

MINISTRY OF AGRICULTURE AND FISHERIES

Memorandum on conditions attaching to grants under Section 55 of the Land Drainage Act, 1930

Statutory conditions attaching to grants under Section 55 of the Land Drainage Act, 1930, are set out in the Land Drainage (Grants to Catchment Boards) Regulations, 1931 (Statutory Rules and Orders, 1931, No. 296), as amended by the Land Drainage (Grants to Catchment Boards) (Amendment) Regulations, 1933 (Statutory Rules and Orders, 1933, No. 1077), and this Memorandum is intended to supplement these statutory conditions. Both Regulations and Memorandum should be carefully studied, *as no departure from the conditions set out therein will be permitted*, and the Ministry's decision in all matters affecting them will be final and binding.

I. GENERAL.

(a) Applications for grant should be made in triplicate on Form No. A.889/L.D. The forms must be signed by the Chairman and Clerk of the Catchment Board, who will thereby be understood as accepting on behalf of the Board all the conditions attaching to the making of a grant and undertaking to comply with those conditions. Each application must be accompanied by sufficient details, in the form of engineer's reports, site plans and estimates to enable the Ministry's technical staff to examine the scheme.

(b) The cost of a preliminary survey may be included as part of the cost of the scheme, but no payment will be made by the Ministry in respect of such survey unless the scheme is subsequently approved and carried out.

(c) All works will be liable to inspection and supervision from time to time by the Ministry's technical staff or any other person nominated for the purpose by the Ministry to ensure that Government money is being properly expended, and the Board shall, at the request of the Ministry, authorise any officer of the Ministry or any other person nominated for the purpose by the Ministry to enter on and inspect any land or buildings in respect of which proposals have been submitted to the Ministry. It should be clearly understood that all works must be carried out in accordance with the description submitted with the form of application for grant, and in accordance with the approved plans and sections, and that any proposed variation of the scheme must be submitted for the Ministry's prior approval. If any variation is made without such prior approval, the Ministry reserves the right to withhold or reduce the grant and to require the Catchment Board to refund any advances of grant that may have been made. In the case of an approved variation, the grant may be increased or decreased

according to the nature of the variation. The Ministry also reserves the right to require such modifications in the execution of any particular piece of work as seem to be necessary or desirable. Such modifications will always be confirmed by the Ministry in writing.

(d) Where any work is done by contract the Board will be responsible for the observance by the contractor of the relevant conditions set out in this Memorandum. At least three tenders for the contract should be obtained (in the case of tenders for works of a substantial character, by public advertisement) and forwarded to the Ministry for inspection and for approval of the tender which it is proposed to accept. Subject to all tenderers being substantial firms in a position to execute the contract satisfactorily, and to conditions of tender being equal, the Ministry will only approve the acceptance of the lowest tender. If it is not possible to obtain three tenders or to advertise for tenders the reasons should be stated.

(e) Where the work is done by direct labour and plant or materials involving a substantial expenditure require to be obtained, at least three quotations from substantial firms capable of supplying the required plant should, if possible, be obtained and submitted to the Ministry. The Ministry will, other things being equal, approve the acceptance only of the lowest quotation.

(f) No plant or material of other than United Kingdom origin or manufacture may be used in connection with the scheme without the Ministry's prior written approval and all manufactured articles shall, unless the Ministry shall otherwise agree in writing, be wholly manufactured in the United Kingdom—preference being given, other things being equal, to firms in the Special Areas as defined in the First Schedule to the Special Areas (Development and Improvement) Act, 1934.

(g) All accounts, books and papers relating to the scheme must be open for inspection at any reasonable time by an officer of the Ministry or any other person nominated for the purpose by the Ministry.

(h) All persons, committees, etc. to whom the conduct of a scheme may be entrusted by the Board must be made fully acquainted with the contents of the Regulations and of these and any other relevant instructions issued by the Ministry.

(i) The fact that works carried out by the Board under a scheme are approved and financially assisted by the Ministry does not in any way relieve the Board of their liability to comply in all respects with the existing law relating to land drainage. The Ministry cannot accept any responsibility for any failure on the part of the Board to comply with their statutory obligations.

(j) If a Catchment Board subsequently decide not to carry out an approved scheme, they shall inform the Ministry to that effect.

II. LABOUR.

(a) All additional labour required either by the Catchment Board or by their contractors must be selected from suitable men (ex-Service men if possible) submitted by the Employment Exchange. Where the Employment Exchange is unable to supply suitable men, but in no other circumstances, labour may be engaged otherwise.

(b) No hard and fast rule is laid down as to the proportion of skilled to unskilled men to be employed, as it is realised that in some schemes comparatively few unskilled men may be required. Wherever it is necessary, however, to employ gangs of unskilled men, the number of skilled men, paid as such, should not normally exceed 10 per cent. of the total number of unskilled men.

(c) Periodical returns regarding the labour engaged on the scheme are required to be made to the Ministry and to the Ministry of Labour (see Section VII (b) and (e)).

III. WAGES.

The rate of wages of each class of workman should be those commonly recognised in the district for the type of work. The rates to be paid should be submitted to the Ministry for approval, and the rates as approved by the Ministry may not be varied without express sanction.

Time sheets showing the time of starting and ceasing work each day should be kept in respect of all workmen directly employed on the scheme.

IV. INSURANCE.

(1) *Workmen's Compensation.*

(a) All workmen must be insured, unless the Catchment Board by whom the men are employed are prepared to take all risks themselves, in which case they must give an undertaking that no liability will fall on the Ministry.

(b) Arrangements have been made between His Majesty's Government and the Offices named on the enclosed list whereby, subject to special consideration being given to cases where the wages will exceed £3,000 per annum, the compensation risk for workmen employed on land drainage works financed in part by the Ministry may be insured at the rate of 20s. per £100 of wages paid.

(c) The Insurance will cover any legal liability for hand-labour risk, but will not cover operations of blasting, timber-felling, quarrying, diving, lock-construction or working with power-driven machinery or in cuttings exceeding 10 feet in depth. Timber-felling does not include such work as cutting willows, etc., where there is no appreciable risk of injury from a falling tree.

(d) Where men employed on schemes carried out mainly by hand-labour are likely to be engaged in any of the excluded operations, the selected Insurance Office must be informed of the estimated wages for the special work and the Ministry's approval must be obtained to the payment of any additional premium for the extra hazard which may be agreed between the Catchment Board and the Insurance Company. Similarly the Insurance Office must be informed where the wages will exceed £3,000 per annum, and the Ministry's approval obtained to any additional premium.

(e) In the case of schemes being carried out by means of power-driven machinery, it will probably be necessary for the Catchment Board to negotiate with the selected Insurance Office. No premium in excess of 20s. per £100 of wages paid will be eligible for grant unless the Ministry's approval has been obtained.

(f) The Ministry does not desire to make it a condition that men must be insured with one of the Offices included in the list enclosed, but no higher rate of premium than 20s. per £100 of wages paid should be included in the estimate of cost except in the special cases referred to in paragraphs (d) and (e) above. Should it be desired to insure with any office not included in the list, the approval of the Ministry must be obtained before the Insurance is effected.

(g) In no case should any payment of agency commission be made, and proposals for insurance (which should be endorsed "Ministry of Agriculture and Fisheries: Land Drainage Schemes") will be entertained by the Companies at this rate only on the understanding that no commission is payable.

(h) All transactions in respect of insurance (e.g. payments of premiums, payments by Board or Company in respect of workmen's claims) must be shown separately in the monthly cash account rendered to the Ministry (See V.—Finance).

(i) On the completion of the scheme, the Ministry should be furnished with particulars of any outstanding claims.

(j) Policies should be taken out by each Catchment Board in their own name.

(k) On the commencement of any scheme, the foreman in charge of each gang should be informed as to the location of the nearest doctor, chemist, and hospital, and should be told with whom to communicate by telephone or otherwise in the event of a serious accident. Arrangements should also be made for each gang to have available a stretcher, hurdle, or some similar substitute for a stretcher, as well as some sort of field dressings, including bandages, gauze and iodine.

(2) *National Health Insurance, and Widows', Orphans' and Old Age Contributory Pensions.*

Cards must be stamped in all cases and the workmen's contributions deducted from wages.

(3) *Unemployment Insurance.*

Contributions under the Unemployment Insurance Acts will be payable in respect of the men employed. *Unemployment Books must be stamped and the workmen's contributions deducted from Wages.*

V. FINANCE.

(a) A separate account of receipts and payments for each scheme approved by the Ministry must be kept by the Board, the items of the account being arranged to correspond with the headings of the approved Estimate.

(b) Subject to the Board carrying out an approved scheme in a satisfactory manner and observing all the conditions laid down in the Regulations and in this memorandum, the Ministry will be prepared to pay the approved grants which may be in the form of a percentage either of the total net cost of the scheme as approved by the Ministry, or of the loan charges required to meet such cost.

(c) If the Ministry's grant takes the form of a percentage of loan charges

(i) it may not be mortgaged, charged or assigned otherwise than to secure the loan in respect of the charges for which the grant is made;

(ii) the Board must obtain the Ministry's sanction under Section 46 of the Land Drainage Act, 1930, to borrow the amount required;

(iii) before completing the loan arrangements, the Board should forward a copy of the draft mortgage deed to the Ministry for approval. Normally the Ministry will be unable to recognise for grant purposes loan charges in respect of any excess of interest over the rate charged by the Public Works Loan Board at the time of issue of the loan. Proposals regarding the amount of each instalment of the loan and the date on which it is to be taken up should also be submitted to the Ministry for its prior approval.

When a loan is raised with the Public Works Loan Board it is the normal practice of the Board in the case of large schemes to make monthly advances on the certificate of the Ministry that the sum required is part of the authorised loan. In such cases, therefore, the Catchment Board should furnish the Ministry at the beginning of each month with a statement of the estimated expenditure during that month;

(iv) the Board should give the Ministry about one month's notice, if possible, before a payment on account of loan charges becomes due and should state the actual amount due. The Ministry's quota of such charges will be forwarded, either to the Board so as to reach them a day or two before the payment is due (thus ensuring that the Board will not

be called upon to pay the whole of the loan charges from their own resources in the first instance) or direct to the lender on the due date where arrangements have been made for this to be done. In the latter case the Board will be notified of the payments made.

Payments on account of loan charges should not be shown in the monthly accounts of receipts and payments (see (e)), but in cases where the Ministry's quota is paid in the first instance to the Board, for transmission to the lender, the Ministry will require the lender's receipt to be forwarded for inspection.

(d) If the Ministry's grant takes the form of direct payments towards capital expenditure,

(i) it will be necessary for the Board to make an application in writing for an advance, addressed to the Secretary, Ministry of Agriculture and Fisheries, 10, Whitehall Place, London, S.W.1, which should specify the amount of the unexpended balance (if any) of the Ministry's moneys in the hands of the Board at the time of the application and the amount required for the ensuing period, which should not normally exceed one month. It should be noted that this balance should be the difference between the total advances issued by the Ministry and its share of the Board's total actual net expenditure to date; and that the amount applied for should not exceed the sum required to make up the Ministry's total advances to its share of the Board's total estimated net expenditure to the end of the period covered by the application. A week's notice of requirements should always be given to the Ministry. The Ministry will be unable to issue advances to the Board if their accounts are in arrear or are not satisfactory, or if the work is not being properly carried out in accordance with the approved proposals and estimates;

(ii) the Board will be required to find the balance of the actual net cost of the scheme, concurrently with the Ministry's advances;

(iii) no advance will be made until the Board inform the Ministry of the date on which work on the scheme actually commenced;

(iv) if a scheme is abandoned before completion, the Ministry may require the Catchment Board to refund any advances of grant that may have been made in respect thereof.

Monthly Cash Accounts.

(e) A monthly cash account of receipts and payments (including receipts of instalments of loans) must be rendered to the Ministry showing in detail under the various headings of the approved Estimate the payments made and the sums received during the

month in respect of each scheme. The account should be made out on Form Accounts Gen. 4, adapted as required, up to the last day of each calendar month and should reach the Ministry addressed as in (d) (i) above, not later than the 5th day of the following month. The last account submitted should be marked "FINAL".

(f) All accounts and vouchers should be sent by registered post; the cost of registration may be charged in the accounts of the scheme.

(g) The monthly cash account should be accompanied by:—

(1) *Weekly pay sheets* (Form Accounts Gen. 5) containing the signatures of the various payees. Where a payee is illiterate his mark on the pay sheet should be certified by a witness, other than the paying officer, whose signature should be appended. Where gangs of 20 men or more are paid at one time individual receipts may be dispensed with. In those cases it will be sufficient if the pay sheets are signed by two witnesses (other than the paying officer) and endorsed by those witnesses in the following form:—"Certified that the above sums were duly paid in our presence to the persons named". The paying officer should sign the printed certificate.

If any man is absent his name should be struck out of the pay sheet, and a separate signed receipt obtained from him when he draws his pay.

When it is the practice of the Catchment Board to pay their employees by cheque, there is no objection to that method being adopted in the case of those employed in connection with the scheme. The number of the cheque should be entered on the pay sheet in the place where the payee would normally sign and the paid-in cheques should be attached to the wages sheets as vouchers.

National Health Insurance, and Widows', Orphans' and Old Age Contributory Pensions Cards and Unemployment Books must be stamped in respect of employees, the employee's contributions being deducted from the wages due, and the cost of the stamps accounted for in the manner shown on the wages sheets (A/cs. Gen. 5). If any man is employed in any week partly on the state-aided scheme and partly on other work, only that part of his wages relative to the state-aided scheme should be shown on the pay sheets relating to the scheme.

In the case of a scheme comprising a number of separate items of works or a number of groups of workmen spread over a wide area, each separate group of workmen should be clearly indicated.

(2) *Receipted vouchers* for all other payments (receipts of £2 and over being stamped with a 2d. stamp supplied by the payee), accompanied in the case of payments under a contract

by the Engineer's certificate authorising the payment and a copy of the Measure Bill from which the amount of payment is calculated. Bills paid in any particular month must be included in the account for that month irrespective of the date on which the expenditure was incurred.

The receipted vouchers ((1) and (2) above) should be arranged in order and numbered to agree with the entries in the Monthly Cash Account (A/cs. Gen. 4). If any voucher is not available at the time the account is due, or any item requires to be verified, the account should not be delayed but should be forwarded with an explanation attached. Where a voucher cannot be furnished a certificate signed by the Clerk of the Board to the effect that the expenditure was in respect of the scheme should be rendered.

(3) *Schedules showing particulars of all sums received in respect of sales of materials, surplus tools, etc.*

(h) The accounts of the Board will be audited by District Auditors in accordance with Section 49 (3) of the Land Drainage Act, 1930. All vouchers relating to the state-aided scheme will be retained by the Ministry, but arrangements have been made with the Ministry of Health to forward to the Catchment Board, immediately before audit, for the use of the Auditor, the vouchers of the scheme for the period under audit. The order of the vouchers should not be disturbed, and they should be kept entirely separate from the Board's other vouchers. The Board will be responsible for their return to the Ministry, after completion of Audit, in proper order and condition, by registered post.

Stock Book and Stores Records.

(i) A separate stock book must be kept in which particulars and cost of all plant, tools and other equipment purchased in connection with the scheme should be entered. Periodical physical checks of plant, etc., should be carried out by a responsible officer, and the Board will be required to account for such plant, etc., at the close of the scheme. Any items disposed of during the progress of the scheme should be so noted in the stock book and the proceeds of any sales of such items credited in the appropriate monthly cash account (see (g) (3) above). The Ministry's prior approval must always be obtained before any plant tools or equipment are disposed of.

At the close of operations the plant, equipment, tools, etc., must be sold at the best price obtainable, or taken over by the Board at a valuation to be agreed with the Ministry, and the articles so sold or taken over noted accordingly in the Stock Book. Credit should be given in the monthly cash account as in the previous paragraph. Where plant equipment tools, etc., are to be sold the Ministry's approval of the price offered must be obtained before the sale is completed.

(j) If quantities of consumable stores are purchased solely for use in connection with the scheme a separate Stores ledger for the scheme should be kept in which should be entered all receipts and issues. Issues from stores should only be made on a Stores requisition signed by a responsible officer. At periodical intervals (and in any case not less frequently than once a year) the stock of consumable stores should be physically checked against the records as shown in the stores ledger. In the case of *minor* discrepancies incidental to the work of issuing and recording, the stores ledger should, by means of an appropriate note, be brought into accord with the quantities found on physical check. Any discrepancies not so attributable should be the subject of enquiry and any substantial discrepancies should be reported to the Ministry.

In certain instances it may prove economical not to purchase separately consumable stores required in connection with a state-aided scheme but to purchase these in bulk as part of general stores required for all the Catchment Board's purposes. There is no objection to such a procedure but, in every case where separate purchases of consumable stores for a state-aided scheme are not made, the Ministry should be consulted in advance and its approval obtained to the method proposed for charging against the scheme the cost of consumable stores used in connection therewith.

VI. STAFF AND ADMINISTRATION.

(a) No part of the salary or expenses of any officer of the Board's staff (with the exception of "extra staff" referred to in (b) below) may be charged to the cost of a scheme, other than such increase of salary as may have been specifically sanctioned by the Board and approved by the Ministry as remuneration for the additional duties entailed by the scheme.

(b) The salaries of extra staff engaged for a scheme, either for direct employment thereon or as substitutes for officers of the Board's staff definitely detached from their ordinary duties for direct employment thereon, and the expenses of such extra staff, or of substituted staff, directly attributable to the scheme, may be charged to the cost of a scheme, provided that the appointments and rates of pay have first been approved by the Ministry, and that the expenses appear to be reasonable.

(c) Where more than one scheme is involved, the cost of any extra staff that may be engaged for the schemes, and the cost of any approved increases of the salaries of members of the Board's staff which are attributable to the schemes, must be apportioned between the several schemes.

(d) A note showing the name, nature of employment, and rate of pay for each member of the additional staff employed should be appended to the cash account for the month in which the payments are first made.

(e) No charges whatever will be admitted against the Ministry's grant unless they are incurred solely in connection with an approved scheme or schemes.

VII. RETURNS.

The Ministry is anxious to avoid placing upon the staff of the Board any non-essential work, and the number of returns required has been reduced to a minimum.

The following returns must, however, be rendered promptly :—

(a) An immediate notification of the date of commencement of a scheme, together with the number of men employed.

(b) A monthly return on forms which will be supplied by the Ministry showing details of the labour employed.

(c) A monthly cash account of receipts and payments in respect of such scheme (see V).

(d) An immediate notification of the date of completion of a scheme.

(e) A periodical return to be submitted to the nearest Local Office of the Ministry of Labour respecting the men engaged on the scheme, in such form as the Ministry of Labour may require.

Ministry of Agriculture and Fisheries,

10, Whitehall Place,

London, S.W.1.

Form No. A.917/L.D.

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