

## SCHEDULES

### SCHEDULE 1

Section 1.

#### THE NATIONAL RIVERS AUTHORITY

#### PART I

#### ORGANISATION AND PROCEEDINGS ETC. OF AUTHORITY

##### *Membership*

- 1 (1) Subject to the following provisions of this paragraph, a member shall hold and vacate office in accordance with the terms of his appointment and shall, on ceasing to be a member, be eligible for re-appointment.
- (2) A member may at any time by notice to the appropriate Minister resign his office.
- (3) The appropriate Minister may remove a member if he is satisfied—
- (a) that that member has been absent from meetings of the Authority for a period of more than three consecutive months without the permission of the Authority;
  - (b) that that member has been adjudged bankrupt, that his estate has been sequestrated or that he has made a composition or arrangement with, or granted a trust deed for, his creditors; or
  - (c) that that member is unable or unfit to carry out the functions of a member.
- (4) In this paragraph and paragraph 2 below “the appropriate Minister” means —
- (a) in relation to a member appointed under section 1(2)(a) of this Act, the Minister; and
  - (b) in relation to any other member, the Secretary of State.

##### *Remuneration, pensions etc.*

- 2 (1) The Authority shall pay to its members such remuneration, and such travelling and other allowances, as may be determined by the appropriate Minister.
- (2) The Authority shall, if so required by the appropriate Minister, pay such pension, allowances or gratuities to or in respect of a person who has been or is a member, or such payments towards provision for the payment of a pension, allowances or gratuities to or in respect of such a person, as may be determined by the appropriate Minister.
- (3) If, when any member ceases to hold office, the appropriate Minister determines that there are special circumstances which make it right that that member should receive compensation, the Authority shall pay to him a sum by way of compensation of such amount as may be so determined.

---

*Status: This is the original version (as it was originally enacted).*

---

- (4) The approval of the Treasury shall be required for the making of a determination under this paragraph.

*Staff*

- 3 (1) The Authority may, with the approval of the Secretary of State as to terms and conditions of service, appoint such officers and employees as it may determine.
- (2) No member or other person shall be appointed by the Authority to act as chief executive of the Authority unless the Secretary of State has consented to the appointment of that person.
- (3) The Authority may—
- (a) pay such pensions, allowances or gratuities to or in respect of any persons who have been or are its officers or employees as it may, with the approval of the Secretary of State, determine;
  - (b) make such payments as it may so determine towards provision for the payment of pensions, allowances or gratuities to or in respect of any such persons;
  - (c) provide and maintain such schemes as it may so determine (whether contributory or not) for the payment of pensions, allowances or gratuities to or in respect of any such persons.
- (4) Any reference in sub-paragraph (3) above to pensions, allowances or gratuities to or in respect of any such persons as are mentioned in that sub-paragraph includes a reference to pensions, allowances or gratuities by way of compensation to or in respect of any of the Authority's officers or employees who suffer loss of office or employment or loss or diminution of emoluments.
- (5) If any person—
- (a) on ceasing to be an officer or employee of the Authority becomes a member; and
  - (b) was by reference to his office or employment by the Authority a participant in a pension scheme maintained by the Authority for the benefit of any of its officers or employees,
- the Authority may, with the approval of the Secretary of State, make provision for him to continue to participate in that scheme, on such terms and conditions as it may with the consent of the Secretary of State determine, as if his service as a member were service as an officer or employee of the Authority; and any such provision shall be without prejudice to paragraph 2 above.
- (6) The consent of the Treasury shall be required for the giving of an approval under this paragraph.

*Proceedings of Authority*

- 4 Subject to the following provisions of this Schedule and to section 136(3) and (4) of this Act, the Authority may regulate its own procedure (including quorum).

*Delegation of powers*

- 5 Subject to section 136(3) and (4) of this Act, anything authorised or required by or under any enactment to be done by the Authority may be done by any member,

---

*Status: This is the original version (as it was originally enacted).*

---

officer or employee of the Authority who has been authorised for the purpose, whether generally or specially, by the Authority or may be done by any committee or sub-committee of the Authority which has been so authorised.

#### *Interests of members*

- 6
- (1) A member who is in any way directly or indirectly interested in any matter that is brought up for consideration at a meeting of the Authority shall disclose the nature of his interest to the meeting; and, where such a disclosure is made, the disclosure shall be recorded in the minutes of the meeting and the member shall not take any part in any deliberation or decision of the Authority, or of any of its committees or sub-committees, with respect to that matter.
  - (2) For the purposes of sub-paragraph (1) above, a general notification given at a meeting of the Authority by a member to the effect that he is a member of a specified company or firm and is to be regarded as interested in any matter involving that company or firm shall be regarded as a sufficient disclosure of his interest in relation to any such matter.
  - (3) A member need not attend in person at a meeting of the Authority in order to make a disclosure which he is required to make under this paragraph if he takes reasonable steps to secure that the disclosure is made by a notice which is taken into consideration and read at the meeting.
  - (4) The Secretary of State may, subject to such conditions as he considers appropriate, remove any disability imposed by virtue of this paragraph in any case where the number of members of the Authority disabled by virtue of this paragraph at any one time would be so great a proportion of the whole as to impede the transaction of business.
  - (5) The power of the Secretary of State under sub-paragraph (4) above includes power to remove, either indefinitely or for any period, a disability which would otherwise attach to any member, or members of any description, by reason of such interests, and in respect of such matters, as may be specified or described by the Secretary of State.
  - (6) Nothing in this paragraph precludes any member from taking part in the consideration or discussion of, or voting on, any question whether an application should be made to the Secretary of State for the exercise of the power conferred by sub-paragraph (4) above.
  - (7) In this paragraph references to a meeting of the Authority include references to a meeting of any of its committees or sub-committees.

#### *Vacancies and defective appointments*

- 7
- The validity of any proceedings of the Authority shall not be affected by a vacancy amongst the members or by a defect in the appointment of a member.

#### *Minutes*

- 8
- (1) Minutes shall be kept of proceedings of the Authority, of its committees and of its sub-committees.
  - (2) Minutes of any such proceedings shall be evidence of those proceedings if they are signed by a person purporting to have acted as chairman of the proceedings to

---

*Status: This is the original version (as it was originally enacted).*

---

which the minutes relate or of any subsequent proceedings in the course of which the minutes were approved as a correct record.

- (3) Where minutes of any such proceedings have been signed as mentioned in subparagraph (2) above, those proceedings shall, unless the contrary is shown, be deemed to have been regularly convened and constituted.

*Application of seal and proof of instruments*

- 9 (1) The application of the seal of the Authority shall be authenticated by the signature of any member, officer or employee of the Authority who has been authorised for the purpose, whether generally or specially, by the Authority.
- (2) In this paragraph the reference to the signature of a person includes a facsimile of a signature by whatever process reproduced; and, in paragraph 10 below, the word “signed” shall be construed accordingly.

*Documents served etc. by the Authority*

- 10 (1) Any document which the Authority is authorised or required by or under any enactment to serve, make or issue may be signed on behalf of the Authority by any member, officer or employee of the Authority who has been authorised for the purpose, whether generally or specially, by the Authority.
- (2) Every document purporting to be an instrument made or issued by or on behalf of the Authority and to be duly executed under the seal of the Authority, or to be signed or executed by a person authorised by the Authority for the purpose, shall be received in evidence and be treated, without further proof, as being so made or issued unless the contrary is shown.

*The Parliamentary Commissioner*

- 11 In the Parliamentary Commissioner Act 1967, in Schedule 2 (departments and authorities subject to investigation)—

(a) there shall be inserted (at the appropriate place) the following entry—

“National Rivers Authority.”;

and

(b) after Note 8 there shall be inserted the following Note—

“9 The reference to the National Rivers Authority is a reference to that Authority in relation to all its functions other than its flood defence functions (that is to say, its functions by virtue of Chapter III of Part III of the Water Act 1989, including all its functions under the Land Drainage Act 1976).”

*The Local Commissioners*

- 12 In section 25(1) of the Local Government Act 1974 (authorities subject to investigation by Local Commissioners), for paragraph (d) there shall be substituted the following paragraph—

“(d) in relation to the flood defence functions of the National Rivers Authority (that is to say, its functions by virtue of Chapter III of Part III of the Water Act 1989, including all its functions under the Land

---

*Status: This is the original version (as it was originally enacted).*

---

Drainage Act 1976), the National Rivers Authority and any regional flood defence committee.”

*Parliamentary disqualification etc.*

- 13 In the House of Commons Disqualification Act 1975, in Part II of Schedule 1 (bodies of which all the members are disqualified), there shall be inserted (at the appropriate place) the following entry—

“The National Rivers Authority.”;

and the like insertion shall be made in Part II of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975.

*Interpretation*

- 14 In this Part of this Schedule “member” means any member of the Authority, including the chairman and the deputy chairman.

**PART II**

FINANCIAL PROVISIONS

*General financial duties*

- 15 (1) Subject to paragraph 16 below, the relevant Ministers may, after consultation with the Authority and with the Treasury’s approval, determine the financial duties of the Authority, and different determinations may be made for different functions and activities of the Authority.
- (2) The relevant Ministers shall give the Authority notice of every determination under this paragraph, and such a determination may—
- (a) relate to a period beginning before the date on which it is made;
  - (b) contain supplemental provisions;
  - (c) be varied by a subsequent determination.
- (3) Where it appears to the Secretary of State that the Authority has a surplus, whether on capital or revenue account, the Secretary of State may, after consultation with the Treasury and the Authority, direct the Authority to pay to him such amount not exceeding the amount of that surplus as may be specified in the direction; and it shall be the duty of the Authority to comply with any such direction.
- (4) Any revenue to which sub-paragraph (1) of paragraph 16 below applies (including so much of any such revenue as falls within sub-paragraph (2) of that paragraph) and any funds to which section 88(1) of the Water Resources Act 1963 (funds held for fisheries purposes under local statutory provisions) applies shall be disregarded in determining the amount of any surplus for the purposes of sub-paragraph (3) above.
- (5) Any sum received by the Secretary of State under sub-paragraph (3) above shall be paid into the Consolidated Fund.

*Financial duties in relation to flood defence revenue*

- 16 (1) Revenue raised by the Authority in a local flood defence district—

---

*Status: This is the original version (as it was originally enacted).*

---

- (a) under or by virtue of sections 45 to 49 of the Land Drainage Act 1976 (revenue raised from local authorities) or any regulations under section 74 of the Local Government Finance Act 1988 (power to issue levies);
  - (b) by contributions required under section 84(1) of the said Act of 1976 (contributions from internal drainage boards); or
  - (c) by special drainage charges under section 50 of the said Act of 1976,
- shall, except for any amount falling within sub-paragraph (2) below, be spent only in the carrying out of the Authority's flood defence functions in or for the benefit of that district.
- (2) An amount falls within this sub-paragraph if it is an amount which the Authority considers it appropriate—
    - (a) to set aside towards research or related activities or towards meeting the Authority's administrative expenses; or
    - (b) to be paid by way of contribution towards expenses incurred by the Authority or any regional flood defence committee under arrangements made for the purposes of section 136(3)(b) of this Act.
  - (3) Any amount specified in a resolution under section 86(1) of the Land Drainage Act 1976 in relation to any local flood defence district (allocation of revenue in lieu of contributions) shall be treated for the purposes of sub-paragraph (1) above as if it were revenue actually raised by contributions required under section 84(1) of that Act.
  - (4) Any sums held by the Authority by virtue of any transfer of property, rights or liabilities from a water authority in accordance with a scheme under Schedule 2 to this Act shall, in so far as those sums represent amounts which the water authority was required by virtue of paragraph 31 of Schedule 3 to the 1973 Act to spend only in the discharge of their land drainage functions in or for the benefit of a particular local land drainage district, be treated for the purposes of this paragraph as revenue raised by the Authority as mentioned in sub-paragraph (1) above in or for the benefit of the corresponding local flood defence district.
  - (5) In this paragraph—
    - “flood defence functions”, in relation to the Authority, means its functions by virtue of Chapter III of Part III of this Act, including all its functions under the Land Drainage Act 1976;
    - “local flood defence district” has the same meaning as in the said Act of 1976;

and for the purposes of this paragraph so much of a regional flood defence area as is an area in relation to which no local flood defence scheme is in force shall be treated as a single local flood defence district.

#### *Grants to the Authority*

- 17 (1) The Secretary of State may, with the approval of the Treasury, make to the Authority out of money provided by Parliament grants of such amounts as he thinks fit.
- (2) The payment by the Secretary of State of a grant under this paragraph shall be on such terms as he may, with the approval of the Treasury, provide.
- (3) The Secretary of State shall—

---

*Status: This is the original version (as it was originally enacted).*

---

- (a) prepare in respect of each financial year an account of the sums paid by him to the Authority under this paragraph; and
- (b) before the end of September in the following financial year send that account to the Comptroller and Auditor General;

and the form of the account and the manner of preparing it shall be such as the Treasury may direct.

- (4) The Comptroller and Auditor General shall examine, certify and report on each account sent to him under this paragraph and shall lay copies of it and of his report before each House of Parliament.

#### *Borrowing*

- 18 (1) The Authority shall be entitled to borrow in accordance with the following provisions of this paragraph but not otherwise.
- (2) Subject to sub-paragraph (4) below, the Authority may, with the consent of the Secretary of State or the Minister and with the approval of the Treasury, borrow temporarily in sterling, by way of overdraft or otherwise, from a person other than the Secretary of State or the Minister, such sums as it may require for meeting its obligations and carrying out its functions.
- (3) Subject to sub-paragraph (4) below, the Authority may borrow, otherwise than by way of temporary loan, such sums in sterling from the Secretary of State or the Minister as it may require for capital purposes in connection with the carrying out of its flood defence functions.
- (4) The aggregate amount outstanding in respect of the principal of sums borrowed under this paragraph by the Authority shall not at any time exceed £100 million or such greater sum, not exceeding £160 million, as the relevant Ministers may specify by order made by statutory instrument.
- (5) No order shall be made under sub-paragraph (4) above unless a draft of the order has been laid before the House of Commons and has been approved by a resolution of that House.
- (6) In this paragraph “flood defence functions” has the same meaning as in paragraph 16 above.

#### *Loans to the Authority*

- 19 (1) The Secretary of State and the Minister shall each have power, with the approval of the Treasury, to lend any sums to the Authority which the Authority has power to borrow under paragraph 18(3) above.
- (2) Any loan made by the Secretary of State or the Minister under this paragraph shall be repaid to him at such times and by such methods, and interest on the loan shall be paid to him at such rates and at such times, as the Secretary of State or, as the case may be, the Minister may with the approval of the Treasury from time to time determine.
- (3) Any sums required by the Secretary of State or the Minister for making a loan under this paragraph shall be paid out of money provided by Parliament; and any sums received by the Secretary of State or the Minister in pursuance of sub-paragraph (2) above shall be paid into the Consolidated Fund.

---

*Status: This is the original version (as it was originally enacted).*

---

- (4) The Secretary of State and the Minister shall each—
- (a) prepare in respect of each financial year an account of the sums lent by him to the Authority under this paragraph; and
  - (b) before the end of September in the following financial year send that account to the Comptroller and Auditor General;
- and the form of the account and the manner of preparing it shall be such as the Treasury may direct.
- (5) The Comptroller and Auditor General shall examine, certify and report on each account sent to him under this paragraph and shall lay copies of it and of his report before each House of Parliament.

#### *Guarantees*

- 20       The Secretary of State or the Minister may, with the consent of the Treasury, guarantee, in such manner and on such conditions as he may think fit, the repayment of the principal of, the payment of interest on and the discharge of any other financial obligation in connection with any sum which the Authority borrows from any person.

#### *Accounts*

- 21       (1) It shall be the duty of the Authority—
- (a) to keep proper accounts and proper records in relation to the accounts; and
  - (b) to prepare in respect of each accounting year a statement of accounts giving a true and fair view of the state of affairs and the income and expenditure of the Authority.
- (2) Every statement of accounts prepared by the Authority in accordance with this paragraph shall comply with any requirement which the relevant Ministers have, with the consent of the Treasury, notified in writing to the Authority and which relates to any of the following matters, namely—
- (a) the information to be contained in the statement;
  - (b) the manner in which that information is to be presented;
  - (c) the methods and principles according to which the statement is to be prepared;
- and such a requirement may impose an obligation on the Authority to prepare accounts in respect of the financial year current when section 1 of this Act comes into force on such assumptions as may be specified in the requirement.
- (3) Subject to sub-paragraph (4) below, in this paragraph and paragraph 22 below “accounting year”, in relation to the Authority, means a financial year.
- (4) If the Secretary of State so directs in relation to any accounting year of the Authority, that accounting year shall end with such date other than the next 31st March as may be specified in the direction; and, where the Secretary of State has given such a direction, the following accounting year shall begin with the day after the date so specified and, subject to any further direction under this sub-paragraph, shall end with the next 31st March.



---

*Status: This is the original version (as it was originally enacted).*

---

*Audit*

- 22 (1) The accounts of the Authority, shall be audited by auditors appointed for each accounting year by the Secretary of State.
- (2) A person shall not be qualified for appointment for the purposes of sub-paragraph (1) above unless he is—
- (a) a member of a body of accountants established in the United Kingdom and recognised for the purposes of section 389(1)(a) of the Companies Act 1985; or
  - (b) a member of the Chartered Institute of Public Finance and Accountancy; but a firm may be so appointed if each of its members is qualified to be so appointed.
- (3) A copy of any accounts of the Authority which are audited under sub-paragraph (1) above and of the report made on those accounts by the auditors shall be sent to the Secretary of State and to the Minister as soon as reasonably practicable after the report is received by the Authority; and the Secretary of State shall lay a copy of any accounts or report sent to him under this sub-paragraph before Parliament.
- (4) The Comptroller and Auditor General shall be entitled to inspect the contents of all books, papers and other records of the Authority relating to, or to matters dealt with in, the accounts required to be kept by virtue of paragraph 21 above; and, accordingly, section 6 of the National Audit Act 1983 (examinations of economy, efficiency and effectiveness) shall apply to the Authority.
- (5) In this paragraph “accounts”, in relation to the Authority, includes any statement under paragraph 21 above.

*Meaning of “the relevant Ministers”*

- 23 In this Part of this Schedule “the relevant Ministers” means the Secretary of State and the Minister, acting jointly.