



# Representing Drainage Water Level & Flood Risk Management Authorities

## POLICY AND FINANCE COMMITTEE

# Meeting Minutes

03 February 2023

Microsoft Teams Meeting

APPROVED

Invited					
Name	Role and organisation	Present	Name	Role and organisation	Present
Tim Farr (TF)	Committee Chairperson	Y	Catherine Harris (CH)	Partner & Head of Agriculture, Wilkin Chapman LLP	Y.
Ian Moodie (IM)	Committee Secretary	Y	Lorna McShane (LM)	Solicitor and Assistant Clerk, Middle Level Commissioners	Apol.
Innes Thomson (IT)	Chief Executive, ADA	Y	James Addicott (JA)	Environment Agency	Y
Robert Caudwell (RC)	Chairperson, ADA	Y	Trevor Purlant (TP)	Chairperson, ADA T&E Committee	Y
Andrew McGill (AMG)	Chief Executive, Water Management Alliance	Y	Richard Powell (RP)	Chairperson, Anglian (Eastern) RFCC	Apol.
Andrew McLachlan (AMN)	Chief Executive, Yorkshire & Humber Drainage Boards	Y	Peter Bateson (PB)	Company Secretary, ADA / Chief Executive, Witham Fourth District IDB	Y.
Carol Tidmarsh (CT)	FCERM Team, Defra	Y.	Jane Froggatt (JF)	Chief Executive, Witham & Humber Drainage Boards	Apol
Nigel Everard (NE)	Clerk, Selby Area IDB and Kyle & Upper Ouse IDB	Y	Matthew Harrison (MH)	Flood and Water Manager, Lincolnshire County Council	Y
Pete Dowling (PD)	Chief Executive, River Stour (Kent) IDB	Y	VACANCY		

Ref	Minute
1622	<p><b>Welcome &amp; Apologies</b>            Welcomed everyone to the meeting and thanked everyone for attending especially with the date change, Welcome guests, MP from Lower Severn. JF sent apologies, committee expressed thanks for all her service.</p> <p>Action: Committee to send letter of appreciation to JF</p> <p>Guests Manjit Pope, Tony Andryszewski, Richard Powell, David Randall, James Yarham</p>
1623	<p><b>Declarations of interest - None</b></p>
1624	<p><b>Approval of Minutes</b>            The minutes of the Committee's meeting on 21st September 2022 were approved.</p>
1625	<p><b>Matters Arising</b></p>

1626	<p><b>ADA Finance &amp; Governance</b></p> <p>IT presented 2022 Year figures, good position, event income slightly lower than expected but then also event expenses lower than expected. Staff costs higher than expected and something to consider moving forward especially as ADA's largest expense. Noted that there was an Increase in Gazette costs due to increase in printing &amp; staff costs. Hoping to attract additional advertisers due to Flood &amp; Water Live 2023. IT also advised of Bank Balance and Debtors report, noting that Winter Gazette invoices had only just been sent and therefore included in figures. Noted that cash reserves at lowest for some time.</p>
1627	<p><b>Committee Membership</b></p> <p>IT advised had received 4 expressions of interest for vacancies on the committees so far, closing date being 31<sup>st</sup> March. IM discussed proposed structure change to the committees, the aim being to create a more streamlined structure either with a unified Policy Committee with task and finish groups for all policy matters, with clearer terms of reference for both existing committees to reduce duplication. TF suggested one committee to deal with external matters and another one to concentrate on more internal matters and would welcome feedback from the board. Also noted need for lobbying and APPG.</p>
1628	<p><b>Financial pressures on risk management authorities.</b></p> <p><b>Energy Costs</b> – IM highlighted increase in electricity costs affecting IDB's who are not included in energy support. Would welcome thoughts on where electricity costs are going. CT advised DEFRA are aware of increasing costs and actively looking into situation and will come back to ADA as soon as they can. AMH advised expecting 10% - 39% increase, due mainly to increased electricity costs. Reluctant to use reserves due to large upcoming costs, ie insurance and the unpredictable future pumping requirements and cost increases etc. Explained good communications with LA important. AM echoed these thoughts, pointed out IDB's do not have facility to borrow money and need to raise the profile and highlight the importance of IDB work. TF expressed concerns resistance and over non-payment by Landowners when faced with 35% increase. AMH expressed wish to decouple the special levy from council tax and would welcome ADA's lobbying to that cause. MH expressed support for highlighting work of IDB's and concerns they are facing. IM summed up, a requirement for further briefing notes around standing charges, possibly further request from IDB's for some case studies, together with examples. A need to make that case so the request around comes and lobbying plan regarding energy costs into the wider benefit of IDP's work and need to continue our lobbying and communications efforts around the support for emergency costs for IDB's. IT aware decoupling may not be supported by all boards and welcome DEFRA guidance on legislation.</p> <p><b>Special Levy &amp; local rate capping.</b></p>
1629	<p><b>Asset Management Update</b></p> <p>TA updated committee, refer paper Asset Replacement Allowance (ARA) Funding. EA Identified issue that funding was unavailable for aging assets. DEFRA allocated 240 million over a six year period to address the shortfall in in funding for asset replacement. A programme was put in place based on area needs. They developed some criteria for the use of that funding and they administer the allocation of that funding centrally through there our allocation team. Defra then asked if RMA's have similar issues with their assets and yes is the answer. They were then asked to look at the possibility of extending the asset replacement allowance to other risk management authorities mainly lead local flood authorities and IDB. They looked at the available funding for this and if they were to use the 240 million that was allocated to the EA, then they had already committed a certain amount and that is shared that in the paper, of the 240, they got 85 committed in the first three years and then a further 50 million committed in the in the final year. So they had indicatively allocated the remainder which is 105 million, they identified the schemes within the EA that would use that money, although they haven't committed that money to those schemes. They have around 105 million that is not yet committed. They would very much like that 105 million to be continued to be allocated to EA schemes. They believe it's quite right that the ARA should be extended to other operating authorities over RMA's. There view is, is that there should be an additional fund on top of that specifically identified for IDB's and local authorities. And that the fund is made available as soon as possible for the EA to administer. Failing the additional funding, then the only other option is to take the 105</p>

	<p>million available, not yet fully committed and use some of that to allocate to IDB's and Authorities for their assets, which would of course have an impact on their delivery of the capital programme. MP pointed out IDB's have limited sources of funding and enquired into time scale. TA advised hopefully be in a position to receive bids this year with works next year.</p>
1630	<p><b>Small claims for non-payment of drainage rates.</b> IM raised question of how boards deal with non-payment of drainage rates, it was raised previously at a committee meeting and wondered if ADA needed to obtain any legal advice or take any further advice. PB advised board they use the Magistrates Court and apply for reliability order that seems to work. AM advised follow same procedure. PB to send process details to IM.</p>
1631	<p><b>SAAA funding for Good Governance Guide.</b> IM advised GGG was due a review and consideration was being given to using an external source. Would welcome suggested updates from boards, included suggestion to include case studies. MP thanked board for guide and found very useful.</p>
1632	<p><b>Updates</b>  <u>Environment Agency.</u> JY advised that the asset management strategy has recently gone to RFCS in terms of the consultation, will send round slide pack which includes link to the consultation document and the response forms. EA are developing a new asset management strategy, it's for internal EA owned and maintained assets only, but there's a recognition within it of the importance of third party assets and also how we strengthen work with our partners, be aware that that consultation is open with RFCC. The lowland Agricultural Peat taskforce have the draught report with recommendations to extend usable life of our agricultural lowland peat soils, this is currently with Defra. Finally, the owning a watercourse documents, we've consulted with ADA and other partners to produce the guidance for riparian owners and to try and make this information a bit more accessible. Hoping to publish that guidance, make improvements and finalise that as soon as we can.</p>
	<p><b>Updates – con't</b>  <u>Defra</u>  CT advised unfortunately been delay with land drainage valuation calculations. Asset review looking at statutory roles and responsibilities, covering all the flood risks and coastal is also the review is looking at riparian land owners. Thanks to IT for his input to the project Steering group on this. The first stage of completed looking at identifying issues. The second stage is now happening, which is a quick scoping review, looking at all research and that will be completed at the end of March, then we'll move forward to the next stage which will be looking at reviewing the legislation and there will be more stakeholder involvement like interviews and workshops. Currently advertising notice of the East Suffolk IDB reconstitution and they're also changing their name to Water Management Board, that's gone out and the 30 days will be completed by the end of February and then we'll be able to move forward with making the order. AMH requested if water companies could share their asset data with other flood risk management authorities.  IT thanked for interactive ELMS team discussions.</p> <p><u>Local Authorities</u>  MH highlighted a couple of consultations that are out at the moment, Water Resources East draught regional plan and Anglian Waters Water Resource Management plan . The National Infrastructure Commission report came out just before Christmas on surface water flood risk, highlighted more of an involved role for the Environment Agency, more flood modelling and evolved powers. Also, the announcement of the proposed implementation of schedule 3 of the flood and Water Management Act, delivering Subs assets on new developments. This is subject to the parliamentary process of the 5 statutory instruments probably mid to the end of 2024, its good news but there are still challenges to overcome and to actually implement it.  IT advised of planned meeting with WRE in February.</p> <p><u>ASA</u> IT advised present agreement ends 31<sup>st</sup> March 2023, propose to Board to extend</p>

	<p>agreement for 12 months until following further discussions on how to move forward.</p> <p><u>Consultations</u> IM advised will place updates when available on website.</p>
<b>1633</b>	<p><b>Events</b></p> <p>a) Environment day was successful, with positive attitude, which will be repeated next year. Thanks to everyone involved.</p> <p>b) Keeping our rivers flowing 28<sup>th</sup> March Stoneleigh Park, more information to follow.</p> <p>c) APPG – 2 reports, need for balancing maintenance &amp; Capital spending &amp; ELMS, 2 dates to be advised.</p> <p>d) Flood &amp; Water Live – Will report to board good process on bookings, 60% break even point.</p>
<b>1634</b>	<p><b>AOB</b></p> <p>AMN: Noted ADA have vacancy and asked for update. IT advised further discussions to take place re skills and financing required. IT noted letter from Tom Aston regarding special Levy. Would welcome everyone's views on this. PSCA to be moved to next meeting.</p>
	<p><b>Future meetings</b></p> <p>Future meeting dates were noted as follows:</p> <ul style="list-style-type: none"> <li>• 23 May 2023, CIWEM, London / MS Teams</li> <li>• 14 September 2023, CIWEM, London / MS Teams</li> </ul>
	<p><b>Meeting Close</b></p>