

SCHEDULE 4

(introduced by section 10(1))

PREPARATION OF ANNUAL BUDGETS AND HERITORS’ RIGHTS TO REQUIRE REVIEW ETC.

Preparation of draft budget and provisional assessment notice

- 1 Before the beginning of each assessment year, the Commission must prepare a draft budget of the expenditure it expects to incur in carrying out its functions for, subject to paragraph 2, that assessment year.
- 2 The budget—
 - (a) must allow for any anticipated surplus or shortfall from the previous assessment year, and
 - (b) may include provision for a reserve fund to cover extraordinary expenditure.
- 3 Promotion costs not recovered from heritors through assessments under the 1846 Act are to be included in the budgets for the first three assessment years.
- 4 “Promotion costs” means costs, fees and expenses incurred by the Commission (whether before or after its incorporation by this Act), in connection with promotion of the Bill for this Act.
- 5 As soon as practicable after the draft budget is prepared, the Commission must give a provisional assessment notice to each heritor, specifying the amount that would be payable by the heritor for the assessment year under section 10(2) if based on the draft budget.
- 6 The provisional assessment notice must include—
 - (a) a copy of the draft budget,
 - (b) the rate poundage and how it is calculated,
 - (c) an explanation of how the amount that would be payable by the heritor is calculated, and
 - (d) a statement that the heritor may under paragraph 7 make written representations to the Commission on the draft budget and the time limit for doing so.

Right of heritors to make representations and to require a review

- 7 A heritor may make written representations on the draft budget to the Commission no later than the period of 21 days beginning on the date of service of the provisional assessment notice.
- 8 If written representations are made under paragraph 7, the Commission must consider the representations and decide—
 - (a) not to amend the draft budget, or
 - (b) to amend the draft budget.
- 9 The Commission must notify all heritors of its decision under paragraph 8 and the reasons for its decision.
- 10 Where the draft budget is amended, the notice must specify the amount that would be payable by the heritor for the assessment year under section 10(2) if based on the amended draft budget and must include—
 - (a) a copy of the amended draft budget,

- (b) the rate poundage and how it is calculated, and
 - (c) an explanation of how the amount that would be payable by the heritor is calculated.
- 11 A notice under paragraph 9 must also include a statement explaining the budget review provisions set out in paragraphs 13 to 15.
- 12 Where a heritor has made representations, the notice to the heritor under paragraph 9 must be accompanied by the Commission’s response to the heritor’s representations.

Independent review

- 13 No later than 14 days after the date on which heritors have been notified under paragraph 9—
- (a) 10 or more heritors, or
 - (b) one or more heritors (where the amount of the confirmed draft budget exceeds the budget review threshold),
- may notify the Commission in writing that they require the draft budget to be independently reviewed.
- 14 The budget review threshold is—
- (a) for the first assessment year, £60,000,
 - (b) for each subsequent assessment year, the budget review threshold for the previous assessment year, adjusted by the percentage increase in the retail price index during the 12 month period ending on 31 December in the previous assessment year.
- 15 No later than 14 days after service of a notice under paragraph 13, the Commission must refer the draft budget for determination by an expert to be appointed by—
- (a) the Association of Drainage Authorities or any successor body,
 - (b) where an expert cannot be appointed under sub-paragraph (a), the Royal Institution of Chartered Surveyors in Scotland or any successor body.

Confirmed budget

- 16 For the purposes of section 10, the confirmed budget is—
- (a) where no independent review has been carried out, the draft budget notified to heritors—
 - (i) under paragraph 5, or
 - (ii) if amended, under paragraph 9, or
 - (b) where an independent review has been carried out, the draft budget finalised by the Commission in accordance with the expert’s determination and including the costs of the reference to the expert.