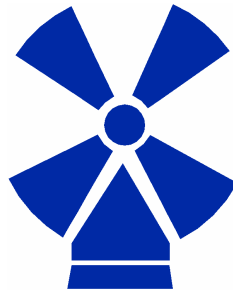


KING'S LYNN
INTERNAL DRAINAGE BOARD



**RATE ESTIMATES
FOR THE FINANCIAL YEAR
2010/2011**

Kettlewell House
Austin Fields Industrial Estate
Kings Lynn
Norfolk
PE30 1PH

**KING'S LYNN IDB
RATE ESTIMATES FOR 2010/2011
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**KING'S LYNN INTERNAL DRAINAGE BOARD
NEW WORKS AND IMPROVEMENT WORKS FOR 2010/11**

NOTES	SCHEME TITLE	AE GiA LEVEL	ACTUAL 2008/09	ESTIMATE 2009/10	PROBABLE 2009/10	ESTIMATE 2010/11
1.	Catchment Modelling	100%	0	70,000	0	70,000
2.	Small Schemes	0%	0	0	0	20,000
3.	Gaywood Flood Alleviation Scheme	0%	19,837	180,000	20,000	160,000
4.	Marshland Outfall Penstock	45%	0	10,000	0	0
	Pierrepoint/Middleton Stop Strategy	45%	21,803	0	0	0
	Middleton Stop Pump Refurbishment - Phase 1 (replace culvert)	45%	0	0	0	60,000
5.	Middleton Stop Flood Storage Area	100%	0	0	0	250,000
	North Wootton Pumping Station - Pump refurbishment	45%	0	0	0	80,000
	West of Ouse Strategy:					
6.	Smeeth Lode Scheme	45%	0	1,430,000	0	0
	Pond 1 - Drain 6	45%	0	0	204,000	20,000
	Pond 2 - Drain S1	0%	0	0	196,000	10,000
7.	Islington Pumping Station Replacement - detailed design	45%	37,970	210,000	10,000	0
8.	Strategy Update	45%	0	0	30,000	38,000
9.	Straight Mile Improvements	45%	0	0	0	150,000
GROSS COST OF IMPROVEMENT WORKS			£79,610	£1,900,000	£460,000	£858,000
LESS: GOVERNMENT GRANTS & THIRD PARTY FUNDING			£26,974	£769,500	£109,800	£476,600
NET COST TO BOARD			£52,636	£1,130,500	£350,200	£381,400

1. Whilst it was anticipated that this would commence in 2009/10 and be completed over a 5-10 year period, the Environment Agency did not approve this expenditure. Commencement has been included in the Medium term Plan bid for 2010/11 but the Environment Agency have issued Indicative Allocations which has again omitted this Project. This decision is being appealed. Whether this proceeds or not has no effect on the Net Cost to the Board as, if approved, it would attract 100% Grant in Aid.
2. The Asset Inspections carried out during 2009/10 indicated a number of small improvement works at most of the pumping stations and control structures. These works will be prioritised and this sum used to address higher cost items. It is anticipated that low cost items can be funded through the routine maintenance budgets. It is unlikely that GiA would be available for this work.
3. The allowance in the 2009/10 Budget has not been spent due to concerns about the outcome of the SURF Project and the Board's involvement. Works at Osier Marsh are also somewhat dependant on the adoption of the existing pumps in the north-east corner of the site and any conditions appended to the adoption. However, it is anticipated that, as a minimum, a lowered section of south bank to the river and an outfall sluice to the Bawsey Drain will be constructed during 2010/11. GiA funding would not be available for this work.
4. This has been put on hold for the foreseeable future as, whilst desirable for all tidal outfalls, it has a relatively low priority in comparison to other schemes.
5. Whilst GiA is unlikely to be available for this scheme, pressure on the Drains through Hardwick Industrial Estate is stalling further development. A Developer contribution, amounting to £50-60K is expected from the BMW sales site and it is hoped that further contributions can be identified through the Borough Council, either as part of Accelerated Development Zone status or Regeneration funding. As King's Reach Pond also outfalls into this network, it would be appropriate to use some of this Developer funding to contribute. However, it is also likely that previous Developer contributions for the Ind.Est. have been absorbed into the General Reserve and should be used to fund this scheme.
6. Board Members will be aware of the restraints placed on this scheme by the Environment Agency. As a result, the original £1.2M scheme has been pared back and only Pond 1 on Drain 6 meets the criteria for GiA funding. This has resulted in a considerable underspend in the current year. It should also be noted that, having received approval for Pond 1, we can now apply for retrospective GiA for the land purchase.
7. At a workshop held on 28 October 2009, attended by the Board's Plant & Works Committee, it was decided to defer works on replacement of the pumping station as reports suggested that the building was in fair condition and the diesel engines & pumps could be maintained in satisfactory order for the next 10-15 years.
8. A request has been submitted to the Environment Agency to allow transfer of the residual allocated funding for the Pumping Station Replacement Study to an update of the West of Ouse Strategy. An updated Strategy, approved by the Environment Agency, would ease the passage of individual schemes within the Strategy and deflect the difficulties encountered with seeking funding for the scheme at Smeeth Lode. Unfortunately, this transfer of funding is not likely to be automatic as a specific bid was included in the 2010/11 submission to the Environment Agency and this has not been granted Indicative Allocation.
9. From the original West of Ouse Strategy, and as a consequence of the decision to defer replacement of the Pumping Station, works to improve the Straight Mile storage and outfall are necessary. A request has been submitted to the Environment Agency to allow transfer of the allocated funding for the detail design of the replacement Pumping Station and/or the residual allocated funding for the original Smeeth Lode Scheme to fund design and construction of these improvements. It should be noted that the £150K identified for 2010/11 is only to fund earthworks to increase storage capacity at this stage. The updated Strategy document may recommend a secondary pumping station at the outfall end of the Straight Mile which would need to be funded in a future budget.

BRIAN L ORDE
DISTRICT ENGINEER

**KING'S LYNN INTERNAL DRAINAGE BOARD
MAINTENANCE WORKS ESTIMATE FOR THE FINANCIAL YEAR 2010/2011**

NOTES	Actual 2008/09 £	Estimate 2009/10 £	Probable 2009/10 £	Estimate 2010/11 £
1. DRAIN MAINTENANCE				
Wiggenhall St German Catchment	5,007	6,000	5,000	4,900
Fitton Road Area Catchment	4,617	6,000	6,000	6,000
Waltham Farm Catchment	3,186	6,000	6,000	6,000
Mary Magdalen Catchment	4,122	5,000	5,000	5,000
Magdalen Catchment	17,864	17,500	17,900	17,500
Lighthouse Catchment	14,835	21,000	19,000	20,000
Main Sluice Catchment	35,583	39,000	35,000	38,000
Chalk Lane Catchment	21,654	23,500	22,000	23,000
Ingleborough Catchment	4,841	6,000	5,000	6,000
Searles Catchment	2,602	3,500	3,500	3,500
Heacham Catchment	8,665	10,000	10,000	10,000
Wolferton Catchment	30,277	50,000	47,000	47,000
North Wootton Catchment	16,707	13,000	13,000	13,000
Wootton Marsh Catchment	1,821	4,000	2,500	2,500
South Wootton Catchment	5,412	5,000	5,000	4,500
North Lynn Catchment	9,678	10,500	8,000	9,000
Black/Bawsey Drains Catchment	20,323	26,000	26,000	26,000
Gaywood Catchment	53,023	60,000	60,000	60,000
Middleton Pierpoint Catchment	42,715	55,000	55,300	55,000
Middleton Level Catchment	4,047	8,000	8,000	8,000
Eau Brink Catchment	8,511	14,000	11,000	11,000
Green Bank Catchment	63,607	72,000	72,000	72,000
Billy Kerkham Sluice Catchment	13,332	19,000	19,000	19,000
West Lynn Sluice Catchment	30,422	32,800	32,800	32,800
Cut Bridge Sluice Catchment	300	1,300	1,000	1,000
Merries Sluice Catchment	1,389	3,000	3,000	2,700
Knowles Sluice Catchment	1,824	2,800	2,800	2,600
Smeeth Lode Outfall	834	4,500	4,500	4,500
Islington Pump Catchment	147,720	140,000	135,000	135,000
Reeds Drain Catchment	59,403	60,000	58,000	60,000
Rainbow Drain	2,759	0	0	0
	637,076	724,400	698,300	705,500
2. OUTFALL MAINTENANCE				
Lighthouse Outfall	1,623	2,085	1,000	1,800
Main Sluice Outfall	501	2,070	1,500	2,120
Chalk Lane Outfall	20,263	4,350	4,350	9,420
Searles Outfall	1,509	3,200	1,000	1,500
Bawsey Drain Outfall	3,018	3,500	3,000	4,500
Millfleet Sluice Outfall	3,300	4,040	3,500	5,750
Billy Kerkham Sluice	17,583	12,500	11,000	11,572
West Lynn Outfall	152	1,500	700	750
Cut Bridge Outfall	0	350	350	450
Merries Farm Outfall	0	350	350	350
Knowles Outfall	0	350	350	350
Straight Mile Outfall	198	4,000	4,000	10,350
	48,147	38,295	31,100	48,912
3. PUMPING STATION MAINTENANCE				
Waltham Farm Pumping Station	2,867	3,750	3,000	2,250
Crabbes Abbey Pumping Station	20,001	15,850	14,000	15,511
Ingleborough Pumping Station	4,227	4,700	4,000	9,250
Wolferton Pumping Station	24,464	25,500	24,500	25,500
North Wootton Pumping Station	12,055	24,350	24,000	18,311
North Lynn Pumping Station	7,819	5,850	5,850	14,711
Pierrepoint Pumping Station	42,161	38,185	37,000	38,011
Middleton Fen Pumping Station	13,458	9,100	7,000	9,561
Eau Brink Pumping Station	38,245	25,981	25,981	39,611
Green Bank Pumping Station	30,487	78,919	23,500	81,484
Islington Pumping Station	38,980	42,000	38,000	40,311
	234,764	274,185	206,831	294,511

**KING'S LYNN INTERNAL DRAINAGE BOARD
MAINTENANCE WORKS ESTIMATE FOR THE FINANCIAL YEAR 2010/2011 (CONTINUED)**

NOTES	Actual 2008/09 £	Estimate 2009/10 £	Probable 2009/10 £	Estimate 2010/11 £
4. PROPERTY MAINTENANCE				
Islington Depot	28,813	36,600	36,600	37,600
Islington House	1,895	7,300	7,300	7,500
Gravel Bank Bungalow	1,275	2,100	2,100	2,200
Pierrepoint Depot	10,613	15,200	15,200	8,500
Reffley Reservoir	144	4,000	4,000	4,000
Morrison's Culvert	1,784	3,000	3,000	3,200
Gravel Bank Museum	1,133	2,000	1,900	2,000
Goulds Culvert	17,710	15,873	15,873	17,800
Wootton Road Culvert	2,948	8,700	8,700	4,000
Wolferton	182	500	500	2,000
Bridges	0	5,550	0	6,000
Banks	133	400	0	0
	66,630	101,223	95,173	94,800
DIRECT WORKS	986,617	1,138,103	1,031,404	1,143,723

NOTES

1. Drain Maintenance

The yearly Drain Maintenance is running to program with all of the grass cutting and weed mowing completed on schedule. You will notice a slight overspend on the Middleton Pierrepoint Catchment, this is due to some major works being carried out very early in the year to stop leakage back into the low level system that runs parallel. However the maintenance in this catchment is now complete and barring any major weather events there should be no more spend. I am predicting a slight under spend on the 2009/10 Drain Maintenance budget, but as I said it is small and could soon turn around if we have a major event, however I feel we could reduce slightly the estimate for 2010/11 with the introduction of some new machinery, and a hopeful improvement in productivity.

2. Outfall Maintenance

Again the Outfall Maintenance is running to program with the majority of work completed. There could again be a small under spend on the outfalls however with some fairly major jetting works required on some of the major outfalls this could easily turn round. If we do get an under spend most of this will be due to closer attention to electricity bills which in the past have always been estimated, but now most have been fitted with Smart Meters which can be read at any time directly by the energy company leading to accurate bills rather than estimated. We will require an increase on the Outfall budget for 2010/11 to accommodate some works to the Chalk Lane Outfall weedscreen, which is deteriorating quite badly and is in need of replacement. Also we need an increase on the Straight Mile Outfall to allow for some further survey costs on the sluice gates.

3. Pumping Station Maintenance

I am expecting an under spend on the Pumping Station budgets this year 2009/10, but this is due to an allowance that was included in the estimates to pay the Public Works Loan on the Green Bank Pumping Station. This aside predicting spend to end of year on Pumping Stations can be a tricky problem. However if the weather continues as it has this summer there could be an under spend on the 2009/10 estimates which will be entirely down to reduced electricity costs and again to the introduction of the Smart Meters. You will notice an increase to the estimates for 2010/11 to allow for pump refurbishment at the North Wootton Pumping Station which requires some major over pumping costs.

4. Property Maintenance

Not much to report on the property maintenance except that we are on target for 2009/10. You will notice that there is a reduction on the Pierrepoint Depot estimate, this is because all works to improve safety at this Depot will be completed this financial year, however this will be counteracted by the addition of a bridges budget which has been added to allow for some maintenance to be carried out on the few bridges under the Boards control. Overall we are predicting an under spend on the 2009/10 Estimate, which could easily turn around with some weather problems in the new year.

G M HOWE
OPERATIONS MANAGER

1. RATE REQUIREMENT

	ACTUAL 2008/09	ESTIMATE 2009/10	PROBABLE 2009/10	ESTIMATE 2010/11
	£	£	£	£
NEW WORKS AND IMPROVEMENT WORKS				
Catchment Modelling	0	70,000	0	70,000
Small Schemes	0	0	0	20,000
Gaywood Flood Alleviation Scheme	19,837	180,000	20,000	160,000
Marshland Outfall Penstock	0	10,000	0	0
West of Ouse Strategy	15,000	1,430,000	440,000	218,000
Middleton Stop Pump Refurbishment - Phase 1 (replace culvert)	0	0	0	60,000
Middleton Stop Pump - Flood Storage Area	0	0	0	250,000
North Wootton Pumping Station - Pump Refurbishment	0	0	0	80,000
Islington Pumping Station Replacement - detailed design	22,970	210,000	20,000	0
Pierrepoint Middleton-Stop Strategy	21,803	0	0	0
	79,610	1,900,000	480,000	858,000
CONTRIBUTIONS PAYABLE TO THE ENVIRONMENT AGENCY				
Annual Precept Payable to the Environment Agency	151,718	157,722	152,490	152,490
Transfers to/(from) Precept Fluctuation Reserve	0	0	0	0
	151,718	157,722	152,490	152,490
MAINTENANCE WORKS				
Direct Works	986,617	1,138,103	1,031,404	1,143,723
Net (Surplus)/Deficit on Absorption Accounts	-46,138	0	0	0
Consortium Charges (Technical Support Costs)	234,428	292,632	237,960	232,238
Biodiversity Actions/BAP	0	0	0	12,167
Contingency	0	20,000	0	20,000
	1,174,907	1,450,735	1,269,364	1,408,128
ADMINISTRATION AND OTHER EXPENSES				
Consortium Charges	257,915	359,453	343,989	318,295
Provision for Assessable Value Decreases	473	3,000	3,000	3,000
Office Depreciation Charges	7,972	0	7,972	7,972
Sundry Debtors Written Off	0	350	350	350
	266,360	362,803	355,311	329,617
TOTAL EXPENDITURE	£1,672,595	£3,871,260	£2,257,165	£2,748,235
LESS:				
GOVERNMENT GRANTS				
Catchment Modelling	0	31,500	0	70,000
West of Ouse Strategy	6,750	643,500	109,800	93,600
Middleton Stop Pump Refurbishment - Phase 1 (replace culvert)	0	0	0	27,000
Islington Pumping Station Replacement - detailed design	10,336	94,500	0	0
North Wootton Pumping Station - Pump Refurbishment	0	0	0	36,000
Pierrepoint Middleton-Stop Strategy	9,888	0	0	0
	26,974	769,500	109,800	226,600
CONTRIBUTIONS FROM THE ENVIRONMENT AGENCY				
Highland Water Contributions	33,422	52,666	46,450	64,500
OTHER INCOME				
Loan for West of Ouse Strategy	0	786,500	0	0
Middleton Stop Flood Storage Area - Growth Points Funding	0	0	0	250,000
Rents and Acknowledgements	3,271	3,000	4,245	4,245
Investment Interest	24,049	36,000	20,000	20,000
Sundry Income	3,415	0	1,066	0
Profit/(Loss) on Disposal of Plant & Equipment	10,806	0	26,628	0
Profit/(Loss) on Rechargeable Works	16,696	0	1,000	0
	58,237	825,500	52,939	274,245
TOTAL INCOME	£118,633	£1,647,666	£209,189	£565,345
NET REQUIREMENT	£1,553,962	£2,223,594	£2,047,976	£2,182,890
FINANCED BY:-				
RATE INCOME LEVIED BY THE BOARD:				
Occupiers Drainage Rates	293,825	306,129	306,106	
King's Lynn & West Norfolk Borough Council	1,672,677	1,744,502	1,744,502	
Fenland District Council	87,380	91,052	91,052	
South Holland District Council	21,472	22,374	22,374	
	£2,075,354	£2,164,057	£2,164,034	
LESS NET SURPLUS/(DEFICIT) FOR THE YEAR	521,392	(59,537)	116,058	
NET REQUIREMENT	£1,553,962	£2,223,594	£2,047,976	
GENERAL RESERVE				
Balance brought forward at 1 April	2,355,724	2,490,359	2,490,359	
ADD: Net Surplus/(Deficit) for the year	521,392	(59,537)	116,058	
Transfer to Reserves (as per Reserves Policy for 2010/11)	(386,757)	0	(2,060,695)	
Balance carried forward at 31 March	£2,490,359	£2,430,822	£545,722	

On preparing the estimates for the financial year 2009/10 it was estimated that total Reserves would amount to £2,765,408 as at 31 March 2009. The actual General Reserve as at 31 March 2009 was £2,490,359 (after transferring £386,757 to the Capital Works Reserve) and it is estimated that total Reserves will be in the region of £545,722 as at 31 March 2010 (after transferring £2,060,695 to Earmarked Reserves, as per the attached Policy for 2010/11).

**KING'S LYNN INTERNAL DRAINAGE BOARD
SECTION 37, LAND DRAINAGE ACT 1991**

2. DETERMINATION OF ANNUAL VALUES AS AT 31 DECEMBER 2009

The values at 31 December 2009 used for determining the proportion of expenses to be raised from drainage rates and special levies are as follows:-

PROPERTIES	LAND	MAIN AREA	PROPORTION	GRAVITY AREA	PROPORTION
	HA	VALUES £	%	VALUES £	
Agricultural Land and/or Buildings	31,464.465	3,994,319	14.193	138,909	10.901
Other Land:-					
King's Lynn & West Norfolk Borough Council	3,594.350	22,895,534	81.353	447,776	35.140
Fenland District Council	254.431	958,098	3.404	687,595	53.959
South Holland District Council	45.515	295,559	1.050	0	0.000
Totals	35,358.761	£28,143,510	100.000	£1,274,280	100.000

Agricultural Land and/or Buildings	31,464.465	3,994,319	14.193	138,909	10.901
Billing Authorities	3,894.296	24,149,191	85.807	1,135,371	89.099
Totals	35,358.761	£28,143,510	100.000	£1,274,280	100.000

SECTION 38, LAND DRAINAGE ACT 1991

**3. ORDER SUB-DIVIDING THE DRAINAGE DISTRICT
FOR THE PURPOSES OF RAISING EXPENSES**

PURPOSE OF RATE:	MAIN AREA	GRAVITY AREA	ESTIMATE	PROPORTION
	95.67% of RV £	4.33% of RV £	2010/11 £	2010/11 %
NEW WORKS AND IMPROVEMENT WORKS	858,000	0	£858,000	31.22%
A. CONTRIBUTIONS PAYABLE TO THE ENVIRONMENT AGENCY	145,885	6,605	£152,490	5.55%
MAINTENANCE WORKS	1,408,128	0	£1,408,128	51.24%
B. ADMINISTRATION AND OTHER EXPENSES	315,339	14,278	£329,617	11.99%
	2,727,352	20,883	2,748,235	100.00%
LESS:				
GOVERNMENT GRANTS	-226,600	0	-£226,600	8.25%
CONTRIBUTIONS FROM THE ENVIRONMENT AGENCY	-64,500	0	-£64,500	2.35%
OTHER INCOME	-274,245	0	-£274,245	9.98%
	-565,345	0	-565,345	20.57%
NET REQUIRED FROM DRAINAGE RATES/SPECIAL LEVIES	£2,162,007	£20,883	£2,182,890	79.43%

A. The Board's area is split into 2 Rating Districts: the main area and the gravity area. The gravity area is not served by the Board's drainage system, which forms part of the former Wingland and Gaywood IDBs now served by the Environment Agency (EA). This is why part of the precept payable to the EA is charged to the Gravity Rating District, which is calculated according to the proportion of aggregate Rateable Value.

B. Administration and Other Expenses are also charged to both of the 2 Rating Districts according to the proportion of aggregate Rateable Value.

**KING'S LYNN INTERNAL DRAINAGE BOARD
SECTION 40, LAND DRAINAGE ACT 1991**

4. DRAINAGE RATES/SPECIAL LEVIES FOR 2010/2011

MAIN AREA

The following table shows the rate/levies for last year and 3 rate/levy options for this year based on estimated net expenditure. Option 1 shows the actual rate requirement of 1.48%. Option 2 shows a rate increase of 4.20%, as per the indicative forecast made last year which equates to a 4.25% increase for KLBC - given the shift in their proportion of aggregate annual value arising from development during the course of the year. Option 3 shows a reduced increase of 0.00%. Option 3 is recommended although members attention is drawn to the 5 year indicative forecast shown overleaf, which incorporates the capital schemes included in the 20 year programme. Loans may need to be taken up to finance capital work in future.

	REQUIREMENT			
	2009-2010 ESTIMATED	2010-2011 OPTION 1	2010-2011 OPTION 2	2010-2011 OPTION 3
FINANCED BY:-	£	£	£	£
(Add)/Deduct for adjustment of Balances	71,201	0	(57,954)	31,543
RATES/LEVIES:				
Occupiers Drainage Rates	302,387	306,847	315,072	302,370
King's Lynn & West Norfolk Borough Council (KLBC)	1,732,439	1,758,853	1,806,000	1,733,192
Fenland District Council (FDC)	72,528	73,602	75,575	72,528
South Holland District Council (SHDC)	22,374	22,705	23,314	22,374
NET REQUIREMENT	£2,200,929	£2,162,007	£2,162,007	£2,162,007
Penny Rate in the Pound	7.570p	7.682p	7.888p	7.570p
Drainage Rate Increase/(Decrease)	4.20%	1.48%	4.20%	0.00%
Special Levy for KLBC Increase/(Decrease)	4.29%	1.52%	4.25%	0.04%
Special Levy for FDC Increase/(Decrease)	4.20%	1.48%	4.20%	0.00%
Special Levy for SHDC Increase/(Decrease)	4.20%	1.48%	4.20%	0.00%

GRAVITY AREA

The following table shows the rate/levies for last year and 3 rate/levy options for this year based on the estimated EA Precept charges. Option 1 shows the actual rate requirement of -39.17%. Option 2 shows a rate increase of 4.20%, as per the indicative forecast made last year. Option 3 shows a reduced increase of 0.00% and is recommended.

	REQUIREMENT			
	2009-2010 ESTIMATED	2010-2011 OPTION 1	2010-2011 OPTION 2	2010-2011 OPTION 3
FINANCED BY:-	£	£	£	£
(Add)/Deduct for adjustment of Balances	(11,664)	0	(14,886)	(13,446)
RATES/LEVIES:				
Occupiers Drainage Rates	3,742	2,277	3,899	3,742
King's Lynn & West Norfolk Borough Council (KLBC)	12,063	7,338	12,569	12,063
Fenland District Council (FDC)	18,524	11,268	19,301	18,524
NET REQUIREMENT	£22,665	£20,883	£20,883	£20,883
Penny Rate in the Pound	2.694p	1.639p	2.807p	2.694p
Drainage Rate Increase/(Decrease)	4.20%	(39.17)%	4.20%	0.00%
Special Levy for KLBC Increase/(Decrease)	4.22%	(39.17)%	4.19%	0.00%
Special Levy for FDC Increase/(Decrease)	4.22%	(39.17)%	4.19%	0.00%

	REQUIREMENT			
	2009-2010 ESTIMATED	2010-2011 OPTION 1	2010-2011 OPTION 2	2010-2011 OPTION 3
FINANCED BY:-	£	£	£	£
(Add)/Deduct for adjustment of Balances	59,537	0	(72,840)	18,097
RATES/LEVIES:				
Occupiers Drainage Rates	306,129	309,124	318,971	306,112
King's Lynn & West Norfolk Borough Council (KLBC)	1,744,502	1,766,191	1,818,569	1,745,255
Fenland District Council (FDC)	91,052	84,870	94,876	91,052
South Holland District Council (SHDC)	22,374	22,705	23,314	22,374
NET REQUIREMENT	£2,223,594	£2,182,890	£2,182,890	£2,182,890
Drainage Rate Increase/(Decrease) - Main Area	4.20%	1.48%	4.20%	0.00%
Drainage Rate Increase/(Decrease) - Gravity Area	4.20%	(39.17)%	4.20%	0.00%
Special Levy for KLBC Increase/(Decrease)	4.29%	1.24%	4.25%	0.04%
Special Levy for FDC Increase/(Decrease)	4.20%	(6.79)%	4.20%	0.00%
Special Levy for SHDC Increase/(Decrease)	4.20%	1.48%	4.20%	0.00%
Probable Reserve at 31 March	£2,694,207	£545,722	£603,676	£514,179
Reserve expressed as a percentage of Net Requirement	121.16%	25.00%	27.65%	23.55%

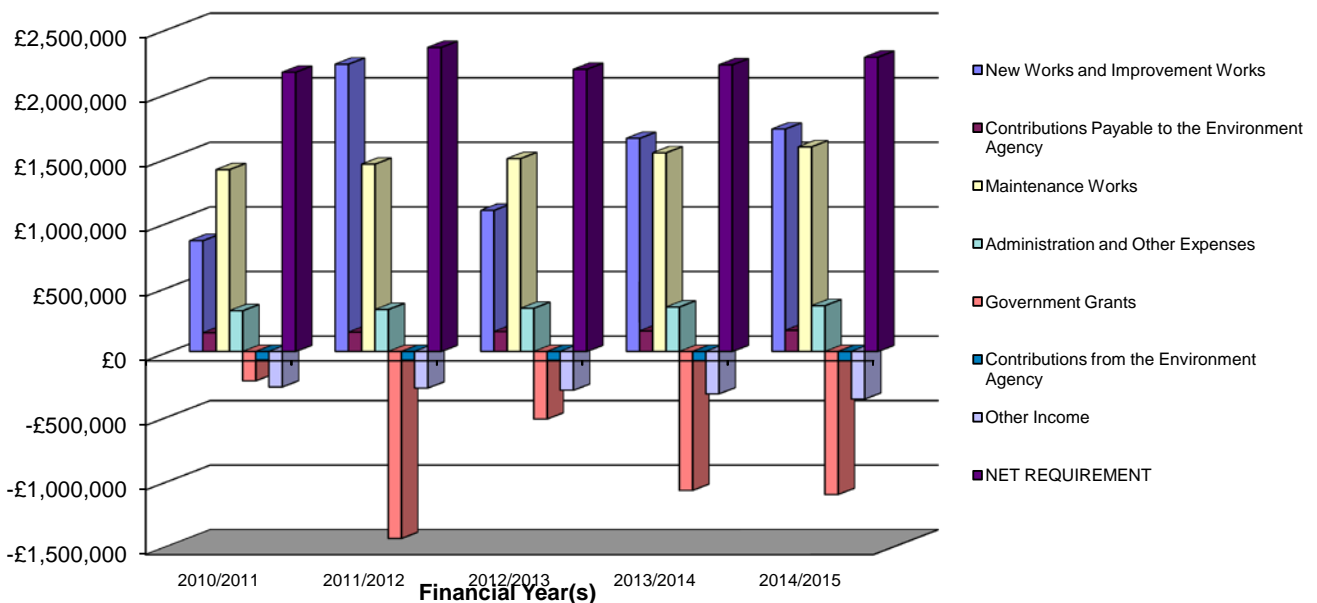
The current headline rate of inflation/(deflation) as indicated by the National Statistics Office in October 2009 is -0.8%.

KING'S LYNN INTERNAL DRAINAGE BOARD

**5. INDICATIVE FORECAST FOR FIVE YEARS, USING TODAY'S RATEABLE VALUES (ALLOWING FOR INFLATION AT 3%)
MAIN AREA**

RATE REQUIREMENT	OPTION 3 REQUIREMENT...				
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
	£	£	£	£	£
New Works and Improvement Works	858,000	2,224,800	1,092,727	1,650,018	1,722,028
Contributions Payable to the Environment Agency	145,885	150,262	154,769	159,412	164,195
Maintenance Works	1,408,128	1,450,372	1,493,883	1,538,699	1,584,860
Administration and Other Expenses	315,339	324,799	334,543	344,579	354,917
Government Grants	-226,600	-1,447,150	-523,024	-1,075,243	-1,106,375
Contributions from the Environment Agency	-64,500	-66,435	-68,428	-70,481	-72,595
Other Income	-274,245	-282,472	-299,675	-327,463	-368,562
NET REQUIREMENT	£2,162,007	£2,354,176	£2,184,795	£2,219,521	£2,278,468
FINANCED BY:-					
(Add)/Deduct for adjustment of Balances	31,543	181,216	(53,459)	(85,995)	(96,281)
RATES/LEVIES:					
Occupiers Drainage Rates	302,370	308,401	317,668	327,215	337,041
King's Lynn & West Norfolk Borough Council (KLBC)	1,733,192	1,767,764	1,820,882	1,875,602	1,931,925
Fenland District Council (FDC)	72,528	73,975	76,198	78,487	80,844
South Holland District Council (SHDC)	22,374	22,820	23,506	24,212	24,939
	£2,162,007	£2,354,176	£2,184,795	£2,219,521	£2,278,468
INCREASES/(DECREASES):					
Penny Rate in the Pound	7.570p	7.721p	7.953p	8.192p	8.438p
Rate Increase/(Decrease)	0.00%	2.00%	3.00%	3.00%	3.00%
GENERAL RESERVE:					
Probable Reserve at 31 March	£514,179	£332,963	£386,422	£472,417	£568,698
Reserve expressed as a percentage of Net Requirement	23.55%	14.14%	17.69%	21.28%	24.96%
AVERAGE RATE PER ACRE:					
Agricultural Land and/or Buildings	£3.89	£3.97	£4.09	£4.21	£4.33
Billing Authorities	£189.97	£193.76	£199.58	£205.58	£211.75
RATE PER PERSON:					
Agricultural Drainage Ratepayers	£183.25	£186.91	£192.53	£198.31	£204.27
King's Lynn & West Norfolk Borough Council	£8.67	£8.84	£9.10	£9.38	£9.66
Fenland District Council	£0.84	£0.85	£0.88	£0.91	£0.93
South Holland District Council	£0.29	£0.30	£0.31	£0.32	£0.33

Indicative Forecast of Rate Requirement



P J CAMAMILE
CHIEF EXECUTIVE
14 JANUARY 2010

**KING'S LYNN IDB
EARMARKED BALANCES AND RESERVES POLICY FOR 2010/11**

NOTE	RESERVES	MONITORED BY BOARD COMMITTEE	B/FWD AS AT 01/04/2009	PROBABLE MOVEMENT 2009/10	PROBABLE AS AT 31/03/2010
1.	Development Contributions Unapplied Reserve	Board	13,477	36,866	50,343
2.	Mobile Plant Reserve	Plant & Works	0	0	0
3.	Fixed Plant Reserve	Plant & Works	0	0	0
4.	IT Equipment Reserve	Board	0	0	0
5.	Precept Stabiliser Reserve	Board	0	0	0
6.	Capital Works Reserve	Plant & Works	386,757	0	386,757
7.	General Reserve	Board	2,490,359	116,058	2,606,417
8.	Revaluation Reserve	Board	398,600	0	398,600
	Total Reserves		£3,289,193	£152,924	£3,442,117

1. Development Contributions Unapplied Reserve

The purpose of this reserve is to reduce the impact on drainage rates from development that takes place in the area. The Board charges developers a standard rate per impermeable hectare for agricultural land which is developed and becomes a hard standing area, such as housing, roadways etc. The money is credited to this reserve and then used to reduce the gross cost of capital work needed to cater for the additional flows arising from such development. The income for this reserve therefore comes exclusively from developers and is used to benefit ratepayers and council tax payers by lower drainage rates/special levies. However this benefit is a double edged sword from the Councils' perspective – because they will have to pick up a greater proportion of the Board's expenditure arising from such development.

As can be noted from the above, we anticipate receiving more from developers than we applied from the reserve this year, which is unusual given the move away from direct discharge to SUDS as part of PPS25 (Sustainable Urban Drainage Systems - attenuated flows now being the preferred option). Hence it is anticipated that this reserve will reduce substantially in coming years; however the liability in terms of improvement work which will be needed to accommodate previous development will continue way beyond the life of this reserve and far exceed its value, hence the need for SUDS in the short term and hydrological modelling of our catchments in the medium term (this liability is estimated at being between £2.5m and £50m). We will have a more accurate estimate when the hydrological modelling programme has been completed.

2. Mobile Plant Renewals Reserve

The purpose of this provision is to reduce the impact on drainage rates as and when equipment is bought and sold, in accordance with the plant renewals programme. Depreciation is its primary source of income, which largely comes from drainage rates/special levies in the form of plant charges included within the maintenance budget, together with any profits on disposal. Changes in hourly charge out rates are determined by the Plant and Works Committee. Expenditure is determined by the Board, following recommendations arising from the Plant and Works Committee, although the Committee does have delegated authority to spend up to £15,000 without the Board's approval.

3. Fixed Plant Renewals Reserve

The purpose of this provision is to reduce the impact on drainage rates as and when pumping plant and gravity sluices are replaced, refurbished or improved, in accordance with the pumping station refurbishment programme and capital works programme. Deprecation is its primary source of income, which largely comes from drainage rates/special levies and is included in the maintenance budget under 'Pumping Stations Maintenance'. Expenditure is determined by the Board, following recommendations arising from the Plant and Works Committee.

It should be noted that no provision currently exists. This liability has been estimated at approximately £15m.

4. IT Equipment Reserve

The purpose of this reserve is to reduce the impact on drainage rates as and when computer hardware and software is replaced/developed periodically. However it is recommended that the Board do not start to build an IT Reserve, given that all of this type of expenditure is now financed through the WMA.

5. Precept Stabiliser Reserve

The purpose of this provision is to reduce the impact on drainage rates arising from the volatility of annual EA precept charges, which is totally beyond the Board's control. We are now about to enter the sixth year after the introduction of block grant funding from the centre and the basis for precept charges to be levied on IDBs in the EA Central Area has still not been agreed. It is therefore recommended to appropriate a sum from the General Reserve for this purpose.

6. Capital Works Reserve

This reserve largely represents the committed cost of capital schemes that the Board has approved in previous years, where suppliers have not actually invoiced for work either due to slippage or other issues with the contract. The advantage to the Board of committing scheme costs at the time contracts are awarded is that grant aid can be claimed in advance of incurring the expenditure and the year-end balance of the General/Emergency Reserve does not fluctuate significantly.

7. General/Emergency Reserve

The Appointed Auditor has previously indicated that the Board's level of General Reserve should not be less than 25% of net expenditure to pay for emergencies/contingent liabilities. This equates to £545,722 and it is recommended to re-appropriate the Board's Reserves as at 31 March 2010 for the purposes previously outlined as follows:

Development Reserve:	£885,295
Plant Renewals Reserve:	£1,562,500
Precept Stabiliser Reserve:	£50,000
General Reserve:	£545,722
Revaluation Reserve:	£398,600
Total Reserves:	£3,442,117

The Board should only ever consider reducing the General Reserve if assurances can be provided by central government or the Environment Agency that financial assistance will be forthcoming in the event of an emergency or a prolonged period of high rainfall. It is important to note that no financial assistance (Bellwin Scheme money) was received from DEFRA following the recent period of high rainfall. We also need to be quite clear as to what is meant by an 'emergency' and what the extent of the Board's role is in such an emergency. We also still need to quantify liabilities with regard to roads, bridges, culverts, urban pipelines, redundant infrastructure and sea defences.

It should also be remembered that balances can only be spent once. Any raid on our finances without a sustainable strategy of making drainage services more affordable would not be sensible. By working with other IDBs and Councils' we could collectively deliver a significant reduction in administration/support costs without compromising operational capability. The benefits of consortia can, to some extent be demonstrated by this year's budget and the 5 year Indicative forecast – but much more is possible. We also need to gain support from council taxpayers to pay for drainage services longer term, as central government inevitably reduces its support to Councils in Revenue Support Grant.

8. Revaluation Reserve

This reserve was created last year following clarification that the Board own an 80% share of Kettlewell House in King's Lynn (the WMA Central Office and KLIDB District Office). The property was re-valued in 2008 in accordance with the requirements of FRSSE 2007 (Financial Reporting Standard for Smaller Entities).

P J CAMAMILE
CHIEF EXECUTIVE

KING'S LYNN INTERNAL DRAINAGE BOARD ("the Board")
LAND DRAINAGE ACT 1991 ("the Act")
THE INTERNAL DRAINAGE BOARDS (FINANCE) REGULATIONS 1990 (as amended) ("the Regulations")
BOOK OF DRAINAGE RATES AND SPECIAL LEVIES FOR THE MAIN AREA

On the 26th day of January 2010 the Board resolved as follows:-

1. That in respect of the financial year ending 31st March 2011 the proportions of expenditure to be raised by drainage rates with regard to agricultural land and/or buildings and by special levies on local billing authorities are 14.19% and 85.81% respectively (OPTION 3).
2. That the proportions between the local billing authorities of the amount to be raised by special levies are as set out below, against the special levy for each local billing authority.
3. To make the drainage rates and special levies set out below and that the seal of the Board be affixed to those drainage rates and special levies.

	<u>DRAINAGE RATE</u>			<u>SPECIAL LEVIES</u>	
	p	p		£	%
New Works and Improvement Works	3.049		Fenland District Council	£72,528	3.404%
Contributions to the Environment Agency	0.518		King's Lynn & West Norfolk Borough Council	£1,733,192	81.353%
Maintenance Works	5.003		South Holland District Council	£22,374	1.050%
Administration and Other Expenses	1.120	9.690			
LESS:-					
Government Grants	0.805				
Contributions from the Environment Agency	0.229				
Other Income	0.974	2.008			
		7.682			
Add/(deduct) for adjustment of balances		(0.112)			
		7.570			

THE COMMON SEAL of the Board is affixed in the presence of:-

R W GROOM
CHAIRMAN

P J CAMAMILE
CHIEF EXECUTIVE OFFICER

CERTIFICATE

I certify as follows:-

1. That notice of the drainage rates and special levies was given on the 3rd February 2010 as required by section 48 of the Act and regulation 8(4) of the Regulations.
2. That the special levies were issued on the 26th day of January 2010.

P J CAMAMILE
CHIEF EXECUTIVE OFFICER

KING'S LYNN INTERNAL DRAINAGE BOARD ("the Board")
LAND DRAINAGE ACT 1991 ("the Act")
THE INTERNAL DRAINAGE BOARDS (FINANCE) REGULATIONS 1990 (as amended) ("the Regulations")
BOOK OF DRAINAGE RATES AND SPECIAL LEVIES FOR THE GRAVITY AREA

On the 26th day of January 2010 the Board resolved as follows:-

1. That in respect of the financial year ending 31st March 2011 the proportions of expenditure to be raised by drainage rates with regard to agricultural land and/or buildings and by special levies on local billing authorities are 10.90% and 89.10% respectively (OPTION 3).
2. That the proportions between the local billing authorities of the amount to be raised by special levies are as set out below, against the special levy for each local billing authority.
3. To make the drainage rates and special levies set out below and that the seal of the Board be affixed to those drainage rates and special levies.

	DRAINAGE RATE			SPECIAL LEVIES	
	p	p		£	%
New Works and Improvement Works	0.000		Fenland District Council	£18,524	53.959%
Contributions to the Environment Agency	0.518		King's Lynn & West Norfolk Borough Council	£12,063	35.140%
Maintenance Works	0.000				
Administration and Other Expenses	1.120	1.638			
LESS:-					
Government Grants	0.000				
Contributions from the Environment Agency	0.000				
Other Income	0.000	0.000			
		1.638			
Add/(deduct) for adjustment of balances		1.056			
		2.694			

THE COMMON SEAL of the Board is affixed in the presence of:-

R W GROOM
CHAIRMAN

P J CAMAMILE
CHIEF EXECUTIVE OFFICER

CERTIFICATE

I certify as follows:-

1. That notice of the drainage rates and special levies was given on the 3rd February 2010 as required by section 48 of the Act and regulation 8(4) of the Regulations.
2. That the special levies were issued on the 26th day of January 2010.

P J CAMAMILE
CHIEF EXECUTIVE OFFICER

**KINGS LYNN INTERNAL DRAINAGE BOARD (“the Board”)
LAND DRAINAGE ACT 1991 (“the Act”)**

DRAINAGE RATES AND SPECIAL LEVIES FOR 2010/11

AS REQUIRED by Section 48 of the Act, the Board gives notice as follows:-

1. On the 26 January 2010 the Board made:-

Main Area Drainage Rate of 7.570p in the pound (£)
Gravity Area Drainage Rate of 2.694p in the pound (£)

in respect of agricultural land and agricultural buildings in their district to raise **£306,112** of their expenditure for the financial year ending on the 31st March 2011.

2. Also on the 26 January 2010 the Board made a special levy of **£1,858,681** on:-

Main Area:

Kings Lynn and West Norfolk Borough Council	£1,733,192
Fenland District Council	£72,528
South Holland District Council	£22,374

Gravity Area:

King’s Lynn and West Norfolk Borough Council	£12,063
Fenland District Council	£18,524

to raise the balance of their expenditure for the same year.

Dated 2nd Day of February 2010

P J CAMAMILE
CHIEF EXECUTIVE

Kettlewell House, Austin Fields Industrial Estate,
KINGS LYNN, Norfolk PE30 1PH