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1 OVERVIEW

A Schedule of Reserved Matters ensures that decisions that the Board would expect to take would otherwise fall within the delegated authority of the Chief Executive Officer (CEO), Chairman, a Committee or joint Committee.

The existence of a Schedule of Reserved Matters for the Board provides an internal safety net ensuring these decisions have to be referred to the Board. It simplifies the process of delegation and makes it easier for the board to give Committees the powers they need to perform function. Broader powers can be delegated if they are made subject to the exceptions set out in the Schedule. A schedule also allows changes to be made without having to alter the terms of delegation for each individual or committee. The disadvantage of this 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.

No matter how effective a Board may be it is not possible for Members to have hands on involvement in every area of the Board's business. An effective Board controls the business but delegates day to day responsibility to the Management staff. There are a number of matters however which are required to be, or in the interests of the Board, should only be decided by the Board as a whole. It is therefore incumbent upon the Board to make it clear what the Reserved Matters are.

2 URGENT MATTERS

A Schedule of Reserved Matters is important to establishing procedures for dealing with issues that have to be dealt with urgently, often between regular Board meetings. The CEO and his 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 CEO and Management Team and the Board's Scheme of Delegation clarify these issues.

3 SCHEDULE OF MATTERS RESERVED FOR THE BOARD

In all cases 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 by the organization.

3.1 Strategy and Management

- 3.1.1 Responsibility for the overall management of the Board and for the general supervision of all matters relating to the drainage of land within the Internal Drainage District and obligations as a Risk Management Authority under the Flood & Water Management Act 2010.
- 3.1.2 Approval of the Board's objectives and strategy.
- 3.1.3 Approval of the Board's annual operating and capital expenditure budgets and any materials changes to them. In the event of an emergency where it is not feasible or practical to obtain the Board's prior approval, approval from the Finance Committee shall be obtained and later ratified by the Board.
- 3.1.4 Oversight of Board operations ensuring:
 - Competent and prudent management
 - Sound planning
 - Adequate system of internal control through Internal Audit Review
 - Adequate accounting and other records
 - Compliance with statutory and regulatory obligations

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- 3.1.5 Review of Board's performance in light of Board strategy, objectives, targets, service delivery plans and renewals/refurbishment programmes, policies and budgets ensuring that any necessary corrective action is taken.
- 3.1.6 Extension of Board activities into new business or geographic areas.
- 3.1.7 Any decision to cease to operate all or any material part of the Board's activities.
- 3.1.8 Material changes in general supervision over matters relating to the drainage of land in the Board drainage district.
- 3.1.9 Material changes in how other powers are used and how other duties are performed in the drainage district that have been conferred on the Board by the Land Drainage Act 1991 (as amended), the Flood and Water Management Act 2010 and all Environmental Legislation.

3.2 Structure and Capital

- 3.2.1 Changes relating to the Board'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 to the Board's structure.
- 3.2.4 Any change to the status of the Board as an autonomous land drainage authority for example amalgamation, merger or abolition.
- 3.2.5 Any application to alter the boundaries or reorganization of the internal drainage district in accordance with Sections 2 and 3 of the Land Drainage Act 1991.

3.3 Financial Reporting and Controls

- 3.3.1 Approval of the Annual Report and Accounts including the corporate governance statement and remuneration report.
- 3.3.2 Approval of the Internal Audit Review Meeting Minutes.
- 3.3.3 Approval of the Risk Register.
- 3.3.4 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 Finance Committee shall be obtained and later ratified by the Board.
- 3.3.5 Approval of any write off or rating amendments/exemptions contained within the Rating Report.

3.4 Internal controls

- 3.4.1 The Board will nominate one Member of the Board to sit on the Shire Group of IDBs Internal Audit Review Committee ensuring maintenance of a sound system of internal control and risk management.
- 3.4.2 Changes to the Board Standing Orders and Financial Regulations.
- 3.4.3 Changes to the Board byelaws in accordance with Section 66 of the Land Drainage Act 1991.
- 3.4.4 Approval of Board Minutes and reports together with any material changes in content.
- 3.4.5 Approval of any works/activities requested by the Environment Agency under its supervisory powers contained in Section 7 of the Land Drainage Act 1991 or default powers contained in Section 9 of the Land Drainage Act 1991.
- 3.4.6 Approval of the dates and times of the Board meetings.

3.5 Contracts

- 3.5.1 Approval of major capital projects of the Board and principle contracts arising therefrom.
- 3.5.2 Contracts which are material, strategically or by reason of size, entered into by the Board in the ordinary course of its undertakings. For example bank borrowings or a contractual commitment

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beyond one year, acquisitions or disposals of fixed assets above £15,000 (excluding land), and any purchase/disposal of land (whether compulsorily acquired or otherwise).

- 3.5.3 Approve the use of Buying Groups and Service Level Agreements through which to procure goods and services.

3.6 Board membership and other appointments

- 3.6.1 Ensuring adequate succession planning for Board Employees.
- 3.6.2 Approving appointments to the Board in accordance with Schedule 1 Part 2 of the Land Drainage Act 1991 (appointed members only).
- 3.6.3 Election of Chairman and Vice Chairman of the Board in accordance with Standing Orders.
- 3.6.4 Membership of Committees.
- 3.6.5 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 the Members Code of Conduct.
- 3.6.6 Filling of casual vacancies in accordance with Schedule 1 Part 3 section 10 of the Land Drainage Act 1991.
- 3.6.7 Appointment or removal of the Returning Officer and approval of the Electoral Register.
- 3.6.8 Appointment or removal of the Internal Auditor.

3.7 Remuneration

- 3.7.1 Approval of any application to pay the Chairman of the Board an allowance for the purpose of enabling him/her to meet the expenses of office in accordance with Schedule 2 section 1(1) of the Land drainage Act 1991.
- 3.7.2 Approval of any severance package awarded to Board Employees in excess of statutory minimum requirements.

3.8 Delegation of Authority

- 3.8.1 The division of responsibilities between the Chairman and the CEO which must be in writing.
- 3.8.2 Approval of the Board's Scheme of Delegation, terms of reference for the Board Committees.
- 3.8.3 Changes to those authorised to institute legal proceedings pursuant to various powers afforded to the Board by the Land Drainage Act 1991 and the Flood & Water Management Act 2010

3.9 Corporate governance matters

- 3.9.1 Undertaking a formal and rigorous review of the Board's own performance, of its Committees, individual members and of those appointed to outside bodies.
- 3.9.2 Determining the independence of members.
- 3.9.3 Considering the balance of interests between ratepayers, billing authorities, employees, developers and the community encompassing Sustainable Development.
- 3.9.4 Review the Board's overall governance arrangements and committee structure.
- 3.9.5 Receiving reports on the views of Board stakeholders.

3.10 Policies and Statements

Approval of all policies and statements but not limited to:

- Member Code of Conduct
- Water Level Management Vision and Policy
- Division of Responsibilities between CEO and Chairman Statement
- Watercourse Maintenance Statement

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- Byelaw and Enforcement Policy
- Health & Safety Policy
- Asset Management Plan
- Biodiversity Action Plan
- Environmental Policy
- Whistle Blowing Policy
- Anti Fraud and Corruption Policy
- Reserves Policy
- Investments Policy
- Duties and Responsibilities of Members Statement

3.11 Other Matters

3.11.1 Prosecution, defence or settlement of litigation involving amounts above £5,000 or being otherwise material to the interests of the Board. Settlement of other disputes or appeals over £5,000 or being otherwise material to the interests of the Board.

3.11.2 Approval of overall levels of insurance for the Board including Member liability insurance.

4 CERTIFICATION

Danvm Drainage Commissioners agreed to introduce this Schedule of Reserved Matters on the 20th day of June 2014

By Order of the Danvm Drainage Commissioners

Certified by Ian M Benn, Chief Executive Officer

This document is next scheduled for review on the 31st March 2019