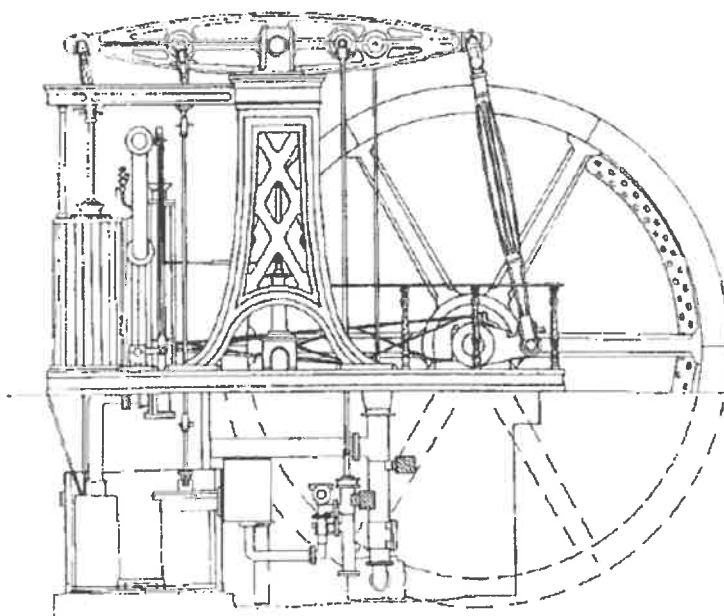


Witham Third District Internal Drainage Board



Annual Report & Statement of Accounts 2022/23

For Year Ended 31st March 2023

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Witham Third District Internal Drainage Board Statement of Accounts 2022/23

Annual Report 2022/23

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 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 31 Members, including a Chairman, Mr. Ian Parker from January 2021, 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 who pay Special Levy, 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 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 as "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 £199,329 income for 2022/23 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 £889,115 for 2022/23. The Special Levy for East Lindsey District Council in 2022/23 was £382,480, for City of Lincoln Council it was £281,925 and for West Lindsey District Council it was £224,710.

The Special 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 of 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 25th January 2022 a rate uplift for 2022/23 of 5.00% in order to set a balanced budget for 2022/23, with total planned income and expenditure of £1,510,417.

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 had been much drier, although there have been localised heavy rainfall events of a short duration. However, 2019 proved different.

There were several high rainfall events in 2019/20 financial year, when June 2019 and Autumn 2019/Winter 2020 rainfall events resulted in saturated catchments and 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 third-party water, which in turn meant excessive additional electricity costs were incurred, with pumps running 24/7 for considerable periods. This Board also suffered inundation and flooding at its Stainfield Pumping Station, when in November 2019 there was a main river bank breach at Barlings Eau. This resulted in a major refurbishment of the pumping station and an insurance claim of £110,433.

During January and February 2021 there was further heavy rainfall on catchments which remained saturated from the previous year. This again increased electricity usage to higher than normal. Although a much drier year was experienced in 2022/23, the Board incurred electricity costs of £95,596 during 2022/23, compared to a budget of £60,000. 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 approved a Nature Strategy in November 2021, replacing the long-standing Biodiversity Action Plan, and remains a partner in 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, landowner 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 rainfall catchment. 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 as agent for LCC until 31.03.24.

Examples of the Board's work in 2022/23 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 2022 weed cutting and maintenance programme.
- Replacement penstock at Constable Bridge, Stixwould Engine Drain. The existing penstock had reached the end of its usable life and was beyond economical repair. It was replaced at a cost of £46,270.
- Carried out a series of repairs on Monks Drain near Stixwould including installing a berm and realigning 770m length of the drain. Reforming works on Minting/Gautby Drain. These works were carried out in-house using the Board's operatives as part of the Winter Maintenance programme.
- Plant and machinery purchases:
 - Purchase of a used paddock flail at a cost of £4,900 to provide additional flail capacity for the Board.
 - Purchase of a Herder KS860 Hydraulic tree shear at a cost of £16,950.
 - Purchase of a Big Ab trailer at a cost of £28,132.
 - Purchase of a Vauxhall Movano site welfare van at a cost of £16,995.
- 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, Stainfield Beck, River Waring, River Bain, Old River Bain, Horncastle Canal and Haltham 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 31.03.24, outside the Board's drainage district in the extended rainfall catchment.

All figures exclude VAT.

The Board achieved as at 31st March 2023 a year-end surplus position of £104,323 (compared with a surplus of £66,865 in 2021/22). This surplus balance has been allocated as a contribution 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 Third District Internal Drainage Board – Members 2022/23

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 01.11.21 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	Standing Committee Membership* [8 Members]
Ian Parker (Chairman)	Tattershall	Yes
Maxwell I Thomas (Vice Chairman).	City of Lincoln & Greetwell	Yes
James Armstrong	Bardney	No
Mark Hoyes	Bardney	No
Vacancy	Bardney	N/a
Vacancy	Bardney	N/a
Alexandra Sayer	City of Lincoln & Greetwell	No
Ian M Clark	Horncastle & River Bain	Yes
Richard J Garner (Deceased Nov 2022)	Horncastle and River Bain	No
Vacancy (from Nov 2022)	Horncastle and River Bain	N/a
Raymond J Weightman	Horncastle and River Bain	No
Vacancy	Kirkstead	N/a
Roy P Hairsine	Langworth	Yes
Jill Holland	Langworth	No
Dean Sempers	Langworth	No
Vacancy	Langworth	N/a

District Council Nominated Members	Nominating Authority	Standing Committee Membership*
Mr. Jeff Boyall (to May 2022)	City of Lincoln Council	No
Mr. David Jackson (to May 2022)	City of Lincoln Council	No
Vacancy (to May 2022)	City of Lincoln Council	No
Cllr Bob Bushell (from May 2022)	City of Lincoln Council	No
Cllr. Gary Hewson	City of Lincoln Council	No
Cllr Jackie Kirk (From May 22)	City of Lincoln Council	No
Cllr Donald Nannestad (From May 22)	City of Lincoln Council	No
Cllr. Patrick Vaughan	City of Lincoln Council	No
Cllr Tom Ashton	East Lindsey District Council	Yes
Cllr. Stan M. Avison	East Lindsey District Council	No
Cllr. William H Gray	East Lindsey District Council	No
Cllr William Grover	East Lindsey District Council	No
Cllr Tom Kemp	East Lindsey District Council	No
Cllr. Mrs Fiona M Martin, MBE	East Lindsey District Council	No
Mr Sean Matthews (to Nov 2022)	East Lindsey District Council	No
Vacancy (from Nov 2022)	East Lindsey District Council	No
Cllr Steve England (to Sept 2022)	West Lindsey District Council	No
Cllr. Ian G Fleetwood	West Lindsey District Council	Yes
Cllr Caralyne Grimble	West Lindsey District Council	No
Cllr Peter Morris (from Sept 2022)	West Lindsey District Council	No
Mr. Terry Williams	West Lindsey District Council	Yes

*There is 1 vacant seat on the Standing Committee


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 2022/23 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 reference, dated Tuesday, 23rd May 2023.

Signed on behalf of Witham Third District Internal Drainage Board:

Signed by: Mr Ian Parker, Chairman.....

Date...23-5-23.....

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

Date...23.05.23.....

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 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 Ian Parker, Chairman..... 

Date... 23.5.23

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.

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 7 fleet vans and 5 4x4 vehicles as well as some 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.

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		199,329	195,722
Special Levies	1	889,115	841,449
Highland Water Contributions	2	316,983	226,025
Flood Defence Grant in Aid (FDGIA)	2	116,750	0
Commutation Payments/Developer Contributions		0	10,400
Consents & Enforcement		14,778	12,356
Insurance Claims		0	0
Rechargeable Works		330,998	426,310
Sale of Surplus Assets		3,632	(3,000)
Rent, Interest, Wayleaves & Sundry Income		57,381	35,477
Total Income		1,928,966	1,744,739
Expenditure			
Drains		658,891	478,810
Pumping Stations		335,195	195,177
Depot		38,486	74,153
Engineering		104,213	128,690
Conservation		1,773	518
One Off Schemes		36,429	52,520
Environment Agency Precept		105,154	105,154
Consents & Enforcement		19,443	14,856
Board Administration	6	20,758	20,408
Joint Administration	7	253,121	226,147
Rechargeable Works		258,326	426,310
Wages & Plant Holding Account		107,532	112,546
Contribution to/(from) Reserves		80,322	47,585
FRS17 Pension Adjustment (net)	3	(195,000)	(205,000)
Total Expenditure		1,824,643	1,677,874
(Surplus)/ Deficit		(104,323)	(66,865)

Signed: 


Name: Mr Ian Parker

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		2,861,565		2,878,557	
Vehicles and Plant		608,287		641,315	
Other		0		0	
Total Non Current Assets	10		3,469,852		3,519,872
Current Assets					
Stock		46,114		67,737	
Debtors & Prepayments	11	394,366		304,074	
Short Term Investments		0		0	
Bank & Cash		1,120,018		1,008,967	
Total Current Assets			1,560,498		1,380,778
Long Term Assets					
LGPS Net Pension Surplus	13		645,000		0
Current Liabilities					
Creditors	12	(139,574)		(197,318)	
Short Term Loans					
Total Current Liabilities			(139,574)		(197,318)
Total Assets less Current Liabilities			5,535,776		4,703,332
Long Term Liabilities					
Long Term loans					
LGPS Net Pension Liability	13	0		(1,667,000)	
			0		(1,667,000)
Total Assets less Liabilities			5,535,776		3,036,332
Represented by:					
Capital Discharged	10		3,469,852		3,519,872
Funds, Balances & Reserves	14		1,420,924		1,183,460
Pensions Reserve	13		645,000		(1,667,000)
Total			5,535,776		3,036,332

Signed: 

Name: Mr Ian Parker

Designation: Chairman

Date: 23rd May 2023

Notes to the Accounts

Note 1: Special Levies

Special levies were paid to the Board by the following District Councils:

Special Levies	2022/23	2021/22
	£	£
City of Lincoln Council	281,925	268,500
East Lindsey District Council	382,480	359,042
West Lindsey District Council	224,710	213,907
	889,115	841,449

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	116,750	0
Highland Water	316,983	226,025
	433,733	226,025

Note 3: Pension Contributions

In 2022/23 the Board paid an employer's contribution rate of 18.9% plus a lump sum of £26k (18.9% + £26k in 2021/22) of each employee's gross pay into Lincolnshire County Council's Superannuation Fund. This amounted to £194,807 in 2022/23 (£169,792 in 2021/22). 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>		
90,000 - 99,999	1	1
80,000 - 89,999	0	0
70,000 - 79,999	2	2
60,000 - 69,999	0	0
50,000 - 59,999	0	0

There is one Officer employed by the Board, the Chief Executive, who provides a service as joint Chief Executive for this Board, North East Lindsey IDB, Upper Witham IDB and Witham First DIDB, whose remuneration is 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 the Board, 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, Witham First DIDB and

for North East Lindsey IDB and is recharged in accordance with the Joint Services Agreement of 01st April 2017.

There is one Officer employed by the 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 the Director of Engineering & Technical Services for this Board, North East Lindsey IDB, Witham First DIDB and for Upper Witham IDB and is recharged in accordance with the Joint Services Agreement of 01st April 2017.

There is one Officer employed by this Board, 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, North East Lindsey IDB, Witham First DIDB and for Upper Witham IDB and is recharged in accordance with the Joint Services Agreement of 1st 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 First 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.

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

Note 6: Audit Fees & Expenses

The fee paid to the Board's external auditors (PKF Littlejohn LLP) for 2022/23 is £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 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 (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
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 one of 3 District Councils. These are City of Lincoln Council, East Lindsey District Council and West Lindsey District Council who each pay Special Levies. Except for normal transactions with the Board (e.g., 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	Depot	Plant & Vehicles	Office Equip	Pumping Stations	Total
<u>Cost</u>	£	£	£	£	£	£
Closing Balance 31/03/22	3,401	119,592	1,402,165	11,119	2,978,911	4,515,188
Additions			105,057			105,057
Reclassification						0
Disposals			(10,655)	0		(10,655)
Closing Balance 31/03/23	3,401	119,592	1,496,567	11,119	2,978,911	4,609,590
Depreciation						
Opening Balance 01/04/22	0	0	760,850	11,119	223,347	995,316
Depreciation Charged			130,292		16,992	147,284
Reclassification						0
Disposals Written Out			(2,862)			(2,862)
Closing Balance 31/03/23	0	0	888,280	11,119	240,339	1,139,738
Net Book Value 31/03/22	3,401	119,592	641,315	0	2,755,564	3,519,872
Net Book Value 31/03/23	3,401	119,592	608,287	0	2,738,572	3,469,852

The above Capital has been financed as follows:

Capital Discharged	2022/23	2021/22
	£	£
Capital Receipts Applied	60,000	60,000
Revenue Contributions	2,610,982	2,610,983
Renewals Fund	1,938,608	1,844,205
Revaluation Reserve	0	0
Deferred Charge	0	0
less Depreciation	(1,139,738)	(995,316)
	3,469,852	3,519,872

Note 11: Debtors and Prepayments

Debtors & Prepayments	2022/23	2021/22
	£	£
Drainage Ratepayers	1,284	4,959
Sundry Debtors & Prepayments	393,082	299,115
HMRC	0	0
	394,366	304,074

Note 12: Creditors and Receipts in Advance

Creditors & Receipts in Advance	2022/23	2021/22
	£	£
Drainage Ratepayers	(899)	(899)
Sundry Creditors	(99,448)	(143,783)
HMRC	(39,227)	(52,606)
Payroll Deductions	0	(30)
	(139,574)	(197,318)

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	(4,111)	(6,291)
Fair value of Fund assets (bid value)	4,756	4,624
Net (Under)/Overfunding in Funded Plans	645	(1,667)
Present Value of Unfunded Liabilities	0	0
Unrecognised Past Service Cost		
Net Asset/(Liability)	645	(1,667)
Amount in the Balance Sheet		
Liabilities		(1,667)
Assets	645	
Net Asset/(Liability)	645	(1,667)

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	2,669	56%	3,341	72%
Bonds	622	13%	610	13%
Property	358	8%	498	11%
Cash	131	3%	175	4%
Infrastructure	179	4%	0	0%
Absolute return fund	797	17%	0	0%
Cumulative Actuarial Gains and Losses	4,756	100%	4,624	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	386	372
Net interest on the defined liability (asset)	41	40
Administration expenses	4	3
Total	431	415

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	6,291	6,157
Current Service Cost	386	372
Interest Cost	163	122
Change in financial assumptions	(2,411)	(290)
Change in demographic assumptions	(314)	0
Experience loss/(gain) on defined benefit obligation	62	16
Liabilities assumed / (extinguished) on settlements	0	0
Estimated benefits paid net of transfers in	(133)	(144)
Past service costs, including curtailments	0	0
Contributions by Scheme participants and other employees	67	58
Unfunded pension payments	0	0
Closing Defined Benefit Obligation	4,111	6,291

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	4,624	4,063
Interest on assets	122	82
Return on assets less interest	(112)	398
Other actuarial gains/(losses)	(3)	0
Administration expenses	(4)	(3)
Contributions by employer including unfunded	195	170
Contributions by Scheme participants and other employers	67	58
Estimated benefits paid plus unfunded net of transfers in	(133)	(144)
Settlement prices received / (paid)	0	0
Closing Fair value of Fund assets	4,756	4,624

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
Financial Assumptions		
Discount Rate	4.80%	2.60%
Pension Increase Rate	2.95%	3.35%
Salary Increase Rate	3.95%	3.65%
Mortality (future life expectancy at age 65)		
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:

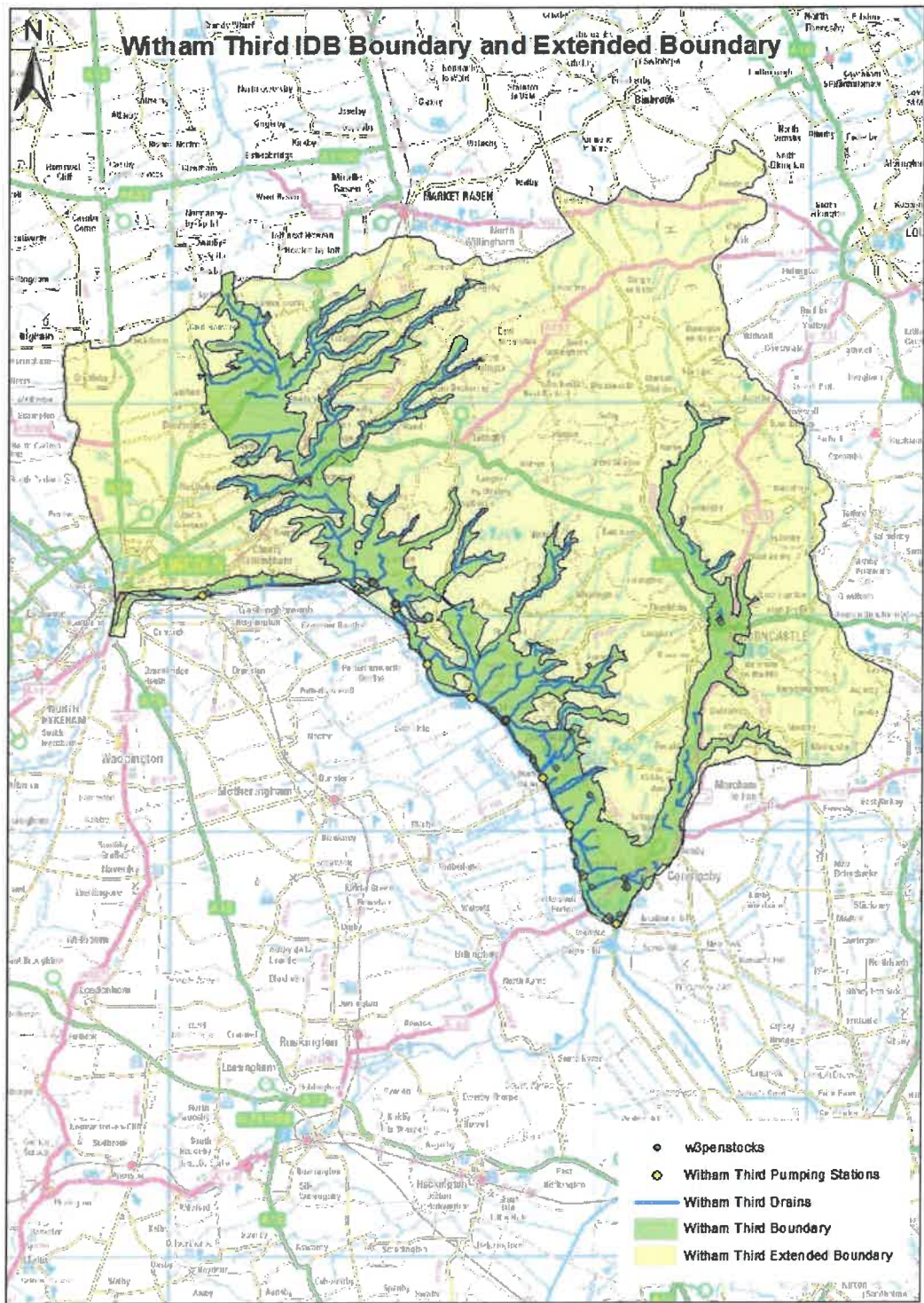
Sensitivity Analysis	Approx increase to Employer Liability %	Approx Monetary Amount £000's
Change in assumptions at 31 March 2023		
0.1% decrease in Real Discount Rate	1.68%	72
0.1% increase in the Salary Increase Rate	0.09%	4
0.1% increase in the Pension Increase Rate	1.61%	69
Adjustment to life Expectancy Assumptions +1 Year	4.06%	174

Projected pension costs. The estimated Employer's contribution for the period to 31st March 2023 will be approximately £226,000.

Note 14: Funds & Reserves

W3rd DIB Schedule of Funds & Reserves as at 31st March 2023												
Movement on Reserves	Capital Discharged	Pensions Reserve	Revenue Reserve	Plant & Machinery Reserve	Pumping Station Reserve	AWC Renewal Fund	One Off Projects Reserve	Emergency Events	Insurance	Commutated Sums	Office Equipm't Reserve	Total
	£	£	£	£	£	£	£				£	£
Balance as at 31 March 2022	(3,519,872)	1,667,000	(242,291)	(306,132)	(283,221)	(176,556)	(80,941)	(35,000)	(35,000)	(10,400)	(13,919)	(3,036,332)
Depreciation	147,284			(130,291)		(16,993)					0	0
Capital Purchases	(105,057)			105,057								0
Capital Sales	7,793			(7,793)								0
Pension Interest Cost (Net)		(2,312,000)										(2,312,000)
Contributions in							(116,750)				(2,800)	(119,550)
Contributions out							36,429					36,429
Transfers												0
Deferred Charge W/off												0
(Surplus)/Deficit on I&E			(104,323)									(104,323)
Balance as at 31 March 2023	(3,469,852)	(645,000)	(346,614)	(339,159)	(283,221)	(193,549)	(161,262)	(35,000)	(35,000)	(10,400)	(16,719)	(5,535,776)

Appendix 1



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Witham and Humber Drainage Boards' Organisational Structure Chart



Appendix 3 - Witham Third 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 (£)	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 (£)			
577.50	9,541	£ 50,592.72	265.50	10,930	£ 53,397.43	528.83	13,596	£ 71,712.37	405.33	8,604	£ 58,661.86	441.17	8,940	£ 96,595.56	405.33	8,604	£ 58,661.86	441.17	8,940	£ 96,595.56
577.50	470	£ 5,681.62	265.50	443	£ 73.73	577.50	470	£ 5,681.62	577.50	470	£ 5,681.62	577.50	470	£ 5,681.62	577.50	470	£ 5,681.62	577.50	470	£ 5,681.62
577.50	2,362	£ 7,862.14	265.50	443	£ 73.73	577.50	2,362	£ 7,862.14	577.50	2,362	£ 7,862.14	577.50	2,362	£ 7,862.14	577.50	2,362	£ 7,862.14	577.50	2,362	£ 7,862.14
577.50	2,215	£ 7,862.14	265.50	443	£ 73.73	577.50	2,215	£ 7,862.14	577.50	2,215	£ 7,862.14	577.50	2,215	£ 7,862.14	577.50	2,215	£ 7,862.14	577.50	2,215	£ 7,862.14
577.50	381	£ 9,588.01	265.50	443	£ 73.73	577.50	381	£ 9,588.01	577.50	381	£ 9,588.01	577.50	381	£ 9,588.01	577.50	381	£ 9,588.01	577.50	381	£ 9,588.01
577.50	439	£ 14,915.70	265.50	443	£ 73.73	577.50	439	£ 14,915.70	577.50	439	£ 14,915.70	577.50	439	£ 14,915.70	577.50	439	£ 14,915.70	577.50	439	£ 14,915.70
577.50	444	£ 14,915.70	265.50	443	£ 73.73	577.50	444	£ 14,915.70	577.50	444	£ 14,915.70	577.50	444	£ 14,915.70	577.50	444	£ 14,915.70	577.50	444	£ 14,915.70
577.50	628	£ 2,270.02	265.50	443	£ 73.73	577.50	628	£ 2,270.02	577.50	628	£ 2,270.02	577.50	628	£ 2,270.02	577.50	628	£ 2,270.02	577.50	628	£ 2,270.02
577.50	649	£ 2,515.69	265.50	443	£ 73.73	577.50	649	£ 2,515.69	577.50	649	£ 2,515.69	577.50	649	£ 2,515.69	577.50	649	£ 2,515.69	577.50	649	£ 2,515.69
577.50	419	£ 68.61	265.50	443	£ 73.73	577.50	419	£ 68.61	577.50	419	£ 68.61	577.50	419	£ 68.61	577.50	419	£ 68.61	577.50	419	£ 68.61
577.50	322	£ 6,660.28	265.50	443	£ 73.73	577.50	322	£ 6,660.28	577.50	322	£ 6,660.28	577.50	322	£ 6,660.28	577.50	322	£ 6,660.28	577.50	322	£ 6,660.28
577.50	174	£ 1,852.65	265.50	443	£ 73.73	577.50	174	£ 1,852.65	577.50	174	£ 1,852.65	577.50	174	£ 1,852.65	577.50	174	£ 1,852.65	577.50	174	£ 1,852.65
577.50	219	£ 1,278.72	265.50	443	£ 73.73	577.50	219	£ 1,278.72	577.50	219	£ 1,278.72	577.50	219	£ 1,278.72	577.50	219	£ 1,278.72	577.50	219	£ 1,278.72
577.50	165	£ 144.38	265.50	443	£ 73.73	577.50	165	£ 144.38	577.50	165	£ 144.38	577.50	165	£ 144.38	577.50	165	£ 144.38	577.50	165	£ 144.38
577.50	115	£ 977.32	265.50	443	£ 73.73	577.50	115	£ 977.32	577.50	115	£ 977.32	577.50	115	£ 977.32	577.50	115	£ 977.32	577.50	115	£ 977.32
577.50	182	£ 700.12	265.50	443	£ 73.73	577.50	182	£ 700.12	577.50	182	£ 700.12	577.50	182	£ 700.12	577.50	182	£ 700.12	577.50	182	£ 700.12
577.50	260	£ 229.51	265.50	443	£ 73.73	577.50	260	£ 229.51	577.50	260	£ 229.51	577.50	260	£ 229.51	577.50	260	£ 229.51	577.50	260	£ 229.51
577.50	97	£ 1,025.17	265.50	443	£ 73.73	577.50	97	£ 1,025.17	577.50	97	£ 1,025.17	577.50	97	£ 1,025.17	577.50	97	£ 1,025.17	577.50	97	£ 1,025.17

