

# Association of Drainage Authorities

## POLICY AND FINANCE COMMITTEE

Minutes of the Meeting held on Wednesday 16 September 2015  
at The Farmers Club, London

**Present:** **Ian Thornton (IT) Chairman**  
Peter Bateson (PB) (Ex Officio), Frances Bowler (FB) (Honorary Secretary), Phil Winrow (PW), Karen Daft (KD), Tim Farr (TF) Jane Froggatt (JF), Robert Hill (RH), Kathryn Holdsworth (KH) (Defra), Andrew Morrill (AM), David Sisson (DS), Bill Symons (BS), Carol Tidmarsh (CT) (Defra), Innes Thomson (ITh)

**Apologies:** Henry Cator (HC), Nigel Everard (NE), Stephen Morris (SM), Michael Watson (MW)

**In Attendance:** Ian Moodie (IM), Ian Russell (IR), Nick Stevens (NS)

| Ref   | Minute   | Action    |
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| 1311  | <b>Declarations of interest</b><br>None  |           |
| 1312  | Minutes of the meeting held on 13 May 2015 and were agreed as a true and fair record following correction of FB to those listed as present, proposed by AM, seconded by TF, to be signed by Chairman.  |           |
| 1313  | <b>Matters arising</b><br><br><b>Min 1283:</b> There was discussion regarding the continued confusion between and within auditors regarding the valuation of fixed assets, with some auditors changing practice between years. The Committee noted guidance was still awaited and PW stated that he and Phil Camamile were at the Joint Practitioners Group (JPAG) last week, and that people within JPAG are aware of the issue.<br><br>JF noted that this issue, and whether assets had been depreciated or not had incorrectly triggered a full audit rather than a light touch audit of some of her Boards.<br><br><b>Min 1306a:</b> CT clarified that advertising of elections on website is progressing with Defra legal team and a further announcement on this is expected before the end of 2015.   |           |
| 1314a | <b>Defra Items</b><br>KH and CT gave an update:<br><ul style="list-style-type: none"> <li>• The Spending Review due to be announced on 25 November. Defra were working with Ministers to get the best settlement possible, but it was impossible to give further detail at this time.</li> <li>• CIWEM Pathfinder Conference on 2<sup>nd</sup> December.<br/><b>Action: IM to circulate details to Clerks and Committee members and Associate Members.</b></li> <li>• Defra will be supporting work on a post legislative scrutiny of the Flood &amp; Water Management Act 2010 by the House of Commons EFRA Committee.</li> <li>• Flood Re is currently going through testing phase, and has to go before Financial Conduct Authority. Flood Re would be likely to be accepting policies from April 2016.</li> <li>• Small scheme pathfinders project, looking to appraise smaller schemes more effectively. Number of local authorities involved. Will be working to disseminate the key learning points.</li> <li>• On IDB rating lists, Defra are working to find alternative sources for 1990 property value lists. Estates Gazette holds some data, and some water companies do still hold 1990s data, but still waiting to hear from others.</li> </ul> | <b>IM</b> |

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|              | <ul style="list-style-type: none"> <li>Some proposals are in development for further fish passage legislation, with powers for EA and NRW, aimed at prioritising measures important to WFD delivery. Catchment restoration fund has been used to fund fish passage in the past.</li> </ul>  |  |
| <b>1314b</b> | <p><b>EA Items</b></p> <p>PW provided an update:</p> <ul style="list-style-type: none"> <li>EA are supporting Defra with settlement for SR15.</li> <li>EA FCERM is currently over-programme as is typical at this time in the year.</li> <li>Paul Leinster is retiring as Chief Executive this month. David Rooke will step in as Interim Chief Executive and John Curtin steps into his role.</li> <li>Natural Resources Wales have already put out a set of fees for their flood defence consents.</li> <li>PW will become part of Defra finance in the future as support services across Defra bodies are harmonised.</li> <li>PW noted the contribution the EA has made towards £83 million of in-year cost savings to Defra in 2014-15. For FCERM this had effectively cancelled out the additional £5 million originally offered for 2014-15 following 2013-14 floods. This is an efficiency being sought from across all forms of EA business, no particular area was being singled out.</li> <li>PW noted that all RMAs have an efficiency saving target of 10% on capital schemes.</li> </ul>  |  |
| <b>1315</b>  | <p><b>Somerset Rivers Authority: post stakeholder workshop</b></p> <p>ITh explained a workshop was held on 24 July which he, IM, TF and David Hickman (Lincolnshire County Council) attended from ADA. There now appeared to be convergence in thinking amongst stakeholders in Somerset around a precepting option that does not alter existing funding arrangements but provides top up funding for the delivery of works (particularly maintenance) as noted within the Somerset 20 Year Plan.</p> <p>At the meeting ADA agreed in principle to be supportive of a private bill to establish a precepting authority to achieve top up funding for Somerset. IT was very aware of unintended consequences of opening up the Land Drainage Act 1991 and Water Resources Act 1994 and wanted to guard against.</p> <p>IT expect SRA to be reporting to Secretary of State on their preferred approach in the middle of this month following an SRA meeting on 23 September.</p> <p>NS noted it was probably the only solution that could have been mutually agreed between all the partners involved with the SRA. The leaders of local Councils were unwilling to accept approaches that effected their budgets. The research the IDBs and SRA had undertaken into a legal route led them to a private bill solution which has previously been used in land drainage in the past and was used to establish the Broads Authority. The 'precept' is loosely defined at this phase, but it is anticipated to be similar to the precept on council tax bills for fire authorities. There remains further questions on whether an agricultural land charge becomes part of the precept too at this or a later phase and how representation from the land management community outside of Internal Drainage Districts would be achieved. NS noted the option would avoid the need for a local referendum but would mean the SRA would be constrained to capping limits on precept charges after the first year.</p> <p>PW was also at the workshop, and had a wide audience at the event, and agreed on the way forwards.</p> <p>AM noted that in Yorkshire and across other part of England there was interest in a broader role for IDBs and wondered whether others may explore this avenue to avoid a referendum regarding local funding constraints.</p> <p>The Committee supported the concept of a top up precept given the thrust of public will</p> |  |

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|       | <p>in Somerset, but maintained ADA’s position on avoiding interference with the financing of existing bodies (e.g. special levy). This is subject to further changes as the precepting option is developed.</p>   |       |
| 1316  | <p><b>Public Sector Cooperation Agreement update</b><br/> IR gave an update on PSCAs. A revised User Guide is being drafted, with the final version expected in October. All new PSCAs will use the new national template format. Existing PSCAs will be varied to the new template format to ensure national consistency. 28 PSCAs are currently in place and signed, with a further 30 prepared in principle. The aim is to move forwards with those and have 60 in place by March 2016.</p> <p>IR acknowledge the way forwards on this is better forward planning, sharing maintenance plans at as early stage as possible to identify synergies. Confirmed this is about agreeing what the outcomes should be then handing to the IDB to deliver these rather than the way in which it is achieved.</p> <p>The Committee thanked IR for the work and welcomed that the agreements were about treating everyone as partners rather than contractors. JF was grateful for the assurance that the spirit of partnership would remain in the new version. Trust of the IDBs and communities is built on this basis of partnership.</p> <p>BS noted that the PSCA delegates tasks rather than functions and felt that another form of agreement may be necessary for wider partnership working.</p> <p>ITh stated that the PSCAs were about the building of trust, nothing that stops us going further in the future. They created a consistent starting point, which in time allow others to do more work in partnership and hand functions to local bodies. This needs to be taken step by step.</p> <p><i>Action: NS to resolve issues raised by Somerset IDBs’ insurers regarding PSCAs with IR.</i></p> | NS/IT |
| 1317a | <p><b>Audit Update</b></p> <p><b>a. IDB Audit 2014-15</b><br/> PB highlighted that this year’s audit for IDBs showed remaining confusion about treatment of fixed assets and also advice letters on internal controls. ADA will in time get report through DCLG of any qualified accounts but was unaware of any to date.</p> <p>Timing of audits for next year has been tightened up. The number of days for notice has increased and IDBs should get a note from their respective audit firms.</p> <p><b>b. Sector Led Body</b><br/> The SLB has formally been supported by ADA’s Board. Current thinking at the recent JPAG meeting was for a 3 year extension from existing contracts taking these arrangements through until 2020. Scale of fees expected to stay the same over this time. Risk is that service may change over time and chance that firms will seek additional contributions.</p> <p>Started work on bringing guidance for NALC local authorities and IDBs into one document. This will contain a subsection on guidance and standard forms we’d expect every IDB to have. PB had spoken to Grant Thornton on that very point, who would welcome such a list.</p> <p>Phil Camamile to remain as ADA rep on JPAG. PB is to represent ADA on the Sector lead body steering group and company board.</p> <p>Committee endorsed PC carrying on for ADA on JPAG.</p>   |       |

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|      | <p><b>c. NALC Transparency Fund</b><br/> PB noted that there were currently 3-4 IDBs who don't have a website. This fund is to assist with the terms of the Transparency Code for public bodies with a turnover of under £25,000 and could there help these Boards. The Fund will, in its first year, have a programme staff of five full time staff. IDBs, for which the fund is relevant, should attend their local training event being run by NALC.</p> <p>ADA has been asked to be put forward a representative to assist with administrative decisions regarding the fund. The Committee confirmed Phil Camamile in this role.</p> <p>ITh confirmed NALC have provided a modest sum of money to come to ADA to help with the demand of meeting expense of managing the Transparency Fund.</p> <p>PW mentioned a potential issue around the Whole of Government Accounts threshold. <i>[Post meeting note: PW has confirmed that Internal Drainage Boards are below the Whole of Government Accounts threshold. This means the matter is closed and no further action is required.]</i></p> <p>IM confirmed all but a handful of IDBs had submitted their IDB1 forms to Defra, and IM had confirmed the remainder (which included a non-member IDB) who be returning these shortly.</p>  |  |
| 1318 | <p><b>LLFA Engagement</b><br/> ITh was keen to find an appropriate forum for future engagement with LLFAs. 44 members of ADA are local authorities and now was the right time to ask what are the values and merits of being associate members of ADA for these bodies. ADA is still badged as being about land drainage rather than the wider role of water level management. Want to move sooner than later to refer to ourselves as water level managers.</p> <p>ITh said this was not about changing the logo but the name. Want to do it sooner than later to get local authorities more engaged in ADA. Need to get around and ask LLFAs who they would like to represent them on both committees.</p> <p>On SuDS there has been a group of local authorities convened called LASOO and it has been suggested this group use ADA as an umbrella organisation.</p> <p>Committee agreed for ITh to develop further plans for wider local authority engagement.</p> <p>FB suggested Local Authority Seminar should be moved from March to fit better with local government funding year which runs from May to May. So a June Conference would work better.</p> <p>IM mentioned naming conventions for future IDBs. This question had come from an IDB to Defra wishing to modify its name to include mention of water level management. Defra would consider advice on naming from ADA welcome. This would be a matter for future Committee business.</p> |  |
| 1319 | <p><b>Planning Consents</b><br/> RH reported progress was being made between MLC and Anglian Water.</p>   |  |
| 1320 | <p><b>Defining Committee workstream and delivery targets for 2016</b><br/> Future meetings will allow for longer sessions when needed, and possibility of visits if necessary. Extend visit to others on a site visit, but could enable others to feel more engaged particularly LLFAs.</p> <p>The Committee agreed that minutes of these meetings should be uploaded as soon as possible once circulate to Committee Members and then uploaded as unapproved</p>   |  |

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|             | minutes watermarked across middle.<br><br><b>Action:</b> <i>Within next 5-7 days provide by email key topics for discussion and delivery by the committee.</i>  | <b>ALL</b> |
| <b>1321</b> | <b>FloodEx 2016</b><br>ITh announced new dates for FloodEx on 11-12 May 2016. This was moved to accommodate Flood & Coast 2016 and enable both events to work together. FloodEx will be a trade event with some seminars and presentations around it. There may be some foreign interest in attendance. |            |
|             | <b>Date of next meetings</b><br>Tuesday 12 January 2015      13.30 – 16.00  |            |

UNAPPROVED MINUTES