

**WATER MANAGEMENT ALLIANCE**

**RECHARGEABLE  
WORKS POLICY AND  
STAFF PLAN**

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**OPERATIONS**

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**Review date: December 2020**

**To be reviewed every 5 years**

**Next review date: December 2025**

**Reviewed by: WMA Consortium Management Committee**

**Adopted by:**

Broads Internal Drainage Board  
East Suffolk Internal Drainage Board  
King's Lynn Internal Drainage Board  
Norfolk Rivers Internal Drainage Board  
South Holland Internal Drainage Board  
Waveney, Lower Yare and Lothingland Internal Drainage Board  
Pevensy and Cuckmere Water Level Management Board

Internal Drainage Boards (IDBs) have express powers to carry out direct works for third parties and to provide administrative, professional, and technical support services to other IDBs, as set out in sections 11 & 20 of the Land Drainage Act 1991. The Boards are also able to deliver flood and coastal erosion risk management functions on behalf of any other Flood Risk Management Authority, by virtue of express powers afforded under section 13 of the Flood and Water Management Act 2010. The purpose of this policy is to explain how the Boards will aim to use these powers.

**RECHARGEABLE WORKS POLICY AND STAFF PLAN**

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## RECHARGEABLE WORKS POLICY AND STAFF PLAN

### 1. What rechargeable services do we aim to provide and why?

- 1.1. Rechargeable works and services may be undertaken or provided to other Flood Risk Management Authorities, Statutory Undertakers and Privatised Utilities, Community Interest Groups, Businesses, Charitable Organisations, Developers, Farmers and Land Managers, Landowners, the Association of Drainage Authorities and others (third parties).
- 1.2. The Boards will seek to undertake and provide rechargeable works and services to third parties (the services) in addition to delivering their own works programmes and fulfilling their statutory responsibilities, in order to reduce net expenditure and therefore the amount of Drainage Rates and Special Levies that they need to collect from their Drainage Ratepayers and constituent Billing Authorities.
- 1.3. The services we aim to undertake and provide to third parties are set out in our [statement of capabilities](#) and include:
  - (a) Designing, delivering, maintaining and advising on technically, environmentally and economically sustainable flood and coastal erosion risk management infrastructure and water level control systems.
  - (b) Enabling, facilitating and advising on land use for commercial, residential, recreational, environmental and public purposes, in terms of addressing flood and coastal erosion risk management issues.
  - (c) Nurturing, enhancing, maintaining and advising on the biodiversity, which exists in and alongside flood and coastal erosion risk management infrastructure.
  - (d) Providing administration and technical support to other Internal Drainage Boards (IDBs) and Flood Risk Management Authorities (FRMAs) on a rechargeable basis, either through the Association of Drainage Authorities (ADA) or directly, or, as part of a consortium/collaborative arrangement.
  - (e) Providing other IDBs with access to Drainage Rating, Land and Election Management software.

### 2. What powers do we have to provide these rechargeable services to third parties?

- 2.1. The Boards have express powers to carry out drainage work for any person on a rechargeable basis other than on main rivers, by virtue of section 20 of the Land Drainage Act 1991 (both within and outside of their Internal Drainage Districts). The Boards will use this power to carry out drainage works for third parties when requested.
- 2.2. The Boards have express powers to exercise a general supervision over all matters relating to the drainage of land within their Drainage Districts, in accordance with section 1(2) of the Land Drainage Act 1991. The Boards will use this power to provide an advisory service for developers on various planning, technical and environmental issues associated with

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land use and development. This pre-application advice is distinctly different from the statutory charge that applies for considering applications to do works, which is set out separately in the legislation.

- 2.3. The Boards are all Flood Risk Management Authorities (FRMAs) as defined in section 6(13) of the Flood and Water Management Act 2010. As such they are able to perform flood and coastal erosion risk management functions on behalf of other Flood and Coastal Erosion Risk Management Authorities; the Environment Agency, Lead Local Flood Authorities, Coastal Authorities, District & Borough Councils, Water Companies, Highway Authorities and other Internal Drainage Boards, in accordance with express powers afforded under sections 13(4) and 13(8) of the Flood and Water Management Act 2010. The Boards may therefore seek to use these powers to carry out certain functions as agents on behalf of other FRMAs or request other FRMAs to carry out certain functions on behalf of the Boards themselves, by working collaboratively with other FRMAs using Public Sector Cooperation Agreements etc.
- 2.4. The Boards have express powers to carry out any work on a main river for the Environment Agency, on such terms as may be agreed (section 11(1) of the Land Drainage Act 1991). The Boards may occasionally use this power to carry out maintenance work on main rivers for the Environment Agency as a contractor, when requested.
- 2.5. The Boards also have express powers to do drainage work for other Internal Drainage Boards, on such terms as may be agreed between the Boards (section 11(3) of the Land Drainage Act 1991). The Boards will use this power to carry out drainage work for other Internal Drainage Boards both within and external to the WLMA as a contractor, when requested.
- 2.6. The Boards have express powers to provide administrative, professional or technical support services to other Internal Drainage Boards, by virtue of section 11(5) of the Land Drainage Act 1991. The Boards use this power to participate in the WLMA and to offer consultancy services and Drainage Rating, Land and Election Management computer software to other Internal Drainage Boards and Districts outside the WLMA in England and Wales.

## 3. How and when will we aim to provide these services to third parties?

- 3.1. The Boards will not seek to build or retain excess capacity over and above what they need to fulfil their statutory functions and discharge their statutory responsibilities, in anticipation of undertaking and providing rechargeable works and services to third parties because if requests for such works and services do not materialise, the Boards could be left with too much capacity and Drainage Rates and Special Levies may therefore be higher than they might otherwise need to be.
- 3.2. Equally the Boards have a responsibility to ensure that their employees, plant and equipment are fully utilised at all times of the year and there may therefore be some opportunities on occasion to undertake and provide such works and services to third parties, which will in turn reduce the Boards net expenditure and therefore the amount of

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Drainage Rates and Special Levies payable by Drainage Ratepayers and constituent Billing Authorities.

- 3.3. To ensure that the Boards do not carry excess capacity they will only employ the number of technical support staff required to deliver their capital, environmental and maintenance work (and if requested, that of other FRMAs), to respond effectively in an emergency and, to retain their ability to act as an intelligent client where the Boards on occasion need access to expertise that they do not have in-house and therefore utilise specialist consultants and/or expertise from other FRMAs to support the Boards management teams.
- 3.4. The WMA Member Boards will continue to participate in the Water Level Management Alliance (WLMA) where administrative and technical support staff are shared to reduce costs, increase influence and strengthen their organisations without losing an unacceptable degree of autonomy and increasing liabilities. This approach will minimise the number of employees that are required to deliver the core work as previously outlined and will increase the in-house capability beyond what an individual IDB could realistically achieve alone. The Boards will consider any application to join or work in collaboration with the WLMA from other like-minded FRMAs and will continue to support ADA in the pursuit of its objectives.
- 3.5. From a procurement perspective, the WLMA and the cooperation between public authorities which it represents mean that it is not a public services contract within the scope of the Directive (2004/18/EC). The Member Boards benefit from the *Hamburg Waste* and *Teckal* exemptions. As such the Member Boards do not need to periodically tender for the services they receive from their own Consortium, in order to comply with the Public Contracts Regulations. Instead the WMA Member Boards ensure that they are getting value for money from their own Group by exercising structural and functional control over the Group's decision making and by benchmarking performance against Key Performance Indicators that have been developed specifically for IDBs by DEFRA.
- 3.6. The Boards will only aim to employ the number of operatives that are needed alongside Board members, Pump Attendants, and Category 1 or 2 Responders to effectively respond in periods of high flows and during other emergency events because reliance on contractors and other FRMAs (which are likely to be stretched) in these situations could otherwise present a major risk to people, property, vital public infrastructure and protected environmental assets within the Drainage Districts. For each Board, this minimum workforce number is known as its Incidence Response Number (or 'Noble Number'). Where additional capacity is required to deliver the Boards works programmes, contractors and employees will be utilised from the private sector and other FRMAs respectively, and/or consideration may be given to employing appropriate individuals on fixed term contracts. Each Board's 'Noble Number' will be reviewed every 3 years.
- 3.7. The Boards will only ever seek to undertake and provide rechargeable works and services to third parties when:
  - (a) they have access to the appropriate skill sets and sufficient capacity to do so competently, expeditiously and competitively;
  - (b) the cost of doing the work can be recovered from the beneficiary(ies) or the customer(s) as set out in section 4 below, or, alternatively when this leads to

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- permanent savings being generated elsewhere in the business that are at least equal to the cost of doing the work;
- (c) delivery of the Boards own works programmes and ability to properly discharge their statutory responsibilities will not be compromised, due to reduced capacity and being overly committed.
- 3.8. The Boards will not plan to carry out rechargeable work which generates an income that exceeds 20% of turnover in any one financial year, so as not to adversely impact on delivering core services and discharging their statutory duties. The Boards will only ever carry out rechargeable work which generates an income that exceeds 20% of turnover, if the services requested help deliver the Boards Business Plans or will otherwise benefit the wider Local Flood Risk Management Service, and, when the cost of doing so can be fully recovered, as defined in section 4 below.
- 3.9. The Boards may use local contractors to help carry out rechargeable work where their hourly charge-out rates, together with the IDBs supervision cost are in total less than or equal to the IDBs In-house cost/hour, and, in emergency events when capacity is an issue.

## 4. What will we charge for providing these services to third parties?

- 4.1. The Boards will charge the higher of the following for carrying out and providing rechargeable works and services as a contractor or a consultant:
- 4.1.1. The variable cost of providing the service(s) requested plus 20%, as a contribution towards fixed costs, or
- 4.1.2. The market rate for providing the service(s) requested, as determined by each Board.
- 4.2. The Boards may agree to charge other Flood and Coastal Erosion Risk Management Authorities less than the market rate for work that is undertaken or provided collaboratively via Public Sector Cooperation Agreements etc., providing that this charge is not less than the fully absorbed cost to each Board of undertaking the work or providing the service(s).
- 4.3. The hourly rates for hiring the Boards operatives' plant and equipment, together with the unit costs of carrying out the various rechargeable activities will be reviewed by the Boards annually and then communicated to partners and customers directly, as set out in the Boards Stakeholder Engagement Plan. The Schedule of Rates will also be published on the Group's website.
- 4.4. If you would like a quote for doing some work, delivering a specific project or providing a particular service, please contact the Board's Operations Manager or the Group's Chief Executive whose contact details are published on our website.

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- 4.5. The nature and extent of the rechargeable project or service will always be agreed in writing with the partner/customer before work starts or the service is provided: when carrying out work for other Risk Management Authorities via Public Sector Cooperation Agreements, the nature and extent of the project will always be set out in Schedule 3 of the Agreement and work will only usually start on receipt of a Purchase Order. The cost of delivering the work will be calculated using our published Schedule of Rates. When providing technical consultancy services to customers, work will only start on receipt of a signed copy of our Standard Terms and Conditions of Engagement. When carrying out direct works for customers, work will only start on receipt of a signed copy of our Standard Terms and Conditions of Business.
- 4.6. The Boards may request payments to be made on account if the work or service requested will take a long time or considerable resources to deliver. Stage payments may also be required, which will always be agreed with the customer beforehand along with all other terms of business, otherwise payment will be due in full when the service has been provided and statutory interest may be applied to all Invoices that have not been paid in full within 14 days of the Invoice tax point date.
- 4.7. The Boards Development Control Charges and Fees policy, Drainage Rates and Special Levies, Schedule of Charge-Out Rates and Unit Costs, Standard Conditions of Engagement and Standard Terms and Conditions of Business are also published on the Group's website.

## **5. How will we report on the work we have done and on the services we have provided?**

- 5.1. Each Board will report the Income it has received from rechargeable works and services and the cost of doing this work in a quarterly Financial Report, which is considered by the Board and then published with the certified minutes on the Group's website when confirmed as such.
- 5.2. All Income and Expenditure for rechargeable works and services will be reported in each Board's Financial Statements and Audited Annual Return, which is also published on the Group's website every year.

## **6. Do we carry the appropriate Insurances to provide these services?**

- 6.1. Yes, the Boards are insured to carry out works and provide these services to third parties. The Boards carry appropriate levels of Public/Products Liability Insurance, Employers Liability Insurance, Professional Indemnity Insurance and Directors and Officers Liability Insurance cover.

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### 7. When will we review this Policy and Staff Plan?

- 7.1. The Boards will each individually review this policy and staff plan at least once every five years.