



RIVER LUGG INTERNAL DRAINAGE BOARD

Schedule of Matters Reserved for the Board

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 be taken under delegated authority. 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 the Clerk, and the Area Engineer and the Responsible Finance Officer 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. 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. 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. 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 Clerk, the Area Engineer and the Responsible Finance Officer need to have sufficient delegated authority to run the day to day business but the extent of this may not always be understood. The schedule of matters reserved for the Board should also clarify this issue. 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.

A. Strategy and Management

1. Responsibility for the overall management of the Board (ID) and for the general supervision over all matters relating to the drainage of land in the Internal Drainage District.
2. Approval of the IDB's objectives and strategy.
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 Chair's prior approval shall be obtained and later ratified by the Board).
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.
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.
6. Extension of the IDB's activities into new business or geographic areas.
7. Any decision to cease to operate all or any material part of the IDB's activities.
8. Material changes in general supervision over matters relating to the drainage of land in the IDB's drainage district.
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 Major 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 Board, 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 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 Chair's prior approval shall be obtained and later ratified by the Board).
- 3.5 Approval of annual values as at 31st 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.
- 3.11 Approval of any commutation of obligations and of the financial consequences arising there from.
- 3.12 Applications to make vary or revoke orders sub-dividing the drainage district for the purposes of raising expenses or exempting land from rating.
- 3.13 Approval of applications for grant.
- 3.14 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.
- 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 effect 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-delegated Byelaw consents and ratification of any such consent that has 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 (this does not apply to emergency meetings).

5. Contracts

- 5.1 Approving major capital projects of the IDB and principal 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 or any contractual commitment beyond one year, acquisitions or disposals of fixed assets above £10,000 (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 £10,000; and major acquisitions or disposals above £10,000 (excluding land), and any purchase/disposal of land (whether compulsorily acquired or otherwise).
- 5.4 Contract with anyone or any company in which any one whom acts on behalf of the Board has a significant pecuniary interest.

- 5.5 Approving the use of Buying Groups and Service Level Agreements through which to procure goods and services.
- 5.6 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.

7. IDB membership and other appointments

- 7.1 Changes to the structure, size and composition of the IDB, pursuant to Schedule 1 Part 2 section 6 of the Land Drainage Act 1991.
- 7.2 Ensuring adequate succession planning for management.
- 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 Chair and Vice Chair of the IDB in accordance with Standing Orders.
- 7.5 Membership of any IDB committees.
- 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 proposal to remove, appoint or re-appoint the external auditor.

7.11 Appointments to outside bodies and any joint committees.

8. Remuneration

8.1 Approving any application to pay the Chair 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.

8.2 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.

8.3 Approval of any severance packages 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 Chair and the Clerk, the Area Engineer and the Responsible Finance Officer which must be in writing.

9.2 Approval of terms of reference for any IDB committees and any joint committee.

9.3 Receiving minutes, reports and recommendations arising from any IDB committees and any 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:

- Byelaws
- Members Code of Conduct
- Health and safety policy
- Biodiversity Action Plan
- Environmental policy (Policy Statement on Flood Protection and Water Level Management)
- Whistle blowing policy
- Risk Management policy
- Anti Fraud and Corruption policy
- Bribery Act policy
- Reserves Policy (as part of Financial Regulations)
- Freedom of Information

11.2 Approval of the annual maintenance works programme

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 The Board will receive reports and recommendations from time to time on any matter which it considers significant in relation to this schedule of matters reserved for Board decisions. All other matters which by definition the IDB considers suitable for delegation have been delegated to the Clerk, the Area Engineer and the Responsible Finance Officer. The nature and extent of any delegation to any Board Committee shall appear in that Committee's terms of reference. The Clerk, the Area Engineer and the Responsible Finance Officer shall exercise his/her delegated powers in accordance with the Board's Standing Orders, Financial Regulations, Policies and Procedures.

13. MONITORING

The Schedule of Matters Reserved shall be reviewed by the Board within one year of board elections or sooner if required e.g. legislation changes.

Document Control

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| Date Approved by RLIDB | January 2020 |
| Date of next of scheduled review | January 2023 |