

# Upper Witham Internal Drainage Board



**Annual Report & Statement of Accounts 2019/20**

**For Year Ended 31<sup>st</sup> March 2020**

**Witham House  
Meadow Lane  
North Hykeham  
Lincoln  
LN6 9TP**

**Tel: (01522) 697123**

**Website: [www.upperwitham-idb.gov.uk](http://www.upperwitham-idb.gov.uk)  
Email: [enquiries@witham3idb.gov.uk](mailto:enquiries@witham3idb.gov.uk)  
Email: [jane.froggatt@witham3idb.gov.uk](mailto:jane.froggatt@witham3idb.gov.uk)**

## Contents

Annual Report 2019/20 .....	3
Statement of Accounts 2019/20.....	6
Upper Witham Internal Drainage Board – Members 2019/20.....	7
The Annual Governance Statement .....	8
The Statement of Responsibilities for the Statement of Accounts.....	9
Statement of Accounting Policies .....	10
1. General .....	10
2. Non Current Assets.....	10
3. Depreciation.....	10
4. Debtors and creditors.....	11
5. Stock .....	11
6. Government Grants and Contributions .....	11
7. Leases .....	11
8. Reserves.....	11
9. Provisions .....	12
10. Taxation .....	12
11. Post Balance Sheet Events .....	12
12. Pensions .....	12
13. Exceptional Items .....	12
14. Discontinued Operations .....	12
Income and Expenditure Account for the Year Ended 31st March 2020 .....	13
Balance Sheet as at 31st March 2020.....	14
Notes to the Accounts .....	15
Note 1: Special Levies .....	15
Note 2: Government Grants & Contributions .....	15
Note 3: Pension Contributions .....	15
Note 5: Public Works Loans Board .....	15
Note 6: Audit Fees & Expenses .....	16
Note 7: Joint Administration.....	16
Note 8: Related Party Transactions.....	17
Note 9: Post Balance Sheet Event.....	17
Note 10: Non Current Assets .....	17
Note 11: Debtors and Prepayments.....	18
Note 12: Creditors and Receipts in Advance .....	18
Note 13: FRS102 Pensions .....	18
Note 14: Funds & Reserves .....	21
Appendices .....	22
Appendix 1 – Board Area .....	22
Appendix 2 – Structure Chart .....	23
Appendix 3 - Upper Witham IDB: Interrelationship between Rainfall, Pumped Hours and Electricity Costs.....	24

# **Upper Witham Internal Drainage Board Statement of Accounts and Annual Report 2019/20**

## **Annual Report 2019/20**

Upper Witham 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 level management, works and improvement schemes and operational maintenance of watercourses and pumping stations within its defined drainage district of 21,094 hectares, other than on main rivers where the Environment Agency has this role and towards which the Board pays an annual precept [£166,826 in 2019/20]. A map of the Board's drainage district and extended rainfall catchment (the Board undertakes works for LCC as the lead local Flood Authority in the extended rainfall catchment) is included at Appendix 1 to this Annual Report and Statement of Accounts.

The Board comprises 35 members including a Chairman, Mr F H Myers and two Vice Chairmen, Mr. John Scarborough and Cllr. Pat Vaughan. Of the 35 members, 17 are elected by and represent the occupiers of land in the area and 18 are nominated by one of five District Councils, namely North Kesteven District Council, South Kesteven District Council, West Lindsey District Council, City of Lincoln Council and Newark & Sherwood 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 and 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, the other three being Witham First District and Witham Third District IDBs and, from 1<sup>st</sup> April 2017, North East Lindsey IDB joined the partnership under the terms of a new Joint Services Agreement. The 4 Boards remain separate legal statutory bodies but work collectively as the "Witham and Humber Drainage Boards".

The Board secures income from two main sources. Firstly, through a direct levy on owners and occupiers of land within the drainage district, with rates being payable on 01<sup>st</sup> April each year. This produced £241,640 (with costs) of income for 2019/20. Secondly, through special levies paid by each of the five District Councils in two instalments `paid on 01<sup>st</sup> May and 01<sup>st</sup> November each year. This totalled £827,220 for 2019/20. The Special levy for City of Lincoln Council in 2019/20 was £442,132, for North Kesteven District Council it was £196,257, for South Kesteven District Council it was £132,894 for West Lindsey District Council it was £45,331, and for Newark and Sherwood District Council it was £10,606.

The levy for the forthcoming year is set at a Board meeting before 15<sup>th</sup> February annually. The Board is asked to agree the land valuation as at 31<sup>st</sup> 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 penny rate.

The Board agreed on 21<sup>st</sup> January 2020 a rates uplift for 2019/20 of 2.00% in order to set a balanced budget for 2019/20, with total planned income and expenditure of £1,393,051.

In 2012/13, we experienced one of the wettest years on record, according to recorded rainfall. The Board's pumps in its 15 Pumping Stations operated longer hours than usual, according to comparative records, to protect property, agricultural land and critical infrastructure. Since 2014/15 we have experienced much drier years although there have been localised heavy rainfall events, eg in Long Bennington in August 2015. Where these lead to internal flooding to property these are subject to a multi-agency Section 19 investigation and report led by Lincolnshire County Council as the Lead Local Flood Authority.

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

In order to mitigate some of these additional costs a Statement of Claim was prepared as at the end of December 2020 and submitted to the EA in January 2020 outlining the additional costs incurred by the Board for both the additional support provided and the additional electricity costs. However, this Board didn't incur any additional costs which could be attributed to issues with EA main river in the Board's area.

This Board incurred electricity costs of £79,462 during 2019/20 compared to a budget of £41,000 which is a significant financial burden on the Board. At Appendix 3 rainfall data, pumped hours and electricity costs incurred by the Board are set out, showing the relationship between them.

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

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

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

- Operation of the Board's 15 Pumping Stations to protect properties, agricultural land and critical infrastructure throughout the drainage district from South Witham to Gainsborough (including Grantham, Lincoln and villages) covering 21,095 hectares.
- Substantial completion of the Board's Summer 2019 maintenance programme and weedcutting programme on 61 watercourses.
- Completion of a new depot facility and office at Meadow Lane, North Hykeham at a contract cost of £1.2m, opened in February 2020.
- Purchase of a Spearhead Twiga SPV 100T machine in May 2019 at a net cost of £174,458 (after trade-in).
- Boutham Pumping Station 2 pumps and associated motors were removed for periodic refurbishment and repair at a net cost of £27,475.
- Dealing with substantial rainfall events from June 2020 through to March 2020, resulting in delays to the winter maintenance programme due to very wet ground conditions, bank slips which will require reinstatement and additional working hours to clear obstructions and culverts
- 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 staff/member training.
- Provided a consents and enforcements service to Lincolnshire County Council (as the Lead Local Flood Authority) in the Board's extended rainfall catchment under a Memorandum of Understanding to 31.03.21. As at March 2020, 14 enforcement cases under investigation & 1 consent case.
- Provided a service to Lincoln Water Transfer Service Ltd, to support efficient use of water.
- Public Sector Co-operation Agreement (PSCA) works undertaken on behalf of the Environment Agency at Boutham Catchwater Drain, Cardinal Dyke, Foston Beck, Shire Dyke, Skellingthorpe Beck and Skinnand Dyke plus other rechargeable works.

*All figures exclude VAT*

The Board ended 2019/20 as at 31<sup>st</sup> March 2020 with a deficit position of £92,241 which has been met by the Board's General Reserve.

## **Statement of Accounts 2019/20**

### **The statement of responsibilities:**

This statement identifies the officer who is responsible for the proper administration of the Board's financial affairs ensures that one of its Officers has the responsibility for the administration of those affairs.

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

The Board's Accountable Officer is the Chief Executive.

During 2019/20 the Board, to support its Governance arrangements, approved on 23<sup>rd</sup> September 2019 its Risk Management Policy, Strategy and also its Risk Register, which it reviewed and updated again on 20<sup>th</sup> January 2020. On 21<sup>st</sup> May 2018 the Board updated its Financial Regulations and Statement of Internal Control.

### **The Statement of Accounting Policies:**

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

### **The Income and Expenditure Account:**

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

### **The Balance Sheet:**

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

### **Notes to the accounts:**

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

## Upper Witham Internal Drainage Board – Members 2019/20

The Board comprises 35 Members, 17 elected by the occupiers of land in the drainage district and 18 who are appointed by one of 5 District Councils. Elections of occupiers of land are every 3 years and the latest term of office runs from 01.11.18 to 31.10.21. Council nominated members are for the period of the civic year. Members 01.04.18 to 31.03.19 were:

<b>Elected Member's Name</b>	<b>Electoral District</b>	<b>Finance &amp; General Purposes Committee Member [12]</b>
<b>Frederick H Myers (Chairman)</b>	River Till & Burton	Yes
<b>John R Scarborough (Vice Chairman)</b>	North Scarle, Broadholme & Skellingthorpe	Yes
Jacky S P Smith	Borough of Grantham	Yes
Noel Tobin	City of Lincoln	No
Nick Craft (from May19)	Long Bennington, Barkston & Normanton	Yes (from May 19)
David R Knight	Long Bennington, Barkston & Normanton	No
Vacant (until Nov 19)	North Scarle, Broadholme & Skellingthorpe	No
Joanne Wilkinson (From Nov 19)	North Scarle, Broadholme & Skellingthorpe	No
Raymond J Phillips	Pike Drain & Lincoln	Yes
John R Hollis	River Brant	No
Graham E Porter	River Brant	No
Stuart H White	River Brant	No
Andrew Buckley	River Till & Burton	n/a
Richard W Parker (Retired Jan 20)	River Till & Burton	Yes (until Jan 20)
Vacant	River Till & Burton	N/a
Paul Wright	River Till & Burton	Yes
Emma Jenkinson	South Witham	No
Albert V [Vic] Kerr	Stapleford & Claypole	No
Bryan F White	Stapleford & Claypole	No

<b>Nominated Member's Name</b>	<b>Nominating Authority</b>	<b>Finance &amp; General Purposes Committee Member [12]</b>
<b>Cllr Patrick Vaughan (Vice Chairman)</b>	<b>City of Lincoln</b>	<b>Yes</b>
Jeff Boyall	City of Lincoln	No
Brent Charlesworth	City of Lincoln	No
Cllr Paul Gowen	City of Lincoln	No
Cllr Gary Hewson	City of Lincoln	No
Rebecca Longbottom	City of Lincoln	No
David Jackson	City of Lincoln	No
Colin Smith	City of Lincoln	No
Tony Speakman	City of Lincoln	Yes
Cllr Maureen Dobson (until May 19)	Newark & Sherwood District Council	No
Cllr Linda Dales (from May 19)	Newark & Sherwood District Council	No
Cllr Peter Burley	North Kesteven District Council	No
Cllr Mrs Susan K Howe (until May 19)	North Kesteven District Council	No
Cllr Mary Green (from May 19)	North Kesteven District Council	No
Cllr Lance Pennell	North Kesteven District Council	Yes
Cllr Robert Oates (from May 19)	North Kesteven District Council	No
Cllr Mrs Pat Woodman, MBE (until May 19)	North Kesteven District Council	Yes
Cllr Chris Benn (from May 19)	South Kesteven District Council	No
Cllr Nick Craft (until May 19)	South Kesteven District Council	Yes (until May 19)
Cllr Rosemary Kaberry Brown	South Kesteven District Council	No
Cllr Ian Stokes	South Kesteven District Council	No
Cllr Steve England	West Lindsey District Council	No

## The Annual Governance Statement

We acknowledge as the Members of Upper Witham 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 2020, that:

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

This annual governance statement is approved by the Board and recorded as a Board minute, dated 29<sup>th</sup> June 2020.

Signed on behalf of Upper Witham Internal Drainage Board

Signed by: Mr Frederick H Myers,

Chairman.....

Date.....

Signed by: Mrs Jane E Froggatt,

Chief Executive .....

Date.....

## The Statement of Responsibilities for the Statement of Accounts

The Board is required:

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

### The Chief Executive's responsibilities:

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

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

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

The Chief Executive has:

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

### Certificate of the Chief Executive

This statement of accounts is that upon which the auditor should enter their certificate and opinion. It provides a true and fair view of the financial position of the Board as at 31 March 2020 and its income and expenditure for the year then ended.

### Certificate of the Chairman of the Board

I confirm that these accounts have been approved by Upper Witham Internal Drainage Board at a meeting held on Monday, 29<sup>th</sup> June 2020.

Signed by: Mr Frederick H Myers,

Chairman..... Date.....

## **Statement of Accounting Policies**

### **1. General**

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

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

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

### **2. Non Current Assets**

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

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

### **3. Depreciation**

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

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

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

### **Plant**

Excavators	6 to 12 years
Tractors	9 to 11 years
Motor Vehicles	5 to 12 years
General equipment	between 5 to 15 years

### **Pumping Stations**

Automated Weed Screen Cleaners	30 Years
--------------------------------	----------

### **Computer Equipment**

All computer equipment	4 Years
------------------------	---------

## **4. Debtors and creditors**

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

There is no provision for bad debts

## **5. Stock**

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

## **6. Government Grants and Contributions**

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

## **7. Leases**

The Board has no finance leases. It has entered Operating Leases during 2019/20 that are charged to the Income and Expenditure Account for the period to which it relates for 7 fleet vans and 2 4x4's.

## **8. Reserves**

A reserves policy was agreed at its Board meeting on 27th 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 One Off Project reserve is used for any slippage in the financial year for one-off projects that have not yet been completed. The works will then be completed and funded in the following financial year.

## **9. Provisions**

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

## **10. Taxation**

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

## **11. Post Balance Sheet Events**

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

## **12. Pensions**

Pension costs are accounted for on a defined benefits basis.

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

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

## **13. Exceptional Items**

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

## **14. Discontinued Operations**

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

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

	Note	31st March 2020	31st March 2019
<b>Income</b>		<b>£</b>	<b>£</b>
Drainage Rates & Costs		241,640	234,461
Special Levies	1	827,220	810,768
Highland Water Contributions	2	207,853	176,386
Flood Defence Grant in Aid (FDGIA)	2	251,100	0
Consents & Enforcement		19,614	18,852
Insurance Claims		8,766	710
Rechargeable Works		54,385	96,355
Developer Contributions		0	0
Sale of Surplus Assets (net)		(2,813)	7,282
Rent, Interest, Wayleaves & Sundry Income		14,514	12,995
<b>Total Income</b>		<b>1,622,279</b>	<b>1,357,809</b>
<b>Expenditure</b>			
Drains		668,753	582,862
Pumping Stations		205,947	178,341
Depot		68,667	83,012
Engineering		116,174	111,574
Conservation		995	1,560
One Off Schemes		6,275	0
Environment Agency Precept		166,826	166,826
Consents & Enforcement		19,614	18,852
Board Administration	6	23,565	18,116
Joint Administration	7	171,526	154,905
Rechargeable Works		54,759	77,494
Wages & Plant Holding Account		27,594	14,123
Contribution to/(from) Reserves		219,825	0
FRS17 Pension Adjustment (net)	3	(36,000)	(19,000)
<b>Total Expenditure</b>		<b>1,714,520</b>	<b>1,388,665</b>
<b>(Surplus)/ Deficit</b>		<b>92,241</b>	<b>30,856</b>

Signed:

Name: Mr F Myers

Designation: Chairman

Date: 29<sup>th</sup> June 2020

## Balance Sheet as at 31st March 2020

	Note	31st March 2020		31st March 2019	
		£	£	£	£
<b>Non Current Assets</b>					
Land & Buildings		3,744,361		2,908,000	
Vehicles and Plant		811,303		781,844	
Other		0		0	
<i>Total Non Current Assets</i>	10		4,555,664		3,689,844
<b>Current Assets</b>					
Stock		16,304		14,285	
Debtors & Prepayments	11	163,633		183,541	
Short Term Investments					
Bank & Cash		668,212		1,417,783	
<i>Total Current Assets</i>			848,149		1,615,609
<b>Total Assets</b>			5,403,813		5,305,453
<b>Current Liabilities</b>					
Creditors	12	(188,006)		(122,229)	
Short Term Loans		(27,196)		(26,482)	
<i>Total Current Liabilities</i>			(215,202)		(148,711)
<i>Total Assets less Current Liabilities</i>			5,188,611		5,156,742
<b>Long Term Liabilities</b>					
Long Term loans		(1,749,000)		(1,173,518)	
LGPS Net Pension Liability	13	(1,146,322)		(1,706,000)	
			(2,895,322)		(2,879,518)
<b>Total Assets less Liabilities</b>			<b>2,293,289</b>		<b>2,277,224</b>
<b>Represented by:</b>	14				
<b>Capital Discharged</b>	10		3,378,148		3,689,844
<b>Funds, Balances &amp; Reserves</b>			409,141		293,380
<b>Pensions Reserve</b>	13		(1,749,000)		(1,706,000)
<b>Capital Receipts Unapplied</b>			255,000		0
<b>Total</b>			<b>2,293,289</b>		<b>2,277,224</b>

Signed:

Name: Mr F Myers

Designation: Chairman

Date: 29<sup>th</sup> June 2020

# Notes to the Accounts

## Note 1: Special Levies

Special levies were paid by the following District Councils:

<b>Special Levies</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
City of Lincoln Council	442,132	433,460
Newark & Sherwood D.C.	10,606	10,398
North Kesteven District Council	196,257	192,345
South Kesteven District Council	132,894	130,136
West Lindsey District Council	45,331	44,429
	<b>827,220</b>	<b>810,768</b>

## Note 2: Government Grants & Contributions

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

<b>Government Grants</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
Flood Defence Grant in Aid	251,100	0
Highland Water	207,853	176,386
	<b>458,953</b>	<b>176,386</b>

## Note 3: Pension Contributions

In 2019/20 the Board paid an employer's contribution rate of 18.4% plus a lump sum of £58k (18.4% + £56k in 2018/19) of each employee's gross pay into Lincolnshire County Council's Superannuation Fund. This amounted to £126,140 in 2019/20 (£118,097 in 2018/19). Further pension disclosures are shown in the FRS102 Pension Note below.

## Note 4: Officers' Remuneration

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

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 to North East Lindsey IDB, Upper Witham IDB and Witham First DIDB, has remuneration in the £80,000 to £89,999 banding and is recharged in accordance with the Joint Services Agreement of 1<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 Operations Manager for this Board, Upper Witham IDB 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 the Witham First DIDB, the Director of Operations & Engineering, who has a gross annual salary in the £60,000 to £69,999 banding and is charged to Engineering. This Officer is also the Director of Operations & Engineering for this Board, North East Lindsey IDB and for 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 the Witham Third District IDB, the Operations Manager, who has remuneration in the banding £50,000 to £59,999. This Officer is also the Operations Manager for this Board, North East Lindsey IDB and for Witham First 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 allocates costs of 33.4% to Upper Witham IDB, 16.5% to North East Lindsey IDB. 20.9% to Witham First DIDB and 29.2% to Witham Third DIDB

### **Note 5: Public Works Loans Board**

The Board has taken out a loan of £1.2m from the Public Works Loans Board (PWLB) in order to undertake a redevelopment of its depot site to provide a new depot and ancillary offices. The Annuity loan was drawn down on 18<sup>th</sup> January 2019 at a fixed interest rate of 2.68% and is repayable in 6 monthly instalments over 30 years. The final repayment is on 15<sup>th</sup> November 2048. The loan will be serviced 2/3<sup>rd</sup>s by UWIDB for the depot site and 1/3 by the Joint Services Agreement (JSA) for the offices element which will be recharged on the agreed JSA percentage allocations (see Note 7).

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

The fees paid to the Board's external auditors (PKF Littlejohn LLP) for 2019/20 is £2,000 (£2,400 in 2018/19).

### **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; 33.4% to Upper Witham IDB, 16.5% to North East Lindsey IDB. 20.9% to Witham First DIDB and 29.2% to Witham Third DIDB.

Joint Services	Total Charge for 2019/20				
	UW	NEL	W1	W3	TOTAL
	<b>33.4%</b>	<b>16.5%</b>	<b>20.9%</b>	<b>29.2%</b>	<b>100.0%</b>
<b>Joint Administration</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Witham House (UW)	15,186	7,502	9,503	13,276	45,467
Joint Admin (UW)	16,852	8,325	10,545	14,734	50,456
Joint Admin (W1)	136,133	67,251	85,185	119,014	407,583
<b>Total Joint Admin</b>	<b>168,171</b>	<b>83,078</b>	<b>105,233</b>	<b>147,024</b>	<b>503,506</b>
<b>Engineering &amp; Operational Services</b>					
Engineering & Operational Services (W1)	35,311	17,444	22,096	30,871	105,722
Engineering & Operational Services (W3)	83,874	41,434	52,484	73,326	251,118
Engineering & Operational Services (UW)	24,457	12,082	15,304	21,383	73,226
<b>Total Engineering &amp; Operational</b>	<b>143,642</b>	<b>70,960</b>	<b>89,884</b>	<b>125,580</b>	<b>430,066</b>
<b>Total Inter Recharges between Boards</b>	<b>311,813</b>	<b>154,038</b>	<b>195,117</b>	<b>272,604</b>	<b>933,572</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 one of the 5 District Councils who pay Special Levies (City of Lincoln Council, North Kesteven District Council, South Kesteven District Council, West Lindsey District Council and Newark & Sherwood District Council). Except for normal transactions with the Board (eg payment of Drainage Rates), no other related party transactions have been identified.

## Note 9: Post Balance Sheet Event

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

## Note 10: Non Current Assets

<b>Non Current Assets</b>	<b>Land &amp; Buildings</b>	<b>Pumping Stations</b>	<b>Depot</b>	<b>Plant &amp; Vehicles</b>	<b>Office Equip</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Opening Balance 01/04/19</b>	<b>509,000</b>	<b>2,124,000</b>	<b>275,000</b>	<b>1,378,336</b>	<b>0</b>	<b>4,286,336</b>
Additions		8,845	1,177,516	219,458		1,405,819
Disposals	(350,000)			(147,240)		(497,240)
<b>Closing Balance 31/03/20</b>	<b>159,000</b>	<b>2,132,845</b>	<b>1,452,516</b>	<b>1,450,554</b>	<b>0</b>	<b>5,194,915</b>
<b>Depreciation</b>						
<b>Opening Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>596,492</b>	<b>0</b>	<b>596,492</b>
Depreciation Charged	0	0	0	142,186		142,186
Disposals Written Out	0	0	0	(99,427)		(99,427)
<b>Closing Balance 31/03/20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>639,251</b>	<b>0</b>	<b>639,251</b>
<b>Net Book Value 31/03/19</b>	<b>509,000</b>	<b>2,124,000</b>	<b>275,000</b>	<b>781,844</b>	<b>0</b>	<b>3,689,844</b>
<b>Net Book Value 31/03/20</b>	<b>159,000</b>	<b>2,132,845</b>	<b>1,452,516</b>	<b>811,303</b>	<b>0</b>	<b>4,555,664</b>

The above Capital has been financed as follows:

<b>Capital Discharged</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
Capital Receipts Applied	1,835,403	2,090,403
Renewals Fund	1,552,926	1,471,863
Revaluation Reserve	629,070	724,070
less Depreciation	(639,251)	(596,492)
	<b>3,378,148</b>	<b>3,689,844</b>
Loans Applied	1,177,516	0
	<b>4,555,664</b>	<b>3,689,844</b>

### **Note 11: Debtors and Prepayments**

<b>Debtors &amp; Prepayments</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
Drainage Ratepayers	2,215	2,583
Sundry Debtors & Prepayments	140,635	169,141
HMRC	20,783	11,817
	<b>163,633</b>	<b>183,541</b>

### **Note 12: Creditors and Receipts in Advance**

<b>Creditors &amp; Receipts in Advance</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>
Sundry Creditors	(180,607)	(101,868)
HMRC	0	(10,683)
Payroll Deductions	(7,399)	(9,678)
	<b>(188,006)</b>	<b>(122,229)</b>

### **Note 13: FRS102 Pensions**

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

The impact on the Balance Sheet is:

<b>Balance Sheet</b>	<b>31/03/20</b>	<b>31/03/19</b>
	<b>£000's</b>	<b>£000's</b>
Fair Value of Employer Assets	3,160	3,557
Present Value of Funded Liabilities	(4,903)	(5,256)
Present Value of Unfunded Liabilities	(6)	(7)
Unrecognised Past Service Cost		
<b>Net Asset/(Liability)</b>	<b>(1,749)</b>	<b>(1,706)</b>
<b>Amount in the Balance Sheet</b>		
Liabilities	(1,749)	(1,706)
Assets		
<b>Net Asset/(Liability)</b>	<b>(1,749)</b>	<b>(1,706)</b>

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

Fair Value of Employer Assets	31/03/20	31/03/19
	£000's	£000's
Equities	1,959	2,597
Bonds	790	569
Property	379	356
Cash	32	35
<b>Cumulative Actuarial Gains and Losses</b>	<b>3,160</b>	<b>3,557</b>

The impact on the Income and Expenditure Account is:

Recognition in the income and expenditure account	31/03/20	31/03/19
	£000's	£000's
Current Service Cost	135	140
Interest Cost	113	127
Expected Return on Employer Assets	(72)	(85)
Past Service Cost/ (Gain)	0	0
Losses/(Gain) on Curtailments & Settlements	0	0
<b>Total</b>	<b>176</b>	<b>182</b>
<b>Actual Return on Employer Assets</b>	<b>(464)</b>	<b>210</b>

The Defined Benefit Obligation consists of:

Reconciliation of Defined Benefit Obligation	31/03/20	31/03/19
	£000's	£000's
<b>Opening Defined Benefit Obligation</b>	<b>5,263</b>	<b>4,892</b>
Current Service Cost	163	140
Interest Cost	127	127
Contribution by Members	25	24
Actuarial Losses/(Gains)	(499)	238
Past Service Cost/ (Gain)	0	0
Estimated Unfunded Benefits Paid	(1)	(1)
Estimated Benefits Paid	(169)	(157)
<b>Closing Defined Benefit Obligation</b>	<b>4,909</b>	<b>5,263</b>

The Fair Value of Employee Assets consists of:

Reconciliation of Fair Value of Employee Assets	31/03/20	31/03/19
	£000's	£000's
<b>Opening Fair Value of Employer Assets</b>	<b>3,557</b>	<b>3,275</b>
Interest Income on Plan Assets	85	85
Contribution by Members	25	24
Contribution by Employer	126	120
Contributions in respect of Unfunded Benefits	1	1
Actuarial Losses/(Gains)	(464)	210
Estimated Unfunded Benefits Paid	(1)	(1)
Estimated Benefits Paid	(169)	(157)
<b>Closing Defined Benefit Obligation</b>	<b>3,160</b>	<b>3,557</b>

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

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

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

Sensitivity Analysis	Approx increase to Employer Liability	Approx Monetary Amount
	%	£000's
<b>Change in assumptions at 31 March 2020</b>		
0.5% decrease in Real Discount Rate	7%	359
0.5% increase in the Salary Increase Rate	1%	27
0.5% increase in the Pension Increase Rate	7%	329

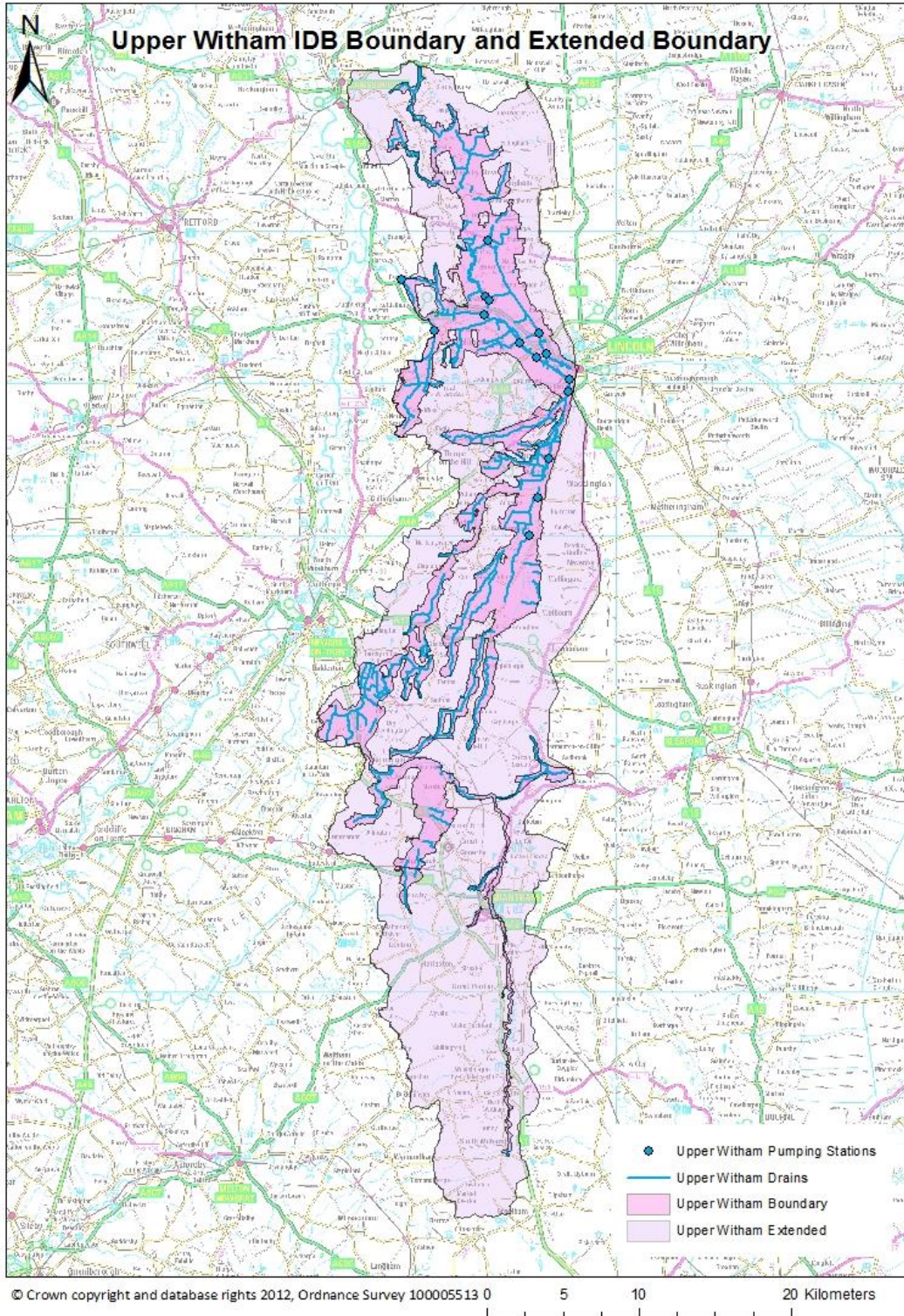
Projected pension costs. The estimated Employer's contribution for the period to 31<sup>st</sup> March 2020 will be approximately £125,000.

**Note 14: Funds & Reserves**

<b>UWIDB Schedule of Funds &amp; Reserves as at 31st March 2020</b>									
<b>Movement on Reserves</b>	<b>Capital Discharged</b>	<b>Pensions Reserve</b>	<b>Revenue Reserve</b>	<b>Plant &amp; Machinery Reserve</b>	<b>Emergency Events</b>	<b>Depot Reserve</b>	<b>Capital Receipts</b>	<b>One Off Projects Reserve</b>	<b>Total</b>
	£	£	£	£	£			£	£
<b>Balance as at 31 March 2019</b>	<b>(3,689,844)</b>	<b>1,706,000</b>	<b>(159,920)</b>	<b>(108,460)</b>	<b>(25,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,277,224)</b>
Depreciation	142,186			(142,186)					0
Capital Purchases	(228,303)			228,303					0
Capital Sales	397,813			(47,813)			(255,000)		95,000
Pension Interest Cost (Net)		43,000							43,000
Contributions In						(26,481)		(251,100)	(277,581)
Contributions Out					25,000			6,275	31,275
Transfers			39,060					(39,060)	0
(Surplus)/Deficit on I&E			92,241						92,241
<b>Balance as at 31 March 2020</b>	<b>(3,378,148)</b>	<b>1,749,000</b>	<b>(28,619)</b>	<b>(70,156)</b>	<b>0</b>	<b>(26,481)</b>	<b>(255,000)</b>	<b>(283,885)</b>	<b>(2,293,289)</b>

## Appendices

### Appendix 1



Appendix 2

Witham and Humber Drainage Boards' Organisational Structure Chart 06.04.20



### Appendix 3 - Upper Witham IDB: Interrelationship between Rainfall, Pumped Hours and Electricity Costs

Pumping Station	2014-15			2015-16			2016-17			2017-18			2018-19			2019-20			
	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	Rainfall (mm)	Pumped Hours	Electricity Costs (£)	
Aubourn		306.00	<i>Paid by EA</i>		267	<i>Paid by EA</i>		284	<i>Paid by EA</i>		343	<i>Paid by EA</i>		401	<i>Paid by EA</i>			1,238	<i>Paid by EA</i>
Boultham		507.00	£ 2,703.54		366	£ 2,552.98		330	£ 2,285.17		302	£ 1,766.16		360	£ 2,411.36			653	£ 4,457.60
Broxholme		7.00	£ 222.22		-	£ 346.43		27	£ 400.30		43	£ 564.07		-	£ 571.86			192	£ 1,196.77
Burton PS		689.00	£ 7,880.29		555	£ 8,392.85	529.50	1,236	£ 10,738.08	466.30	992	£ 8,256.48	361.50	909	£ 6,074.86			1,907	£ 4,766.11
Coulson Road		138.00	£ 1,304.43		34	£ 858.68		74	£ 1,051.50		250	£ 1,935.24		185	£ 1,645.38			179	£ 2,233.56
Decoy		401.00	£ 988.89		390	£ 790.23		420	£ 1,225.54		465	£ 997.44		428	£ 2,036.04			861	£ 2,898.18
Fen Lane		581.00	£ 1,313.05		508	£ 1,078.11		519	£ 1,443.34		496	£ 828.31		455	£ 1,633.67			857	£ 2,765.33
Hykeham		151.00	£ 1,924.14		142	£ 876.66	513.50	174	£ 1,351.76	358.50	189	£ 561.15	397.00	241	£ 2,927.80			678	£ 6,136.40
Ingleby		1,107.00	£ 3,225.14		524	£ 3,409.66		595	£ 2,852.64		638	£ 4,957.92		348	£ 2,624.52			1,456	£ 6,464.03
Oxpasture		405.00	£ 6,294.44		431	£ 7,141.10		485	£ 6,823.98		430	£ 6,278.33		531	£ 6,091.15			1,429	£ 15,084.06
Pyewipe		408.00	£ 9,043.64		434	£ 9,002.30		312	£ 8,852.51		280	£ 8,538.14		265	£ 6,211.94			1,290	£ 18,298.93
Sand Syke		281.00	<i>Paid by EA</i>		208	<i>Paid by EA</i>		121	<i>Paid by EA</i>		187	<i>Paid by EA</i>		280	<i>Paid by EA</i>			1,182	<i>Paid by EA</i>
Saxilby		66.00	£ 638.64		98	£ 670.78		121	£ 350.85		97	£ 990.10		179	£ 1,637.83			482	£ 3,212.17
Thorpe		185.00	£ 652.95		112	£ 501.94		235	£ 1,618.66		176	£ 947.56		318	£ 1,229.63			589	£ 2,736.65
Torksey		344.00	£ 2,358.81		261	£ 2,502.36	423.00	322	£ 3,372.08	308.70	367	£ 3,602.16	285.00	318	£ 2,523.05			966	£ 8,706.00
<b>Average</b>	<b>504.00</b>	<b>5,576.00</b>	<b>£ 38,550.18</b>	<b>438.40</b>	<b>4,330</b>	<b>£ 38,124.08</b>	<b>488.67</b>	<b>5,255</b>	<b>£ 42,366.41</b>	<b>377.83</b>	<b>5,255</b>	<b>£ 40,223.06</b>	<b>347.83</b>	<b>5,218</b>	<b>£ 37,619.09</b>	<b>763.00</b>	<b>13,959</b>	<b>£ 78,955.79</b>	

