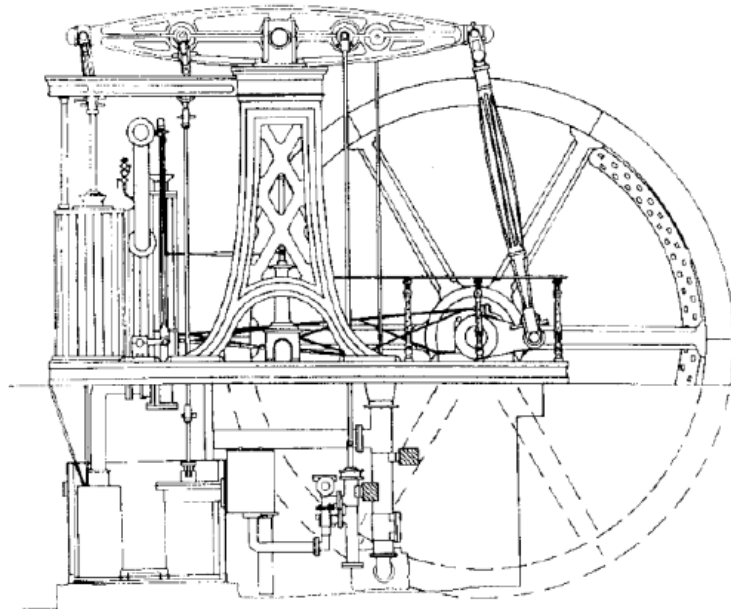


Witham Third District Internal Drainage Board



Annual Report & Statement of Accounts 2019/20

For Year Ended 31st March 2020

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Witham Third District Internal Drainage Board Statement of Accounts 2019/20

Annual Report 2019/20

Witham Third District Internal Drainage Board [IDB] is a Public Body, an independent Flood Risk Management and Drainage Authority created under land drainage statutes. The IDB has a duty to work in partnership with other Flood Risk Management Authorities in Lincolnshire including IDBs, the Environment Agency, District Councils and Lincolnshire County Council [In LCC's role as Lincolnshire's Lead Local Flood Authority since April 2012]. The Board is responsible for flood risk, land drainage and water levels management, works and improvement schemes and operational maintenance of water courses and pumping stations within its defined drainage district of 15,196 hectares, other than on main rivers where the Environment Agency has this role and towards which the Board pays an annual precept [£105,154 in 2019/20]. A map of the Board's drainage district and its extended catchment is included at Appendix 1 to this Annual Report and Statement of Accounts.

The Board comprises 31 Members, including a Chairman, Mr. Paul Hoyes, and a Vice Chairman, Mr. Max Thomas. Members are either elected by and represent the occupiers of land in the drainage district or are nominated by one of three District Councils, namely East Lindsey District Council, West Lindsey District Council and City of Lincoln Council. All Members have a corporate responsibility to represent the interests of the Board. The Board's role is to determine strategy, direction and policy for the organisation and to ensure the IDB operates within an appropriate Governance framework. The Board is supported by Officers, led by a Chief Executive, who advise the Board and implement the Board's agreed strategies, plans and policies and operationally manage and provide the Board's services. The Board's organisational structure chart is provided at Appendix 2. The Board's support services, as this chart demonstrates, are provided to a group of four IDBs, the other three being Witham First District and Witham Third District IDBs and, from 1st April 2017, North East Lindsey IDB joined the partnership under the terms of a new Joint Services Agreement. The 4 Boards remain separate legal statutory bodies but work collectively as the "Witham and Humber Drainage Boards".

The Board secures income from two main sources. Firstly, through a direct levy on owners and occupiers of agricultural land within the drainage district, with rates being payable on 01st April each year. This was £188,047 income for 2019/20 including costs. Secondly, through Special Levies paid by each of the three District Councils in two instalments on 01st May and 01st November each year, totalling £782,546 for 2019/20. The Special Levy for East Lindsey District Council in 2019/20 was £325,950, for City of Lincoln Council it was £256,816 and for West Lindsey District Council it was £199,780.

The levy for the forthcoming year is set at a Board meeting before the 15th February each year, when the Board is asked to agree the land valuation as at 31st December in the previous year, the proposed budget for the forthcoming year [which outlines any planned developments and the plant, vehicle and machinery programme] and any consequent percentage uplift to the rate.

The Board agreed on 29th January 2019 a rates uplift for 2019/20 of 0.50% in order to set a balanced budget for 2019/20, with total planned income and expenditure of £1,185,403.

After an excessively wet 2012/13, when the Board's Pumps in its 18 Pumping Stations operated for long hours, evidenced by comparative historical records, to protect property, agricultural land and critical infrastructure, since 2014/15 it has been much drier although there have been localised heavy rainfall events of a short duration.

Following the high rainfall events during Summer and Autumn 2019 which resulted in some flooding across Lincolnshire there were parts of the Witham & Humber Boards' systems that had to deal with water that had come from EA main rivers, whether due to bank breaches, overtopping and/or excessive seepage. This meant that some of the Board's pumps were pumping far more than would have been required without this additional water, which in turn meant excessive additional electricity costs. There were also additional costs incurred for direct requests for support by the EA to provide labour, plant and materials.

In order to mitigate some of these additional costs a Statement of Claim was prepared as at the end of December 2020 and submitted to the EA in January 2020 outlining the additional costs incurred by the Board for both the additional support provided £23.7k and the additional electricity costs £36k.

This Board incurred electricity costs of £115,870 during 2019/20 compared to a budget of £60,000 which is a significant financial burden on the Board. Some of these additional electricity costs were in relation to EA bank breaches at Barlings Eau [Stainfield Fen] and Duckpool Catchwater Drain [upstream of Tupholme Abbey Drain]. In addition, the pointing doors at the outfall of Park Beck failed, along with many instances of seepage from embanked main river defences.

At Appendix 3 rainfall data, pumped hours and electricity costs incurred by the Board are set out, showing the relationship between them.

The Board is a signatory to the Lincolnshire Biodiversity Action Plan, now part of the Greater Lincolnshire Nature Partnership. The Board has continued to monitor and record locally important species on all Drains and roll out its programme of owl boxes installation and monitoring in partnership with the Wildlife Conservation Partnership. Three new owl boxes are installed each year, land owner consent permitting.

Since April 2012 the Board, in common with other IDBs in Lincolnshire, has provided a consents and enforcements service for and on behalf of Lincolnshire County Council [LCC], the Lead Local Flood Authority in Lincolnshire, beyond the Board's drainage district in its extended catchment. This has been provided under a Memorandum of Understanding with LCC for 2019/20, which has been extended for the Board to continue the service until 31.03.21.

Examples of the Board's work in 2019/20 include:

- Operation of the Board's 18 Pumping Stations to protect property, agricultural land and critical infrastructure in the drainage district of 15,196 hectares.
- Substantial completion of the Board's Summer 2019 weed cutting and maintenance programme.
- Purchase of a JCB JS160LC in May 2019 at a net cost of £95,100 after trade in.
- Purchase of a reconditioned mobile pump at a cost of £15,798 to further help resilience during high rainfall events experienced from June 2019 to March 2020.
- Purchase of a bunded mobile fuel bowser at a cost of £7,050.
- Pump maintenance programme continued this year with, Stainfield Pumping Station (at a net cost of £13,126), Coningsby Pumping Station (at a net cost of £10,115) and Shortferry Pumping Station (at a net cost £15,974). This work improves the lifespan of the pumps and is part of the Board's planned annual maintenance programme. Regular checks are also undertaken on the pump control panels to reduce the risk of malfunction and failure. New panels have been installed at Southrey Pumping Station (at a net cost of £44,270) and Short Ferry (at a net cost of £38,863).
- Dealing with substantial rainfall events from June 2019 through to March 2020 resulting in delays to the winter maintenance programme due to very wet ground conditions, bank slips which will require reinstatement and additional working hours to clear obstructions.
- On-going renovation of the diesel pumps at Stixwould and Fiskerton Pumping Stations, as part of a programme to improve back up support to electric pumps and catchment capacities.
- Works undertaken under the Public Sector Co-operation Agreement (PSCA) on behalf of the Environment Agency on Welton Beck, Duckpool Catchwater, Tilehouse Beck, Thunker Drain, Snakeholme Drain, Barlings Eau, Marsh Drain and Stainfield Beck.
- Continuing with the Board's conservation initiatives including the erection of owl boxes, the leaving of reed margins for water voles, birds and insects and continued membership of the Greater Lincolnshire Nature Partnership, annual report and training.
- Provided a consents and enforcement service for Lincolnshire County Council (as Lead local Flood Authority), under a Memorandum of Understanding to 31.03.21, outside the Board's drainage district in the extended rainfall catchment. 18 enforcement cases in the Board's extended catchment under investigation as at March 2020 and 1 consent application.

All figures exclude VAT

The Board achieved as at 31st March 2020 a year end deficit position of £11,586. This deficit balance has been charged to the General Reserve.

Statement of Accounts 2019/20

The Statement of Responsibilities

The Board is required to make arrangements for the proper administration of its financial affairs and to ensure that one of its Officers has the responsibility for the administration of those affairs.

The Board is required to manage its affairs to secure economic, efficient and effective use of its resources and to safeguard its assets.

The Board's Accountable Officer is the Chief Executive and Clerk to the Board.

During 2019/20 the Board, to support its Governance arrangements, approved on 24th September 2019 its Risk Management Policy, Strategy and also its Risk Register, which it reviewed and updated again on 28th January 2020. On 22nd May 2018 the Board approved a revised set of Financial Regulations and Statement of Internal Control.

The Statement of Accounting Policies

This statement details the legislation and source of accounting principles on which the financial statements are prepared.

The Income and Expenditure Account

This statement summarises the resources that have been generated and consumed in providing services and managing the IDB during the last year.

The Balance Sheet

This statement is fundamental to the understanding of the Board's financial position as at 31st March 2020. It shows the balances and reserves at the Board's disposal and the fixed and net current assets employed in its operation, together with summarised information on the fixed assets held. The statement also includes assets and liabilities of the Board.

Notes to the accounts

The notes relating to the statements above are detailed after the core statements, including cost centre budgets and variance analysis where appropriate for the period 2019/20.

Witham Third District Internal Drainage Board – Members 2019/20

The Board comprises 31 Members, a mix of 15 directly elected members [occupiers of land or members nominated by occupiers of land] and 16 members nominated by the three District Councils who pay Special Levies to the Board. Elections of occupiers of land are every 3 years and the latest term of office runs from 01.11.18 to 31.10.21. Council nominated members are for the period of the civic year. Members 01.04.18 to 31.03.19 were:

Elected Member's Name	Electoral District	Standing Committee Membership [7 Members]
Paul Hoyes (Chairman)	Bardney	Yes
Maxwell I Thomas (Vice Chairman).	City of Lincoln & Greetwell	Yes
Robert [Bob] Armstrong	Bardney	Yes
W Stuart Crane	Bardney	No
Denis C Hoyes, MBE	Bardney	Yes
Vacant (from Oct 18)	City of Lincoln & Greetwell	No
Ian M Clark	Horncastle & River Bain	Yes
Richard J Garner	Horncastle and River Bain	No
Raymond J Weightman	Horncastle and River Bain	No
Vacant (from Oct 18)	Kirkstead	Yes
Roy P Hairsine	Langworth	No
Jill Holland	Langworth	No
Vacant (from Oct 18)	Langworth	No
Vacant (from Oct 18)	Langworth	No
Ian Parker	Tattershall	Yes

District Council Nominated Members	Nominating Authority	Standing Committee Membership
Mr. Brent Charlesworth	City of Lincoln Council	No
Mr. David Jackson	City of Lincoln Council	No
Cllr. Gary Hewson	City of Lincoln Council	No
Cllr. Patrick Vaughan	City of Lincoln Council	No
Mr. Jeff Boyall	City of Lincoln Council	No
Cllr Tom Ashton	East Lindsey District Council	No
Cllr. Stan M. Avison	East Lindsey District Council	No
Cllr Mrs Susanna Gorst (until May 19)	East Lindsey District Council	No
Cllr. William H Gray	East Lindsey District Council	No
Cllr William Grover	East Lindsey District Council	No
Cllr. Mrs Fiona M Martin, MBE	East Lindsey District Council	No
Mr Sean Matthews (from June 19)	East Lindsey District Council	No
Cllr Steve England	West Lindsey District Council	No
Cllr. Ian G Fleetwood	West Lindsey District Council	Yes
Cllr Caralyne Grimble (from May 19)	West Lindsey District Council	No
Cllr Giles McNeill (until May 19)	West Lindsey District Council	No
Mr. Terry Williams	West Lindsey District Council	No
<i>Vacancy</i>	<i>Rolling Allocation</i>	<i>No</i>

The Annual Governance Statement

We acknowledge as the Members of Witham Third District Internal Drainage Board our responsibility for ensuring that there is a sound system of internal control, including the preparation of the statement of accounts, and confirm, to the best of our knowledge and belief, with respect to the Board's Statement of Accounts 2019/20 for the year ended 31 March 2020 that:

1. We have approved the Statement of Accounts which has been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.
2. We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption, and reviewed its effectiveness.
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the Board to conduct its business or on its finances.
4. We have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.
5. We have carried out an assessment of the risks facing the Board and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.
6. We have maintained throughout the year an adequate and effective system of internal audit of the Board's accounting records and control systems and carried out a review of its effectiveness.
7. We have taken appropriate action on all matters raised in previous reports from the Internal Auditor and the External Auditors.
8. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Board and where appropriate have included them in the Statement of Accounts 2019/20.

This annual governance statement is approved by the Board and recorded as a Board minute reference, dated Tuesday, 30th June 2020.

Signed on behalf of Witham Third District Internal Drainage Board:

Signed by: Mr Paul Hoyes, Chairman.....

Date.....

Signed by: Mrs Jane E Froggatt, Chief Executive.....

Date.....

The Statement of Responsibilities for the Statement of Accounts

The Board is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this the Board that officer is the Chief Executive.
- To manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets

The Chief Executive's Responsibilities:

The Chief Executive is responsible for the preparation of the Board's Statement of Accounts which is required to present a true and fair view of the financial position of the Board at the accounting date and its income and expenditure for the year ended 31 March 2020.

In preparing this statement of accounts, the Chief Executive has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- compiled the accounts in accordance with the Financial Reporting Standard for Smaller Entities 2008 issued by the Accounting Standards Board and had regard to the guidance published by the Association of Drainage Authorities on Accounting for Larger IDBs (a further update to the 2006 Practitioners' Guide having been issued by ADA on 03.04.17);
- applied the accounting concept of a "going concern" by assuming that the IDB will continue to operate for the foreseeable future.

The Chief Executive has:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Chief Executive:

This Statement of Accounts 2019/20 is that upon which the Auditor should enter their certificate and opinion. It provides a true and fair view of the financial position of the Board as at 31 March 2020 and its income and expenditure for the year then ended.

Certificate of the Chairman of the Board:

I confirm that these Accounts have been approved by Witham Third District Internal Drainage Board at a meeting held on Tuesday, 30th June 2020.

Signed by: Mr Paul Hoyes, Chairman.....

Date.....

Statement of Accounting Policies

1. General

This Statement of Accounts has been prepared in accordance with the Financial Reporting Standard for Smaller Entities 2008 (FRSSE) issued by the Accounting Standards Board. In preparing the statements, regard has been had to the Guidance published by the Association of Drainage Authorities (ADA) in 2006 (the ADA Practitioners Guide) (as updated April 2017).

These accounts have been prepared in accordance with the following accounting concepts:

- Accruals
- Relevance
- Consistency
- reliability
- Comparability
- Understandability
- Materiality
- Going Concern.

2. Non Current Assets

Non Current Assets are recognised as expenditure on the acquisition, creation or enhancement of fixed assets with a value in excess of £5,000 and with estimated useful lives in excess of one year are capitalised on an accruals basis in the accounts valued on the following basis:

- 2.1 land, operational and non-operational buildings are included in the Balance Sheet at historical cost. Pumping Stations are included in the Balance Sheet at insurance valuation (reinstatement cost).
- 2.2 vehicles, plant and equipment are included at depreciated historic cost. A depreciation charge is made against the appropriate income and expenditure code and balances created in the renewal funds based on the life and estimated residual value.
- 2.3 disposals are written off at cost less depreciation. Any surplus/deficit arising is charged to the Income and Expenditure Account and transferred to/from reserves.

3. Depreciation

Land and buildings are not depreciated on the grounds that an on-going repairs and maintenance policy results in an extension of useful life and negates the necessity for material depreciation.

A depreciation charge is made against the running costs of plant and equipment and vehicles on a straight line basis over their useful economic life, if the value of the plant does not negate the necessity for material depreciation.

The following assumptions are made with regards to life cycle of assets:

Plant

Excavators	7 years
Tractors	7 years
Motor Vehicles	6 years
General equipment	between 4 to 10 years

Pumping Stations

Automated Weed Screen Cleaners	30 Years
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4. Debtors and Creditors

The revenue accounts of the Board are maintained on an accruals basis in accordance with SSAP 2. That is, sums due to or from the Board during the year are included whether or not the cash has actually been received or paid in the year. If the invoice spans two financial years and the apportionment is not material then this will be charged to the financial year with the larger portion.

There is no provision for bad debts.

5. Stock

Stocks are valued in the Balance Sheet on the average price basis with no allowance made for obsolescent and slow moving items. This is a departure from the requirements of SSAP 9 which require stocks to be shown at actual cost or net realisable value, if lower. The effect of the different treatment is not material. Full stock takes have been undertaken.

6. Government Grants and Contributions

Government Grants and contributions when received are recognised in the income and expenditure account on an accruals basis. Government Grants used for the acquisition of fixed assets have been netted of the asset purchase cost.

7. Leases

The Board has no finance leases. It has entered Operating Leases during 2019/20 that are charged to the Income and Expenditure Account for the period to which it relates for 6 fleet vans and 5 4x4 vehicles as well as some new office photocopiers.

8. Reserves

A reserves policy was agreed at its Board meeting on 28th January 2014:

8.1 Revenue Reserve. The Board's policy is to maintain this balance at approximately 10% to 15% of the annual revenue expenditure.

8.2 Plant Renewal Funds. The Board's policy is to build up sufficient funds over the useful economic life of major assets to enable replacement. This is through a depreciation charge as set out in the fixed asset register.

- 8.3 Pumping Station Renewal Fund to update and refurbish pumping stations.
- 8.4 Automatic Weed Screen Cleaners (AWC) Reserve. This for the future replacement of automatic weed screen cleaners.
- 8.5 One Off Project reserve is used for any slippage in the financial year for one-off projects that have not yet been completed. The works will then be completed and funded in the following financial year.

9. Provisions

The Board sets aside provisions where there is a definite liability, but the amount and timing of settlement is not known. Details are given as notes to the accounting statements if a provision has been required.

10. Taxation

Drainage Boards are exempt from Corporation and Capital Gains Tax. Income Tax is paid by employees in the normal way. Value Added Tax is paid/recovered in the usual manner and is only included in the accounts to the extent that it is irrecoverable.

11. Post Balance Sheet Events

Any material post balance sheet events, which did not exist at the date of the balance sheet, have been disclosed as a separate note to the accounts if an event has occurred.

12. Pensions

Pension costs are accounted for on a defined benefits basis.

The Annual Report of Lincolnshire County Council's Superannuation Fund is available from Lincolnshire County Council, Superannuation Section, County Offices, Lincoln, LN1 1YE.

The full Disclosure of Net Pensions Asset/Liability and associated information is contained in the notes to the accounts on an FRS102 basis.

13. Exceptional Items

Any material, exceptional or prior year adjustments will be accounted for once they are known and shown in the accounts and associated notes.

14. Discontinued Operations

The Board had no material operations that it acquired, or which were discontinued in the year.

Income and Expenditure Account for the Year Ended 31st March 2020

	Note	31st March 2020	31st March 2019
Income		£	£
Drainage Rates & Costs		188,047	162,543
Special Levies	1	782,546	756,367
Highland Water Contributions	2	206,992	192,962
Flood Defence Grant in Aid (FDGIA)	2	0	0
Consents & Enforcement		12,103	12,176
Insurance Claims		45,248	0
Rechargeable Works		110,144	109,774
Sale of Surplus Assets		1,972	12,911
Rent, Interest, Wayleaves & Sundry Income		90,442	45,969
Total Income		1,437,494	1,292,702
Expenditure			
Drains		559,603	475,163
Pumping Stations		328,173	196,923
Depot		43,223	53,661
Engineering		110,991	96,828
Conservation		1,059	1,484
One Off Schemes		10,107	29,397
Environment Agency Precept		105,154	105,154
Consents & Enforcement		15,912	14,368
Board Administration	6	20,797	26,051
Joint Administration	7	164,253	141,208
Rechargeable Works		133,324	112,374
Wages & Plant Holding Account		49,534	23,858
Contribution to/(from) Reserves		(9,050)	0
FRS17 Pension Adjustment (net)	3	(84,000)	(45,000)
Total Expenditure		1,449,080	1,231,469
(Surplus)/ Deficit		11,586	(61,233)

Signed:

Name: Mr Paul Hoyes

Designation: Chairman

Date: 30th June 2020

Balance Sheet as at 31st March 2020

	Note	31st March 2020		31st March 2019	
		£	£	£	£
Non Current Assets					
Land & Buildings		2,735,954		2,652,821	
Vehicles and Plant		791,953		785,970	
Other		2,780		5,560	
Total Non Current Assets	10		3,530,687		3,444,351
Current Assets					
Stock		45,246		13,631	
Debtors & Prepayments	11	335,402		234,032	
Short Term Investments		0		0	
Bank & Cash		656,582		835,743	
Total Current Assets			1,037,230		1,083,406
Current Liabilities					
Creditors	12	(131,176)		(70,380)	
Short Term Loans					
Total Current Liabilities			(131,176)		(70,380)
Total Assets less Current Liabilities			4,436,741		4,457,377
Long Term Liabilities					
Long Term loans					
LGPS Net Pension Liability	13	(1,423,000)		(1,324,000)	
			(1,423,000)		(1,324,000)
Total Assets less Liabilities			3,013,741		3,133,377
Represented by:					
Capital Discharged	10		3,530,687		3,444,351
Funds, Balances & Reserves	14		906,054		1,013,026
Pensions Reserve	13		(1,423,000)		(1,324,000)
Total			3,013,741		3,133,377

Signed:

Name: Mr Paul Hoyes

Designation: Chairman

Date: 30th June 2020

Notes to the Accounts

Note 1: Special Levies

Special levies were paid by the following District Councils:

Special Levies	2019/20	2018/19
	£	£
City of Lincoln Council	256,816	255,539
East Lindsey District Council	325,950	310,142
West Lindsey District Council	199,780	190,686
	782,546	756,367

Note 2: Government Grants & Contributions

The following grants and contributions were received from the Environment Agency:

Government Grants	2019/20	2018/19
	£	£
Flood Defence Grant in Aid	0	0
Highland Water	206,992	192,962
	206,992	192,962

Note 3: Pension Contributions

In 2019/20 the Board paid an employer's contribution of 24.0% plus a lump sum of £39k (24.0% + £38k in 2018/19) of each employee's gross pay into Lincolnshire County Council's Superannuation Fund. This amounted to £190,960 in 2019/20 (£164,979 in 2018/19). Further pension disclosures are shown in the FRS102 Pension Note below.

Note 4: Officers' Remuneration

Remuneration of Employees	2019/20	2018/19
<i>Remuneration band</i>		
80,000 - 89,999	1	1
70,000 - 79,999	1	0
60,000 - 69,999	1	0
50,000 - 59,999	0	1

There is one Officer employed by the Board, the Chief Executive, who provides a service also as joint Chief Executive for North East Lindsey IDB, Upper Witham IDB and Witham First DIDB, has remuneration in the £80,000 to £89,999 banding and is recharged in accordance with the Joint Services Agreement of 1st April 2017.

There is one Officer employed by the Board, the Director of Finance & Governance, who has remuneration in the banding £70,000 to £79,999. This Officer is also the Operations Manager for this Board, Upper Witham IDB and for Witham First DIDB and is recharged in accordance with the Joint Services Agreement of 1st April 2017.

There is one Officer employed by the Witham First DIDB, the Director of Operations & Engineering, who has a gross annual salary in the £70,000 to £79,999 banding and is charged to Engineering. This Officer is also the Director of Operations & Engineering for this Board, Upper Witham IDB, North East Lindsey IDB and for Witham First DIDB and is recharged in accordance with the Joint Services Agreement of 1st April 2017.

There is one Officer employed by this Board, the Operations Manager, who has remuneration in the banding £60,000 to £69,999. This Officer is also the Operations Manager for North East Lindsey IDB, Upper Witham IDB and for Witham First DIDB and is recharged in accordance with the Joint Services Agreement of 1st April 2017.

The Joint Services Agreement of 1st April 2017 allocates costs of 33.4% to Upper Witham IDB, 16.5% to North East Lindsey IDB. 20.9% to Witham First DIDB and 29.2% to Witham Third DIDB

Note 5: Public Works Loans Board.

The Board has no short or long term loans outstanding. The Board is debt free.

Note 6: Audit Fees & Expenses

The fees paid to the Board's external auditors (PKF Littlejohn LLP) for 2019/20 is £2,600 (£2,600 in 2018/19).

Note 7: Joint Services

The Board is party to a Joint Services Agreement of 1st April 2017 between Upper Witham IDB, North East Lindsey IDB, Witham First DIDB and Witham Third DIDB for the provision of certain functions. Recharges are made for the Chief Executive, Finance and Administration Services, GIS & Environment Officer, Engineering Services and Director of Operations & Engineering on the following proportions; 33.4% to Upper Witham IDB, 16.5% to North East Lindsey IDB. 20.9% to Witham First DIDB and 29.2% to Witham Third DIDB.

Joint Services	Total Charge for 2019/20				
	UW	NEL	W1	W3	TOTAL
	33.4%	16.5%	20.9%	29.2%	100.0%
<u>Joint Administration</u>	£	£	£	£	£
Witham House (UW)	15,186	7,502	9,503	13,276	45,467
Joint Admin (UW)	16,852	8,325	10,545	14,734	50,456
Joint Admin (W1)	136,133	67,251	85,185	119,014	407,583
Total Joint Admin	168,171	83,078	105,233	147,024	503,506
<u>Engineering & Operational Services</u>					
Engineering & Operational Services (W1)	35,311	17,444	22,096	30,871	105,722
Engineering & Operational Services (W3)	83,874	41,434	52,484	73,326	251,118
Engineering & Operational Services (UW)	24,457	12,082	15,304	21,383	73,226
Total Engineering & Operational	143,642	70,960	89,884	125,580	430,066
Total Inter Recharges between Boards	311,813	154,038	195,117	272,604	933,572

Note 8: Related Party Transactions

Board Members are either elected by and represent the occupiers and ratepayers of land in the Board's area (and are ratepayers) or are nominated by one of 3 District Councils. These are City of Lincoln Council, and East Lindsey District Council and West Lindsey District Council who pay Special Levies. Except for normal transactions with the Board (eg payment of Drainage Rates), no other related party transactions have been identified

Note 9: Post Balance Sheet Event

There are no post balance sheet events that are material to the accounts and require disclosure.

Note 10: Non Current Assets

<u>Non Current Assets</u>	Land & Buildings	Pumping Stations	Depot	Plant & Vehicles	Office Equip	Total
<u>Cost</u>	£	£	£	£	£	£
Opening Balance 01/04/19	3,401	2,529,828	119,592	1,488,027	11,119	4,151,967
Additions		83,133		152,398		235,531
Disposals				(117,047)	0	(117,047)
Closing Balance 31/03/20	3,401	2,612,961	119,592	1,523,378	11,119	4,270,451
Depreciation						
Opening Balance 01/04/19	0	0	0	702,056	5,560	707,616
Depreciation Charged	0	0	0	112,087	2,780	114,867
Disposals Written Out	0	0	0	(82,719)	0	(82,719)
Closing Balance 31/03/20	0	0	0	731,424	8,340	739,764
Net Book Value 31/03/19	3,401	2,529,828	119,592	785,971	5,559	3,444,351
Net Book Value 31/03/20	3,401	2,612,961	119,592	791,954	2,779	3,530,687

The above Capital has been financed as follows:

Capital Discharged	2019/20	2018/19
	£	£
Capital Receipts Applied	60,000	60,000
Revenue Contributions	2,610,983	2,610,983
Renewals Fund	1,599,468	1,480,984
Revaluation Reserve	0	0
Deferred Charge	0	0
less Depreciation	(739,764)	(707,616)
	3,530,687	3,444,351

Note 11: Debtors and Prepayments

Debtors & Prepayments	2019/20	2018/19
	£	£
Drainage Ratepayers	5,927	324
Sundry Debtors & Prepayments	329,475	233,708
HMRC	0	0
	335,402	234,032

Note 12: Creditors and Receipts in Advance

Creditors & Receipts in Advance	2019/20	2018/19
	£	£
Sundry Creditors	(94,481)	(41,158)
HMRC	(36,630)	(25,125)
Payroll Deductions	(65)	(4,097)
	(131,176)	(70,380)

Note 13: FRS102 Pensions

The following disclosures are based upon the ‘Actuarial Valuation as at 31st March 2020 for FRS102 Purposes’ prepared by Hymans Robertson LLP, the fund Actuaries for the Lincolnshire County Council Pension Fund.

The impact on the Balance Sheet is:

Balance Sheet	31/03/20	31/03/19
	£000's	£000's
Fair Value of Employer Assets	3,149	3,336
Present Value of Funded Liabilities	(4,572)	(4,660)
Present Value of Unfunded Liabilities	0	0
Unrecognised Past Service Cost	0	0
Net Asset/(Liability)	(1,423)	(1,324)
<i>Amount in the Balance Sheet</i>		
Liabilities	(1,423)	(1,324)
Assets		
Net Asset/(Liability)	(1,423)	(1,324)

The Fair Value of the Employer Assets can be analysed as follows:

Fair Value of Employer Assets	31/03/20	31/03/19
	£000's	£000's
Equities	1,952	2,435
Bonds	787	534
Property	378	334
Cash	32	33
Cumulative Actuarial Gains and Losses	3,149	3,336

The impact on the Income and Expenditure Account is:

Recognition in the income and expenditure account	31/03/20	31/03/19
	£000's	£000's
Current Service Cost	276	211
Interest Cost	114	111
Expected Return on Employer Assets	(81)	(79)
Past Service Cost/ (Gain)	0	0
Losses/(Gain) on Curtailments & Settlements	0	0
Total	309	243
Actual Return on Employer Assets	(357)	195

The Defined Benefit Obligation consists of:

Reconciliation of Defined Benefit Obligation	31/03/20	31/03/19
	£000's	£000's
Opening Defined Benefit Obligation	4,660	4,245
Current Service Cost	276	211
Interest Cost	114	111
Contribution by Members	46	38
Actuarial Losses/(Gains)	(375)	213
Past Service Cost/ (Gain)	0	0
Estimated Unfunded Benefits Paid	0	0
Estimated Benefits Paid	(149)	(158)
Closing Defined Benefit Obligation	4,572	4,660

The Fair Value of Employee Assets consists of:

Reconciliation of Fair Value of Employee Assets	31/03/20	31/03/19
	£000's	£000's
Opening Fair Value of Employer Assets	3,336	3,016
Interest Income on Plan Assets	81	79
Contribution by Members	46	38
Contribution by Employer	192	166
Contributions in respect of Unfunded Benefits	0	0
Actuarial Losses/(Gains)	(357)	195
Estimated Unfunded Benefits Paid	0	0
Estimated Benefits Paid	(149)	(158)
Closing Defined Benefit Obligation	3,149	3,336

The following assumptions have been used by the Actuary in making their valuation as at 31st March 2020:

Assumptions	31/03/20	31/03/19
	%	%
Financial Assumptions		
Pension Increase Rate	2.0%	2.5%
Salary Increase Rate	2.3%	2.9%
Discount Rate	2.3%	2.4%
Mortality (future life expectancy at age 65)		
Current Pensioners (Male)	21.4 years	22.1 years
Current Pensioners (Female)	23.7 years	24.4 years
Future Pensioners (Male)	22.4 years	24.1 years
Future Pensioners (Female)	25.2 years	26.6 years

The following table sets out the likely impacts if certain assumptions are changed:

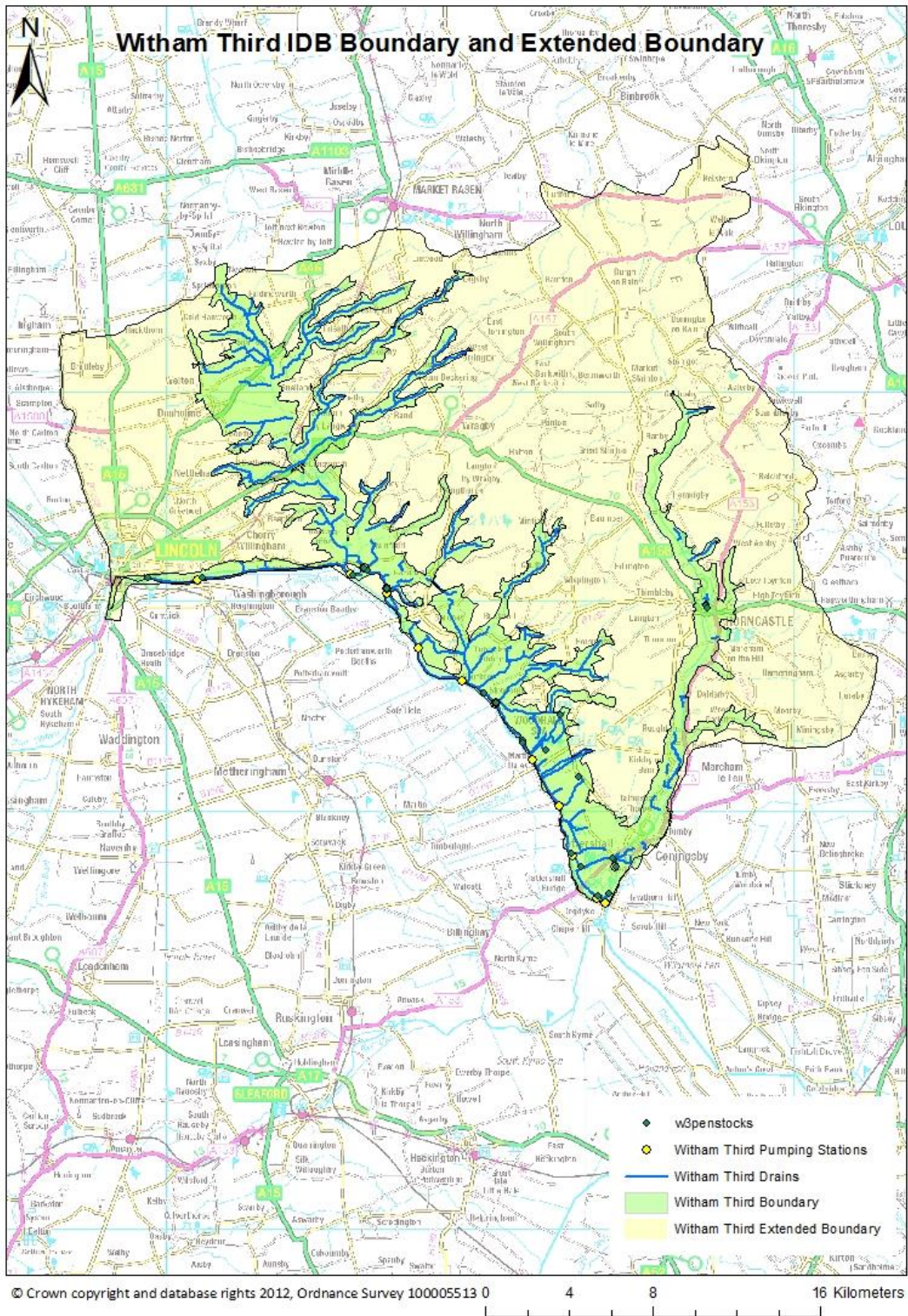
Sensitivity Analysis	Approx increase to Employer Liability	Approx Monetary Amount
	%	£000's
Change in assumptions at 31 March 2020		
0.5% decrease in Real Discount Rate	9%	413
0.5% increase in the Salary Increase Rate	1%	30
0.5% increase in the Pension Increase Rate	8%	381

Projected pension costs. The estimated Employer's contribution for the period to 31st March 2020 will be approximately £146,000.

Note 14: Funds & Reserves

W3rd DIDB Schedule of Funds & Reserves as at 31st March 2020										
Movement on Reserves	Capital Discharged	Capital Receipts	Pensions Reserve	Revenue Reserve	Plant & Machinery Reserve	Pumping Station Reserve	AWC Renewal Fund	One Off Projects Reserve	Office Equipment Reserve	Total
	£	£	£	£	£	£	£	£	£	£
Balance as at 31 March 2019	(3,444,351)	0	1,324,000	(174,536)	(304,936)	(294,004)	(150,000)	(83,991)	(5,559)	(3,133,377)
Depreciation	114,867				(112,087)				(2,780)	0
Capital Purchases	(235,531)				152,398	83,133				0
Capital Sales	34,328				(34,328)					0
Pension Interest Cost (Net)			99,000							99,000
Contributions in										0
Contributions out								9,050		9,050
Transfers										0
Deferred Charge W/off										0
(Surplus)/Deficit on I&E				11,586						11,586
Balance as at 31 March 2020	(3,530,687)	0	1,423,000	(162,950)	(298,953)	(210,871)	(150,000)	(74,941)	(8,339)	(3,013,741)

Appendix 1



Appendix 2

Witham and Humber Drainage Boards' Organisational Structure Chart 06.04.20



Appendix 3 - Witham Third DIDB: Interrelationship between Rainfall, Pumped Hours and Electricity Costs

Pumping Station	2014-15			2015-16			2016-17			2017-18			2018-19			2019-20		
	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)
Bardney Abbey		99	£ 934.77		90	£ 443.82		80	£ 1,593.87		97	£ 1,025.17		134	£ 812.73		449	£ 2,524.77
Bardney Fen (Bardney Abbey New)		603	£ 392.44		312	£ 192.14		536	£ 225.87		260	£ 229.51		762	£ 487.80		2,297	£ 1,406.98
Bardney Manor Farm		195	£ 1,211.87		133	£ 699.98		161	£ 839.22		182	£ 700.12		282	£ 1,048.86		1,080	£ 4,026.48
Coningsby Ings		148	£ 700.59		84	£ 855.99		115	£ 694.79		115	£ 977.32		293	£ 749.66		2,160	£ 1,561.61
Dogdyke (Diesel)			£ 31.75								165	£ 144.38		450	£ 126.22			£ 179.25
Dogdyke (Electric)		453	£ 1,530.97		250	£ 1,576.30		405	£ 1,503.74		219	£ 1,278.72		437	£ 1,859.19		1,718	£ 5,627.84
Duckpool		142	£ 1,337.70		97	£ 462.43		103	£ 1,873.18		174	£ 1,832.65		167	£ 1,247.33		821	£ 6,165.71
Greetwell		55	£ 7,800.28		128	£ 6,018.68		224	£ 5,219.18		322	£ 6,660.28		502	£ 8,087.21		892	£ 13,116.68
Horncastle Ings		99			210	£ 222.23		71	£ 539.25		419	£ 68.61		414	£ 622.73		1,534	£ -
Kirkstead		605	£ 3,132.44		436	£ 2,553.89		631	£ 2,503.78		649	£ 2,515.69		667	£ 770.38		2,684	£ 6,405.41
Marsh Lane		1,060	£ 2,666.76		461	£ 2,487.55		672	£ 2,213.47		628	£ 2,270.02		763	£ 2,981.69		2,621	£ 8,737.38
Short Ferry (Fiskerton) Electric		546	£ 10,515.82		481	£ 12,465.41		899	£ 14,568.19		444	£ 14,915.70		833	£ 15,048.59		2,053	£ 30,096.52
Short Ferry Diesel											439							
Southrey		424	£ 10,318.46		202	£ 12,246.63		233	£ 8,643.88		381	£ 9,568.01		341	£ 9,852.98		1,126	£ 13,223.23
Stainfield		3,212	£ 2,479.63		1,468	£ 2,054.04		3,233	£ 2,886.07		2362	£ 2,862.14		4,442	£ 3,653.50		3,824	£ 4,136.67
Stainfield (New)											2215							
Stamp End														443				3,393
Stixwoud Deisel						£ 615.57			£ 48.84						£ 73.73			£ 128.31
Woodhall	512.70	481	£ 6,257.92	428.50	262	£ 5,363.03	521.50	450	£ 5,679.58	577.50	470	£ 5,681.62	265.50	-	£ 5,974.83	857.00	1,236	£ 14,803.20
Total	512.70	8,122	£ 49,311.40	428.50	4,614	£ 48,257.69	521.50	7,813	£ 49,032.91	577.50	9,541	£ 50,592.72	265.50	10,930	£ 53,397.43	857.00	27,888	£ 112,140.04

