STATUTORY INSTRUMENTS

1984 No. 1470

WATER, ENGLAND AND WALES

The Welsh Water Authority (Return on Assets) Order 1984

Made - - -	15*th August* 1984
Laid before Parliament	3*rd October* 1984
Coming into Operation	24*th October* 1984

The Secretary of State for Wales, with the approval of the Treasury, in exercise of the powers conferred on him by section 29(2)(*a*) of the Water Act 1973(**a**), and of all other powers enabling him in that behalf, hereby makes the following Order:—

Title, commencement and territorial extent of exercise of powers

1.—(1) This Order may be cited as the Welsh Water Authority (Return on Assets) Order 1984 and shall come into operation on 24th October 1984.

(2) This Order is made by the Secretary of State for Wales in relation to the Welsh Water Authority and their area.

Interpretation

2.—(1) In this Order, unless the context otherwise requires —

"the Act" means the Water Act 1973;
"the Authority" means the Welsh Water Authority;
"the value of their net assets", in relation to the Authority, has the meaning assigned to it in article 3; and
"the year 1984–85" means the year ending on 31st March 1985.

(2) In construing, for the purposes of this Order, the expressions "current cost" and "current cost operating profit", regard shall be had to the requirements for the preparation of current cost accounts contained in the publication entitled "Statement of Standard Accounting Practice No. 16" issued in March 1980 by the bodies represented on the Consultative Committee of Accountancy Bodies.

(3) Any reference in this order to a numbered article shall be construed as a reference to the article bearing that number in this Order.

Meaning of "the value of their net assets"

3. In relation to the Authority, the expression " the value of their net assets" is hereby defined, for the purposes of section 29 of the Act, as meaning the average of the total net values, at current cost, of the assets held by the Authority on 1st April 1984 and 31st March 1985 for the purposes of any of their functions other than functions relating to land drainage.

(**a**) 1973 c.37.

Return on value of net assets

4.—(1) In relation to the Authority the rate of 1.25 per cent is hereby specified as the rate of return on the value of their net assets which the Secretary of State considers it is reasonable for the Authority to achieve in respect of the year 1984–85 (in this article referred to as "the specified rate").

(2) It is hereby directed that during the year 1984–85 the Authority shall discharge their functions with a view to securing that they achieve in respect of that year a rate of return on the value of their net assets which is not less than the specified rate.

(3) Where in respect of the year 1984–85 the Authority achieve a current cost operating profit which when expressed as a percentage of the value of their net assets equals or exceeds the specified rate, they shall be taken to have complied with the provisions of paragraph (2) above.

Wyn Roberts,
Parliamentary Under
Secretary of State for Wales.

Signed by authority of
Secretary of State for Wales.
9th August 1984.

We approve the making of this Order.

Donald Thompson,
David Hunt,
Two of the Lords Commissioners
of Her Majesty's Treasury.

15th August 1984.

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

Section 29(2)(*a*) of the Water Act 1973 provides that the Secretary of State may, with the approval of the Treasury, direct by order that any water authority shall discharge their functions during any specified period with a view to securing that they achieve, in respect of that period, a rate of return on "the value of their net assets" (as defined by him) which is not less than the rate which he considers reasonable and specifies in his direction.

This Order, which relates to the Welsh Water Authority, defines "the value of their net assets", and specifies the rate of return on that value which that Authority is required to achieve in respect of the year ending on 31st March 1985.

The publication entitled "Statement of Standard Accounting Practice No. 16", which is mentioned in article 2(2) of the order, is obtainable (price £1.25) from the Institute of Chartered Accountants in England and Wales, 399, Silbury Boulevard, Witan Gate East, Central Milton Keynes, Buckinghamshire, MK9 2HL.

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