



# Association of Drainage Authorities

Rural Innovation Centre, Avenue H,  
Stoneleigh Park, Warwickshire, CV8 2LG  
Telephone +44 (0)2476 992889  
Email [admin@ada.org.uk](mailto:admin@ada.org.uk)  
Website [www.ada.org.uk](http://www.ada.org.uk)

## POLICY AND FINANCE COMMITTEE

Minutes of the Meeting held on Tuesday 12 January 2016  
at CIWEM Offices, Saffron Hill, London EC1N 8QS

**Present:** Ian Thornton (IT) Chairman  
Peter Bateson (PB) (Ex Officio), Frances Bowler (FB) (Honorary Secretary), Craig Benson (CB), Henry Cator (HC), John Cooke (JC), Nigel Everard (NE), Phil Winrow (PW), Karen Daft (KD), Tim Farr (TF) Jane Froggatt (JF), Matthew Harrison (MH), Robert Hill (RH), Kathryn Holdsworth (KH) (Defra), Andrew Morritt (AM), Bill Symons (BS), Carol Tidmarsh (CT) (Defra), Innes Thomson (ITh)

**Apologies:** David Sisson (DS)

**In Attendance:** Ian Moodie (IM), Ian Russell (IR), Heather Bailey (HB)

Ref	Minute	Action
1322	<b>Apologies &amp; welcome</b> – Apologies from DS and warm welcome to new and re-appointed members CB, JC, MH, NE	
1323	<b>Declarations of interest</b> None	
1324	Minutes of the meeting held on 16 September 2015 were agreed as a true and fair record proposed by AM, seconded by TF.	<b>IT</b>
1325	<b>Matters arising</b> <b>Min 1306a</b> – NE asked for an update on reforming the advertising of elections by IDBs. IM advised ADA have been in liaison with Defra and welcomed further thoughts from this Committee on suitable locations to place these in addition to local newspapers. JF suggested it would be useful to have a list of places that are deemed acceptable for placing advertisements. CB requested list before April elections. <b>Action: IM to circulate list to Committee members and IDB Clerks before forwarding to CT.</b> <b>Min 1316</b> – IR confirmed action addressed.	<b>IM</b>
1326	<b>Defra update</b> KH and CT delivered an update from Defra. <ul style="list-style-type: none"><li>• Focus for Defra has been on recent flooding and putting package of support measures in place for people and properties affected.</li><li>• £50M repairs for Environment Agency assets announced.</li></ul>	

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	<ul style="list-style-type: none"> <li>• Cumbria Floods Partnership group to publish report in the summer.</li> <li>• National Flood Resilience Review ( Chaired by O Letwin ) to re-examine how we address future flood risk. Flood Team to look at lessons learnt. This report is also due out in the summer.</li> <li>• BS and team at Yorkshire Consortium of IDBs were visited by KH and CT who very much welcomed the opportunity for such IDB visits. The importance of PSCAs was apparent from this visit and how this could help transition more power and responsibility to local IDBs and ultimately de-maining Main River.</li> <li>• Where there is an appetite for new and expanded IDBs, Ministers are interested in listening. KH is happy to be contacted directly about this or via ITh.</li> <li>• KH acknowledged Maintenance &amp; Spending Review not as clear as it could be. £171m per annum protected in real terms for duration of this parliament including inflation uplift.</li> <li>• CT advised that Defra are currently putting together an action plan as part of the Review of Flood Risk Management.</li> <li>• The EA had published a statement on eel passage following clarification from Defra regarding phasing of works. The Environment Agency are continuing to work with the Humberside Fisheries Group to look at eel passage at pumping stations. Further new legislation is being developed to free fish and eel passage, which is expected to be consulted on later in the year.</li> <li>• Defra has a meeting with the National Audit Office on 25<sup>th</sup> January 2016 regarding accountability and governance of IDBs. PB, IM and ITh attending.</li> <li>• On 6<sup>th</sup> January 2016 the Secretary of State announced a new flood defence activity permitting scheme which will allow dredging of water up to 1.5km by land managers under an exemption. Regulations come into force in April 2016. More information will be available shortly.</li> </ul> <p>TF raised the question about the opportunity to develop maintenance pilots following the announcement by the Secretary of State, Elizabeth Truss MP at the Oxford Farming Conference. KH confirmed that the Environment Agency would be issuing guidance. IM noted the importance of the guidance being as clear and simple as possible.</p>	
1327	<p><b>Environment Agency update</b></p> <p>PW delivered an update from the Environment Agency on funding matters.</p> <ul style="list-style-type: none"> <li>• PW recorded his thanks for the support and valuable feedback received around refining the capital grant memorandum following the capital grant workshops where over 700 people attended.</li> <li>• Admin capital grant annual programme = £127m. 152 schemes for this financial year have not yet been presented for formal approval. <b>Action: PW to share via ADA those schemes which have not yet been presented for approval by IDBs.</b></li> <li>• For communities affected by flooding – there is external funding and grants potentially available. The Environment Agency are working with</li> </ul>	PW

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in flood hit areas. **Action: JF to provide KH with specific examples from insurer (name redacted).**

- AM advised that there is already work being done around insurance and felt we should not be taking this on. IM suggested pointing people with insurance queries to National Flood Forum representatives.
- TF highlighted that new community groups have formed in flood effected areas and raised the importance of ensuring that the solutions they seek are compatible with national water level management policy aims for ADA and IDBs.
- PB highlighted massive fluctuations in spend across IDBs for administration. Audited information available centrally would provide ADA with useful metrics.
- RB confirmed the findings across five IDBs that showed totally different costs for doing almost the same thing but clearly different geography.
- JF advised that direct comparisons are difficult when considering EA versus IDB costs due to differing accounting techniques (e.g. for depreciation). In reality IDBs doing the same for less.

#### **Local Financing and Rating**

- PW confirmed that all income for local authorities would be localised from 2020/21 and this could present some challenges.
- BS suggested that thinking should be at more of a strategic level rather than jumping into detail.
- AM stated that the biggest factor affecting the industry remains future funding.
- KD felt as a result of less money IDBs would spend it differently to the EA.
- PW recommended ratings should be looked at with Defra/DCLG alongside other local funding such as the General Drainage Charge and Local Levy.
- PB advised the Committee that he has asked Alison Baptiste for the Environment Agency's policy on Precept.

#### **Membership & Publicity**

- RH highlighted the importance of emphasising the value of ADA for its membership to thrive and to be more proactive on the publicity front.

Committee were then asked to prioritise the above list with a view to delivering a tangible outcome and the resulting work stream topics and committee members involved were agreed.

#### **P&F committee agreed this list of work stream topics for 2016 and owners:**

- Ratings / Local Finance – MH, KD, TF, CB, BS, RH, PW
- PSCA (including Demaining and Asset Transfer) – AM, BS, JC, JF, IR
- Audit/Governance/Training – FB, NE, RH, JF, PB
- Nationwide Review – TF, PW, AM
- ADA Business Plan – FB, PB, IT
- Membership – ADA office

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	<p><b>Next steps:</b>  <b>Action: Participants in each work stream to consider who will lead each workstream and other relevant contributors who would ought to be involved.</b></p> <p><b>Action: Participants in each work stream to put together terms of reference / scope of work for sending to ITh.</b></p> <p><b>Action: Offer above list of work stream topics to DS.</b></p> <p>IR recommended using resources within Environment Agency and local authorities to support ADA's work streams.</p> <p>HC suggested the opportunity for presentations at FloodEx 2016 would be a great way of showcasing ADA's work stream messages.</p> <p>ITh agreed to allocate a workshop session at FloodEx 2016 for the P &amp; F Committee workstreams.</p> <p><b>Action: IT to co-ordinate with workstream leads on content for FloodEx 2016</b></p> <p>TP checked with committee members who all agreed they were happy for their contact details to be shared. <b>Action: ADA office to circulate contact details.</b></p> <p><b>Action: Work stream topics to be published for T&amp;E and P&amp;F on ADA website.</b></p> <p>In concluding the discussion on work streams ITh advised ADA office will act as a support to getting work stream messages out and wider engagement across water level management bodies including IDBs, Environment Agency and commercial members. ITh also explained how the government are receptive to listen to what ADA have to say, so we are in a good position to present our case.</p>	<p><i>All</i></p> <p><i>All</i></p> <p><i>ITh</i></p> <p><i>IT</i></p> <p><i>IM</i></p> <p><i>IM</i></p>
<b>1330</b>	<p><b>Somerset Rivers Authority</b></p> <p>ITh reported that Defra and DCLG had published a Local Government Finance Settlement Notice in December 2015 which offers an interim solution to allow Somerset County Council to raise funds starting from 1<sup>st</sup> April 2016 by increasing council tax. This dispensation to raise additional council tax ( called an Additional Notional Amount ) would raise £2.7M is now factored into Somerset authorities' baselines until further notice. Somerset authorities can state the amount on a bill which is for the SRA. The notion of a catchment-wide approach is effectively being applied whereby everyone within the county is contributing to water and flood risk management.</p>	
<b>1331</b>	<p><b>Practitioner's Guide</b></p> <p>PB reported that the first draft of the new practitioners guide had been sent out to IDB Clerks and that comments were due back by 11<sup>th</sup> January 2016. There will be appendices added to the guide relevant to different types and sizes of authority. The guide includes a clear definition on fixed assets. The new guide</p>	

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	<p>will be applicable for audits starting 1 April 2016.</p> <p>RH had received the first two sections for comment but not section three. PB advised that section three was not yet released and that further drafts are due out before March 2016. <b>Action: PW to find out exact timescales for further drafts and final publication and advise IM.</b></p>	<b>PW</b>
<b>1332</b>	<p><b>Transparency Fund for smaller authorities</b></p> <p>IM reported that the fund remains open for IDBs who have an annual turnover of less than £25,000. The money can be put towards enabling websites through services and computer equipment. The money can be bid for via a link in a news article on the ADA website. IM noted that one smaller IDB, who is not currently a member of ADA had applied so far.</p> <p>IT suggested that smaller boards who cannot afford to join ADA could be offered membership free of charge. <b>Action: ITh to take options for membership of smaller members to a future Board meeting, for discussion.</b></p>	<b>ITh</b>
<b>1333</b>	<p><b>IDB Audit Results 2015</b></p> <p>IM provided an update regarding IDB accounts mentioned in Audited Accounts report for 2014/15. The results identified seven qualified opinions and thus highlighted the need for improvements in governance procedures for some IDBs. Of the Boards with qualified opinions contacted several related to Boards having an audit trail to demonstrate that Board members had read and agreed with the Board's code of conduct. Steps had been taken by those Boards contacted to revise their governance procedures in this area.</p> <p>FB noted one of her boards' dissatisfaction at their audit result and the inconsistency in audit across different audit firms. PB advised that discussions have taken place around using one auditing firm to undertake external audits across all IDBs in the future under the new sector led body.</p>	
<b>1334</b>	<p><b>FloodEx 2016 update by ITh</b></p> <p>ITh confirmed details of FloodEx which will be held on 18 and 19 May 2016 at the Peterborough Arena. The event is virtually at break-even point in terms of stand sales with a good number of exhibitors signed up. Confirmed keynote presenters include: Alison Baptiste, Director of Strategy &amp; Investment, Environment Agency, Peter Simpson, Chief Executive, Anglian Water and PW, Head of Flood Risk Management, Environment Agency. The free to attend seminars and workshops will qualify for CPD accreditation.</p> <p>ITh asked the committee for their support in promoting this important trade event to colleagues across IDBs / local authorities. Event will be free to attend. <b>Action: Promotion flyer to be circulated shortly.</b></p> <p>EUWMA colleagues from Germany and Netherlands having already registered their intention to attend.</p>	<b>ADA HQ</b>
<b>1335</b>	<b>Local Authority workshop update by ITh</b>	

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	<p>ITh updated the committee on ADA's local authority seminar which will form part of the Flood &amp; Coast 2016 conference on 24<sup>th</sup> Feb 2016 in the Telford International Centre. The focus will be on local partnership working and collaboration. The 90 minute session will include plenty of discussion time following the presentations. Speakers include:</p> <ul style="list-style-type: none"> <li>• Priscilla Mumby, Flood Drainage and Special Projects Officer, Medway Council</li> <li>• Steve Wragg, Flood Risk Manager, City of York Council</li> <li>• David Hickman, Strategic Partnerships Manager, Lincolnshire County Council</li> <li>• Ian Russell, Senior FRM Advisor, EA</li> </ul> <p>The Flood &amp; Coast conference will run from 23-26 Feb 2016. ADA will be offering an £80 discount for local authority associate members attending the workshop.</p>	
1336	<p><b>Venues for next meetings</b></p> <p>The Committee agreed that a London venue suits everyone for commuting and is ideal for Defra/Environment Agency colleagues located in the London. The Committee agreed that their next meeting would remain in London at CIWEM.</p> <p>As next P&amp;F meeting is on Thursday 12<sup>th</sup> May 2016 and T&amp;E meeting on Wednesday 11<sup>th</sup> May there is an opportunity for an evening catch up for those interested.</p> <p><b>Action: ADA office to make arrangements for remaining 2016 meetings and May evening catch up.</b></p>	ITh
1337	<p><b>AOB</b></p> <p>HC said it was with regret that we note Sir Philip Dilley's decision to step down from his role as Environment Agency Chairman. Noting thanks for his assistance during his tenure as Environment Agency chairman. <b>Action: Note to be included in ADA Gazette.</b></p> <p><b>Retiring committee members</b></p> <p>In closing the meeting, IT recorded his thanks to the retiring members for their valuable contributions to the committee and welcomed the new members who bring new attributes.</p> <p><b>Date of next meetings:</b></p> <p>Thursday 12<sup>th</sup> May 2016 – all day meeting – CIWEM, London  Wednesday 21<sup>st</sup> September 2016 – all day meeting – venue to be confirmed</p>	IM