



King's Lynn

Drainage Board

**RATE ESTIMATES
FOR THE FINANCIAL YEAR
2013/2014**

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

**KING'S LYNN IDB
RATE ESTIMATES FOR 2013/2014
TABLE OF CONTENTS**

Section	Page(s)
Executive Summary	1-2
Capital Works Programme (with notes)	3-4
Maintenance Programme (with notes)	5-7
Estimated Income and Expenditure for 2013-2014	8
Aggregate Assessable Values as at 31 December 2012	9
Rate Options for 2013-2014 (with recommendation)	10
Indicative 5 Year Forecast/Finance Strategy	11
Earmarked Balances and Reserves Policy	12-13



ESTIMATES 2013/14: EXECUTIVE SUMMARY

The Board is asked to approve the following recommendations:

1. Freeze the rate in the Main Area at 7.570p in the pound for 2013/14, 2014/15 and 2015/16, thereby matching the Borough Council's commitment to freeze Council Tax for the same 3 year period (Option 3). The affects of this have been shown in the 5-Year Indicative Forecast.
2. Reduce the rate in the Differentially Rated Area by 55.8% from 2.694p to 1.191p in the pound for 2013/14, giving an overall reduction in charges of £18,946 for 2013/14 (Option 3).
3. Hold the rate in the Differentially Rated Area at 1.191p in the pound for 2014/15 and 2015/16, thereby matching the Borough Council's commitment to freeze Council Tax for the same 3 year period. Again, the affects of this have been shown in the 5-Year Indicative Forecast.
4. Review the level of the Board's reserves in 3 year's time when setting the rate for 2016/17, after the major Improvement Schemes have been substantially completed; namely construction of the Middleton Stop Flood Storage Area, Islington Pumping Station and the Gaywood/North Lynn Link Scheme. We will also have a much clearer understanding of the Board's liability for bridges and other infrastructure at this time.

Overview

1. Our success is inevitably measured by what does not happen rather than what does happen, which means that if flooding does not occur frequently the value of what we do is sometimes questioned (particularly the level of reserves that we hold). But it is precisely because we continually maintain, improve and watch over the drainage system that we are actually able to reduce the risk of flooding. This has been clearly demonstrated during the recent period of high rainfall, which just so happens to coincide with the 60th anniversary of the 1953 Floods. A timely reminder of the vital work that IDBs do!
2. The importance of having adequate reserves is therefore crucial; so that we can protect our ratepayers and constituent Councils - by not having to pass on huge increases in expenditure caused by periods of high rainfall and the cyclical routine refurbishment of fixed plant. The latter is distinctly different to capital works (or infrastructure improvements), which are funded from a combination of sources that include long term debt, development contributions and proactive cost reduction measures. The purpose of each of the Board's Reserves is explained in the Earmarked Balances and Reserves Policy.
3. Reserves will reduce significantly over the next 3 years because the Board expects to deliver the Middleton Stop Flood Storage Area, Gaywood/North Lynn Link Scheme and build the new Islington Pumping Station.



ESTIMATES 2013/14: EXECUTIVE SUMMARY

4. The alternative to holding adequate reserves would mean that we have to pass on huge increases in expenditure from one year to the next or borrow money to fund maintenance work (which includes the cyclical routine refurbishment of fixed plant). To do the latter would be tantamount to an act of lunacy, given the level of crippling debt that is currently besetting the country. Furthermore both the Chief Executive and Deputy Chief Executive of the King's Lynn Borough Council would prefer a stable special levy charge, rather than a return to the days of volatility. If we reduced the charges significantly this year, there is no guarantee that we would not need to significantly increase the charges back to the current level in future years.

5. From discussions with the Chief Executive and Deputy Chief Executive of the Borough Council it is understood that the Borough would therefore support a rate freeze for another 3 year period, given that the Council has committed to do the same with Council Tax over the same 3 year period. This course of action is recommended.

P J CAMAMILE
CHIEF EXECUTIVE

**KING'S LYNN INTERNAL DRAINAGE BOARD
NEW AND IMPROVEMENT WORKS
ROLLING 5-YEAR INDICATIVE CAPITAL PROGRAMME**

NOTE	IMPROVEMENT SCHEME	RESPONSIBLE OFFICER	ACTUAL 2011/12 £	ESTIMATE 2012/13 £	PROBABLE 2012/13 £	ESTIMATE 2013/14 £	ESTIMATE 2014/15 £	ESTIMATE 2015/16 £	ESTIMATE 2016/17 £	ESTIMATE 2017/18 £
1	(+) Studies and Investigations	George Dann								
	Billy Kerkham - Structural Investigation		0	0	0	0	0	0	0	15,000
	Catchment Modelling Programme - Year 2 of 5 (now 4)		0	125,000	131,000	110,000	125,000	125,000	0	0
	Chalk Lane Sluice - Structural Investigation		0	0	0	0	0	15,000	0	0
	Crabbs Abbey Old Station - Structural Investigation		0	0	0	0	0	0	0	15,000
	Cut Bridge Sluice - Structural Investigation		0	0	0	0	0	0	5,000	0
	Gaywood River - Millfleet Tilting Gate Condition Investigation		0	0	0	0	0	0	5,000	0
	Ingleborough Pumping Station - Structural Investigation		0	0	0	15,000	0	0	0	0
	Knowles Sluice - Structural Investigation		0	0	0	0	5,000	0	0	0
	Lighthouse Sluice - Structural Investigation		0	0	0	0	0	12,500	0	0
	Magdalen Bridge Outfall - Structural Investigation		0	0	0	0	0	0	0	10,000
	Main Sluice - Structural Investigation		0	0	0	10,000	0	0	0	0
	Merries Farm Sluice - Structural Investigation		0	0	0	5,000	0	0	0	0
	Middleton Stop Flood Storage Area		8,384	0	20,000	0	0	0	0	0
	Middleton Stop Drain (adj.Sydney St.) - Structural Investigation		0	0	0	15,000	0	0	0	0
	Pierrepoint Pumping Station - Structural Investigation		0	0	0	0	0	10,000	0	0
	Searles Outfall - Structural Investigation		0	0	0	0	0	0	0	8,000
	Telemetry Review		0	30,000	20,000	0	0	0	0	0
	West Lynn Sluice - Structural Investigation		0	0	0	0	15,000	0	0	0
	Wolferton Pumping Station - Structural Investigation		0	0	0	0	30,000	0	0	0
	Studies and Investigations		8,384	155,000	171,000	155,000	175,000	162,500	10,000	48,000
	(+) Scheme Design, Planning & Preliminaries	George Dann								
2	Gaywood/North Lynn Link Scheme		0	0	5,000	100,000	0	0	0	0
3	Goulds Culvert Improvement		0	0	0	10,000	0	0	0	0
	Identified works from Catchment Modelling		0	0	0	0	0	30,000	40,000	50,000
	Islington Pumping Station - Investigation and Design		0	75,000	0	135,000	15,000	0	0	0
	Smeeth Lode Strategy Update		2,272	0	0	0	0	0	0	0
	Straight Mile Improvements		1,224	0	8,056	0	0	0	0	0
	Scheme Design, Planning & Preliminaries		3,496	75,000	13,056	245,000	15,000	30,000	40,000	50,000
	(+) Delivery of New and Improvement Works	Mel Neale								
	Church Farm Pumping Station Improvement	(Acting Project	29,851	40,000	330,000	11,000	0	0	0	0
	Crabbe's Abbey Pumping Station - Inlet Refurbishment	Manager for	0	900	0	0	0	0	0	0
	Gaywood/North Lynn Link Scheme	2013/14)	0	0	0	0	1,500,000	62,000	0	0
	Goulds Culvert Improvement		0	0	0	0	200,000	5,000	0	0
	Identified works from Catchment Modelling		0	0	0	0	0	85,000	300,000	255,000
4	Islington Pumping Station - Construction		0	0	0	0	2,100,000	3,000,000	600,000	100,000
5	Middleton Stop Flood Storage Area		0	250,000	40,000	560,000	8,000	0	0	0
	Middleton Stop Pump Refurbishment - Phase 1 (replace culvert)		45,776	2,400	2,500	0	0	0	0	0
	Middleton Stop Pump Refurbishment - Phase 2 (Pumps refurb.)		52,196	1,500	5,000	0	0	0	0	0
6	New Cut for improved access (Docks complex pipeline bypass)		0	0	0	22,000	0	0	0	0
	North Wootton Pumping Station - Pump refurbishment		55,796	0	0	0	0	0	0	0
	North Wootton Pumping Station - Outfall refurbishment		10,810	900	1,901	0	0	0	0	0
	Pierrepoint Pumping Station - Duty pumps Refurbishment		11,477	0	0	0	0	0	0	0
	Small Schemes		9,857	20,000	2,000	0	0	0	0	0

**KING'S LYNN INTERNAL DRAINAGE BOARD
NEW AND IMPROVEMENT WORKS
ROLLING 5-YEAR INDICATIVE CAPITAL PROGRAMME**

NOTE	IMPROVEMENT SCHEME	RESPONSIBLE OFFICER	ACTUAL 2011/12 £	ESTIMATE 2012/13 £	PROBABLE 2012/13 £	ESTIMATE 2013/14 £	ESTIMATE 2014/15 £	ESTIMATE 2015/16 £	ESTIMATE 2016/17 £	ESTIMATE 2017/18 £
	Smeeth Lode Environmental Improvements		10,111	0	2,704	0	0	0	0	0
	Smeeth Lode Improvement: Pond 1, Drain 6		3,883	0	0	0	0	0	0	0
	Smeeth Lode Improvement: Pond 2, Drain S1		2,160	0	0	0	0	0	0	0
	Delivery of New and Improvement Works		231,917	315,700	384,105	593,000	3,808,000	3,152,000	900,000	355,000
	(=) GROSS COST OF CAPITAL PROGRAMME		£243,797	£545,700	£568,161	£993,000	£3,998,000	£3,344,500	£950,000	£453,000
	(-) CAPITAL FINANCING	Phil Camamile								
	Capital Works Reserve		0	422,503	422,503	0	0	0	0	0
	Fixed Plant Reserve		0	0	0	0	0	0	0	0
	Development Contributions Reserve		0	0	0	0	0	0	0	0
	Capital Receipts Reserve		0	0	0	0	0	0	0	0
4	Long Term Debt (Public Works Loan Board)		0	0	0	0	1,155,000	1,650,000	330,000	55,000
4	Capital Grant Applied		105,110	1,755	9,704	0	945,000	1,350,000	270,000	45,000
	(-) CAPITAL FINANCING		£105,110	£424,258	£432,207	£0	£2,100,000	£3,000,000	£600,000	£100,000
	(=) NET ANNUAL CONTRIBUTION TO CAPITAL OUTLAY		£138,687	£121,442	£135,954	£993,000	£1,898,000	£344,500	£350,000	£353,000

- 1 Pumping Station and Sluice Structural Investigations follow from the Board's Visual Asset Inspections, and the indicative costs shown here are based on the relative sizes of the assets, as well as Officers' assessments of the number and detail of investigations that will need to be undertaken given their respective present conditions. The investigations are likely to result in further works, but whether these are maintenance or improvement works, and the likely costs, will only be known following the investigations.
- 2 Completion of the design of the link pumping station and outlet structures from Gaywood River, purchase of land and easements for the pumping station/rising main, planning application fees.
- 3 Due to its extremely small size relative to the drains, at the current time Goulds Culvert poses a significant obstruction to flows at the junction of Middleton Stop and Pierpoint Drains. This has been highlighted on a number of occasions when there has been heavy rainfall/high flows, and it was again a problem area in December 2012. This money would allow a site survey to be carried out, investigations into the locations and depths of existing services (there are believed to be a number of these), additional modelling work to look at the impacts of replacing the culvert, and a design to be prepared for a new bridge/culvert.
- 4 Islington Pumping Station Replacement will only take place with grant aid and a Public Works Loan. Attempts to secure grant on all schemes will be made in line with Board policy, but for the purposes of budgeting it has been assumed that no grant will be available on all other schemes.
- 5 The design of this scheme will be finalised and a planning application submitted during 2012/13, and hopefully a deposit paid for the purchase of the land. The purchase will then be completed and the scheme undertaken in 2013/14.
- 6 In 2012 Officers received a complaint about the drainage of part of the Docks' complex in King's Lynn. While it is believed that the immediate problem was due to the condition of on-site systems, the first 140 metres of drain downstream of the outfall can only be maintained by hand, due to development on both sides, and there is then a 150 metre long pipeline. In order to provide a better outfall for this area, Officers feel that a new open drain could be constructed around the existing development, which would allow machine maintenance in the future. This money is intended to investigate and design a suitable scheme, obtain all necessary approvals, including buying the land, and then construct the drain.

P J CAMAMILE
CHIEF EXECUTIVE

G R DANN
PLANNING/ENFORCEMENT OFFICER

**KING'S LYNN INTERNAL DRAINAGE BOARD
MAINTENANCE WORK ESTIMATE FOR THE FINANCIAL YEAR 2013/2014**

NOTES MAINTENANCE WORK	Actual 2011/12 £	Estimate 2012/13 £	Probable 2012/13 £	Estimate 2013/14 £
1. DRAIN MAINTENANCE				
Wiggenhall St German Catchment	1,759	2,400	2,420	1,800
Fitton Road Area Catchment	3,460	4,050	4,004	4,300
Waltham Farm Catchment	2,790	5,250	4,887	5,200
Mary Magdalen Catchment	1,934	3,000	2,790	2,100
Magdalen Catchment	15,311	14,500	13,992	14,600
Lighthouse Catchment	18,743	18,355	16,866	17,300
Main Sluice Catchment	35,033	35,900	35,622	38,000
Chalk Lane Catchment	18,438	20,800	17,063	16,250
Ingleborough Catchment	4,916	5,850	4,894	5,500
Searles Catchment	3,396	3,400	2,921	3,400
Heacham Catchment	5,701	4,950	4,850	4,600
Wolferton Catchment	42,694	36,400	33,494	32,000
North Wootton Catchment	8,210	9,300	14,145	15,000
Wootton Marsh Catchment	1,546	2,000	1,747	900
South Wootton Catchment	4,991	3,500	2,551	2,750
North Lynn Catchment	8,203	8,600	8,405	8,800
Black/Bawsey Drains Catchment	25,771	24,000	22,239	23,400
Gaywood Catchment	42,226	50,500	47,932	46,000
Middleton Pierpoint Catchment	39,418	48,000	40,125	47,500
Middleton Level Catchment	8,972	8,000	8,027	7,500
Eau Brink Catchment	8,683	8,300	7,618	8,300
Green Bank Catchment	67,880	62,200	60,718	60,500
Billy Kerkham Sluice Catchment	16,557	15,800	15,058	13,500
West Lynn Sluice Catchment	30,897	29,250	24,487	25,500
Cut Bridge Sluice Catchment	163	520	515	400
Merries Sluice Catchment	2,766	2,100	2,046	1,800
Knowles Sluice Catchment	1,758	1,850	1,874	1,800
Smeeth Lode Outfall	4,513	2,500	2,157	2,300
Islington Pump Catchment	98,439	118,750	116,085	121,000
Reeds Drain Catchment	54,383	51,000	47,709	51,000
Rainbow Drain	0	2,100	2,084	450
Church Farm Catchment	1,612	0	1,607	7,000
	581,163	603,125	570,932	590,450
2. OUTFALL MAINTENANCE				
Lighthouse Outfall	502	600	1,116	1,049
Main Sluice Outfall	974	1,100	1,409	1,349
Chalk Lane Outfall	1,223	2,200	1,896	1,699
Searles Outfall	704	1,250	1,148	450
Bawsey Drain Outfall	2,681	2,900	2,316	3,550
Millfleet Sluice Outfall	2,571	2,500	2,382	1,750
Billy Kerkham Sluice	1,838	3,700	2,688	2,049
West Lynn Outfall	306	450	400	200
Cut Bridge Outfall	28	350	278	250
Merries Farm Outfall	0	300	250	200
Knowles Outfall	0	300	250	200
Straight Mile Outfall	251	250	250	3,700
	11,078	15,900	14,383	16,446
3. PUMPING STATION MAINTENANCE				
Waltham Farm Pumping Station	838	61,720	28,316	2,399
Crabbes Abbey Pumping Station	9,221	56,682	56,397	12,199
Ingleborough Pumping Station	726	87,745	39,049	3,299
Wolferton Pumping Station	11,735	24,082	27,457	22,599
North Wootton Pumping Station	3,892	12,432	7,043	6,199

**KING'S LYNN INTERNAL DRAINAGE BOARD
MAINTENANCE WORK ESTIMATE FOR THE FINANCIAL YEAR 2013/2014**

NOTES	MAINTENANCE WORK	Actual 2011/12 £	Estimate 2012/13 £	Probable 2012/13 £	Estimate 2013/14 £
	North Lynn Pumping Station	4,222	40,932	41,832	13,449
	Pierrepoint Pumping Station	10,196	24,782	28,035	26,299
	Middleton Fen Pumping Station	3,353	10,433	8,258	2,799
	Eau Brink Pumping Station	5,009	12,332	10,143	5,899
	Green Bank Pumping Station	9,407	17,932	13,176	12,199
	Islington Pumping Station	17,195	16,682	24,240	17,299
	Church Farm Pumping Station	1,124	28,432	19,187	28,999
	King's Reach Pumping Station	535	9,670	2,589	4,799
		77,453	403,856	305,722	158,437
4.	PROPERTY MAINTENANCE				
	Islington Depot	30,406	32,500	32,950	32,500
	Islington House	1,503	2,550	2,298	6,500
	Wolferton Property	102	1,000	1,000	1,500
	Gravel Bank Bungalow	1,565	300	2,163	700
	Pierrepoint Depot	8,315	5,600	5,616	3,000
	Reffley Reservoir	758	1,450	1,246	750
	Morrisons Culvert	575	2,700	1,956	2,500
	Gravel Bank Museum	0	350	350	5,000
	Goulds Culvert	264	2,400	1,267	1,650
	Wootton Road Culvert	363	2,250	139	850
	Banks	0	0	0	0
	King's Reach Flood Storage Area	2,953	3,650	1,077	1,100
	Smeeth Lode Storage Area	55,328	1,350	518	300
	Bridges	92	6,000	1,071	0
		102,224	62,100	51,651	56,350
	DIRECT WORKS	£771,918	£1,084,981	£942,688	£821,683
	COST ANALYSIS:				
	Plant Charges	204,932	244,755	250,000	218,950
	Labour Charges	418,351	428,020	447,579	413,350
	Materials	11,284	7,900	13,282	20,700
	Contractors	35,345	276,300	77,996	31,650
	Electricity	32,878	115,100	135,850	120,850
	Pumping Station Insurance	1,788	2,210	3,034	2,600
	Telemetry	12,340	10,696	14,947	13,583
	Impairment Charges	55,000	0	0	0
		£771,918	£1,084,981	£942,688	£821,683

NOTES

1. Drain Maintenance

Following a good 2011/12 maintenance season 2012/13 has been a very different story with our men and machines under a lot of pressure due to the weather once the harvest period started, however, with the improvements we have made to access and the good communication we enjoy with most of our landowners we have been able to stay on schedule with the regular maintenance work, as a result we should finish on time. As we all know, after the Board's so called summer inspection we have encountered some of the wettest weather for many years, as a result we will doubtless encounter a lot of bank slippage due to the raised water levels, this will, as a result, involve a lot of repair works and is likely to carry over into the next financial year, even so you will see a slight decrease on the drain maintenance budget, as after careful consideration we have been able to increase the budget in the area's that will be most affected but reduce the budget in the areas that will be under spent this year.

2. Outfall Maintenance

Outfall Maintenance has gone pretty much to plan this financial year, however you will see a small increase for 2013/14

**KING'S LYNN INTERNAL DRAINAGE BOARD
 MAINTENANCE WORK ESTIMATE FOR THE FINANCIAL YEAR 2013/2014**

NOTES MAINTENANCE WORK	Actual 2011/12 £	Estimate 2012/13 £	Probable 2012/13 £	Estimate 2013/14 £
-------------------------------	---------------------------------	-----------------------------------	-----------------------------------	-----------------------------------

as there will be some small maintenance issues to clear up this next financial year. The regular grasscutting and weed removal within compounds and around the penstock areas will have to be continued for Health and safety reasons, as will the clearing and removal from site of weed from weedscreen's.

3. Pumping Station Maintenance

Once again the Pumping Station maintenance budget will be under spent for the current year, It goes without saying that most of the underspend will be as a result of the savings made on the pump and pumping station refurbishment programme, which was transferred from the Capital Works budget to my Maintenance budget last year. Also I would like to point out that our electricity costs could change dramatically if the current weather continues, for this reason calculating 2012/13 outturns has been very difficult. There will be a dramatic reduction to the pumping station budgets for 2013/14 due to the completion of the pump and pumping station refurbishment programme.

4. Property Maintenance

There will be a slight increase in the budget for the Property maintenance as I have included a small budget sum for some repairs to the roof at Gravel Bank, also a small increase to allow for larger heating bills at the Boards property at Islington pumping station. Otherwise the property budget is running to plan for 2012/13.

G M HOWE
OPERATIONS MANAGER

**KING'S LYNN INTERNAL DRAINAGE BOARD
ESTIMATES FOR THE FINANCIAL YEAR 2013/14**

06 January 2013

1. RATE REQUIREMENT

	ACTUAL 2011/12	ESTIMATE 2012/13	PROBABLE 2012/13	ESTIMATE 2013/14
	£	£	£	£
<u>NEW WORKS AND IMPROVEMENT WORKS</u>				
Studies and Investigations	8,384	155,000	171,000	155,000
Scheme Design, Planning and Preliminaries	3,496	75,000	13,056	245,000
Delivery of New and Improvement Works	231,917	315,700	384,105	593,000
	243,797	545,700	568,161	993,000
<u>CONTRIBUTIONS PAYABLE TO THE ENVIRONMENT AGENCY</u>				
Annual Precept Payable to the Environment Agency	152,490	152,490	152,490	152,490
	152,490	152,490	152,490	152,490
<u>MAINTENANCE WORKS</u>				
Direct Works	771,918	1,084,981	942,688	821,683
Loan Interest	782	0	0	0
Annual reinstatement provision (Asset Management Plan)	0	0	0	300,000
Net (Surplus)/Deficit on Absorption Accounts	33,447	0	0	0
Consortium Charges (Technical Support Costs)	174,735	179,230	172,726	166,536
Biodiversity Actions/BAP	1,667	11,167	3,887	11,167
Contingency	0	0	0	0
	982,549	1,275,378	1,119,301	1,299,386
<u>ADMINISTRATION AND OTHER EXPENSES</u>				
Consortium Charges	262,456	191,357	184,211	186,673
Provision for Assessable Value Decreases and Bad Debts	269	3,000	3,900	3,000
Office Depreciation Charges	7,972	7,972	7,972	7,972
Sundry Debtors written off	0	350	0	350
	270,697	202,679	196,083	197,995
TOTAL EXPENDITURE	£1,649,533	£2,176,247	£2,036,035	£2,642,871
<u>LESS:</u>				
<u>GOVERNMENT GRANTS</u>				
Schemes at 45%	94,999	1,755	2,704	0
Schemes at 100%	10,111	0	7,000	0
	105,110	1,755	9,704	0
<u>CONTRIBUTIONS FROM THE ENVIRONMENT AGENCY</u>				
Highland Water Contributions	44,196	45,000	45,663	45,000
<u>OTHER INCOME</u>				
Development Contributions	319,197	0	112,000	0
Rents and Acknowledgements	2,441	3,200	4,461	3,200
Investment Interest	51,318	15,000	30,636	25,000
Sundry Income	22,947	1,500	29,965	1,500
Profit/(Loss) on Disposal of Plant & Equipment	-800	0	21,594	0
Profit/(Loss) on Rechargeable Works	5,120	0	565	0
	400,223	19,700	199,221	29,700
TOTAL INCOME	£549,529	£66,455	£254,588	£74,700
NET REQUIREMENT	£1,100,004	£2,109,792	£1,781,447	£2,568,171
<u>FINANCED BY:-</u>				
<u>RATE INCOME LEVIED BY THE BOARD:</u>				
Occupiers Drainage Rates	305,632	305,710	305,676	
King's Lynn & West Norfolk Borough Council	1,746,295	1,746,742	1,746,742	
Fenland District Council	91,052	91,052	91,052	
South Holland District Council	22,374	22,374	22,374	
	£2,165,353	£2,165,878	£2,165,844	
LESS NET SURPLUS/(DEFICIT) FOR THE YEAR	1,065,349	56,086	384,397	
NET REQUIREMENT	£1,100,004	£2,109,792	£1,781,447	
<u>GENERAL RESERVE</u>				
Balance brought forward at 1 April	826,223	1,891,572	1,891,572	
ADD: Net Surplus/(Deficit) for the year	1,065,349	56,086	384,397	
Movement on Balances/Reserves:				
Public Work Loans (Improvement Works, net of Grant Aid)	0	0	0	
Transfer from/(to) Development Reserve	0	0	(112,000)	
Transfer from/(to) Fixed Plant Reserve	0	0	0	
Transfer from/(to) Mobile Plant Reserve	0	0	0	
Transfer from/(to) Capital Works Reserve	0	422,503	422,503	
Balance carried forward at 31 March	£1,891,572	£2,370,161	£2,586,472	

On preparing the estimates for the financial year 2012/13 it was estimated that the General Reserve would amount to £950,074 as at 31 March 2012. The actual balance of the General Reserve as at 31 March 2012 was £1,891,572 and it is estimated that the General Reserve will be in the region of £2,586,472 as at 31 March 2013.

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

2. DETERMINATION OF ANNUAL VALUES AS AT 31 DECEMBER 2012

The values at 31 December 2012 used for determining the proportion of expenses to be raised from drainage rates and special levies are as follows:-

PROPERTIES	LAND	MAIN AREA	PROPORTION	DRO AREA	PROPORTION
	HA	VALUES £	%	VALUES £	%
Agricultural Land and/or Buildings	31,452.693	3,988,720	14.162	138,919	10.902
Other Land:-					
King's Lynn & West Norfolk Borough Council	3,611.592	22,921,823	81.386	447,776	35.140
Fenland District Council	254.431	958,098	3.402	687,585	53.959
South Holland District Council	45.515	295,559	1.049	0	0.000
Totals	35,364.231	£28,164,200	100.000	£1,274,280	100.000

Agricultural Land and/or Buildings	31,452.693	3,988,720	14.162	138,919	10.902
Billing Authorities	3,911.538	24,175,480	85.838	1,135,361	89.098
Totals	35,364.231	£28,164,200	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:	<u>MAIN AREA</u>	<u>DRO AREA</u>	ESTIMATE	PROPORTION
	<u>95.67% of RV</u>	<u>4.33% of RV</u>	2013/14	2013/14
	£	£	£	%
NEW WORKS AND IMPROVEMENT WORKS	993,000	0	£993,000	37.57%
A. CONTRIBUTIONS PAYABLE TO THE ENVIRONMENT AGENCY	145,889	6,601	£152,490	5.77%
MAINTENANCE WORKS	1,299,386	0	£1,299,386	49.17%
B. ADMINISTRATION AND OTHER EXPENSES	189,425	8,570	£197,995	7.49%
	2,627,700	15,171	2,642,871	100.00%
LESS:				
GOVERNMENT GRANTS	0	0	£0	0.00%
CONTRIBUTIONS FROM THE ENVIRONMENT AGENCY	-45,000	0	-£45,000	1.70%
OTHER INCOME	-29,700	0	-£29,700	1.12%
	-74,700	0	-74,700	2.83%
NET REQUIRED FROM DRAINAGE RATES/SPECIAL LEVIES	£2,553,000	£15,171	£2,568,171	97.17%

A. The Board's area is split into 2 Rating Districts: the Main Area and the Differentially Rated area. The Differentially Rated 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 Differentially Rated 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 2013/2014

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/(reduction) of 19.75%. Option 2 shows the decrease requested by some of the appointed members, which equates to a 9.97% decrease 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 rate freeze of 0.00%. Option 3 is recommended and members attention is drawn to the 5 year indicative forecast shown overleaf, which includes the capital schemes we plan to do during this period.

	REQUIREMENT			
	2012-2013 ESTIMATED	2013-2014 OPTION 1	2013-2014 OPTION 2	2013-2014 OPTION 3
FINANCED BY:-	£	£	£	£
(Add)/Deduct for adjustment of Balances	(37,134)	0	634,174	420,970
RATES/LEVIES:				
Occupiers Drainage Rates	301,968	361,565	271,751	301,946
King's Lynn & West Norfolk Borough Council (KLBC)	1,734,679	2,077,794	1,561,664	1,735,182
Fenland District Council (FDC)	72,528	86,849	65,275	72,528
South Holland District Council (SHDC)	22,374	26,792	20,136	22,374
NET REQUIREMENT	£2,094,415	£2,553,000	£2,553,000	£2,553,000
Penny Rate in the Pound	7.570p	9.065p	6.813p	7.570p
Drainage Rate Increase/(Decrease)	0.00%	19.75%	(10.00)%	0.00%
Special Levy for KLBC Increase/(Decrease)	0.00%	19.78%	(9.97)%	0.03%
Special Levy for FDC Increase/(Decrease)	0.00%	19.75%	(10.00)%	0.00%
Special Levy for SHDC Increase/(Decrease)	0.00%	19.75%	(10.00)%	0.00%

DIFFERENTIALLY RATED 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/(reduction) of -55.81%. Options 2 and 3 show the decrease requested by some of the appointed members (-55.80%). Option 3 is recommended.

	REQUIREMENT			
	2012-2013 ESTIMATED	2013-2014 OPTION 1	2013-2014 OPTION 2	2013-2014 OPTION 3
FINANCED BY:-	£	£	£	£
(Add)/Deduct for adjustment of Balances	(18,952)	0	(6)	(6)
RATES/LEVIES:				
Occupiers Drainage Rates	3,742	1,654	1,655	1,655
King's Lynn & West Norfolk Borough Council (KLBC)	12,063	5,331	5,333	5,333
Fenland District Council (FDC)	18,524	8,186	8,189	8,189
NET REQUIREMENT	£15,377	£15,171	£15,171	£15,171
Penny Rate in the Pound	2.694p	1.191p	1.191p	1.191p
Drainage Rate Increase/(Decrease)	0.00%	(55.81)%	(55.80)%	(55.80)%
Special Levy for KLBC Increase/(Decrease)	0.00%	(55.81)%	(55.79)%	(55.79)%
Special Levy for FDC Increase/(Decrease)	0.00%	(55.81)%	(55.79)%	(55.79)%

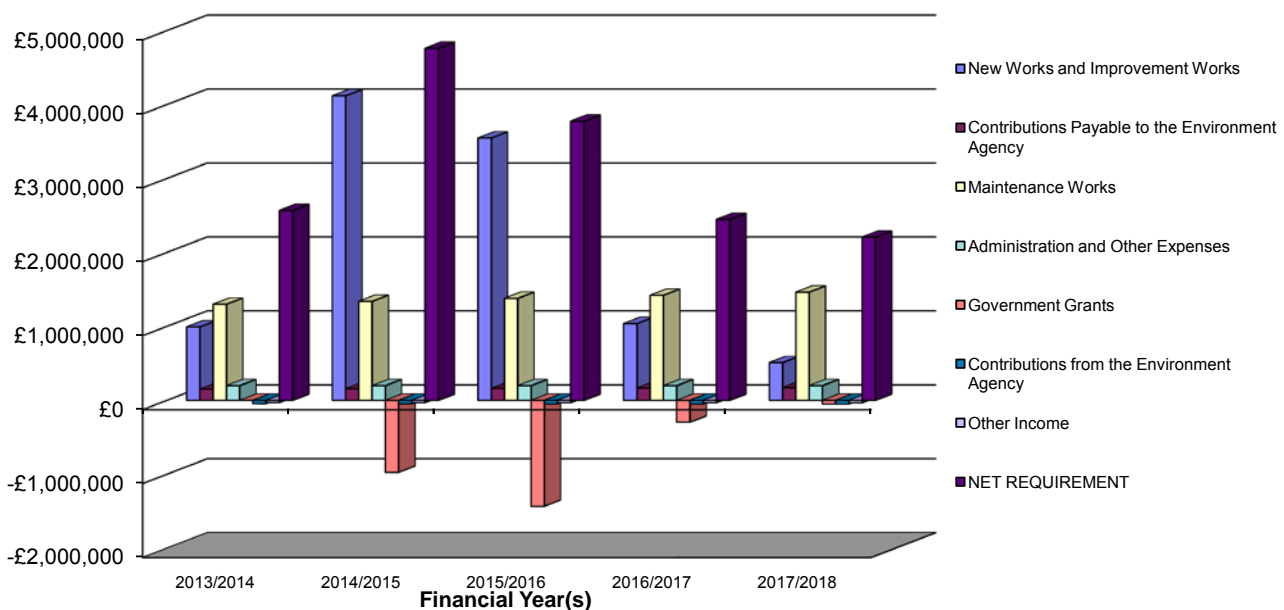
	REQUIREMENT			
	2012-2013 ESTIMATED	2013-2014 OPTION 1	2013-2014 OPTION 2	2013-2014 OPTION 3
FINANCED BY:-	£	£	£	£
Public Work Loans (Improvement Works, net of Grant Aid)	0	0	0	0
Development Reserve	0	0	0	0
Fixed Plant Reserve	0	0	0	0
Mobile Plant Reserve	0	0	0	0
Capital Works Reserve	422,503	0	0	0
General Reserve	274,941	0	634,168	420,964
(Increase)/Decrease in Balances	(56,086)	0	634,168	420,964
RATES/LEVIES:				
Occupiers Drainage Rates	305,710	363,219	273,406	303,601
King's Lynn & West Norfolk Borough Council (KLBC)	1,746,742	2,083,125	1,566,997	1,740,515
Fenland District Council (FDC)	91,052	95,035	73,464	80,717
South Holland District Council (SHDC)	22,374	26,792	20,136	22,374
NET REQUIREMENT	£2,109,792	£2,568,171	£2,568,171	£2,568,171
Drainage Rate Increase/(Decrease) - Main Area	0.00%	19.75%	(10.00)%	0.00%
Drainage Rate Increase/(Decrease) - Differentially Rated Area	0.00%	(55.81)%	(55.80)%	(55.80)%
Special Levy for KLBC Increase/(Decrease)	0.00%	19.26%	(10.29)%	(0.36)%
Special Levy for FDC Increase/(Decrease)	0.00%	4.37%	(19.32)%	(11.35)%
Special Levy for SHDC Increase/(Decrease)	0.00%	19.75%	(10.00)%	0.00%
GENERAL RESERVE:				
Probable Reserve at 31 March	£1,428,663	£2,586,472	£1,952,304	£2,165,508
Reserve expressed as a percentage of Net Requirement	67.72%	100.71%	76.02%	84.32%

The current headline rate of inflation as indicated by the National Statistics Office in October 2012 is 3.20%.

KING'S LYNN INTERNAL DRAINAGE BOARD
5. INDICATIVE FORECAST FOR FIVE YEARS, USING TODAY'S RATEABLE VALUES (ALLOWING FOR INFLATION AT 3%)

RATE REQUIREMENT	OPTION 3 REQUIREMENT...				
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
	£	£	£	£	£
New Works and Improvement Works	993,000	4,117,940	3,548,180	1,038,091	509,855
Contributions Payable to the Environment Agency	152,490	157,065	161,777	166,630	171,629
Maintenance Works	1,299,386	1,338,368	1,378,519	1,419,874	1,462,470
Administration and Other Expenses	197,995	197,995	197,995	197,995	197,995
Government Grants	0	-973,350	-1,432,215	-295,036	-50,648
Contributions from the Environment Agency	-45,000	-46,350	-47,741	-49,173	-50,648
Other Income	-29,700	-30,591	-31,509	-32,454	-33,428
NET REQUIREMENT	£2,568,171	£4,761,077	£3,775,006	£2,445,927	£2,207,225
FINANCED BY:-					
Public Works Loan (Islington Pumping Station)	0	1,155,000	1,650,000	330,000	55,000
Development Reserve	0	0	0	0	0
Fixed Plant Reserve	0	0	0	0	0
Mobile Plant Reserve	0	0	0	0	0
Capital Works Reserve	0	0	0	0	0
General Reserve	420,964	1,458,870	-22,201	-95,672	-125,749
(Add)/Deduct for adjustment of Balances	420,964	2,613,870	1,627,799	234,328	(70,749)
RATES/LEVIES:					
Occupiers Drainage Rates	303,601	303,601	303,601	312,705	322,090
King's Lynn & West Norfolk Borough Council (KLBC)	1,740,515	1,740,515	1,740,515	1,792,709	1,846,512
Fenland District Council (FDC)	80,717	80,717	80,717	83,140	85,636
South Holland District Council (SHDC)	22,374	22,374	22,374	23,045	23,736
	£2,568,171	£4,761,077	£3,775,006	£2,445,927	£2,207,225
INCREASES/(DECREASES):					
Penny Rate in the Pound (Main Area)	7.570p	7.570p	7.570p	7.797p	8.031p
Penny Rate in the Pound (Differentially Rated Area)	1.191p	1.191p	1.191p	1.227p	1.264p
Rate Increase/(Decrease)	0.00%	0.00%	0.00%	3.00%	3.00%
GENERAL RESERVE:					
Probable Reserve at 31 March	£2,165,508	£706,638	£728,839	£824,511	£950,260
Reserve expressed as a percentage of Net Requirement	84.32%	14.84%	19.31%	33.71%	43.05%
AVERAGE RATE PER ACRE:					
Agricultural Land and/or Buildings	£3.91	£3.91	£3.91	£4.02	£4.14
Billing Authorities	£190.74	£190.74	£190.74	£196.46	£202.36
RATE PER PERSON:					
Agricultural Drainage Ratepayers	£184.00	£184.00	£184.00	£189.52	£195.21
King's Lynn & West Norfolk Borough Council	£8.70	£8.70	£8.70	£8.96	£9.23
Fenland District Council	£0.93	£0.93	£0.93	£0.96	£0.99
South Holland District Council	£0.29	£0.29	£0.29	£0.30	£0.31

Indicative Forecast of Rate Requirement



**KING'S LYNN IDB
EARMARKED BALANCES AND RESERVES POLICY FOR 2013/14**

NOTE	RESERVE	MONITORED BY BOARD/COMMITTEE	B/FWD AS AT 01/04/2012	PROBABLE MOVEMENT 2012/13	PROBABLE AS AT 31/03/2013
1.	Development Reserve	Plant & Works	49,245	112,000	161,245
2.	Mobile Plant Reserve	Plant & Works	500,000	0	500,000
3.	Fixed Plant Reserve	Plant & Works	2,021,148	0	2,021,148
4.	Capital Works Reserve	Plant & Works	693,664	-422,503	271,161
5.	General Reserve	Board	1,891,572	384,397	2,275,969
6.	Revaluation Reserve	Board	1,222,183	-102,948	1,119,235
7.	Pension Reserve	Board	-2,493,000	-1,000,000	-3,493,000
	Total Reserves		£3,884,812	-£1,029,054	£2,855,758

1. Development 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.

2. Mobile Plant 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 mobile 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 Reserve

The purpose of this provision is to reduce the impact on drainage rates as and when fixed pumping plant and gravity sluices are replaced, refurbished or improved, in accordance with the Asset Management Plan. Depreciation 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. The liability, or funding gap, has been estimated at between £5m and £8m, as stated in the Asset Management Plan.

4. 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 Reserve does not fluctuate significantly.

**KING'S LYNN IDB
EARMARKED BALANCES AND RESERVES POLICY FOR 2013/14**

5. General Reserve

The External Auditor has previously indicated that the Board's level of General Reserve should be between 20% and 25% of net expenditure to pay for emergencies/contingent liabilities. It is important to note that no financial assistance (Bellwin Scheme money) was received from DEFRA following the periods of high rainfall in 2007, 2009 and 2012. 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 are delivering a sustainable 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.

6. Revaluation Reserve

This reserve was created in 2008 following clarification that the Board own approximately 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). This reserve increased in 2009/10 after all of the pumping stations were revalued.

7. Pension Reserve

This Reserve is calculated by the Local Government Pension Scheme (LGPS) Fund Actuary at the end of every financial year. The liability is meant to show the extent of the Board's liability if the scheme was closed down at the Balance Sheet date. However it is important to note that this sum does not represent an estimate of the exit cost of withdrawing from the LGPS. It merely represents a number of actuarial assumptions. This liability is likely to increase significantly in future.

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 18th day of January 2013 the Board resolved as follows:-

1. That in respect of the financial year ending 31st March 2014 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 14.16% and 85.84% 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>	
	<u>p</u>	<u>p</u>		<u>£</u>	<u>%</u>
New Works and Improvement Works	3.526		Fenland District Council	£72,528	3.402%
Contributions to the Environment Agency	0.518		King's Lynn & West Norfolk Borough Council	£1,735,182	81.386%
Maintenance Works	4.614		South Holland District Council	£22,374	1.049%
Administration and Other Expenses	0.673	9.331			
LESS:-					
Government Grants	0.000				
Contributions from the Environment Agency	0.160				
Other Income	0.105	0.265			
		9.066			
Add/(deduct) for adjustment of balances		(1.496)			
		7.570		£1,830,084	85.84%

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

J S AUSTEN

 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 28th January 2013 as required by section 48 of the Act and regulation 8(4) of the Regulations.
2. That the special levies were issued on the 18th day of January 2013.

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 DIFFERENTIALLY RATED AREA

On the 18th day of January 2013 the Board resolved as follows:-

1. That in respect of the financial year ending 31st March 2014 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	£8,189	53.959%
Contributions to the Environment Agency	0.518		King's Lynn & West Norfolk Borough Council	£5,333	35.140%
Maintenance Works	0.000				
Administration and Other Expenses	0.673	1.191			
LESS:-					
Government Grants	0.000				
Contributions from the Environment Agency	0.000				
Other Income	0.000	0.000			
		1.191			
Add/(deduct) for adjustment of balances		0.000			
		1.191		£13,522	89.10%

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

J S AUSTEN
 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 28th January 2013 as required by section 48 of the Act and regulation 8(4) of the Regulations.
2. That the special levies were issued on the 18th day of January 2013.

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 2013/14

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

1. On the 18 January 2013 the Board made:-

Main Area Drainage Rate of 7.570p in the pound (£)
Gravity Area Drainage Rate of 1.191p in the pound (£)

in respect of agricultural land and agricultural buildings in their district to raise **£303,601** of their expenditure for the financial year ending on the 31 March 2014.

2. Also on the 18 January 2013 the Board made a special levy of **£1,843,606** on:-

Main Area:

Kings Lynn and West Norfolk Borough Council	£1,735,182
Fenland District Council	£72,528
South Holland District Council	£22,374

Gravity Area:

King’s Lynn and West Norfolk Borough Council	£5,333
Fenland District Council	£8,189

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

Dated 28 Day of January 2013

P J CAMAMILE
CHIEF EXECUTIVE

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