

a) **2018 Audited Accounts & Filing of Annual Return**

IT presented ADA's audited end of year income, expenditure, and bank balance figures for 2018 and reported a healthy profit. Thanks, were noted to CW for her support in cancelling ADA's accrual relating to the Environment Agency.

Tighter cost control in a number of key areas were highlighted:

- committee meeting expenses reduced thanks to good deal secured with CIWEM,
- a change in working relationship with Kendalls PR has resulted in lower costs, and
- staff salaries to remain steady as we move forward.

In the report to management, four key audit issues were identified:

1. two subscription income discrepancies,
2. miscellaneous income and VAT – e.g. DEFRA contribution towards the Good Governance Guide (GGG). VAT treatment of any future agreements be confirmed in advance and a signed copy retained with accounting records,
3. PAYE & wages reconciliation – relating to a HMRC refund from 2016, and
4. payroll administration – minor discrepancies around pension contributions.

In response to the above report, the ADA Board discussed:

- the need for internal checks and detailed review of existing processes (also endorsed by CR in reference to the DEFRA £17k contribution for the GGG),
- the importance of subscriptions being calculated fairly,
- WS asked if ADA have decided on a process for subscription calculations,
- IM suggested using IDB1 forms as a basis for the calculation and PH proposed the possible use of GIS information,
- JHd enquired about income from Wales. IT confirmed Natural Resources Wales pay ADA a National Agency rate and the Internal Drainage District Advisory Groups each contribute on the same subscription basis as IDBs but with a 20% reduction that reflects their difference in status.

IT concluded the report by highlighting the need for a review of existing processes. IT had accepted the offer from the P&F Committee to check and review things. IT also anticipated that the change of supplier for Payroll Services from 1 April 2019 would provide a better and more tailored service to ADA.

The ADA Board gave their approval for RC to sign the Letter of Representation in connection with the audit of ADA's financial statements for the year ended 31 December 2018 as proposed by PH, seconded by DW.

b) **Finance Reports**

i) Bank Account Balance

IT reported that ADA's bank account remains healthy with balances as follows:

- April 2019 | £434,757
- May 2019 | £374,943

Noted slightly diminished income from FLOODEX 2019 in April compared with 2016 and 2017.

ITh noted growth of subscription income with new national agencies, such as Network Rail, joining ADA in 2019.

Set £5,000 of staff cost directly against Floodex in 2019.

Action: Aged Debtors report to highlight payment due periods.

ii) Income & Expenditure

IT reported that income and expenditure was in line with the 2019 budget and updated the ADA Board as below:

- £6,000 Clerks Think Tank will probably push into 2020
- subscription income in 2019 had increased as result of new members, that included Network Rail,

	<ul style="list-style-type: none"> - FLOODEX 2019 income was slightly lower than in 2016 and 2017, but this would be offset by setting direct ADA costs (~£5,000) that related to the event against FLOODEX 2019, - income from advertising in the ADA Gazette was slightly down on budget and the previous year. <p>iii) Debtors Report & Debt Recovery IT reported that:</p> <ul style="list-style-type: none"> - the Environment Agency had, by the time of the ADA Board meeting, paid their National Agency and RFCC related subscriptions to ADA for 2019. - some IDBs had not yet had a meeting in 2019, and so IT expected further subscription payments in due course, - lengthy administrative processes were continuing to impacted payment timelines for local authorities. IT remained confident that payment would be made by long standing Local Authority Members, e.g. City of York Council, Peterborough City Council, and Lincolnshire County Council. <p><i>Action: IT to look at debtor information presented to the ADA Board at future meetings following DW request for a year on year debtors' comparison list, and identification of those debts that are greater than 12 months old.</i></p>	IT
185	<p>Business Planning</p> <p>a) ADA Business Plan 2020-2023 IT reported that TF will be drawing together a group to provide input to the next ADA Business Plan, with the aim of presenting the final version for approval to the ADA Board in February 2020. PH offered her support to this working group.</p> <p>The Board discussed the next Business Plan communicating ADA's role, function, vision, and purpose with more passion and conviction. It was suggested that it should clearly outline what ADA wants to achieve, those actions involved, and its priorities, across each year.</p> <p>RC urged the ADA Board to be ambitious and forward looking taking into account climate change as it is driving policy. CW also recommended including diversity and carbon use within the next ADA Business Plan, in line with topics within Defra Family business plans.</p> <p>Other suggestions for the next Business Plan included:</p> <ul style="list-style-type: none"> - investigating how to boost capital funding for aging FCERM assets, - identifying opportunities and linkages to the Government's 25 Year Environment Plan, - to seek to reduce disproportionate regulatory burden, (e.g. related to main river maintenance works). <p><i>Action: IT to update Strategic Objective S2 in the Business Plan.</i></p> <p>b) Proposal for changes to ADA audit process IT explained to the ADA Board that currently ADA obtains a full external audit report to statutory requirements, but received professional accounting advice has suggested that ADA would benefit from a more focused internal audit, to include;</p> <ul style="list-style-type: none"> - identifying and testing internal controls, - providing a report to the board on the effectiveness of those controls (strong/adequate/weak), - agreeing an action plan with ADA's management to rectify any weaknesses, - making further recommendations for improvement. <p>The ADA Board fully recognised the importance of continuing to have an effective internal audit provision, and supported the proposal for IT to seek quotes for the provision of ADA's auditing reporting for ADA's 2020 accounts. The changes should reduce costs to between £2,000 and £2,500, from the existing fee of £5,000 for auditing ADA's 2019 accounts.</p> <p>PB reminded the ADA Board that ADA's Memorandum & Articles of Association currently specify external audit and so the proposed change will require a resolution to be passed at the next AGM.</p> <p>DJ highlighted the need for caution in using the terms 'internal' and 'external' audits and the change in approach shouldn't be seen as a money-saving rather delivering more for ADA</p>	IT

	<p>PB reminded the Board that the Memorandum & Articles requires external audit, so this will need resolution to change to internal audit.</p> <p><i>Action: IT to prepare letter explaining ADA audit arrangement changes to members and prepare wording for resolution final wording for AGM.</i></p> <p>c) Proposal to provide additional discretionary financial support to ADA Branches IT proposed for ADA to provide a new consistent and fair approach for ADA Branches to submit a bid for financial support for projects or schemes in their area that could encourage Branches to be more innovative.</p> <p><i>Action: IT to incorporate the ADA Boards' feedback, as described below, into a revised proposal to be presented at the next ADA Board Meeting on 16 October 2019.</i></p> <p>Funding criteria - DJ suggested the proposal process should be accompanied by transparent criteria, including specifics on what can and cannot be applied for.</p> <p>PB suggested that in the first instance, Branches should raise and contribute funds.</p> <p>Dissemination - JV recommended that Branches in receipt of financial support, should then have an obligation to share advice/learning with others.</p> <p>PH put forward the idea of ADA Branches promoting and sharing details of their project on a blog post and via social media.</p> <p>CW thought it would be useful to report on how funding was used, to ensure fair distribution across ADA's Branches.</p> <p>DW raised that annual budget would be at odds with P&F report and would require scrutiny / approval process.</p> <p>d) Company Secretary Updates PB raised no new updates. (On agenda although I don't have anything in my notes for this!)</p> <p>e) ADA Officeholders The Board were in agreement with the proposal to invite Henry Cator to succeed Lord De Ramsey as ADA President with effect from the ADA AGM in 2021.</p> <p>The Board gave their approval to propose John Grogan (Labour MP for Keighley, West Yorkshire) to become a Vice President of ADA at the AGM on 13 November 2019. This follows his expression of interest to reengage with ADA on flood and water management policy. Previously John Grogan was an ADA Vice President until he lost his parliamentary seat at the 2010 general election.</p>	<p>IT</p> <p>IT</p>
<p>186</p>	<p>ADA Membership Subscriptions – Setting Rates For 2020 IT put the proposal to the ADA Board of a simple inflationary change in ADA subscriptions and Gazette advertising rates of 2% for 2020. RC endorsed the proposal suggesting that it is not prudent management to stand still, which could ultimately result in a greater hike in subsequent years.</p> <p>JHd rejected the proposal for any increase in subscriptions.</p> <p>TB raised concern that a raise in subscriptions could be seen as a vehicle to fund the discretionary financial support for ADA Branch activities (see 185d.).</p> <p>A majority of the ADA Board voted for a 2% increase for 2020 as proposed by WS, and seconded by DW.</p> <p>IT updated the ADA Board that there has been a delay on ASA working with ADA, and therefore a proposal for joint membership of ADA and ASA was not currently an option. DW suggested that ADA needs to see potential benefits of working with ASA before any decision is made on joint membership.</p>	
<p>187</p>	<p>Health, Safety & Welfare</p>	

	<p>IT briefed the ADA Board on the initial findings from the IDBs' Health, Safety & Welfare (HS&W) Survey 2018 that ADA undertook. Key details below:</p> <ul style="list-style-type: none"> - 80% of IDBs had completed the survey. IT and IM were continuing to fill the remaining gaps. - ADA appreciates the honest answers provided by IDBs to the survey. IDBs can be assured that IT & IM would respect the confidentiality of all responses. - Not every IDB has a HS&W policy or process for 'near miss' reporting. - ADA needs to assist the industry to ensure each IDB has a HS&W policy in place. - There was an identifiable need for ADA to support IDBs by providing HS&W training and guidance through workshops, templates, and information, principally aimed at IDB board members. <p>CW offered her full support to ADA on getting HS&W embedded into the working culture of all IDBs.</p> <p>TP welcomed CW's support, noting that the T&E Committee had worked hard to push the subject of HS&W to the top of ADA's agenda.</p> <p>IM confirmed that a number of respondents had started the questionnaire but had not completed all of it.</p> <p>Action: IT to report full findings from the IDBs' Health, Safety & Welfare Survey 2018 to T&E and P&F Committees by 4 September 2019.</p>	IT
<p>188</p>	<p>Environment Agency Update CW updated the ADA Board on Environment Agency matters.</p> <p>a) Wainfleet CW acknowledged the efforts of all ADA members during the unprecedented events in Wainfleet, Lincolnshire. CW reported that the river embankments were put under extraordinary pressure, because of the extreme amount of rainfall that had occurred, and had subsequently breached. The rainfall was three times higher than ever before. CW stated that the Environment Agency's immediate priority was to repair the embankment, and to pump water away to get people back into their homes. However, attention was now turning to thinking innovatively about how to manage these areas in the future. CW urged people not to speculate on the incident whilst an inquiry was being completed.</p> <p>CW added that the impending Spending Review provided an opportunity for ADA to make representations.</p> <p>RC reported that he was to attend a Wainfleet update meeting on 4 July 2019.</p> <p>DW appreciated and recognised the value of everyone working together. He urged ADA to lobby the Environment Agency and government to put further resources into priority areas.</p> <p>RC reported that he and DH had attended a meeting on 2 July 2019 where there was collective lobbying for; better prioritisation and funding, and a recognition that an approach across the whole catchment was needed.</p> <p>DH said with investigations on going and without all the evidence it was too early to make any predictions about Wainfleet.</p> <p>TB and DJ urged the Environment Agency to further focus on maintenance, rather than capital, investment.</p> <p>JV identified that embankments classified under the Reservoirs Act demanded greater maintenance certainty than for embanked watercourses.</p> <p>b) FCRM Strategy CW acknowledged the contribution from ADA and its members in the development of the draft FCRM Strategy. Defra were producing an accompanying policy document, and would be releasing a call for evidence, which would ask more specific questions, such as about the</p>	

	<p>concept of standards of resilience. This presents a good opportunity for ADA to influence thinking.</p> <p>c) Spending Review (SR19) CW updated the ADA Board that the Environment Agency were working hard on the business case for capital and maintenance funding. As part of the discussions with government, they were requesting greater flexibility in how monies are used, and seeking flexibility to make capital works easier.</p> <p>d) Rationalising the Main River Network (RMRN) CW reported that the RMRN pilot de-maining proposals were continuing. The management of the Snow Sewer in the Isle of Axholme, and watercourses in the Stour Marshes, Kent were shortly due to be transferred to the respective IDBs if no objections were received. A RMRN Evaluation Report would be shared with ADA shortly.</p> <p>e) Water Transfer & Abstraction Licences CW thanked IT for his support in getting the communication out to ADA members regarding the arrangements for IDBs submitting their applications for Water Transfer & Abstraction Licences. CW acknowledged that this was a positive step forward and she felt that the arrangements now better reflected the working relationship between the EA and IDBs where IDBs work to professionally assist the EA in carrying out its regulatory function.</p> <p>f) PSCAs CW reported that £8 million of work had been successfully completed under PSCAs. Some of the first PSCAs to be signed were now up for renewal. The Environment Agency had drafted revised guidance, including further commercial justification and demonstrate value for money.</p>	
<p>189</p>	<p>Defra Update CT advised the ADA Board that Defra had been actively involved in liaising with the Environment Agency and Treasury around the Spending Review, and were awaiting a new Prime Minister. On 2 July 2019 the government's Green Finance Strategy was launched recognising the role of the financial sector in delivering global and domestic climate and environmental objectives.</p> <p>The summary of responses and government response to Defra's 'Improving our management of water in the environment' consultation were due to be published shortly.</p> <p>The Rivers Authorities & Land Drainage Bill had had its second reading in the House of Lords on 16 May 2019. Defra were considering a response to this report and ministerial steer following comments at this stage.</p> <p>Defra research into IDB governance and representation was still being worked on, with the report and findings expected to be published during Autumn 2019.</p> <p>Defra were working on a few changes to the Environmental Permitting Regulations, expected to be in force by end of 2019.</p>	
<p>190</p>	<p>Eel Regulations JH enquired about an update from the University of Hull on their eel research, given the contributions made by IDBs and ADA towards this research.</p> <p>Action: IM to follow up on findings from Environment Agency Fisheries and the Hull International Fisheries Institute (HIFI).</p> <p>CW confirmed that through the Changes to the Eel Regulation Process (ChERP) project the Environment Agency had been meeting with IDBs to understanding how the regulations can be better applied to pumping stations.</p> <p>DW suggested that the Environment Agency should be realistic about the timescale to achieve eel friendly pumping stations. It was noted that many IDB pumps are ageing. RC suggested that ADA should properly report on this.</p>	<p>IM</p>

	<p>PB confirmed that HIFI's research appeared to be showing that where existing pumps were appropriate eel mortality rates are low.</p>	
191	<p>Committee Reports Reports from ADA's T&E and P&F Committees' recent meetings in June were taken as read by the ADA Board.</p>	
192	<p>ADA National Activities IM provided an update on ADA's recent activities:</p> <p>a) FCERM National Strategy ADA had developed a strong response to the draft National FCERM Strategy for England, which was published by the Environment Agency back in May. The consultation closed on 4 July 2019. IM noted the short consultation time frame in England, as oppose to 12 weeks in Wales, and a pity that the EA couldn't defer the deadline for members that had been tackling recent flood events. CW advised that the Environment Agency were unable to amend the closing date.</p> <p>b) Select Committees ADA had appeared before two House of Commons select committees in the past month. ADA had provided written evidence to the Environment, Food & Rural on climate change adaptation and coastal flood defence and IT had appeared before the Committee. Phil Brewin, Ecologist at the Somerset Consortium of Drainage Boards had provided oral evidence to the Environmental Audit Committee on invasive species.</p> <p>c) Social Media Update Kendalls PR & Marketing had recently undertaken a review of ADA's social media engagement. Key findings and recommendations included:</p> <ul style="list-style-type: none"> - The @ada_updates Twitter account had a professional appearance, and is well managed with a variety of content. Engagement is strong and good use is made of the 'pinned tweet' facility. The account has 1366 followers and 1509 accounts. - ADA's twitter account is currently set to ADA. Wider reach may be achieved if the name was more descriptive and mirrored the LinkedIn account name – Association of Drainage Authorities. - Rather than retweeting content of others, ADA could retweet content and add a comment, therefore creating a unique tweet or post a higher volume of original posts amongst the retweets. - ADA has a 'semi-dormant' LinkedIn page with 196 followers. The LinkedIn platform could be used more frequently to post industry news, announcements, and key messages. - Establishing an ADA Facebook page could be effective in spreading the word of ADA's and our members' work to the public. Facebook is less likely to have interaction from other direct stakeholders, such as IDBs, as twitter has a higher number of business accounts, particularly in ADA's sector. <p>The ADA Board agreed they are currently happy with ADA's existing social media coverage. No action to be taken.</p>	
193	<p>Communications & Events IT updated the ADA Board on upcoming ADA events.</p> <p>a) ADA Conference 2019</p> <ul style="list-style-type: none"> - ADA 82nd Annual Conference will be held on 13 November 2019 at the Institution of Civil Engineers, One Great George Street, Westminster. - Confirmed speakers: Neil Parish (Chair of EFRA Select Committee), Julie Foley (EA), and Stuart Roberts (NFU). - The question and answer session would be as lengthy as possible and include a panel to include CW and a second year Flood Foundation Degree student from Brunel University. - Lunch will be served at 13.00, and there would not be a lunchtime speaker owing to poor acoustics. ADA Board members and staff would be asked to spread amongst the tables. - The delegate fee for ADA members was £125 +VAT, and for non-members £187.50+VAT. - RC confirmed that the NFU would assist with publicising the ADA Conference. 	

	<p>b) Flood & Coast 2019</p> <ul style="list-style-type: none"> - This year's event had a good combination of presentations, and more discussion time than previous editions, - ADA was keen to encourage more submissions from ADA members, particularly papers from, IDBs and local authorities. - ADA was keen to maintain a differential between F&C and FLOODDEX with F&C more focused on technical matters and FLOODDEX on operational matters. - Concern was expressed that F&C had too many speakers per session. <p>c) Floodex 2019 and 2020</p> <p>ADA received £15k as part of its share of the profits from the 2019 event. This is down from the previous event. It was noted that costs associated with the Peterborough Arena had increased. ADA was yet to invoice for its associated costs for the event associated with running seminar programme, promoting the event and preparing the event Show Guide.</p> <p>ASA (Ass. of SuDS Authorities) saw FLOODDEX as a great platform to promote its work, the 2019 event hosted ASA's launch. ASA saw potential for further growth at the 2020 event in terms of exhibitors and attendees. ADA Board agreed to IT preparing a financial agreement with ASA for the 2020 event.</p> <p>It was unlikely UKIA would continue their commercial involvement in 2020, but IT hoped they would remain a supporter, promoting the event to their members.</p> <p>For the FLOODDEX Networking Dinner, ADA was looking to move away from the Marriott Hotel and host instead at the nearby Orton Hall. David Jordan, former Executive Director at the Environment Agency had been confirmed by IT as our evening speaker, talking about his charitable work with Excellent, who are pioneering sand dams in Africa.</p> <p>d) Possible future ADA Demonstration event 2022</p> <p>Development of such an event was at a very early stage of discussions. IT had met with members and others regarding suitable locations.</p>	
194	<p>Water Resources East – Presentation & Discussion</p> <p>Dr Robin Price, Interim Managing Director of Water Resources East (WRE) attended the ADA Board meeting to present the organisation's business plan, structure and rationale for inviting ADA to join the WRE Board. The cost to ADA to fund a seat on the WRE Board would be £15k for a one-year commitment in 2019 with this amount to be reviewed after a year.</p> <p>WRE is one of five regional water resource planning groups in England. It was originally formed in 2014 by Anglian Water, in June 2019 WRE was officially established as a not for profit, independent company.</p> <p>As a collaborative partnership, WRE draws together neighbouring water companies, the agricultural community, local authorities, the energy sector and environmental regulators to plan together for the future management of water across Eastern England with a multi-decade approach looking to 2025.</p> <p>Current WRE Board members included: Anglian Water, NFU, RWE, Severn Trent, Cambridge Water Company, Lincolnshire County Council, Norfolk County Council, and Suffolk County Council.</p> <p>WRE would be looking into:</p> <p>New reservoir storage capacity capturing high winter flows</p> <ul style="list-style-type: none"> - Treated water imports - Reduced groundwater abstraction across the region - Demand management across the region - Network of strategic transfers to share resources between companies and across sectors - Desalination and water re-use at key location on the east coast <p>Reasons for WRE inviting ADA to join WRE Board or Strategic Advisory Group:</p> <ul style="list-style-type: none"> - Recognised IDBs as key players in water management across lowland England, and were central to what WRE wanted to achieve, particularly around additional storage, 	

	<p>water transfer and flood risk management. Saw ADA as route to IDBs' collective participation in WRE.</p> <ul style="list-style-type: none"> - ADA faces the same challenges as WRE – climate change, environmental regulation, rising energy costs, changes in agriculture, and asset condition. - Opportunity to co-create national policy. WRE has the opportunity to develop new innovative models for combining drainage and water supply arrangements. WRE is being seen by government to be part of exemplary approaches to multifunctional water management. - There were opportunities for financial savings for IDBs, e.g. reducing pumping costs, and opportunity to develop trades by filling reservoirs rather than pumping out to sea. - WRE work and learning will be transferrable to other RMAs, benefitting ADA's wider membership. <p>ADA Board discussion following the presentation TP, KC, JH, JV felt that ADA should be represented on the Board, but should not pay £15k. The general feeling was that WRE will want ADA more than £15k.</p> <p>DW confirmed his support for the WRE and that IDBs should be represented however not by ADA nationally but rather by the IDBs in the area potentially through ADA's Branch structure, with funding from constituent IDBs.</p> <p>PH suggested WRE was potential interest of LLFAs. PH want to make sure that any commercial interests of water companies involved didn't present a conflict of interest for public authorities such as IDBs, LLFAs involved, a matter for WRE's terms of reference.</p> <p><i>Action: RC confirmed that undoubtedly ADA will be at the WRE board table. IT to work with regional directors (DW, KC, WS, JHg) to establish if there is interest amongst IDBs to fund a seat on WRE's Board at a local level.</i></p>	<p>IT/ DW KC/WS JHg/</p>
<p>195</p>	<p>AOB None. Meeting closed at 15.00.</p>	