



Representing Drainage Water Level & Flood Risk Management Authorities

POLICY AND FINANCE COMMITTEE

Meeting Minutes

13 September 2023

Team 2100 Offices – 111 Buckingham Palace Road, London

10.30 – 13.00

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.(online)
Ian Moodie (IM)	Committee Secretary	Y	Lorna McShane (LM)	Solicitor and Assistant Clerk, Middle Level Commissioners	Y
Innes Thomson (IT)	Chief Executive, ADA	Y	James Addicott (JA)	Environment Agency	Y
Robert Caudwell (RC)	Chairperson, ADA	Y	Steve Larter	Finance Director, Witham & Humber IDBs	Y.
Andrew McGill (AMG)	Chief Executive, Water Management Consortium	Y	Richard Powell (RP)	Chairperson, Anglian (Eastern) RFCC	N
Andrew McLachlan (AMN)	Chief Executive, Yorkshire & Humber Drainage Boards	Y	Peter Bateson (PB)	Company Secretary, ADA / Chief Executive, Witham Fourth District IDB	N
Carol Tidmarsh (CT)	FCERM Team, Defra	N	Manjit Pope (MP)	Chief Executive, Lower Severn IDB	Y
Nigel Everard (NE)	Clerk, Selby Area IDB and Kyle & Upper Ouse IDB	Y	Matthew Harrison (MH)	Flood and Water Manager, Lincolnshire County Council	N
Pete Dowling (PD)	Chief Executive, River Stour (Kent) IDB	Y			
James Yarham (JY)	Environment Agency	N			

Ref	Minute
1653	<p>Welcome & Apologies</p> <p>Welcomed everyone to the meeting and thanked everyone for attending and recorded apologies received from those not in attendance as indicated above.</p>
1654	<p>Declarations of interest - None</p>
1655	<p>Approval of Minutes</p> <p>The minutes of the Committee meeting on 23 May 2023 were approved with minor edits to attendee list.</p>
1656	<p>Matters Arising</p> <p>AMN raised the concern of his board around how precepts are being spent and enquired about an update on the guidance. This will be covered in the Environment Agency update.</p>

£6.5 million Ceiling for Smaller Authority Audit - RC requested update. IT confirmed letter had been written to DLUHC but no further update.

AMG confirmed that he would write to local MPs to gain support outlining the severe cost implications and ultimate impact on local authorities/rate payers of moving to full audit process. IT suggested using letter sent to Mr Rowley MP. IM requested that Rebecca Pow MP is copied in to keep the issue elevated with Defra.

IDB Special Levies - SL asked about an update. IT reported Christine Marshall of East Lindsey had response from DLUHC who initially dismissed any further funding to the package of £3 million to support Local Authorities struggling with the effects of pressures from Special Levy increases, however a second softer response offered consideration of the situation.

IM provided update from Defra which highlighted that 15 local authorities recognised by Government as being most impacted (and awarded share of £3 million grant earlier this year) have provided their support to a Special Interest Group (SIG), which seeks a longer-term funding solution for IDBs. The application is currently with the LGA and if approved, the SIG will commence its work with a focus on developing an evidence base to further articulate its case for Government support.

Standing Energy Charges – Defra have asked ADA to investigate further the pressure on IDBs. IM to contact IDBs to get a feel for charges/contract and renewal details as information needs to be evidence based for putting case to Ofgem. SL sits on the ESPO Governance Energy Panel and will share with IM the ESPO Energy Framework (as used by Witham & Humber Drainage Boards).

Comments:

- Need to question Ofgem’s fair charging review
- IDBs don’t have consistent and regular use
- Potential for IDBs to fall into different band
- Urgency to move this forward with Defra
- EA not involved in this but JA will provide relevant mechanical contact

1657 ADA Finance & Governance

Income & Expenditure - IT presented a summary recording an estimated £33,300 deficit for Jan-Aug 2023 and noted under expenditure on staff costs (which accounted for new staff member). IT advised by end of this year it will be close to balancing the budget.

IT recorded a healthy Gazette income from advertising thanks to Ryan’s efforts alongside additional revenue from Flood & Water Live. On the events side Flood & Water Live is expected to record a £2,000 surplus with income at £160,000 and expenditure at £158,000. Fortunately, a wet weather contingency was not required otherwise costs could have escalated in excess of £10,000.

Earliest that ADA would consider hosting a future Flood & Water event would be 2026. MP – suggested consolidating with another national show to spread risk

Bank balance – Currently stands at a healthy £302,053 - not much above minimum threshold for reserves.

Aged debtors - Currently stands at £20,344.80 with a sizeable amount still to collect from Flood & Water. IT fairly comfortable with situation.

Draft budget 2024 – IT presented preliminary budget noting that the 6.5% on membership fees would half the deficit for 2024. Budget greatly helped by funds from LAPSIP. AMN commented if IDBs want ADA to lobby, then they have to pay the fees. NE suggested there is a whole in the professional services budget.

1657	<p>ADA cash reserves</p> <p>It is proposed to take the following proposal to the Board with the view of spreading risk and maximising opportunity:</p> <ul style="list-style-type: none"> • Invest £40,000 in CCLA’s PSD fund with current yield of just over 5% • Invest £40,000 in Natwest’s Liquidity Manager 95 account, currently offering 4.25%AER
1658	<p>Re-organisation of ADA Committees Update</p> <p>IM presented an update on the plan to re-organise the P&F and T&E committees. From January 2024 there will be one external-facing Policy Committee merged from both P&F and T&E made up of between 22-25, meeting in London, three times a year. It will include 2 x Environment Agency representatives and 1 x RFCC representative. The internal facing committee will be known as the Advisory Committee and will deal with matters of ADA business interest (e.g. finances, events, communications, membership etc), meeting in Stoneleigh, Warwickshire.</p> <p>The intention is that the newly formed committees will cut out significant levels of duplication and offer a more streamlined approach where ADA can benefit from leveraging the opportunity to have people with relevant specialisms involved, such as an ecologist as part of an environment work stream.</p>
1659	<p>Collaboration proposal for working with ASA</p> <p>IM presented the outline proposal (as per the paper circulated to the Committee) that would see ADA join forces with ASA as a further development of the relationship which currently exists, where ADA provides administrative support to ASA. Much of what both ADA and ASA do and represent is of common interest to their memberships. Working with ASA would enable ADA to broaden local authority engagement, grow our member base and strengthen our lobbying position with DEFRA and DLUHC.</p> <p>Overall the Committee were broadly supportive with their comments;</p> <ul style="list-style-type: none"> • Acknowledged extra staffing would be required at a cost £50k-£60k per year • More unified name needed - AMN • Adjoining rather than unifying - TF • If Schedule 3 is enacted there will be a significant role for sustainable drainage - AMN • Power of one voice to strengthen core message - JA • Need to consider being more cautionary and not giving too much away – NE • Remove governance - NE
1660	<p>IDB Good Governance Guide update</p> <p>IT advised the Committee that Wilkin Chapman LLP are on schedule to complete the revisions of the Good Governance Guide in time for launch at the ADA Flood & Water Conference in November 2023. The SAAA have put money forward to support the relaunch.</p> <p>JA confirmed recent contact with Wilkin Chapman team and reported they were most efficient.</p>
1661	<p>ADA Political Party Manifesto preparation</p> <p>Committee to provide feedback by email to IT by email w/c 18 September 2023 on the ADA political party manifesto.</p>
1662	<p>Future of the Drainage Rating System (DRS).</p> <p>As per email included with the Committee papers, South Holland IDB and the Water Management Alliance will no longer be supporting DRS operating on local area networks after 31 March 2025. This rating and election management software has been used by all IDBs with the exception of five for 25 years.</p>

	<p>The Committee discussed key considerations/requirements for the new DRS system:</p> <ul style="list-style-type: none"> • Do we need to develop a new, modern cloud-based system? • System needs to be secure • South Holland IDB need to set up a timetable • Early scoping exercise required • Ongoing user group needed (Bill Symons, Phil Camamile, Karen Daft, AMN)
1663	<p>Updates</p> <p>a. Defra – IM covered update provided by CT:</p> <ul style="list-style-type: none"> • Asset Review – Currently at the stage of reviewing legislation and governance arrangements of asset management and maintenance. Thanks to IDBs that have been involved in workshops. Due to be completed March 2024. • Flood & Water Management Act 2010 - Under (Section 19) lead local flood authorities (LLFAs) should investigate the cause of flooding and publish a report. David Jenkins’ review made recommendations about investigation, including that the government should produce guidance. This was accepted and soon a contractor will be appointed to engage with stakeholders and produce the guidance. Due to be completed by March 2024. • Lowland Agricultural Peat Small Infrastructure Pilot – Launched w/c 11 September. Thanks to ADA for the support in helping design and develop this pilot. • Local Government Funding - 15 local authorities recognised by Government as being most impacted (and awarded share of £3m grant earlier this year) have provided support to a Special Interest Group which seeks a longer-term funding solution for IDBs. The application is currently with the LGA. <p>b. Environment Agency – JA</p> <ul style="list-style-type: none"> • PSCA Audit – Completed in user guide. Waiting on feedback. 16 agreements in principle. • Living on the Edge – This publication has been reproduced and will be available in ‘hard copy’ early October 2023. • Rural Flood Resilience Partnership – Distributed • NAO report – Once signed off and published (by end of year), will be sent to IM. Thanks recorded for ADA’s active input. • Good Governance Guide – EA contributed text in FCRM context for revision to guide • Incident Responses – Have been automated over the summer and will be tested in winter. IT/IM raised concerns that the responses are not fully automated particularly in rural areas • ARA Meeting with DEFRA– Catherine Evan and Olivia Roll writing a paper looking to open eligibility criteria. • Asset replacement – JA outlined the three strands for assessment: 1/ Number of properties, 2/ Risk to life 3/ Asset expectancy. • Precept working group – JA/AMN to set up working group of six made up from T&E / P&F
1664	<p>Events</p> <p>IT asked all Committee members to widely promote this year’s ADA Flood & Water Conference, which will be held on 21st November at the Institution of Civil Engineers, One Great George Street, London. The event will start later at 1100, with a lighter lunch offering at 1200 – 1330, and the main conference commencing at 1330 and running to 1700. Under the new format, all Associate Members will be offered the opportunity to attend and network with conference delegates.</p>
1665	<p>AOB</p> <p>IT was delighted to announce HRH Duke of Gloucester who has been a huge supporter of ADA over the years, has kindly accepted the invitation to become ADA’s patron.</p>

1666	Future meetings Future meeting dates were noted as follows: <ul style="list-style-type: none">• 31 January 2024 – London Location TBC• 22 May 2024 – London Location TBC• 11 September 2024 – London Location TBC
	Meeting Close