under the LGPS regulations | -5,264 |
| -5,165 | Unfunded discretionary benefits awarded by means of additional actuarial value of fund liabilities | -5,264 |
| 4,068 | Market value of fund assets | 4,310 |
| -1,097 | Net pension deficit | -954 |
| | | |

The liabilities show the underlying commitments that the Board has over the long term to pay retirement benefits. The total liability of £954,000 (£1,097,000 at 31 March 2017) has a material impact on the net worth of the Board as recorded in the Balance Sheet, leaving the overall surplus of £648,016. (£333,759 at 31 March 2017)

The deficit on the local government scheme will be made good by increased contributions over the remaining working life of the employees, as assessed by the scheme's actuary.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method. An estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates being based on the latest full valuation of the scheme as at 31 March 2016.

The main assumptions used in their calculations, agreed with the actuaries by the scheme administrators are shown in the table below.

| | Table 3 - Main financial assumptions used in the calculations | |
|-------------|--|-------------|
| 2017 | | 2018 |
| 2.4% | Pension increase rate | 2.4% |
| 2.7% | Rate of increase in salaries | 2.7% |
| 2.6% | Expected return on assets | 2.6% |
| 2.6% | Discount rate | 2.6% |

LOWER SEVERN(2005) INTERNAL DRAINAGE BOARD

Notes to the Accounts continued

Year Ended 31 March 2018

10. RETIREMENT BENEFITS CONTINUED

Commutation

An allowance is included for 50% of future retirements to elect for tax-free cash up to HMRC limits for pre April 2008 service and 75% of the maximum tax-free cash for post April 2008 service.

The Board's share of assets in the LGPS, valued at fair value, principally at market value for investments, consists of the following categories, by proportion of the total assets held by the fund:

| Table 4 - Value of investments and expected returns | | | | | | |
|---|------------|---------------------------------|--------------|--------------|------------|---------------------------------|
| 2017 | | expected long term return | | 2018 | | expected long term return |
| £000's | % | % | | £000's | % | % |
| 2,889 | 71 | 2.6 | equities | 2,888 | 67 | 2.7 |
| 813 | 20 | 2.6 | bonds | 991 | 23 | 2.7 |
| 285 | 7 | 2.6 | property | 345 | 8 | 2.7 |
| 81 | 2 | 2.6 | cash | 86 | 2 | 2.7 |
| 4,068 | 100 | | total | 4,310 | 100 | |

It must be recognised that pension fund investments are made for the long term, and that market values and net fund liabilities at a given point in time, are only indicative of the position of the fund at that date.

Movement in the net pension fund deficit

The change in the pension deficit is detailed below :

| Table 5 - Analysis of the movement in the net pension deficit for the year | | |
|--|---|----------------|
| 2017 £000's | | 2018 £000's |
| -1,415 | Net deficit at beginning of year | -1,097 |
| | Movement in year : | |
| 139 | Contributions paid | 149 |
| -96 | Current service cost | -150 |
| 105 | Interest income | 106 |
| -154 | Interest cost | -135 |
| 324 | Re-measurement of the defined benefit liability | 173 |
| -1,097 | Net deficit at end of the year | -954 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Notes to the Accounts continued

Year Ended 31 March 2018

10. RETIREMENT BENEFITS CONTINUED

Defined benefit scheme

The defined benefits scheme in which the Board participates was closed to new members on 31 July 2015.

As part of the terms and conditions of employment of its officers and other employees who were employed prior to 31 July 2015, the Board offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Board has a commitment to make payments that need to be disclosed at the time when employees earn their future entitlement.

The Board participates in the Local Government Pension Scheme (LGPS), which is categorised as a defined benefit scheme and is administered by Gloucestershire County Council. It is a funded scheme, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pension's liability with investment assets. The retirement benefits are determined independently of the investments of the scheme and the Board has an obligation to make extra contributions where assets are insufficient to meet employee benefits.

National changes to the LGPS were introduced on 1 April 2008 and will effect the pension liability. The Board and its actuary were required to make a number of assumptions about further changes to the scheme when calculating these figures. The actuary has made allowance for the removal of the "Rule of 85" for new entrants from 1 October 2006 up to and including 31 March 2010

The LGPS funding level is determined by actuarial valuation every three years. The latest valuation was at 31 March 2016, the overall fund was 89% funded. Employers' contribution rates are calculated at each valuation to achieve full funding of each employer's part of the scheme over the average future working life of that employer's active members.

During 2017/18 the employer contribution rate was 24.8% of payroll (17.4% in 2016/17).

The Board's estimated contribution to the scheme in 2018/19 is £150,000.

Further information can be found in Gloucestershire County Council's LGPS Annual Report, which is available (from November each year) upon request from:

Head of Service Delivery and Finance,
Gloucestershire County Council,
Shire Hall,
Westgate Street,
Gloucester GL1 2TG.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Notes to the Accounts continued

Year Ended 31 March 2018

11. LEVIES CHARGED TO AUTHORITIES

| | 2018 | 2017 |
|-------------------------------|------------------|------------------|
| | £ | £ |
| Bristol City Council | 622,331 | 621,481 |
| South Gloucestershire Council | 265,130 | 263,846 |
| Stroud District Council | 130,789 | 130,789 |
| Gloucester City Council | 59,784 | 59,009 |
| Forest of Dean Council | 36,768 | 36,435 |
| Herefordshire Council | 10,093 | 10,093 |
| Tewkesbury Borough Council | 6,063 | 6,063 |
| Malvern Hills Council | 1,384 | 1,346 |
| | 1,132,342 | 1,129,062 |

12. CONTRIBUTIONS AND PRECEPTS

The Board received in 2017/18 a Foreign Water Contribution of £157,687 from the Environment Agency. The Board paid the Environment Agency a Flood Defence Precept in 2017/18 of £201,556.

13. EMPLOYEES' REMUNERATION

The Board is required under Regulation 7(3) of the Accounts and Audit Regulations 2015, to report the members of staff with pay and benefits, excluding employer pension contributions, in excess of £50,000 per annum in bands of £5,000.

The Board had two employees in the £55,000 to £60,000 pay band in 2017/18 (nil in 2016/17)

14. ENGINEERING CONSULTANCY FEES

| | 2018 | 2017 |
|--|---------------|---------------|
| | £ | £ |
| Consultancy fees and expenses | 33,355 | 28,728 |
| Specific modelling and rechargeable work | 27,630 | 43,753 |
| | 60,985 | 72,481 |

15. AUDIT AND ACCOUNTANCY FEES

| | 2018 | 2017 |
|-------------------------|--------------|---------------|
| | £ | £ |
| Audit fees and expenses | 4,553 | 7,650 |
| Accountancy services | 2,060 | 4,145 |
| | 6,613 | 11,795 |

16. RELATED PARTY TRANSACTIONS

The Board is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the Board or to be controlled or influenced by the Board. The Board receives levies totalling £1,132,342 from the 8 local authorities within the areas in which the Board operates. These authorities are represented by 15 of the 29 Board members. In addition a number of Board Member's are also elected councillors on these authorities.

The Board carried out works to an area of land owned by the Chairman Mr.G.Littleton and invoiced him the fully costed charge of £262 including value added tax (£259 in 2016/17) and Mr J Nichols an Elected Member of the Board and invoiced him the fully costed charge of £101 including vat (318 in 2016/17). The Board also made a sale to Mr J Cornock an Elected Member of the Board and invoiced him the full cost of £60 including vat (nil in 2016/17).

Details of the transactions are recorded in the Register of Members of Interests and are open to inspection at the Board's offices.

REF: MD

REPORT BY: Accounts Officer

AUDIT ARRANGEMENTS FOR 2017/18

Introduction

For 2017/18 the Board is subject to a Limited Liability Audit. The External Auditor appointed for all IDBs is PKF Littlejohn. The Board has previously appointed its Internal Auditor. The report from the Internal Auditor's is another item on this agenda.

The Board needs to complete an Annual Governance and Accountability Return 2017/18 Part 3 (AGAR).

- The annual internal audit report has to be completed by the Boards internal auditors
- Sections 1 and 2 require Board approval
- Section 3 is completed by the External Auditor

Along with this return the Board is required to submit:

- bank reconciliations;
- an explanation of any significant year on year variances (greater than 15%, nil for 2017/18);
- Section 48 notice of agricultural rates and special levies. With a reconciliation to the figure stated on the AGAR (difference due to land movements between agricultural land and land owned by a charging authority during the year);
- the Board's notification of the commencement date of the period for the exercise of public rights (2 July 2018);
- the Annual Internal Audit Report 21017/18.

The completed AGAR is attached.

Recommendation

To recommend to the Board that the Annual Governance and Accountability Return 2017/18 Part 3 (AGAR) is approved.

Martin Dear

Accounts Officer

June 2018

Local Councils, Internal Drainage Boards and other Smaller Authorities in England

Annual Governance and Accountability Return 2017/18 Part 3

To be completed by:

- **all smaller authorities* where either the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; and**
- **any other smaller authorities that either:**
 - **are unable to certify themselves as exempt; or**
 - **have requested a limited assurance review.**

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2017/18

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with Proper Practices.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **annual internal audit report** is completed by the authority's internal auditor.
 - **Sections 1 and 2** are to be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved **before 2 July 2018**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or requesting a limited assurance review, **must** send to the external auditor:
 - the Annual Governance and Accountability Return Sections 1, 2 and 3, together with
 - a bank reconciliation as at 31 March 2018
 - an explanation of any significant year on year variances in the accounting statements
 - your notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2017/18

Unless requested, do not send any original records to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed and is able to give an opinion on the limited assurance review, the Annual Governance and Accountability Return including **Section 3 – External Auditor Report and Certificate** will be returned to the authority.

Publication Requirements

Smaller authorities with either income or expenditure exceeding £25,000 **must** publish on a public website, under the Accounts and Audit Regulations 2015, the Annual Governance and Accountability Return:

- **Section 1 – Annual Governance Statement 2017/18, page 4**
- **Section 2 – Accounting Statements 2017/18, page 5**
- **Section 3 – The External Auditor Report and Certificate 2017/18, page 6**
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

**for a complete list of bodies that may be smaller authorities refer to schedule 2 to Local Audit and Accountability Act 2014.*

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2017/18

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this Annual Governance and Accountability Return. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the Annual Governance and Accountability Return is complete (i.e. no empty highlighted boxes), and is properly signed and dated. Avoid making amendments to the completed Annual Governance and Accountability Return. Any amendments must be approved by the authority, properly initialled and accompanied by an explanation. If the Annual Governance and Accountability Return contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the annual internal audit report prior to approving the annual governance statement and before approving the accounts.
- Use the checklist provided below to review the Annual Governance and Accountability Return for completeness before sending it to the external auditor.
- Do not send the external auditor any information not specifically requested. However, you **must** inform your external auditor about any change of Clerk, Responsible Finance Officer or Chairman, and provide relevant email addresses and telephone numbers.
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the Annual Governance and Accountability Return covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the explanation.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs will be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2017) equals the balance brought forward in the current year (Box 1 of 2018).
- Please enter the authority's name **only** in Section 3 on Page 6. **Do not complete the remainder of that section**, which is reserved for the external auditor.
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights. From the commencement date for a single period of 30 consecutive working days, the accounts and accounting records can be inspected. Whatever period the RFO sets it **must** include a common inspection period – during which the accounts and accounting records of all smaller authorities must be available for public inspection – of the first ten working days of July.
- The authority **must** publish the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor.

| Completion checklist – 'No' answers mean you may not have met requirements | | Yes | No |
|--|--|-----|----|
| All sections | Have all highlighted boxes have been completed? | | |
| | Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor? | | |
| Internal Audit Report | Have all highlighted boxes have been completed by the internal auditor and explanations provided? | | |
| Section 1 | For any statement to which the response is 'no', is an explanation provided? | | |
| Section 2 | Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting? | | |
| | Has an explanation of significant variations from last year to this year been provided? | | |
| | The bank reconciliation as at 31 March 2018 is agreed to Box 8? | | |
| | Has an explanation of any difference between Box 7 and Box 8 been provided? | | |
| Sections 1 and 2 | Trust funds – have all disclosures been made if the authority is a sole managing trustee? NB: do not send trust accounting statements unless requested or instructed. | | |

*More guidance on completing this annual return is available in **Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices**, which can be downloaded from www.nalc.gov.uk or from www.slcc.co.uk or from www.ada.org.uk

Annual Internal Audit Report 2017/18

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation during the financial year ended 31 March 2018.

The internal audit for 2017/18 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 | Agreed? Please choose one of the following | | |
|--|--|-----|----------------|
| | 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 and year-end bank account reconciliations were properly carried out. | ✓ | | |
| 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. (For local councils only) | | | |
| Trust funds (including charitable) – The council met its responsibilities as a trustee. | Yes | No | Not applicable |
| | | | ✓ |

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

JAN / FEB 2018

Name of person who carried out the internal audit

BIGGIE FLEMING LLP

Signature of person who carried out the internal audit

Biggie Fleming LLP

Date

22/05/18

*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 2017/18

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

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 2018, 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. | | | <i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i> |
| 2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. | | | <i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i> |
| 3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances. | | | <i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i> |
| 4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations. | | | <i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i> |
| 5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required. | | | <i>considered and documented the financial and other risks it faces and dealt with them properly.</i> |
| 6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems. | | | <i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i> |
| 7. We took appropriate action on all matters raised in reports from internal and external audit. | | | <i>responded to matters brought to its attention by internal and external audit.</i> |
| 8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements. | | | <i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i> |
| 9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit. | Yes | No | N/A |
| | | | |

*Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the authority will address the weaknesses identified.

This Annual Governance Statement is approved by this authority and recorded as minute reference:

MINUTE REFERENCE

dated DD/MM/YY

Signed by the Chairman and Clerk of the meeting where approval is given:

Chairman SIGNATURE REQUIRED

Clerk SIGNATURE REQUIRED

Other information required by the Transparency Codes (not part of Annual Governance Statement)
Authority web address

AUTHORITY WEBSITE ADDRESS

Section 2 – Accounting Statements 2017/18 for

ENTER NAME OF AUTHORITY

| | Year ending | | Notes and guidance |
|--|-----------------------|-----------------------|--|
| | 31 March 2017 £ | 31 March 2018 £ | |
| 1. Balances brought forward | | | <i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i> |
| 2. (+) Precept or Rates and Levies | | | <i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i> |
| 3. (+) Total other receipts | | | <i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i> |
| 4. (-) Staff costs | | | <i>Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.</i> |
| 5. (-) Loan interest/capital repayments | | | <i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i> |
| 6. (-) All other payments | | | <i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i> |
| 7. (=) Balances carried forward | | | <i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i> |
| 8. Total value of cash and short term investments | | | <i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i> |
| 9. Total fixed assets plus long term investments and assets | | | <i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i> |
| 10. Total borrowings | | | <i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i> |
| 11. (For Local Councils Only) Disclosure note re Trust funds (including charitable) | Yes | No | <i>The Council acts as sole trustee for and is responsible for managing Trust funds or assets.</i> |
| | | | <i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i> |

I certify that for the year ended 31 March 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

SIGNATURE REQUIRED

Date

DD/MM/YY

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

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where approval of the Accounting Statements is given

SIGNATURE REQUIRED

Section 3 – External Auditor Report and Certificate 2017/18

In respect of

ENTER NAME OF AUTHORITY

1 Respective responsibilities of the body and the auditor

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 2018; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2017/18

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return 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. (*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

3 External auditor certificate 2017/18

We certify/do not 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 2018.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

*Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2017/18 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

INTERNAL AUDIT SERVICES**Introduction**

The Board's Internal Auditors, Bishop Fleming LLP, have submitted their report for the year 2017/18 – a copy is enclosed at Appendix A. In all, 31 tests were carried out and the auditors have made 4 recommendations, 3 of which are amber and 1 is green. The colour coding is explained on page 2 of the report.

Audit Recommendations and Proposed Actions

| Number | Area of activity | Audit Recommendation | Proposed Action |
|------------|--------------------|---|---|
| 1 Amber | Income and Debtors | We recommend that a report is run at the beginning of each financial year detailing any landowners for whom the bill amount or rateable land value has changed significantly on the prior year. This report should be checked and then authorised by a different member of the finance team to ensure changes have not been made without a genuine land transfer occurring. | <ul style="list-style-type: none"> • Civil Engineer to check and authorise land transfers annually • Accounts Officer to check and authorise rate demands |
| 2 Amber | Income and Debtors | We also recommend that the monthly reconciliations of the DRS system to Sage are checked and authorised by someone other than the employee responsible for the data input. | <ul style="list-style-type: none"> • Accounts Officer to check and authorise monthly reconciliations |
| 3 Green | Expenditure | We recommend that purchase orders are raised prior to the order being made for all transactions. | <ul style="list-style-type: none"> • All staff to be instructed to raise purchase orders for ALL transactions |
| 4 Amber | Expenditure | We recommend that purchase orders are raised prior to the order being made for all transactions. | <ul style="list-style-type: none"> • All staff to be instructed not to change invoice dates under any circumstances |

| | | | |
|--|--|--|--|
| | | | in order to negate the need to account for prepayments and accruals. |
|--|--|--|--|

Recommendations

That the proposed actions be approved.

Kieran Warren

Principal Officer

June 2018

Lower Severn (2005) Internal Drainage Board

Internal Audit Report 2017/18

January 2018



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| BUDGETS AND FINANCIAL MONITORING | 16 |

INTRODUCTION

As stated in our engagement letter, you have instructed us to undertake a series of Internal Audit visits for the Board. We understand this role is to provide you, the Board of Members, with additional assurance as part of an on-going independent oversight of the Board's financial affairs, in addition to the internal procedures already carried out by the Board's Finance Department.

In accordance with instructions given to us, we have prepared our report solely for the confidential use of Lower Severn (2005) Internal Drainage Board. It may not be relied upon by Lower Severn (2005) Internal Drainage Board for any other purpose. Our report must not be recited or referred to in whole or part in any other document and must not be made available, copied or recited to any other party without our express written permission. Bishop Fleming LLP neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our report.

Matters that we consider should be brought to your attention and recommendations we have for possible improvements are summarised from page 4 onwards - the final 'outcome' column uses a 'traffic light' system.

The key is as follows:



This recommendation must be addressed as a matter of priority, as the required internal controls are not currently in place.



This recommendation should be addressed as weaknesses have been identified with the current internal controls.



This recommendation will improve the current internal controls and be in line with best practice.



No recommendation, as the internal controls in place are sufficient.



At the time of our visit there was nothing to report on this particular area.

SUMMARY

This report documents the findings from our visit during January 2018 in which we reviewed the systems in place at the Board.

We have made 4 recommendations in this report, 3 of which are amber and 1 is green.

Income and Debtors

The system in place for collecting and recording income is operating well. The level of outstanding debts is low. While we did not identify any errors with the recording of income we did identify a lack of segregation of duties and a lack of review which could result in errors being made.

Payroll

We checked employees' salaries to contracts, amendments to payroll and deductions made from employees' pay. We identified no errors and there were good controls in place throughout the payroll system.

Expenditure

We tested a sample of purchase transactions and found that the procedures set out in the Board's Financial Regulations has been followed on the whole. However, we did identify a number of instances where purchase orders had been drawn up after the purchase invoice had been received. In addition, purchase invoices had been posted to the system at the purchase invoice date. This date had then been changed so that the purchase was recognised in the period that it related to.

Bank and Petty Cash

A sample of bank reconciliations throughout the year were reviewed, we found that they had all been properly prepared and reviewed. We also reviewed the petty cash balance at the time of our visit and found that the physical petty cash balance reconciled with the balance on the accounting system. We reviewed a sample of petty cash claims and found that there were supporting receipts in place and that the claims had been properly authorised.

Fixed Assets



We reviewed the fixed asset register in place and found that the register was being kept up to date. A sample of assets were physically verified and there was no indication of misappropriation of assets or impairment.


Budgets and Financial Monitoring

We found that there was a comprehensive risk register in place. We reviewed the management accounts for one month and found that the necessary month end adjustments had been made. We found that there is a four year forecast in place and that forward planning had taken place to ensure that rates set for future years were set at a level to take account of future spending.


[illegible]





| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|------|---|-------------|-----------------|---------|
| | <p>Rates are not collected for land with a rateable value of less than £125, as the administrative cost is considered too great. This leads to an amount totalling approximately £2,000 being written off each year.</p> <p>While much of the system surrounding the receipt of rates income is automated by the DRS system, it was found that the Ratings/Admin Officer is responsible for the entire process, and no checks or authorisations are carried out by another employee. In addition, it would be possible for the Ratings/Admin Officer to change the rateable value of a piece of land without it being discovered, hence altering the amounts due from landowners.</p> <p>The system surrounding levies operates slightly differently, in that the demand note must be manually prepared for the eight different District Councils, rather than one being automatically generated by DRS.</p> <p>A sample of ten levies and rates amounts due per DRS were agreed to the associated demand note and then to the income journal on Sage. The funds were also agreed to receipts in the current account. No issues were found.</p> | | | |




| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|--|--|--|--|---|
| Test 2: Agree a sample of recharge receipts from the accounting system to invoice and ensure the procedures for documenting other income is operating as expected, including the posting of VAT. | Recharge income consists of monies received for work done on landowners' property, developers' consent invoices and area wide charges to maintain drainage around new developments on an ongoing basis. This income stream is accounted for through Sage as it consists predominantly of large, one-off payments. A sample of ten recharges was chosen from Sage and agreed to invoice. It was confirmed that VAT relating to these transactions had been posted correctly to the accounting system. | Comfort gained that the system for recording recharge income is working as expected, including VAT. | There are no recommendations to be made. |  |
| Test 3: Review the Aged Debtor report at the point of visit and identify any old balances. Ascertain the reasons for the outstanding income if any, and the entity's policy and procedures around chasing bad debts. | The Aged Debtor report as at the 16 th of January was reviewed and it was confirmed to show few items, the oldest being from the 1 st of December 2017 for a trivial amount. Per discussion with the Admin/Payroll Officer, if an invoice is unpaid 1 month after it is sent out, a chasing letter is sent. If payment is still not received two weeks from this point then a phone call will be made to enquire about the invoice. It is rare that it is necessary to chase income, and the only old item outstanding at the date of the visit related to an ongoing dispute with a farmer regarding a trivial amount which had entered court proceedings. | Comfort gained that there are few old balances on the Aged Debtor report and that the procedures in place around chasing bad debts are adequate. | There are no recommendations to be made. |  |

| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|---|---|---|--|---|
| <p>Test 4: Agree any grant income received in the period to supporting documentation and ensure the entity is entitled to the income.</p> <p>Obtain copies of grant documentation and check that the income has been posted to the appropriate income nominal code on the finance system</p> | <p>The only grant income received by the Drainage Board is a Foreign Water Grant from the Environment Agency (EA).</p> <p>The Board used to pay a precept to the EA and in return they would receive a "foreign water contribution" to move highland water through the area to the sea. This process was recently simplified so the Board simply record the net amount.</p> <p>The payment has not yet been made for 2017/18, although the documentation was obtained and confirmed reasonable.</p> | Comfort gained that grant income is properly documented and the entity is entitled to the income. | There are no recommendations to be made. |  |




PAYROLL


| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|---|--|---|--|---|
| <p>Test 1: Select a sample of three employees from the payroll and check salary details back to personnel files and confirm that the amount paid is in line with expectations.</p> <p>Check there is a signed employment contract on file.</p> | <p>Three employees were tested at random from the payroll reports. Their salaries were checked and reasonably reconciled to the contracted amount.</p> <p>The employment contracts that were examined were all signed.</p> | The salary details seem to be correctly included in the employee's personnel files. Alongside this, the payments received fall in line with expectations. | There are no recommendations to be made. |  |

| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|---|---|--|--|---|
| Test 2: Check one amendment to the payroll to ensure that appropriately authorised documentation exists. | An overtime claim form for an employee was reviewed for authorisation and it appeared to be authorised appropriately. | Comfort has been gained that appropriate documentation exists for employees' overtime. | There are no recommendations to be made. |  |
| Test 3: Check two expense claims paid through payroll (e.g. reimbursement of travel expenses) to ensure they are appropriately authorised and supporting source documentation exists. | Two mileage expense claim forms were reviewed and checked back to payroll. Both forms appeared to be appropriately authorised. | Comfort has been gained that expense claim forms are appropriately recorded and authorised. | There are no recommendations to be made. |  |
| Test 4: Obtain details of one new starter and ensure they have a signed contract. | The September 2017 payroll reports were examined for details of a new starter. Their signed contract was reviewed with their salary being agreed to the payroll reports for that month. | Comfort has been gained that the treatment of new starters is sufficient. | There are no recommendations to be made. |  |
| Test 5: Review the payroll print for one month to ensure it has been appropriately authorised and posted appropriately to the accounting system. | The payroll report for November 2017 were reviewed and a sample of the payments made (NI, PAYE, Net, Employers Pension and Mileage) were agreed to the figures that were entered into Sage. It was confirmed to have been authorised by the Accounting Officer. | Comfort has been gained that the input of the payroll figures into Sage are accurate and the reports are appropriately authorised. | There are no recommendations to be made. |  |



| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|--|---|---|--|--|
| Test 6: To ensure payment is made to bona fide employees, review one months payroll for duplicate employee names and where possible bank account details for duplication. Obtain explanations for any instances of duplications. | The employee names and bank account details from the August payroll were examined. It appeared that there were no duplicate employees or Bank accounts recognised. | Comfort has been gained that employees are bona fide. | There are no recommendations to be made. |  |
| Test 7: Test check payroll deductions to ensure correct rates are being applied. Ensure two employees have been tested. | The PAYE, Employers NI and Employees NI deductions were tested for two employees for the months of October and November 2017. The employee and employers pension contributions were also examined for the same months and it appeared that all deductions appeared to be appropriate. | Comfort has been gained that deductions are being calculated correctly. | There are no recommendations to be made. |  |
| Test 8: Review payroll control accounts reconciliations for one month (including PAYE/NI, net wages, pension) to ensure that they have been appropriately prepared and authorised. | <p>The Accounting Officer explained that there was not a physical reconciliation which they produce.</p> <p>One of the documents that is provided by their payroll provider is a payslip analysis document. This was checked to the time sheet spreadsheet produced by Karen (which is sent off to their payroll provider). The payslip analysis for November 2017 was examined and it appeared to be authorised appropriately. It was also confirmed that the control accounts returned to a zero position each month.</p> | Although there is no physical reconciliation, there are still checks in place to ensure that the control accounts are accurate. | There are no recommendations to be made. |  |


EXPENDITURE

| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|---|--|---|--|--|
| Test 1: Gain an understanding of the purchasing system in place at the Board and obtain a copy of the financial regulations. | After a discussion with the Admin/Payroll Officer, the systems of the purchase process was understood. A copy of the financial regulations has been obtained. | The purchasing system is understood and a copy of the financial regulations has been documented. | There are no recommendations to be made. |  |
| Test 2: Select 20 purchases made within the period and ensure: <ul style="list-style-type: none"> that quotes were obtained where over the prescribed level that the order has been placed with an appropriate supplier order correctly authorised in line with the systems described above invoice agrees to order invoice correctly authorised payment correctly recorded in accounting system payment correctly authorised VAT has been correctly posted to the accounting system for each transaction | <p>20 transactions which spanned throughout the year were selected and tested against their individual order forms and invoices.</p> <p>All expenditure seemed appropriate and came from reputable suppliers. All of the invoices which were tested were authorised by the relevant individual. The invoice amounts (including VAT) were also appropriately posted to Sage.</p> <p>The testing found that one of the invoices tested had its date manually changed by the previous Responsible Finance Officer (RFO). This was said to be due to the previous RFO wanting the invoice to be dated in the period that it was related to.</p> <p>In addition, seven of the twenty transactions tested had original handwritten purchase orders which were produced after the invoices had come in.</p> | All order forms, invoices and payments were appropriately authorised. However quite a large number of invoices tested were attached to purchase orders with a later date than the invoice. There was also an issue of altering the date of an invoice to suit personal preferences. | <p>We recommend that purchase orders are raised prior to the order being made for all transactions.</p> <p>In addition, the dates of invoices should not be changed in order to negate the need to account for prepayments and accruals.</p> |   |



| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|--|--|---|--|---|
| Test 3: Regularity testing for each item of expenditure tested, ensure: <ul style="list-style-type: none"> that the expenditure is necessary that the expenditure is appropriate for the Board that value for money has been considered that the expenditure was not for an employee's personal use. | The reasonableness for the expenditure tested as explained above was also considered. All expenditure was for necessary operations and for the use of the Board. | Comfort has been gained that the expenditure tested is necessary, reasonable and not for the personal use of any employees. | There are no recommendations to be made. |  |





BANK AND PETTY CASH


| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|---|--|--|---|---|
| <p>Test 1: Review bank reconciliations for five months, including the last month of the prior year, to ensure that they have been appropriately prepared and authorised.</p> <p>Ensure that the balances per the reconciliation agree to the bank statement and to the accounting system, and that unreconciled items are at a reasonable level.</p> <p>If the unreconciled balance is high, ascertain what is being done to reconcile the transactions.</p> | <p>Bank reconciliations were reviewed for five months and it was confirmed that they had been properly prepared and authorised. The balances per the reconciliation were confirmed to agree to the bank statement and Sage.</p> <p>Unreconciled items were predominantly at a reasonable level, and where they were higher in the July reconciliation, this was due to the refund of an overpayment of the Bristol City Council levy straddling the July month end. As this was a one-off large payment, it is not considered necessary to further examine processes around the reconciling of transactions.</p> | <p>Comfort gained that bank reconciliations are being completed and authorised appropriately, and that unreconciled items are at a reasonable level.</p> | <p>There are no recommendations to be made.</p> |  |
| <p>Test 2: Confirm that the balance in petty cash at the date of the visit agrees to the accounting system.</p> | <p>The sum of the monies inside the petty cash tin and the values on the petty cash slips inside the tin agreed to the value inputted into Sage.</p> | <p>Comfort has been gained that the amount in the petty cash tin agrees to what is posted on the accounting system.</p> | <p>There are no recommendations to be made.</p> |  |

| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|---|--|--|---|---|
| Test 3: Select a sample of 20 cash paid expense claims or petty cash vouchers, then agree to supporting documentation, ensure have been appropriately authorised and appropriately posted onto the accounting system. | 20 petty cash slips including each of their supporting documents were selected at random and agreed to Sage (including the Net, VAT and Gross amounts). The authorisations of these slips were also checked finding that all slips were appropriately authorised. | Comfort has been gained that purchases using petty cash are appropriately authorised and posted to Sage correctly. | There are no recommendations to be made |  |



FIXED ASSETS



| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|--|--|---|--|---|
| Test 1: Review the Fixed Asset Register or schedule of additions to ensure fixed asset additions are being appropriately recognised and it is being regularly updated. | After reviewing the additions on the fixed asset register, it was recognised that additions are separated on the prior year's forecasted fixed assets register. They are then added to the current years fixed asset register once they have been bought but are not split out into a designated additions column. | Although in the current year's fixed asset register there was no designated column for additions, they are still recognised and depreciation is recorded in the register. As a result of this comfort has been gained that additions are being appropriately recognised and that the fixed asset register is being regularly updated. | There are no recommendations to be made. |  |
| Test 2: Ensure the brought forward fixed asset balances agree to the prior year accounts. | The brought forward fixed asset balances as shown in the trial balance were agreed to those which were in the prior year accounts. | Comfort has been gained that the brought forward fixed asset balances agree to the related balances in the prior year accounts. | There are no recommendations to be made. |  |



| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|--|---|---|--|---|
| Test 3: Physically verify a sample of assets to confirm that assets included on the register are owned, being utilised in the business, and do not show obvious signs of impairment. | A sample of 15 fixed assets were chosen from the fixed asset register. All of the assets were verified and there was no sign of impairment on any of the assets. | Comfort has been gained that the fixed assets in the fixed asset register, are owned and being utilised by the organisation. | There are no recommendations to be made. |  |
| Test 4: Inquire as to the capitalisation limit used at the Board and consider its reasonableness. | The capitalisation limit is £500 which seems reasonable given the nature of the organisation. | Comfort has been gained that the capitalisation limit used at the Board is reasonable | There are no recommendations to be made |  |
| Test 5: Review the Fixed Asset Register for items older than their useful economic life. Are there a large number of fully depreciated items listed? | The Fixed asset register was reviewed and there were 7 assets that were fully depreciated. In addition, consideration of the depreciation policies in place for different asset classes concluded that they were reasonable. | After reviewing the fixed asset register, comfort has been gained that there are few fully depreciated assets included in the fixed asset register, and depreciation policies are reasonable. | There are no recommendations to be made. |  |
| Test 6: Identify any intangible assets on the books and ensure that the correct accounting treatment has been applied, and they are recorded appropriately on the register. | The only intangibles included in fixed assets are two items of software, the DRS system and Cadcorp Map Editor. These are included in the relevant intangibles nominal in Sage and amortised at 25% reducing balance. They are also recorded appropriately on the fixed asset register. | Comfort gained that intangible assets on the balance sheet are being treated appropriately and are recorded correctly on the accounting system and in the fixed asset register. | There are no recommendations to be made. |  |

| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|--|---|---|--|---|
| Test 7: Discuss any material investments with the Accounting Officer. Gain an understanding of how the portfolio is maintained. Obtain a register of the investments held. | The Smith and Williamson investments are overseen by the Treasury Committee. It was confirmed that a monthly valuation of securities is received from Smith and Williamson, and every six months a summary of the investment performance (reconciled to the valuation) is presented to the Committee. The portfolio is managed by Smith and Williamson, who make recommendations, although the committee makes the final decision as to acquisitions and sales. | As the portfolio is managed by Smith and Williamson, no further testing on investments is required. | There are no recommendations to be made. |  |

BUDGETS AND FINANCIAL MONITORING

| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|--|--|---|---|--|
| Test 1: Ensure there is a Risk Register in place and it is regularly updated. Review the adequacy of arrangements made to manage the risks and ensure controls are relevant and up-to-date. Ensure fraud risk is considered within the Risk Register. | <p>It was confirmed during the visit that the risk register is reviewed continually and updated annually by approval of the Finance & General Purposes Committee. The last update was in December 2017, with the register being approved at the committee meeting on the 13th of December.</p> <p>Inspection of the register showed that it appeared to be comprehensive, with adequate consideration of fraud risk, and details of the control procedures in place to manage each risk, along with any actions required to further mitigate risks.</p> | <p>Comfort gained that there is a regularly updated Risk Register in place and controls implemented to manage the risks are adequate.</p> | <p>There are no recommendations to be made.</p> |  |
| Test 2: Ensure that the opening balances on the accounting system agree to the 2017 accounts. | <p>The opening balances on Sage were agree to the balance sheet in the 2017 accounts. No issues were identified.</p> | <p>Comfort gained that the accounts prepared during the year agree to the cashbook.</p> | <p>There are no recommendations to be made.</p> |  |

| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|---|--|--|--|---|
| Test 3: Review the most recent management reporting documents. Perform cut-off testing around this date to ensure cut-off issues have been accounted for. | The management reporting documents for November 2017 were reviewed and cut off testing was performed. It was confirmed that rates and levy income (received predominantly in April) was spread over the year, and similarly the net Environment Agency precept was recorded as a prepayment. Discussion with the Accounting Officer confirmed that due to the spending and income patterns of the Board, it was not considered necessary to record accruals in the management accounts as they related to trivial amounts. It was also confirmed that the balances in the management accounts agreed to the accounting system. | Comfort gained that management reporting documents are prepared appropriately, taking cut off issues into account. | There are no recommendations to be made. |  |
| Test 4: Ensure client has a budget for more than 1 year and that it includes key changes to income and expenditure expected. | The budget and four-year forecast for 17/18 and 18/19 were reviewed, and were confirmed to include key changes to income and expenditure expected. | Comfort gained that there are considered budgets for more than 1 year in place at the entity. | There are no recommendations to be made. |  |

| TEST | RESULTS | CONCLUSIONS | RECOMMENDATIONS | OUTCOME |
|---|---|--|--|---|
| Test 5: Ensure all budget variations are approved by the Finance & General Purposes Committee and the full board. | <p>It was confirmed that the first draft budget for the following year is presented and discussed at the December meeting of the Finance & General Purposes Committee. Changes are then made at the January meeting and a draft is agreed to be sent to the board.</p> <p>The full board meeting takes place in February, where the final draft of the budget is reviewed and rates are set for the following year.</p> | Comfort gained that all budget variations are approved by the Finance & General Purposes Committee and the full board. | There are no recommendations to be made. |  |
| Test 6: Ensure that the budgeted levels of reserves are adequate for the Board's future plans, and obtain an explanation of the method used by the Board in arriving at the rate each year. | <p>Discussion with the accounting officer revealed that the rate for the year was arrived at by inspection of the forecasts and budgets.</p> <p>While the original proposed budget for 18/19 was based on the rate remaining unchanged at 8.2p, the Accounting Officer was concerned that this would result in significant depletion of the Board's reserves in future years due to essential capital expenditure and payments into the Pump Station Reserve (created to fund a legislative requirement) were taken into account.</p> <p>In the new forecast, the rate is increased by 0.3p per year to account for these factors, and the level of reserves for the next four years is kept relatively constant.</p> | Comfort gained that the budgeted levels of reserves are now adequate for the future plans of the entity. An understanding was obtained around the methods used to set the rates in subsequent years. | There are no recommendations to be made. |  |

MEETING: FINANCE & GENERAL PURPOSES COMMITTEE

MEETING DATE: 6 JUNE 2018

REF: KW/A.2/2018

REPORT BY: PO, AO and CE

IT REVIEW

Introduction

At the F & GP Committee meeting held on 13 December 2017, Members resolved as follows:

Office Systems IT Review

Ald Williams suggested that a review of the IT structure should be undertaken. The PO suggested that only companies with offices within reasonable proximity to the Board Offices would be invited to tender.

It was resolved that:

- The PO, AO and Civil Engineer review the IT support structure.

[Minute 2605 refers].

The present position

The hardware and software currently in use is listed at Appendix A. The Board has an IT Service Agreement with [REDACTED]

This Agreement runs until 7 March 2019. The support [REDACTED] provides is summarised at Appendix B. The cost of this service is [REDACTED]

[REDACTED] have held the contract for IT support services for a number of years and to date staff have been very satisfied by the company's responsive, professional and cost-effective service. Although most issues can be resolved remotely, it is reassuring to know that their staff are only [REDACTED] miles away when a visit is required.

Comparative costs from other providers

We have identified three IT support companies, based in Bristol and Bath, and covering the Bristol/Somerset/Gloucester area. They have been asked to supply quotations on a like-for-like basis to mirror the level of service the Board presently enjoys. Clearly any contract with a new supplier would not take effect until March 2019. All three companies have expressed an interest in bidding for this work.

In the interests of fairness, transparency and competition, it would be good business practice to invite all of the potential suppliers, including [REDACTED] to submit bids by the end of November for report to this Committee on 12 December 2018. A new contract will then be in place wef early March 2019.

Recommendation

That tenders for the support of the Board's IT systems be considered at the December Committee meeting.

Kieran Warren

Principal Officer

Martin Dear

Accounts Officer

James Thomas

Civil Engineer

HARDWARE

- 6 x Dell PC's all with MS Office 2013 Pro 2013. 1 Dell Optiplex 3020 PC with Windows 7 Pro Operation system.
- 2 x Dell Latitude E6520 laptops with Windows 7 Pro and MS Office Home and Business.
- Optima EX521 DLP Projector.
- 2.5 KVA Powerware UPS with SNMP Card
- Dell File Server.
- 3 x 300 Gb SAS Hard Drives in raid 5 Array and additional 1Tb Hard drive (as back-up to disk). DVD Rom Drive
- Equistex Telephone Exchange (Samsung OfficeServ DS-5007S)
- Mobile phones x 4
- Konica Minolta bizhub C308 printer
- HP Designjet T520 printer

SOFTWARE

- DRS digital rating system
- GIS
- Sage Accounts
- Adobe
- Microsoft Office applications
- Security systems

IT SUPPORT SERVICES PROVIDED BY [REDACTED]

Unlimited access to telephone support during normal working hours (09:00 - 17:30, Monday - Friday).

Contact can be initiated by any member of your staff. We recommend however that you nominate someone to be our normal point of contact. We can then liaise with that person to ensure they are fully aware of the current status

4 working hour response for Business Critical issues

8 working hour response for all other issues

Maintenance of user accounts, mailboxes and internet access

24/7 system monitoring to identify any potential weaknesses or failures before they become critical. Issues will be dealt with during the normal contracted working hours set out below

Repair or replacement of faulty PC and File Server hardware including parts and labour. Excludes portable devices (i.e. Laptops / Notebooks / MACbooks and Tablets etc.)

Reinstallation and configuration of PC, Laptop / Notebook / MACbook and File Server Operating Systems and other key software, providing installation media and / or licence keys are made available

Following a system problem, re-installation of PC, Laptop / Notebook / MACbook and File Server application software (providing installation media and / or licence keys are made available) and restore data (providing adequate backups are made available).

Repair or replacement of faulty Network Hardware – Firewalls, Routers, Switches and UPS including parts and labour (excludes UPS batteries)

Maintenance of user rights and firewall settings in server based networks

Assistance with routines such as restoring files from backups etc.

Undertake routine Operating System updates that will benefit the operation of your computer systems

Undertake Operating System configuration changes.

Investigate printing issues and make configuration changes etc

Investigate issues with portable devices and assist with configuration changes etc

Liaise with third party suppliers (ISPs, Telecom companies, software houses etc) on Board's behalf

Maintain a record of all events affecting the IT systems known to [REDACTED] in order to monitor performance and reliability

Advice on appropriate maintenance and development strategies

Set up and manage a secure automatic copy of complete system images (operating system, data and applications) to a disk based device called a [REDACTED].

Where communications etc. allow, this will include copying the images offsite to an alternate office or home.

Set up and manage a secure automatic copy of complete system images (operating system, data and applications) to a disk based device called a [REDACTED].

The [REDACTED] device will be located offsite at our provider's Data Centre

Provide and support a managed anti-virus product.

Provide and support a managed email security solution.

Cover for "Business use" equipment used at home. [This cover provides IT support for the Chairman at his home address.]

Provide assistance for mobile email.

REF: KW/E4.5/2018

REPORT BY: Principal Officer

DEFAULT WORKS COSTS RECOVERY

Introduction

At the Board meeting held on 20 September 2017 Members resolved to pursue the recovery of costs incurred for work carried out by the Board under a statutory notice via the Small Claims Court.

[Minute No. 2561 refers.]

Progress to date

AS reported to the Committee in January, a Letter Before Action was sent to the defendant on 28 September (no reply received) and in November I lodged a detailed claim with the County Court. The Court confirmed on 19 December that the order was valid and that the case would proceed.

The defendant expressed an intention to defend all of the claim but failed to do so. I submitted a Request for Judgement on 1 March and the Court issued a judgement in the Board's favour on 12 March.

In early April I sought legal advice from Barcan + Kirby on how to recover the debt. They spelt out the options available; this action incurred a fee of £180. I then received notice from the County Court at Gloucester that the defendant had applied for the judgement to be set aside. The hearing took place on 17 May, with myself, the Civil Engineer and the defendant in attendance. The judge dismissed the application.

Curiously, on 10 May a payment of £252 was received; this sum equals exactly the outstanding debt minus the court fees of £35. I have asked NatWest to provide me with further details of the payment and I will report the bank's response at the meeting.

NB Should Members wish to discuss the confidential details of the case then the meeting should resolve to exclude the press and public.

RECOMMENDATIONS

- (1) That, in the event that the defendant has made a payment of £252, then the case be closed; and
- (2) In the event that the defendant has made no payment, Members consider what further action should be taken to recover the debt.

Kieran Warren

Principal Officer

Payments to be Noted

Jan 2018 – Apr 2018

Payments to be Noted**No. 1 Account****January 2018**

Payment Date From : 01/01/2018

Payment Date To : 31/01/2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|-------------------------------------|---|--|
| Elex Gates | Automation of Gate - Parts | 21.00 |
| Elex Gates | Automation of Gate - Labour & Electricity supply | 1,176.00 |
| Orchard Computer Services | Quarterly Maintenance Cover | 419.00 |
| Powertool Spares.com | Parts for angle grinder | 53.69 |
| Ebay | Ebay fees for Nov 17 | 247.43 |
| K J Conner & Son | Cleaning for December | 276.00 |
| The Gables Hotel | Room hire for 13/12/17 | 40.00 |
| BBL BATTERIES | Battery for AU11 HCH | 198.37 |
| RS COMPONENTS LTD | Light fittings for workshop | 142.46 |
| PMC Fluidpower Ltd t/as Group HES | Seal kit for mower | 949.88 |
| Justice.gsi.gov.uk | Court proceedings for non-payment | 35.00 |
| Claas Western Ltd | Fuel cap for WX16 LGO | 50.65 |
| Pirtek Bristol | Hose assembly for WX09 FYF | 87.10 |
| CROMWELL GROUP HOLDINGS LTD | Load straps, Bungees, Paint, Primer, Sockets | 338.96 |
| LISTER WILDER LTD | 2 x hazard lights for VX65 HTA | 58.01 |
| Moorepay Ltd | Payroll costs for Dec | 88.80 |
| GAP SUPPLIES | Trunking, Silicone, Switches, Tape | 62.98 |
| Pitney Bowes Ltd | Franking Machine rental for Nov & Dec | 31.08 |
| Motion Consultants Ltd | Saul Eel Contract Consultancy | Invoice FYI 3,823.20 |
| Motion Consultants Ltd | General Consultancy advice for Nov | Invoice FYI 4,263.77 |
| Water Environment Ltd | Infoworks ICM Annual Maintenance Shared Cost | Invoice FYI 2,340.00 |
| Water Environment Ltd | Saul P/S Eel Contract Drainage Strategy Reporting | Invoice FYI 9,189.60 |
| Water Environment Ltd | Saul P/S Eel Contract Drainage Strategy Reporting | 202.00 |
| BNP PARIBAS LEASE GROUP | Quarterly Office Telecoms Rental | 414.00 |
| Plan Communications Ltd | Mobile phones bill | 223.20 |
| ZEN INTERNET LTD | Monthly fibre internet charge | 46.50 |
| Citation Ltd | Legal Fees | 300.00 |
| SOUTH GLOUCESTERSHIRE COUNCIL | Business Rates | 711.00 |
| Skyguard Ltd | Annual Sub for extra Lone Worker Device | 142.32 |
| Dual Energy Direct Ltd | Saul Electricity | 15.69 |
| Dual Energy Direct Ltd | Marshfield Electricity | 59.25 |
| Dual Energy Direct Ltd | Oldbury P/S Electricity | 124.24 |
| Dual Energy Direct Ltd | Wicks Green Electricity | 95.15 |
| Dual Energy Direct Ltd | Lapperditch Electricity | 39.03 |
| Dual Energy Direct Ltd | Office Electricity | 330.72 |
| CROMWELL GROUP HOLDINGS LTD | Assort Screws | 18.36 |
| G R Tuck | Assorted angle & flat steel | 37.15 |
| MERRETT D C | Transportation of WU16 TZM | 180.00 |
| MERRETT D C | Transportation of WO14 OEY | 144.00 |
| SWADA | Annual Subs 2018/19 | 700.00 |
| Hydroscand Ltd | 2 x Hydraulic Hose assembly for WU16 TZM | 309.29 |
| Cablestream Ltd | Office phone line rental & calls | 80.58 |
| TAILORMADE OFFICE SUP.LTD | A4 Paper, Memo Pads, Binding Covers, Order Books | 96.62 |
| Paul Jarrold Tyres Ltd | 4 x Tyres for VX65 HTA (Credit applied) | Credit of £6475.63 applied 9,139.20 |
| MERRETT D C | Labour on repairs to WO14 OEY - Dipper Arm | 486.00 |
| MERRETT D C | Parts on repairs to WO14 OEY - Dipper Arm | 66.00 |
| Exac One Ltd | Parts for tree shears | 177.66 |
| ASSOCIATION OF DRAINAGE AUTHORITIES | 2018 Membership | 4,893.60 |
| BBL BATTERIES | Battery for Generator | 88.09 |
| Elex Gates | Remotes for gate | 300.00 |
| | | 43,312.63 |

Please note that the amounts shown above include Vat where applicable

| | |
|--|------------------|
| Amount Paid this Period | 43,312.63 |
| Credits | (6,475.63) |
| Dual Credits | (11.75) |
| Amount Paid this Period (Supplier Invoices) | 36,825.25 |

Bank Payments for January

| | | |
|---------|--|---------------|
| NatWest | Bankline Charge | 109.80 |
| | Bank Payments less than £100 for January | 23.02 |
| | Amount Paid this Period (Bank Payments) | 132.82 |

Total Amount Paid this Period - January 2018**£36,958.07****73**

Lower Severn (2005) Internal Drainage **Board**

Payments to be **Noted**

Page: 1

No. 1 Account

February 2018

Payment Date From : 01/02/2018

Payment Date To : 28/02/2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|--|---|------------------------------------|
| Orchard Computer Services | Quarterly Maintenance Cover | 419.00 |
| Galleon Supplies Ltd | Blue rolls & hand wipes | 192.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 3.00 |
| RS COMPONENTS LTD | Automotive Fuse Kit | 29.30 |
| Konica Minolta Business Solutions (UK) Ltd | Quarterly hire of photo copier | 83.88 |
| HYDRA ENGINEERING SERVICES LTD | Large hydraulic ram repair on WO14 OEY | 1,120.80 |
| JÖHN DÄVIDSON (PIPES) LTD | Twinwall bends & Seals. Water pressure test kit | 109.44 |
| Certas Energy UK Ltd | 6000 litres gas oil | 3,665.52 |
| MERRETT D C | Transportation of WX12 CWL | 180.00 |
| Pitney Bowes Ltd | Hire of franking machine | 15.54 |
| Pitney Bowes Ltd | Postage top-up | 513.00 |
| Generator Guru | Starter Motor for generator | 152.79 |
| Hydroscand Ltd | 2 x hose assemblies for VX65 HVB | 48.61 |
| Konica Minolta Business Solutions (UK) Ltd | Quarterly print charge | 153.90 |
| Motion Consultants Ltd | Consultancy advice for Dec 17 | 1,056.00 |
| Motion Consultants Ltd | Saul P/S eel regs consultancy | 2,700.00 |
| K J Conner & Son | Cleaning for Jan 18 | 276.00 |
| CROMWELL GROUP HOLDINGS LTD | Basalt Gloves | 44.10 |
| CROMWELL GROUP HOLDINGS LTD | Assort Gloves | 126.12 |
| CROMWELL GROUP HOLDINGS LTD | Pliers, Sockets, Saws, Nylon strip discs | 196.36 |
| CROMWELL GROUP HOLDINGS LTD | Pro-Entry Vice | 35.59 |
| Moorepay Ltd | Payroll costs for Jan 18 | 100.50 |
| Moorepay Ltd | Code set up | 36.00 |
| Moorepay Ltd | Change request | 36.00 |
| HYDRA ENGINEERING SERVICES LTD | Small ram repair to tree shears | 220.80 |
| Éxác Oñe Ltd | Log grab for tree shears | 366.28 |
| Medisave (UK) Ltd | Toilet rolls | 31.03 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
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| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| L&S Engineers Ltd | Parts for chainsaw | 5.40 |
| RS COMPONENTS LTD | Strip lights for workshop | 213.70 |
| Hydroscand Ltd | Parts for WU16 TZM | 16.10 |
| Mr C.J.N Williams | C Williams - Mileages for 31/01/18 | 19.80 |
| Mr R Thatcher | R Thatcher - Mileages for 31/01/18 | 31.50 |
| Mr BB Richards | B Richards - Mileages for 31/01/18 | 21.60 |
| Mr W J Cornock | J Cornock - Mileages for 31/01/18 | 6.30 |
| GAP SUPPLIES | Type 1 & 10mm to dust | 929.10 |
| Avon Hydraulics (UK) Ltd | 2 x hose assemblies for VX65 HTA | 144.00 |
| BOC LTD | Annual Rental - Oxygen | 134.76 |
| HYDRA ENGINEERING SERVICES LTD | Ram repair to tree shears (2nd) | 398.40 |
| JÖHN DÄVIDSON (PIPES) LTD | 375mm bend | 201.16 |
| JOHN DAVIDSON (PIPES) LTD | Twinwall Ring Seals | 15.56 |
| Medisave (UK) Ltd | Hand Towels | 93.55 |
| Plan Communications Ltd | Mobile phones bill | 223.20 |
| CROMWELL GROUP HOLDINGS LTD | V-Belts for WX09 FYF | 13.48 |

Payments to be **Noted****February 2018**

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|-----------------------------|---|------------------------------------|
| Dual Energy Direct Ltd | Saul Electricity | Invoice FYI 92.72 |
| Dual Energy Direct Ltd | Elmore Electricity | Invoice FYI 1,545.40 |
| Dual Energy Direct Ltd | Wicks Green Electricity | Invoice FYI 1,673.12 |
| Dual Energy Direct Ltd | Oldbury Electricity | Invoice FYI 1,776.77 |
| Dual Energy Direct Ltd | Marshfield Electricity | Invoice FYI 388.64 |
| Dual Energy Direct Ltd | Office Electricity | Invoice FYI 388.88 |
| Dual Energy Direct Ltd | Lapperditch Electricity | Invoice FYI 316.90 |
| ZEN INTERNET LTD | Internet Charge | 46.50 |
| The Gables Hotel | Room hire for 31/01/17 | 30.00 |
| Claas Western Ltd | Parts for WX14 LGO | 66.51 |
| Citation Ltd | Legal Fees | 300.00 |
| Avon Hydraulics (UK) Ltd | 3 x hose assemblies for Bomford Mower | 120.00 |
| ARCO LTD | Gillets & Coveralls | 215.78 |
| Hydrosand Ltd | Hydraulic fittings for WX12 CWL | 385.12 |
| Cablestream Ltd | Office phone line rental & calls | 90.61 |
| CROMWELL GROUP HOLDINGS LTD | Screws | 9.72 |
| CROMWELL GROUP HOLDINGS LTD | Laces | 7.74 |
| Water Environment Ltd | Severn Road, Hallen Modelling | Invoice FYI 7,200.00 |
| The Gables Hotel | Room hire & refreshments for 07/02/18 | 162.50 |
| HORE MR J | J Hore - Mileages for 07/02/18 | 9.90 |
| ClIr Bronwen Behan | B Behan - Mileages for 07/02/18 | 26.10 |
| Mr C.J.N Williams | C Williams - Mileages for 07/02/18 | 19.80 |
| Mr BB Richards | B Richards - Mileages for 07/02/18 | 20.70 |
| ClIr E Orpen | E Orpen - Mileages for 07/02/18 | 18.00 |
| ClIr S Morgan | S Morgan - Mileages for 07/02/18 | 16.65 |
| Mr R Godwin | R Godwin - Mileages for 07/02/18 | 18.00 |
| Mrs F Collins | F Collins - Mileages for 07/02/18 | 26.10 |
| Mr K Withers | K Withers - Mileages for 07/02/18 | 13.50 |
| Rose Hewlett | R Hewlett - Mileages for 07/02/18 | 11.25 |
| Mr R Thatcher | R Thatcher - Mileages for 07/02/18 | 31.50 |
| Mr P Abraham | P Abraham - Mileages for 07/02/18 | 16.15 |
| Mrs S Milestone | S Milestone - Taxi fare reimbursed for 07/02/18 | 20.00 |
| BRITISH TELECOM | Alternative phoneline | 45.47 |
| | | <u>29,591.20</u> |

Please note that the amounts shown above include Vat where applicable

| | |
|--|------------------|
| Amount Paid this Period | 29,591.20 |
| Dual Credits | (129.77) |
| Amount Paid this Period (Supplier Invoices) | 29,461.43 |

Bank Payments for February

| | | |
|---------|--|---------------|
| NatWest | Bankline Charge | 103.40 |
| | Bank Payments less than £100 for February | <u>28.62</u> |
| | Amount Paid this Period (Bank Payments) | 132.02 |

Total Amount Paid this Period - February 2018

£29,593.45

Payments to be **Noted****No. 1 Account****March 2018**

Payment Date From : 01/03/2018

Payment Date To : 31/03/2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|------------------------------------|---|------------------------------------|
| HYSLOP MR R | R Hyslop - Mileages for 22/11/17 | 22.50 |
| Ebay | Ebay fees for Nov 17 | 0.01 |
| Orchard Computer Services | Dell T630 Server & Equipment | Invoice FYI 3,600.00 |
| Orchard Computer Services | System setup & Migration from old systems | Invoice FYI 2,640.00 |
| Bristol Wessex Billing Sevices Ltd | Water rates | 58.87 |
| TESCO | Petrol for chainsaws | 23.94 |
| HM Land Registry | Land Registry Search | 3.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| Bristol Angling Centre | Tide Tables | 48.49 |
| CITB Online Store | H&S book for CPCS Test | 11.50 |
| Pearson Vue | H&S test fpr CPCS | 19.50 |
| HM Land Registry | Land Registry Search | 6.00 |
| L&S Engineers Ltd | Choke rod for chainsaw | 9.18 |
| TESCO | Petrol for chainsaws | 47.91 |
| Certas Energy UK Ltd | 2000 litres derv | 2,336.64 |
| HYSLOP MR R | R Hyslop - Mileages for 07/02/18 | 27.00 |
| HM Land Registry | Land registry search | 6.00 |
| Timpsons Ltd | Keys cut | 15.00 |
| DVLA | Licence for WX12 CWL | 165.00 |
| DVLA | Credit card fee | 2.50 |
| COUNTRYWIDE FARMERS PLC | Hose & Connector | 44.98 |
| MERRETT D C | Transportation of WU16 TZM on 02/02/18 | 144.00 |
| MERRETT D C | Transportation of WU16 TZM on 12/02/18 | 144.00 |
| MERRETT D C | Welding Ram repair to tree shears | 81.00 |
| Mr CJN Williams | C Williams - Mileages for 21/02/18 | 18.90 |
| Hydroscand Ltd | Hydraulic hose for VX65 HVB | 16.88 |
| K J Conner & Son | Cleaning for February | 276.00 |
| Webb Holton & Associates Ltd | Half yearly admin charge for AE Scheme | 600.00 |
| ZEN INTERNET LTD | Annual Domain name charge | 8.39 |
| ZEN INTERNET LTD | Annual Zen 8000 Active & cPanel Bronze charge | 363.74 |
| LEES MEND A SHOE | Keys cut | 69.00 |
| TESCO | Petrol for chainsaws | 23.12 |
| HM Land Registry | Land registry search | 6.00 |
| SVR Plastics Ltd | Assort Flap Valves | 1,076.76 |
| FILTRATION LTD | Filters for VX65 HVB | 70.44 |
| FILTRATION LTD | Filters for WU16 TZM | 372.82 |
| FILTRATION LTD | Filters for WX09 FYF | 152.98 |
| FILTRATION LTD | Filters for AU11 HCH | 55.59 |
| GAP SUPPLIES | Light Switch, wallplugs & screws | 7.68 |
| CROMWELL GROUP HOLDINGS LTD | Vernier Calipers | 69.17 |
| CROMWELL GROUP HOLDINGS LTD | Welding Helmet & respirator Filters | 88.35 |
| Orchard Computer Services | Quarterly Maintenance Cover | 419.00 |
| Moorepay Ltd | Payroll costs | 100.50 |
| Plan Communications Ltd | Mobile phones bill | 223.20 |
| Dual Energy Direct Ltd | Lapperditch Electricity | 61.24 |
| Dual Energy Direct Ltd | Elmore Back Electricity | 359.40 |
| Dual Energy Direct Ltd | Marshfield Electricity | 71.74 |
| Dual Energy Direct Ltd | Wicks Green Electricity | 370.34 |
| Dual Energy Direct Ltd | Office Electricity | 390.58 |
| Dual Energy Direct Ltd | Saul Electricity | 14.89 |
| ZEN INTERNET LTD | Monthly Internet Charge | 46.50 |
| Citation Ltd | Legal Fees | 300.00 |
| TONY CULLIMORE SERVICES | Chainsaw Gloves | 105.01 |
| TONY CULLIMORE SERVICES | Plate Hooks & Coach Screws | 17.29 |
| TONY CULLIMORE SERVICES | Posts & Electro Tape | 93.97 |
| LISTER WILDER LTD | Trailer nuts for McCauley Trailer | 18.30 |
| Ford Fuel Oils | Chainsaw Oil & HYD HV46 | 373.19 |
| Ford Fuel Oils | Chanisaw Oil | 82.18 |

Payments to be **Noted****March 2018**

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|--------------------------------|---|------------------------------------|
| Bishop Fleming LLP | Internal Audit Report YE 31/03/18 | 3,000.00 |
| Price Bros Auto Engineering | Machine Pins & Cut Thread for VX65 HVB | 168.00 |
| Motion Consultants Ltd | Upgrade of Saul PS Consultancy | 2,172.72 |
| Orchard Computer Services | Mimecast Email Security 04/03/18 - 03/03/2019 | 648.00 |
| Cablestream Ltd | Office phone line rental & calls | 84.02 |
| HM Land Registry | Land Registry Search | 6.00 |
| TAILORMADE OFFICE SUP.LTD | Envelopes, Pens, Binding Covers | 53.88 |
| TAILORMADE OFFICE SUP.LTD | Tripod & Wireless Remote | 217.79 |
| TAILORMADE OFFICE SUP.LTD | Dishwasher Tablets | 32.40 |
| Mr CJN Williams | C Williams - Mileages for 14/03/18 | 23.40 |
| Clive Onions Ltd | Tidal Flap Operation, Hill Pill | 2,269.80 |
| Ford Fuel Oils | Lubricants 5W/30 | 60.98 |
| FENTON INSURANCE SOLUTIONS LTD | Motor Fleet Insurance 2018/19 | Invoice FYI 14,046.00 |
| LITTLETON MR G | G Littleton - Mileages 01/11/17 - 31/03/18 | 164.70 |
| Andy Gardner | Website Design interim invoice | 1,475.00 |
| BARNES MR M | M Barnes Mileages Apr 17 - Mar 18 | 182.70 |
| FENTON INSURANCE SOLUTIONS LTD | Adjustment of inspected items wef 01/03/18 | 276.84 |
| FENTON INSURANCE SOLUTIONS LTD | Engineering Inspection Service | 2,406.36 |
| FENTON INSURANCE SOLUTIONS LTD | Insurance Premium, IPT & Service charge | 697.92 |
| Pitney Bowes Ltd | Hire of Franking Machine | 15.54 |
| Zurich Insurance plc | Public Liability Insurance 2018/19 | Invoice FYI 4,483.20 |
| Zurich Insurance plc | Premises Insurance 2018/19 | Invoice FYI 3,500.00 |
| Zurich Insurance plc | Crime Policy Insurance 2018/19 | Invoice FYI 1,262.80 |
| Dual Energy Direct Ltd | Oldbury P/S Electricity | 426.43 |
| | | <u>53,472.65</u> |

Please note that the amounts shown above include Vat where applicable

| | |
|--|------------------|
| Amount Paid this Period | 53,472.65 |
| Credits | (0.01) |
| Amount Paid this Period (Supplier Invoices) | 53,472.64 |

Bank Payments for March

| | | |
|---------|--|---------------|
| NatWest | Bankline Charge | 107.00 |
| | Bank Payments less than £100 for March | <u>25.82</u> |
| | Amount Paid this Period (Bank Payments) | 132.82 |

Total Amount Paid this Period - March 2018**£53,605.46**

Lower Severn (2005) Internal Drainage Board

Payments to be **Noted**

Page: 1

No. 1 Account

April 2018

Payment Date From : 01/04/2018

Payment Date To : 30/04/2018

| <u>Supplier</u> | <u>Details</u> | <u>Amount Paid this Period</u> |
|--|--|------------------------------------|
| Orchard Computer Services | Quarterly Maintenance Cover | 707.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| HM Land Registry | Land Registry Search | 3.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| TESCO | Water for office & milk | 13.69 |
| M.G. Judd | Ignition Switch for VX65 HVB | 46.20 |
| HM Land Registry | Land Registry Search | 6.00 |
| T.H. Chamberlayne & Son | Wicks Green Pump Attendent 2017/18 | 840.00 |
| T.H. Chamberlayne & Son | Lapperditch Pump Attendent 2017/18 | 840.00 |
| T.H. Chamberlayne & Son | Marshfield Pump Attendent 2017/18 | 840.00 |
| Ultimate One Ltd | Chain Link Fence | 195.60 |
| SG Bailey Paints Ltd | Paint & thinners | 132.62 |
| Certas Energy UK Ltd | 6000 litres Gas Oil | 3,496.32 |
| JOHN DAVIDSON (PIPES) LTD | Assort twinwall pipes & Couplers | 1,085.66 |
| RS COMPONENTS LTD | O-Clips | 12.42 |
| The Conveyor Shop | Belting for flail mower guards | 312.00 |
| PMC Fluidpower Ltd t/as Group HES | Parts to repair mower on AU11 HCH | 274.11 |
| K J Conner & Son | Cleaning for March | 276.00 |
| TAILORMADE OFFICE SUP.LTD | A4 Paper, Covers, Card, Batteries | 69.38 |
| Canal & River Trust | Flap Valve Rental 2018/19 | 107.63 |
| HYDRA ENGINEERING SERVICES LTD | Hydraulic Ram Repair to VX65 HVB | 388.80 |
| B & Q | Timer & Fuses | 20.00 |
| HM Land Registry | Land Registry Search | 6.00 |
| Motion Consultants Ltd | Saul P/S consultancy for Feb 18 | 2,821.56 |
| Motion Consultants Ltd | Consultancy advice for Feb 18 | 1,356.00 |
| ALLCAP LTD | Padlocks | 369.12 |
| Ada Lincolnshire Branch | 2018/19 White Book Subscription | 50.00 |
| Moorepay Ltd | Payroll costs for Mar 18 | 100.50 |
| AVON ALARMS LTD | 12 months CCTV monitoring & maintenance from | 1,362.00 |
| BNP PARIBAS LEASE GROUP | Quarterly Office Telecoms Rental | 414.00 |
| TESCO | Petrol for Chansaws | 46.51 |
| Avon Hydraulics (UK) Ltd | 2 x hose assembly's for Bomford Mower | 156.58 |
| Avon Hydraulics (UK) Ltd | 2 x hose assembly's for WX09 FYF | 98.95 |
| FILTRATION LTD | Filters for VX65 HTA | 81.50 |
| HYDRA ENGINEERING SERVICES LTD | 1st Large Ram repair to VX65 HVB | 448.80 |
| HYDRA ENGINEERING SERVICES LTD | 2nd Large Ram repair to VX65 HVB | 448.80 |
| CROMWELL GROUP HOLDINGS LTD | Spray Gun & Blow Gun | 26.23 |
| CROMWELL GROUP HOLDINGS LTD | Welding Helmet Inner & Outer Lens | 29.92 |
| G R Tuck | Assort lengths of steel | 25.55 |
| Avon Fire Systems Ltd | 12 months maintenance on Fire Alarm & Fire | 312.00 |
| TONY CULLIMORE SERVICES | Post Mix & Post | 26.28 |
| TONY CULLIMORE SERVICES | Assort rails, stakes & posts | 2,148.65 |
| Severn Controls Ltd (Rewinds Division) | Attending to fault at Lapperditch P/S | 105.00 |
| Plan Communications Ltd | Mobile phones bill | 223.71 |
| The Gables Hotel | Room hire for 04/04/18 | 30.00 |
| Dual Energy Direct Ltd | Office Electricity | 361.75 |
| Dual Energy Direct Ltd | Elmore Back Electricity | 1,041.84 |
| Dual Energy Direct Ltd | Marshfield Electricity | 300.19 |
| Dual Energy Direct Ltd | Oldbury P/S Electricity | 1,419.22 |
| Dual Energy Direct Ltd | Lapperditch Electricity | 257.78 |
| Dual Energy Direct Ltd | Wicks Green Electricity | 1,284.48 |
| Dual Energy Direct Ltd | Saul Electricity | 52.96 |
| ZEN INTERNET LTD | Monthly internet charge | 46.50 |
| Citation Ltd | Legal Fees | 300.00 |
| SOUTH GLOUCESTERSHIRE COUNCIL | Business Rates | 732.00 |
| Hydroscand Ltd | Hose assembly for WX12 CWL | 24.00 |
| Cablestream Ltd | Office phone line rental & calls | 79.98 |
| | | <u>26,272.79</u> |

Please note that the amounts shown above include Vat where applicable

**Lower Severn (2005) Internal Drainage Board
Payments to be Noted**

Page: 2

No. 1 Account

April 2018

Amount Paid this Period (Supplier Invoices) 26,272.79

Bank Payments for April

NatWest

Bankline Charge

114.30

Bank Payments less than £100 for April

29.67

Amount Paid this Period (Bank Payments)

143.97

Total Amount Paid this period - April 2018

£26,416.76

Payments to be Noted Jan 18 - Apr 18

Jan 2018 36,958.07

Feb 2018 29,593.45

Mar 2018 53,605.46

Apr 2018 26,416.76

Total £146,573.74

Lower Severn (2005) Internal Drainage Board

Payments to be Noted

Jan 2018 - Apr 2018

Date From : 01/01/2018

Date To : 30/04/2018

| No | Type | Date | N/C | Ref | Details | Net Amount | Tax Amount | Gross Amount | Bank Rec. B Date |
|-------|------|------------|------|------|---|-------------------|-------------|-------------------|------------------|
| 69526 | BP | 15/01/2018 | 2231 | D/D | Jan 18 Peoples Pension Cont - Dec 17 | 536.76 | 0.00 | 536.76 | R 31/01/2018 |
| 69527 | BP | 19/01/2018 | 2230 | D/D | Glos CC - Pension Cont for Dec | 13,883.30 | 0.00 | 13,883.30 | R 31/01/2018 |
| 69528 | BP | 22/01/2018 | 2210 | D/D | HMRC - Liability for Dec 17 | 11,117.68 | 0.00 | 11,117.68 | R 31/01/2018 |
| 69529 | BP | 26/01/2018 | 2220 | D/D | LSIDB Salary for Jan 18 | 27,940.10 | 0.00 | 27,940.10 | R 31/01/2018 |
| 69530 | BP | 26/01/2018 | 2211 | D/D | GMB - Union Cont for Jan 18 | 39.66 | 0.00 | 39.66 | R 31/01/2018 |
| 69746 | BP | 15/02/2018 | 2231 | D/D | Feb 18 Peoples Pension Cont - Jan 18 | 542.10 | 0.00 | 542.10 | R 28/02/2018 |
| 69747 | BP | 19/02/2018 | 2230 | D/D | Glos CC - Pension Cont for Jan | 14,059.97 | 0.00 | 14,059.97 | R 28/02/2018 |
| 69748 | BP | 22/02/2018 | 2210 | D/D | HMRC - Liability for Jan 18 | 11,316.60 | 0.00 | 11,316.60 | R 28/02/2018 |
| 69749 | BP | 28/02/2018 | 2220 | D/D | LSIDB Salary for Feb 18 | 28,178.53 | 0.00 | 28,178.53 | R 28/02/2018 |
| 69750 | BP | 28/02/2018 | 2211 | D/D | GMB - Union Cont for Feb 18 | 39.66 | 0.00 | 39.66 | R 28/02/2018 |
| 69956 | BP | 15/03/2018 | 2231 | D/D | Mar 18 Peoples Pension Cont - Feb 18 | 536.76 | 0.00 | 536.76 | R 31/03/2018 |
| 69957 | BP | 19/03/2018 | 2230 | D/D | Glos CC - Pension Cont for Feb | 13,883.30 | 0.00 | 13,883.30 | R 31/03/2018 |
| 69958 | BP | 22/03/2018 | 2210 | D/D | HMRC - Liability for Feb 18 | 11,031.74 | 0.00 | 11,031.74 | R 31/03/2018 |
| 69959 | BP | 28/03/2018 | 2220 | D/D1 | LSIDB Salary for Mar 18 | 28,135.90 | 0.00 | 28,135.90 | R 31/03/2018 |
| 69960 | BP | 28/03/2018 | 2211 | D/D2 | GMB - Union Cont for Mar 18 | 39.66 | 0.00 | 39.66 | R 31/03/2018 |
| 73554 | BP | 16/04/2018 | 2231 | D/D | Apr 18 Peoples Pension Cont - Mar 18 | 536.76 | 0.00 | 536.76 | R 30/04/2018 |
| 73555 | BP | 19/04/2018 | 2230 | D/D | GMB - Union Cont for Mar 18 | 13,902.98 | 0.00 | 13,902.98 | R 30/04/2018 |
| 73556 | BP | 20/04/2018 | 2210 | D/D | HMRC - Liability for Mar 18 | 11,257.27 | 0.00 | 11,257.27 | R 30/04/2018 |
| 73557 | BP | 23/04/2018 | 2220 | D/D | LSIDB Salary for Apr 18 | 27,691.81 | 0.00 | 27,691.81 | R 30/04/2018 |
| 73558 | BP | 23/04/2018 | 2211 | D/D | GMB - Union Cont for Apr 18 | 39.66 | 0.00 | 39.66 | R 30/04/2018 |
| | | | | | | <u>214,710.20</u> | <u>0.00</u> | <u>214,710.20</u> | |
| | | | | | | <u>214,710.20</u> | <u>0.00</u> | <u>214,710.20</u> | |

Petty Cash

Lower Severn (2005) Internal Drainage Board

Page: 1

Payments to be Noted

Date From: 01/01/2018
Date To: 30/04/2018

Jan 2018 - Apr 2018

Bank: 1230

| No | Type | Date | Ref | Details | | Net £ | Tax £ | Gross £ | B | Bank Rec. Date |
|--------|------|------------|------|-----------------------------------|--------|---------------|-------------|---------------|---|----------------|
| 69534 | CP | 02/01/2018 | 7262 | Tesco - Tea, Coffee, Sugar | Jan 18 | 27.53 | 0.00 | 27.53 | R | 31/01/2018 |
| 69535 | CP | 05/01/2018 | 7263 | Cards for office | | 4.95 | 0.99 | 5.94 | R | 31/01/2018 |
| 69536 | CP | 08/01/2018 | 7264 | Tescos - 2 x Milks | | 2.18 | 0.00 | 2.18 | R | 31/01/2018 |
| 69537 | CP | 15/01/2018 | 7265 | Tescos - 3 x Milks | | 2.98 | 0.00 | 2.98 | R | 31/01/2018 |
| 69538 | CP | 17/01/2018 | 7266 | Postage to Canada - Rating | | 1.40 | 0.00 | 1.40 | R | 31/01/2018 |
| 69539 | CP | 17/01/2018 | 7267 | Card for MG | | 1.49 | 0.30 | 1.79 | R | 31/01/2018 |
| 69540 | CP | 22/01/2018 | 7268 | Tescos - 3 x Milks | | 2.98 | 0.00 | 2.98 | R | 31/01/2018 |
| 69541 | CP | 24/01/2018 | 7269 | 3 x Bridge Tolls for MG | | 16.80 | 0.00 | 16.80 | R | 31/01/2018 |
| 69542 | CP | 30/01/2018 | 7270 | PO - Milk | | 1.75 | 0.00 | 1.75 | R | 31/01/2018 |
| 69543 | CP | 30/01/2018 | 7271 | 3 x Bridge Tolls for MG | | 16.80 | 0.00 | 16.80 | R | 31/01/2018 |
| 69544 | CP | 31/01/2018 | 7272 | Tesco - 1 x Milk | | 1.09 | 0.00 | 1.09 | R | 31/01/2018 |
| 69751 | CP | 01/02/2018 | 7273 | Car Parking for JT | Feb 18 | 6.00 | 0.00 | 6.00 | R | 28/02/2018 |
| 69752 | CP | 02/02/2018 | 7274 | 3 x bridge Tolls for MG | | 16.80 | 0.00 | 16.80 | R | 28/02/2018 |
| 69753 | CP | 04/02/2018 | 7275 | Tesco - 3 x milks | | 3.27 | 0.00 | 3.27 | R | 28/02/2018 |
| 69754 | CP | 05/02/2018 | 7276 | Tea for office (no receipt) | | 5.00 | 0.00 | 5.00 | R | 28/02/2018 |
| 69755 | CP | 07/02/2018 | 7277 | Bridge Tolls for PD | | 11.20 | 0.00 | 11.20 | R | 28/02/2018 |
| 69756 | CP | 08/02/2018 | 7278 | Car Parking for KW | | 6.67 | 1.33 | 8.00 | R | 28/02/2018 |
| 69757 | CP | 12/02/2018 | 7279 | Tesco - Tea, Coffee, Sugar | | 24.53 | 0.00 | 24.53 | R | 28/02/2018 |
| 69758 | CP | 13/02/2018 | 7280 | Butties - Sandwiches for | | 27.30 | 5.46 | 32.76 | R | 28/02/2018 |
| 69759 | CP | 19/02/2018 | 7281 | Tesco - Milk | | 1.09 | 0.00 | 1.09 | R | 28/02/2018 |
| 69760 | CP | 26/02/2018 | 7282 | Tesco - 2 x milks | | 2.18 | 0.00 | 2.18 | R | 28/02/2018 |
| 69982 | CP | 04/03/2018 | 7283 | Aldi - 2 x Milks | Mar 18 | 2.18 | 0.00 | 2.18 | R | 31/03/2018 |
| 69983 | CP | 12/03/2018 | 7284 | Milk & Biscuits for meeting | | 4.37 | 0.00 | 4.37 | R | 31/03/2018 |
| 69984 | CP | 19/03/2018 | 7285 | Tea, Coffee, Sugar, Milk | | 27.53 | 0.00 | 27.53 | R | 31/03/2018 |
| 69985 | CP | 26/03/2018 | 7286 | Tesco - Milk | | 1.09 | 0.00 | 1.09 | R | 31/03/2018 |
| 69986 | CP | 28/03/2018 | 7287 | Tesco - Milk | | 1.09 | 0.00 | 1.09 | R | 31/03/2018 |
| 73680 | CP | 04/04/2018 | 7288 | Tesco - Milk | Apr 18 | 1.09 | 0.00 | 1.09 | R | 30/04/2018 |
| 73681 | CP | 05/04/2018 | 7289 | Car Parking for KW Bristol | | 3.50 | 0.00 | 3.50 | R | 30/04/2018 |
| 73682 | CP | 09/04/2018 | 7290 | Tesco - 2 x milks | | 2.18 | 0.00 | 2.18 | R | 30/04/2018 |
| 73683 | CP | 16/04/2018 | 7291 | Falfield Stores - 2 x milks | | 3.30 | 0.00 | 3.30 | R | 30/04/2018 |
| 73684 | CP | 18/04/2018 | 7292 | Falfield Stores - 2 x milks | | 3.50 | 0.00 | 3.50 | R | 30/04/2018 |
| 73685 | CP | 23/04/2018 | 7293 | Tesco - Milk | | 1.09 | 0.00 | 1.09 | R | 30/04/2018 |
| 73686 | CP | 27/04/2018 | 7294 | Tesco - Milk | | 1.60 | 0.00 | 1.60 | R | 30/04/2018 |
| 73687 | CP | 30/04/2018 | 7295 | Tesco - Milk, Sugar, Pain Killers | | 4.23 | 0.00 | 4.23 | R | 30/04/2018 |
| Totals | | | | | £ | <u>240.74</u> | <u>8.08</u> | <u>248.82</u> | | |

Bank Transfers 01/01/2018 - 30/04/2018

| Bank | NominalRecord.AccountName | Type | Date | Journal | TransactionNominal.Details | Amount |
|------|----------------------------------|------|------------|---------|---|------------|
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JC | 17/01/2018 | J1192 | Tsf from No1 Acc to No2 Acc Re: Wages | -50000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JC | 01/02/2018 | J1197 | Tsf from No1 acc to Petty Cash | -200.00 |
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JD | 15/02/2018 | J1198 | Tsf from Direct Res to No1 Acc | 75000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JC | 15/02/2018 | J1199 | Tsf from No1 Acc to No2 Acc Re: Wages | -55000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JC | 09/03/2018 | J1206 | Tsf from No1 Acc to No2 Acc Re: Wages | -55000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JC | 09/03/2018 | J1207 | Tsf from No1 Acc to Direct Res | -200000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JD | 31/03/2018 | J1214 | Drawdown from S/Side InfraStruc & Bank Accounts | 26000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JD | 31/03/2018 | J1215 | Drawdown from S/Side Maintenance & Bank Accts | 20000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JC | 31/03/2018 | J1232 | Reversal of J1214 | -26000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JC | 31/03/2018 | J1232 | Reversal of J1215 | -20000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JD | 12/04/2018 | J1238 | Tsf of Interest at Maturity 26/02/18 | 515.07 |
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JC | 23/04/2018 | J1239 | Tsf from No1 Acc to No2 Acc Re: Wages | -55000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JD | 25/04/2018 | J1240 | Drawdown from S/Side Mtnce for 2017/18 | 20000.00 |
| 1200 | NAT WEST ACCOUNT NO 1: 03214923 | JD | 25/04/2018 | J1241 | Drawdown from S/Side Infra for 2017/18 | 26000.00 |
| 1201 | NAT WEST ACCOUNT NO 2: 03214931 | JD | 17/01/2018 | J1192 | Tsf from No1 Acc to No2 Acc Re: Wages | 50000.00 |
| 1201 | NAT WEST ACCOUNT NO 2: 03214931 | JD | 15/02/2018 | J1199 | Tsf from No1 Acc to No2 Acc Re: Wages | 55000.00 |
| 1201 | NAT WEST ACCOUNT NO 2: 03214931 | JD | 09/03/2018 | J1206 | Tsf from No1 Acc to No2 Acc Re: Wages | 55000.00 |
| 1201 | NAT WEST ACCOUNT NO 2: 03214931 | JD | 23/04/2018 | J1239 | Tsf from No1 Acc to No2 Acc Re: Wages | 55000.00 |
| 1230 | PETTY CASH | JD | 01/02/2018 | J1197 | Tsf from No1 acc to Petty Cash | 200.00 |
| 1252 | Lloyds LSIDB Fixed Term Deposit | JC | 26/02/2018 | J1200 | Fixed term deposit matures | -400515.07 |
| 1253 | LLOYDS CURRENT (Commutated Sums) | JD | 26/02/2018 | J1200 | Fixed term deposit matures | 400515.07 |
| 1253 | LLOYDS CURRENT (Commutated Sums) | JC | 26/02/2018 | J1201 | Tsf from Lloyd Current to Lloyds 32 Day Acc | -400000.00 |
| 1253 | LLOYDS CURRENT (Commutated Sums) | JC | 31/03/2018 | J1214 | Drawdown from S/Side InfraStruc & Bank Accounts | -26000.00 |
| 1253 | LLOYDS CURRENT (Commutated Sums) | JD | 31/03/2018 | J1232 | Reversal of J1214 | 26000.00 |
| 1253 | LLOYDS CURRENT (Commutated Sums) | JC | 12/04/2018 | J1238 | Tsf of Interest at Maturity 26/02/18 | -515.07 |
| 1253 | LLOYDS CURRENT (Commutated Sums) | JC | 25/04/2018 | J1241 | Drawdown from S/Side Infra for 2017/18 | -26000.00 |

| Bank | NominalRecord.AccountName | Type | Date | Journal | TransactionNominal.Details | Amount |
|------|--|------|------------|---------|---|-----------|
| 1255 | LSIDB (Area Wide Charge) : 72213310 | JC | 31/03/2018 | J1215 | Drawdown from S/Side Maintenance & Bank Accts | -20000.00 |
| 1255 | LSIDB (Area Wide Charge) : 72213310 | JD | 31/03/2018 | J1232 | Reversal of J1215 | 20000.00 |
| 1255 | LSIDB (Area Wide Charge) : 72213310 | JC | 25/04/2018 | J1240 | Drawdown from S/Side Mtnce for 2017/18 | -20000.00 |
| 1257 | Nat West Direct Reserve Acc (72292555) | JC | 15/02/2018 | J1198 | Tsf from Direct Res to No1 Acc | -75000.00 |
| 1257 | Nat West Direct Reserve Acc (72292555) | JD | 09/03/2018 | J1207 | Tsf from No1 Acc to Direct Res | 200000.00 |
| 1259 | Lloyds 32 Day Notice | JD | 26/02/2018 | J1201 | Tsf from Lloyd Current to Lloyds 32 Day Acc | 400000.00 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

F&GP Meeting

Wednesday 31st January 2018

**The Gables Hotel, Falfield
10.30am**

**TERMS OF REFERENCE OF FINANCE AND GENERAL PURPOSES
COMMITTEE approved at Minute 2056, 17th September 2014**

Matters for determination by the Committee.

1. The appointment of Internal Auditors.
2. Consideration of any Report or Opinion from the Internal Auditors.
3. Consideration of a summary of internal audit work undertaken (whether of a financial or ethical nature).
4. Commissioning work from either the Internal or External Auditor.
5. The approval/revision of the Risk Register.
6. The approval/revision of the Business Continuity Plan.
7. Reviewing payments made.
8. The recovery of rate arrears and sundry debts.
9. To monitor spending against the approved budget.

Matters for recommendation by the Committee to the Board

10. To consider the Annual Budget and Rate Setting prior to the February Board meeting in each year.
11. To review the Annual Business Plan.
12. To review the Medium Term Financial Plan.
13. To monitor the Board's Treasury Management policies and practices.
14. To keep under review the Board's insurance policies.
15. To liaise with the National Audit Office regarding the appointment of the External Auditor.
16. To consider any letter or report issued by the External Auditor.
17. To ensure the effective monitoring and review of policies and strategies.
18. To consider legislative changes (or proposed legislative changes) which may affect the Board's statutory functions.
19. To identify any Member training needs in various aspects of the Board's responsibilities.

**Minutes of the Finance & General Purposes Committee of the
Lower Severn (2005) Internal Drainage Board
Meeting held Wednesday 13th December 2017 at 10.30 am
At The Gables Hotel Falfield**

Present:

Cllr M Riddle
Mr M Barnes
Mr J Hore
Mr G Littleton

Chairman

Ald B Richards
Mr R Thatcher
Ald C Williams

Martin Dear
Kieran Warren
Sue Williams

Accounts Officer
Principal Officer
Minutes

AO
PO

| | | |
|--------------|--|--|
| 2599. | Appointment of Chairman for 2017/18 It was resolved that: <ul style="list-style-type: none"> Cllr Riddle be appointed as Committee Chairman for the ensuing year | |
| 2600. | Apologies: Apologies were received from Cllr Awford, Mr Cornock, and Mr Simms. | |
| 2601. | Declarations of Interest There were no declarations. | |
| 2602. | Minutes of the Previous Meeting It was resolved that: <ul style="list-style-type: none"> The minutes of the Finance and General Purposes Committee Meeting held on 6th September 2017 be approved as a correct record. | |
| 2603. | Treasury Sub-Committee The draft minutes of the Treasury Sub Committee meeting held 1 November 2017 were circulated for member's information. | |
| 2604. | Risk Register The Risk Register had been prepared by the AO was submitted for approval. It was resolved that: <ul style="list-style-type: none"> The Risk Register appended to these minutes be approved. | |
| 2605. | Office Systems IT Review Ald Williams suggested that a review of the IT structure should be undertaken. The PO suggested that only companies with offices within reasonable proximity to the Board Offices would be invited to tender. It was resolved that: <ul style="list-style-type: none"> The PO, AO and Civil Engineer review the IT support structure. | <u>Action 1</u> PO, AO and CE Review IT Support |
| 2606. | Pensions Seminar The PO circulated a report to address minute 2437 and 2455 regarding obtaining professional guidance/training for members on pensions. He had contacted a variety of pension consultants. Webb Holton, the Board's current auto enrolment advisor, would be prepared to give a presentation for a fee of £1,000 but directed the Board to the People's Pension website as a useful source of information. | |

| | | |
|-------|--|---|
| | <p>Ald Richards had reviewed Gloucestershire Pension Fund annual report and considered it was an excellent document.</p> <p>The PO said that the indicator whether the Board's employee pensions provisions were adequate would be tested by the Board's future staff recruitment and retention performance.</p> <p>The Committee discussed advising employees about pensions. It was agreed that the Board could only advise an employee to seek professional advice and recommend advisors.</p> <p>It was resolved that:</p> <ul style="list-style-type: none"> No further action be taken. | |
| 2607. | <p>Engineering Committee Report – Meeting held 22 November 2017</p> <p>The draft minutes of the meeting were circulated. It was noted that Mr Littleton had deputised for Mr Godwin.</p> <p>Mr Barnes, Chairman of the Engineering Committee highlighted the following:</p> <p><u>Demainment</u> The Committee had the benefit of an update from Ian Moodie, ADA's Technical Manager regarding the 5 demainment pilots that were underway across the country.</p> <p>It had been resolved that the Engineers prepare a report for a meeting to be arranged for the Spring of 2018 so that the Engineering Committee could make a recommendation to the Board on this matter.</p> <p><u>Machinery Replacement Programme</u> It was resolved that the Board would purchase a new 4 x 4 pick-up in line with the machinery replacement programme. The Energreen scheduled for replacement had been deferred, in view of the low hours on the machine and the recent hydraulic pump rebuild. Next year the LDE would produce a replacement programme based on machine hours as well as a fixed term programme.</p> <p>Tracker devices had been discussed and it was resolved that they were not an economic option.</p> <p><u>Maintenance – Overtime</u> The Committee had resolved to increase the budget for summer overtime from £15,000 to £20,000 for 2018/19.</p> | <p><u>Action 2</u> PO update minutes</p> |
| 2608. | <p>Accounts Officer Reports</p> <p><u>Management Accounts</u> The Committee noted the accounts for the period up to 30th September 2017. In response to a question from Ald Williams regarding an inconsistency between the short term deposits on the balance sheet and the September cash flow balance, the AO agreed to investigate and report back to the Committee via email.</p> <p><u>Proposed Budget 2018/19</u> The budget incorporated the decisions made by the Engineering Committee for plant replacement and increased summer overtime. With the rate remaining at 8.2p the proposed budget showed a surplus of £7,225 at year end.</p> <p><u>Medium Term Financial Plan to 2022/23</u> This set out the Board's predicted income and expenditure with no increase in the drainage rates to 2022/23. Pump replacement was provided for separately. Over this period the free reserves depleted from</p> | <p><u>Action 3</u> AO email Committee with reconciliation</p> |

| | | |
|--------------|---|---|
| | <p>£479k to £202k and bank balances reduced from £638k to £95k. The Committee agreed a gradual increase in the rates should be considered.</p> <p><u>Pump Replacements</u> When the pump replacement programme was set up in 2016/17 an initial rate increase of 1p was approved and a further 1p was planned in 2020/21 to raise £2.4m in total.</p> <p>The AO had set out for the Committee two additional options;</p> <ol style="list-style-type: none"> an annual increment of £25k per year from 2018/19 until 2025/26; Or Three increments of £50k in 2018/19, 2020/21 and 2022/23. <p>All three options raised £2.4m by 2025/26. The AO asked the Committee to consider a preferred option.</p> <p>The Committee preferred the option to increase the rate by £25k pa.</p> <p>The Committee were mindful that ratepayers were kept informed why this fund was being raised and that it was a statutory obligation.</p> <p>Cllr Riddle requested that the Engineers consider rescheduling the replacement of the Oldbury pumps back one year to 2025/26, owing to the speculation about the development of a power station at Oldbury. If this development went ahead the drainage system may need to be re-designed and work could be incorporated with the power station construction works.</p> <p><u>Cash Deposits</u> Ald Williams considered that the cash balances were earning low interest. He proposed there were adequate funds available for further investment.</p> <p>The AO agreed that cash deposits could be better invested. He was in the process of ascertaining the demands on cash balances taking into account pump replacement, machinery replacement policy etc. By the January F&GP meeting he would have a better understanding about the working balances and the revised MTFP would provide evidence of funds available for investment.</p> | <p><u>Action 4</u> AO Incorporate a £25k pa. increase for pump replacement for January 2018 F&GP Meeting</p> <p><u>Action 5</u> AO Revise predicted Cash Flow</p> |
| 2609. | <p>Payments The Committee noted the payments and transfers made between August 2017 and October 2017 appended to these minutes.</p> | |
| 2610. | <p>Network Server As a result of the introduction of a new Government Gateway service, the Board's IT advisor had advised that the current server would not have adequate capacity to operate the new version of SAGE Accounts from 14 February 2018. A decision was required and the PO had emailed all Members for comments in respect of the following options:</p> <ol style="list-style-type: none"> Install a second file server at a cost of £6,000 plus £960 pa support Replace the existing server at a cost of £10,400 plus £1,440 pa support. Rent at a cost of £5,340 pa. <p>It was resolved that:</p> <ul style="list-style-type: none"> A new server be purchased for £10,400 with support provided for £1,440 pa. | <p><u>Action 6</u> PO Purchase new server</p> |
| 2611. | Meeting closed 11.55 am | |

Lower Severn (2005) Internal Drainage Board
Risk Register

As at 13 December 2017

Date: 13/12/2017
 Author: MD
 Review: Finance And General Purposes Committee
 F&GP Meeting: 13 December 2017

| | Risk | Risk response and control procedure | Probability without controls | Impact without controls | Probability (with current controls) | Impact (with current controls) | Monitoring and Assurance | Actions | Responsibility | Link to Business Plan Objective |
|-------------------|---|--|------------------------------|-------------------------|-------------------------------------|--------------------------------|--|---|----------------|---------------------------------|
| Governance | | | | | | | | | | |
| G1 | Board not having adequate competency/skills to understand or control the business. | Treat 14 elected members, landowners and owner occupiers have a vested interest in ensuring drainage is adequate. | Medium | Medium | Medium | Medium | Monitoring was introduced in 2008. | Board members receive appropriate ongoing training. | Board | Y |
| G2 | Difficulty in appointing new Board Members. | Tolerate Board is roll on basis. Not many board members leave. | Low | Low | Low | Low | Records in place and are updated to enable elections to take place. Last elections took place in October 2015. | Open elections for new Board Members due in October 2018. | Board | Y |
| G3 | Susceptibility to concentration of power. | Treat Management meetings held on a regular basis, Chairman and Vice Chairman involved. | High | High | Medium | Medium | Monitoring was introduced in 2008. | Segregation of duties and regular meetings between Board and key members of staff to review major issue and future actions. | Board | Y |
| G4 | Board not ensuring there is an overall strategy for the organisation as a whole. | Treat Business Plan and corporate strategy has been created. | High | High | Medium | Medium | Business plan in place and reviewed annually. | Regular review of forthcoming reporting deadlines at the Board meetings. | Board | Y |
| G5 | Failure to comply with key legislation and Corporation requirements. | Treat Board meetings take place in February, June, September and November. | High | High | Low | Medium | Board ensures that the meetings take place on time. | Regular review of forthcoming reporting deadlines at the board meetings. | Board | Y |
| | | Transfer Audit takes place on Accounts to ensure compliance with legislation. Transfer PKF Littlejohn appointed as external auditors. | | | | | Public Sector Audit Appointments review and will make appointment from 1 April 2018. | | | |
| G6 | Board not assuming control of key statutory requirements e.g. Health and Safety and Risk. | Treat Citation appointed as Health and Safety and Human Resources advisors. | | | | | Procedures now in place. LDE monitors and maintains records. | Board have been made aware of the key legislative requirements to ensure they understand their responsibilities. | | |

| | | | | | | | | | | |
|---------|---|--|--------|--------|--------|--------|---|---|--------------------------|---|
| | | Transfer Indemnity policy is in place so board do not have to pay compensation. | High | High | Low | Low | Included in Community Insurance cover with Zurich Municipal. | | Board | Y |
| | | Treat Free training courses are also supplied which are being used relating to Recruitment, Employment, Law, Disciplinary, Performance Appraisals. | | | | | Board members have attended training on Interviewing Techniques. | Board Members to attend an update on Pension Legislation. | | |
| G7 | Implementation of Eel Regulations. | Treat Appointing consultants to report of steps to take to meet the statutory regulations. | High | High | High | High | Engineers to report to Engineering Committee as necessary. | Frequent update to Engineering Committee and Full Board. | Board | Y |
| Finance | | | | | | | | | | |
| V1. | Inaccurate assumptions in place in Business Plan. | Transfer There is a Business Plan in place. | High | High | Medium | Medium | Business plan reviewed by the Board at least annually. Medium Term Financial Plan reviewed by F&GP Committee. | Business Plan stating objectives of the Board is in place. Medium Term Financial Plan prepared. | Board and F&GP Committee | Y |
| V2 | Inadequate internal control resulting in poor financial management. | Treat Bishop Fleming have been appointed as Internal Auditors. | Medium | High | Low | Medium | Auditors to be appointed annually. | Appointed at the September F&GP meeting. | Board | Y |
| V3 | Security of deposit takers. | Treat Only retain funds at NatWest or Lloyds. | Medium | Medium | Low | Medium | Treasury Management report to Board annually. Consider other secure banks for placing deposits. | Constant review when deposits mature. | Board and F&GP Committee | Y |
| V4 | Investments. | Treat Appointed Smith and Williamson as investment managers. | High | High | Low | Medium | Treasury Sub Committee to review investments and performance. | Constant review. | F &GP Committee | Y |
| | Inaccurate Accounting. | Transfer Accounts are audited by external Auditors appointed by the Audit Commission. | Medium | High | Low | Medium | Auditors present their report at Board Meetings. | AO responds and actions outstanding points. | AO and F&GP Committee | |
| | | Treat Accounts Officer to be responsible to the preparation of accounts. | | | | | Accounts Officer appointed August 2017. Management Accounts to be regularly presented to F&GP Committee. | Accounts/budgets prepared by Accounts Officer. | | |
| V5 | Fraud occurring through deliberate activity. | Transfer Internal audit team will assess this. | | | | | Performed by Internal Auditors | Fraud and whistle blowing policy circulated to all staff. | All Staff | Y |
| | | Access log available. | | | | | Accounts Officer has been added as a bank signatory and internet banking. Further segregation of duties. | Board | Y | |

| | | | | | | | | | | |
|-----------------------------------|--|---|--------|------|--------|--------|---|---|--|---|
| | | Transfer Increased Fidelity Guarantee Insurance. | High | High | Medium | Medium | Cover reviewed annually. | Community insurance cover with Zurich Municipal. | Board and PO | Y |
| | | Treat Fraud policy and whistle blowing reporting code has been drawn up. | | | | | Policy in place approved by the Board. Fraud and whistle blowing policy circulated to all remove staff. | Fraud and whistle blowing policy circulated to new staff. | PO | Y |
| | | Treat Register of members interests held on file. | | | | | Register maintained and available for review. | Updated as members interests change. | PO | Y |
| V6 | Effect on inflation and exchange rate movements on specific areas. | Treat Budget overspent in year. | Low | Low | Low | Low | Considered when budget prepared and rate set by Board in February. | Monitored regularly by F&GP Committee. | Board , F&GP Committee and AO | Y |
| V7 | Impact of movements in interest rates on income. | Treat All cash balances held in approved banks. | Low | Low | Low | Low | Monitoring of budget, Medium Term Financial Plan and Severnside funds. | Actual rates and revised estimated presented to Board in February and November. Treasury management policy approved annually. | Board, F&GP Committee and AO | y |
| V8 | Failure to achieve value for money. | Treat Three quotes are obtained for any major purchase over £5,000 unless few suppliers see Financial Regs. | Medium | Low | Low | Low | AO reviews with LDE/CE. | Chairman and Vice Chairman informed of award and reasons. | Board and AO | Y |
| Management and Maintenance | | | | | | | | | | |
| M1 | Inaccurate assumptions affecting the planned maintenance programme. | Tolerate Engineer carries out all scheduled maintenance work. | Medium | Low | Medium | Low | Procedure in place. | Boards Engineering Committee reviews programme, assumptions and planned schedule as realistic. | Engineering Committee and Land Drainage Engineer | Y |
| M2 | Loss of Machinery through theft or damage. | Treat Spare Machines are available to meet work schedules. | Low | Low | Low | Low | Daily checks by users. Spares either held in workshop, or immediate delivery. Repairs carried out on site/workshop. | Staff training on type of equipment and all aspects of Health, Safety and risk review. All plant machinery insured through Fenton Insurance Services. | LDE | |
| | Loss of specific personnel leading to work being incomplete on schedule. | Treat Skilled workers are trained up so if one could not work then the other could, ensuring minimum down time. | | | | | Training schedules are maintained by the LDE. | Staff are trained to use equipment as appropriate. | LDE | |
| M3 | Inadequate provision for safeguarding the Boards assets. | Treat Machines are locked up and fenced off. | Medium | High | Medium | High | Location is reported daily. All plant machinery and motor vehicles covered by comprehensive insurance through Fentons (brokers) with Allianz Insurance. | Detailed log of machinery location is maintained. Training to prevent vandalism and theft has been implemented. All machines are tagged. | LDE | Y |
| M4 | Biodiversity Action Plan prepared. | Treat Aims and objectives are met. | High | High | Medium | Medium | Approved by Board. | Workforce training review. | Civil Engineer /LDE | Y |

| Human Resources | | | | | | | | | | |
|-------------------|---|--|--------|--------|-----|-----|--|--|---------------------------|---|
| HR1 | Inability to recruit new staff. | Treat Pay review, pensions. | Medium | Low | Low | Low | Board agree all pay reviews and changes. | Pay scales are reviewed to ensure they remain competitive. | PO | Y |
| | | Tolerate Pay in line with expected action of skill level of staff. | | | | | Pay scales are set annually. Changes to staff responsibilities are set against tables/spine points. | Non monetary benefits such as holiday pay is monitored to ensure that this also remains competitive to aid recruitment and retention. | | |
| | | Treat Increase training. | | | | | Training schedules are maintained. | Staff receive ongoing relevant training. | | |
| | | Transfer Pension fund review. | | | | | Annual review by actuaries of Glos LGPS. LGPS scheme closed to new staff in July 2015. Staff appointed since August 2015 are auto enrolled into Government workplace pension (NEST). | LGPS Employer contributions are revised on basis of actuaries triennial review. Review of Employer contribution to workplace pension to go to S&P Committee. | AO and PO | Y |
| HR2 | Incidents to staff through lone working. | Treat Lone working training, manual handling and use of ladders. | Medium | High | Low | Low | Training schedules are maintained. Skyguard Lone worker system. | Where possible restrict amount of lone working. | Management Team & Foreman | Y |
| | | Treat Street work signage training has been given. | | | | | Training schedules are maintained. | All workers have complete signage training. | | |
| | | Treat First aid training. | | | | | Health and Safety Training schedules are maintained. | All workers have completed first aid training. | | |
| | | Transfer Fidelity Guarantee Insurance cover. | | | | | Cover reviewed annually. | Cover under community Insurance through Zurich Municipal. | AO | Y |
| HR3 | Recruitment and retention affected by pay and conditions. | Tolerate Pay and conditions in line with expected action of skill level of staff. | Medium | Low | Low | Low | Monitored against job description and spine points pay tables. | Pay scales and conditions are reviewed at least annually to ensure they remain competitive. Members regularly consider the Employer's contribution to Government workplace pension (NEST). | S&P Committee and PO | Y |
| HR4 | Loss of key members of staff in a small team. | Tolerate Other drainage boards could be asked to advise on what needs doing if engineering levels were to all leave. | Medium | Medium | Low | Low | Member of ADA and in dialogue with other Boards and use of consultants. | Ensure that admin duties are understood by more than one individual. Engineers overlap to ensure spread of knowledge. | AO/LDE/CE | Y |
| Office Systems/IT | | | | | | | | | | |

| | | | | | | | | | | |
|----|--|---|--------|------|-----|--------|--|---|--------------------------|---|
| O1 | Disaster to office premises/IT. | Treat Laptop from home is available with server access. | Low | High | Low | Medium | Business Continuity/Disaster Recovery plan tested satisfactorily in 2011 with Orchard computers. | A disaster recovery plan has been approved and clearly explains the steps that should be taken dependent on the type of disaster that occurs. | Business Continuity Team | Y |
| | | Treat Backups of server daily and once a week major backup. | | | | | | Orchard Computer services. Daily/weekly backups. | | |
| I1 | Failure to provide adequate insurance cover. | Transfer Insurance is reviewed annually . | Medium | High | Low | Low | Cover reviewed annually. | Cover under Community Insurance through Zurich Municipal. | AO | Y |
| I2 | Inadequate functionality of IT systems. | Tolerate IT Systems are updated as and when they are needed. No specific high spec computers are needed, all packages used are basic and non bespoke. | Low | Low | Low | Low | Sage upgrades are incorporated as available. Microsoft Office upgraded as appropriate. Data base holding rating information updated as necessary. Drainage Rating System (DRS) has been implemented. | IT Systems are reviewed on a regular basis and new/upgrades to software packages only purchased as necessary to improve information and efficiency of the business. | PO/CE | Y |

Key: CE - Civil Engineer
LDE - Land Drainage Engineer
AO - Accounts Officer
PO - Principal Officer

F&GP Committee - Finance & General Purpose Committee
S&P Committee - Staff & Pensions Committee
NEST - National Employment Savings Trust

Actions Update

Actions from Finance & General Purposes Committee Meeting held 13th December 2017

| Action No | Officer | Action | Update |
|-----------|----------|---|--|
| 1. | PO AO CE | Review IT support | Officer meeting arranged. Outcomes to be reported to F&GP 31/01/2018 |
| 2. | PO | Update minutes – Mr Littleton had deputised for Mr Godwin at Engineering Meeting 22 November 2017 | Minutes corrected 14/12/2017 |
| 3. | AO | Email F&GP Committee with reconciliation between balance sheet and September cash flow | Reconciliation circulated to Committee via email 13/12/2017 |
| 4. | AO | Budgets for next F&GP Meeting 3st January 2018 to show an increment of £25k per annum for pump replacements | Completed on agenda 31/01/2018 |
| 5. | AO | Revise predicted cash flow | Completed on agenda 31/01/2018 |
| 6. | PO | Purchase new server | New server ordered 18/12/217 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

BALANCE SHEET AS AT 30 NOVEMBER 2017

| | Note | £ | 30/11/17 £ | 31/03/17 £ |
|--|------|-------------------|-------------------|----------------------------------|
| FIXED ASSETS | | | | |
| Fixed Assets | 1 | <u>830,651</u> | 830,651 | <u>898,781</u> 898,781 |
| LONG TERM ASSETS | | | | |
| Investments | | <u>586,501</u> | 586,501 | <u>563,485</u> 563,485 |
| CURRENT ASSETS | | | | |
| Stock +WiP | | 39,569 | | 33,882 |
| Trade debtors | | 252 | | 29,235 |
| Drainage rate debtors | | 8,732 | | 0 |
| Other debtors | | 44,667 | | 0 |
| VAT claim | | 3,066 | | 0 |
| Prepayments | | 16,579 | | 7,150 |
| Cash at bank and in hand | | 953,207 | | 492,131 |
| Short term deposits | | <u>400,000</u> | | <u>200,000</u> |
| | | | 1,466,072 | 762,398 |
| CURRENT LIABILITIES | | | | |
| Trade Creditors | | -15,224 | | -20,026 |
| Other Creditors | | -28,669 | | -25,782 |
| Accrued expenses | | 0 | | -5,722 |
| Finance Leases due within one year | | 0 | | -677 |
| Prepaid rates | 2 | -413,036 | | 0 |
| Prepaid special levies | 2 | <u>-8,777</u> | | <u>0</u> |
| | | | -465,706 | -52,207 |
| NET CURRENT ASSETS | | | 1,000,366 | 710,191 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 2,417,518 | 2,172,457 |
| LONG TERM LIABILITIES | | | | |
| Developers' contributions | | -901,899 | | -739,796 |
| Finance Leases | | -1,504 | | -1,902 |
| Pension scheme deficit | | <u>-1,097,000</u> | | <u>-1,097,000</u> |
| | | | -2,000,403 | -1,838,698 |
| NET ASSETS | | | 417,115 | 333,759 |
| FINANCED BY: | | | | |
| CAPITAL ACCOUNT | | | 666,569 | 666,569 |
| INCOME AND EXPENDITURE ACCOUNT | | | | |
| Balance brought forward | | 477,926 | | 411,439 |
| Net deficit for the 8 months | | <u>-9,715</u> | | <u>66,487</u> |
| | | | 468,211 | 477,926 |
| Revaluation reserve | | | 146,042 | 146,042 |
| Pump station reserve | 3 | | 233,293 | <u>140,222</u> |
| Pension reserve | | | -1,097,000 | -1,097,000 |
| | | | 417,115 | 333,759 |

Notes

1. Fixed assets include purchases, sales and depreciation for 8 months to 30 November 2017.
2. In all these cases the balance sheet has been adjusted to reflect receipts and payments made in advance of the period earned or due.
3. This Reserve includes a monthly transfer of £12,500 .

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

INCOME AND EXPENDITURE 8 MONTHS TO 30 NOVEMBER 2017

| Income | Note | Revised Actual £ | Budget £ | Variance £ |
|-------------------------------|------|------------------------|----------------|---------------|
| Levies charged to Authorities | 1 | 754,895 | 754,895 | 0 |
| Agricultural Rates | 1 | 71,178 | 71,178 | 0 |
| Rechargeable works | | 24,741 | 9,000 | 15,741 |
| Application fees | | 1,200 | 800 | 400 |
| Plan checking fees | | 0 | 0 | 0 |
| Surplus on sale of assets | | 3,249 | 4,000 | -751 |
| Miscellaneous Income | | 120 | 0 | 120 |
| Foreign Water Grant | | 105,119 | 105,119 | |
| Severnside drawdowns | 1 | 32,667 | 26,667 | 6,000 |
| Interest | | 689 | 750 | -61 |
| Total | | 993,858 | 972,409 | 21,449 |

Expenditure

| | | | | |
|------------------------------|---|------------------|----------------|----------------|
| Payroll | 2 | 441,843 | 429,900 | -11,943 |
| Office maintenance | | 13,596 | 16,733 | 3,137 |
| Maintenance | 3 | 224,750 | 219,750 | -5,000 |
| EA Levy | | 134,370 | 134,370 | 0 |
| Motor travel and subsistence | | 15,513 | 12,080 | -3,433 |
| Communications | | 2,341 | 3,000 | 659 |
| Administration | 4 | 27,946 | 23,900 | -4,046 |
| Engineering Consultancy fees | | 36,080 | 30,000 | -6,080 |
| M49 culvert consultants fees | | 6,000 | 0 | -6,000 |
| Legal and professional fees | | 4,564 | 4,840 | 276 |
| Audit and Accountancy fees | | 2,113 | 7,120 | 5,007 |
| Depreciation | | 92,706 | 92,706 | 0 |
| Bank charges | | 1,751 | 1,600 | -151 |
| Total | | 1,003,573 | 975,999 | -27,574 |

| | | | | |
|-----------------------------|--|---------------|---------------|---------------|
| Deficit for 8 months | | -9,715 | -3,590 | -6,125 |
|-----------------------------|--|---------------|---------------|---------------|

The results for 8 months show a deficit of £9,715 against a budget deficit of £3,590

The major reasons for the variances are:-

1) In all these cases the income and expenditure has been included for the 8 months irrespective of when the monies are received or paid. The appropriate adjustments are made on the balance sheet.

2) Payroll will go over budget at the end of the year by £12,656. This is predominately due to Non contracted overtime and regrades being confirmed in year. This has been partly offset by being an operative short at the beginning of the year.

3) Maintenance costs are higher than budget due to:

| | Actual £ | Budget £ | Variance £ | Explanation for major variances |
|------------------------------|-------------|-------------|---------------|---|
| Plant Maintenance | 51,803 | 41,200 | -10,603 | New Dipper Arm, Tractor Bearing Wheel, Energreen Hydraulic Pump, Ridding Buckets. |
| Maintenance Compensation | 1,747 | 700 | -1,047 | Profiling of Oldbury Highland Rhine |
| Vehicle, Plant | 54,968 | 54,240 | -728 | |
| Workshop Fixtures & Fittings | 6,145 | 7,060 | 915 | |
| Pump Station Electricity | 1,534 | 11,750 | 10,216 | |
| Health & Safety | 8,553 | 4,800 | -3,753 | First Aid Training for Operatives Clothing and Equipment Replacement |
| Pump Station Reserve | 100,000 | 100,000 | 0 | |
| | 224,750 | 219,750 | -5,000 | |

4) Administration costs include £2,022 in respect of 2017/18 rates which are based on land holdings less than 125 AV and deemed uneconomical to collect.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Proposed Budget 2018/19

| | Notes | Budget 2017/18 8.2p | Predicted Out turn 2017/18 | Variance | Notes | Proposed Budget 2018/19 8.5p | Variance |
|--|--------|---------------------------|----------------------------------|----------------|-------|---------------------------------------|---------------|
| | column | £ 1 | £ 2 | £ 3(2-1) | | £ 4 | £ 5(4-2) |
| Income | | | | | | | |
| Levies charged to authorities | | 1,132,342 | 1,132,342 | 0 | 5 | 1,185,162 | 52,820 |
| Agricultural rate | | 106,698 | 106,729 | 31 | 5 | 110,299 | 3,570 |
| Foreign Water Grant | | 157,679 | 157,679 | | | 160,641 | 2,962 |
| Rechargeable works | | 20,000 | 25,000 | 5,000 | 6 | 20,000 | -5,000 |
| Application fees & wayleaves | | 1,200 | 1,200 | 0 | | 1,200 | 0 |
| Plan checking fees | | 0 | 0 | 0 | | 0 | 0 |
| Eng. Consultancy recharged | | 0 | 0 | 0 | | 0 | 0 |
| Severnside capital drawdown | 1 | 20,000 | 26,000 | 6,000 | 1 | 20,600 | -5,400 |
| Severnside maintenance drawdown | 1 | 20,000 | 20,000 | 0 | 1 | 20,600 | 600 |
| Bank interest | | 1,500 | 1,500 | 0 | | 1,500 | 0 |
| Miscellaneous income | | 0 | 120 | 120 | | 0 | -120 |
| Book profit (loss) on plant sales | 2 | 4,000 | 3,249 | -751 | 7 | -158 | -3,407 |
| Total | | 1,463,419 | 1,473,819 | 10,400 | | 1,519,844 | 46,025 |
| Expenditure | | | | | | | |
| Payroll | 3 | 642,000 | 654,656 | -12,656 | 8 | 675,373 | -20,717 |
| Office maintenance | | 22,026 | 22,026 | 0 | | 22,100 | -74 |
| Plant maintenance | 4 | 153,500 | 168,500 | -15,000 | 9 | 163,500 | 5,000 |
| EA Levy | | 201,555 | 201,555 | 0 | | 205,587 | -4,032 |
| Motor, travel & subsistence | | 18,600 | 18,600 | 0 | | 19,000 | -400 |
| Communications | | 4,200 | 4,200 | 0 | | 4,200 | 0 |
| Administration | | 52,050 | 53,050 | -1,000 | 10 | 53,800 | -750 |
| Eng. Consultancy general | | 45,000 | 45,000 | 0 | 11 | 45,000 | 0 |
| Eng. Consultancy recharged | | 0 | 0 | 0 | 1 | 0 | 0 |
| Legal & professional fees | | 5,000 | 5,000 | 0 | 12 | 3,000 | 2,000 |
| Audit & accountancy fees | | 13,680 | 8,000 | 5,680 | 12 | 8,000 | 0 |
| Depreciation | | 139,059 | 143,412 | -4,353 | 13 | 125,224 | 18,188 |
| Bank charges | | 2,600 | 2,600 | 0 | | 2,600 | 0 |
| Total | | -1,299,270 | -1,326,599 | -27,329 | | -1,327,384 | -785 |
| Transfer to pumping station reserve | | -150,000 | -150,000 | 0 | 14 | -175,000 | 0 |
| Surplus (deficit) to (from) General reserve | | 14,149 | -2,780 | -16,929 | | 17,460 | 45,240 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Predicted out turn 2017/18

Notes

- 1 Severnside drawdowns based on activity in the year.
Future drawdowns are based on an increase of 3% per annum for Capital and Maintenance works.
- 2 Actual profit on sale of Isuzu.
- 3 Payroll costs higher than budget. This is predominately due to Non contracted overtime and regrades being confirmed in year. This has been partly offset by being an operative short at the beginning of the year.
- 4 Plant Maintenance is going to be overspent due to machinery repair costs and Health and Safety Training and clothing. Pump Station electricity costs are currently below budget.

Proposed Budget 2018/19

Notes

The proposed budget indicates a surplus of £17,460 if the rate is increased to 8.5p.
An increase of 1p in the rate generates additional income of £152,000.

Each budget line has been reviewed in detail with particular emphasis on cost savings. Income does not include any additional rechargeable works which may be carried out, nor does it include any consultancy fees recharged

- 5 This figure indicates a levy increase to 8.5p. Agricultural rates based on 125 Annual Value and below are deemed uneconomic to collect. This is estimated to be £2,050 in 2018/19.
- 6 Rechargeable works have been set at 2017/18 budget levels.
- 7 Book value loss on sale of Nissan Navara.
- 8 Payroll costs include staff changes, continuation of summer and additional working by the operatives. Assumes a pay increase in July of 1%.
- 9 Plant Maintenance has been increased by £10,000. This is to reflect the continued pressure on this budget.
- 10 Assumes that Business Rates and Utility bills increase by 2%.
- 11 General engineering consultancy has been set to 2017/18 budget levels.
- 12 Change to Limited Assurance Audit and a reduction in Internal Audit Fees.
- 13 Depreciation Charge is low for a second year. Due to no major plant and machinery purchases in 2018/19.
- 14 The transfer to the Pump Station Reserve has been increased to £175,000.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Capital Expenditure Budget 2018/19

| | Budget Purchases cost | Purchase cost | Sales book value | Proceeds of sale | Book profit on sale (loss) |
|----------------------------------|-----------------------------|------------------|---------------------|---------------------|-------------------------------------|
| | £ | £ | £ | £ | £ |
| Plant and Machinery | | | | | |
| | 0 | 0 | 0 | 0 | 0 |
| Motor Vehicles | | | | | |
| Ford Ranger - new | 25,000 | | | | |
| Nissan Navara OV57 FPK sale | | | 4,158 | 4,000 | -158 |
| | 25,000 | 0 | 4,158 | 4,000 | -158 |
| Total fixed asset changes | 25,000 | 0 | 4,158 | 4,000 | -158 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Capital Expenditure Budget 2017/18

| | Budget Purchases cost £ | Purchase cost £ | Sales book value £ | Proceeds of sale £ | Book profit on sale £ |
|---------------------------------------|----------------------------------|-----------------------|--------------------------|--------------------------|--------------------------------|
| Plant and Machinery | | | | | |
| Items not included in original budget | | | | | |
| Cable Avoidance Tool | | 700 | | | |
| | 0 | 700 | 0 | 0 | 0 |
| Office | | | | | |
| Items not included in original budget | | | | | |
| CCTV System | | 3,856 | | | |
| Automation to Gate | | 1,015 | | | |
| Computer Server Replacement | | 11,840 | | | |
| | 0 | 16,711 | 0 | 0 | 0 |
| Motor Vehicles | | | | | |
| New Isuzu WU17 NVD | 22,261 | | | | |
| Sale of Isuzu VO61 NVD | | | 4,335 | 7,584 | 3,249 |
| | 22,261 | 0 | 4,335 | 7,584 | 3,249 |
| Total fixed asset changes | 22,261 | 17,411 | 4,335 | 7,584 | 3,249 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Annual Values as at 31st December 2017

| | | | 2018/19 | | Previous Levy 2017/18 | Increase/Reduction due to land transfers; rates to levies | Increase due to levy and rate rise of 0.3p | Total Increase |
|---------------------------------|-------------------|----------------|------------------|------------------|-----------------------------|---|--|-------------------|
| Charging Authorities Levies | | | 8.2 | 8.5 | 8.2 | | | |
| Rate - Pence in the Pound | Annual Value | % of AV | £ | £ | £ | £ | £ | £ |
| Bristol City Council | 7,720,586 | 50.658% | 633,088 | 656,250 | 622,331 | 10,757 | 23,162 | 33,919 |
| South Gloucestershire Council | 3,234,576 | 21.223% | 265,235 | 274,939 | 265,130 | 105 | 9,704 | 9,809 |
| Stroud District Council | 1,596,563 | 10.476% | 130,918 | 135,708 | 130,789 | 129 | 4,790 | 4,919 |
| Gloucester City Council | 729,073 | 4.784% | 59,784 | 61,971 | 59,784 | 0 | 2,187 | 2,187 |
| Tewkesbury Borough Council | 73,933 | 0.485% | 6,063 | 6,284 | 6,063 | 0 | 222 | 222 |
| Malvern Hill District Council | 16,880 | 0.111% | 1,384 | 1,435 | 1,384 | 0 | 51 | 51 |
| Herefordshire Council | 123,087 | 0.808% | 10,093 | 10,462 | 10,093 | 0 | 369 | 369 |
| Forest of Dean District Council | 448,391 | 2.942% | 36,768 | 38,113 | 36,768 | 0 | 1,345 | 1,345 |
| | 13,943,089 | 91.486% | 1,143,333 | 1,185,163 | 1,132,342 | 10,991 | 41,829 | 52,820 |
| Local Authorities | 13,943,089 | 91.486% | 1,143,333 | 1,185,163 | 1,132,342 | 10,991 | 41,829 | 52,820 |
| Agricultural rates | 1,297,631 | 8.514% | 106,406 | 110,299 | 106,729 | -323 | 3,893 | 3,570 |
| (per DRS) | 15,240,720 | 100.00% | 1,249,739 | 1,295,461 | 1,239,071 | 10,668 | 45,722 | 56,390 |

Note: A 0.10p rate increase generates an additional £15,241

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

MTFP (Medium Term Financial Plan)

A) Income and Expenditure

| | Rate - Pence in the Pound | | | | | | Total all years 2019/23 £000's |
|--|-------------------------------------|-------------------------------------|---|---|---|---|---|
| | 8.2 No Increase | 8.5 Increase | 8.9 | 9.2 | 9.6 | 9.9 | |
| | Year 2018/19 Budget £000's | Year 2018/19 Budget £000's | Year 1 2019/20 Estimate £000's | Year 2 2020/21 Estimate £000's | Year 3 2021/22 Estimate £000's | Year 4 2022/23 Estimate £000's | |
| Income (line10) | 1,475 | 1,520 | 1,613 | 1,635 | 1,705 | 1,787 | 6,740 |
| Expenditure (line 24) | 1,503 | 1,503 | 1,588 | 1,593 | 1,680 | 1,796 | 6,656 |
| Net surplus/-deficit (line 25) | -28 | 17 | 26 | 42 | 24 | -9 | 83 |
| Free reserves b/f (line26) | 471 | 471 | 488 | 514 | 556 | 581 | 488 |
| Free reserves c/f (line27) | 443 | 488 | 514 | 556 | 581 | 572 | 572 |
| Revenue reserve as % of expenditure | 29.46 | 32.50 | 32.38 | 34.94 | 34.55 | 31.84 | 8.59 |

B) Cash Flow

| | Year 2018/19 Budget £000's | Year 2018/19 Budget £000's | Year 1 2019/20 Estimate £000's | Year 2 2020/21 Estimate £000's | Year 3 2021/22 Estimate £000's | Year 4 2022/23 Estimate £000's | Total all years 2019/23 £000's |
|---------------------|-------------------------------------|-------------------------------------|---|---|---|---|---|
| Balances b/f | 498 | 498 | 619 | 543 | 708 | 628 | 619 |
| Net cash movement | 76 | 121 | -77 | 166 | -81 | -171 | -162 |
| Balances c/f | 574 | 619 | 543 | 708 | 628 | 457 | 457 |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Medium Term Financial Plan (MTFP)

| | | | Rate - Pence in the Pound | | | | | | |
|--|------|--------|----------------------------|----------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | | | 8.2 | 8.5 | 8.9 | 9.2 | 9.6 | 9.9 | |
| | | | No Increase | Increase | | | | | |
| Income and Expenditure basis | Line | Note | YEAR 2018/19 Budget £000's | YEAR 2018/19 Budget £000's | YEAR 1 2019/20 Estimate £000's | YEAR 2 2020/21 Estimate £000's | YEAR 3 2021/22 Estimate £000's | YEAR 4 2022/23 Estimate £000's | Total all years 2019/23 £000's |
| Income | | | | | | | | | |
| Levies and charges to Authorities | 1 | 1 | 1,143 | 1,185 | 1,241 | 1,283 | 1,339 | 1,380 | 5,243 |
| Agricultural rates | 2 | 2 | 106 | 110 | 115 | 119 | 125 | 128 | 488 |
| sub total + | 3 | | 1,250 | 1,295 | 1,356 | 1,402 | 1,463 | 1,509 | 5,731 |
| Foreign Water Grant + Grant in aid | | 3 | 161 | 161 | 164 | 168 | 171 | 174 | 677 |
| Drawdown from Severnside funds | 5 | 4 | 41 | 41 | 42 | 43 | 45 | 46 | 177 |
| Other Income | 6 | | 21 | 21 | 20 | 20 | 20 | 20 | 80 |
| Bank interest | 7 | 5 | 2 | 2 | 2 | 2 | 2 | 2 | 8 |
| Surplus on sale of fixed assets | 8 | | 0 | 0 | 28 | 0 | 4 | 36 | 68 |
| sub total + | 9 | | 225 | 225 | 257 | 233 | 241 | 278 | 1,009 |
| total+ | 10 | | 1,475 | 1,520 | 1,613 | 1,635 | 1,705 | 1,787 | 6,740 |
| Expenditure | | | | | | | | | |
| Payroll | 11 | 6 | 675 | 675 | 682 | 689 | 695 | 702 | 2,768 |
| Office maintenance | 12 | | 22 | 22 | 22 | 22 | 22 | 22 | 88 |
| Maintenance plant and machinery | 13 | 7 | 164 | 164 | 172 | 181 | 190 | 199 | 742 |
| EA Levy | 14 | 3 | 206 | 206 | 210 | 214 | 219 | 223 | 866 |
| Motor travel and subsistence | 15 | | 19 | 19 | 19 | 20 | 20 | 20 | 79 |
| Communications | 16 | | 4 | 4 | 4 | 4 | 4 | 4 | 16 |
| Administration | 17 | 8 | 54 | 54 | 55 | 56 | 56 | 57 | 224 |
| Engineering consultancy fees | 18 | | 45 | 45 | 45 | 45 | 45 | 45 | 180 |
| Legal and professional fees | 19 | | 3 | 3 | 3 | 3 | 3 | 3 | 12 |
| Audit and Accountancy fees | 20 | | 8 | 8 | 8 | 8 | 8 | 8 | 32 |
| Depreciation | 21 | 9 | 125 | 125 | 165 | 124 | 165 | 234 | 687 |
| Bank charges | 22 | | 3 | 3 | 3 | 3 | 3 | 3 | 12 |
| Transfer to pumping station reserve | 23 | 10 | 175 | 175 | 200 | 225 | 250 | 275 | 950 |
| total | 24 | | 1,503 | 1,503 | 1,588 | 1,593 | 1,680 | 1,796 | 6,656 |
| Net estimated +surplus -deficit | 25 | | -28 | 17 | 26 | 42 | 24 | -9 | 83 |
| Free reserves | 26 | b/f | 471 | 471 | 488 | 514 | 556 | 581 | 488 |
| Free reserves | 27 | c/f | 443 | 488 | 514 | 556 | 581 | 572 | 572 |
| Adjust for non cash items | | | | | | | | | |
| Depreciation | 28 | 9 | 125 | 125 | 165 | 124 | 165 | 234 | 687 |
| Surplus on sale on fixed assets | 29 | | 0 | 0 | -28 | 0 | 0 | -36 | -64 |
| Cash items not included | | | | | | | | | |
| Capital purchases net of sales receipts | 30 | 11 | -21 | -21 | -239 | 0 | -270 | -360 | -869 |
| Adjustment for cash flow purposes | 31 | | 104 | 104 | -103 | 124 | -105 | -162 | -246 |
| Net creditors/debtors | 32 | | 0 | 0 | | | | | |
| Net cash flow movement | 33 | | 76 | 121 | -77 | 166 | -81 | -171 | -162 |
| Bank balances | 34 | b/f | 498 | 498 | 619 | 543 | 708 | 628 | 619 |
| Working Capital | 35 | | 574 | 619 | 543 | 708 | 628 | 457 | 457 |
| Add pump station reserve | 36 | | -22 | -22 | 178 | 50 | 300 | 189 | 189 |
| Bank balances | 37 | 12 c/f | 552 | 597 | 721 | 758 | 928 | 646 | 646 |

Note:

- Proposed rates and levies increase.
- Agricultural rates - there will be a write off of £2,050 due to under 125 AV not collected.
- EA have informed the Board that a net annual payment of £45,000 will increase by 2% per annum
- Based on costs of Engineering consultants and part of Civil engineer time. Increase by 2% per annum.
- Bank interest assumed at 0.5% on average annual balances
- Based on current headcount. 1.0% annual pay increase 2018 to 2023
- Assumes a 5% increase in costs per annum.
- Assumes that Business Rates and Utility bills increase by 2% per annum.
- Depreciation is a non cash item and is added back for cash flow purposes.
- The transfer to the Pump Station Reserve increases by £25,000 per annum.
- Capital purchases/sales include :-
In 2018/19 Ford Ranger £25k, sell Nissan Navara £4k = £21k.
In 2019/20 Wheeled Excavator £100k less proceeds NH WX09 FYF £10k = £90k
Energreen 1500, £184k less proceeds £35k for Energreen AU11 HCH =£149k. Total for the year £239k
In 2020/21 No Purchase or sales are planned
In 2021/22 Claas Mower £150k, less proceeds Claas 697 £10k = 140k
New Holland Excavator £140k, less proceeds Hyundai £10k = £130k. Total for the year £270k
In 2022/23 Energreen SPV2 £200k, Trade in £40k = £160k
Energreen SPV3 £240k, Trade in £40k = £200k. Total for the year £360k.
- Bank Balances exclude Severnside balances.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Cash Flow Forecast for the Pump Replacement Programme

| | | Annual Increment of £25,000 | | | | | | | | | | Total |
|---------------------------------------|---------------------|-----------------------------|---------|----------|---------|----------|---------|----------|---------|----------|----------|-----------|
| | | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | £ |
| | | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Income | | | | | | | | | | | | |
| Provision from Board | Actual | 150,000 | 150,000 | | | | | | | | | 300,000 |
| | Estimate | | | 175,000 | 200,000 | 225,000 | 250,000 | 275,000 | 300,000 | 325,000 | 350,000 | 2,100,000 |
| | Total | 150,000 | 150,000 | 175,000 | 200,000 | 225,000 | 250,000 | 275,000 | 300,000 | 325,000 | 350,000 | 2,400,000 |
| Expenditure | | | | | | | | | | | | |
| Pump Station | No. of Pumps | | | | | | | | | | | |
| Oldbury | 3 | | | | | | | | | | 513,300 | 513,300 |
| | | | | | | | | | | | | 0 |
| | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 513,300 | 513,300 |
| Marshfield | 2 | | | | | | | 385,860 | | | | 385,860 |
| | | | | | | | | | | | | 0 |
| | | 0 | 0 | 0 | 0 | 0 | 0 | 385,860 | 0 | 0 | 0 | 385,860 |
| Lapperditch | 2 | | | | | 352,820 | | | | | | 352,820 |
| | | | | | | | | | | | | 0 |
| | | 0 | 0 | 0 | 0 | 352,820 | 0 | 0 | 0 | 0 | 0 | 352,820 |
| Wicks Green | 2 | | | | | | | | | 553,420 | | 553,420 |
| | | | | | | | | | | | | 0 |
| | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 553,420 | 0 | 553,420 |
| Elmore Back | 2 | | | 324,500 | | | | | | | | 324,500 |
| Drainage Strategy - Water Environment | | 2,891 | | | | | | | | | | 2,891 |
| | | | | | | | | | | | | 0 |
| | | 2,891 | 0 | 324,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 327,391 |
| Saul | 1 | | | 144,595 | | | | | | | | 144,595 |
| Drainage Strategy - Water Environment | | 6,887 | 7,860 | | | | | | | | | 14,747 |
| Professional Fees - Motion | | | 10,115 | | | | | | | | | 10,115 |
| | | | | | | | | | | | | 0 |
| | | 6,887 | 17,975 | 144,595 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 169,457 |
| | Total | 9,778 | 17,975 | 469,095 | 0 | 352,820 | 0 | 385,860 | 0 | 553,420 | 513,300 | 2,302,248 |
| Reserve | | | | | | | | | | | | |
| | Balance b/f | | 140,222 | 272,247 | -21,848 | 178,152 | 50,332 | 300,332 | 189,472 | 489,472 | 261,052 | |
| | In year | 140,222 | 132,025 | -294,095 | 200,000 | -127,820 | 250,000 | -110,860 | 300,000 | -228,420 | -163,300 | |
| | Balance c/f | 140,222 | 272,247 | -21,848 | 178,152 | 50,332 | 300,332 | 189,472 | 489,472 | 261,052 | 97,752 | 97,752 |

LOWER SEVERN (2205) INTERNAL DRAINAGE BOARD

Cash Flow Forecast for Severnside - Assumes a return on Investments of 4%

Assumptions:

| Return on Investments | | 4.00% | Bank Interest | | 0.20% | Annual Increase on Drawdown | | | | | | | 3.00% | | |
|-----------------------------------|------------------|-------|---------------|----------|---------|-----------------------------|---------|---------|----------|----------|----------|----------|----------|----------|----------|
| | | | As at | | | | | | | | | | | | |
| | | | 30.11.2017 | | | | | | | | | | | | |
| | | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total | |
| | | | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Income | | | | | | | | | | | | | | | |
| From Developers | Actual | | 139,073 | | | | | | | | | | | 139,073 | |
| From Investments | Actual | | 23,016 | | | | | | | | | | | 23,016 | |
| | Estimate | 4% | | 23,460 | 24,398 | 25,374 | 26,389 | 27,445 | 28,543 | 29,684 | 30,872 | 32,107 | 33,391 | 281,664 | |
| Bank Interest | Actual | | 12 | | | | | | | | | | | 12 | |
| | Estimate | 0.20% | 287 | 565 | 205 | 120 | 33 | -57 | -150 | -246 | -345 | -447 | -552 | -585 | |
| | | | 162,388 | 24,025 | 24,603 | 25,495 | 26,422 | 27,388 | 28,393 | 29,439 | 30,527 | 31,660 | 32,839 | 443,180 | 443,180 |
| Expenditure | | | | | | | | | | | | | | | |
| To main accounts | Actual | | | | | | | | | | | | | 0 | |
| | Estimate | 3% | 40,000 | 41,200 | 42,436 | 43,709 | 45,020 | 46,371 | 47,762 | 49,195 | 50,671 | 52,191 | 53,757 | 512,312 | |
| M49 Junction | Actual | | | | | | | | | | | | | | |
| | Estimate | | 6,000 | 94,000 | | | | | | | | | | 100,000 | |
| | | | 46,000 | 135,200 | 42,436 | 43,709 | 45,020 | 46,371 | 47,762 | 49,195 | 50,671 | 52,191 | 53,757 | 612,312 | 612,312 |
| | | | 116,388 | -111,175 | -17,833 | -18,215 | -18,598 | -18,983 | -19,369 | -19,756 | -20,144 | -20,531 | -20,918 | -169,132 | -169,132 |
| Reserve | | | | | | | | | | | | | | | |
| | Balance b/f | | 707,073 | 823,461 | 712,287 | 694,454 | 676,239 | 657,641 | 638,658 | 619,289 | 599,533 | 579,389 | 558,858 | 707,073 | |
| | In year movement | | 116,388 | -111,175 | -17,833 | -18,215 | -18,598 | -18,983 | -19,369 | -19,756 | -20,144 | -20,531 | -20,918 | -169,132 | |
| | Balance c/f | | 823,461 | 712,287 | 694,454 | 676,239 | 657,641 | 638,658 | 619,289 | 599,533 | 579,389 | 558,858 | 537,941 | 537,941 | |
| Funds Held | | | | | | | | | | | | | | | |
| Lloyds Current Account | | | 95,785 | | | | | | | | | | | | |
| NatWest Area Wide (0.01%) | | | 186,889 | | | | | | | | | | | | |
| Smith & Williamson | | | 586,501 | 609,961 | 634,359 | 659,734 | 686,123 | 713,568 | 742,111 | 771,795 | 802,667 | 834,774 | 868,165 | 868,165 | |
| Cash at Bank | | | | 102,326 | 60,094 | 16,505 | -28,482 | -74,910 | -122,822 | -172,262 | -223,278 | -275,915 | -330,224 | -330,224 | |
| Total | | | 869,175 | 712,287 | 694,454 | 676,239 | 657,641 | 638,658 | 619,289 | 599,533 | 579,389 | 558,858 | 537,941 | 537,941 | |
| To be transferred to main account | | | 46,000 | | | | | | | | | | | | |
| To be received | | | 287 | | | | | | | | | | | | |
| Reconciliation | | | -1 | | | | | | | | | | | | |

LOWER SEVERN (2205) INTERNAL DRAINAGE BOARD

Cash Flow Forecast for Severnside - Assumes a return on Investments of 6%

Assumptions:

| Return on Investments | | 6.00% | Bank Interest | | 0.20% | Annual Increase on Drawdown | | | | | | | 3.00% | | |
|-----------------------------------|------------------|-------|---------------------|---------|---------|-----------------------------|---------|---------|----------|----------|----------|----------|-----------|-----------|---------|
| | | | As at 30.11.2017 | | | | | | | | | | | | |
| | | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total | |
| | | | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Income | | | | | | | | | | | | | | | |
| From Developers | Actual | | 139,073 | | | | | | | | | | | 139,073 | |
| From Investments | Actual | | 23,016 | | | | | | | | | | | 23,016 | |
| | Estimate | 6% | | 35,190 | 37,301 | 39,540 | 41,912 | 44,427 | 47,092 | 49,918 | 52,913 | 56,088 | 59,453 | 463,833 | |
| Bank Interest | Actual | | 12 | | | | | | | | | | | 12 | |
| | Estimate | 0.20% | 287 | 565 | 205 | 120 | 33 | -57 | -150 | -246 | -345 | -447 | -552 | -585 | |
| | | | 162,388 | 35,755 | 37,506 | 39,660 | 41,945 | 44,370 | 46,942 | 49,672 | 52,568 | 55,641 | 58,901 | 625,349 | 625,349 |
| Expenditure | | | | | | | | | | | | | | | |
| To main accounts | Actual | | | | | | | | | | | | | 0 | |
| | Estimate | 3% | 40,000 | 41,200 | 42,436 | 43,709 | 45,020 | 46,371 | 47,762 | 49,195 | 50,671 | 52,191 | 53,757 | 512,312 | |
| M49 Junction | Actual | | | | | | | | | | | | | | |
| | Estimate | | 6,000 | 94,000 | | | | | | | | | | 100,000 | |
| | | | 46,000 | 135,200 | 42,436 | 43,709 | 45,020 | 46,371 | 47,762 | 49,195 | 50,671 | 52,191 | 53,757 | 612,312 | 612,312 |
| | | | 116,388 | -99,445 | -4,930 | -4,049 | -3,075 | -2,001 | -820 | 477 | 1,898 | 3,450 | 5,144 | 13,037 | 13,037 |
| Reserve | | | | | | | | | | | | | | | |
| | Balance b/f | | 707,073 | 823,461 | 724,017 | 719,087 | 715,037 | 711,962 | 709,961 | 709,141 | 709,618 | 711,516 | 714,966 | 707,073 | |
| | In year movement | | 116,388 | -99,445 | -4,930 | -4,049 | -3,075 | -2,001 | -820 | 477 | 1,898 | 3,450 | 5,144 | 13,037 | |
| | Balance c/f | | 823,461 | 724,017 | 719,087 | 715,037 | 711,962 | 709,961 | 709,141 | 709,618 | 711,516 | 714,966 | 720,110 | 720,110 | |
| Funds Held | | | | | | | | | | | | | | | |
| Lloyds Current Account | | | 95,785 | | | | | | | | | | | | |
| NatWest Area Wide (0.01%) | | | 186,889 | | | | | | | | | | | | |
| Smith & Williamson | | | 586,501 | 621,691 | 658,993 | 698,532 | 740,444 | 784,871 | 831,963 | 881,881 | 934,793 | 990,881 | 1,050,334 | 1,050,334 | |
| Cash at Bank | | | | 102,326 | 60,094 | 16,505 | -28,482 | -74,910 | -122,822 | -172,262 | -223,278 | -275,915 | -330,224 | -330,224 | |
| Total | | | 869,175 | 724,017 | 719,087 | 715,037 | 711,962 | 709,961 | 709,141 | 709,618 | 711,516 | 714,966 | 720,110 | 720,110 | |
| To be transferred to main account | | | 46,000 | | | | | | | | | | | | |
| To be received | | | 287 | | | | | | | | | | | | |
| Reconciliation | | | -1 | | | | | | | | | | | | |

LOWER SEVERN (2205) INTERNAL DRAINAGE BOARD

Cash Flow Forecast for Severnside - Assumes a return on Investments of 8%

Assumptions:

| Return on Investments | | 8.00% | Bank Interest | | 0.20% | Annual Increase on Drawdown | | | | | | | 3.00% | | |
|-----------------------------------|------------------|-------|---------------|---------|---------|-----------------------------|---------|---------|----------|-----------|-----------|-----------|-----------|-----------|---------|
| | | | As at | | | | | | | | | | | | |
| | | | 30.11.2017 | | | | | | | | | | | | |
| | | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total | |
| | | | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Income | | | | | | | | | | | | | | | |
| From Developers | Actual | | 139,073 | | | | | | | | | | | 139,073 | |
| From Investments | Actual | | 23,016 | | | | | | | | | | | 23,016 | |
| | Estimate | 8% | | 46,920 | 50,674 | 54,728 | 59,106 | 63,834 | 68,941 | 74,456 | 80,413 | 86,846 | 93,793 | 679,711 | |
| Bank Interest | Actual | | 12 | | | | | | | | | | | 12 | |
| | Estimate | 0.20% | 287 | 565 | 205 | 120 | 33 | -57 | -150 | -246 | -345 | -447 | -552 | -585 | |
| | | | 162,388 | 47,485 | 50,878 | 54,848 | 59,139 | 63,777 | 68,791 | 74,211 | 80,068 | 86,399 | 93,242 | 841,227 | 841,227 |
| Expenditure | | | | | | | | | | | | | | | |
| To main accounts | Actual | | | | | | | | | | | | | 0 | |
| | Estimate | 3% | 40,000 | 41,200 | 42,436 | 43,709 | 45,020 | 46,371 | 47,762 | 49,195 | 50,671 | 52,191 | 53,757 | 512,312 | |
| M49 Junction | Actual | | | | | | | | | | | | | | |
| | Estimate | | 6,000 | 94,000 | | | | | | | | | | 100,000 | |
| | | | 46,000 | 135,200 | 42,436 | 43,709 | 45,020 | 46,371 | 47,762 | 49,195 | 50,671 | 52,191 | 53,757 | 612,312 | 612,312 |
| | | | 116,388 | -87,715 | 8,442 | 11,139 | 14,118 | 17,406 | 21,029 | 25,016 | 29,397 | 34,208 | 39,485 | 228,915 | 228,915 |
| Reserve | | | | | | | | | | | | | | | |
| | Balance b/f | | 707,073 | 823,461 | 735,747 | 744,189 | 755,328 | 769,446 | 786,852 | 807,881 | 832,897 | 862,295 | 896,503 | 707,073 | |
| | In year movement | | 116,388 | -87,715 | 8,442 | 11,139 | 14,118 | 17,406 | 21,029 | 25,016 | 29,397 | 34,208 | 39,485 | 228,915 | |
| | Balance c/f | | 823,461 | 735,747 | 744,189 | 755,328 | 769,446 | 786,852 | 807,881 | 832,897 | 862,295 | 896,503 | 935,988 | 935,988 | |
| Funds Held | | | | | | | | | | | | | | | |
| Lloyds Current Account | | | 95,785 | | | | | | | | | | | | |
| NatWest Area Wide (0.01%) | | | 186,889 | | | | | | | | | | | | |
| Smith & Williamson | | | 586,501 | 633,421 | 684,095 | 738,822 | 797,928 | 861,762 | 930,703 | 1,005,160 | 1,085,572 | 1,172,418 | 1,266,212 | 1,266,212 | |
| Cash at Bank | | | | 102,326 | 60,094 | 16,505 | -28,482 | -74,910 | -122,822 | -172,262 | -223,278 | -275,915 | -330,224 | -330,224 | |
| Total | | | 869,175 | 735,747 | 744,189 | 755,328 | 769,446 | 786,852 | 807,881 | 832,897 | 862,295 | 896,503 | 935,988 | 935,988 | |
| To be transferred to main account | | | 46,000 | | | | | | | | | | | | |
| To be received | | | 287 | | | | | | | | | | | | |
| Reconciliation | | | -1 | | | | | | | | | | | | |

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

| Cash | | Cash flow No 1 A/C NatWest | | | | | | 2018 | | | | |
|---------------------------|------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 2017 | | | | | | | | | | |
| | Note | Jun £ 000's actual | Jul £ 000's actual | Aug £ 000's actual | Sep £ 000's actual | Oct £ 000's actual | Nov £ 000's actual | Dec £ 000's forecast | Jan £ 000's forecast | Feb £ 000's forecast | Mar £ 000's forecast | Apr £ 000's forecast |
| Balance b/f | | 722 | 349 | 44 | 42 | 51 | 251 | 206 | 179 | 202 | 200 | 313 |
| Other income | | 5 | 2 | 0 | 0 | 5 | 14 | 2 | 2 | 2 | 2 | 2 |
| Severnside | | 0 | 0 | 0 | 0 | 70 | 0 | 0 | 0 | 0 | 40 | 0 |
| Levies | | -311 | 0 | 0 | 0 | 18 | 539 | 0 | 0 | 0 | 0 | 0 |
| Rates | | 12 | 4 | 3 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| sub total | | 428 | 355 | 47 | 43 | 144 | 804 | 208 | 181 | 204 | 242 | 315 |
| Expenditure | | -39 | -31 | -36 | -30 | -32 | -52 | -77 | -77 | -77 | -77 | -77 |
| Plant/VAT (net) | | 5 | -15 | 6 | 8 | 4 | 6 | -2 | -2 | -2 | -2 | 0 |
| EA Levy | | 0 | 0 | 0 | 0 | 0 | -22 | 0 | 0 | 0 | 0 | -22 |
| S/S transfer | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net transfers | | -45 | -265 | 25 | 30 | 135 | -530 | 50 | 100 | 75 | 150 | 29 |
| sub total | | -79 | -311 | -5 | 8 | 107 | -598 | -29 | 21 | -4 | 71 | -70 |
| Balance c/f | | 349 | 44 | 42 | 51 | 251 | 206 | 179 | 202 | 200 | 313 | 245 |
| Other balances | | | | | | | | | | | | |
| NatWest | | | | | | | | | | | | |
| No 2 Account | | 24 | 36 | 26 | 28 | 31 | 28 | 28 | 28 | 28 | 28 | 28 |
| Bonus Saver | 1 | 174 | 274 | 198 | 104 | 4 | 404 | 354 | 254 | 179 | 29 | 0 |
| Lloyds Deposit | 2 | 400 | 200 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| Lloyds Current | | 100 | 100 | 100 | 100 | | | | | | | |
| Total | | 698 | 610 | 724 | 632 | 435 | 832 | 782 | 682 | 607 | 457 | 428 |
| All LSIDB balances | | 1047 | 654 | 766 | 683 | 686 | 1038 | 961 | 884 | 807 | 770 | 673 |

1. Direct bonus Saver account at NatWest earns 0.15% interest
2. Lloyds 3 month deposit earns 0.22% matured November 2017. Reinvested for 3 months earning 0.5% interest.
3. The intention was to place £85,000 with Cambridge & Counties Bank in November 2017. The 31 day notice account is currently not available following the Bank of England Base Rate increase. This account was previously paying 1.1% interest.
4. Negative Levies is due to repayment to Bristol CC. They paid their bill twice.
5. The LSIDB balances include £140,000 of pumping station reserve as at 31 March 2017.
Thereafter increases by £12,500 per month less any direct expenditure in year.

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Reconciliation of cash as per the Balance Sheet and the Cash Flow Statement

| | £ | £ |
|---|------------------|----------------|
| Balance Sheet as at 30 November 2017 | | |
| Cash at bank and in hand | 953,207 | |
| Less Petty Cash | <u>179</u> | |
| Cash at Bank | 953,028 | |
| Short Term Deposits | <u>400,000</u> | |
| | 1,353,028 | |
| Cash Flow as at 30 November 2017 | <u>1,037,630</u> | |
| | | 315,398 |
| Developers Contributions | 901,899 | |
| Less Investments (Smith & Williamson) | <u>586,501</u> | |
| | | <u>315,398</u> |
| Difference | | 0 |

Investments

| | As at 30 November 2017 £ | As at 31 December 2017 £ |
|--|-----------------------------|-----------------------------|
| Capital - amount invested by LSIDB through Smith & Williamson (net) | 500,000 | 500,000 |
| Market value | 582,514 | 596,975 |
| change in value | <u>82,514</u> | <u>96,975</u> |
| Income | 3,987 | 4,285 |
| Total return | <u>86,501</u> | <u>101,260</u> |
| Portfolio return since 31 December 2016 | 10.29% | 13.07% |
| Note: Market Index Movements | 7.18% | 9.92% |

Note: On 3 November 2017 £17,986 was transferred from the Income Account to the Capital Account

LOWER SEVERN (2005) INTERNAL DRAINAGE BOARD

Developers Funds November 2017

| Sevenside Funds | £ |
|-------------------------------------|--------------------------------------|
| Balance at 1 April 2017 | 707,073 |
| Plot 8b Central Park | 69,537 received 13 June 2017 |
| Plot 8b Central Park | 69,536 received 13 October 2017 |
| Increase in value of investments | 23,016 |
| Interest received | 12 |
| Balance 30 November 2017 | <hr/> 869,174 |
| Transfer to Board 2017/18 | |
| Maintenance and Capital | -40,000 to be actioned 31 March 2018 |
| M49 Consultancy Fees | -6,000 to be actioned 31 March 2018 |
| Estimated balance 31/03/2018 | <hr/> 823,174 |
| M49 board contribution - balance | -94,000 |
| Transfer to Board 2018/19 | -41,200 |
| Estimated balance 31/03/2019 | <hr/> 687,974 |
| Hempsted Pond | <hr/> 32,724 |

REF: KW/Enf/2017

REPORT BY: Principal Officer

DEFAULT WORKS COSTS RECOVERY

Introduction

At the Board meeting held on 20 September 2017 Members resolved to pursue the recovery of costs incurred for work under a statutory notice via the Small Claims Court.

[Minute No. 2561 refers.]

Progress to date

A Letter Before Action was sent to the defendant on 28 September (no reply received) and in November I lodged a detailed claim with the County Court. After some delay regarding the fee payable for processing the claim [the fee amounts to £35 and forms part of the sum of £287 which the Board seeks to recover] the Court confirmed on 19 December that the order was valid and that the case would proceed.

The period within which the defendant might appeal the statutory notice served upon him in early January 2017 has long expired.

At the time of writing, the Court has not advised me of the outcome of the claim; naturally I will update Members at the meeting if there are any developments.

The file containing the documentation relating to this case and the substance of the claim will be available for inspection at the meeting.

NB Should Members wish to discuss the confidential details of the case then the meeting should resolve to exclude the press and public.

RECOMMENDATION

That the report be noted.

Kieran Warren

Principal Officer

INTERNAL AUDIT FOR 2017/18

Introduction

At the Committee meeting held on 6 September 2017 Members appointed Bishop Fleming as its internal auditors for 2017/18.

[Minute No. 2547 refers.]

Progress to date

Bishop Fleming visited the offices on 16 and 17 January 2018 having first indicated that they plan to review the following areas of activity during the audit exercise:

1. Purchases
2. VAT claims
3. Risk register
4. Budget
5. Income
6. Petty cash
7. Wages and salaries
8. Fixed asset register
9. Bank reconciliations
10. 2017 accounts to understand how they were prepared

The outcome(s) of the audit will be reported in due course.

RECOMMENDATION

That the report be noted.

Kieran Warren

Principal Officer