

Association of Drainage Authorities

BOARD MEETING

Draft Minutes of the Meeting held on Wednesday 18 March 2015 at
The Great Northern Hotel, Peterborough

Directors: Henry Cator (HC) – (Chairman)
Eddy Allen (EA), Tony Bradford (TB), Bryan Collen (BC), Tim Farr (TF), Pete Fox (PF), Malcolm Harris (MH), John Heading (JHg), David Hickman (DH), John Hoyles (JHs), John Markwick (JM), Richard Penn (RP), Peter Pridgeon (PP), Trevor Purllant (TP), Ian Thornton (IT)

Vice President: David Riddington (DR)

Company Secretary: Peter Bateson (PB)

In Attendance: Paul Burrows (PB), Sharon Grafton (SG), Graham Littleton (GL), Ian Moodie (IM), David Sisson (DS) (Senior Policy Adviser), Innes Thomson (ITh), Chris Trotman (CT), Jean Venables (JV) (Chief Executive)

Apologies: Lord De Ramsey (LDR), Alistair Driver (AD), Ian Russell (IR), Michael Watson (MW)

Ref	Minute	Action
30	<p>HC opened the meeting by announcing that several members would be stepping down at the end of this meeting; PF, RP, JM and GL. Additionally this is the last meeting which JV is attending, with ITh taking on the role of Chief Executive from 1 April.</p> <p>PF explained that he would be moving to a different role within the Environment Agency, taking the position of Director of Water, Land & Biodiversity which will deal with, amongst other things, water quality, biodiversity and the implementation of the Eel regulations. Although not sitting directly around the Board table the work of ADA will be very much of interest.</p> <p>HC thanked PF for the work he had done for ADA.</p> <p>RP said that with the transfer of functions of Welsh IDBs to Natural Resources Wales at the end of March that this would be his last meeting, explaining that a legacy document commemorating 2,000 years of water level management on the Gwent Levels would shortly be released and added that Natural Resources Wales were keen to engage with ADA.</p> <p>HC added that JM would also be standing down for the same reasons. The Chairman then welcomed IM and ITh who will be taking over from JV at the end of March and thanked JV and her staff for facilitating the handover. Special thanks were given to CT for the work which he has carried out for ADA.</p> <p>JV said that ADA will deal with the transfer of directorships which have arisen from these changes.</p>	
	<p>Action: ADA to amend Directors details held at Companies House</p>	ADA
31	There were no declarations of interest	
32	The Minutes of the Board meeting held on 15 October 2014 were agreed as a true record.	
33	<p>Matters arising</p> <p>Min19: MH told the committee that a survey on the River Idle had begun</p> <p>Date of next meeting: JV asked the Board to note that the next Board meeting is due to take place on Tuesday 30 June (not a Wed as shown).</p>	
34	<p>ADA ADMINISTRATION AND OPERATION</p> <p>FINANCES AND BUSINESS PLANNING</p> <p>a. Payments October 2014 to March 2015</p> <p>MH queried two payments made on 3 October 2014 for committee travel expenses because the two committee members were travelling from the same area but there is a difference in the cost of their travel.</p> <p>JV said that the two members were attending two different meetings. The start time of the T&E meeting means that many committee members are travelling during peak time which is more expensive. EA added that he has paid similar amounts in order to travel to early</p>	

morning meetings in London. MH said he understood but added that costs should be monitored. ITh added that it is important to think ahead, where possible, and book tickets in advance to take advantage of reduced fares.

The payments made by ADA between October 2014 and March 2015 were accepted.

b. Finance Report for 2015

The subscriptions progress report for securing 2015 subscriptions was noted

c. Approval of audited accounts

JV apologised to the Board that the audited accounts were only sent a week in advance of the Board meeting, explaining that usually ADA's audited accounts are prepared for the July Board meeting but this year the audit had been carried out earlier in order that it be completed before the handover. The period audited is the nine months from 1 April 2014 to 31 December 2014. The draft accounts, once approved, will become the audited accounts.

PB said that the auditors would need to amend the list of directors in order to reflect new directors and those who have resigned.

MH proposed approving the full accounts which was seconded by TF and was agreed by the Board

JHs proposed approving the abbreviated accounts which was seconded by TP and was agreed by the Board

The Board were asked to approve the letter of representation which the Board agreed

IT proposed approving the management letter which was seconded by EA and was agreed by the Board

d. Approval of bank signatures

JV explained that in order to add ITh to the list of signatories for ADAs bank accounts and remove JV the Board was required to approve a resolution, resolving that the authorised signatories in the current mandate for ADA's bank accounts be changed in accordance with section 5; that is removing Jean Venables and adding Innes Thomson

JHs proposed accepting the resolution, removing JV and adding ITh, which was seconded by RP and was agreed by the Board.

e. ADA Office: Key activities

The activities of HC, JV, CT, SG, IT and IM were noted by the Board.

f. Budget for 2015 including subscriptions

JV explained that the current budget presented to the Board was a work in progress between what is happening currently and what will happen from 1 April 2015. This is because there are certain expenses which are currently unknown.

ITh drew the Boards attention to non-recurring expenses explaining that within this section there are various costs which are not yet finalised such as costs for equipment. Over the next few weeks costs will become clearer and it will be possible to report back with a more final budget.

BC asked whether any further information was available regarding the costs of travel to Stoneleigh as it may be considerably more expensive for some and at one point holding meetings there was discussed. ITh said that the office was close to the geographic centre of the country making it easier to service Boards around the country. Not everything will centre on Stoneleigh and travel will be considered when deciding where meetings are held. JV added that although the current office is based in Surbiton the Committee and Board meetings are held elsewhere.

Action: ITh to provide a final budget for the June Board Meeting

ITh

g. Employment policies approval

JV told the Board that because ADA has not acted as an employer before it needs to put employment policies in place in order to comply with UK legislation. This is currently being carried out by ITh. HC added that employment contracts have been properly drawn up by the same firm of solicitors, Wilkin Chapman LLP, who worked on incorporation.

PB said that Wilkin Chapman LLP are also looking into the White Book.

h. Eligibility of Directors in Memorandum and Articles of Association

JHd asked whether clarity could be provided regarding the eligibility of directors, as at the recent Welland and Nene Branch meeting it was implied that this would be provided, as there is currently an outstanding query regarding the use of the word “engaged” in Article 56g of the Memorandum and Articles of Association, which deals with a Director who is also a Branch Director. At present the Memorandum and Articles of Association only refer to IDB directors which precludes someone working for an IDB.

HC said that when the MandA of Association were signed off in March 2014 Iain Smith had said that there were problems with them and now that ADA are aware of the detail of these concerns they are acting upon them.

PB said that Peter Bide at the ADA office has worked on proposals to alter the wording which is now with Wilkin Chapman LLP for checking but as any changes have to be formally approved by the Board the changes will not take effect until June.

Action: ADA to look into amending Article 56g and if a change is required bring this and any other necessary changes to the ADA Board on 30 June.

ADA

35 REVIEWS, CONSULTATIONS & GOVERNMENT POLICY ENVIRONMENT AGENCY MATTERS

a. Public Sector Cooperation Agreement

PF updated the Board regarding progress with the public sector cooperation agreement. At present Ian Russell, the lead regarding these agreements, is unwell, and progress has unfortunately not been as swift as anticipated. Neil Davis, Deputy Director for Strategy Delivery, is actively involved in resolving the legal issues which have been raised and will be attending the next Axe Brue IDB meeting in April.

JHs added that he hoped that the queries regarding insurance would not cause any problems and thanked PF for the work he had carried out.

b. Flood Risk Management Plans and River Basin Management

PF told the committee that the flood risk management plan consultation closed in January 2015 and the river basin management plan consultation will close in April 2015. At present the response is being analysed. The intention is to align as best as possible the different water management plans for the environment with the IDBs benefitting from having one conversation regarding plans rather than several on several topics.

c. Election & Beyond

PF told the committee that, with the General Election due on 7 May 2015, Parliament is due to enter purdah. Much work is currently taking place to better understand how funds are spent in order for Defra to prepare for an anticipated spending review after the election. Another potential implication of a new government is the revision of the national six year strategy.

d. Implementation of Eel Regulations

PF explained to the committee that whenever a new environmental regulation is implemented it always stimulates discussion and the eel regulations are no exception. The early cost indications has caused concern as the costings are high and work needs to be done to ensure that these are manageable. The Environment Agency will continue to work with ADA to try and make the roll out of this piece of legislation as smooth as possible and continued communication between ADA, the Environment Agency and Defra is required for this.

HC added that ADA and the Environment Agency have shared interest regarding the costs of eel regulations as both will have to bear the costs of upgrading pumping stations.

JHs read to the Board a letter his Board had sent to the Secretary of State regarding eels and a letter is attached.

TB asked why, given the decrease in eel numbers and the modifications which need to be made to pumping stations to accommodate them, eel fishing has not been banned as many kilos are caught every year. PF said that the assessment of need for conservation is based on the river basin district as, like salmon, eels are particular to a catchment.

JV pointed out that this treatment is different to that of the Great Crested Newt which has to be protected regardless of how many newts are in the area.

JHg pointed out that in the last few years there has been an increase in eel numbers following a twenty year decline. There is no proof that pumping stations are the cause of the reduction in numbers and with the large variety of solutions for pumping stations, from eel passes to new pumping stations, there is a need to be certain that money is not being spent on something which wasn't causing the problem in the first place.

PBu said that since the Middle Level Main Drain has been opened up it has seen an increase in eel numbers but many of these have come from elsewhere. There is a need to consider the eel pathway in total.

EA said that any FDGiA applications have to be eel compliant but the cost of this compliance can be quite steep with eel friendly pumps up to 30% more expensive. This could lead to some capital programme projects not going ahead as there is not enough money.

PB added that the cost of carrying out work on Hobhole Pumping Station in Lincolnshire alone was £14 million and asked what other EU countries are doing.

ITh said that ADA's membership of EUWMA may assist, adding that Albert Vermue may be able to explain how Water Boards in the Netherlands were dealing with the regulations. Perhaps the UK is being too ambitious. The real issue is that screening is not compatible with pumping large volumes of water as it will get blocked frequently. The regulations are not fixed with regards to timescales but state that a plan should be in place, so perhaps modifications could be built into the renewal plans for pumping stations, even if they are for 20 – 30 years.

TB mentioned that many years ago a meeting took place in Somerset discussing the reduction in eel populations and at the time it was thought that the drop was due to climate change. Would it be possible to revisit this?

MH said that although over the years a good working relationship has been built up between IDBs and flood risk management in the Environment Agency, the same cannot be said of the relationship with the Environment section and IDBs. It seems inconsistent: with some members of staff happy to engage and others who seem to make things more difficult.

PF asked ADA to pass on information regarding inconsistencies.

e. Defra Matters

KH explained that Neil Hornby has now replaced Dan Osgood as Deputy Director of Floods, Coastal Erosion & CBRN Recovery. Neil will be attend the next RFCC chairs meeting and is likely to be happy to attend the next ADA conference.

36 CONSULTATION UPDATE

a. Flood risk management plans

CT told the committee that ADA had responded to the Environment Agency regarding Flood Risk Management Plans on 26 January. ADA did not comment on a specific plan, instead making general comments on flood risk management plans, their content and focus, their relationship to local strategies and their relationship to other plans. At T&E Rob Cathcart noted that Natural England would be responding to the plans.

b. River basin management plans

CT said that the River Basin Management Plans consultation is open until 10 April 2015, and that on 10 October 2014 ADA had contacted IDBs, urging them to comment on these.

c. Further changes to statutory consultee arrangements for the planning application process

CT told the committee that ADA had responded on 26 January to the consultation published by DCLG in December 2014 on further changes to statutory consultee arrangements for the planning application process.

IM said that Government has written a response suggesting making lead local flood authorities statutory consultees but not IDBs. JV commented that the DCLG response to not include IDBs in the list of statutory consultees was disappointing and not consistent with the legislation. EA echoed this asking that ADA keep pushing to get this changed as IDBs have a lot of knowledge.

DH assumed that the statutory role would involve consulting with IDBs as this is what occurs in Lincolnshire. The statutory role for lead local flood authorities is useful and gives them an

opportunity to comment on flood risk to a development as well as flood risk from. There are still reservations, however, regarding a lack of clarity around management which remains a concern. It has been announced that the funding made available to authorities in the first year has now been increased by DCLG, however in subsequent years it will go back down and will reduce on the basis of flooding not occurring. It could still be an issue as it will be a new burden on districts.

JV fully supported DH, saying that if systems are not maintained it will lead to an increase in flood risk from when it is first designed.

d. Integrating flood defence consents into the EP regime consultation

CT said that ADA had responded on 13 February 2015 to the consultation published by Defra in December 2014 on integrating flood defence consents into the Environmental Permitting regime.

e. Revocations Orders consultation requirements

CT explained that Defra are proposing that the ‘Code of Practice on Environmental Procedures for Flood Defence Operating Authorities (Internal Drainage Boards and Local Authorities) Approval Order 1996’ is revoked. This Statutory Instrument gives Ministerial approval to the “Code of Practice on Environmental Procedures for Flood Defence Operating Authorities” issued by MAFF in 1996, therefore ADA can see no objection to it being revoked.

ADA contacted Clerks regarding the proposed revocation with many responses agreeing that there should be no objection and ADA subsequently sent this to Defra on 24 February.

f. Forward look

IM said that as Parliament is about to enter purdah looking forward is challenging as many things will wait on a new Government.

Following the transfer of assets from British Waterways to the River and Canals Trust in 2012 it was slated that navigations managed by the Environment Agency would be transferred in 2015. PF will look into this.

Action: PF to investigate whether Environment Agency managed navigations will be transferred to the River and Canals Trust.

PF

37 REPORTS FROM THE COMMITTEES

a. Technical & Environmental Committee

GL presented the T&E Committee report from the meeting held on 21 January which discussed a wide range of issues including eel regulations and water vole class licencing.

DS told the Board that he believed the findings of the Ecology group, which were passed to Natural England, have been considered and they will soon be in a position to respond.

TB asked whether there was any way to speed up research regarding the displacement of water voles, as relocation for the 8km of dredged Somerset watercourse was £24,000.

ITh said that an update regarding AIMS will be sent to all Clerks and members of T&E by the end of the week. Due to issues with external connectivity the system has become very clunky and will not function as it should to external users. The Environment Agency are investigating Easimap to find out whether this might be shareable. A call will go out to see if any drainage boards might be interested getting involved with the Environment Agency regarding this. GL, following his final T&E report, thanked the Board.

HC and TP both thanked GL for all the work he has done in his role as Chairman.

b. Policy & Finance Committee

IT presented the P&F Committee report from the meeting held on 21 January, which discussed a wide range of issues, including Audit, Somerset Rivers Authority and the abolition of the Dairy Quota.

JV followed up on hedge trimming telling the Board that, because IDBs are statutory bodies, they can carry out the work they need to as a statutory body. They are obliged to tell landowners and IDBs have been advised to do this at the same time as rates notices are sent out. Landowners need to retain this as documentary evidence that any work the Board carries out is for the benefit of the Board, not of the landowner. This will be required should an inspection be carried out. Farmers do not need to apply for a derogation but need to retain

proof. This has been circulated to Clerks and included in the Spring issue of the AD Gazette.

TB told the Board that the outstanding byelaw prosecution case being conducted by Somerset Drainage Board Consortium had been dismissed due to a police interview not being conducted correctly.

RP told the Board that Caldicot & Wentlooge IDB were having problems getting three years accounts signed off as there is a qualification on the accounts. This has only occurred subsequently to the WAO investigation. The qualification relates to the basis upon which drainage rates and levies are raised, which are based on 1992 valuations, which have not been uprated and are being challenged as unlawful. This is a situation which is unlikely to change and is causing concern for Natural Resources Wales. At present no solution has been found but talks are now taking place between Natural Resources Wales, Defra and the Environment Agency. The Welsh Government is considering making a provision in order to resolve the problem. A more dramatic alternative would be commissioning a valuation of properties in the area; however this will cost hundreds of thousands of pounds.

JV said the 1992 valuation data is used by a number of organisations and any challenge could have large implications. It is the most recent data available.

KH added that Defra is looking into the problems with valuation data with Phil Camamile but was not aware of any problems in Wales.

c. Associate Members on T&E and P&F

JV explained that during the call for applicants for T&E and P&F committees last year a commercial associate member applied. There is no rule which precludes commercial associate members becoming members of the committee although to date they have not. When considering new members the skills gap around each committees table is considered. Both committees have indicated they would like to treat all applicants equally and are asking for the Board's approval for this to take place.

The Board were asked to approve considering commercial associate member applications to T&E and P&F which the Board agreed

38 Somerset Rivers Authority update

TB provided the Board with an update regarding the Somerset Rivers Authority explaining that it has been formed and the first meeting took place on 27 February. It will not be self-funding so several funding options are being considered. There is a desire to ensure that any mechanism used is fair to each of the five district councils in the area. After a tricky start ADA has now joined the conversation and HC, JV and PB attended a meeting in February to explain how the current plan could have implications for the entire country. The establishment of the SRA now means that there are three organisations in Somerset dealing with water level management: the Environment Agency; IDBs and the SRA. Following the Winter flooding the working relationship between Environment Agency and IDBs in Somerset has improved.

HC thanked TB for the work and time he has put in regarding the SRA and added that ADA have written to Sir Philip Dillely at the Environment Agency to arrange a meeting to discuss this. ITH added that there was a real benefit in ensuring all parties work together. KH said that it is important to carefully examine all possibilities to ensure that the goal of achieving more money for maintenance work is not forgotten.

TF said that care should be taken with the continuing pace of progress as the SRA needs to be set up and locally funded in a year.

39 Audit

PB reminded the Board that the Audit Commission will be disbanded on 31 March 2015 but current contracts will run until 2017. A new "plain English guide" now called "Changes to the smaller authorities' local audit and accountability framework: a guide" has been released and is available on the ADA website.

With regards to the proposed sector led body DCLG has asked for a business plan to be produced. The National Association of Local Councils have appointed PA Consulting to carry out an exercise on how the sector led body would work and although this contract has only just been awarded it is hoped that the report will be completed by the end of March. Once DCLG have the report it is hoped that they will give an opinion by the end of April although this is likely to be delayed due to purdah.

HC thanked PB and Phil Camamile for representing ADA.

JV told the Board that following the annual return the number of qualified opinions had increased. When ADA investigated these it was found that none related to financial irregularities and none were significant; in one case it seemed that the wording of minutes regarding internal audit did not meet the requirements of the external auditor, in another case an incorrect date had been used. It seems that perhaps words of advice were required rather than qualified opinions. The information was passed to Defra who reported to the Minister that there was nothing of concern.

40 ADA 2015 EVENTS

a. ADA Expo

IM explained that ADA's current business plan includes plans for an exhibition to take place in 2016 and a demonstration of equipment to take place in 2019 and also suggests looking at more diverse funding mechanisms, sharing costs and holding events in collaboration with others. With this in mind ADA have been approached by a company called Indigo Media Group, who are looking for endorsement for "Floodex", a trade event aimed at the water level management sector, taking place from 9 – 10 March 2016 at the Peterborough Arena. There are potential opportunities for ADA to take part in seminars and have a free stand at the event. ADA would have a role in promoting it through the Gazette and News Stream. DS, ITh and IM had a meeting with Indigo Media Group on 11 March and a proposal will be put forward which will be brought to the Board for discussion.

TP asked what is known about Indigo Media Group. ITh replied that they have a long track record of holding large scale events many in the Middle East. At present the discussions have been purely opportunistic and any proposal from Indigo Media Group would be carefully considered. ADA is also looking into other opportunities.

HC said that the Board will need to approve any collaboration. In the past ADA have held and managed demonstrations and exhibitions itself however this is becoming more complicated. These events are important to ADA and it is important that they are not lost.

b. EUWMA

HC reminded the Board that the next EUWMA meeting will take place 7-8 September in Lisbon, Portugal and said that it was very likely that HC and ITh will attend.

c. Expo 2015 (Milan): "Feed the Planet. Energy for Life"

HC explained that Expo 2015 would be taking place in Milan from 1 May to 31 October with the topic being "Feed the plant. Energy for Life". Associazione Nazionale Bonifiche Irrigazioni (ANBI) has rented a stand for the Expo and have asked whether the UK would like to take part too. It is suspected that ADA would not take a stand however the Expo could be a good opportunity to talk and it may be worthwhile for ITh to visit.

41 Any other business None

42 Presentations to retiring Chief Executive and Staff

HC drew the Board's attention to the fact that this would be JV's last meeting as Chief Executive and thanked her for the work which she has done over the last nine years. In this time ADA has moved forward greatly and ADA has been very lucky to have JV as its Chief Executive.

JV thanked HC, the Board and the various Committees for their support during her tenure, adding that the ADA team in Surbiton has worked very hard to keep ADA moving and ensure that water level management is represented. She also thanked DS for the support which he has provided during the past nine years.

CT also thanked the Board.

Dates of next meetings

- **ADA Clerks meeting – Tuesday 30 June 2015 in Peterborough**
- **ADA Board meeting - Tuesday 30 June 2015 in Peterborough**
- **ADA Board meeting - Wednesday 7 October 2015 in London**
- **ADA Conference – Wednesday 11 November 2015 in London**