

DATED

15 MAY

2008

BROADS (2006) INTERNAL DRAINAGE BOARD

-AND-

KING'S LYNN INTERNAL DRAINAGE BOARD

-AND-

NORFOLK RIVERS INTERNAL DRAINAGE BOARD

-AND-

SOUTH HOLLAND INTERNAL DRAINAGE BOARD

-AND-

EAST SUFFOLK INTERNAL DRAINAGE BOARD

CONSORTIUM AGREEMENT

This DEED is made the **fifteenth** day of **May 2008**

BETWEEN:

1. BROADS (2006) INTERNAL DRAINAGE BOARD (Constituted by the Broads (2006) Internal Drainage Board Order 2006, Statutory Instrument 2006 No. 773) whose office is at Kettlewell House, Austin Fields Industrial Estate, King's Lynn, Norfolk PE30 1PH; and
2. KING'S LYNN INTERNAL DRAINAGE BOARD (Constituted by the Amalgamation of the West of Ouse, Gaywood, Magdalen, Marshland Smeeth and Fen, and Wingland Internal Districts Order 2004, Statutory Instrument 2004 No. 1657) whose office is at Kettlewell House, Austin Fields Industrial Estate, King's Lynn, Norfolk PE30 1PH; and
3. NORFOLK RIVERS INTERNAL DRAINAGE BOARD (Constituted by the Broads and Norfolk Rivers Internal Drainage Boards Order 2005, Statutory Instrument 2005 No. 429) whose office is at Kettlewell House, Austin Fields Industrial Estate, King's Lynn, Norfolk PE30 1PH; and
4. SOUTH HOLLAND INTERNAL DRAINAGE BOARD (Constituted by the Anglian Water Authority (South Holland Internal Drainage District) Order 1974, Statutory Instrument 1974 No. 1209) whose office is at Marsh Reeves, Foxes Lowe Road, Holbeach, Lincolnshire PE12 7PA; and
5. EAST SUFFOLK INTERNAL DRAINAGE BOARD (Constituted by The East Suffolk Internal Drainage Board Order 2008, Statutory Instrument 2008 No. 750) whose office is at Kettlewell House, Austin Fields Industrial Estate, King's Lynn, Norfolk PE30 1PH.

Hereinafter collectively called the "Member Boards"

WHEREAS:

1. Broads (2006) IDB, King's Lynn IDB and Norfolk Rivers IDB and their predecessors had been operating as a consortium called the "King's Lynn Consortium", on terms stated in Deeds dated 29 December 1972, 24 June 1977 and 1 April 1990 and under certain informal arrangements until 31 March 2007.
2. The members of the King's Lynn Consortium of Internal Drainage Boards agreed to terminate the King's Lynn Consortium of Internal Drainage Boards on 31 March 2007 and created a new consortium called the "Water Level Management Alliance" from 1 April 2007 with South Holland IDB on the terms set out in the Consortium Agreement dated 30 March 2007.
3. The members of the Water Level Management Alliance have agreed to allow The East Suffolk Internal Drainage Board to join the Water Level Management Alliance with effect from 1 April 2008 on terms set out in this Deed.
4. Each of the Member Boards wishes with effect from 1 April 2008 without losing its autonomy to an unacceptable degree and without unduly increasing its liabilities:-
 - 4.1 To develop an integrated central administration for the Member Boards in order to reduce costs, increase influence and strengthen its organisation in a consortium to be known as the "Water Level Management Alliance" or such other name as may be agreed from time to time by all of the Member Boards on the terms set out in this Deed ("the Consortium"); and

- 4.2 To constitute a representative body of the Member Boards to co-ordinate oversee and direct the integrated administration of the Member Boards and joint utilisation of assets and resources to be called the Consortium Management Committee (hereinafter called the “CMC”) with the terms of reference powers and duties expressed in this Deed; and
- 4.3 To appoint one individual as Chief Executive Officer for each of the Member Boards and the Consortium from 1 April 2008 with such duties and responsibilities as the CMC may from time to time determine; and
- 4.4 To fully comply with all aspects of applicable law and best practice and commit wholeheartedly to provide quality services to key stakeholders.

NOW IT IS HEREBY AGREED as follows:

1. Definitions and Interpretation

- 1.1 In this Deed unless the contrary intention appears the following definitions apply:-

“Broads (2006) IDB” means the party hereto of the first part and includes the successors in title to the Broads (2006) IDB.

“King’s Lynn IDB” means the party hereto of the second part and includes the successors in title to the King’s Lynn IDB.

“Norfolk Rivers IDB” means the party hereto of the third part and includes the successors in title to the Norfolk Rivers IDB.

“South Holland IDB” means the party hereto of the fourth part and includes the successors in title to the South Holland IDB.

“The East Suffolk IDB” means the party hereto of the fifth part and includes the successors in title to The East Suffolk IDB.

“Lead Board” means King’s Lynn IDB or such other Member Board as may be unanimously agreed in writing from time to time by all of the Member Boards.

“Shared Employees” mean those employees employed by the Lead Board that do work for more than one Member Board. Employees shall be deemed to be Shared Employees if their employment costs have been paid for by more than one Member Board.

“Other Shared Employees” mean those employees employed by the Lead Board but who do work for only one of the Member Boards (other than the Lead Board).

“Other Employees” mean those employees employed by any Member Board who are not Shared Employees or Other Shared Employees and that do work for only one of the Member Boards.

“Central Office” means the office for the time being of the Lead Board.

“Offices” shall mean the Central Office and the office of South Holland IDB or such other offices unanimously agreed in writing from time to time by the Member Boards.

“Shared Assets” means assets acquired on the recommendation of the CMC and utilised by more than one Member Board.

“Standing Orders” means rules made by an Internal Drainage Board with the approval of the Secretary of State under paragraph 3(1) of the Second Schedule to the Land Drainage Act 1991.

“Financial Regulations” means rules made by an Internal Drainage Board that are designed to supplement the Board’s Standing Orders to ensure that the funds and assets of the Board are properly accounted for and controlled.

- 1.2 References to a statute or statutory provision include a reference to it as it is from time to time amended extended or re-enacted.
- 1.3 Words denoting the singular number shall only include the plural and vice versa.
- 1.4 Words denoting any one gender shall include all genders.

2. The CMC Constitution

- 2.1 The CMC shall be responsible to the Member Boards for and deal with all matters relating to the maintenance of the Offices the Shared Employees the joint utilisation of assets and resources by the Member Boards and for the development of an integrated and robust administration.
- 2.2 The Member Boards hereby delegate all necessary powers and grant full authority to the CMC to properly carry out the functions set out in Clause 2.1 or as otherwise agreed by all of the Member Boards but subject always to the Schedule of Reserved Matters referred to in Clause 2.24.
- 2.3 The CMC may delegate any task within its remit to a sub committee solely for the purposes of making recommendations to the CMC, providing the CMC unanimously agrees by resolution to its composition and terms of reference.
- 2.4 The CMC shall comprise three representatives from each Member Board.
- 2.5 Each Member Board shall elect from its membership its representatives to serve on the CMC for a term of three years commencing 1 April 2008 and tri-annually thereafter. Member Boards can remove their representatives serving on the CMC and appoint new representatives at any time by resolution of the Member Board (but so that the total number of any Member Board’s representatives shall not exceed three at any one time). Notice of such appointment or removal shall be given in writing to the CMC and will take effect upon receipt at the Central Office.
- 2.6 All representatives shall be eligible for re-election at the end of any three year term.
- 2.7 Any casual vacancy that arises among the representatives shall be filled by the appropriate Member Board as soon as practicable after the occurrence of the vacancy and notice in writing of such appointment shall be given to the CMC at the Central Office.
- 2.8 No business shall be transacted at any meeting of the CMC unless at least one representative from any four Member Boards is present. Each Member Board shall procure that at least one of its representatives shall attend every meeting of the CMC.
- 2.9 The representatives on the CMC shall elect from their number a Chairman and Vice Chairman who shall hold office for a period of one year from 1 April in each year.
- 2.10 The position of Chairman shall rotate between the Member Boards every year, unless otherwise agreed by the CMC.

- 2.11 The Vice Chairman shall act as Chairman when the Chairman is unable to attend a CMC meeting or is otherwise unable to represent the CMC.
- 2.12 The representatives on the CMC shall meet at such dates and times as they decide but at least four meetings shall be held annually (the "Scheduled Meetings"). Additional meetings can be convened by any one of the Member Boards, the CMC Chairman or the CMC Vice Chairman (the "Special Meetings").
- 2.13 A minimum of seven days notice shall be given in writing in advance of all Scheduled Meetings, which will also include an agenda for each meeting.
- 2.14 A minimum of forty-eight hours notice shall be given in writing in advance of all Special Meetings, which will also include an agenda for each meeting.
- 2.15 All proposals of a financial nature shall appear on the agenda for all meetings of the CMC.
- 2.16 All notices, agenda, minutes and meeting reports of the CMC shall be sent to the representatives and unless otherwise requested shall be sent electronically.
- 2.17 All meetings of the CMC shall take place at the Central Office unless otherwise determined by the Chairman.
- 2.18 The minutes of all meetings of the CMC shall be recorded in writing and sent to each representative and each member of each Member Board together with any reports referred to in the minutes.
- 2.19 At every meeting of the CMC the minutes of the previous meeting shall be taken as a true record subject to the correction of any mistakes omissions or inaccuracies and the signature of the Chairman shall be affixed thereto as confirming the same.
- 2.20 All representatives attending meetings of the CMC shall sign an attendance register.
- 2.21 Notwithstanding that each Member Board may have three representatives each Member Board (and therefore its representatives collectively) shall have one vote and only those decisions where at least 4 out of the 5 Member Boards vote in favour of the motion shall be binding on all of the Member Boards (the Chairman shall not have a casting vote).
- 2.22 If the representatives of a Member Board cannot agree on how to cast their vote, then such Member Board shall have rendered itself incapable of voting on the issue and will be deemed to have abstained.
- 2.23 The Member Boards (and therefore their representatives) cannot vote by proxy.
- 2.24 Each Member Board shall adopt a Schedule of Reserved Matters that is substantially in the form of and not contrary to the model shown in the Schedule to this Deed and the matters set out in this Schedule shall not be within the remit of the CMC.
- 2.25 No Member Board shall amend its Schedule of Reserved Matters, Standing Orders, Financial Regulations, or otherwise resolve to do anything that may affect or conflict with this Deed.

3. The Chief Executive Officer

- 3.1 Each Member Board shall appoint the same person to be its Chief Executive Officer on such terms and conditions as may be determined by the CMC but the minimum

period of notice of termination for such appointment by the appointed person or by the Member Boards shall be three months. The CMC will determine the Chief Executive Officer's remuneration and the CMC shall assign such duties and responsibilities to the Chief Executive Officer as the Member Boards may determine and periodically set/review objectives for the Chief Executive Officer but the Chief Executive Officer will be employed by the Lead Board.

- 3.2 Such notices of termination as referred to in clause 3.1 shall be given in writing by or to the Member Boards to expire on the same date and if not so given shall have no effect.
- 3.3 If the Member Boards fail to unanimously agree on when or whether to terminate the employment of the Chief Executive Officer, the Member Board(s) wishing to terminate the employment shall give the required notice to terminate this Deed in accordance with clause 6.1 hereunder.
- 3.4 The Chief Executive Officer shall be entitled to receive notice of and to attend and speak at but not to vote at any meeting of the CMC unless specifically requested not to attend by the Chairman of the CMC.

4. The Consortium – developing an integrated administration

- 4.1 Each Member Board shall meet a proportion of the Consortium's expenditure including employment liabilities and the contributions paid by each Member Board shall be in accordance with the percentage ratio of the rateable value of each Member Board in relation to the total aggregate of rateable value of the Member Boards as at 31 December prior to the beginning of every financial year save that in respect of those persons designated specialist Shared Employees by the CMC or Other Shared Employees a Member Board's contribution or responsibility for employment liabilities shall be in accordance with such Member Board's utilisation of such specialist Shared Employees and Other Shared Employees.
- 4.2 Member Boards shall be free to deviate from the basis of apportioning the Consortium's expenditure as defined in clause 4.1 above provided such deviation is approved beforehand by resolution passed by each of the Member Boards.
 - 4.3.1 The Lead Board shall at the request of the CMC set up a separate bank account clearly designated in the name of the Consortium into which all contributions and monies due from the Member Boards in accordance with this Deed shall be made and the monies in such designated account shall be held by the Lead Board as trustee and agent for all the Member Boards on the terms of this Deed and shall be kept separate from other monies of the Lead Board.
 - 4.3.2 The CMC shall instruct the Lead Board to pay all expenditure that is legitimately incurred in the administration of the Consortium from such separate designated bank account provided by the Lead Board and the other Member Boards shall contribute or (as the case may be) reimburse the Lead Board within 30 days of invoice such sums so expended in accordance with clauses 4.1 or 4.2 above. In addition and if so requested by the CMC each Member Board will provide forthwith on demand working capital to the Consortium in such amounts as the CMC may request by payment of monies into the designated bank account.
 - 4.3.3 If any Member Board fails to pay monies payable into such designated separate bank account or to any Member Board under this Deed within the due times for payment the Member Board in default shall pay interest on such outstanding amount from the due date until the date of payment (whether before or after judgement) at the rate of 4 per cent above HSBC Bank Plc's Base Rate from time to time.

- 4.4 If any sundry income payable by third parties is in the view of the CMC properly attributable to the Consortium and not to an individual Member Board the Lead Board shall invoice the third party for such sundry income in the name of the Consortium, collect the monies and pay such monies into the designated bank account as referred to in clause 4.3.1.
- 4.5 Any Member Board can unilaterally decide that it no longer wishes to have made available to it the services of one or more Shared Employees other than the Chief Executive Officer, provided that the other Member Boards all agree to accept the additional costs arising from such a decision. If the other Member Boards fail to unanimously agree to this then the Member Board deciding that it no longer wishes to have made available to it the services of one or more Shared Employees shall either continue to contribute towards the employment costs of the Shared Employees in the previously agreed proportion or give the required notice to terminate this Deed in accordance with clause 6.1 hereunder.
- 4.6 No Member Board shall have sole jurisdiction over any Shared Employee. Such jurisdiction shall vest with the Member Boards collectively through the CMC.
- 4.7 Neither the Lead Board nor the CMC shall have jurisdiction over the Other Employees or the Other Shared Employees. Such jurisdiction together with the associated employment costs and liabilities shall vest with the particular Member Board with whom the relevant Other Employee is employed or the relevant Member Board to whom the services of the Other Shared Employee is solely provided and the relevant Member Board shall subject to clause 5.5 with regard to claims reimburse the Lead Board on demand all costs claims and liabilities in connection with or relating to the Other Shared Employees.
- 4.8 All Shared Employees upon reaching the age of 18 years shall have the right to participate in the local government pension scheme as administered by Norfolk County Council subject always to the rules of the Scheme from time to time in force, unless otherwise agreed by all of the Member Boards.
- 4.9 The CMC shall prepare by 31 December of each year budgets showing the Consortium's estimated revenue and capital expenditure for the next financial year such budgets shall be sent to each Member Board which shall approve it prior to 15 February in the following year.
- 4.10 The CMC shall review/monitor the Consortium's income and expenditure to ensure that the Consortium operates within the budgets agreed by Member Boards and shall always seek prior approval from each Member Board for any material deviation there from.
- 4.11 The CMC shall produce annual accounts for the Consortium and the same shall be submitted to each Member Board for approval. Such annual accounts shall be audited by an independent firm of Chartered Accountants as appointed by the CMC unless otherwise agreed by all of the Member Boards.
- 4.12 The CMC shall determine staffing levels, training policies and the appointment/removal of Shared Employees for the Consortium.
- 4.13 The CMC shall determine the level and structure of remuneration for Shared Employees and any changes to their contracts of employment.
- 4.14 The CMC shall make recommendations to Member Boards regarding the level and structure of remuneration for Other Employees and Other Shared Employees.
- 4.15 The CMC shall fulfil the role of the Disciplinary and Grievance Appeals Committee in the event of receiving an appeal from Shared Employees.

- 4.16 The CMC shall make recommendations to Member Boards regarding plans for the succession of Shared Employees Other Employees and Other Shared Employees.
- 4.17 The CMC shall make recommendations to Members Boards regarding the acquisition of Shared Assets and shall determine (if appropriate) their utilisation by Member Boards.
- 4.18 The CMC shall make recommendations to Member Boards regarding the rate of contribution per impermeable hectare payable by developers.
- 4.19 The CMC shall consider any matter relating to its terms of reference or any issue relating to this Deed and make recommendations to Member Boards accordingly.
- 4.20 The CMC shall consider any other matter as may reasonably be required from time to time by the Member Boards.

5. Assets and Liabilities

- 5.1 All assets that exist or that have been developed howsoever prior to 1 April 2008 which are not Shared Assets but are utilised for the benefit of the Consortium, whether or not such assets have been shown or referenced in the annual accounts of a Member Board, shall vest with the respective Member Board and title shall not pass to the other Member Boards in the Consortium nor shall any beneficial interest in such assets be claimed or acquired by the other Member Boards in the Consortium unless otherwise agreed by all of the Member Boards.
- 5.2 The Chief Executive Officer shall prepare and keep inventories of each Member Board's assets utilised in the Consortium. Member Boards shall not charge each other for the use of such assets unless otherwise agreed by all the Member Boards.
- 5.3 The Chief Executive Officer shall prepare and keep an inventory of all Shared Assets acquired after 31 March 2008 on the recommendation of the CMC. Such Shared Assets shall be held by the Lead Board as trustee for all the Member Boards and clearly identified as Shared Assets. The costs of insuring, maintaining, servicing and repairing Shared Assets shall be an expense of the Consortium and the Lead Board shall be reimbursed by the other Member Boards their proportion of such costs.
- 5.4 All liabilities howsoever arising prior to 1 April 2008, whether or not such liabilities have been shown or referenced in the annual accounts of a Member Board, shall remain with the respective Member Board and shall not pass to the other Member Boards unless otherwise agreed by all of the Member Boards.
- 5.5 In the event that any Shared Employee or Other Shared Employee shall make any claim arising out of or in connection with his employment or termination thereof which is successful or settled the Member Boards shall contribute to and pay the amount of such claim together with all costs, expenses (including legal and professional fees) and damages in the same proportion as their most recent contribution towards the cost of employing such Shared Employee or Other Shared Employee save that if the Lead Board is primarily responsible for such claim and has dismissed or breached such employees' contract or rights without first raising the matter with the CMC (in the case of a Shared Employee) or the relevant Member Board (in the case of an Other Shared Employee) to whom his services are solely provided then the Lead Board shall be solely liable in respect of such claim and associated costs expenses and damages.
- 5.6 The Lead Board shall maintain employer's liability insurance in respect of those employees employed by it and public liability insurance and the other Member

Boards shall reimburse the Lead Board their proportion of such costs in accordance with clause 4.1 or 4.2.

6. Notice to terminate this Deed

6.1 In the event of any Member Board wishing to terminate this Deed it shall give the other Member Boards not less than twelve months' notice in writing such notice to expire on the 31st day of March in any year. This Deed shall then terminate on expiration of the notice period (the "termination date"), subject to clauses 7.1, 7.2 and 7.3 below.

6.2 If:-

6.2.1 any Member Board shall fail to pay monies payable by it into the designated bank account referred to in clause 4.3.1 in accordance with this Deed or fails to pay any monies payable to another Member Board in accordance with this Deed within three months of the due date for payment; or

6.2.2 the representatives of any Member Board fail to attend two consecutive Scheduled Meetings so that such meetings are inquorate

the other Member Board(s) may within six months of such default by notice in writing to the defaulting Member Board terminate this Deed by not less than six months' notice in writing to expire on 31 March in any year.

7. Unwinding arrangements on termination

7.1 If this Deed is terminated the assets (other than Shared Assets) that have been utilised by the Consortium shall be delivered to the respective Boards according to ownership. Any Shared Assets shall be sold and the moneys received shall be paid into the designated bank account referred to in clause 4.3.1 and subject to clauses 7.2 and 7.3 paid to the Member Boards in the same proportion in which they respectively incurred the expenditure on their acquisition in accordance with clause 4.1 or 4.2.

7.2 If this Deed is terminated the liabilities for superannuation fund deficiencies, pension enhancements, severance packages, employee claims or similar liabilities paid statutorily or voluntarily in respect of Shared Employees Other Employees and Other Shared Employees shall be paid by each Member Board in the same proportion as its most recent contribution towards the cost of employing such employees.

7.3 If this Deed is terminated all liabilities that have accrued during the continuance of this Deed other than those specifically dealt with in clause 7.2 above shall be shared according to the percentage ratio of the rateable value of each Member Board in relation to the total aggregate of the rateable value of the Member Boards as at 31 December prior to the termination date and each such Member Board shall pay their proportion of such liabilities accordingly whensoever arising.

7.4 Any monies remaining in the designated bank account referred to in clause 4.3.1 shall only be repaid to the Member Boards once all liabilities have been paid in accordance with this Deed.

8. Prior Agreements

8.1 The rights and liabilities of those Member Boards who are parties to the Consortium Agreement dated 30 March 2007 in respect of the period prior to 1 April 2008 shall

be as set out in and as governed by that deed and subject thereto this Deed supersedes the Consortium Agreement dated 30 March 2007 with effect from 1 April 2008.

8.2 The Member Boards shall not be liable to one and other for any loss arising from or in connection with any representations, agreements, statements or undertakings made by any individual Member Board prior to 1 April 2008, other than those representations, agreements, statements or undertakings expressly incorporated in this Deed.

9. No Partnership

Nothing in this Deed shall be deemed to constitute a partnership between the parties.

10. Applicable Law

This Deed is governed by, and shall be construed in accordance with English Law and the Member Boards hereby submit to the exclusive jurisdiction of the English courts.

11. Waiver

Failure to exercise or delay exercising any right or remedy under this agreement shall not constitute a waiver of the right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any right or remedy under this agreement shall prevent any further exercise of the right or remedy or the exercise of any other right or remedy.

12. Notices

12.1 Any notice to be given under this Deed shall be in writing and shall be deemed duly served if delivered personally or sent by electronic mail or by fax or by prepaid registered post to the addressee at such address or email address or fax number as the party to be served may have notified the CMC at the Central Office.

12.2 Any such notice shall be addressed as provided in Clause 12.1 and may be:-

12.2.1 personally delivered, in which case it shall be deemed to have been given upon delivery at the relevant address if it is delivered not later than 17.00 hours on a business day, or, if it is delivered later than 17.00 hours on a business day or at any time on a day which is not a business day, at 08.00 hours on the next business day; or

12.2.2 if within the United Kingdom, sent by first class pre-paid post, in which case it shall be deemed to have been given 2 business days after the date of posting; or

12.2.3 sent by fax, in which case it shall be deemed to have been given when despatched, subject to confirmation of uninterrupted transmission by a transmission report provided that any notice despatched by fax after 17.00 hours on any business day or at any time on a day which is not a business day shall be deemed to have been given at 08.00 on the next business day; or

12.2.4 sent by electronic mail, in which case, it shall be deemed to be given when received but subject to the same provisions regarding receipt after 17.00 hours as apply to notices sent by fax.

12.3 Any person may notify the CMC of any change to the address or any of the other details specified in Clause 12.1, provided that such notification shall only be effective on the date specified in such notice or 5 business days after the notice is given,

whichever is the later and provided also that any new address shall be in the United Kingdom.

13. Invalidity and Severability

If any undertaking or other provision in this Deed shall be held invalid or unenforceable in whole or in part by any court, tribunal or administrative body of competent jurisdiction, such undertaking or other provision shall not affect the other provisions of this agreement and all provisions not affected by such invalidity or unenforceability shall remain in full force and effect. The Member Boards hereby agree to attempt to substitute for any such invalid or unenforceable provision a valid or enforceable provision which achieves to the greatest extent possible the economic, legal and commercial objectives of the invalid or unenforceable provision, as aforesaid.

14. Assignment

Member Boards shall not be entitled to assign or otherwise transfer this Deed nor any rights or obligations arising herein without the prior written consent from each Member Board.

15. Rights of Third Parties to enforce the Terms of this Contract

The parties to this Deed do not intend that any of its terms will be enforceable by virtue of the Contract (Rights of Third Parties) Act 1999 by any person not a party to it.

16. Headings

Headings to clauses in this Deed are for the purpose of information and identification only and shall not be construed as forming part of this Deed.

17. Variation

No variation of this Deed shall be valid unless it is in writing and signed by and on behalf of each of the Member Boards.

18. Dispute Resolution

In the event of disagreement on the interpretation or failure to observe any part of this Deed or any dispute howsoever arising out of or in connection with this Deed such dispute shall be referred to the arbitration of a single Arbitrator to be appointed in default of the parties' unanimous agreement by the President of the Chartered Institute of Arbitrators in London.

MODEL SCHEDULE OF RESERVED MATTERS

1. Strategy and Management

- 1.1 Responsibility for the overall management of each Member Board (“IDB”) and for the general supervision over all matters relating to the drainage of land in each IDB 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, the Chairman’s prior approval 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.

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 Changes to the IDB’s management and control structure, and, the appointment of permanent staff to fill new roles.
- 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.

MODEL SCHEDULE OF RESERVED MATTERS

3. Financial reporting and controls

- 3.1 Approval of any preliminary announcement of results.
- 3.2 Approval of the annual 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, the Chairman's prior approval shall be obtained and later ratified by the Board).
- 3.5 Approval of annual values as at 31 December in every year, to determine the proportion of drainage expenses raised from the proceeds of drainage rates and special levies.
- 3.6 Levying of drainage rates/special levies and publication 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/exemption.
- 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 sub-dividing the drainage district for the purposes of raising expenses.
- 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:
 - 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 the cost sharing and other financial provisions of the Consortium Agreement.

MODEL SCHEDULE OF RESERVED MATTERS

- 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 material 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 consents that have been granted by the Board's Committee between Board meetings.
- 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.

5. Contracts

- 5.1 Approving major capital projects of the IDB and principle contracts arising there from.
- 5.2 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 over £1,000 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 significant changes to the terms and conditions of existing contracts on renewal, or otherwise made.
- 5.3 Contracts not in the ordinary course of the IDB's undertakings, for example any joint administration arrangement or extension to include others in such an 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).
- 5.4 Approving the use of Buying Groups and Service Level Agreements through which to procure goods and services.
- 5.5 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.

¹ All applications other than for delegated consents, e.g. all applications other than for fences, sheds, etc. which are consented or otherwise refused by the District Engineer/Planning and Enforcement Officer.

MODEL SCHEDULE OF RESERVED MATTERS

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.

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 and 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 application made to the Audit Commission to remove, appoint or re-appoint the external auditor.
- 7.11 Appointments to outside bodies, the CMC and any other joint committees.

8. Remuneration

- 8.1 Approving the remuneration and training policies for Other Employees² and Other Shared Employees³.
- 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.

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).

MODEL SCHEDULE OF RESERVED MATTERS

- 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 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 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 Officer, which should be in writing.
- 9.2 Approval of the Scheme of Delegation, terms of reference for the IDB committees, the CMC and any other joint committee.
- 9.3 Receiving minutes, reports and recommendations arising from IDB 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, 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

- 11.1 Approval of all policies, including but not limited to:
 - Members Code of Conduct
 - DEFRA Policy Statement
 - Byelaw and enforcement policy
 - Capital and Maintenance Work policies
 - Health and safety policy
 - Asset Management Plan
 - Biodiversity Action Plan
 - Environmental policy

MODEL SCHEDULE OF RESERVED MATTERS

- Communications policy
- Whistle blowing policy
- Risk Management policy
- Anti Fraud and Corruption policy
- Reserves policy
- Bribery Act policy
- Investment policy

12. Other

- 12.1 Approval of the appointment of the IDB's principal professional advisers and bankers.
- 12.2 Prosecution, defence or settlement of litigation involving amounts above £5,000 or being otherwise material to the interests of the IDB. Settlement of other disputes or appeals over £5,000 or being otherwise material 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.

In addition, the IDB will receive reports and recommendations from time to time on any matter which it considers significant.

All other matters which by definition the IDB considers suitable for delegation have been delegated to its Plenary Committees, the Consortium Management Committee or are otherwise hereby delegated to the Chief Executive Officer.

The nature and extent of any delegation to a Board Committee shall appear in the Committee's terms of reference. The nature and extent of delegation to the Consortium Management Committee shall appear in the Consortium Agreement. The Chief Executive Officer shall exercise his delegated powers in accordance with the Board's Standing Orders, Financial Regulations, Policies and Procedures.

IN WITNESS WHEREOF the Member Boards have executed this Deed as their deed the day and year first before written.

THE COMMON SEAL of BROADS (2006) INTERNAL DRAINAGE BOARD was hereunto



in the presence of:

George Dann
GEORGE DANN
c/o KETTLEWELL HOUSE
KING'S LYNN
PE30 1PH

H. G. Cator
Mr H G Cator
Chairman
P. Camamile
Mr P J Camamile
Chief Executive Officer

THE COMMON SEAL of KING'S LYNN INTERNAL DRAINAGE BOARD was hereunto



in the presence of:

George Dann
GEORGE DANN
AS ABOVE

H. G. Cross
Mr H G Cross
Chairman
P. Camamile
Mr P J Camamile
Chief Executive Officer

THE COMMON SEAL of NORFOLK RIVERS INTERNAL DRAINAGE BOARD was hereunto

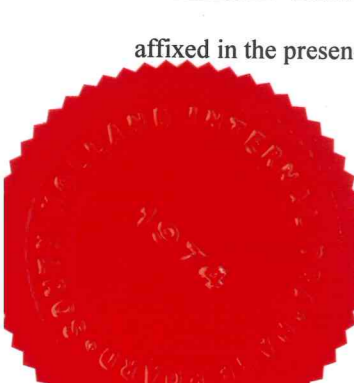


in the presence of:

George Dann
GEORGE DANN
AS ABOVE

P. D. Papworth
Mr P D Papworth
Chairman
P. Camamile
Mr P J Camamile
Chief Executive Officer

THE COMMON SEAL of SOUTH HOLLAND INTERNAL DRAINAGE BOARD was hereunto



affixed in the presence of:

George Dann
GEORGE DANN
AS ABOVE

S. A. R. Markillie
Mr S A R Markillie
Chairman
P. Camamile
Mr P J Camamile
Chief Executive Officer

THE COMMON SEAL of THE EAST SUFFOLK INTERNAL DRAINAGE BOARD was hereunto

affixed in the presence of:

TEAM CASEL
ESOCRAE BUNGAU
ESOCRAE
WOODSLIDGE
PI2 2BX

Sir E Greenwell

Sir E Greenwell
Chairman

P. Camamile

Mr P J Camamile
Chief Executive Officer

