

SOUTH HOLLAND INTERNAL DRAINAGE BOARD

GOVERNANCE

SCHEDULE OF RESERVED MATTERS

WATER MANAGEMENT ALLIANCE

Last review date: 06 November 2018 (to be reviewed every 3 years)

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Reviewed by: South Holland IDB

The purpose of having a Schedule of Reserved Matters for the Board is that, without such a schedule, many decisions the Board would expect to take can fall within the delegated authority of an executive, committee or joint committee. The existence of a schedule of matters reserved for the Board provides an internal safety net to ensure that these decisions have to be referred to the Board.

Schedule of Matters Reserved for the Board

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Schedule of Matters Reserved for the Board

Overview

The thinking behind having a Schedule of Reserved Matters for the board is that, without such a schedule, many decisions that the board would expect to take can fall within the delegated authority of an executive, committee or joint committee. The existence of a schedule of matters reserved for the board provides an internal safety net to ensure that these decisions have to be referred to the board. It also simplifies the process of delegation and makes it easier for the board to give executives and committees the powers they need to perform their functions. Broader powers can be delegated if they are made subject to the exceptions set out in the schedule. A schedule also allows corporate-wide changes to be made without having to alter the terms of delegation for each individual or committee.

The main disadvantage of this approach to delegation is that those who exercise delegated powers are not always as knowledgeable as they should be about the contents of the schedule, a particular danger when the schedule has been amended – so it's important to ensure that all boards in the Consortium have similar schedules and that the Consortium Agreement does not conflict with them.

No matter how effective a board may be it is not possible for members to have hands on involvement in every area of the Internal Drainage Board's business. An effective board controls the business but delegates day to day responsibility to the executive management. That said there are a number of matters which are required to be, or, in the interests of the organisation, should only be decided by the board as a whole. It is therefore incumbent upon the board to make it clear what these 'Reserved Matters' are.

Urgent Matters

In drawing up a Schedule of Matters Reserved for the Board it is important to establish procedures for dealing with issues which have to be dealt with urgently, often between regular board meetings. Clearly the Chief Executive and his/her management team also need to have sufficient delegated authority to run the day to day business but the extent of this may not always be understood. The terms of reference for the Chief Executive's Management Committee and the Board's Scheme of Delegation clarifies these issues.

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In all cases such procedures should balance the need for urgency with the overriding principle that each and every board member ought to be given as much information as possible, the time to consider it properly and an opportunity to discuss matters prior to the commitment of the organisation.

Delegated authority should therefore be kept to a minimum. If, in practical terms, this is not possible and widespread delegation is needed, then something more fundamental is wrong – either there are too many board members or the board does not meet regularly enough.

Schedule of Matters Reserved for the Board

1. Strategy and Management

- 1.1 Responsibility for the overall management of the Board (“IDB”) and for the general supervision over all matters relating to the drainage of land in the Internal Drainage District.
- 1.2 Approval of the IDB’s objectives and strategy.
- 1.3 Approval of the IDB’s annual operating and capital expenditure budgets and any material changes to them. (In the event of an emergency where it is not feasible or practical to obtain the Board’s prior approval to any such changes, approval from the Chairman shall be obtained and later ratified by the Board).
- 1.4 Oversight of the IDB’s operations ensuring:
 - Competent and prudent management
 - Sound planning
 - An adequate system of internal control
 - Adequate accounting and other records
 - Compliance with statutory and regulatory obligations.
- 1.5 Review of IDB’s performance in the light of the IDB’s strategy, objectives and targets, service delivery plans and renewals/refurbishment programs, policies and budgets, and ensuring that any necessary corrective action is taken.
- 1.6 Extension of the IDB’s activities into new business or geographic areas.
- 1.7 Any decision to cease to operate all or any material part of the IDB’s activities.
- 1.8 Material changes in general supervision over matters relating to the drainage of land in the IDB’s drainage district.
- 1.9 Material changes in how other powers are used and how other duties are performed in the drainage district, which have been conferred on the IDB by the Land Drainage Acts 1991 and 1994, the Flood and Water Management Act 2010 and subsequent legislation/regulation.

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2. Structure and capital

- 2.1 Changes relating to the IDB's capital structure, including balances, provisions and reserves.
- 2.2 Major changes in rateable value of the drainage district.
- 2.3 Major changes to the IDB's corporate structure.
- 2.4 Major changes to the IDB's management and control structure.
- 2.5 Any change to the IDB's status as an independent and autonomous land drainage authority, for example an amalgamation or merger with one or more operating authorities, or abolition.
- 2.6 Any application to alter the boundaries, or to in any way reorganise the Internal Drainage District, in accordance with sections 2 and 3 of the Land Drainage Act 1991.
- 2.7 Approval or revocation of any Order made under the Land Drainage Act 1991.

3. Financial reporting and controls

- 3.1 Approval of any preliminary announcement of results.
- 3.2 Approval of the annual return, report and accounts, including the corporate governance statement and remuneration report.
- 3.3 Approval of rate estimates, revised estimates and other budgets.
- 3.4 Approval of the reserves policy and material changes in the level of any provision, or reserve. (In the event of an emergency where it is not feasible or practical to obtain the Board's prior approval to any such changes, approval from the Plant & Development Committee shall be obtained and later ratified by the Board).

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- 3.5 Approval of annual values as at 31st December in every year, to determine the proportion of drainage expenses that are raised from the proceeds of drainage rates and special levies.
- 3.6 Levying of drainage rates/special levies and approval of the indicative forecast.
- 3.7 Approval of any significant changes in accounting policies or practices.
- 3.8 Approval of treasury and investment policies/strategies, including foreign currency exposure and the use of financial derivatives.
- 3.9 Approval of any material write off or rating amendment.
- 3.10 Changes to the contribution rate per impermeable hectare payable by developers, following recommendations made by the CMC.
- 3.11 Changes to plant and labour charge out rates.
- 3.12 Approval of any commutation of obligations and of the financial consequences arising there from.
- 3.13 Applications to make vary or revoke orders, either sub-dividing the drainage district for the purposes of raising expenses, or exempting land from rating.
- 3.14 Approval of applications for grant made to DEFRA, the Environment Agency and elsewhere.
- 3.15 Approval of applications made to the Environment Agency for contributions towards expenditure on maintaining/improving additional highland carriers.

4. Internal controls

- 4.1 Ensuring maintenance of a sound system of internal control and risk management including:

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- Receiving reports on, and reviewing the effectiveness of, the IDB's risk and control processes to support its strategy and objectives
 - Undertaking an annual assessment of these processes
 - Approving an appropriate statement for inclusion in the annual report.
- 4.2 Changes to the IDB's Standing Orders and Financial Regulations, subject to DEFRA's approval and compliance with the cost sharing and other financial arrangements detailed in the Consortium Agreement.
- 4.3 Changes to the IDB's Byelaws, in accordance with section 66 of the Land Drainage Act 1991.
- 4.4 Consideration of applications that are likely to have a significant affect on the flow of any ordinary watercourse and approval of all consents issued thereafter (section 23 of the Land Drainage Act 1991).
- 4.5 Approval of non-delegated¹ Byelaw consents and ratification of any such consent that has been granted by the Board's Plant & Development Committee between Board meetings.

¹ All applications other than for delegated matters, which are otherwise determined by the Chief Executive's Management Committee in accordance with the Board's Planning and Byelaw Strategy. Reserved matters are as follows:

1. All applications for consent under Byelaw 3 (treatd foul water and surface water discharges) that are likely to have a significant affect on the flow of any ordinary watercourse. This includes applications for consent under Byelaw 3 where the proposed impermeable area is greater than 5 hectares.
2. All applications for consent that are from applicants or agents related to or associated with a member or employee of the Board.
3. All applications for consent that are retrospective in so far as the works or part of the works applied for have already been undertaken.
4. All applications for consent that are being appealed, having first been determined (consented or refused) under delegated authority by the Chief Executive's Management Committee.
5. All applications for consent that are against the Board's policies as set out in the Planning and Byelaw Strategy.
6. All Byelaw 10 applications for works of a permanent nature within the definitions and distances set out in Policy 4 of the Board's Planning and Byelaw Strategy.
7. All Byelaw 6 applications for diversion or stopping up of Drainage/Flood Risk Management Infrastructure (including alteration of water levels).
8. All section 23, Land Drainage Act 1991/Byelaw 4 applications that include the culverting of 18 plus metres of adopted ordinary watercourse.

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- 4.6 Approval of IDB minutes and reports together with any material changes in their format (the latter of which includes engineering, planning, operational and environmental reports, quarterly management accounts with appropriate explanations of key variances and a schedule of paid accounts).
- 4.7 Approval of any works/activities that may be requested by the Environment Agency using their supervisory powers (section 7 of the Land Drainage Act 1991) or their default powers (section 9 of the Land Drainage Act 1991).
- 4.8 Approval of any adoption/abandonment, adding to or decreasing the liability for land drainage infrastructure within the drainage district.
- 4.9 Approvals of applications made to or from the Environment Agency or other third party to en-main, de-main or reclassify any land drainage/flood defence infrastructure within the drainage district.
- 4.10 Approving the dates and times of the IDB's meetings and inspections (this does not apply to emergency meetings).

5. Contracts

- 5.1 Approving the appointment of Other Employees² and Other Shared Employees³.
- 5.2 Approving major capital projects of the IDB and principle contracts arising there from.
- 5.3 Contracts which are material strategically or by reason of size, entered into by the IDB in the ordinary course of its undertakings, for example any bank borrowings or any contractual commitment beyond one year, acquisitions or disposals of fixed assets above £15,000 (excluding land), the granting of any rights over land and

² Those employed by this IDB.

³ Those employed by the Lead Board that do work exclusively for this IDB (other than the Lead Board).

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significant changes to the terms and conditions of existing contracts on renewal, or otherwise made.

- 5.4 Contracts not in the ordinary course of the IDB's undertakings, for example any public sector cooperation agreement, joint administration arrangement or material change to an existing arrangement, any loans and repayments; all foreign currency transactions above £15,000; and major acquisitions or disposals above £15,000 (excluding land), and any purchase/disposal of land (whether compulsorily acquired or otherwise).
- 5.5 Contracts with anyone or any company where one or more of its directors are related to an existing employee or Board member.
- 5.6 Contracts with anyone or any company in which an existing employee or Board member has a significant pecuniary interest.
- 5.7 Approving the use of Buying Groups and Service Level Agreements through which to procure goods and services.
- 5.8 Major investments, including the acquisition or disposal of interests of more than 5 percent in the voting shares of any company or the making of any takeover offer.

6. Communication

- 6.1 Approval of resolutions and any corresponding documentation to be put to ratepayers and constituent billing authorities.
- 6.2 Approval of all circulars to ratepayers and constituent billing authorities.
- 6.3 Approval of press releases concerning matters decided by the IDB.

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7. IDB membership and other appointments

- 7.1 Changes to the structure, size and composition of the IDB, following the triennial comparison of aggregate values pursuant to Schedule 1 Part 2 section 6 of the Land Drainage Act 1991.
- 7.2 Ensuring adequate succession planning for senior management and operatives.
- 7.3 Approving appointments to the IDB, in accordance with Schedule 1 Part 2 of the Land Drainage Act 1991 (appointed members only).
- 7.4 Election of the Chairman and Vice Chairman of the IDB in accordance with Standing Orders.
- 7.5 Membership of IDB committees, sub committees and their advisors.
- 7.6 Continuation in office of any member at any time, including the suspension or termination of service, in accordance with Schedule 1 Part 3 sections 8 and 9 of the Land Drainage Act 1991 and/or requirements of the Members Code of Conduct.
- 7.7 Filling casual vacancies, if for any reason whatsoever the place of an elected member becomes vacant before the end of their term of office, in accordance with Schedule 1 Part 3 section 10 of the Land Drainage Act 1991.
- 7.8 Appointment or removal of the Returning Officer and approval of the Electoral Register.
- 7.9 Appointment or removal of the Internal Auditor.
- 7.10 Any decision to opt-out of Smaller Authorities Audit Appointments Ltd (the Government's approved Sector led Body for procuring and commissioning external auditors for IDBs and other smaller authorities).
- 7.11 Appointments to outside bodies, the CMC and any other joint committees.

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8. Remuneration

- 8.1 Approving the remuneration and training policies for Other Employees⁴ and Other Shared Employees⁵.
- 8.2 Approving corporate-wide changes to the terms and conditions of Other Employees and Other Shared Employees, following recommendations made by the Lincolnshire IDBs Pay and Conditions Advisory Committee (LPCAC) or the CMC.
- 8.3 Approving any application to pay the chairman of the IDB an allowance, for the purpose of enabling him/her to meet the expenses of his/her office, in accordance with Schedule 2 section 1(1) of the Land Drainage Act 1991.
- 8.4 Determining the policy of paying allowances or reimbursing expenses incurred by IDB members, in accordance with Schedule 2 section 1(2) of the Land Drainage Act 1991.
- 8.5 The introduction of new employee incentive schemes or major changes to existing schemes (for Other Employees and Other Shared Employees).
- 8.6 Approval of any severance packages awarded to Other Employees and Other Shared Employees in excess of the statutory minimum or of any pension enhancement made thereto.

9. Delegation of Authority

- 9.1 The [division of responsibilities](#) between the Chairman and the Chief Executive, which must be in writing.
- 9.2 Approval of the Board's [Scheme of Delegation](#), terms of reference for the IDB committees and sub committees, the CMC and any other joint committee.

⁴ Those employed by this IDB.

⁵ Those employed by the Lead Board that do work exclusively for this IDB (other than the Lead Board).

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- 9.3 Receiving minutes, reports and recommendations arising from IDB committees and sub committees, the CMC and any other joint committee.

10. Corporate governance matters

- 10.1 Undertaking a formal and rigorous review of the IDB's own performance, that of its committees/joint committees and sub committees, individual members and of those appointed to outside bodies.
- 10.2 Determining the independence of members.
- 10.3 Considering the balance of interests between ratepayers, billing authorities, employees, developers and the community.
- 10.4 Reviewing the IDB's overall corporate governance arrangements and committee structure.
- 10.5 Receiving reports on the views of the IDB's stakeholders.

11. Policies, Plans and Works Programmes

- 11.1 Approval of all policies and plans, including but not limited to:
- Group Vision, Mission and Values
 - Business Plan/DEFRA Policy Statement
 - Adoption/Abandonment policy (with prioritisation criteria)
 - Health and safety policy
 - Sustainability policy
 - Standard Maintenance Operations policy
 - Environmental policy
 - Biodiversity Action Plan
 - Rechargeable works policy/work force plan
 - Byelaw and enforcement policy
 - Planning & Byelaw Strategy

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- Emergency Response Plan
- Business Continuity Plan
- Capital Financing and Reserves policy
- Asset Management Plan
- Safeguarding public money policy
- Rate Levies and Collection policy
- Register and Map: Maintenance and Inspection policy
- Investment policy
- Members Code of Conduct
- Anti Fraud and Corruption policy
- Bribery Act policy
- Risk Management policy
- Whistle blowing policy
- Data Protection policy
- Freedom of Information Publication Scheme
- Document retention/destruction policy
- Co-option of Members policy
- Responsibilities/Duties of Board Members
- Guidance to Local Authorities when making appointments to IDBs
- Stakeholder Engagement Plan
- Employees Code of Conduct
- Employee Handbook policies
- Chairman's allowance and members expenses policy

11.2 Approval of all works programmes, including but not limited to:

- Maintenance works programme
- Capital works programme
- Rechargeable works programme

12. Other Matters

12.1 Approval of the appointment of the IDB's principal professional advisers and bankers.

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- 12.2 Prosecution, defence or settlement of litigation involving amounts above £5,000 or being otherwise significant to the interests of the IDB. Settlement of other disputes or appeals over £5,000 or being otherwise significant to the interests of the IDB.
- 12.3 Approval of any appeal lodged against the precept levied by the Environment Agency.
- 12.4 Approval of the overall levels of insurance for the IDB including Directors' and Officers' liability insurance, indemnification of IDB members and personal accident insurance.
- 12.5 Major changes to the rules of the IDB's pension schemes/admissions policies, changes in trustees or changes in the fund management arrangements (where this is subject to the IDB's discretion/approval).
- 12.6 Changes to those authorised to institute legal proceedings, pursuant to various powers afforded to the IDB by the Land Drainage Act 1991 and the Flood and Water Management Act 2010.
- 12.7 Changes to those authorised to enter land for the purposes of exercising any function of the IDB or to those authorised to inspect and take copies of any Acts of Parliament, awards or other documents which relate to the drainage of land and confer powers or impose duties on the IDB.
- 12.8 This schedule of matters reserved for IDB decisions, changes to which will also need to be approved by each Member Board in the Consortium.
- 12.9 In addition, the IDB will receive reports and recommendations from time to time on any matter which it considers significant (such recommendations may come from, but will not be limited to the IDB's Committees, Sub Committees and Joint Committees).

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Footnote: Scheme of Delegation

All other matters which by definition the IDB considers suitable for delegation have been delegated to its Plenary Committees and Sub Committees and the Consortium Management Committee, as set out in the IDBs [Scheme of Delegation](#).

The nature and extent of delegation to any Plenary Committee or Sub Committee shall also appear in the Committee's or Sub Committee's terms of reference. The nature and extent of delegation to the Consortium Management Committee shall also appear in the Consortium Agreement and in the Joint Committee's terms of reference.

All such Committees and Sub Committees shall exercise their delegated powers in accordance with the Board's Rules that have been approved by the Secretary of State (as required by Paragraph 3 of Schedule 2 to the Land Drainage Act 1991) and the IDB's Financial Regulations, Orders, Policies and Procedures.

Certification

South Holland IDB has reviewed its Schedule of Reserved Matters, which does not conflict with the Consortium Agreement, dated 15 May 2008.

By Order of South Holland Internal Drainage Board

Certified by Mr P J Camamile, Chief Executive

06 November 2018