

Board Paper

12 February 2014

Paper Title	Internal Drainage Districts – Rates & Levies
Paper Reference:	NRW B O 12.14
Paper Sponsored By:	Kevin Ingram, Executive Director Finance and Corporate Services Ceri Davies, Executive Director KSP
Paper Authored By:	Mark Howells, WG Liaison Accountant – Finance

Purpose of Paper:	To provide the Board with the proposed Precepts, Drainage Rates and Special Levies for 2014/15.
Recommendation:	To approve the proposed rates.
Decision Required:	Yes

Impact: To note – all headings might not be applicable to the topic	Impact on the Environment: Effective water management minimises flood risk and can maintain wetland biodiversity and landscape values. Impact on the Economy: Efficient use of our resources ensures we demonstrate value for money to the communities whom we charge for our service. Impact on Community: Flood Risk is minimised enabling property and businesses to be protected. Impact on Knowledge: n/a
--	--

Issue

1. To seek the Board's approval to raise:
 - (i) Precepts on Internal Drainage Districts (IDDs) which are administered by Natural Resources Wales (NRW);
 - (ii) Special Levies and Drainage Rates on IDD's which are administered by NRW;
 - (iii) Precepts on Internal Drainage Boards (IDBs) which are not administered by NRW. They are the Caldicot & Wentlooge IDB, Powysland IDB and the Lower Wye IDB.

Background

2. Internal Drainage Boards (IDBs) administer land drainage, flood risk management and biodiversity functions within Internal Drainage Districts. There are three IDBs in Wales which are governed separately from NRW.
Each IDB sets a budget for its planned work in the forthcoming year and any investments it needs to make for future projects. NRW charges each IDB a Precept for work undertaken that benefits them.
3. There are eleven Internal Drainage Districts (IDDs) located within North West Wales. The work undertaken in each IDD is funded by a combination of Drainage Rates levied on occupiers of agricultural land (e.g. farmers) and Special Levies paid by Local Authorities in respect of non agricultural land. NRW acts as the IDB for these districts.
4. Following the Flood and Water Management Act 2010, the Flood Risk Management Wales Committee (FRMW) does not have power to act as the IDB. For 2013/14 Environment Agency Board members were asked to formally sit as the Board of the individual IDD's and approve the accounts and governance statements. This responsibility now rests with the Natural Resources Wales Board.
5. Whilst the FRMW Committee has no formal role in the management of the IDD's, they are asked to provide comments and advice to the Board in relation to the budget setting process and the ongoing management. These proposals will be presented to the FRMW Committee on 24th January 2014.
6. Natural Resources Wales is required (by section 40 of the Land Drainage Act 1991) to make Drainage Rates, and by Regulation 7 of the Internal Drainage Boards (Finance) Regulations 1992 to issue Special Levies before the 15th February of the financial year preceding that year to which they relate.
7. The Drainage Rates, Special Levies and Precepts for 2013/14 were set by Environment Agency Board in February 2013.
8. The recent announcement by the Welsh Government of the IDBs transferring into NRW in 2015/16, does not impact on these proposals.
9. As a measure of tight cost control within NRW, none of the rates proposed are increasing on the previous year.

Proposals

10. **Precepts**

- Annex A details the proposed Precepts on the IDBs and IDD's for 2014/15 and comparison to the previous year, totalling £298k.
- This includes a proposed Precept on the Caldicot & Wentlooge IDB (C&WIDB) of £240k based on detailed works to be undertaken and use of balances.

11. Special Levies and Drainage Rates

- The table below provides details of the Special Levies (£99.8k) and Drainage Rates (£52k) being proposed for 2014/15 compared to 2013/14.

INTERNAL DRAINAGE DISTRICT	DRAINAGE RATE PENCE		SPECIAL LEVY		LOCAL AUTHORITY
	2013/14	2014/15	2013/14	2014/15	
Afon Ganol	5.4	5.4	7,900	7,900	Conwy
Ardudwy Marsh	12.8	12.8	10,044	10,044	Gwynedd
Borth Bog	31.7	31.7	7,476	7,476	Ceredigion
Afon Conwy	18.9	18.9	14,141	14,141	Conwy
Dysynni Valley	21.5	21.5	8,811	8,811	Gwynedd
Glaslyn/Pensyfloc	6.7	6.7	18,487	18,487	Gwynedd
Harlech/Maentwrog	9.0	9.0	18,186	18,186	Gwynedd
Llanfrothen	23.8	23.8	1,380	1,380	Gwynedd
Malltraeth Marsh	19.9	19.9	1,850	1,850	Ynys Mon
Mawddach Wnion	5.6	5.6	11,095	11,095	Gwynedd
Tywyn	9.7	9.7	380	380	Gwynedd
Total			99,750	99,750	

Next Steps

- The Board considers and approves the proposals contained within this report and authorises the sealing of the Drainage Rates. Formal notices are issued by 15th February 2014 to comply with our statutory obligations for Special Levies and Precepts. The Drainage Rates are advertised to comply with the Land Drainage Act 1991 and schedules are sent to each rate payer when billed.

Risks

- If the Precepts, Drainage Rates and Special Levies are not approved then we will not meet the statutory deadlines.

Financial Implications

- Approval of the proposals in this paper will allow the collection of over £400k of income, which is used to fund direct works.

Communications

- Formal notifications will be issued to Local authorities and Internal Drainage Boards (IDBs).