



POLICY & FINANCE COMMITTEE MEETING
Minutes of the Meeting held on Tuesday 15 September 2021
 Held remotely via MS Teams

Present: Tim Farr (TF) chair

Ian Moodie (IM) (Secretary), Innes Thomson (IT), Carrie-Ann Morgan (CAM), Robert Caudwell (RC), Jane Froggatt (JF), Pete Dowling (PD), Matthew Harrison (MH), Peter Bateson (PB), Trevor Purllant (TP), Lorna McShane (LM), Sofi Lloyd (SL), Nigel Everard (NE). Brain Stewart (BS)

Apologies: Andrew McGill (AMG) Rachael Hill (RH), Carol Tidmarsh (CT) Will Harrington (WH), John Cooke (JC),

| Ref | Minute | Action |
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| 1565 | 1. Welcome & Apologies - TF TF welcomed everyone to the meeting. | |
| 1566 | 2. Declarations of interest - TF None noted. | |
| 1567 | 3. Approval of Minutes - TF Minutes of the meeting held on 15 th June 2021 were agreed as a true and fair record by the committee present. | |
| 1568 | 4. Matters Arising - IT John Coggan and AMG have asked that the wider issue of main river maintenance be discussed at a national level, following the Isle of Axholme challenges. DEFRA have declined to include it as a discussion in the next PAG but have agreed that one of the PAG workstream subgroups (asset management) can capture the topic. IT has chased WH to set up workstream. TF – River Idle area has similar issues. Residents, agricultural land and environmental areas are all sat in water so something needs to be done. PB – Beaver releases are also planned. IM – This will be covered in the beaver consultation response. IT – Idle is still legally a navigable waterway so is contacting the Inland Waterways Assoc. for support. PB – Plus a beaver release is planned. PD – Beaver release agreements states that escaped beavers must be captured by the Trustees but they can't be caught. Youngsters can't be caught to be tagged either as agreed. As such the suitability of the whole catchment for beavers must be considered. RMA's need licences to control released beavers. | |

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| 1569 | <p>5. ADA Financial Position – IT (As per supporting papers)</p> <ul style="list-style-type: none"> • Subs have held steady – may finish slightly ahead • Budget & bank balance as expected • A few Local Authorities in debtors so IT will chase. | |
| 1570 | <p>6. Red Diesel - IM</p> <p>Likely position is that red diesel will be allowed to power back-up generators for electric pumps but not to directly power diesel pumps. HMT has cited the intention to reduce carbon emissions for the refusal of ADA’s recommendations but has requested more information on the potential impact on agricultural contractors. ADA has requested more info from IDBs in this regard to feed back to HMT. ADAs reasonable position is that IDBs should be brought in line with the agricultural sector.</p> <p>IT – Urges IDBs to liaise with local MP’s on red diesel before the SR21 spending review. HMT is considering financial assistance to LA’s who have their special levy increased as a result of increased IDB pumping costs. PB – Could be between 5-6% increase for some, 2-3% for others.</p> <p>IT – Red diesel issue coupled with the 20-40% expected uplift in energy costs and the increased price of construction materials could be a big hurdle for IDBs. Maybe RFCC’s could help?</p> <p>PB – There may still be time for IDB’s to lock in energy contracts to secure more favourable energy prices.</p> | |
| 1571 | <p>7. Abstraction - IT</p> <p>There is soon to be a consultation launched around the proposed charging for water resources. Abstraction licences it is proposed will be moved under the EPR. License costs are likely to increase due to improved modelling and the process for IDBs with respect to new water transfers is not clear. ADA and IDBs previously negotiated £375 for IDBs for water transfer (WT) licenses. The CRT have a 50% reduction of WT license fees in the consultation so this needs looking into. The EA propose to pass on advertising costs for licenses to IDBs.</p> <p>PD – Understood IDBs could have group licences per waterbody? Locally were told that all WTs from main river into IDBs were going to be dealt with via an MOU with no licenses needed?</p> <p>IM - There is variation with how WT licences are treated. Where main river is included within the original IDB district map, no licence is needed but where it shows as excluded, then a license is required.</p> <p>IT – Have raised with Mark Garratt at the EA. DEFRA is reiterating that its agencies have to manage their own costs but this can’t mean passing on their costs to others.</p> | |
| 1572 | <p>8. DEFRA update</p> <p>No formal DEFRA update presented.</p> <p>IM – Env. Bill. - Drainage rates, Schedule 3 re. SUDS and the impact of Biodiversity Net Gain is currently being debated. SL – ADA will be looking more closely at the impact that biodiversity new gain has on IDB consenting.</p> | |

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| <p>1573</p> | <p>9. Local Authority Update - MH</p> <ul style="list-style-type: none"> • SR21 consultation due to close on 22nd Oct. C • Currently consulting on LFRMPs • Keeping up to date on Future Fens project • Have been involved with a stakeholder group which aims to deliver the objectives of the 25 year environment plan & Climate objectives. SL – Sounds similar to the Local Nature Recovery Strategies and may cross over. RC – Concerned about the multiplicity of groups trying to do the same thing. <p>Action – MH will disseminate the details.</p> <ul style="list-style-type: none"> • Progressing the riparian management and responsibilities project to improve partnerships. | <p>MH</p> |
| <p>1574</p> | <p>10. EA Update - IT</p> <p>No formal EA update presented. IT summarised recent ADA/EA regular catch-up with Mark Garratt:</p> <ul style="list-style-type: none"> • SR21 consultation responses due in by October. The EA are requesting a 3 year settlement with increased revenue funding. • Understanding around climate change, CO2 emissions and renewable energy in the sector is being progressed. • The £5.2 billion asset replacement programme is progressing. Focussing on projects which will address climate change resilience and CO2 emissions including renewable energy uses. IDBs should still consider defining any projects which could contribute to these objectives in the case that the funding could be extended to IDB assets. RC – IDBs can deliver shovel ready schemes so this needs to be reiterated to the EA. • A 7 figure acceleration fund is expected to be allocated to RFCC’s to get projects moving during the SR21 refresh. BS – Looking to encourage greater flexibility between capital and revenue funding which is locally decided <p>TF – Lindsey Marsh has invested in resource specifically to deliver capital projects so can move more quickly. PB – A group of IDBs have employed an ex. EA grant officer to help to develop shovel ready schemes. IM – We should include this topic at the Tech Seminar.</p> <p>Action: IM to include approach in the Tech Seminar</p> | <p>IM</p> |
| <p>1575</p> | <p>11. Committee Workstreams – IM/SL</p> <p>IM – Update as per supporting papers. In particular please all look at the proposed climate change manual chapter outline and pass comments.</p> <p>Action: All – review the proposed climate change manual chapter outline and pass comments.</p> <p>SL – Update as per supporting papers. APPG in process of being established. PSCA guidance and agreement proposed amendments have been submitted to the EA for consideration.</p> <p>JF – Have had a number of challenges with PSCA’s over the past 2 years which the amendments being proposed hope to improve.</p> | <p>ALL</p> |

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| | <p>IM – Audit – SAAA shared their consultation response. The current threshold is £6.5 million for small businesses but this is expected to move to £10.2 million for small commercial businesses. It would be good if IDBs could move to this new threshold due to the occasions where capital projects take them over the limit. The result is the difference between a £40k audit process when over the limit to a £3k process when under. IM has drafted a response.</p> <p>PB - When the threshold has been exceeded for 2 years running, the higher requirements must be met for year 3 but we would want to move to 3 years over.</p> | |
| 1576 | <p>12. Future Meetings: 19th January 2022</p> | |
| | <p>13. Close of Meeting</p> | |

UNAPPROVED MINUTES