

	ACTUAL 2005/06	ESTIMATE 2006/07	PROBABLE 2006/07	ESTIMATE 2007/08
	£	£	£	£
EXPENDITURE				
<u>REVENUE CONTRIBUTIONS TOWARDS CAPITAL EXPENDITURE FOR DRAINAGE WORKS</u>				
Gross Cost of Capital Work	404,600	341,000	309,878	207,000
LESS:-				
Development Contributions Applied	35,000	35,000	35,000	35,000
Capital Receipts Applied - IT Renewals Fund	40,000	0	0	0
Capital Receipts Applied - Fixed Plant Renewals Fund	85,000	60,000	60,000	40,000
Government Grants Receivable	137,250	117,000	86,850	0
	297,250	212,000	181,850	75,000
Revenue Contributions towards Capital Work Expenditure	107,350	129,000	128,028	132,000
<u>EA PRECEPT</u>				
Annual Precept Payable to the Environment Agency	165,963	157,512	157,512	167,168
Transfers to/(from) Precept Fluctuation Account	0	0	0	(3,828)
	165,963	157,512	157,512	163,340
<u>MAINTENANCE</u>				
Drains Maintenance Operations	895,842	940,056	821,915	887,084
Pumping Stations and Structures	216,328	242,536	232,765	236,760
Contingency	0	0	40,000	40,000
	1,112,170	1,182,592	1,094,680	1,163,844
<u>ADMINISTRATIVE STAFF COSTS</u>				
Consortium Charge	0	0	0	325,718
Staff Salaries	263,669	279,700	276,100	0
Employers National Insurance	24,812	26,228	26,274	0
Employers Superannuation	49,698	51,820	50,619	0
Staff Travelling and Expenses	15,039	17,000	17,000	0
Staff Telephones	759	900	810	0
Staff Training	1,003	4,000	3,110	0
Employers Stakeholder Contributions	5,913	7,847	6,275	0
	360,893	387,495	380,188	325,718
<u>ESTABLISHMENT CHARGES</u>				
Consortium Charge - General	0	0	0	65,484
Consortium Charge - IT	0	0	0	19,514
Insurances	7,417	7,650	2,500	0
Offices and Site Maintenance	4,764	10,000	3,500	0
NNDR and Metered Water	5,268	8,000	6,100	0
Cleaning Wages and Materials	3,011	3,200	3,188	0
Lighting and Heating	1,682	1,875	1,685	0
Telephones	3,111	3,300	2,360	0
Radio-Telephones maintenance and repairs	82	1,100	882	1,100
Printing, Stationery and Advertising	3,248	4,100	3,500	0
Staff PPE	138	500	500	0
Office Equipment supplies and maintenance	3,991	4,800	4,800	0
Computer Services	5,284	5,500	5,500	0
Drawing Office supplies and maintenance	3,106	2,600	2,000	0
Postages	1,607	1,800	1,700	0
	42,709	54,425	38,215	86,098
<u>REVENUE CONTRIBUTIONS TOWARDS CAPITAL EXPENDITURE FOR ESTABLISHMENT PURPOSES</u>				
Consortium Charge - GIS Development	0	0	0	23,615
Office Equipment and IT replacement provision	7,948	10,000	10,000	10,000
Radio Telephones	0	1,000	1,000	0
Drawing Office Equipment	1,000	1,000	1,000	0
	8,948	12,000	12,000	33,615

SOUTH HOLLAND IDB	ACTUAL 2005/06	ESTIMATE 2006/07	PROBABLE 2006/07	ESTIMATE 2007/08
<u>EXPENDITURE (CONT.)</u>	£	£	£	£
<u>OTHER CURRENT EXPENSES</u>				
Consortium Charge	0	0	0	23,180
Former Staff Superannuation Charges	3,589	3,650	3,410	3,650
Annual Inspection Expenses	154	1,000	1,000	1,000
Subscriptions and Conference Expenses	3,692	4,700	3,720	0
Members' Travelling Expenses	1,199	1,600	1,600	0
Audit Fee	2,232	4,000	4,000	4,120
Professional Charges	7,377	25,500	15,000	10,000
Rateable Value Decreases/(Increases)	1,323	45,000	1,550	30,000
Sundry Debtors Written Off	115	300	140	300
Sundry Expenses	1,044	1,150	1,000	600
	<u>20,725</u>	<u>86,900</u>	<u>31,420</u>	<u>72,850</u>
<u>ABSORPTION ACCOUNTS</u>				
Net (Surplus)/Deficit on Plant Operating Account	(278)	0	0	0
Net (Surplus)/Deficit on Labour Operating Account	(10,728)	0	0	0
	<u>(11,006)</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURE	£1,807,752	£2,009,924	£1,842,043	£1,977,465
<u>LESS: OTHER INCOME</u>				
Consortium Income	0	0	0	20,529
Rents and Acknowledgements	6,124	5,500	8,160	6,000
Investment Interest	94,587	70,000	100,175	75,000
Engineering and Administration Charges	300	0	50	0
Sundry Income	7,861	4,000	5,500	5,500
Maintenance Contributions	1,400	0	12,100	6,000
Profit/(Loss) on Rechargeable Works	13,007	0	3,675	0
	<u>123,279</u>	<u>79,500</u>	<u>129,660</u>	<u>113,029</u>
Net Expenditure for the year	£1,684,473	£1,930,424	£1,712,383	£1,864,436
ADD: Provision for Settlement Discount at 2.5%	£8,003	£8,500	£8,367	£8,600
NET EXPENDITURE	£1,692,476	£1,938,924	£1,720,750	£1,873,036
<u>FINANCED BY:-</u>				
<u>RATE INCOME LEVIED BY THE BOARD:</u>				
Occupiers Drainage Rates	806,180	825,098	825,155	
South Holland District Council	967,741	994,859	994,856	
Boston Borough Council	706	723	723	
	<u>£1,774,627</u>	<u>£1,820,680</u>	<u>£1,820,734</u>	
LESS: NET SURPLUS/(DEFICIT) FOR THE YEAR	82,151	(118,244)	99,984	
NET EXPENDITURE	£1,692,476	£1,938,924	£1,720,750	
<u>RATE FUND ACCOUNT</u>				
Balance brought forward at 1st April	608,572	690,723	690,723	
ADD: Net Surplus/(Deficit) for the year	82,151	(118,244)	99,984	
LESS: Transferred to Fixed Plant Renewals Fund	0	0	(290,000)	
Balance carried forward at 31st March	<u>£690,723</u>	<u>£572,479</u>	<u>£500,707</u>	

On preparing the estimates for the financial year 2006/07 it was estimated that the Emergency Reserve would amount to £624,360 as at 31st March 2006. The actual Reserve as at 31st March 2006 was £690,723 and it is estimated that this Surplus will be in the region of £500,707 at 31st March 2007, after transferring £290,000 to the Fixed Plant Renewals Fund (please see the 'Earmarked Balances and Reserves Policy' Report).

**SOUTH HOLLAND IDB
SECTION 37, LAND DRAINAGE ACT 1991
DETERMINATION OF ANNUAL VALUES AS AT 31ST DECEMBER 2006**

The values at 31st December 2006 used for determining the proportion of expenses to be raised from drainage rates and special levies are as follows:-

PROPERTIES	LAND HA	VALUES £	PROPORTION %	VALUE PER HECTARE £
Agricultural Land and/or Buildings	35,416.319	8,273,113	45.230	233.596
Other Land:-				
South Holland District Council	3,042.723	10,010,957	54.731	3,290.131
Boston Borough Council	2.199	7,246	0.040	3,295.134
Totals	38,461.241	£18,291,316	100.000	
Agricultural Land and/or Buildings	35,416.319	8,273,113	45.230	233.596
District Councils'	3,044.922	10,018,203	54.770	3,290.135
Totals	38,461.241	£18,291,316	100.000	

**SECTION 40, LAND DRAINAGE ACT 1991
DRAINAGE RATE(S)/SPECIAL LEVIES FOR 2007/2008**

The following table shows the rate/levies for last year, and the rate/levy options for this year based on estimated net expenditure. Option 1 shows the actual rate/levies requirement of 2.66%. Option 2 shows a rate increase of 2.62%, which equates to a 3.00% increase for SHDC - given the shift in their proportion of net expenditure arising from development during the course of the year (which is controlled by SHDC). Option 3 shows an inflationary rise of 3.70%, which equates to a 4.09% increase for SHDC - given the shift again in their proportion of net expenditure arising from development during the course of the year. Option 2 is recommended and Members attention is drawn to the 5 year indicative forecast shown overleaf.

FINANCED BY:-	REQUIREMENT			
	2006-2007 ESTIMATED £	2007-2008 OPTION 1 £	2007-2008 OPTION 2 £	2007-2008 OPTION 3 £
Provision from/(Injection into) Emergency Reserve	118,244	0	736	(19,018)
RATES LEVIED:				
Drainage Rates	825,098	847,169	846,836	855,771
South Holland District Council (SHDC)	994,859	1,025,125	1,024,722	1,035,533
Boston Borough Council (BBC)	723	742	742	750
NET EXPENDITURE	£1,938,924	£1,873,036	£1,873,036	£1,873,036
Penny Rate in the Pound	9.975p	10.240p	10.236p	10.344p
Drainage Rate Increase/(Decrease)	2.40%	2.66%	2.62%	3.70%
Special Levy for SHDC Increase/(Decrease)	2.80%	3.04%	3.00%	4.09%
Special Levy for BBC Increase/(Decrease)	2.41%	2.63%	2.63%	3.73%
Probable Emergency Reserve at 31st March	£506,116	£500,707	£499,971	£519,725
Reserve expressed as a percentage of Net Expenditure	26.10%	26.73%	26.69%	27.75%
RATE PER ACRE:				
Agricultural Land and/or Buildings	£9.43	£9.68	£9.68	£9.78
District Councils'	£132.81	£136.34	£136.29	£137.73

The current headline rate of inflation (Retail Price Index) as indicated by the National Statistics Office is 3.70%

**SOUTH HOLLAND IDB
INDICATIVE FORECAST FOR FIVE YEARS, USING TODAY'S VALUES (ALLOWING FOR INFLATION AT 3.70%)**

NET EXPENDITURE	OPTION 2 REQUIREMENT...				
	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012
	£	£	£	£	£
Capital Work	132,000	139,995	188,768	236,516	279,552
EA Precept	163,340	169,384	175,651	182,150	188,890
Maintenance	1,163,844	1,206,906	1,251,562	1,297,870	1,345,891
Administration, Regulation and Compliance	405,252	405,252	375,000	350,000	330,000
Finance (Settlement Discount)	8,600	8,863	9,183	9,531	9,890
	£1,873,036	£1,930,400	£2,000,164	£2,076,067	£2,154,223

FINANCED BY:-

Provision from/(Injection into) Emergency Reserve	736	0	0	0	0
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RATES LEVIED:

Drainage Rates	846,836	873,114	904,669	939,000	974,350
South Holland District Council	1,024,722	1,056,521	1,094,703	1,136,245	1,179,020
Boston Borough Council	742	765	792	822	853
	£1,873,036	£1,930,400	£2,000,164	£2,076,067	£2,154,223

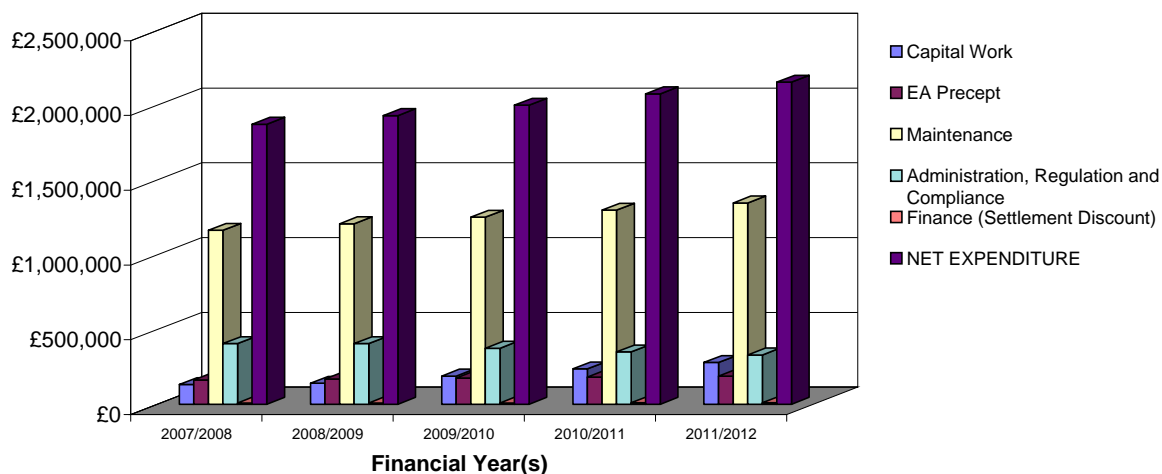
Penny Rate in the Pound	10.236p	10.554p	10.935p	11.350p	11.777p
Rate Increase/(Decrease)	2.62%	3.10%	3.61%	3.79%	3.76%

Probable Emergency Reserve	£499,971	£499,971	£499,971	£499,971	£499,971
Reserve expressed as a percentage of Net Expenditure	26.69%	25.90%	25.00%	24.08%	23.21%

RATE PER ACRE:

Agricultural Land and/or Buildings	£9.68	£9.98	£10.34	£10.73	£11.13
District Councils'	£136.29	£140.52	£145.60	£151.12	£156.81

Indicative Forecast of Net Expenditure



**P J CAMAMILE
CHIEF EXECUTIVE OFFICER
15 JANUARY 2007**