



Association of Drainage Authorities

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POLICY AND FINANCE COMMITTEE

**Minutes of the Meeting held on Wednesday 21 September 2016
at BWB Consulting 11 Borough High Street, London SE1 9SE**

Present: **Ian Thornton (IT) Chairman**
Peter Bateson (PB) (Ex Officio), Frances Bowler (FB) (Honorary Secretary), Craig Benson (CB), Nigel Everard (NE), Phil Winrow (PW), Jane Froggatt (JF), Matthew Harrison (MH), Robert Hill (RH), Kathryn Holdsworth (KH) (Defra), Bill Symons (BS), Innes Thomson (ITh)

Apologies: David Sisson (DS), Henry Cator (HC), John Cooke (JC), David Jenkins (DJ), Carol Tidmarsh (CT) (Defra), Ian Russell (IR), Karen Daft (KD)

In Attendance: Ian Moodie (IM)

Ref	Minute	Action
1357	Declarations of interest – None	
1358	Approval of Minutes – Minutes of the meeting held on 12 May 2016 were agreed as a true and fair record proposed by CB and seconded NE. Correction 1344 should be ‘Revised IDB Policy Statement’	
1359	Matters arising 1348 NE thanked CT for help with reconstitution of Selby IDB.	
1360	ADA Staffing update ITh announced that Aimée Scanlon started on Monday 19 th September as Communication & PR Officer for ADA. Aimée will support the writing and production of the ADA Gazette, updating content on the ADA website and helping with press and news articles. Aimée joins the existing staff team of Innes Thomson (Chief Executive), Ian Moodie (Technical Manager), Sue Crowther (Administration & Membership Support Officer) and Heather Bailey (Communication & Events Officer), who is currently on maternity leave until Spring 2017. IM reported that as ADA now has five members of staff, ADA needs to have a written health and safety statement for the office. IM has drafted such a	

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	<p>statement.</p> <p>Action: IM to send ADA health and safety statement to Ian Benn, ADA's Health & Safety Adviser for advice.</p> <p>ITh reported that ADA had appointed Kendalls PR & Marketing to assist with media enquiries and the distribution of press releases. Kendalls were also handling the project management of the complete overhaul of ADA's website and branding.</p>	IM
1361	<p>ADA Conference 2016</p> <p>IM reported that the ADA Conference will be staffed by ITh, IM, Aimée Scanlon, Sue Crowther and Louise Quickfall from the Water Management Consortium.</p> <p>IM reported that three guest speakers had been confirmed for the Conference and ADA was awaiting news from Defra as to whether a Minister would also attend.</p> <p>ITh reported that a longer list of guests would be invited to this year's Conference, including three media contacts, one from the national press, one from the engineering press and one from the rural/agricultural press. The Committee supported this initiative.</p> <p>PB recommended drawing some of the costs of press contacts attending from ADA's media budget.</p> <p>ITh reported that the panel for the Question Time session would consist of ITh (ADA), Neil Hornby (Defra), John Curtin (EA) and Steve Willis (Lincolnshire County Council/ADEPT Flood & Water Management Group. Innes explained that John Curtin should be able to handle relevant environmental questions.</p> <p>ITh expressed concern that without some action on maintenance spending and de-maining ahead of the conference, questions may be more pointed. ITh agreed to talk to John Curtin and Alison Baptiste to see if some action could be taken to unblock the perceived hold-up.</p> <p>ITh confirmed Lord De Ramsey will be making the toast to the Guests.</p> <p>PB asked about details of the IDB Clerks ThinkTank that would take place the evening before Conference at The RAF Club.</p> <p>Action: ADA Office to send out details to Clerks regarding the ThinkTank.</p> <p>JF noted that for some IDB Clerks it would be more convenient for the Clerks ThinkTank to be held the evening after the ADA Conference rather than the evening before.</p>	ITh
1362	<p>FLOODEX 2017 Update</p>	

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	<p>ITh reported that, following the success of FLOODDEX 2016, Indigo Media (the event organisers) have booked the Peterborough Arena for 17 and 18 May 2017. ADA has also booked the Marriot Hotel on the evening of 17 May for the ADA FLOODDEX Gala Dinner 2017. Eddie Milton (Event Manager) is planning to spread the event out into the atrium area in 2017 and looking into incorporating more smaller stands for exhibitors who require less space.</p> <p>Expected earnings for ADA from Floodex will be in the region of £37,000 subject to final accounts being agreed.</p> <p>ITh also reported that Indigo Media are looking to hold another event entitled FLOODDEX Europe at RAI Amsterdam Convention Centre on 1 and 2 November 2017, but that this was not connected to ADA's agreement with Indigo Media for exclusive collaboration in the UK. Indigo Media own the Intellectual property rights for "Floodex" and are at liberty to use that name elsewhere in the world.</p> <p>The Committee discussed noise issues in relation to seminar spaces and all agreed that more robust sound systems were needed to overcome the background noise of the exhibition.</p> <p>IM suggested ADA would be looking at holding informal meet and greet sessions on the ADA stand so that visitors could meet and talk to key ADA staff and officeholders, which would be easier to manage at next year's event.</p> <p>ITh reported ADA would again have a presence at Flood & Coast 2017 on 28 to 30 March. ADA is proposing to host a session focused on local water and flood management on the 29 March, which will in effect incorporate ADA's Local Authority Seminar.</p> <p>The Committee discussed whether ADA should hold a separate training day for local authority members as the cost of the Flood & Coast event was prohibitive for Local Authorities and IDBs who previously sent members to the event when it was free to attend. It was suggested that a training day could be incorporated with FLOODDEX 2017 and continue to maintain the session at Flood & Coast 2017</p> <p>Action: ITh and IM to explore suggestion of a Local Authority Workshop at FLOODDEX 2017.</p> <p>Action: ITh to seek a reduction in price for FCERM officers attending Flood & Coast 2017.</p>	<p>ITh</p> <p>ITh</p>
<p>1363</p>	<p>Role of Committee in ADA Finances</p> <p>The Committee discussed what role it should have in ADA's finances and their management.</p>	

<p>PB explained that as Company Secretary, he currently went through the accounts before they were sent to the auditors.</p> <p>PB suggested that an interim budget position could be presented to the Committee at their September meeting and the Committee could also have a pre-scrutiny role over the setting of ADA's budget for the following year at their September meeting before the October meeting of ADA's Board of Directors when the budget for the coming year would be approved.</p> <p>PB said this would provide some additional in year budget scrutiny and help answer questions of scrutiny of accounts on behalf of the Board.</p> <p>PB suggested ADA needed to simplify and rationalise financial papers sent to the Board and should look at presenting this using graphs to the board to illustrate ADA's performance against its budget.</p> <p>Action: ITh to think about timing of scrutiny by Committee of performance against budget and work with PB to simplify financial papers that go to ADA's Board of Directors in the future.</p> <p>Action: ITh to review timings of Committee and Board Meetings for 2017 such that Committee Meetings precede Board Meetings by approximately 1 month.</p> <p>JF pointed out that public accountability rules mean that every single item over £500 should be published for possible public scrutiny.</p> <p>IT asked about the significant profit achieved by FLOODEX and how similar income should be budgeted in the future.</p> <p>IM noted that this year's FLOODEX income had been allocated to two functions:</p> <ol style="list-style-type: none"> 1. Updating ADA's website, 2. Not increasing ADA's annual subscription in 2017. <p>PB highlighted the management decisions made have provided savings that now give a running profit of £40,000 without income from FLOODEX . The Committee agreed that it was right to hold the subscriptions for 2017 at this year's levels.</p> <p>ITh suggested that the savings achieved through transitioning ADA into a standalone entity may enable ADA to seek a further member of staff to handle further technical topics in the future.</p> <p>JF would be nervous of building FLOODEX income into ADA's baseline position until the event is more mature. ADA should treat FLOODEX income as fortuitous income.</p> <p>IM felt that the new ADA Business Plan should include task & finish projects that could be undertaken using any fortuitous income received from future</p>	<p>ITh</p> <p>ITh</p>
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	<p>events, separate from baseline funding and tasks.</p> <p>NE agreed that utilising this income should be led by the new Business Plan, to ensure members can be clear what fortuitous income will be invested in.</p> <p>Action: Business Plan 2017-2020 to incorporate planning for ‘fortuitous income’ from future FLOODDEX events.</p>	IT
1364	<p>Revised IDB Position Statement</p> <p>IM and FB presented a revised IDB Policy Statement in draft form that built on the work of Priscilla Haselhurst, Medway Council.</p> <p>Committee discussed revision to the draft, including incorporation of drought conditions, revision to the environmental expertise included and checking that content required in the Defra IDB1 form is included.</p> <p>The Committee agreed that the next step would be to consult IDB Clerks, before sharing with members of Defra’s IDB Policy Advisory Group. The Policy Statement could then be sent to the appropriate Minister for their approval before being issued to IDBs in early 2017.</p> <p>BS asked whether the role of IDBs feeding into Local Authority scrutiny should be included.</p> <p>ITh stated that the new Policy Statement should stop short of going into too great a level of detail and remain as a high level document. Such detail could be incorporated into an individual Board’s Water Level Management Policy which could be tailored to local circumstances</p> <p>Action: FB to revise Policy Statement in light of the Committee’s comments.</p> <p>Action: IM to circulate revised Policy Statement to IDB Clerks for comment.</p> <p>ITh introduced the work that has been undertaken by EUWMA, with ADA’s assistance, on the Water Framework Directive. At their meeting in Frankfurt EUWMA members had agreed a declaration highlighting key strategic issues that needed to be considered by the European Commission when the directive is reviewed. This included the sometimes negative consequences of the “one-out-all-out principle for failing systems, the importance of local governance and tailoring solutions to local conditions, the need for holistic solutions that work alongside other Directives and European initiatives such as the Common Agricultural Policy, and finally ensuring that the Directive retains its level of ambition by rewarding efforts made to improve conditions within waterbodies rather than simply penalising failure.</p> <p>ITh stated the Frankfurt Directive on WFD would be published on the EUWMA and ADA websites in due course.</p>	<p>FB</p> <p>IM</p>
1365	Defra Update	

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	<p>KH leaving role for maternity leave in early November, her replacement would begin in October 2016, and should attend the next ADA Board meeting.</p> <p>The new Ministerial team has been appointed and will be seeking opportunities for visits to IDBs.</p> <p>There are also changes of Ministers in other significant departments, such as Sajid Javeed MP heading DCLG. The role of recovery and resilience is now led by Andrew Percy MP, (Brigg & Goole), who is the new Northern Powerhouse Minister and also President of ADA Northern Branch.</p> <p>The National Flood Resilience Review was published on 8th September, setting out number of actions, and linking MET office extreme weather scenarios with EA modelling and data. An extra £12.5m has been made available for new temporary flood barriers and mobile pumps. There will also be closer liaison with Utility companies.</p> <p>273 repair projects are now complete following the storms of winter 2015/16. Any remaining repairs should be complete this winter.</p> <p>Part of the review has recommended a Core cities advisory group, to better protect cities, with Sheffield highlighted as an initial pilot.</p> <p>The Cumbria Flood Action Plan is to include for new Water level management Boards in Lyth Valley and possibly for Waver Wampool, re-consulting partners on both in the new year. Rory Stewart launched the Cumbria Flood Modelling Competition, for the River Eden valley.</p> <p>Defra is hoping to share its 25-year environment plan shortly.</p> <p>FloodRe now has 90% of the market participating in it and another important part of the Flood Resilience Review is the Flood Resilience Action Plan and property level measures.</p> <p>Two new IDB's will come into official being from 1st October for Pevensey and Cuckmere IDD in Sussex and for North Kent Marshes IDD, in Kent.</p> <p>Action: ITh to prepare a press release on the formation of the two new IDBs</p> <p>On Monday 19th September, a joint Defra/EA FCERM stakeholder forum was held. Defra are questioning how to engage others more in the running of the Stakeholder Group as it is felt to be heavily managed by Defra and the EA. Defra would like to open it out to a wider IDB audience.</p> <p>Regarding legislation to enable precept to fund Somerset Rivers Authority – this action has been paused by Government whilst the new ministerial teams establish themselves and decide on an appropriate way forward.</p>	<p>ITh</p>
1366	Environment Agency update	

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	<p>PW presented an update from the Environment Agency.</p> <p>Emma Howard-Boyd has now been fully appointed as chair of EA</p> <p>The EA are still working with the local community around plans to create an IDB for Arun Internal Drainage District.</p> <p>PW is now technically part of Defra’s corporate services and there is a decision imminent to move further staff from Environment Agency. Flood risk management finances remain with PW.</p> <p>Defra is looking at a new way of planning, system based. Better distribution across the Defra family and be more integrated at an area level.</p> <p>Work is ongoing in preparing for the Government’s Autumn Statement, planned to be made on 26 November.</p> <p>PW mentioned that DCLG are consulting on the 100% application of business rates retention and the removal of rate support grant. He was only recently made aware of this consultation, which closes on 26 September. The Committee agreed that it was essential for ADA to make representations.</p> <p>Action: ITh to draft a consultation response and circulate for comment</p> <p>The general theme of the consultation is that councils will be able to spend what they raise locally in business rates but many rural authorities are concerned by the impact where their business rates could be considerably lower than urban areas, but costs higher. PW said that it cost on average £80 per household more to provide services in a rural area than in urban areas.</p> <p>Specific issues of concern include, for example, how, power station sites are dealt with, especially where those sites may close and lie dormant for many years, but still require maintenance of surface water run-off, etc.</p> <p>PB recognised that without checks and balances, the approach could severely penalise rural authorities and especially those with IDBs.</p> <p>All agreed that ADA must emphasise the need to safeguard Special Levy payments and the response to the consultation will reflect that concern. JF stated that it is equally important to understand the way that Special Levy is protected as it is often misconceived as a total-cash issue for local authorities.</p> <p>Action: ITh to consider how ADA helps LA understanding of Special Levy.</p>	<p>ITh</p> <p>ITh</p>
<p>1367</p>	<p>LLFA update (MH)</p> <p>MH presented updates affecting Lead Local Flood Authorities.</p>	

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	<p>Flood & Water Management Act 2010 Section 19 investigations – different LLFAs have set different thresholds to trigger investigations. Questions remain about receiving sufficient information from other risk management authorities to undertake an investigation, particularly concerning the speed and accuracy of information received.</p> <p>LLFAs are seeking to maximise opportunities to spend the Medium Term Plan and Local Levy commitments wherever possible. Picking up on the experience across Lincolnshire County Council, more could be done to get schemes in from other Risk Management Authorities, including water companies. There is a need to better promote the money that is available to be spent, especially through partnership working.</p> <p>PW said that local authorities are having to look carefully at the risks from Brexit to any sums of money they thought that they might receive. Questions are being asked about a possible need to retain more of their levy balances to meet programme over next 5 years.</p> <p>LLFAs were initially very proactive in forming meetings at a regional level, but that dialogue between authorities has started to reduce.</p> <p>MH reported that the EA last Friday launched their risk of flooding from multiple sources tool. Now available on the data.gov website.</p> <p>Action: IM to include news item in ADA Gazette Autumn 2016</p> <p>MH reported that David Hickman had recently received a request for information from an insurance provider and has been asked for any data from LLFAs regarding flood risk. It is felt that information is not being gathered in a nationally consistent way. Information from local modelling tools is also not consistent and we need to better collectively understand how to treat competitors equitably, with a need for consistency across the board. The Prime Minister’s Council for Science and Technology is looking at how data sets can be shared across organisations.</p> <p>BS reported that he has received freedom of information requests on what assets and those designated under terms of the F&WM Act 2010. JF said that we have to be careful of intellectual property rights for data. There is also a need to be mindful of data protection legislation</p> <p>ITh reported that the Association of Directors of Environment, Economy, Planning and Transport (ADEPT) had invited Innes to join their Flood & Water Management Group.</p> <p>PB Greater Lincolnshire LEP launched their devolution plans in House of Commons. Peter Bateson was a speaker at this high-profile event – see article in Autumn 2016 ADA Gazette.</p>	IM
1368	Rating and Finance	

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	<p>CB confirmed that testing of an alternative approach to valuing non-agricultural land for IDD rating had been carried out on another couple of IDBs. One tested similar to the existing ratings regime but the other showed some significant differences. These differences were attributed to a specific situation where there were numbers of poultry breeding units skewing the results, and this will need to be considered further.</p> <p>CB reported that CT has successfully sought funding from Defra to purchase data from the Valuations Office, which will be postcode based and it is hoped to have that information shortly to enable further IDBs to participate in the testing phase.</p> <p>ITh confirmed that Thérèse Coffey is specifically interested in this work and sees the potential to unlock the extension of IDB areas where it is mutually agreed between partners. Obvious political concerns exist about potential increases in ratings, hence the testing taking place.</p>	
1369	<p>Governance and audit</p> <p>PB confirmed that new rules for IDB audit will be introduced in 2018 and this will have an effect on the timings of IDB Board meetings, which will have to change to meet new deadlines.</p> <p>PB highlighted some concerns about delays in getting reports back from various Auditors.</p>	
1370	<p>Managing assets and systems</p> <p>BS to confer with others working on workstream and provide update at the 10 January 2017 Committee meeting.</p>	
1371	<p>ADA Business Plan</p> <p>A first draft of the 2017 – 2020 ADA Business Plan has been produced by the working group. Thanks were recorded for the work done on this plan to date. The focus in this new plan is on how ADA continues to focus on representing member's interests at a national level, how income streams and membership are grown, and the future strategic direction for ADA.</p> <p>It was agreed that all objectives need to be self-funding and that ADA should aim to retain reserves of 30% of its annual subscriptions income.</p> <p>In discussing the strategic objectives, the Committee asked if ADA should be holding more events, given the success of FLOODDEX. ITh was cautious about the capacity of the ADA team but suggested that ADA Branches may wish to consider more locally-focussed events in partnership with others.</p> <p>It was also suggested that all members receive a membership questionnaire with a series of, say, five simple questions. It was agreed that the best way of reaching out would be via the winter edition of the Gazette.</p> <p>Action: ITh to draft questions for review and approval by P & F Committee</p>	ITh

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	<p>before inclusion in the ADA Gazette Winter 2016.</p> <p>Action: PB to send draft Business Plan to all Committee Members for comment.</p>	PB
1372	<p>National Reviews</p> <p>ITh said that ADA had responded to a number of important national reviews, notably to the EFRA Committee inquiry on 'Future Flood Prevention', and the National Flood Resilience Review (NFFR). ITh gave oral evidence to the EFRA Committee on 27 April and meetings were attended to provide input to NFFR.</p> <p>ITh has also spoken with National Infrastructure Commission and they are keen for ADA to be a consultee in a planned enquiry over the next 18 months, focussing on water and flood risk management.</p> <p>ITh mentioned that ADA have also worked with the National Audit Office around the governance and audit of IDBs which will result in an internal report being produced this autumn, for controlled circulation.</p> <p>Other consultations are expected with the new government settling in, such as the "Self-sufficient local government: 100% Business Rates Retention " consultation mentioned above.</p>	
1373	<p>Subscriptions review</p> <p>Subject to approval at the AGM, the Committee fully supported Membership subscription rates for 2017 being held at 2016 prices.</p> <p>ITh asked for the Committee's approval for modifications to be made to ADA's membership categories for 2017. In particular, around the introduction of an individual membership category to cater for those who have left or retired from the industry but want to keep in touch with news. This category could also cover community volunteer groups. PB suggested a membership fee of £35 would be appropriate.</p> <p>It was also recommended that we refer to everyone as "Members" and simply differentiate the types of members through the subscription rates depending on their business type.</p> <p>Further work is needed to review membership rates, especially for IDBs which is planned to be carried out in 2017. Committee were asked to consider this area for an additional workstream in 2017.</p> <p>Action: ITh to take a proposal for individual membership category to the Board, for approval.</p>	ITh
1374	<p>AOB</p> <p>Thanks were proposed to BWB for the provision of their offices and catering for this meeting.</p>	

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1375	Date of next meeting: Tuesday 10 January 2017 –half-day meeting – London, timings and venue to be confirmed	

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