



POLICY AND FINANCE COMMITTEE

**Minutes of the Meeting held on Tuesday 19 September 2017
at CIWEM, 106-109, Saffron Hill, Farringdon, London, EC1N 8QS**

Present: Ian Thornton (IT) Chairman

Craig Benson (CB), Frances Bowler (FB) (Honorary Secretary), Henry Cator (HC), Robert Caudwell (RC), John Cooke (JC), Karen Daft (KD), Nigel Everard (NE), Matthew Harrison (MH), Robert Hill (RH), David Jenkins (DJ), Bill Symons (BS), Innes Thomson (ITh)

Apologies: Peter Bateson (PB) (Ex Officio), Jane Froggatt (JF), Chris Rusbridge (CR) (Defra), Carol Tidmarsh (CT) (Defra), Phil Winrow (PW).

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

Ref	Minute	Action
	IT advised Committee of the sad news that Anthony Morbey, former chair of the Committee had passed away following a car accident near Carlisle on 13 September 2017. The Committee stopped for a minute's silence in his memory. His funeral will be at Ely Cathedral on 26 September 2017. ITh will be attending.	
1408	Declarations of interest – None	
1409	Approval of Minutes - Minutes of the meeting held on 7 June 2017 were agreed as a true and fair record proposed by NE seconded KD. Correction noted as follows; 1394 should read CR not CB.	
1410	Matters Arising 1399: CB confirmed he was happy to lead the Ratings working group. 1399: MH preparing an article for the winter edition of the ADA Gazette on engaging and educating younger people in flood risk 1400: David Hickman re-elected as LLFA ADA Director – ITh confirmed all candidates have been notified.	
1411	Defra Update – IM presented key recent topics being considered by Defra. <ul style="list-style-type: none">• IDB byelaws• RFCC appointments <p>IM informed the Committee that Defra had asked Boards in the 2017 IDB1 form whether they were using the latest model byelaws (published October 2012). It was understood that most Boards have not updated to these and a process needed to be agreed with Defra to do so on mass, whilst retaining necessary</p>	

	<p>local distinctions.</p> <p>Action: IM to work with Defra to clarify process for boards to update byelaws.</p> <p>BS asked whether the by-law has been updated for drilling under watercourses in the October 2012 model set?</p> <p>Action: IM to check model byelaws.</p> <p>IM reported on the new RFCC Chairs appointed in September 2017:</p> <ul style="list-style-type: none"> • Phil Rothwell as the Chair of the Northumbria RFCC, • Adrian Lythgo as the Chair of the North West RFCC, • Philip Rees as the Chair of the South West RFCC, • Professor Robert Van de Noort as the Chair of the Thames RFCC. <p>The Anglian Central RFCC Chair position is being re-advertised.</p> <p>DJ - Defra were preparing to bring forward the advertising for the reappointment of chairs for a number of RFCCs due for renewal in June 2018 to coincide with the above.</p> <p>RC – Applicants with the appropriate background and skills should be supported by ADA throughout the process.</p> <p>Action: IM to write to IDB chairs in Anglian Central region to consider applications for the post of RFCC chair when it is re-advertised.</p> <p>HC - Environment Agency are advertising for Board members and that ADA should encourage and support applications. ITh confirmed ADA had included these vacancies in the latest ADA news stream and that the Environment Agency were looking for specific skill sets.</p>	<p>IM</p> <p>IM</p> <p>IM</p> <p>IM</p>
<p>1412</p>	<p>Environment Agency Update No report at this meeting.</p>	
<p>1413</p>	<p>Local Authority Update – MH presented key recent topics for LLFAs and local government.</p> <p>CIRIA report on FCERM Partnership Funding will be published online shortly.</p> <p>Defra have announced Rural Development Programme for England (RDPE) of £120 million for projects that improve farm productivity – this money will help farmers, foresters and landowners manage their land more effectively including water resource management such as on-farm reservoirs. Closing date for applications: 3 April 2018.</p> <p>Reservoir grants workshop being held in Lincoln on 10 October 2017.</p> <p>Action: ADA to circulate to IDBs who could send to their rate payers.</p>	<p>IM</p>

	<p>In Anglian Northern Region the RFCC is sponsoring the Partnership Approach to Catchment Management (PACM) project in 5 pilot areas. The project is well under way and seeking out the broader benefits of maintenance. If pilots successful, will be rolled out across wider Anglian region and possibly nationwide. Plan to present PACM at Flood & Coast Conference in 2018.</p> <p>Local partnership working in South Forty Foot Catchment, including de-maining will also be presented at Flood & Coast.</p> <p>ITh updated the committee that ADA was continuing to discuss closer working with LASOO (Local Authority SuDS Officer Organisation).</p>	
<p>1414</p>	<p>ADA Financial Update</p> <p>ITh presented the Committee with ADA's bank balance, income and expenditure covering the period Jan-July 2017.</p> <p>Bank balance noted increase in June 2016 and July 2017 result of income from Floodex events. Also noted better process for receiving subscriptions in 2017.</p> <p>Overall net income from Floodex 2017 of £52,000 and then highlighted profit share means ADA will receive £26,000. ADA PR and marketing budget for the year has been revised from £5,000 to £20,000 as approved at July Board meeting.</p> <p>New ADA members including The Land Trust and Anglian Water, our first water company. We have had a few new individual members join since this membership category was created in January. It was noted a couple of local authorities have left ADA membership in 2017.</p> <p>ADA has invested in SAGE Pay card payments system which has been widely used by the Environment Agency in booking places at the ADA Conference. Currently ADA passes on the 2.5% credit card charge. However, new government rules being introduced on 13 January 2018 will mean organisations cannot pass on charges for taking payments by card.</p> <p>Action: ITh will provide debtors list at future June Committee meetings.</p> <p>Comments:</p> <p>BS – Should ADA be investing for return? Important to be prudent and spread savings across different financial institutions to ensure protection through the Financial Services Compensation Scheme (FSCA). FSCA compensation limited to up to £75,000 per bank/building society in the event they go bust. It was noted that at the present time longer term commitments should be avoided as interest rates are likely to rise in the coming year.</p> <p>HC - What is the prudent level of reserves ADA should hold (% of income? or six months operating expenses).</p>	<p>ITh</p>

	<p>KD – ADA should have a reserves policy and parameters to confirm what money is being held and for what purposes.</p> <p>DJ suggested build up internal reserve of 6 months revenue and then agree on policy to invest in projects with remaining funds.</p> <p>FB - ADA may need to seek expert financial advice. Caution around broker fees for managing portfolio.</p> <p>Action: ITh to develop ADA Reserves Policy to put before the Board in 2018.</p> <p>Committee agreed it needed to give more consideration to figures with hard copy in advance for review. Committee requested an Income and Expenditure and Balance Sheet in papers in advance of future Committee meetings</p> <p>Action: ADA HQ to send the complete set of Jan-Jul 2017 figures to the P&F Committee with request for comments back.</p> <p>Action: ADA HQ to provide Balance Sheet ahead of future Committee meetings.</p> <p>The Committee discussed whether ADA should take subscription payments from members by direct debit. Whilst this would secure timely payments members cautioned that the existing approach was preferred by a number of IDBs and that the costs and fees in establishing a direct debit system can be prohibitive for relatively modest numbers of direct debits (ADA has ~220 members).</p>	<p><i>ITh</i></p> <p><i>ITh</i></p> <p><i>ITh</i></p>
<p>1415</p>	<p>Publication of relevant information on IDB Websites and declaring business interests</p> <p>ITh - Following on from the NAO report on IDBs published in March ADA has been liaising with Defra in order to offer consistent guidance to IDBs on what should be published on all IDB websites.</p> <p>IM presented an initial list of documents that should be published;</p> <ul style="list-style-type: none"> • Approved Board and Committee minutes, • Complaints procedure, • Current members list, • Audited accounts, • Water level management plans (SSSIs), • Byelaws, • Standing orders, • Biodiversity Action Plan, • Code of conduct for Board members, • Financial regulations, • Election procedures and notices. 	

	<p>BS suggested that a Communication Policy is needed with ‘must have’ list of documents to be included on the website, signed off by Defra.</p> <p>RH said it would be useful to understand ‘minimum list’ to make Board website Defra compliant</p> <p>CB – As a public body, everything should be on the website.</p> <p>The Committee discussed ADA conducting a review of content of existing IDB websites. Could be delivered if additional resources (e.g. student placement) could be found in 2018.</p> <p>ITh advised that ADA are looking at offering Boards the option to consider a package from Digibubble, as a solution to providing a compliant website. A few IDBs don’t have website presence.</p> <p>Action: IM to draft Communication Policy for IDBs setting out minimum requirements for IDB websites to deliver transparency and accountability.</p> <p>Action: ADA to progress IDB website service with Digibubble.</p>	<p>IM</p> <p>ITh</p>
<p>1416</p>	<p>Committee work streams 2017</p> <p>The Committee discussed progress of each of the work stream teams.</p> <p>a) Membership – subscriptions review (RC Lead)</p> <p>RC – Proposals on ADA membership fees for 2018 were taken to Board and agreed (1% increase) and for changes to ADA Associate Membership fee to include Directory listing. Proposals to modify existing subscription scale for IDBs and for Middle Level Commissioners still requires further work in 2018.</p> <p>ITh – Starting to discuss membership options with further water companies and Scottish Environment Protection Agency. Had also met with DfI Rivers in Northern Ireland to help consolidate closer working and engaged with the Pow of Inchaffrey Drainage Commission, Scotland’s only local land drainage body.</p> <p>b) Continued work on Ratings (CB Lead)</p> <p>CB presented on progress so far testing revised IDB ratings methodology with 16 IDBs. Purpose is to update legislation to ensure consistency, facilitate creation of new IDBs and enable expansion of boundaries of existing IDBs where locally desired.</p> <p>Applying A and B factors in new methodology, gave the closest fit to existing ratings in the majority of cases tested, but not universally. This could be improved by each IDB to using a bespoke uplift percentage for agricultural values (not the general 80% used in the testing process).</p> <p>An alternative approach could be to use section 37 (5)(e) of the Land Drainage Act 1991 to value other land, however this would not address the</p>	

<p>age of the ratings lists being used.</p> <p>ITh advised that to progress this and seek any necessary changes to legislation the Agriculture Bill may be a suitable vehicle but the window for including content in it is relatively short.</p> <p>Comments: KD prefers option that reflect real values even if this resulted in greater variances. Other options would be harder to defend in the long term.</p> <p>c) Audit/Governance/Training (JF Lead) Not discussed at this meeting.</p> <p>d) Internal Publicity and Communication (MH Lead) MH to arrange for ADA to have access to Lincolnshire Drop Box account to look at material suitable for other ADA members in public engagement regarding flood risk and water level management. MH and the Chair of ADA Lincolnshire Branch Promotional Committee are happy to meet and discuss future public engagement material with ADA and Kendalls.</p> <p>Committee discussed how to develop interest further from school age groups and whether ADA should produce a DVD with standardised national message.</p> <p>ITh suggested exploring YouTube video an app or other interactive material available for download from the ADA website.</p> <p>Action: ITh to consider ADA budget for public engagement material for 2018.</p> <p>IM – Update to ADA website expected before end of 2017 with an interactive map showing districts of all internal drainage districts (IDDs) in England and Wales. Kate Pollard (GIS Officer, Middle Level Commissioners) assisting with creating a definitive GIS layer showing boundaries of all IDD as part of this project.</p> <p>e) Developer Contributions (FB Lead) FB – Sent questionnaire to all IDBs seeking for information on their approach to consenting to development and Surface Water Development Contributions. Some variation in methodology and approach used, but Land Drainage Act only allows for the recovery of costs. Similarly some Boards charged developers for planning advice. Committee agreed greater consistency in approach and methodology used would be beneficial.</p> <p>Action: Work stream to develop a model policy clearly setting out how an IDB should derive a development rate and make appropriate charges for developer advice.</p> <p>Regarding the adoption of flood risk assets - legal agreements to maintain</p>	<p><i>ITh</i></p> <p><i>FB/BS/NE</i></p>
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	<p>an asset taken over from developers. Main queries related to how best to derive a commuted sum.</p> <p>Action: Step 1 - Work stream to investigate examples of different commuted sum methods and bring back findings to Committee</p> <p>Step 2 may be to seek appropriate legal opinions of these methods before articulating findings, recommendations and guidance to members.</p>	<p>FB/BS/ NE</p>
<p>1418</p>	<p>NAO report actions</p> <p>IM – Defra made changes to the IDB1 form in 2017 to record in greater detail regarding Board meeting attendance. Further changes to the IDB1 form for 2018 are being drafted by Defra through a working group including representatives of the Defra IDB Policy Advisory Group and three IDB Clerks (David Thomas, FB and PB). Reported that changes seek greater information on biodiversity, health and safety, Board member training and IDB works programmes.</p> <p>Committee discussed topic of works programmes and there was support that programmes once approved by an IDB could be published via IDB websites.</p> <p>Committee supported section A finance questions in IDB1 form using consistent categories to those used in the external audit process Boards undertake annually.</p> <p>Action: IM to feedback Committee comments on revised IDB1 to CT.</p> <p>IM – Revised model IDB Policy Statement had been provided to Defra for comment and ADA was working through suggested Defra amendments. However, ADA would not support pre-consultation of annual work programmes as this would increase administrative burdens on IDBs.</p>	<p>IM</p>
<p>1419</p>	<p>Data Protection Act</p> <p>ITh – Boards were encourage to check whether they had taken steps to address data protection in advance of legislative changes. Specifically with regards to websites, if organisations recorded personal data or took payments through their website then they needed to be migrated to Hyper Text Transfer Protocol Secure (HTTPS), the secure version of HTTP.</p> <p>JC to prepare an article on data protection for the Winter 2017 ADA Gazette.</p>	<p>JC</p>
<p>1420</p>	<p>EUWMA 2017, Avignon</p> <p>IM reported that RC and IM had attended the 2017 EUWMA meeting in Avignon, France, on 4th and 5th September. The European Commission would next review the Water Framework Directive in 2019 and that EUWMA has agreed on the key topics it believes need revision:</p> <ul style="list-style-type: none"> • 2027 deadline, needs to be extended, • One out all out requirement, is curbing ambition and delivery across a range of waterbodies, 	

	<ul style="list-style-type: none"> Artificial and heavily modified waterbody status needs to better reflect the societal need and benefits of these modifications. <p>IM – EUWMA has drafted an Avignon declaration on renewable energy and energy efficiency in the water management sector, ADA has assisted with the declaration’s preparation and it will be published in October.</p> <p>IM – Brief discussion regarding Brexit held at EUWMA meeting, RC and IM explained process to date and that legislation would remain consistent with EU members until Brexit and that with regards to water legislation likely remain consistent for many years to come.</p> <p><i>A full meeting report from EUWMA 2017 is available as a news item on the ADA website.</i></p>	
<p>1421</p>	<p>Floodex UK & Floodex Europe</p> <p>ITh - The next Floodex UK event would take place on 27 and 28 February 2019 and that discussions were underway with other partners to broaden interest in the event.</p> <p>ITh - The first Floodex Europe event will take place as part of the Amsterdam Water Week in October 2017, although the format in this first year would be confined to a seminar session. ITh had previously discussed with PB about representing ADA in the proposed panel discussion.</p>	
<p>1422</p>	<p>ADA Conference 2017</p> <p>ITh reported that the 80th annual ADA Conference and AGM to be held on 16 November will have a strong line up of speakers:</p> <ul style="list-style-type: none"> Thérèse Coffey MP James Bevan Derek Antrobus Lord Deben <p>Action: Committee members to promote the event to ADA members in their local area.</p> <p>ITh reported that a Clerks Meeting will take place at the RAF Club the evening before Conference as in previous years. Details had already been circulated to IDB clerks.</p>	<p>ALL</p>
<p>1423</p>	<p>‘ADA Seminar 2018’</p> <p>ITh – Reported that the ADA office is exploring holding a technical seminar event in mid-2018. The content of the event and audience are to be confirmed but the aim is to modernise the Local Authority Seminar format.</p> <p>FB – Advised holding the meeting in mid-June onwards to avoid IDB meetings.</p> <p>ITn – Care to avoid major agricultural shows involving ADA members.</p>	

<p>1424</p>	<p>Model Bylaws – work to strengthen criminal charges</p> <p>BS – Explained that byelaws are tried as criminal law and to secure a prosecution a Board needs to have clear policies and procedures in place setting out amongst other things the circumstances of what and when a Board would prosecute.</p> <p>BS – Has approached on behalf of one of his Boards a solicitor with experience in such processes and could draft and prepare the necessary proforma documents, quoting a price of £5,500 to complete the work. The work will be based on the existing model Defra byelaws.</p> <p>The Committee recommended to the ADA Board of Directors that ADA commission the work for the quoted price (£5,500) so it can be shared with other members. Proposed by KD, seconded FB.</p> <p>Action: BS to provide details of quote for works and contact details of solicitors to ITh.</p> <p>Action: ITh to propose recommendation of Committee to next ADA Board meeting.</p>	<p>BS</p> <p>ITh</p>
<p>1425</p>	<p>Date of next meeting: Tuesday 9th January 2018 – 13.00 to 16.00. Follows joint buffet lunch with ADA Technical & Environment Committee. Venue: CIWEM, Saffron Hill, Farringdon.</p>	