



**Schedule of Reserved Matters**

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## **1. Overview**

The purpose of the Schedule of Reserved Matters for the Board is that, without such a schedule, many decisions that the Board would expect take can fall within the delegated authority of an executive officer, committee or task and finish group. The Schedule of Reserved Matters provides an internal safety net to ensure that these decisions must 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 required to discharge their roles effectively. Broader powers can be delegated if they are made subject to the exceptions set out in the schedule. The Schedule also allows corporate wide changes to be made without having to alter the terms of delegation for each executive officer or committee.

No matter how effective a board may be, it is not possible or good practice for members to have hands on involvement in every area of an Internal Drainage Boards business. An effective board controls the business, but delegates the day-to-day operation and responsibility to the executive management. However, there are several matters which are required to be, or, in the interests of the organisation, should only be decided by the board as a whole. Therefore, it is incumbent upon the board to clearly define what these 'Reserved Matters' are.

## **2. Urgent Matters**

In developing a Schedule of Matters Reserved for the board, it is important to establish procedures for dealing with issues of an urgent nature that may often occur between regular board meetings. The Chief Executive and the Drainage Board's management team also need to have sufficient delegated authority to effectively run the Drainage Board's day to day activities, but the extent of this may not always be understood. The terms of reference for the Chief Executive and this document clarify these issues.

In all cases, such procedures should balance the need for urgency with the overriding principle that all board members should be given as much information as possible, the time to consider it properly and the opportunity to discuss matters prior to any commitment of the Drainage Board.

## **3. Schedule of Matters Reserved for the Board.**

### **3.1. Strategy and Management**

- 3.1.1. Responsibility for the overall management of the Board (IDB) and for the general supervision over all matter relating to the drainage of the land in the Internal Drainage District.
- 3.1.2. Approval of the IDB's objectives and strategy
- 3.1.3. Approval the IDB's annual operating and capital expenditure budgets and any material changes to them. (In the event of an emergency or where it is not feasible or practical to obtain the Boards prior approval, the approval of the Chair shall be obtained and later ratified by the Board.

- 3.1.4. Oversight of the IDB's operations ensuring:
  - 3.1.5. Competent and prudent management
  - 3.1.6. Sound planning
  - 3.1.7. An adequate system of internal control
  - 3.1.8. Adequate accounting and other record keeping
  - 3.1.9. Compliance with statutory and regulatory obligations
  - 3.1.10. Review of the IDB's performance in the light of the IDB's strategy, objectives and targets, service delivery plans, renewals/ refurbishment programmes, policies and budgets and ensuring that any necessary corrective action is taken.
  - 3.1.11. Extension of the IDB's activities into new businesses or geographic areas.
  - 3.1.12. Any decision to cease to operate all or any material part of the IDB's activities.
  - 3.1.13. Material changes in general supervision over matters relating to the drainage of land within the IDB's drainage district.
  - 3.1.14. 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 Act(s) 1991 and 1994 and the Flood and Water Management Act 2010 and any associated or subsequent legislation and regulation.
- 3.2. Structure and capital
- 3.2.1. Changes relating to the IDB's capital structure, including balances, provisions, and reserves.
  - 3.2.2. Major changes in rateable value of the drainage district.
  - 3.2.3. Major changes in the IDB's corporate structure.
  - 3.2.4. Major changes to the IDB's management and control structure and the appointment of permanent staff to fill new roles.
  - 3.2.5. Any changes to the IDB's status as an independent and autonomous land drainage authority, e.g., amalgamation or merger with one or more operating authority or abolition.
  - 3.2.6. Any application to alter boundaries, or to in any way reorganise the Internal Drainage District, in accordance with Section 2 and 3, of the Land Drainage Act 1991.

### 3.3. Financial controls and reporting

- 3.3.1. Approval of any preliminary announcement of results.
- 3.3.2. Approval of the annual report and accounts, including corporate governance statements and remuneration reports.
- 3.3.3. Approval of the rates estimates, revised estimates and any other budgets.
- 3.3.4. Approval of the reserves policy and any material changes in the level of provision or reserves. (In the event of an emergency where it is not feasible or practical to obtain the Boards prior approval to any such changes, the Chair or Policy & Finance Committee's approval shall be obtained and later ratified by the Board.
- 3.3.5. Approval of annual values as of 31<sup>st</sup> December each year, to determine the proportion of drainage rate expenses that are raised from the proceeds of drainage rate and special levies.
- 3.3.6. Levying of drainage rates/special levies and publication of any indicative forecast.
- 3.3.7. Approval of any significant changes in accounting policies or practices.
- 3.3.8. Approval of any treasury and investment policies and strategies, including foreign currency exposure and the use of financial derivatives.
- 3.3.9. The Board may delegate management of the investment portfolio to the Policy & Finance Committee subject to investments being ratified by the Board and the limitations contained within sections 3.4 and 3.8 of this document.
- 3.3.10. Approval of any material write off or rating amendment or exemption.
- 3.3.11. Changes to the contribution per impermeable hectare payable by developers, following recommendations made by the executive management.
- 3.3.12. Changes to labour and plant charge out rates.
- 3.3.13. Approve any commutation of obligations and of the financial consequences arising there from.
- 3.3.14. Applications to make, vary or revoke orders sub-dividing the drainage district for the purposes of raising expenses.
- 3.3.15. Approval of any grant applications made to DEFRA, the Environment Agency, Public Works Loan Board or elsewhere.

3.3.16. Approval of applications made the Environment Agency for contributions toward expenditure on maintaining/improving additional upland water carriers or critical ordinary watercourses.

#### 3.4. Internal controls

3.4.1. Ensuring maintenance of a sound system of internal controls 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 procedures.
- Approving an appropriate statement on the annual report.

3.4.2. Changes to the IDB's Standing Orders and Financial Regulations.

3.4.3. Changes to the IDB's Byelaws, in accordance with Section 66 of the Land Drainage Act 1991.

3.4.4. Consideration of applications that are likely to have a material effect on the flow of any ordinary watercourse and approval of all consents issued thereafter unless otherwise delegated by the Board. (Section 23, Land Drainage Act 1991).

3.4.5. Approval of non-delegated Byelaw consents and ratification of any such consent that has been granted by the executive management between board meetings.

3.4.6. Approval of IDB minutes and reports together with any material changes in their format.

3.4.7. Approval of any works/activities that may be requested by the Environment Agency using the supervisory powers (Section 7 of the Land Drainage Act 1991) or their default powers (Section 9, Land Drainage Act 1991)

3.4.8. Approval of any adoption/abandonment, adding to or decreasing the liability for land drainage infrastructure within the drainage district.

3.4.9. Approvals of applications made to or from the Environment Agency or other third party to en-main, de-main, or reclassify any land drainage or flood defence infrastructure within the drainage district.

3.4.10. Approving the dates and times of the IDB's meeting and inspections.

### 3.5. Contracts

3.5.1. Approving major capital projects of the principal contract arising there from.

3.5.2. Contracts which are material strategically or by reason of size, entered by the IDB in the ordinary course of its undertakings, for example any bank borrowing or 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.

3.5.3. Contracts not in the ordinary course of the IDB's undertaking, for example any joint administration arrangement or extension to include others in such an arrangement, any loans, and repayments; all foreign currency transactions, any major acquisitions or disposals above £15,000 (excluding land) and any purchase/disposal of land, whether compulsorily acquired or otherwise.

3.5.4. Approving the use of Buying Group, Service Level Agreements or third-party Frameworks through which goods or services may be procured.

3.5.5. Major investments, including the acquisition or disposal of interests of more than 5% in any voting shares of any company of the making of any takeover offer.

### 3.6. Communications

3.6.1. Approval of any resolutions and any corresponding documentation to be put to ratepayers and constituent billing authorities.

3.6.2. Approval of non-general circulars to ratepayers and constituent billing authorities.

3.6.3. Approval of press releases concerning matters decided by the IDB.

### 3.7. IDB Membership and other appointments

3.7.1. 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, Land Drainage Act 1991.

3.7.2. Ensuring adequate succession planning for senior management and operatives.

3.7.3. Approving appointments to the IDB in accordance with Schedule 1 Part 2, Land Drainage Act 1991. (Appointed Members only)

3.7.4. Election of Chair and Vice Chair(s) of the IDB in accordance with Standing Orders.

- 3.7.5. Membership of IDB committees, sub committees and Advisors.
- 3.7.6. Continuation in office of any member at any time, including suspension or termination of service, in accordance with Schedule 1 Part 3 Sections 8 and 9 Land Drainage Act 1991 and/or requirements of the Members Code of Conduct.
- 3.7.7. 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.
- 3.7.8. Appointment or removal of the Returning Officer and approval of the Electoral Register.
- 3.7.9. Appointment or removal of the internal auditor.
- 3.7.10. Appointment or removal of the Accountant.
- 3.7.11. Any application made to the Audit Commission (or its successor) to remove, appoint or re-appoint the external auditor.
- 3.7.12. Appointments to outside bodies, the Policy & Finance Committee, or any other bodies.

### 3.8. Remuneration

- 3.8.1. Approving the remuneration and training policies for employees.
- 3.8.2. Approving corporate wide changes to the terms and conditions of employees following recommendations made by the Lincolnshire IDBs Pay and Conditions Advisory Committee or any committee delegated by the Board.
- 3.8.3. Determining the policy of paying allowances or reimbursing expenses incurred by members, in accordance with Schedule 2 Section 1(2) of the Land Drainage Act 1991.
- 3.8.4. The introduction of employee incentive schemes.
- 3.8.5. Approval of any severance packages awarded to employees in excess of the statutory minimum or of any pension enhancement made thereto.

### 3.9. Delegation of authority

- 3.9.1. The 'Division of Responsibility' between the Chair and the Chief Executive, which must be in writing.
- 3.9.2. Approval of the Boards Scheme of Delegation and any terms of reference established for any committees or sub committees.
- 3.9.3. Receiving minutes, reports and recommendations from any committees or sub committees.

### 3.10. Corporate governance matters

- 3.10.1. Undertaking at formal and rigorous review of the IDB's own performance, that of its committees and sub committees, individual members and of those appointed to outside bodies.
- 3.10.2. Determining the independence of members.
- 3.10.3. Considering the balance of interests between ratepayers, billing authorities, developers, and the community.
- 3.10.4. Reviewing the IDB's overall corporate governance arrangements and structures.
- 3.10.5. Receiving reports on the view of the IDB's stakeholders.

### 3.11. Policies

#### 3.11.1. Approval of all policies, including but not limited to:

- Members Code of Conduct
- DEFRA Policy Statement
- Byelaw and Planning policy
- Maintenance policy
- Health and Safety policy
- Environment policy
- Work programme
- Biodiversity Action Plan
- Scheme of Publication
- Whistleblowing policy
- Risk Management Strategy
- Anti-fraud and Corruption policy
- Anti-bribery policy
- Safeguarding public money policy



- Investments policy
- Reserves policy

### 3.12. Other matters

- 3.12.1. Approval of the Boards principal professional advisors and bankers.
- 3.12.2. Prosecution, defence, or settlement of litigation involving amounts above £5,000 or otherwise being 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.
- 3.12.3. Approval of any appeal lodged against the precept levied by the Environment Agency.
- 3.12.4. Approval of the overall levels of insurance for the IDB including Directors' and Officers' Liability insurance, indemnification of IDB members and personal accident insurance.
- 3.12.5. Major changes to the rules of the IDB's pension schemes/admissions policies, changes in the fund management arrangements where this is at the IDB's discretion or approval.
- 3.12.6. Changes to those authorised to institute legal proceedings, pursuant to various powers afforded to the IDB under the Land Drainage Act 1991 and Flood and Water Management Act 2010
- 3.12.7. 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.
- 3.12.8. This schedule of matters reserved for IDB decisions.
- 3.12.9. In addition, the IDB will receive report and recommendations from time to time on any matter which it considers significant (such recommendations may come from, but not be limited to IDB committees or sub committees)