

SUPPLEMENTARY BUDGET REQUEST - SEVERN TRENT WATER CHARGES

REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY DIRECTION)



Hinckley & Bosworth
Borough Council

A Borough to be proud of

WARDS AFFECTED: HINCKLEY WARDS ONLY

1. PURPOSE OF REPORT

- 1.1 To request the approval of a supplementary budget for Severn Trent Water (STW) charges relating to surface water drainage at Richmond Park Hinckley.

2. RECOMMENDATION

- 2.1 Hinckley Area Committee approve that the Deputy Chief Executive Corporate Direction and the Chief Executive approve a supplementary budget of £23,198 funded from Special Expenses Reserves (in accordance with financial procedure rules).

3. BACKGROUND TO THE REPORT

- 3.1 Drainage works to improve the football pitches at Richmond Park were completed in 2013. The scheme was designed by a drainage consultant, and gained approval from the Environment Agency. The works provided underground attenuation storage / soak away to limit the surface water run-off generated by all rainfall events and was designed to provide storage for rainfall from a 1 in a 100 year storm plus 30% allowance for climate change. An overflow pipe installed to a nearby open ditch, this only coming into use in exceptional circumstances. Therefore the run off from the site should have only been increased 1 year in a hundred.
- 3.2 In September 2014, STW advised HBBC that the annual surface water charges for Richmond Park had been reevaluated as £21,607.97 pa. Our previous surface water charges, had been £55.76 relating to our sports pavilions.
- 3.3 HBBC raised a complaint with STW and managed to get a moderate reduction in the charge. HBBC officers then submitted our case to the Water Redress Scheme (WATRS) in September 2015 for a decision from an independent adjudicator. WATRS found in favour of STW, rejecting our request for a water meter to be installed, to classify the park as a community premise, and upholding STW's charges.
- 3.4 Since the adjudicator's decision the overflow pipe has been disconnected from the land drainage system on the 8th October 2015. STW have now agreed the annual charge will be £645 per annum.

4. FINANCIAL IMPLICATIONS [IB]

- 4.1 The Council was aware of the possible claim for annual surface water charges valued at £21,000 when completing the 2014/15 Statement of Accounts. Legal advice at the time it was highly likely that the Council would be successful in its claim that this was an incorrect charge. Therefore in accordance with proper accounting practice the value was disclosed as a contingent liability in the 2014/15 Financial Statements but no provision was set aside and hence no charge recognised.

- 4.2 As a result of the adjudication a sum of £28,198 will now need to be paid. Savings of £5,000 have been identified against the same budget book line. A supplementary budget of £23,198 is therefore required. After allowing for current commitments the estimated reserve balance is £181,531. If the budget is endorsed the reserve balance will reduce to £158,333
- 4.3 If endorsed by HAC, in accordance with Financial Procedure rules the Deputy Chief Executive (Corporate Direction) and the Chief Executive will have to authorise a supplementary budget of £23,198 funded from reserves. This will have to be endorsed at Council as part of the budget setting process.
- 4.4 As part of the budget setting process, the annual additional cost £645 will be included in next year's base budget.

5 LEGAL IMPLICATIONS [JB]

- 5.1 The legal implications are contained in the report.

6. CORPORATE PLAN IMPLICATIONS

- 6.1 Creating a vibrant place to work and live through the priority "Protect and improve our parks & open spaces"

7. CONSULTATION

- 7.1 Not applicable

8. RISK IMPLICATIONS

- 8.1 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
<p>GSDP Consider ongoing revenue implications to projects and schemes, both internal & external factors.</p> <p>Reference; TEN</p> <p>Performance Management Systems GSD.03</p>	<ul style="list-style-type: none"> • Strong financial management. • Ensure that S106 commuted sums for maintenance are claimed. • Ensure sufficient resources are in place, including budgets prior to the project/ scheme being implemented. 	Ian Pinfold

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 9.1 The Richmond Park is within the Special Expenses Area and is widely used by Hinckley Residents and visiting sports teams.
- 9.2 Through the original installation of the drainage facility the flood risk to downstream areas has been reduced through increased infiltration.

10.1 CORPORATE IMPLICATIONS

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

Background papers: Richmond Park Drainage File

Contact Officer: Ian Pinfold Green Space Manager Ext 5858

Executive Member: Cllr M Nickerson Executive Member Neighbourhood Services