

Witham First District Internal Drainage Board



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

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Witham First District Internal Drainage Board Statement of Accounts & Annual Report 2022/23

Annual Report 2022/23

Witham First 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 16,384 hectares, other than on main rivers where the Environment Agency has this role and towards which the Board pays an annual IDB precept [£83,031 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 28 Members, including Mr David Armstrong (Chairman) and Mr Paul Carrott (Vice Chairman) of the Board since November 2021. Members are either elected by and represent the occupiers of land in the drainage district or they are nominated by one of two District Councils, City of Lincoln Council or North Kesteven 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 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 Upper Witham IDB, Witham Third District IDBs and from 01st 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 in a partnership as the "Witham and Humber Drainage Boards".

The Board secures income from two main sources. Firstly, income is secured through a direct levy on owners and occupiers of land within the drainage district, with rates being payable on 01st April each year and totalling £522,924 in 2022/23. Secondly, income is secured through special levies paid by the two District Councils in two instalments on 01st May and 01st November each year, totalling £426,758 for 2022/23 (i.e., City of Lincoln £147,704 and North Kesteven District Council £279,054).

The Special Levy for the following financial year is set at a Board meeting before 15th February each year, when the Board is asked to agree the land valuation as at the previous 31st December, 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 penny rate in the pound.

The Board agreed on 25th January 2022 a rate uplift for 2022/23 of 6.5% in order to set a balanced budget of £1,126,247.

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

However, there were further high rainfall events during Summer and Autumn 2019/Winter 2020 which resulted in some flooding across Lincolnshire. There were parts of the Witham & Humber Boards' systems that had to deal with water from EA main rivers, whether due to bank breaches, overtopping or excessive bank seepage. This meant that some of the Board's pumps were pumping far more hours than would have been required without this additional water not intended to be received by the Board's systems, 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. Rainfall was on already saturated catchments. Although a much drier year was experienced in 2022/23, the Board incurred electricity costs of £147,585 during 2022/23, compared to an annual budget of £69,000. This was due to the substantial increase in electricity unit costs and standing charges from October 2022 (so only a 6-month impact in 2022/23). This has been a significant Budgeting issue for 2023/24. At Appendix 3 rainfall data, pumped hours and electricity costs incurred by the Board are set out, showing the inter relationship between them.

The Board is a signatory to 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.

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 rainfall catchment. This service has been provided under a Memorandum of Understanding with LCC for 2022/23, which has been extended until 31.03.24.

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

- Operation of the Board's 13 Pumping Stations to protect property, agricultural land and critical infrastructure in the drainage district of 16,384 hectares.
- Substantial completion of the Board's Summer 2022 maintenance and weed cutting programme.
- Works undertaken as part of the Public Sector Co-operation Agreement (PSCA) on behalf of the Environment Agency at Ruskington Catchwater, Anwick Catchwater, Farroway Drain, Digby Beck, Sandhill Beck, Leasingham Beck, Ruskington Beck, Nine Foot River, Old River Sleas, River Sleas and Ancaster Beck.

- Completion of the refurbishment of Metheringham Fen Pumping Station at a net cost of £168k (funded by FDGiA monies and a Board contribution of £5k). Works included replacing the existing pump control panel, replacing outfall flap valves, refurbishing the automated weed screen cleaner and general health and safety improvements around the compound.
- Refurbishment of both pumps at Nocton Pumping Station totalling £46,960. This involved the lifting and overhaul of the pumps. 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.
- Produced a hydraulic model of the catchment areas for Billingham Pumping Station and Timberland Pumping Station. This work enables the Board to assess the effects of a range of rainfall events on the catchment area.
- Provided a consents and enforcement service for Lincolnshire County Council (as Lead Local Flood Authority), under a Memorandum of Understanding to 31.03.24, outside the Board's drainage district in the extended rainfall catchment.
- 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.

All figures exclude VAT.

The end of year outturn position for the Board, as at 31st March 2023, was a surplus of £47,538 (compared with a surplus year-end position of £13,324 in 2021/22), after a budgeted contribution of £15,000 to the Plant & Machinery Reserve. This surplus has been allocated to the 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 17th September 2019 its Risk Management Policy, Strategy and its Risk Register, which it reviewed and updated again on 24th January 2023. On 14th 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 31st 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.

Witham First District Internal Drainage Board, Members 2022/23

The Board has 28 Members, 21 Members elected by the Occupiers of land within the drainage district and 7 members nominated by the two District Councils who pay Special Levies to the Board, i.e., City of Lincoln Council and North Kesteven 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:

Elected Member's Name	Electoral District	Executive Committee Members (9)*
David C Armstrong (Chairman)	Nocton & Branston Fen	Yes
Paul Carrott (Vice Chairman)	Nocton & Branston Fen	Yes
Simon Maplethorpe	Anwick	Yes
William Grantham	Billinghay & North Kyme Fen	No
Andrew Means	Billinghay & North Kyme Fen	No
David K Busby	Blankney & Martin Fen	No
Vacancy	Blankney & Martin Fen	N/a
David Leggate	Blankney & Martin Fen	No
Bridget Maplethorpe	Digby	No
Edward Applewhite	Heighington Fen & Lincoln	Yes
Stephen F Cobb	Heighington Fen & Lincoln	Yes
Vacancy	Heighington Fen & Lincoln	N/a
Richard C Hickling	Metheringham & Dunston Fen	No
Ian Mair	Metheringham & Dunston Fen	No
Valerie Stanton	Nocton & Branston Fen	No
Andrew G Hodgson	Ruskington & Dorrington	No
Vacancy	Sleaford District	No
Mark D Harrison	Timberland & Thorpe Fen	Yes
Simon B Leggate	Timberland & Thorpe Fen	No
Peter Gilbert	Walcott & Dales Fen	Yes
Mr Ron Oxy	Walcott & Dales Fen	Yes

Nominated Member's Name	Nominating Authority	Executive Committee Membership
Cllr Biff Bean (to May 2022)	City of Lincoln Council	No
Cllr Gary Hewson	City of Lincoln Council	No
David Jackson (to May 2022)	City of Lincoln Council	Yes (to May 2022)
Cllr Patrick Vaughan	City of Lincoln Council	No
Cllr Ian Carrington	North Kesteven District Council	No
Cllr Mervyn Head	North Kesteven District Council	No
Cllr Peter Lundgren	North Kesteven District Council	No
Cllr Susan Waring	North Kesteven District Council	No
Vacancy (from May 22)	North Kesteven District Council	N/a

**1 Vacancy on Executive Committee*

The Annual Governance Statement 2022/23

We acknowledge as the Members of Witham First 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 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 Tuesday, 23rd May 2023.

Signed on behalf of Witham First District Internal Drainage Board.

Signed by: Mr. David Armstrong, Chairman... 

Date... 23/05/23

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

Date: 23/05/23

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 31st 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:

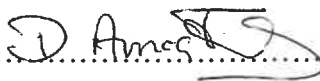
- kept proper accounting records which were up to date and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

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 31st 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 Witham First District Internal Drainage Board at a meeting held on Tuesday, 23rd May 2023.

Signed by: Mr. David Armstrong, Chairman 

Date: 23/05/2023

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:

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 Equipment

All computer 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 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.

In December 2012 the Board drew down a Public Works Loan Board of £354,480 over a period of 14.5 years for the specific purpose of transferring liability and future maintenance responsibility on 18 bridges and culvert structures from the Board to Lincolnshire County Council. The loan is on a fixed Equal Instalments of Principal (EIP) basis. The first repayment was in June 2013 with 6 monthly payments thereafter.

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 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.

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 3 4x4 vehicles and 1 x van.

8. Reserves

A reserves policy was agreed at the Board meeting on 11th February 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 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.

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 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 2023

	Note	31st March 2023	31st March 2022
		£	£
Income			
Drainage Rates & Costs		552,924	519,195
Special Levies	1	426,758	397,457
FDGIA Grant	2	125,625	33,000
Highland Water Contributions	2	23,149	28,424
Consents & Enforcement		8,650	8,924
Insurance Claims		0	0
Commutation Payments/Developer Contributions		0	19,800
Rechargeable Works		123,797	92,125
Interest		4,539	211
Gains/Losses on the Sale of Surplus Assets		0	0
Rent, Wayleaves & Sundry Income		4,738	8,049
Total Income		1,270,180	1,107,185
Expenditure			
Drains		388,626	377,147
Pumping Stations		257,004	195,595
Depot		15,156	17,337
Engineering		76,194	86,778
Conservation		273	291
One Off Schemes		53,855	139,087
Environment Agency Precept		83,031	83,031
Consents & Enforcement		8,650	8,924
Board Administration		14,936	15,480
Joint Administration	7	122,512	108,293
Rechargeable Works		103,947	92,125
Public Works Loan Board Interest	5	27,372	27,961
Contribution to Reserves		86,770	(39,706)
Wages & Plant Holding Account		39,316	47,518
FRS17 Pension Adjustment (net)		(55,000)	(66,000)
Total Expenditure		1,222,642	1,093,861
(Surplus)/ Deficit		(47,538)	(13,324)

Signed: 

Name: Mr. D. Armstrong

Designation: Chairman

Date: 23rd May 2023

Balance Sheet as at 31st March 2023

	Note	31st March 2023		31st March 2022	
		£	£	£	£
Non Current Assets					
Land & Buildings		2,569,506		2,577,345	
Vehicles and Plant		332,364		405,246	
Other		0		0	
Total Non Current Assets	10		2,901,870		2,982,591
Current Assets					
Stock		9,154		8,347	
Debtors & Prepayments	11	93,987		117,459	
Short Term Investments		0		0	
Bank & Cash		811,264		618,732	
Total Current Assets			914,405		744,538
Long Term Assets					
LGPS Net Pension Surplus	13	581,000		1,000	
Commuted Sum		110,010		134,457	
			691,010		135,457
Total Assets			4,507,285		3,862,586
Current Liabilities					
Creditors	12	(126,024)		(171,186)	
Short Term Loans		(24,447)		(24,447)	
Total Current Liabilities			(150,471)		(195,633)
Total Assets less Current Liabilities			4,356,814		3,666,953
Long Term Liabilities					
Long Term loans		(85,563)		(110,010)	
LGPS Net Pension Liability	13	0		0	
			(85,563)		(110,010)
Total Assets less Liabilities			4,271,251		3,556,943
Represented by:					
Capital Discharged	10		2,901,870		2,982,591
Funds, Balances & Reserves	14		788,381		573,352
Pensions Reserve	13		581,000		1,000
Capital Receipts Unapplied			0		0
Total	14		4,271,251		3,556,943

Signed: 

Name: Mr. D. Armstrong

Designation: Chairman

Date: 23rd May 2023

Notes to the Accounts

Note 1: Special Levies

Special Levies were paid by the following District Councils:

Special Levies	2022/23	2021/22
	£	£
City of Lincoln Council	147,704	138,689
North Kesteven District Council	279,054	258,768
	426,758	397,457

Note 2: Government Grants & Contributions

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

Government Grants	2022/23	2021/22
	£	£
Flood Defence Grant in Aid	125,625	33,000
Highland Water	23,149	28,424
	148,774	61,424

Note 3: Pension Contributions

In 2022/23 the Board paid an employer's contribution rate of 19.3% with no lump sum (19.3% + £0k in 2021/22) of each employee's gross pay into Lincolnshire County Council's Superannuation Fund. This amounted to £55,729 in 2022/23 (£55,361 in 2021/22). The Board had an additional employee during 2022/23. Further pension disclosures are shown in the FRS102 Pension Note below.

Note 4: Officers' Remuneration

Remuneration of Employees	2022/23	2021/22
<i>Remuneration band</i>		
70,000 - 79,999	1	1
60,000 - 69,999	0	0
50,000 - 59,999	0	0

There is one Officer employed by the Board, 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 Witham Third District IDB, Upper Witham IDB and North East Lindsey IDB and is recharged in accordance with the Joint Services Agreement of 01st April 2017.

The Chief Executive, who is employed by Witham Third District IDB but provides a service as joint Chief Executive for this Board, Upper Witham IDB, North East Lindsey IDB 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 01st 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 the Director of Finance & Governance for this Board, Upper Witham IDB, North East Lindsey IDB and Witham Third DIDB and is recharged in accordance with the Joint Services Agreement of 01st 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 the Director of Operations for this Board, Upper Witham IDB, North East Lindsey IDB and Witham Third DIDB and is recharged in accordance with the Joint Services Agreement of 01st 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 the Head of Engineering & Technical Services for this Board, Upper Witham IDB, North East Lindsey IDB and Witham Third DIDB and is recharged in accordance with the Joint Services Agreement of 01st April 2017.

The Joint Services Agreement of 01st 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.

An application was made to DEFRA for permission to take out a loan in order to transfer, under a legal agreement, future maintenance liability for 18 Bridges and Culvert structures to Lincolnshire County Council [the Highways Authority]. Permission was given in writing by DEFRA on 09th November 2012 and the monies were received on 17th December 2012. This loan is for £354,480 from the Public Works Loan Board (PWLB) and is to be repaid over a period of 14.5 years at an interest rate of 2.41% per annum, the first repayment made in June 2013 and then six monthly thereafter. Agreement was reached with Lincolnshire County Council on the transfer of the future maintenance liability for the bridges and culverts on 19th January 2015 and the sum of £350,981 was transferred on 22nd January 2015 to finalise the matter.

Note 6: Audit Fees & Expenses

The fees paid to the Board's external auditors (PKF Littlejohn LLP) for 2022/23 are £2,100 (£2,000 in 2021/22).

Note 7: Joint Services

The Board is party to a Joint Services Agreement of 01st 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	NEL	W1	W3	TOTAL
	30.0%	20.0%	20.0%	30.0%	100.0%
	£	£	£	£	£
Joint Administration					
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
Total Joint Admin	183,767	122,511	122,511	183,769	612,558
Engineering & Operational Services					
Engineering & Operational Services (	35,091	23,394	23,394	35,092	116,971
Engineering & Operational Services (	63,493	42,329	42,329	63,492	211,643
Engineering & Operational Services (	27,121	18,081	18,081	27,121	90,404
Total Engineering & Operational	125,705	83,804	83,804	125,705	419,018
Total Inter Recharges between Boards	309,472	206,315	206,315	309,474	1,031,576

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 City of Lincoln Council and North Kesteven District Council who pay Special Levies.

Land is rented by the Board to Mr Peter Gilbert and an irrigation dam to Mr Steve Cobb both of whom were Board Members during the financial year.

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	Depot	Plant & Vehicles	Office Equip	Pumping Stations	Total
	£	£	£	£	£	£
Cost						
Closing Balance 31/03/22	82,160	25,910	988,208	0	2,607,725	3,704,003
Additions						0
Reclassification						0
Disposals						0
Closing Balance 31/03/23	82,160	25,910	988,208	0	2,607,725	3,704,003
Depreciation						
Opening Balance 01/04/22	0	0	582,962	0	138,450	721,412
Depreciation Charged			72,881		7,840	80,721
Reclassification						0
Disposals Written Out			0			0
Closing Balance 31/03/23	0	0	655,843	0	146,290	802,133
Net Book Value 31/03/22	82,160	25,910	405,246	0	2,469,275	2,982,591
Net Book Value 31/03/23	82,160	25,910	332,365	0	2,461,435	2,901,870

The above Capital has been financed as follows:

Capital Discharged	2022/23	2021/22
	£	£
Capital Receipts Applied	60,765	60,765
Revenue Contributions	2,562,751	2,562,751
Renewals Fund	897,427	897,427
Revaluation Reserve	183,060	183,060
less Depreciation	(802,133)	(721,412)
	2,901,870	2,982,591

Note 11: Debtors and Prepayments

Debtors & Prepayments	2022/23	2021/22
	£	£
Drainage Ratepayers	5,912	15,224
Sundry Debtors & Prepayments	55,382	58,994
HMRC	32,693	43,241
	93,987	117,459

Note 12: Creditors and Receipts in Advance

Creditors & Receipts in Advance	2022/23	2021/22
	£	£
Drainage Ratepayers	(101)	(189)
Sundry Creditors	(120,117)	(164,511)
HMRC	(5,806)	(6,486)
Payroll Deductions	0	0
	(126,024)	(171,186)

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:

Balance Sheet	31/03/23	31/03/22
	£000's	£000's
Present value of the defined benefit obligation	(1,806)	(2,368)
Fair value of Fund assets (bid value)	2,387	2,369
Net (Under)/Overfunding in Funded Plans	581	1
Present Value of Unfunded Liabilities	0	0
Unrecognised Past Service Cost		
Net Asset/(Liability)	581	1
Amount in the Balance Sheet		
Liabilities		
Assets	581	1
Net Asset/(Liability)	581	1

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

Fair Value of Employer Assets	31/03/23		31/03/22	
	£000's	%	£000's	%
Equities	1,339	56%	1,711	72%
Bonds	312	13%	313	13%
Property	180	8%	255	11%
Cash	66	3%	90	4%
Infrastructure	90	4%		0%
Absolute return fund	400	17%		0%
Cumulative Actuarial Gains and Losses	2,387	100%	2,369	100%

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	109	119
Net interest on the defined liability (asset)	(1)	4
Administration expenses	2	2
Total	110	125

The Defined Benefit Obligation consists of:

Reconciliation of Defined Benefit Obligation	31/03/23	31/03/22
	£000's	£000's
Opening Defined Benefit Obligation	2,368	2,289
Current Service Cost	109	119
Interest Cost	60	45
Change in financial assumptions	(646)	(79)
Change in demographic assumptions	(75)	0
Experience loss/(gain) on defined benefit obligation	81	4
Liabilities assumed / (extinguished) on settlements	0	0
Estimated benefits paid net of transfers in	(111)	(30)
Past service costs, including curtailments	0	0
Contributions by Scheme participants and other empl	20	20
Unfunded pension payments	0	0
Closing Defined Benefit Obligation	1,806	2,368

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
Opening Fair Value of Employer Assets	2,369	2,079
Interest on assets	61	41
Return on assets less interest	(55)	206
Other actuarial gains/(losses)	49	0
Administration expenses	(2)	(2)
Contributions by employer including unfunded	56	55
Contributions by Scheme participants and other employers	20	20
Estimated benefits paid plus unfunded net of transfers in	(111)	(30)
Settlement prices received / (paid)	0	0
Closing Fair value of Fund assets	2,387	2,369

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

Assumptions	31/03/23	31/03/22
<i>Financial Assumptions</i>		
Discount Rate	4.80%	2.60%
Pension Increase Rate	2.95%	3.35%
Salary Increase Rate	3.95%	3.65%
<i>Mortality (future life expectancy at age 65)</i>		
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:

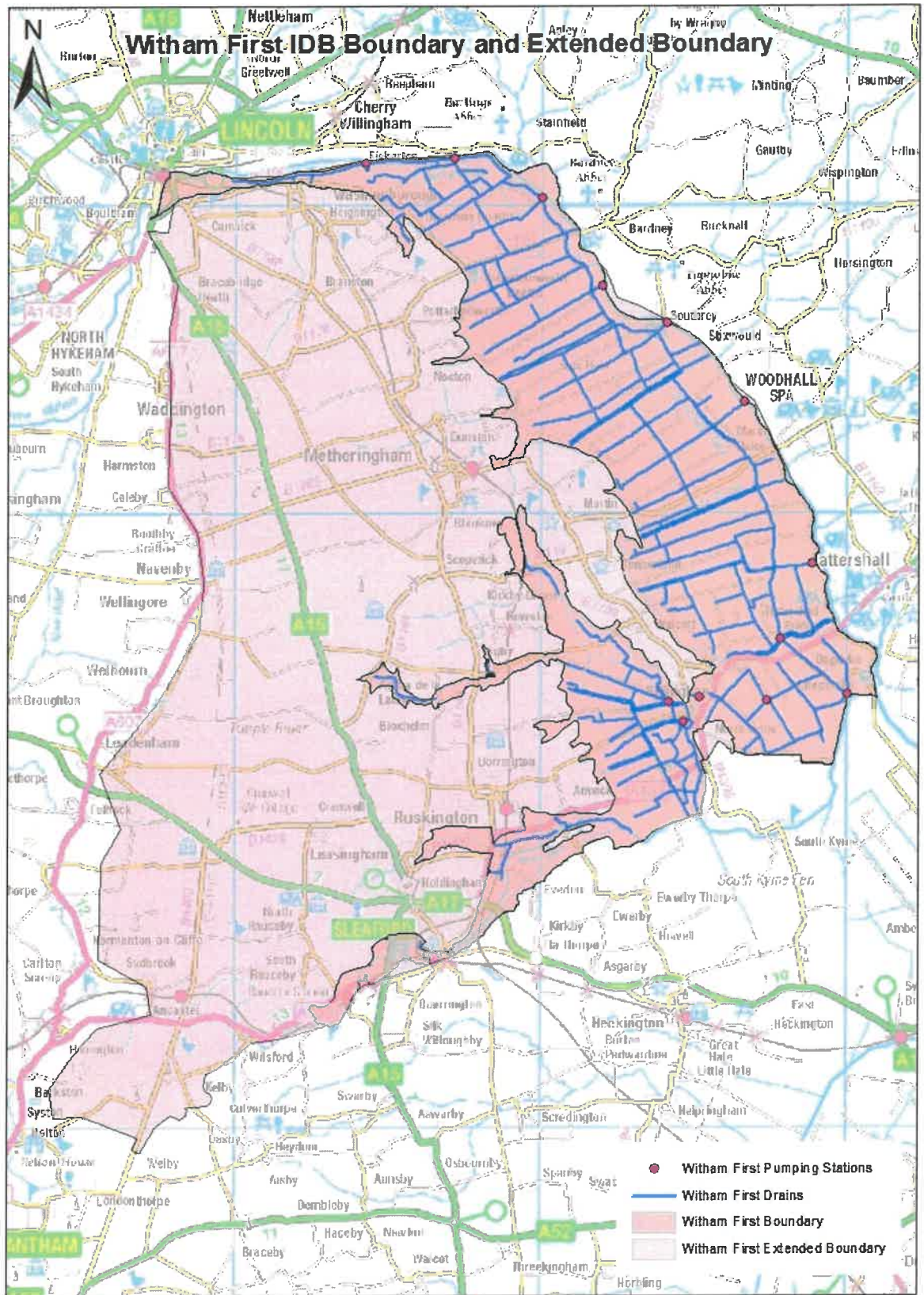
Sensitivity Analysis	Approx increase to Employer Liability %	Approx Monetary Amount £000's
<i>Change in assumptions at 31 March 2023</i>		
0.1% decrease in Real Discount Rate	1.11%	21
0.1% increase in the Salary Increase Rate	0.05%	1
0.1% increase in the Pension Increase Rate	1.06%	20
Adjustment to life Expectancy Assumptions +1 Year	3.76%	71

Projected pension costs: The estimated Employer's contribution for the period to 31st March 2023 is approximately £57,000.

Note 14: Funds & Reserves

W1st DfIDB Schedule of Funds & Reserves as at 31st March 2023										
Movement on Reserves	Capital Discharged	Pensions Reserve	Revenue Reserve	Plant & Machinery Reserve	Pumping Station Reserve	One Off Projects Reserve	Commutated Sums	Total		
	£	£	£	£	£	£	£	£	£	£
Balance as at 31 March 2022	(2,982,591)	(1,000)	(141,533)	(260,242)	(57,163)	(81,744)	(32,670)	(3,556,943)		
Depreciation	80,721			(72,881)	(7,840)			0		
Capital Purchases	0			0	0			0		
Capital Disposals	0							0		
Pension Interest Cost (Net)		(580,000)						(580,000)		
Contributions In								(140,625)		
Contributions Out				(15,000)		(125,625)		53,855		
Transfers								0		
(Surplus)/Deficit on I&E			(47,538)					(47,538)		
Balance as at 31 March 2023	(2,901,870)	(581,000)	(189,071)	(348,123)	(65,003)	(153,514)	(32,670)	(4,271,251)		

Appendix 1



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Appendix 2

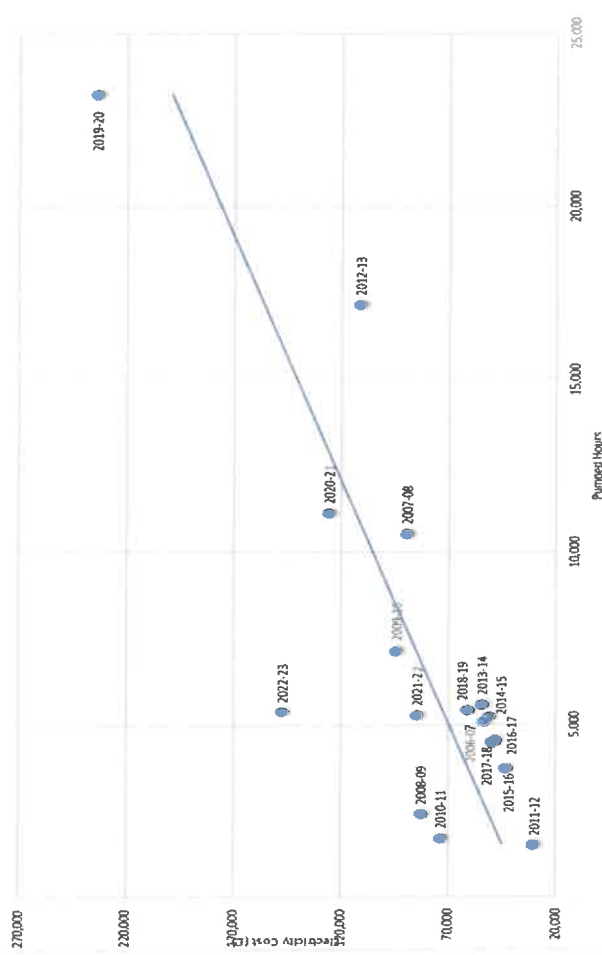
Witham and Humber Drainage Boards' Organisational Structure Chart



Appendix 3 Witham First DIB: Interrelationship between Rainfall, Pumped Hours and Electricity Costs

2017-18				2018-19				2019-20				2020-21				2021-22				2022-23				
Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Electricity Costs (£)	
511.00	298.42	£ 5,755.67	£ 286.46	420.50	344.57	£ 6,782.38	£ 312.87	482.00	897.03	£ 16,052.76	£ 369.20	492.00	413.69	£ 10,667.11	£ 412.35	452.50	366.00	£ 18,485.62	£ 446.79	452.50	366.00	£ 18,485.62	£ 446.79	
	627.20	£ 4,864.47		277.93	670.58	£ 5,522.86			1,168.43	£ 10,602.97			717.65	£ 7,313.79			756.80	£ 13,590.45			756.80	£ 13,590.45		
	238.01	£ 5,794.88		112.77	285.55	£ 4,587.62			705.60	£ 14,032.72			252.90	£ 8,793.60			250.76	£ 16,398.90			250.76	£ 16,398.90		
	177.80	£ 1,274.31		120.40	251.80	£ 2,283.32			606.50	£ 5,729.34			242.90	£ 3,665.54			266.90	£ 6,839.15			266.90	£ 6,839.15		
	840.07	£ 4,851.51		422.50	1,106.90	£ 6,571.56			2,214.81	£ 14,091.26			1,013.67	£ 6,585.24			950.55	£ 13,673.98			950.55	£ 13,673.98		
	536.43	£ 3,101.44		478.00	635.86	£ 4,590.50			1,130.34	£ 9,782.91			658.73	£ 6,194.25			807.46	£ 12,536.12			807.46	£ 12,536.12		
	490.00	£ 4,200.15		479.50	461.20	£ 5,077.54			784.08	£ 9,756.14			511.50	£ 7,775.07			412.92	£ 12,766.19			412.92	£ 12,766.19		
	297.74	£ 7,057.75		226.47	348.28	£ 8,582.73			579.95	£ 13,812.02				307.01	£ 11,031.15			265.07	£ 19,474.56			265.07	£ 19,474.56	
	194.57	£ 626.32		200.10	267.36	£ 904.95			701.54	£ 2,159.86				143.70	£ 1,659.18			126.70	£ 290.77			126.70	£ 290.77	
	103.60	£ 112.17			193.40	£ 1,409.89			662.25	£ 6,306.86				436.24	£ 4,556.91			482.04	£ 8,191.68			482.04	£ 8,191.68	
	333.06	£ 2,228.03			349.27	£ 2,748.30			1,309.54	£ 22,788.44				534.18	£ 14,803.14			549.64	£ 23,320.85			549.64	£ 23,320.85	
509.00	485.34	£ 9,827.59		488.00	524.34	£ 11,759.99			2,284.68	£ 37,749.24			581.00	£ 37,749.24			519.50	£ 37,749.24			519.50	£ 37,749.24		

Interrelationship between Electricity Costs and Pumped Hours



Interrelationship between Rainfall and Pumped Hours

