

SCHEDULES

SCHEDULE 3

ADMINISTRATION, FINANCE, ETC, OF WATER AUTHORITIES AND THE NATIONAL WATER COUNCIL

PART III

FINANCIAL AND ADMINISTRATIVE PROVISIONS

Revenue and reserves

- 31 (1) A water authority shall charge to revenue account in every year all charges which are proper to be made to revenue account, including such allocations to reserve as they consider adequate or as may be necessary to comply with any directions under paragraph 32 below and including any payments to the Council under paragraph 33 below.
- (2) Revenue raised by a water authority in a local land drainage district—
- (a) under or by virtue of Part II of Schedule 5 to this Act;
 - (b) by contributions required under section 21(1) of the Land Drainage Act 1930 (contributions from internal drainage boards); or
 - (c) by special drainage charges under section 3 of the Land Drainage Act 1961 ;
- shall, except for any amount which they consider appropriate to set aside towards research or related activities and paying their administrative expenses and an appropriate proportion of any amount allocated to reserve under sub-paragraph (1) above and of any payment to the Council under paragraph 33 below, be spent only in the discharge of their land drainage functions in or for the benefit of that district.
- (3) Any amount specified in a resolution under section 21(1) of the Land Drainage Act 1961 (resolution passed by a water authority who are the drainage board of an internal drainage district allocating a portion of their revenue in lieu of contributions which they would require from the drainage board of that district under section 21(1) of the Land Drainage Act 1930) shall be treated for the purposes of this paragraph as if it were revenue actually raised by contributions required under section 21(1) of the said Act of 1930.
- 32 (1) The Ministers may with the approval of the Treasury and after consultation with the Council direct a water authority—
- (a) to allocate to reserve generally or to reserve for a particular purpose either a specified amount or such amount as the authority consider adequate, or
 - (b) to re-allocate for a specified purpose the whole or part of any amount previously allocated for some other purpose, or
 - (c) with respect to the application of amounts allocated to reserve.

Status: This is the original version (as it was originally enacted).

- (2) Directions under this paragraph requiring the allocation of any amount to reserve may provide for it to be so allocated either at a specified time or during the course of a specified period.
- 33 Expenditure of the Council shall, so far as not defrayed out of their own resources, be defrayed, if it is properly chargeable to revenue account, by the water authorities and any payment of a water authority towards defraying that expenditure shall be such proportion of that expenditure as the Secretary of State may direct.

Loans and grants

- 34 (1) A water authority and the Council may borrow money in accordance, and only in accordance, with the provisions of this paragraph.
- (2) Subject to sub-paragraph (5) below, a water authority and the Council may borrow temporarily, by way of overdraft or otherwise, such sums as they may require for meeting their obligations and discharging their functions—
- (a) in sterling from the Secretary of State, or
 - (b) with the consent of the Secretary of State and the approval of the Treasury, or in accordance with any general authority given by the Secretary of State with the approval of the Treasury, either in sterling or in a currency other than sterling from a person other than the Secretary of State.
- (3) Subject to sub-paragraph (5) below, a water authority and the Council may borrow otherwise than by way of temporary loan such sums as they may require for capital purposes—
- (a) in sterling from the Secretary of State, or
 - (b) with the consent of the Secretary of State and the approval of the Treasury, in a currency other than sterling from a person other than the Secretary of State.
- (4) Subject to sub-paragraph (5) below, a water authority and the Council may, with the consent of the Secretary of State and the approval of the Treasury, borrow (otherwise than by way of temporary loan) from the Commission of the European Communities or the European Investment Bank sums in any currency.
- (5) The aggregate amount outstanding in respect of the principal of—
- (a) sums borrowed by water authorities and the Council; and
 - (b) sums borrowed or treated by or by virtue of any enactment as borrowed by local authorities, towards the discharge of the principal or interest of which water authorities are making contributions ;
- shall not exceed £3,750 million or such greater sum not exceeding £5,000 million as the Secretary of State may by order specify.
- (6) The Secretary of State may also by order specify a limit for the borrowing of any water authority or of the Council.
- (7) No order shall be made under sub-paragraph (5) 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.
- 35 (1) The Secretary of State may with the approval of the Treasury—
- (a) make to a water authority out of money provided by Parliament grants of such amounts as the Secretary of State thinks fit;

- (b) give a water authority a direction providing that the whole or part of a grant made in pursuance of paragraph (a) above is not to be used by the authority otherwise than for the purpose of such of the authority's functions as are specified in the direction, not being land drainage functions.
- (2) The Secretary of State may, with the approval of the Treasury, lend to a water authority or to the Council any sums which they have power to borrow by virtue of paragraph 34 above.
- (3) Any loan which the Secretary of State makes in pursuance of sub-paragraph (2) above 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 may with the approval of the Treasury from time to time determine.
- (4) The Treasury may issue out of the National Loans Fund to the Secretary of State such sums as are necessary to enable him to make loans in pursuance of sub-paragraph (2) above, and any sums received by the Secretary of State in pursuance of sub-paragraph (3) above shall be paid into that Fund.
- 36 (1) The Treasury may guarantee, in such manner and on such conditions as they think fit, the repayment of the principal of and the payment of interest on any sums which an authority or the Council borrow from a person other than the Secretary of State.
- (2) Immediately after a guarantee is given under this paragraph the Treasury shall lay a statement of the guarantee before each House of Parliament; and where any sum is issued for fulfilling a guarantee so given the Treasury shall, as soon as possible after the end of each financial year (beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of the interest thereon is finally discharged), lay before each House of Parliament a statement relating to that sum.
- (3) Any sums required by the Treasury for fulfilling a guarantee under this paragraph shall be charged on and issued out of the Consolidated Fund.
- (4) If any sums are issued in fulfilment of a guarantee given under this paragraph, the authority or, as the case may be, the Council shall make to the Treasury, at such times and in such manner as the Treasury from time to time direct, payments of such amounts as the Treasury so direct in or towards repayment of the sums so issued and payments of interest, at such rate as the Treasury so direct, on what is outstanding for the time being in respect of sums so issued.
- (5) Any sums received by the Treasury in pursuance of sub-paragraph (4) above shall be paid into the Consolidated Fund.
- 37 It shall be the duty of the Secretary of State as respects each financial year—
- (a) to prepare, in such form and manner as the Treasury may direct, an account of sums issued to the Secretary of State in pursuance of paragraph 35 above and of any sums required to be paid into the National Loans Fund in pursuance of that paragraph and of the disposal by the Secretary of State of those sums respectively ; and
- (b) to send a copy of the account to the Comptroller and Auditor General not later than the end of the month of November next following that year ;
- and the Comptroller and Auditor General shall examine, certify and report on the account and. shall lay copies of it and of his report on it before each House of Parliament.

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

Accounts and audit of authorities and Council

- 38 (1) It shall be the duty of a water authority and of the Council—
- (a) to keep proper accounts and proper records in relation to the accounts;
 - (b) to prepare in respect of each financial year a statement of accounts, in such form as the Ministers may direct with the approval of the Treasury, showing the state of the affairs of the body preparing the statement
- (2) Without prejudice to sub-paragraph (1) above, the Minister may direct a water authority to keep such accounts and records and to prepare such statements with regard to money expended in the performance of their land drainage functions as he may think fit.
- (3) As soon as the accounts and statements mentioned in sub-paragraphs (1) and (2) above for any financial year have been audited under paragraph 39 below, the authority or the Council shall send to the Ministers a copy of the statement together with a copy of any report made by the auditor on it or on their accounts, and the Ministers shall lay a copy of every statement and report of which a copy is received by them in pursuance of this sub-paragraph before each House of Parliament.
- (4) A copy of any document required under sub-paragraph (3) above to be sent by a water authority to the Ministers shall also be sent by the authority, as soon as the accounts kept and each statement prepared for any financial year in pursuance of sub-paragraph (1) or (2) above have been audited under paragraph 39 below, to every local authority whose area is wholly or partly included in the water authority's area.
- (5) Any person, on application to an authority or to the Council, shall be entitled to be furnished with copies of the statements of their accounts prepared under this paragraph and of the auditor's report on those accounts on payment of such reasonable sum as the authority or the Council may determine, and to inspect and to take copies of, or extracts from, an abstract of the accounts of the authority or Council free of charge.
- 39 All accounts of a water authority and the Council shall be audited in accordance with Part VIII of the 1972 Act by a district auditor or an approved auditor appointed under that Part of that Act, and accordingly the relevant provisions of that Part of that Act, that is to say, sections 154 to 167, shall apply to all such accounts as they apply to the accounts of a county council, and in section 161(2)(b) and (7) (disqualification), as applied by this paragraph, the references to a local authority shall include references to a water authority and the Council.

Annual reports of authorities, Council and Water Space Amenity Commission

- 40 (1) Each water authority, the Council and the Water Space Amenity Commission shall make to the Ministers, as soon as possible after the end of each financial year, a report on the discharge by them of their functions during that year and of their policy and programme.
- (2) If the Ministers so direct, a report under sub-paragraph (1) above shall be in such form and contain such information as is specified in the direction.
- (3) A water authority shall send a copy of their report for any year to the Council and to every local authority whose area is wholly or partly situated in the area of the water authority.
- (4) The Council shall send a copy of their report for any year to every water authority.

- (5) The Water Space Amenity Commission shall send a copy of their report for any year to the Council, every water authority and every county council.
 - (6) The report for any year of a water authority or of the Council shall set out any direction given to them during that year under this Act.
 - (7) The Ministers shall lay a copy of every such report before each House of Parliament.
 - (8) Any person shall be entitled to be furnished with a copy of the report of a water authority, the Council or the Water Space Amenity Commission for any year on applying to the body who made the report and on payment of such reasonable sum as that body may determine.
- 41 It shall also be the duty of every water authority to furnish the Ministers and the Council with such information as they may from time to time require with respect to the authority's property, financial position, activities or proposed activities, and with respect to the water resources in the authority's area, and to afford to the Ministers facilities for the verification of information so furnished.

Relationship of Welsh and Severn-Trent Water Authorities

- 42 (1) The Severn-Trent Water Authority shall consult the Welsh authority on any substantial development or matter of policy arising from the exercise of the former's functions, in so far as the development or matter affects so much of their area as is within Wales.
- (2) It shall be the duty of the Welsh authority to keep the Secretary of State informed of their views on all matters about which they are in consultation with the Severn-Trent Water Authority.
- 43 (1) Where the Severn-Trent Water Authority acquire an estate or interest in land in Wales for or in connection with the construction and operation of a reservoir, they shall convey the estate or interest in the land to the Welsh authority who shall grant the Severn-Trent Water Authority, for the purposes for which the latter originally acquired the estate or interest, a lease or sub-lease of the land or such other interest in it as may be appropriate.
- (2) A conveyance or grant under sub-paragraph (1) above shall be on such terms as may be agreed between the two water authorities or as, in default of agreement, may be settled by the Secretary of State.