

NORFOLK RIVERS INTERNAL DRAINAGE BOARD

DRAINAGE RATES AND SPECIAL LEVIES

RATE LEVIES AND COLLECTION POLICY

WATER MANAGEMENT ALLIANCE

Last review date: 22 May 2014 (to be reviewed every 5 years)

Next review date: October 2019

Reviewed by: Norfolk Rivers IDB

The Board is able to raise its expenses from Drainage Rates and Special Levies each year (net of any contributions from the Environment Agency), by using express powers afforded under section 36 of the Land Drainage Act 1991. This policy explains how the Board will seek to minimise the funding it needs to raise from Drainage Rates and Special Levies, how the Rates and Levies are made and how they will be collected.

Rate Levies and Collection Policy

Contents

1. POWER TO RAISE EXPENSES FROM DRAINAGE RATES AND SPECIAL LEVIES	3
2. MINIMISING THE DRAINAGE RATE(S) AND SPECIAL LEVIES.....	3
3. MAKING THE DRAINAGE RATE(S) AND SPECIAL LEVIES.....	5
<i>SETTING THE RATE(S) AND LEVIES</i>	<i>5</i>
<i>GIVING NOTICE OF THE RATE(S) AND LEVIES.....</i>	<i>6</i>
<i>RIGHT TO APPEAL AGAINST THE RATE</i>	<i>6</i>
4. COLLECTING DRAINAGE RATES AND SPECIAL LEVIES	7
<i>DRAINAGE RATES.....</i>	<i>7</i>
<i>SPECIAL LEVIES.....</i>	<i>8</i>
5. REFUNDS POLICY	9
6. CERTIFICATION	9

Rate Levies and Collection Policy

1. Power to raise expenses from Drainage Rates and Special Levies

- 1.1 The Board is able to raise its expenses from Drainage Rates and Special Levies each year (net of any contributions from the Environment Agency), using express powers afforded by section 36 of the Land Drainage Act 1991 (“the Act”).
- 1.2 Drainage Rates are levied and collected from occupiers of agricultural land within the Drainage District as shown in Part 1 of the Register of Drainage Hereditaments and Special Levies are collected from constituent billing authorities (Councils) on behalf of Council taxpayers and Business ratepayers.
- 1.3 When exercising this power, Drainage Rates and Special Levies must be made by the Board in accordance with Chapter II, Part IV of the Act, which will determine the amount and proportion of the Board’s net expenditure that is paid for by each Council and occupier of agricultural land within the Drainage District.

2. Minimising the Drainage Rate(s) and Special Levies

- 2.1 To minimise the net funding requirement from Drainage Rates and Special Levies the Board will always seek to maximise its income from other sources and minimise its expenditure. The Board seeks to maximise its income from other sources as follows:
 - 2.1.1 Claims [highland water contributions from the Environment Agency](#) in return for maintaining the Board’s drainage systems that take water from outside the Drainage District, in accordance with section 57 of the Act.
 - 2.1.2 Collects contributions from developers where proposals necessitate either immediate or future improvement to the drainage system, as set out in the [Planning and Byelaw Policy](#).
 - 2.1.3 Collects commuted sums from developers for adopting and thereafter maintaining drainage systems, as set out in the [Planning and Byelaw Policy](#) and [SuDS Adoption Policy](#).

Rate Levies and Collection Policy

- 2.1.4 Charges fees for processing applications to relax the Byelaws and to alter the flow of ordinary watercourses, as set out in the [Development Control Charges Policy](#).
- 2.1.5 Applies for grant monies and seeks contributions from direct beneficiaries to reduce the cost of carrying out all capital and environmental improvement works, in accordance with section 59 of the Act and the [Capital Financing and Reserves Policy](#).
- 2.1.6 Charges third parties for undertaking and providing a range of rechargeable works and services, as set out in the [Rechargeable Works Policy and Staff Plan](#).
- 2.1.7 Collects rents, licence fees and acknowledgements from its tenants and licensees to maximise the return on its assets shown in the Fixed Assets Register.
- 2.1.8 Recovers the Value Added Tax (VAT) paid out for its activities as a public authority.
- 2.1.9 Seeks to maximise interest receivable by investing temporary cash surpluses on the short-term money market, in accordance with its [Investment Policy](#). The Board will also seek to minimise its expenditure and will:
- 2.1.10 Continue to minimise its administration and technical support costs, by sharing resources with other IDBs in the WMA group, as set out in the [Consortium Agreement](#).
- 2.1.11 Regularly review the Insurances Register and Risk Register, to ensure financial risk is minimised, in accordance with the [Risk Management Policy](#).
- 2.1.12 Invest in technology, machinery and equipment and will continually update its infrastructure to increase productivity [sustainably](#).
- 2.1.13 Work in partnership with others to deliver water level management services in the most cost-effective manner, as promoted in the [Business Plan](#).
- 2.1.14 Seek to borrow money for capital investment when appropriate and maintain adequate reserves to help finance capital expenditure, in accordance with the [Capital Financing and Reserves Policy](#).

Rate Levies and Collection Policy

- 2.1.15 Get best value for money by procuring goods and services and safeguarding public money, in accordance with the [Financial Regulations](#) and the [Safeguarding Public Money Policy](#).

3. Making the Drainage Rate(s) and Special Levies

Setting the Rate(s) and Levies

- 3.1 After having sought to minimise its net funding requirement the Board will then prepare a budget of its net expenditure and a 5-Year Indicative Forecast each year. Where Orders sub-dividing the Drainage District for the purposes of raising expenses are in force, the Board will prepare a budget of its net expenditure for each sub-district (“the Estimates”). The Board will then:
- 3.1.1 Transfer any agricultural land that has ceased to be agricultural land during the preceding year as a result of economic development, from Drainage Rating to the Special Levy calculation that is then paid for by the respective Council. Hence economic development will increase the proportion of the Board’s expenditure that is paid for by constituent Councils. Special Levies may therefore actually increase even though net expenditure remains stable or reduces. The Board will also:
- 3.1.2 Approve all significant movements in annual value, in accordance with the [Register and Map Maintenance and Inspection Policy](#).
- 3.1.3 Determine the proportion of the Board’s net expenditure to be raised from Drainage Rates and Special Levies with effect from 1st April, by compiling aggregate annual values as at 31st December, prior to 1st April. Where Orders sub-dividing the Drainage District for the purposes of raising expenses are in force, aggregate annual values will be compiled for each sub-district.
- 3.1.4 Determine the adequacy of the Board’s Reserves each year, in accordance with the [Capital Financing and Reserves Policy](#).
- 3.1.5 Consult with the Finance Officer of every constituent billing authority to discuss the Board’s 5-Year Indicative Forecast and each Council’s growth plan, before setting the Drainage Rate and Special Levies every year.

Rate Levies and Collection Policy

- 3.1.6 Set and Seal the Drainage Rate(s) and Special Levies before 15th February each year based on the Estimates for the following financial year (1st April to 31st March), the annual values, the adequacy of the Board's Reserves and the Councils' growth plans, as previously defined.
- 3.1.7 Aim to limit any increases in Drainage Rates and Special Levies to the Retail Price Index, as indicated by the [Office for National Statistics](#) for the month of October every year, subject always to the caveat explained in 3.1.1 above.

Giving Notice of the Rate(s) and Levies

- 3.2 After the Drainage Rate(s) and Special Levies have been made by the Board, notice is given in accordance with section 48 of the Act. A certified copy of this notice is also published on the Board's '[Public Notices](#)' webpage.
- 3.3 Special Levies are issued to the Councils as soon as possible after the Drainage Rate(s) and Special Levies have been made by the Board.
- 3.4 The Board will also publish the Estimates, Aggregate Annual Values for agricultural land and each Council, and, certified copies of the Sealed Rate(s)/Levies on the Board's '[Drainage Rates and Special Levies](#)' webpage within seven days of setting the Rate(s) and Levies.

Right to Appeal against the Rate

- 3.5 Occupiers of any hereditament in the Drainage District have a period of 28 days from the date on which the drainage rate is made to appeal against the rate to the Crown Court, specifying the grounds of the appeal, in accordance with section 51 of the Land Drainage Act 1991. This right of appeal can be made by such an occupier on any basis other than one in which they may have appealed pursuant to section 45 of the Act (i.e. on any basis other than against a determination/re-determination of annual value relating to any chargeable property included in [Part 1 of the Register of Drainage Hereditaments](#)).
- 3.6 The legislation does not provide billing authorities with the same opportunity to appeal against the special levy. However appeals can also be made by council taxpayers and business ratepayers directly, as occupiers of domestic and non-domestic hereditaments within the Drainage District, in the manner prescribed within section 51 of the Act.

Rate Levies and Collection Policy

4. Collecting Drainage Rates and Special Levies

Drainage Rates

- 4.1 Drainage Rate Demands will then be sent to all occupiers of agricultural land that are included in [Part 1 of the Register of Drainage Hereditaments](#) on 1st April every year and the amounts due will be collected in accordance with the Board's [Drainage Rates Collection Procedure](#). Where Orders sub-dividing the Drainage District for the purposes of raising expenses are in force as shown in Part 2 of the Register of Drainage Hereditaments, a separate Drainage Rate Demand will be sent to occupiers for each sub-district.
- 4.2 Each Drainage Rate Demand is issued by post in its prescribed form, as set out in The Drainage Rate (Forms) Regulations 1993 and is due for payment on demand. Drainage Rate Demands will be sent by email, if requested by the registered occupier.
- 4.3 Payment methods are shown on the back of each Rate Demand and occupiers may pay in instalments by special arrangement. A home visit payment collection service may also be arranged in special circumstances.
- 4.4 Where changes have occurred since the last Rate Demand was issued and the Board has not been notified of these changes, occupiers should apprise the Rating Officer with the details of these changes in the manner set out in the [Register and Map Maintenance and Inspection policy](#). Contact details for the Board's Rating Officer are shown at the top of every Rate Demand and can also be accessed from the WMA's '[Organisation](#)' webpage.
- 4.5 Where changes are verified and approved in the manner set out in the [Register and Map Maintenance and Inspection policy](#) a revised Rate Demand will be issued. These Rate Demands will be clearly marked as 'REVISED'. Where changes are not approved, the original Rate Demand(s) must be paid and the ratepayer will be notified accordingly.
- 4.6 Drainage Rate Demands that are sent by email and paid electronically on or before 2nd May may benefit from a 2.5% settlement discount. All Drainage Rates that are paid after this date will not qualify for any settlement discount.
- 4.7 Drainage Ratepayers who owe less than £10 in any one year are encouraged to receive their Rate Demands by email and pay in advance (up to five years); to

Rate Levies and Collection Policy

take advantage of the settlement discount being offered and reduce the administration cost of collecting relatively small sums of money each year. However any Drainage Ratepayer may elect to receive their Rate Demand by email and pay in advance, should they wish to. Not unsurprisingly, this is something which the Board actively encourages.

- 4.8 Non-payment of Drainage Rates will be enforced in accordance with powers afforded by section 54 of the Act. The Board will seek the court's approval to charge each non-payer the Board's collection costs for instigating court proceedings and issuing a Summons. The non-payer will then be liable to pay the Board all Drainage Rates outstanding, the Board's collection charge and any costs made by the Magistrates Court. Collection costs must still be paid to the Board, even if the Drainage Rates are paid in full after the Summons has been issued, but before the Magistrates Court Hearing.
- 4.9 The Board's Chief Executive, Finance Officer and Rating Officer shall be empowered by the Board to prosecute non-payers, in accordance with section 54 of the Act.
- 4.10 If any Drainage Rates or Collection costs remain unpaid after the Hearing, the Board will give notice to each non-payer that the Liability Order has been granted by the court and that the debt must be paid within 14 days, to avoid the matter being passed to the Board's Certified Bailiff. Once the debt has been passed to the Bailiff the non-payer will also be liable to pay the Bailiff their costs, which could be significantly greater than the Drainage Rates and Collection costs payable to the Board. The Board has a [Service Level Agreement](#) in place with its Bailiff, which is reviewed annually.

Special Levies

- 4.11 The Board will issue Special Levies to each Council in the prescribed form, within one week of making the Rate(s) and setting the Levies.
- 4.12 Special Levies due from 1st April are payable in two equal instalments on 1st May and on 1st November.
- 4.13 Collection of Special Levies from billing authorities is enforceable through the courts by order of mandamus.

Rate Levies and Collection Policy

- 4.14 Each Council should recover its Special Levy from Council taxpayers and Business ratepayers that benefit from the drainage, flood risk and water level management service provided by the Board and the Environment Agency.

5. Refunds Policy

- 5.1 We don't generally offer refunds, unless a ratepayer has erroneously paid us more than we've said they owe. If they do pay us more than we've said they owe, in error, we will usually offer to refund any such overpayment immediately, should this be requested in the same financial year that the payment was made (between 1 April and 31 March).
- 5.2 If a ratepayer believes something is wrong with the amount of drainage rates we have requested they pay as shown on their Rate Demand, either before or after they pay, they should advise us of this immediately.
- 5.3 We will consider any request to alter the drainage rates demanded or to fully/partially refund any drainage rates paid for the current and previous financial year only, in accordance with the Land Drainage Act 1991 and the Board's [Register of Hereditaments: Maintenance and Inspection Policy](#).
- 5.4 Any refunds requested directly through PayPal or Worldpay that they honour, which have not been discussed and agreed with us beforehand will be collected from the ratepayer through the courts in the usual manner, in addition to the drainage rates due, PayPal's/Worldpay's fees and the Board's own collection costs.

6. Certification

Norfolk Rivers IDB has approved this Policy on 22nd May 2014.

By Order of Norfolk Rivers Internal Drainage Board

Certified by Mr P J Camamile, Chief Executive

22nd May 2014