

Co-operative Development Agency Act 1978

1978 CHAPTER 21

An Act to establish a Co-operative Development Agency; and for connected purposes. [30th June 1978]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

The Co-operative Development Agency.

1.—(1) There shall be a body corporate called the Co-operative Development Agency (in this Act referred to as " the Agency ") which shall perform the functions assigned to it by this Act.

(2) The Agency shall consist of a chairman and not less than four nor more than eight other members.

(3) The chairman and other members of the Agency shall be appointed by the Secretary of State, after consultation with persons appearing to him to represent the interests of the co-operative movement and with such other persons (if any) as appear to him appropriate.

(4) The Agency shall not be regarded as the servant or agent of the Crown, or as enjoying any status, privilege or immunity of the Crown ; and its property shall not be regarded as property of, or property held on behalf of, the Crown.

(5) The Agency shall not be exempt from any tax, duty, rate, levy or other charge whatsoever, whether general or local.

(6) The provisions of Schedule 1 to this Act shall have effect with respect to the Agency.

Functions of Agency.

2. The functions of the Agency shall be—

(*a*) to promote the adoption and the better understanding of co-operative principles and to represent the interests of the co-operative movement ;

(*b*) to identify and recommend ways in which the establishment, development and evolution of co-operatives might be facilitated;

(*c*) to identify and recommend projects which might usefully be undertaken on a co-operative basis;

(*d*) to appraise and evaluate projects which are to be undertaken on such a basis;

(*e*) to advise co-operatives, persons proposing to establish co-operatives and other persons seeking its advice;

(*f*) to provide a forum for discussion and debate within the co-operative movement;

(*g*) to make recommendations to government departments (including Ministers of the Crown and Northern Ireland departments) and public authorities on matters which the Agency considers should be brought to their attention;

(*h*) to keep under review and make recommendations concerning the training courses available to members and prospective members of co-operatives;

(*i*) to keep under review the establishment, development and evolution of co-operatives throughout the world and the law applicable in the United Kingdom to co-operatives; and

(*j*) to undertake such studies and research as the Agency considers necessary or expedient.

Powers of Agency.

3.—(1) The Agency shall have power, subject to subsections (2) and (3) below, to do anything which is calculated to facilitate the discharge of its functions, or is incidental or conducive to their discharge.

(2) The Agency shall not have power to carry on any commercial activity, but this shall not prevent the Agency from making charges for its services.

(3) The Agency shall not have power—

(*a*) to form bodies corporate or to subscribe for shares or stock;

(*b*) to form partnerships with other persons;

(*c*) to make loans otherwise than by subscribing for government or local authority securities;

(*d*) to make grants or to guarantee obligations (arising out of loans or otherwise) incurred by other persons; or

(*e*) to borrow money otherwise than in accordance with subsection (4) below.

(4) The Agency may borrow temporarily in sterling, by way of overdraft or otherwise, such sums as it may require for meet-

ing its obligations and discharging its functions; but the aggregate amount outstanding by way of principal of any sums so borrowed shall not exceed £100,000.

(5) A person lending money to the Agency shall not be bound to inquire whether the borrowing is within the power of the Agency.

Grants by Secretary of State.

4.—(1) The Secretary of State may make grants to the Agency not exceeding in aggregate £900,000 or such greater amount not exceeding £1,500,000 as the Secretary of State may by order made by statutory instrument specify.

(2) The Secretary of State, in making a grant under subsection (1) above, may impose such conditions as he thinks fit and may, in particular, impose a condition requiring the repayment of all or any part of the grant—

(*a*) if any other condition is not complied with; or

(*b*) in such other circumstances as he may specify.

(3) An order under subsection (1) above—

(*a*) shall not be made unless a draft of the order has been approved by resolution of the House of Commons; and

(*b*) may be varied or revoked by a subsequent order under that subsection.

Accounts and audit.

5.—(1) The Agency shall keep proper accounts and proper records in relation to the accounts and shall prepare in respect of each accounting year a statement of accounts in such form as the Secretary of State, with the approval of the Treasury, may direct.

(2) The Agency shall send to the Secretary of State and to the Comptroller and Auditor General, before the end of the period of seven months after the end of any accounting year, a copy of the statement of accounts for that year.

(3) The Comptroller and Auditor General shall examine, certify and report on every statement of accounts received by him under subsection (2) above and shall lay a copy of the statement and of his report thereon before each House of Parliament.

(4) The Secretary of State may, with the consent of the Treasury, provide by order made by statutory instrument that from such date as may be specified in the order the provisions of Schedule 2 to this Act shall have effect in substitution for subsections (2) and (3) above.

(5) A statutory instrument containing an order under subsection (4) above shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(6) In this Act "accounting year", in relation to the Agency, means, subject to subsection (7) below, the period of twelve months ending with 31st March in any year, except that the Agency's first accounting year shall end on 31st March 1979.

(7) The Secretary of State may direct that any accounting year of the Agency shall end on a date before or a date after that on which it would otherwise end.

Annual reports.

6.—(1) It shall be the duty of the Agency to make to the Secretary of State as soon as possible after the end of each accounting year a report dealing with the operations of the Agency during that year.

(2) It shall be the duty of the Secretary of State to lay before each House of Parliament a copy of every report received by him under this section.

Financial provisions.

7.—(1) There shall be paid out of money provided by Parliament any sums required by the Secretary of State for making grants under section 4(1) above.

(2) Any sums received by the Secretary of State under section 4(2) above shall be paid into the Consolidated Fund.

Short title and extent.

8.—(1) This Act may be cited as the Co-operative Development Agency Act 1978.

(2) This Act extends to Northern Ireland.

Section 1(6).

SCHEDULES

SCHEDULE 1

THE AGENCY

Appointment and tenure of members

1. It shall be the duty of the Secretary of State—

(*a*) to satisfy himself, before he appoints a person to be a member of the Agency, that he will have no such financial or other interest as is likely to affect prejudicially the performance of his functions as a member; and

(*b*) to satisfy himself from time to time with respect to each member that he has no such interest;

and a person who is a member of the Agency or whom the Secretary of State proposes to appoint as a member of the Agency shall, whenever required by the Secretary of State to do so, furnish the Secretary of State with such information as he may specify with a view to carrying out his duty under this paragraph.

2. Subject to the following provisions of this Schedule, a person shall hold and vacate office as a member or the chairman of the Agency in accordance with the terms of the instrument appointing him to that office.

3. A person may at any time resign his office as a member or the chairman of the Agency by giving the Secretary of State a signed notice in writing stating that he resigns that office.

4. Where a member becomes or ceases to be the chairman, the Secretary of State may vary the terms of the instrument appointing him a member of the Agency so as to alter the date on which he is to vacate office as a member.

5. If the chairman ceases to be a member, he shall cease to be the chairman.

6.—(1) If the Secretary of State is satisfied that a member of the Agency—

(*a*) has been absent from meetings of the Agency for a period longer than three consecutive months without the permission of the Agency;

(*b*) has become bankrupt or made an arrangement with his creditors;

(*c*) is incapacitated by physical or mental illness; or

(*d*) is otherwise unable or unfit to discharge the functions of a member,

the Secretary of State may declare his office as a member of the Agency vacant, and notify the declaration in such manner as he thinks fit; and thereupon the office shall become vacant.

(2) In the application of sub-paragraph (1) above to Scotland, for the references in paragraph (*b*) to a member's having become bankrupt and to a member's having made an arrangement with his creditors there shall be substituted respectively a reference to sequestration of a member's estate having been awarded and to a member's having made a trust deed for behoof of his creditors or a composition contract.

7. A person who ceases to be a member, or ceases to be chairman, of the Agency shall be eligible for re-appointment.

Remuneration etc. of members

8. The Agency shall pay to its members such remuneration and allowances as may be determined by the Secretary of State with the approval of the Minister for the Civil Service.

9. In the case of any such member or past member of the Agency as may be determined by the Secretary of State with the approval of the said Minister, the Agency shall pay or make arrangements for the payment of such pension, allowance or gratuity to or in respect of him as may be so determined.

10. Where a person ceases to be a member of the Agency and it appears to the Secretary of State that there are special circumstances which make it right for that person to receive compensation, the Agency shall make to that person a payment of such amount as may be determined by the Secretary of State with the approval of the said Minister.

Disqualification of members for House of Commons etc.

11. In Part II of Schedule 1 to the House of Commons Disqualification Act 1975 and in Part II of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975 (bodies of which all members are disqualified), there shall be inserted at the appropriate place in alphabetical order:— 1975 c. 24. 1975 c. 25.

"The Co-operative Development Agency".

Proceedings

12. The quorum of the Agency and the arrangements relating to meetings of the Agency shall be such as the Agency may determine.

13.—(1) A member of the Agency who is in any way directly or indirectly interested in any matter which falls to be considered by the Agency shall disclose the nature of his interest at a meeting of the Agency and the disclosure shall be recorded in the minutes of the meeting.

(2) The member shall not take part in any deliberation or decision with respect to the matter if the Agency decides that the interest in question might prejudicially affect the member's consideration of the matter.

(3) For the purposes of this paragraph, a notice given by a member at a meeting of the Agency to the effect that he is a member of a specified body corporate or firm and is to be regarded as interested in any matter concerning the body corporate or firm which falls to be considered after the date of the notice shall be sufficient disclosure of his interest.

(4) A member need not attend in person at a meeting of the Agency 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 such a meeting.

14. The validity of any proceedings of the Agency shall not be affected by any vacancy among the members or by any defect in the appointment of a member or by any failure to comply with the requirements of paragraph 13 above.

15. The fixing of the common seal shall be authenticated by the signature of the chairman of the Agency or some other person authorised by the Agency to act for that purpose.

16. A document purporting to be duly executed under the seal of the Agency shall be received in evidence and shall be deemed to be so executed unless the contrary is proved.

Section 5(4).

SCHEDULE 2

Accounts and Audit: Alternative Provisions

1.—(1) The accounts and statements of accounts of the Agency shall be audited by auditors appointed by the Agency after consultation with the Secretary of State.

(2) A person shall not be qualified to be so appointed unless he is a member of a body of accountants which is for the time being recognised for the purposes of section 161(1)(*a*) of the Companies Act 1948 or section 155(1)(*a*) of the Companies Act (Northern Ireland) 1960; but a Scottish firm may be so appointed if each of the partners is qualified to be appointed.

1948 c. 38.
1960 c. 22 (N.I.).

2. The Agency shall send to the Secretary of State, before the end of the period of seven months after the end of any accounting year, a copy of the audited statement of accounts for that year together with a copy of any report made by the auditors on that statement or on the accounts of the Agency.

3. It shall be the duty of the Secretary of State to lay before each House of Parliament a copy of every statement and report of which a copy is received by him under paragraph 2 above.