



# Regional Development Agencies Act 1998

## 1998 CHAPTER 45

### PART I

#### REGIONAL DEVELOPMENT AGENCIES

##### *Financial arrangements*

#### **9 General financial duties**

- (1) The Secretary of State may—
  - (a) after consultation with a regional development agency, and
  - (b) with the approval of the Treasury,determine the financial duties of the agency; and different determinations may be made for different functions of the agency.
- (2) The Secretary of State shall give a regional development agency notice of every determination of its financial duties under this section, and such a determination may—
  - (a) relate to a period beginning before, on, or after, the date on which it is made,
  - (b) contain supplemental provisions, and
  - (c) be varied by a subsequent determination.
- (3) The Secretary of State may, after consultation with the Treasury, give a direction to a regional development agency requiring it to pay to him an amount equal to the whole or such part as may be specified in the direction of any sum, or any sum of a description, so specified which is or has been received by the agency.
- (4) Where it appears to the Secretary of State that a regional development agency has a surplus, whether on capital or revenue account, he may, after consultation with the Treasury, direct the agency to pay to him such amount not exceeding the amount of that surplus as may be specified in the direction.

## **10 Government grants**

The Secretary of State may, with the approval of the Treasury, make to a regional development agency grants of such amounts, and on such terms, as he thinks fit.

## **11 Borrowing**

- (1) A regional development agency shall be entitled to borrow in accordance with the following provisions of this section, but not otherwise.
- (2) Subject to subsection (5), a regional development agency may, with the consent of the Secretary of State, borrow temporarily in sterling, by way of overdraft or otherwise, from persons other than the Secretary of State, such sums as it may require for meeting its obligations and carrying out its functions.
- (3) The Secretary of State shall not give consent for the purposes of subsection (2) without the approval of the Treasury.
- (4) Subject to subsection (5), a regional development agency may borrow from the Secretary of State, by way of temporary loan or otherwise, such sums in sterling as it may require for meeting its obligations and carrying out its functions.
- (5) A regional development agency may not borrow under this section if the effect would be—
  - (a) to take the aggregate amount outstanding in respect of the principal of sums borrowed under this section by regional development agencies over the collective borrowing limit, or
  - (b) to increase the amount by which the aggregate amount so outstanding exceeds that limit.
- (6) For the purposes of subsection (5), the collective borrowing limit is—
  - (a) £200 million, or
  - (b) such greater sum as the Secretary of State may, with the approval of the Treasury, specify by order made by statutory instrument.
- (7) An order under subsection (6)(b) shall not be made unless a draft of the order has been laid before, and approved by a resolution of, the House of Commons.

## **12 Government guarantees of an agency's borrowing**

- (1) The Secretary of State 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 a regional development agency borrows from any person.
- (2) Where the Secretary of State gives a guarantee under this section he shall forthwith lay a statement of the guarantee before each House of Parliament.
- (3) Where any sum is paid out for fulfilling a guarantee under this section, the Secretary of State shall, as soon as reasonably practicable after the end of each financial year (beginning with that in which the sum is paid out and ending with that in which all liability in respect of the principal of the sum and in respect of interest on it is finally discharged), lay before each House of Parliament a statement relating to that sum.

- (4) If any sums are paid out in fulfilment of a guarantee under this section, the regional development agency which borrowed the sum by reference to which the guarantee was given shall make to the Secretary of State, at such times and in such manner as he may from time to time direct—
- (a) payments of such amounts as he may so direct in or towards repayment of the sums so paid out, and
  - (b) payments of interest, at such rate as he may so direct, on what is outstanding for the time being in respect of sums so paid out,
- and the consent of the Treasury shall be required for the giving of a direction under this subsection.

### **13 Government loans**

- (1) The Secretary of State may, with the approval of the Treasury, lend to a regional development agency any sums which it has power to borrow under section 11(4).
- (2) Any loan made under this section shall be repaid to the Secretary of State 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 he may with the approval of the Treasury from time to time determine.
- (3) If in any financial year the Secretary of State lends any sums to a regional development agency under this section, he shall—
- (a) prepare in respect of that financial year an account of the sums so lent by him, and
  - (b) send that account to the Comptroller and Auditor General before the end of September in the following financial year,
- 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 section and shall lay copies of it and of his report before each House of Parliament.
- (5) The Treasury may issue to the Secretary of State out of the National Loans Fund such sums as are necessary to enable him to make loans to a regional development agency under this section; and any sums received by the Secretary of State in pursuance of subsection (2) shall be paid into the National Loans Fund.

### **14 Accounts and records**

- (1) A regional development agency shall—
- (a) keep proper accounts and proper accounting records, and
  - (b) prepare in respect of each accounting period a statement of accounts giving a true and fair view of the state of affairs and the income and expenditure of the agency.
- (2) Every statement of accounts prepared under subsection (1) shall comply with any requirement which the Secretary of State has, with the consent of the Treasury, notified in writing to the agency 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, or

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

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- (c) the methods and principles according to which the statement is to be prepared.
- (3) Subject to subsections (4) and (5), “accounting period”, in relation to a regional development agency, means a period beginning with 1st April and ending with the next 31st March.
- (4) The Secretary of State may, in relation to an accounting period of a regional development agency, direct that the period shall end with such date other than the next 31st March as may be specified in the direction.
- (5) Where the Secretary of State has given a direction under subsection (4), the following accounting period of the agency to which the direction was given shall begin with the day after the date specified in the direction and, subject to any further direction under subsection (4), shall end with the next 31st March.
- (6) In this section, “accounting records”, in relation to a regional development agency, includes all books, papers and other records of the agency relating to, or to matters dealt with in, the accounts required to be kept by this section.

## **15 Audit**

- (1) The accounts of a regional development agency for each accounting period shall be audited by the Comptroller and Auditor General.
- (2) A copy of—
- (a) any accounts of a regional development agency which are audited under subsection (1), and
  - (b) the report made on those accounts by the Comptroller and Auditor General,
- shall be sent to the Secretary of State as soon as reasonably practicable after the report is received by the agency; and the Secretary of State shall lay before each House of Parliament a copy of those accounts and that report.
- (3) In this section—
- “accounting period” and “accounting records” have the same meanings as in section 14; and
- references to accounts, in relation to a regional development agency, include any statement prepared by it under that section.