



# Representing Drainage Water Level & Flood Risk Management Authorities

## BOARD MEETING FINAL APPROVED Minutes

Tuesday 08 February 2022 at 10.00 to 13.00  
MS Teams online

Invitees					
Name	Representing	Present	Name	Representing	Present
Robert Caudwell	Chair	Y	Henry Cator	President	Y
Tim Farr	Vice Chair Policy & Finance Committee	Y	David Riddington	Vice President	Apol.
Trevor Purlant	Vice Chair Technical & Environment Committee	Apol.	Jean Venables	Vice President	Apol.
Chris Mutten	Eastern Branch	Y	Neil Parish	Vice President	Apol.
John Heading	Great Ouse Branch	Apol.	Anne McIntosh	Vice President	Y
Keith Casswell	Lincolnshire Branch	Y	John Grogan	Vice President	Apol.
James Hereford	Marches Branch	Y	Hazel Durant	Defra (co-opted)	Y
Bill Symons	Northern Branch	Y	William Harrington	Defra (co-opted)	Apol.
Priscilla Haselhurst	South Eastern Branch	Y	Peter Bateson	Company Secretary	Y
Tony Bradford	South Western Branch	Apol.	Innes Thomson	Chief Executive	Y
Will Staunton	Trent Branch	Y	Ian Moodie	Technical Manager	Y
John Markwick	Wales Branch	Apol.	Sue Crowther	Finance & Administration Officer	Y
Duncan Worth	Welland & Nene Branch	Apol.	Sofi Lloyd	Technical Officer	Y
Ian Hodge	Environment Agency	Y			
David Hickman	Local Authorities	Y			
David Jenkins	RFCCs	Y			

Ref	Minute	Action
378	<p><b>Welcome, Apologies and Declarations of Interest</b></p> <p>RC welcomed Vice-Presidents, Board &amp; guests to the meeting and noted those apologies received. Particular welcome was extended to Ian Hodge (IH) who joins the Board as the Environment Agency appointed director. The Board extended its thanks to Catherine Wright and David Jenkins.</p> <p>IH introduced himself as the EA's Director of Operations and Chief Engineer, and was looking forward to working with ADA.</p>	

379	<p><b>Declarations of Interest</b> No further declarations made.</p>	
380	<p><b>Minutes of the 6 October 2021 Board meeting</b> The minutes of the Board's meeting on 6 October 2021 were approved by the Board.</p>	
381	<p><b>Matters Arising</b> Nothing to report.</p>	
382	<p><b>Finance Reports</b> IT reported on ADA's finances as follows:</p> <p>a. <u>Balance sheet and financial report</u> In 2021 ADA's income was just under £329,000 and expenditure just over £337,000. ADA was therefore anticipating a deficit of just over £8,000 for 2021, better than the deficit ADA had budgeted for (£54,000). Savings continued in part as a result of the pandemic owing to reduced physical meetings and travel, with both reduced expenditure (e.g. conference held remotely), and income (e.g. cancelled Floodex 2021). Advertising income for the ADA Gazette had held up well through 2021 and advertising orders for 2022 should maintain these. Cash reserves as at 31 December 2021 had decreased to £232,000, from £259,000 in 2020.</p> <p>b. <u>Bank Balance</u> IT reported that the balance at the end of December 2021 stood at £232,253.58</p> <p>c. <u>Debtors</u> Debtors at the end of 2021 were at just over £29,000, with expectation that around 90% of that is still recoverable. This has almost doubled from last year's position of £15,000. Outstanding debts. ASA contribution listed in papers had now been paid. Advertising for Winter 2021 edition were sent December and a number of councils did not pay subscriptions for 2021.</p>	
383	<p><b>Adjusted Draft Budget 2022</b> IT presented an adjusted draft budget for ADA in 2022 for final approval containing adjustments in light of inflationary pressures being felt and forecast. The adjusted budget forecast shows improved subscription income as a result of updates received from some IDBs of their annual values that increase their subscription income. There were also net neutral changes to ADA's events budget in 2022 as a result of plans to hold the ADA Conference outside of London in 2022, resulting in lower hire costs, but also lower ticket prices. The adjusted budget for 2022 contained two primary areas of increased expenditure: employment costs, and increased legal costs from £1,000 to £10,000 to reflect further legal advice that may need to be sought on red diesel use by IDBs. As a result, the deficit forecast for 2022 would increase from £22,000 to £38,000, and this excluded additional expenditure on the following items:</p> <ul style="list-style-type: none"> <li>• Additional member of staff for 12-month contract</li> <li>• For Phase 2 detailed business case for Demo event</li> <li>• For Phase 3, start launch and marketing for Demo event</li> <li>• or preparation of guidance relating to IDB rating - looking for Defra support for this</li> <li>• For preparation of HS&amp;W training modules</li> </ul>	

	<p>If these items were all included it would take ADA's deficit for 2022 to £72,000. IT proposed to bring these items back to the Board later in 2022 if the budget position improves and these items of expenditure could therefore be approved later.</p> <p><b>Decision: Adjusted budget 2022 as presented was approved by the Board. Additional items will require separate approval on a case-by-case basis.</b></p>	
<p><b>384</b></p>	<p><b>Investing ADA's Reserves</b></p> <p>IT presented a paper exploring options for investing ADA's reserves. ADA's Board has previously agreed that the operational cash requirement for ADA's reserves be fixed at six months of ADA's annual operating costs, which would require retaining around £165,000, this was the amount estimated to be required to wind up the company.</p> <p>IT presented choices following discussions with CCLA. It was not anticipated that immediate access to reserves would be required. Three CCLA funds were outlined:</p> <ul style="list-style-type: none"> <li>• Public Sector Deposit Fund (PSDF), which is a short-term money market fund in sterling denominated deposits and securities with immediate access and withdrawal. Current return on income is about 0.15%.</li> <li>• Local authorities property fund (5 year horizon, 3-5% net return, costs and restraints on this fund)</li> <li>• Diversified Income Fund (DIF) which is a balanced mixture of both income and capital growth from an actively-managed diversified portfolio Current returns are around 2.4%, and the fund is being transitioned towards being an ethically sourced fund. Minimum invest will be £100,000 and will allow shorter term access.</li> </ul> <p>IT was minded towards investing a proportion of ADA's reserves in the PSDF and DIF. IT not proposing to rush to invest money at this time, and timing will be critical given condition of the markets. Investment would be made at a carefully judged moment over next 3 to 12 months.</p> <p>BS was not impressed with CCLA funds for own IDBs. Large deposits in bank accounts can give more favourable banking costs. Proposed a cautious cash available approach. Are these investments covered by the deposit guarantee scheme?</p> <p>KC supported investment. HC supported but need to take a 5-year view.</p> <p>RC noted that inflation and as a consequence interest rates are rising and are likely to continue through 2022. Investment would be on the longer term and not shorter term.</p> <p><b>Decision: Proposal approved for IT/RC/PB to further explore investments in PSDF and DIF funds on a divested basis with CCLA.</b></p>	
<p><b>385</b></p>	<p><b>Company Secretary updates</b></p> <p>PB reported that IH appointed as ADA Director and CW removed. Currently in process of lodging updated Memorandum and Articles of Association with Companies House.</p>	
<p><b>386</b></p>	<p><b>SAAA funds for audit governance training</b></p> <p>SAAA have a substantial balance that could be invested towards annual governance of IDBs, and audit compliance. This could be targeted towards training for IDB clerks, online training. Or could be outsourced to a training organisation.</p>	

	<p><b>Action: IT/PB to work to shape proposal for training/resources to be delivered by a suitable training organisation. IT to seek views from IDB members.</b></p>	IT/PB
387	<p><b>Membership update</b> IT reported that membership remains stable, with some cancellations and some new local authority and associate members joining.</p>	
388	<p><b>Remuneration Sub-Committee</b> ADA staff members left the meeting for the whole of this item (IT, RC, SL, IM, SC).</p> <p>TF chaired the session and presented a paper covering the annual review of remuneration and conditions for ADA staff. <b>Post-meeting note</b> - The conclusions of that review have been duly enacted and a copy of the note is confidentially archived.</p>	
389	<p><b>Communication and events</b></p> <p>a. <u>ADA Events 2022</u> IT presented a paper summarising ADA's key events during 2022, including:</p> <ul style="list-style-type: none"> <li>• First meeting of All Party Parliamentary Group (APPG) for Sustainable Flood &amp; Drought Management on 28 February 2021 to be held online.</li> <li>• IT presented ADA's events plan for 2022.</li> <li>• 28 April – Keep Our Rivers Flowing in partnership with EA, CLA and NFU</li> <li>• Hopeful of contra-deal for ADA to attend and participate at Flood &amp; Coast 2022.</li> <li>• ADA would have a presence through its branches at the Lincolnshire Show and Driffield Show in 2022.</li> <li>• 28 September to hold an online AGM.</li> <li>• Plan to combine the ADA Board meeting on 12<sup>th</sup> October with an IDB Clerks Thinktank.</li> <li>• 9 November, Annual Water Management Conference. <b>Post-meeting note</b> – Event to be held at The Hive, Nocton, Lincs, with a full hybrid online access option.</li> </ul> <p>b. <u>ADA Flood &amp; Water Management Live 2023</u> Agreement in principle has been reached with Dyson Farms to hold a joint demonstration event in first week of July 2023 based around their Carrington headquarters and the drainage channels there maintained and managed by Witham 4<sup>th</sup> District IDB.</p>	
390	<p><b>Defra update</b> HD updated the Board on Defra matters as follows;</p> <ul style="list-style-type: none"> <li>• ELMS engagement with ADA, with reply from Janet Hughes via Twitter, opportunity to enable further discussion regarding lowland watercourse management and ELMS.</li> <li>• Exploring options for implementing Schedule 3 and working up stakeholder engagement. Will ensure ADA are kept updated.</li> <li>• Thanked ADA for continued engagement in future floods planning.</li> <li>• A number of IDB reconstitutions underway at present at various stages of advertisement and completion.</li> <li>• Continuing conversations with ADA, HM Treasury and HMRC on red diesel.</li> <li>• Catch up with IT and RC with Defra Minister Pow scheduled for 22/02/22</li> </ul>	

<p>391</p>	<p><b>Environment Agency update</b></p> <p>IH updated the Board on Environment Agency Matters as follows;</p> <ul style="list-style-type: none"> <li>• Chancellor confirmed 5.4 billion capital investment including 5.2 billion, with 170 million additional.</li> <li>• Within the previous six year programme IDBs contributed £50 million and to March 2027, IDB's have secured a four-fold allocation of £200 million covering 200 IDB projects. IDBs are being encouraged to continue to source projects and submit them locally.</li> <li>• Asset replacement allowance, specifically targeted on environment agency to replace assets. Restricted to agency funding only, potential to extend this to other RMAs in future years, a matter under discussion with David Cooper's team within Defra. EA will be gauging the need from other RMAs to understand the demand for this funding.</li> <li>• EA made a substantial bid for revenue funding, but did not get all asked for. Allocation made was for £107m, likely to be uplifted to either £114m or £121m, but still £70m - £80m short of the identified needs. The focus is particularly on rural and northern communities impacted by past flood events. The EA will not be able to return asset base to where it needs to be but hopeful it will hold steady with this revenue investment.</li> <li>• PSCAs have been subject to an internal audit report, containing recommendations about the use and governance of these agreements.</li> </ul> <p><b>Action: IT/IH to bring this matter back to the ADA Board at a future meeting.</b></p> <ul style="list-style-type: none"> <li>• Flood and Coast Excellence Awards closing date 13<sup>th</sup> Feb, call out for all RMAs to apply.</li> <li>• Concerns about time to progress grant-in-aid project approvals. Richard Nunn presented to IDB Officers' Seminar in October 2021 on capital programme, and IH reiterated that the EA was there to support RMA partners. Concerns should be raised with the local programme lead and can then be escalated to national team if needed for resolution.</li> <li>• IDB precept guidance, EA had taken legal advice to develop this, but ADA has outstanding concerns.</li> </ul> <p><b>Action: IT/IH to discuss in more detail towards finding a resolution</b></p> <p>DJ raised concerns about whether the revenue funding gave sufficient capacity to deliver the enhanced six year capital programme through to 2027 alongside revenue maintenance and other revenue funded activities.</p> <p>KC raised concerns about delaying agreement of PSCA activities ahead of 2022 maintenance season. IH was hopeful that it would not.</p> <p>IT asked about recruitment for new EA staffing and whether this might impact upon maintenance.</p> <p>IH Identified a need of over 300 FTEs, have recruited 170 new staff into agency in last 12 months filling gaps through technical partners. IH recognised the issue of "fishing for staff in a relatively small pool", have been relatively successful through recruiting through supply chain partners. Despite revenue constraints, £8-9 million is ring-fenced to support resourcing for the capital programme.</p> <p>BS asked IH to note that IDBs are having difficulties in Yorkshire regarding highland water contributions.</p>	<p>IT/IH</p> <p>IT/IH</p>
------------	--	---------------------------

392	<p><b>Committee Reports</b></p> <p>a. Technical &amp; Environmental Committee – SL updated board, good response to Biodiversity Metrics, will consolidate results and make available. First edition of Carbon calculator has been released for trial. First APPG meeting planned for 28 Feb.</p> <p>b. Policy &amp; Finance Committee – IM advised board that Tim Farr is happy to remain as Chair for next 2 years, supported by the Committee. Regarding the work streams, Educational resources is being trialled, Carbon reduction strategy being developed with result hopefully by end of year.</p> <p><b>Decision : Board confirmed Tim Farr P&amp;F Chair and ADA Vice Chair for a further two years.</b></p>	
393	<p><b>Red diesel</b></p> <p>Updated position circulated to members yesterday. 5 IDB's have been contacted to report on cash impact.</p> <p>IT sought approval to engage legal advice if required.</p> <p><b>Decision: Board approved the financing of legal advice as necessary up to a limit of £10k.</b></p>	
394	<p><b>Environmental Good Governance Guide</b></p> <p>Excellent work carried out by SL to provide strong technical guide with the intention to provide reference for IDBs. IM editing the document to present final draft of text to Defra by the end of February 2022. Plans to then hold a training seminar later in 2022.</p>	
395	<p><b>Biodiversity Metrics</b></p> <p>IM reported that the IDB biodiversity metrics template and questionnaire were published by ADA in November 2021. ADA will shortly be using the data received from IDBs to develop some sector statistics regarding biodiversity delivery.</p>	
396	<p><b>Health, Safety &amp; Welfare Survey</b></p> <p>A second H, S &amp; W survey would take place of all IDBs in 2022.</p>	
397	<p><b>Carbon Calculator</b></p> <p>SL had drafted guidance to enable IDBs to utilise the LGA Carbon Calculator for their carbon emissions, highlighting the benefit of benchmarking their carbon emissions so that any future reductions can be measured.</p>	
398	<p><b>Consultations</b></p> <p>IM reported that all ADA responses were now being published on the ADA website (<a href="http://www.ada.org.uk/category/consultations">www.ada.org.uk/category/consultations</a>). ADA had recently responded to consultations covering:</p> <ul style="list-style-type: none"> <li>• Autumn Budget and Spending Review 2021 representation,</li> <li>• Local Nature Recovery Strategies: how to prepare and what to include,</li> <li>• Environment Agency water resources charge proposals from April 2022,</li> <li>• Defra Changes to the regulatory framework for abstraction and impounding licensing in England: Moving into the Environmental Permitting Regulations regime,</li> <li>• National Infrastructure Commission, Surface Water Flooding Study: Call for Evidence,</li> </ul>	

	<ul style="list-style-type: none"> <li>Defra approach to beaver reintroduction and management in England.</li> </ul> <p>Upcoming consultations included:</p> <ul style="list-style-type: none"> <li>Biodiversity Net Gain Regulations and Implementation (5 April)</li> <li>Draft river basin management plans (22 April)</li> </ul>	
399	<p><b>ADA Board Meeting dates 2022</b></p> <p>The dates for remaining ADA Board Meetings in 2022 are as follows.</p> <ul style="list-style-type: none"> <li>Wednesday 6 July 2022, CIWEM Venue, London</li> <li>Wednesday 12 October 2022, Venue The Hive, Nocton, Lincs</li> </ul>	
400	<p><b>AOB</b></p> <p><b><u>ADA Gazette Branch News</u></b></p> <p>IT said that he would welcome news items from ADA's members from across all of ADA's branches to highlight the positive works and projects that have been completed or are ongoing.</p>	
	Close	

DRAFT