



# Representing Drainage Water Level & Flood Risk Management Authorities

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## POLICY AND FINANCE COMMITTEE

**Minutes of the Meeting held on Tuesday 5 February 2019  
at CIWEM, 106-109, Saffron Hill, Farringdon, London, EC1N 8QS**

**Present:** **Tim Farr (TF) Chairman**  
Peter Bateson (PB) (Ex Officio), Robert Caudwell (RC), Angela Cowan (AC), Karen Daft (KD), Nigel Everard (NE), Innes Thomson (IT), Phil Winrow (PW), Laura McShane (LM), Andrew McGill (AM), Bill Symons (BS).

**Apologies:** Frances Bowler (FB), John Cooke (JC), Jane Froggatt (JF), Matthew Harrison (MH), Carol Tidmarsh (CT) (Defra).

**In Attendance:** Ian Moodie (IM), David Sisson (DS)

Ref	Minute	Action
1474	<p><b>Apologies, welcome and Chairman's Introduction</b></p> <p>Brief introductions around the table along with apologies (above).</p> <p>TC welcomed AC from the Ouse &amp; Humber Drainage Board to her first meeting and thanked PW for his service as the Environment Agency's representative on the Committee. The Committee were grateful to retain PW'S knowledge as a special advisor to ADA.</p>	
1475	<p><b>Declarations of interest - None</b></p>	
1476	<p><b>Approval of minutes</b> – Minutes of the meeting held on 18 September 2018 were agreed as true and fair record.</p>	
1477	<p><b>Matters Arising</b></p> <p>1468 – <b>Action: GDPR for IDBs to be raised as agenda item at next meeting.</b></p> <p>1471a – IM provided a brief update on the ongoing de-maining pilots. A workshop for those IDB, local authority and Environment Agency staff involved was set to take place in March. Committee members emphasised the importance of learning lessons from the pilots in order to address these for future transfers.</p> <p>The Snow Sewer de-maining pilot had demonstrated issues around the risk transfer in assets transfer agreements drafted. There was concern that legal teams involved were not acting to facilitate the change being sought by partner authorities. The Committee felt that greater direction needed to be provided to legal teams drafting agreements around the aims of the partnership.</p> <p>1467 – IM reported that he and PW had investigated statements contained in local authorities' Council Tax Guides regarding Special Levy and Local Levy. Work was ongoing by ADA to draft a suitable generic statement that IDBs could modify and propose to their respective authorities to give greater public transparency to these levies.</p>	<b>IM</b>

	<p>IM proposed to include a recommendation related to this in the modifications to the Good Governance Guide in latter half of 2019 alongside a separate briefing paper for IDBs and local authorities. Further modifications to the Good Governance Guide will be presented to the Committee at a future meeting following feedback on the current guide, including at the Workshops in March and April.</p> <p>1471c – IT reported that he was still seeking volunteers from the Committee and ADA Board to help draft the next ADA Business Plan 2020-2023. TF volunteered to join.</p> <p><b>Action: Committee members to consider offering assistance to new ADA Business Plan.</b></p>	<p>ALL</p>
<p>1478</p>	<p><b>ADA Finances</b></p> <p><b>a) End of year figures 2018</b>  IT presented ADA’s unaudited end of year income, expenditure, and bank balance figures for 2018.</p> <p>Noting ADA’s increasing bank balances year on year, the Committee discussed the need to review ADA’s reserves policy and provisions for spending accrued income above set limits. It was cautioned that the present thresholds (30%) may be insufficient and a clear rationale was needed.</p> <p><b>Action: Review ADA Reserves Policy within development of ADA Business Plan 2020-2023.</b></p> <p><b>Action: Ensure future balance sheets presented is marked as ‘unaudited’ and shows an opening balance for period.</b></p> <p><b>b) Debtors report</b>  The summary of ADA debtors as at 24 January and the number of credited local authorities not renewing ADA membership was noted by the Committee.</p> <p><b>ACTION: Demonstrating value of ADA to members (esp. local authorities) a priority for ADA Business Plan 2020-2023.</b></p> <p><b>c) Budget 2019</b>  IT presented the approved ADA budget for 2019, noting Board approval for a new staff member, recruiting soon.</p> <p><b>Action: IT to revise presentation of ADA budget 2019 to show comparison with 2018 outturn, and include carried forward income to be spent in 2019. Also show contribution towards educational resources from ADA Lincolnshire Branch (£1,500) as income.</b></p> <p><b>d) Audit and payroll services</b>  IT reported that he had started to look at benchmarking ADA’s current audit and payroll services contracts, and had sought quotes from several firms for each. It was understood that an organisation of ADA’s size and type would not ordinarily undertake an external audit but instead seek an internal audit accountants report. IT reported that this would require an amendment to ADA’s current Memorandum and Articles of Association, which would need to be approved by the membership at the next AGM.</p> <p><b>Action: Committee agreed to propose the change in relation to audit services to the ADA Board for further consideration.</b></p>	<p>IT</p> <p>IT</p> <p>IT</p> <p>IT</p> <p>IT</p>

<b>1479</b>	<p><b>Committee work streams 2019</b></p> <p>DS presented three ADA workstreams to be overseen by the Committee in 2019, explaining the proposed brief, forecast work plan, and workstream membership:</p> <ol style="list-style-type: none"> <li>1. Educational resources project – Aim is to raise awareness of the work of the flood and water management sector in schools; to incorporate relevant topics into the Key Stage 2 (KS2) curriculum; ultimately to attract interest in careers in the industry.</li> <li>2. Developer contributions guidance – Aim is to develop guidance on appropriate legal use of contributions from developers towards the management and maintenance of water level management control structures and systems and charging for advice. The focus being to create more consistent practices between risk management authorities. In addition to develop a series of best practice exemplars to cover Pre-planning advice, calculation of commuted sums and charging developers for Biodiversity Off-setting services where appropriate.</li> <li>3. Byelaws and supervisory role enforcement guidance – Aim to provide reliable and consistent guidance for IDBs when considering how to carry out a legally correct byelaw or consenting enforcement procedure.</li> </ol> <p>All three work streams were approved by the Committee, with legal support sought in relation to projects 2 and 3. The Committee discussed the current Defra consultation on environmental ‘net-gain’ and whether an IDB could, in the future, offer rechargeable services to a development in relation to the water environment on a cost recovery basis.</p> <p><b>Action: DS to seek a non-Lincolnshire member to join Educational resources project.</b></p> <p><b>Action: Developer contributions guidance project to consider analogous guidance related to Section 106 agreements and Community Infrastructure Levy.</b></p> <p><b>Action: IM to send briefing to members on Committee workstreams 2019 and those involved.</b></p> <p>The Committee then discussed potential future workstream projects.</p> <p>TF raised the future development of de-maining as a potential topic.</p> <p>AM asked whether this should focus on areas of legislative or regulatory change where these had proven to be a barrier to a managed transition of assets between Authorities.</p> <p>DS noted that other public bodies, such as highways authorities had provisions for asset transfer that did not appear to be available to risk management authorities.</p> <p>PB raised the increased number of IDB qualified opinions for 2017-18 audits, and whether this may generate areas of further work.</p> <p>IM reported that work was ongoing to understand the causes for qualified opinions. Most IDBs had responded already with minor mistakes, which demonstrated a need for greater care, but not significant concern.</p> <p><b>Action: IM to complete examination of IDB qualified opinions and report to IT and PB.</b></p> <p><b>Action: IM to ask ADA Branches to raise discussion at future meetings on areas of</b></p>	<p>DS</p> <p>DS</p> <p>IM</p> <p>IM</p> <p>IM</p>
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	<i>work/research/guidance, which members would like to see undertaken by ADA committees.</i>	
1480	<p><b>Open Consultations</b></p> <p>IM reported on two recently published public consultations, and the basis for ADA’s response.</p> <ul style="list-style-type: none"> <li>• Ministry of Housing, Communities and Local Government consultation: Review of local authorities’ relative needs and resources – ADA response to focus on funding on FCERM within local authorities and funding of other risk management authorities through local levy (RFCCs) and special levy (IDBs).</li> <li>• Defra consultation: Improving our management of water in the environment – ADA response to focus on local flood defence funding proposals related to IDBs and Rivers Authorities.</li> </ul> <p>IM reported position would be to support measures for local funding, particularly revising the basis for valuation of non-agricultural land in internal drainage districts. That the Special Drainage Charge, be broaden to enable all risk management authorities to be able to levy this fee where there was local support. This approach was supported by the committee.</p> <p>The Committee felt that Rivers Authorities should not be imposed but be enabled where there was support of the existing risk management authorities, but emphasising value of building partnership working arrangements. Its potential as a mechanism to collect shared funds for coastal works such as through coastal groups which may transcend RFCC areas was discussed.</p> <p><b>Action: IM to contact Bryan Curtiss to understand views of Coastal Groups.</b></p> <p><b>Action: IM to write to RFCC chairs in relation to consultation to seek views.</b></p> <p>In principle fund and bodies should not be imposed, could not be one size fits all, and that they should retain a sense of local connection.</p> <p>IM raised the recent publication of the Committee for Standards in Public Life’s recent report on Local Government Ethics Standards. Potential for whether its findings should be applied to IDBs as well as local authorities.</p> <p>Committee discussed whether there was sufficient existing legislative provision for excluding non-Board Members from meetings when discussing confidential matters, as this had been raised by a Defra lawyer as a potential regulatory gap.</p> <p><b>Action: LM to send IM details in relation to regulation covering ‘a rate levying authority’.</b></p>	<p>IM</p> <p>IM</p> <p>LM</p>
1481	<p><b>General Updates</b></p> <p>a) <b>ADA Staff Resources</b> IT reported that proposals for additional ADA staff resources had been approved by the Board.</p> <p>b) <b>Water Transfer &amp; Abstraction Licencing</b> IT reported on meeting at the Middle Level Commissioners with Catherine Wright and Harvey Bradshaw, Director at the Environment Agency who covers water resources.</p>	

	<p>ADA was struggling to get a message of collaboration on water resources management across to EA. Helping the EA with their legislative function.</p> <p>It was reported that the Environment Agency still wish continue to move ahead with the existing licences and charges approach as they believed they would struggle to treat IDBs differently to other water transfers under the regulations as drafted as it could set precedents in other areas of regulation and charging. However, the EA had reported that the number of water transfer licences required by IDBs was now in the region of fifty. It was unclear how this figure had been reached from the previous survey of transfer points undertaken by ADA and provided to the EA.</p> <p>The Committee suggested working with the EA water resources staff to create a common set of licence terms that recognised IDBs role as water management authorities, which would retain and build on the strong cooperative arrangements that currently exist between IDBs and area water resources staff at the EA. It was suggested licences would therefore have a limited administrative cost to the EA to issue, and this would negate the need for licence charging on a cost recharge basis, whilst at the same time achieving the requirements of the water framework directive.</p> <p>All present agree that water transfer licencing must avoid producing lots of paperwork, bureaucracy and expense for the EA and IDBs.</p> <p>IT reported that David Thomas (Chief Executive, Middle Level Commissioners) had had further conversations since the meeting, and the Environment Agency were exploring IDBs having a simpler process.</p> <p>RC stated that there was a clear principle at stake that regulator payments should come from the beneficiary of water transferred/abstracted. It was noted that there was presently an Environment Agency consultation open looking at regulatory charges, particularly abstraction charges.</p> <p><b>Action: IM to draft response to charges consultation referencing ongoing water transfer licencing debate.</b></p> <p><b>c) Working with ASA (Association of SuDS Authorities)</b>  IT reported that the Board had provided direction on the role and relationship ADA should have with ASA once formed. ADA still to develop a service level agreement and finalise working relationship with ASA. IT hoped this would increase ADA's exposure to wider range of local authorities. ASA was set to become a Community Interest Company in February, have a public launch event at Floodex 2019 and take membership subscriptions from April 2019.</p> <p><b>d) Summary of last ADA Board meeting</b>  IT provided a briefing on the key outcomes from the previous ADA Board meeting on 16 October 2018.</p> <p><b>e) Summary of Technical &amp; Environment Committee plans for 2019</b>  DS explained the workstreams that had been approved by ADA's Technical &amp; Environmental Committee for 2019. These were:</p> <ol style="list-style-type: none"> <li>1. Biodiversity Action Plans – Update template biodiversity action plan for IDBs and accompanying guidance to take account of Government's 25 Year Environment Plan and Biodiversity 2020, and enable recording mechanism to replace BARS for IDBs.</li> </ol>	<p>IM</p>
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	<p>2. Data and evidence and metrics – Aim to provide good quality data around what the membership delivers to assist ADA’s representational role. Looking at how ADA might procure and gather such relevant data without being too much of a burden for members.</p> <p>Committee emphasised importance of not duplicating questions contained in the IDB1 form, and potentially utilising this as a data gathering source in the future.</p> <p><b>Action: IM to circulate draft ‘IDB key facts’ questionnaire to committee members for feedback and suggestions.</b></p> <p>3. IDBs in emergency response – Aim to provide a mechanism to enable IDBs to support local resilience groups and EA teams during and following flooding events. Intention to utilise the framework already provided by PSCAs.</p> <p>To facilitate ongoing workstreams the Committee unanimously agreed for the contact email addresses of ADA Committee members to be shared between Committee members.</p> <p><b>Action: IM to seek consent from individuals and distribute contacts once complete.</b></p> <p><b>f) UK Honours System</b> IT noted that ADA is asked twice per year if we would like to make submissions to the honours systems. We would like members to think ahead and consider individuals that would merit such honours and begin completing the necessary letters of support and applications. ADA is happy to support such individuals.</p> <p><b>Action: IT to explain process and application forms to members.</b></p> <p><b>g) ADA Presidency</b> IT reported that the Board is to consider confidential suggestions for potential candidates to become the next ADA President.</p>	<p>IM</p> <p>IM</p> <p>IT</p>
<p>1482</p>	<p><b>Events</b></p> <p><b>a) Floodex 2019</b> IT reported that final preparations were underway for Floodex and the expanded event now incorporating dedicated seminar programmes on sustainable drainage and water resources through the involvement of ASA and the UKIA respectively. A few tickets were still available for the Exhibition Dinner on the evening of Wednesday 27 February. Hoping to see plenty of ADA members attend both days of the event.</p> <p><b>b) Good Governance Guide Workshops</b> IM reported that five venues and dates had been booked in March and April to deliver the IDB Good Governance workshops that ADA was contracted to deliver by Defra. Bookings through the ADA website had so far been slow but it was hoped that these would start filling up in the next couple of weeks.</p> <p><b>c) Flood &amp; Coast 2019</b> IT reported that only two IDB papers had been submitted for Flood &amp; Coast 2019 out of over 300 papers submitted. ADA would push for these to be included in the programme, but emphasised that IDBs need to do much more to highlight their role as risk management authorities.</p>	

	<p>IT highlighted the opportunity still available to apply for the project excellence awards 2019.</p>	
<p><b>1483</b></p>	<p><b>Any other business</b></p> <p>IT reported on recent new members of ADA, including: Water Resources East, West Sussex County Council, and Network Rail.</p> <p>IT reported that the Pow of Inchaffray Drainage Commission now have successfully pad a private bill passed by the Scottish Parliament, updating their governing legislation. It was hoped that the Drainage Commission may be able to join ADA in the future.</p> <p>AM highlighted that one of his IDBs had been the target of an unsuccessful fraud attempt for £100,000 purporting to be a named pump manufacturer, but via a fraudulent email address.</p> <p><b>Action: AM and KD to provide fraud examples to highlight in the Spring 2019 ADA Gazette.</b></p> <p>The Committee discussed a recent insurance claim against an IDB related to flooding. The Committee agreed it would be useful to have a common statement, explaining how risk management authorities, such as IDBs, operating under permissive powers.</p> <p><b>ACTION: IT to prepare a short briefing aimed at members of the public explaining the permissive powers of risk management authorities related to flood risk.</b></p>	<p>AM/KD</p> <p>IT</p>