

# North East Lindsey Internal Drainage Board



## Annual Report & Statement of Accounts 2022/23 for the year ended 31<sup>st</sup> March 2023

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# **North East Lindsey Internal Drainage Board Statement of Accounts & Annual Report 2022/23**

## **Annual Report 2022/23**

North East Lindsey Internal Drainage Board [NELIDB] 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, the two Unitary Councils of North Lincolnshire and North East Lincolnshire, District Councils (particularly West Lindsey District Council) and Lincolnshire County Council. 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 11,250 hectares, other than on main rivers where the Environment Agency has this role and towards which the Board pays an annual precept [£161,019 in 2022/23]. 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 21 Members, including Mr Philip Hoyes, Chairman (since November 2019) and Mr Lionel Grooby, Vice Chairman. Members are either elected by and represent the occupiers of land in the drainage district or they are nominated by one of three Councils, namely North East Lincolnshire Council, North Lincolnshire Council or West Lindsey District 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, implement the Board's agreed strategies, plans and policies and operationally manage and provide the Board's services. The Board's current 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 under the terms of a Joint Services Agreement in place since 01<sup>st</sup> April 2017, the other three being Upper Witham, Witham First District and Witham Third District IDBs. 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, income received through a direct levy on owners and occupiers of land within the drainage district, with drainage rates being payable on 01<sup>st</sup> April each year and totalling £24,531 in 2022/23. Secondly, income is secured through special levies paid by the three Councils in two instalments on 01<sup>st</sup> May and 01<sup>st</sup> November each year, totalling £623,154 for 2022/23 (i.e., North East Lincolnshire Council £452,212, North Lincolnshire Council £167,388 and West Lindsey District Council £3,554).

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

The Board agreed on 1<sup>st</sup> February 2022 a rate uplift for 2022/23 of 5.0% in order to set a balanced budget for 2022/23 of £837,597.

During 2017/18 the Board appointed a new drains maintenance contractor Eric Carnaby and Sons Ltd to undertake weedcutting and flailing works on the Board maintained watercourses from July 2017. This contract was retendered during 2022/23 and Eric Carnaby and Son Ltd have been awarded the maintenance contract once again from 01/04/2022 for a further 3 years, with the option to extend for a further 2 years by mutual agreement. In the 2022/23 weedcutting season, all watercourses were maintained.

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 were incurred.

During January and February 2020 there was further heavy rainfall which increased electricity usage to higher than normal. The Board also incurred additional electricity costs at Middle Drain Pumping Station, initially in 2019/20 where dam boards remained in place on the gravity outfall after the replacement of the outfall doors by the Environment Agency. This meant water had to be pumped rather than using the gravity outfall. This situation continued throughout 2020/21 due to the outfall being silted up after the removal of the dam boards, so further additional electricity costs were incurred until May 2021. These costs have been reimbursed by the Environment Agency until the outfall was working correctly [mid-May 2021 this was corrected]. Although a much drier year was experienced in 2022/23, the Board incurred electricity costs of £24,253 during 2022/23 compared to a budget of £15,000. This was due to the substantial increase in electricity unit costs and standing charges from October 2022 (so only 6-month impact in 2022/23). This has been a significant Budgeting issue for 2023/24.

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. In November 2021, the Board approved a new Nature Strategy which supersedes the previous Biodiversity Action Plan.

The Board provides 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 which falls within West Lindsey District Council area. This has been provided under a Memorandum of Understanding with LCC for 2022/23, which has been extended for the Board to continue the service until 31.03.24. North East Lincolnshire and North Lincolnshire Councils provide the service within their areas where this is outside the Board's drainage district.

Examples of the Board's work in 2022/23 include:

- Operation of the Board's 6 Pumping Stations to protect property, agricultural land, industrial sites and critical infrastructure in the drainage district of 11,250 hectares.
- Completion of the Board's Summer 2022 maintenance programme using the Board's contractor, Eric Carnaby and Son Ltd. Work extended to cover annual maintenance of all watercourses adopted by the Board.
- Winter Maintenance works at Ulceby, Barton Drain, Mawmbridge Drain and Immingham Pump Drain totalling £16,000.
- Under the supervision of the Board's officers, the Board's contractor undertook maintenance work on the following watercourses on behalf of the Environment Agency, using the Public Sector Co-operation Agreement (PSCA): East Halton Skitter, Brocklesby Beck, Stallingborough North Beck, Oldfleet Drain, Buck Beck & Goosepaddle Drain.
- Involvement in a multi-agency study and model along with Anglian Water, North East Lincolnshire Council and the Environment Agency assessing the flood risk strategy in the Immingham area. Representatives of the Board also attend meetings at the North Lincolnshire Council Operation Flood Group.
- Provided a consents and enforcements service in the West Lindsey District Council district to Lincolnshire County Council (as the Lead Local Flood Authority) in the Board's extended rainfall catchment under a Memorandum of Understanding to 31.03.24. North Lincolnshire and North East Lincolnshire Councils undertake their own consents and enforcement services.
- Continuing with the Board's conservation initiatives including the maintenance of a wildlife area at a site on Rosper Road (Immingham), 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.
- The Board's officers continue to respond to all planning applications that affect the Board's activities within the district, and to those immediately outside its boundary. These range from small domestic property changes to large industrial sites covering many hectares.
- The Board operates a system to consent activities affecting the Board's maintained system within the district and where others propose works within the riparian system.

*All figures exclude VAT.*

The end of year outturn position for the Board, as at 31<sup>st</sup> March 2023, was a modest surplus of £48,038 (compared to a surplus of £21,852 in 2021/22) which will be contributed to the Board's General Reserve.

## **Statement of Accounts 2022/23**

### **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 Director of Finance & Governance.

To support its Governance arrangements, the Board approved on 17<sup>th</sup> September 2019 its Risk Management Policy, Strategy and its Risk Register, which it reviewed and updated again on 25<sup>th</sup> January 2023. On 14<sup>th</sup> September 2021 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 2022/23.

### **The Balance Sheet:**

This statement is fundamental to the understanding of the Board's financial position as at 31<sup>st</sup> March 2023. 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 2022/23 with comparisons to 2021/22.

## North East Lindsey Internal Drainage Board, Members 2022/23

The Board has 21 Members, 10 Members elected by the Occupiers of land within the drainage district and 11 members nominated by the three Councils who pay Special Levies to the Board, i.e. North East Lincolnshire Council, North Lincolnshire Council and West Lindsey District Council. Elections of occupiers of land are every 3 years and the latest term of office runs from 01.11.21 to 31.10.24. Council nominated members are for the period of the civic year.

Members 01.04.22 to 31.03.23 were:

<b>Elected Member's Name</b>	<b>Electoral District</b>
<b>Mr. Philip Hoyes (Chairman)</b>	<b>Aylesby, Great Cotes, Grimsby, Healing, Immingham &amp; Stallingborough</b>
<b>Mr. Lionel Grooby (Vice Chairman)</b>	<b>Barton upon Humber, Barrow Upon Humber &amp; South Ferriby</b>
Mr. Julian Hargreaves	Barton upon Humber, Barrow Upon Humber & South Ferriby
Mr John Finch	East Halton, Thornton & Ulceby
Mr. James Fussey	East Halton, Thornton & Ulceby
Vacant (from Nov 2021)	Brocklesby, Habrough, Keelby, Kirmington, North Killingholme & South Killingholme
Vacant (from Nov 2021)	Brocklesby, Habrough, Keelby, Kirmington, North Killingholme & South Killingholme
Mr. Steve Shepherd	Aylesby, Great Cotes, Grimsby, Healing, Immingham & Stallingborough
Vacant (from Nov 2021)	Barnoldby, Bradley, Cleethorpes, Humberston, Irby, Laceby, Riby, Waltham & Weelsby
Mr. Robert Kirk	Barnoldby, Bradley, Cleethorpes, Humberston, Irby, Laceby, Riby, Waltham & Weelsby

<b>Nominated Member's Name</b>	<b>Nominating Authority</b>
Cllr Paul Batson	North East Lincolnshire Council
Alderman Iain Colquhoun (to May 2022)	North East Lincolnshire Council
Cllr Stephen Harness	North East Lincolnshire Council
Cllr Ian Lindley (from May 2022)	North East Lincolnshire Council
Alderman Peter Mills (to May 2022)	North East Lincolnshire Council
Cllr Bill Parkinson	North East Lincolnshire Council
Cllr Matthew Patrick (to May 2022)	North East Lincolnshire Council
Cllr Nick Pettigrew	North East Lincolnshire Council
Vacancy (from May 2022)	North East Lincolnshire Council
Vacancy (from May 2022)	North East Lincolnshire Council
Cllr Peter Clark	North Lincolnshire Council
Cllr Richard Hannigan	North Lincolnshire Council
Cllr David Wells	North Lincolnshire Council
Vacancy (from May21)	West Lindsey District Council

## The Annual Governance Statement 2022/23

We acknowledge as the Members of North East Lindsey 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 for the year ended 31 March 2023, that:

1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.
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 this Board to conduct its business or manage 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 maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.
7. We took appropriate action on all matters raised in reports from internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.

This annual governance statement is approved by the Board and recorded as a Board minute, dated Wednesday, 24<sup>th</sup> May 2023.

Signed on behalf of North East Lindsey Internal Drainage Board.

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

Date...24/05/2023

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

Date: 24/05/2023



## **The Statement of Responsibilities for the Statement of Accounts 2022/23**

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 Director of Finance & Governance.
- to manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets.

### The Director of Finance & Governance's Responsibilities:

The Director of Finance & Governance 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<sup>st</sup> March 2023.

In preparing this statement of accounts, the Director of Finance & Governance 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 UK GAAP Financial Reporting Standard 102 issued by the Financial Reporting Council and has regard to the proper practices published by the Joint Panel on Accountability and Governance (JPAG), a further update to the Practitioners' Guide having been issued by JPAG in March 2022.
- applied the accounting concept of a "going concern" by assuming that the IDB will continue to operate for the foreseeable future.

The Director of Finance & Governance has:

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

### Certificate of the Director of Finance & Governance

This Statement of Accounts 2022/23 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<sup>st</sup> March 2023 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 North East Lindsey Internal Drainage Board at a meeting held on Wednesday, 24<sup>th</sup> May 2023.

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

Date: ..... 24/05/2023 .....

## **Statement of Accounting Policies**

### **1. General**

This statement of accounts has been prepared in accordance with the UK GAAP Financial Reporting Standard 102 issued by the Financial Reporting Council and has regard to the proper practices published by the Joint Panel on Accountability and Governance (JPAG), a further update to the Practitioners' Guide having been issued by JPAG in March 2022.

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 (if required):

**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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**Computer & Office Equipment**

All computer & office equipment	4 Years
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**4. Debtors and creditors**

The revenue accounts of the Board are maintained on an accruals basis in accordance with FRS18, 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 a provision for bad debts which is reviewed annually.

**5. Stock**

Stocks (if held) 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 FRS102 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 where required.

**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 2022/23 that are charged to the Income and Expenditure Account for the period to which it relates for a 4x4 vehicle.

**8. Reserves**

A reserves policy was agreed at the Board meeting on 23<sup>rd</sup> January 2018.

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 Pumping Station Renewal Reserve to update and refurbish pumping stations.
- 8.3 Conservation Projects Reserve to fund Conservation related projects.
- 8.4 Rosper Road Pits Reserve to develop this conservation site.
- 8.5 Board Management Account to fund the one-off costs of the transition to the new Joint Services arrangement.
- 8.6 Developer Contributions to undertake works in these areas funded by Developer Contributions previously received.

Further reserves can be (and have been) agreed by the Board at any Board meeting.

## **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 by the Board 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 31<sup>st</sup> March 2023

	Note	31st March 2023	31st March 2022
<b>Income</b>		<b>£</b>	<b>£</b>
Drainage Rates & Costs		24,531	22,109
Special Levies	1	623,154	588,540
FDGIA Grant	2	146,600	15,000
Highland Water Contributions	2	95,668	71,548
Consents & Enforcement		0	0
Insurance Claims		0	0
Rechargeable Works		226,162	162,924
Commutation Payments/Developer Contributions		0	0
Interest		1,939	142
Gains/Losses on the Sale of Surplus Assets		0	0
Rent, Wayleaves & Sundry Income		850	15,377
<b>Total Income</b>		<b>1,118,904</b>	<b>875,640</b>
<b>Expenditure</b>			
Drains		156,281	136,074
Pumping Stations		41,817	47,483
Depot		8,725	8,615
Engineering		60,510	68,484
Conservation		705	619
One Off Schemes		15,245	18,940
Environment Agency Precept		161,019	161,019
Consents & Enforcement		0	0
Board Administration		44,044	16,275
Joint Administration	7	122,511	108,293
Rechargeable Works		179,212	136,942
Public Works Loan Board Interest	5	0	0
Works Supervisor & Equipment		108,732	106,044
Contribution to/(from) Reserves		182,065	55,000
FRS17 Pension Adjustment (net)		(10,000)	(10,000)
<b>Total Expenditure</b>		<b>1,070,866</b>	<b>853,788</b>
<b>(Surplus)/ Deficit</b>		<b>(48,038)</b>	<b>(21,852)</b>

Signed: 

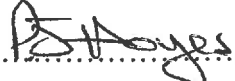
Name: Mr P. Hoyes

Designation: Chairman

Date: 24<sup>th</sup> May 2023

## Balance Sheet as at 31<sup>st</sup> March 2023

	Note	31st March 2023		31st March 2022	
		£	£	£	£
<b>Non Current Assets</b>					
Land & Buildings		3,308,603		3,312,050	
Vehicles and Plant		0		0	
Other		0		0	
<b>Total Non Current Assets</b>	10		3,308,603		3,312,050
<b>Current Assets</b>					
Stock		0		0	
Debtors & Prepayments	11	35,795		98,706	
Short Term Investments					
Bank & Cash		874,179		555,688	
<b>Total Current Assets</b>			909,974		654,394
<b>Long Term Assets</b>					
LGPS Net Pension Surplus		399,000		0	
			399,000		0
<b>Total Assets</b>			4,617,577		3,966,444
<b>Current Liabilities</b>					
Creditors	12	(95,822)		(73,792)	
Short Term Loans		0		0	
<b>Total Current Liabilities</b>			(95,822)		(73,792)
<b>Total Assets less Current Liabilities</b>			4,521,755		3,892,652
<b>Long Term Liabilities</b>					
Long Term loans		0		0	
LGPS Net Pension Liability	13	0		(71,000)	
			0		(71,000)
<b>Total Assets less Liabilities</b>			4,521,755		3,821,652
<b>Represented by:</b>					
Capital Discharged	10		3,308,603		3,312,050
Funds, Balances & Reserves	14		814,152		580,602
Pensions Reserve	13		399,000		(71,000)
Capital Receipts Unapplied			0		0
<b>Total</b>	14		4,521,755		3,821,652

Signed:  .....

Name: Mr P. Hoyes

Designation: Chairman

Date: 24<sup>th</sup> May 2023

# Notes to the Accounts

## Note 1: Special Levies

Special levies were paid by the following District Councils:

<b>Special Levies</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>
North Lincolnshire Council	167,388	159,367
North East Lincolnshire Council	452,212	425,788
West Lindsey District Council	3,554	3,385
	<b>623,154</b>	<b>588,540</b>

## Note 2: Government Grants & Contributions

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

<b>Government Grants</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>
Flood Defence Grant in Aid	146,600	15,000
Highland Water	95,668	71,548
	<b>242,268</b>	<b>86,548</b>

## Note 3: Pension Contributions

In 2022/23 the Board paid an employer's contribution of 20.7% plus a lump sum of £1k (20.7% + £1k in 2022/23) of each employee's gross pay into Lincolnshire County Council's Superannuation Fund. This amounted to £10,698 in 2022/23 (£10,459 in 2021/22).

## Note 4: Officers' Remuneration

<b>Remuneration of Employees</b>	<b>2022/23</b>	<b>2021/22</b>
<i>Remuneration band</i>		
80,000 - 89,999	0	0
70,000 - 79,999	0	0
60,000 - 69,999	0	0
50,000 - 59,999	0	0

This Board has no staff directly employed that fall into these bandings.

The Chief Executive, who is employed by Witham Third District IDB but who provides a service also as joint Chief Executive for this Board, Upper Witham IDB, Witham First DIDB and Witham Third DIDB, has remuneration in the £90,000 to £99,999 banding and is recharged in accordance with the Joint Services Agreement of 01<sup>st</sup> April 2017.

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

There is one Officer employed by Witham First DIDB, the Director of Engineering & Technical Services, 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 Engineering & Technical Services for this Board, Upper Witham IDB, Witham First DIDB and Witham Third DIDB and is recharged in accordance with the Joint Services Agreement of 1<sup>st</sup> April 2017.

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

There is one Officer employed by Upper Witham IDB, the Head of Engineering & Technical Services, who has remuneration in the banding £50,000 to £59,999. This Officer is also the Head of Engineering & Technical Services for this Board, Upper Witham IDB, Witham First DIDB and Witham Third DIDB and is recharged in accordance with the Joint Services Agreement of 1<sup>st</sup> April 2017.

The Joint Services Agreement of 1<sup>st</sup> April 2017 currently allocates costs of 30% to Upper Witham IDB, 20% to North East Lindsey IDB. 20% to Witham First DIDB and 30% to Witham Third DIDB.

#### **Note 5: Public Works Loans Board (PWLB).**

This Board has no Loans with the PWLB and is debt free.

#### **Note 6: Audit Fees & Expenses**

The fees paid to the Board's external auditors (PKF Littlejohn LLP) for 2022/23 are £2,100 (£1,600 in 2021/22).

#### **Note 7: Joint Services**

The Board is party to a Joint Services Agreement of 1<sup>st</sup> 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: 30% to Upper Witham IDB, 20% to North East Lindsey IDB. 20% to Witham First DIDB and 30% to Witham Third DIDB.



Joint Services	Total Charge for 2022/23				
	UW 30.0%	NEL 20.0%	W1 20.0%	W3 30.0%	TOTAL 100.0%
	£	£	£	£	£
<b>Joint Administration</b>					
Witham House (UW)	14,289	9,526	9,526	14,289	47,630
Joint Admin (UW)	15,974	10,649	10,649	15,975	53,247
Joint Admin (W1)	153,504	102,336	102,336	153,504	511,680
<b>Total Joint Admin</b>	<b>183,767</b>	<b>122,511</b>	<b>122,511</b>	<b>183,769</b>	<b>612,558</b>
<b>Engineering &amp; Operational Services</b>					
Engineering & Operational Services (W1)	35,091	23,394	23,394	35,092	116,971
Engineering & Operational Services (W3)	63,493	42,329	42,329	63,492	211,643
Engineering & Operational Services (UW)	27,121	18,081	18,081	27,121	90,404
<b>Total Engineering &amp; Operational</b>	<b>125,705</b>	<b>83,804</b>	<b>83,804</b>	<b>125,705</b>	<b>419,018</b>
<b>Total Inter Recharges between Boards</b>	<b>309,472</b>	<b>206,315</b>	<b>206,315</b>	<b>309,474</b>	<b>1,031,576</b>

## 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 North East Lincolnshire and North Lincolnshire Council who pay Special Levies.

## 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

Non Current Assets	Land & Buildings	Pumping Stations	Depot	Plant & Vehicles	Office Equip	Total
Cost	£	£	£	£	£	£
<b>Closing Balance 31/03/22</b>	<b>0</b>	<b>3,318,944</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,318,944</b>
Additions		0		0		0
Disposals		0		0		0
<b>Closing Balance 31/03/23</b>	<b>0</b>	<b>3,318,944</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,318,944</b>
<b>Depreciation</b>						
<b>Opening Balance 01/04/22</b>	<b>0</b>	<b>6,894</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,894</b>
Depreciation Charged	0	3,447	0	0	0	3,447
Disposals Written Out	0	0	0	0	0	0
<b>Closing Balance 31/03/23</b>	<b>0</b>	<b>10,341</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,341</b>
<b>Net Book Value 31/03/22</b>	<b>0</b>	<b>3,312,050</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,312,050</b>
<b>Net Book Value 31/03/23</b>	<b>0</b>	<b>3,308,603</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,308,603</b>

The above Capital has been financed as follows:

<b>Capital Discharged</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>
Capital Receipts Applied	0	0
Revenue Contributions	3,250,000	3,250,000
Renewals Fund	68,944	68,944
Revaluation Reserve	0	0
less Depreciation	(10,341)	(6,894)
	<b>3,308,603</b>	<b>3,312,050</b>

### Note 11: Debtors and Prepayments

<b>Debtors &amp; Prepayments</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>
Drainage Ratepayers	1,188	530
Sundry Debtors & Prepayments	13,554	74,026
HMRC	21,053	24,150
	<b>35,795</b>	<b>98,706</b>

### Note 12: Creditors and Receipts in Advance

<b>Creditors &amp; Receipts in Advance</b>	<b>2022/23</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>
Sundry Creditors	(90,522)	(68,503)
HMRC	(1,355)	(1,344)
Payroll Deductions	0	0
Provision for Bad Debts	(3,945)	(3,945)
	<b>(95,822)</b>	<b>(73,792)</b>

### Note 13: FRS102 Pensions

The following disclosures are based upon the 'March 2023 FRS102 Report' prepared by Barnett Waddingham LLP, the fund Actuaries for the Lincolnshire County Council Pension Fund (previous Actuaries were Hymans Robertson LLP).

The impact on the Balance Sheet is:

<b>Balance Sheet</b>	<b>31/03/23</b>	<b>31/03/22</b>
	<b>£000's</b>	<b>£000's</b>
Present value of the defined benefit obligation	(736)	(1,237)
Fair value of Fund assets (bid value)	1,135	1,166
<b>Net (Under)/Overfunding in Funded Plans</b>	<b>399</b>	<b>(71)</b>
Present Value of Unfunded Liabilities	0	0
Unrecognised Past Service Cost	0	0
<b>Net Asset/(Liability)</b>	<b>399</b>	<b>(71)</b>
<b>Amount in the Balance Sheet</b>		
Liabilities		(71)
Assets	399	
<b>Net Asset/(Liability)</b>	<b>399</b>	<b>(71)</b>

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

Fair Value of Employer Assets	31/03/23		31/03/21	
	£000's	%	£000's	%
Equities	637	56%	842	72%
Bonds	149	13%	154	13%
Property	85	7%	126	11%
Cash	31	3%	44	4%
Infrastructure	43	4%		0%
Absolute return fund	190	17%		0%
<b>Cumulative Actuarial Gains and Losses</b>	<b>1,135</b>	<b>100%</b>	<b>1,166</b>	<b>100%</b>

The impact on the Income and Expenditure Account is:

Recognition in the income and expenditure account	31/03/23	31/03/22
	£000's	£000's
Current Service Cost	20	20
Net interest on the defined liability (asset)	2	4
Administration expenses	1	1
<b>Total</b>	<b>23</b>	<b>25</b>

The Defined Benefit Obligation consists of:

Reconciliation of Defined Benefit Obligation	31/03/23	31/03/22
	£000's	£000's
<b>Opening Defined Benefit Obligation</b>	<b>1,237</b>	<b>1,278</b>
Current Service Cost	20	20
Interest Cost	32	25
Change in financial assumptions	(346)	(50)
Change in demographic assumptions	(77)	0
Experience loss/(gain) on defined benefit obligation	(94)	2
Liabilities assumed / (extinguished) on settlements	0	0
Estimated benefits paid net of transfers in	(39)	(41)
Past service costs, including curtailments	0	0
Contributions by Scheme participants and other employers	3	3
Unfunded pension payments	0	0
<b>Closing Defined Benefit Obligation</b>	<b>736</b>	<b>1,237</b>

The Fair Value of Employee Assets consists of:

Reconciliation of Fair Value of Employee Assets	31/03/23	31/03/22
	£000's	£000's
<b>Opening Fair Value of Employer Assets</b>	<b>1,166</b>	<b>1,070</b>
Interest on assets	30	21
Return on assets less interest	(28)	103
Other actuarial gains/(losses)	(7)	0
Administration expenses	(1)	(1)
Contributions by employer including unfunded	11	11
Contributions by Scheme participants and other employers	3	3
Estimated benefits paid plus unfunded net of transfers in	(39)	(41)
Settlement prices received / (paid)	0	0
<b>Closing Fair value of Fund assets</b>	<b>1,135</b>	<b>1,166</b>

The following assumptions have been used by the Actuary in making their valuation as at 31<sup>st</sup> March 2023:

<b>Assumptions</b>	<b>31/03/23</b>	<b>31/03/22</b>
<b><i>Financial Assumptions</i></b>		
Discount Rate	4.80%	2.60%
Pension Increase Rate	2.95%	3.35%
Salary Increase Rate	3.95%	3.65%
<b><i>Mortality (future life expectancy at age 65)</i></b>		
Current Pensioners (Male)	19.8 years	21.2 years
Current Pensioners (Female)	22.9 years	23.7 years
Future Pensioners (Male)	21.1 years	22.1 years
Future Pensioners (Female)	24.1 years	25.1 years

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

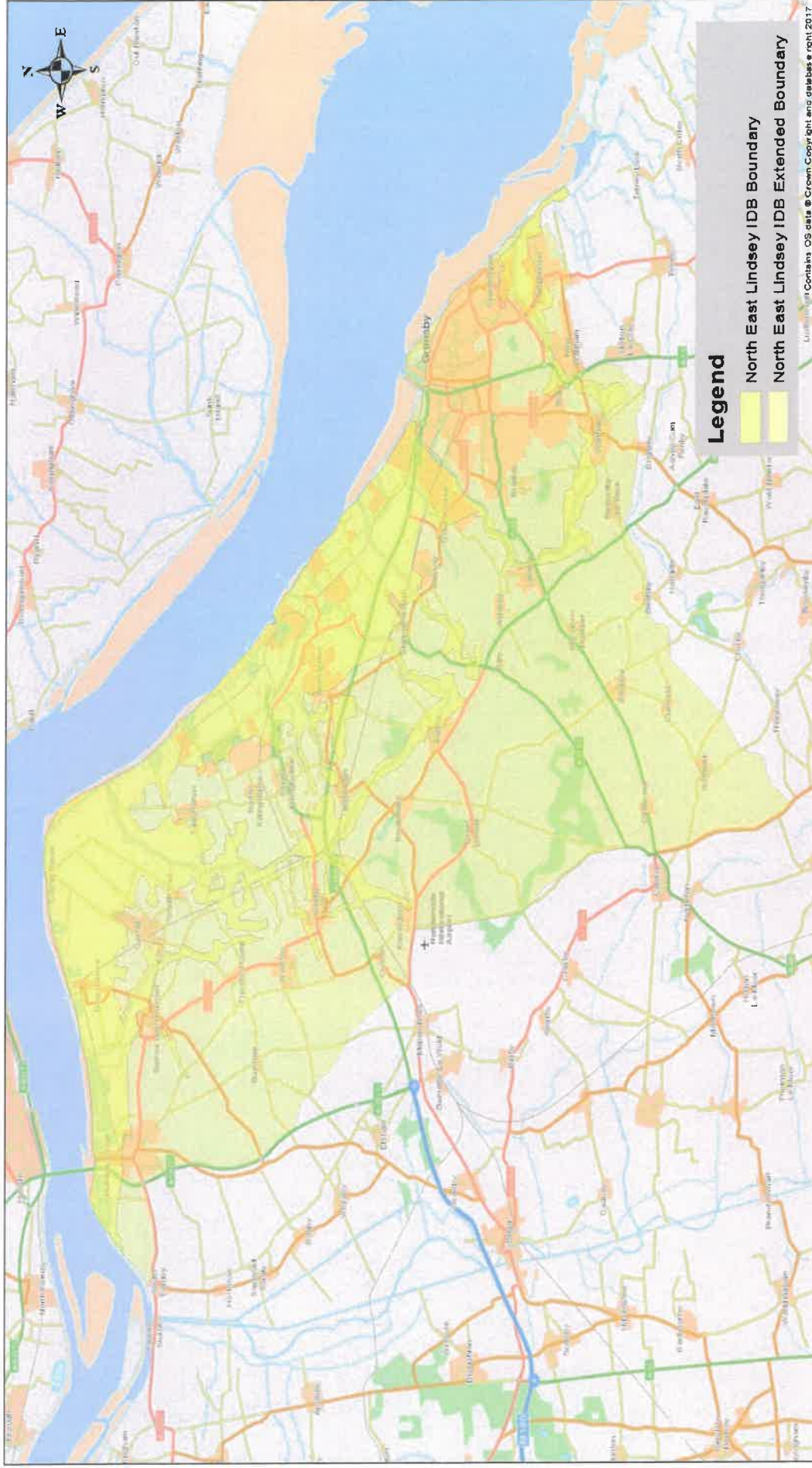
<b>Sensitivity Analysis</b>	<b>Approx increase to Employer Liability</b>	<b>Approx Monetary Amount</b>
	<b>%</b>	<b>£000's</b>
<b><i>Change in assumptions at 31 March 2023</i></b>		
0.1% decrease in Real Discount Rate	1.34%	10
0.1% increase in the Salary Increase Rate	0.13%	1
0.1% increase in the Pension Increase Rate	1.21%	9
Adjustment to life Expectancy Assumptions +1 Year	5.23%	39

Projected pension costs. The estimated Employer's contribution for the period to 31<sup>st</sup> March 2023 will be approximately £10,000.

## Note 14: Funds & Reserves

North East Lindsey IDB Schedule of Funds & Reserves as at 31st March 2023											
Movement on Reserves	Capital Discharged	Pensions Reserve	Revenue Reserve	Conservation Reserve	Pumping Station Reserve	Dev Cont South Killingholme	Dev Cont North Killingholme	Rosper Road Pits	Other Development Contributions	One Off Projects	Total
	£	£	£	£	£	£	£	£	£	£	£
Balance as at 31 March 2022	(3,312,050)	71,000	(100,311)	(11,633)	(305,253)	(65,006)	(2,151)	(6,839)	(34,409)	(55,000)	(3,821,652)
Depreciation					(3,447)						0
Capital Purchases	3,447										0
Capital Sales/W Off	0										0
Pension Interest Cost (Net)											0
Contributions In		(470,000)								(186,600)	(656,600)
Contributions Out										4,535	4,535
Transfers											0
(Surplus)/Deficit on I&E			(48,038)								(48,038)
<b>Balance as at 31 March 2023</b>	<b>(3,308,603)</b>	<b>(399,000)</b>	<b>(148,349)</b>	<b>(11,633)</b>	<b>(308,700)</b>	<b>(65,006)</b>	<b>(2,151)</b>	<b>(6,839)</b>	<b>(34,409)</b>	<b>(237,065)</b>	<b>(4,521,755)</b>

**Appendix 1 – Map of the North East Lindsey IDB area and extended area.**





# Appendix 2

## Witham and Humber Drainage Boards' Organisational Structure Chart

