



Coal Industry Act 1965

1965 CHAPTER 82

An Act to make provision with respect to borrowing by, and loans by the Minister of Power to, the National Coal Board; with respect to the capital reconstruction, and the application of certain funds, of that Board; for the making of grants with the object of accelerating the redeployment of the manpower resources of that Board and the elimination of uneconomic colliery capacity; with respect to pensions or compensation for certain persons who have been members of that Board; and for connected purposes. [22nd December 1965]

1 **Borrowing by, and loans by Minister to, National Coal Board.**

[^{F1}(1) Subject to subsections (3) and (4) of this section, [^{F2}the British Coal Corporation (hereafter in this Act referred to as “the Corporation”)] may borrow temporarily, by way of overdraft or otherwise, either from the Secretary of State or, with the consent of the Secretary of State, from any other person, such sums in sterling as the Board may require for meeting their obligations and discharging their functions.

(2) Subject to subsection (3) of this section, [^{F3}Corporation] may borrow (otherwise than by way of temporary loan) from the Secretary of State such sums in sterling as the [^{F3}Corporation] may require in connection with their functions for all or any of the following purposes, that is to say—

- (a) for meeting any expenses properly chargeable to capital, being expenses incurred in connection with the provision or improvement of assets;
- (b) for the provision of working capital;
- (c) for acquiring an undertaking or part of an undertaking;
- (d) for lending money to, or meeting a guarantee given for the benefit of, any person for the purpose of an undertaking carried on by him or, where that person is a body corporate, an undertaking carried on by a subsidiary of that body corporate within the meaning of [^{F4}section 736 of the Companies Act 1985]
- (e) for subscribing for or acquiring shares, stock, debentures, debenture stock, or other securities of a like nature, of a body corporate, otherwise than by way of investment;

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- (f) to pay off any money borrowed by the [F³Corporation];
 - (g) for any purpose for which capital moneys are properly applicable (whether or not specified in the foregoing paragraphs of this subsection).
- (2A) The [F³Corporation] with the consent of the Secretary of State (which shall require the approval of the Treasury) may borrow in a currency other than sterling any sum which they have power to borrow in sterling from the Secretary of State.
- (3) Without prejudice to subsection (4) of this section, the aggregate amount outstanding in respect of the principal of—
- (a) sums borrowed by the [F³Corporation] otherwise than from any of their wholly owned subsidiaries (including any sum which under section 1(4) of the ^{M1}Coal Industry Act 1973 is deemed to have been so borrowed), and
 - (b) sums borrowed by any wholly owned subsidiary of the [F³Corporation] otherwise than from the [F³Corporation] or from another such subsidiary,
- shall not exceed the limit of [F⁵£5,500 million], but the Secretary of State may with the approval of the Treasury by order made by statutory instrument increase that limit up to [F⁵£6,000 million].
- (4) The aggregate of the amounts outstanding in respect of sums borrowed temporarily by the [F³Corporation] under subsection (1) and subsection (2A) of this section—
- (a) shall not at any time exceed such limit as the Secretary of State may from time to time direct, [F⁶with the approval of the Treasury].
- (5) The [F³Corporation] shall not have power to borrow money except in accordance with this section or with section 2(3) of the ^{M2}Coal Industry Act 1973.
- (6) The Secretary of State may lend to the [F³Corporation] any sums which the [F³Corporation] have power to borrow under subsection (1) or (2) of this section.
- (7) The foregoing provisions of this section (other than subsections (3) and (4) thereof) shall be deemed to have come into force on 28th March 1965 and—
- (a) the provisions of the Coal Industry Nationalisation Act 1946 ^{M3}(hereafter in this Act referred to as “the Act of 1946”) specified in Schedule 1 to this Act shall have effect subject to the amendments respectfully specified in that Schedule, being amendments designed to cause those provisions to apply to sums lent to the Board by the Minister, or borrowed by the Board, under this section as they applied to advances by the Minister to the Board, or sums borrowed by the Board, under that Act;
 - (b) any advances made to the Board by the Minister under section 26 or 27 of the Act of 1946, and any sums borrowed from the Minister by the Board under the said section 27, being advances made or sums borrowed on or after 28th March 1965, shall be treated as loans made to the Board by the Minister, or, as the case may be, sums borrowed by the Board, under this section; and any directions with respect to any such advances given under paragraph (b) of section 28(1) of the Act of 1946 before the passing of this Act shall be deemed to have been given under the said paragraph (b) as amended by the said Schedule 1;
 - (c) any amounts outstanding at the passing of this Act in respect of sums borrowed temporarily under the said section 27 from any person other than the Minister shall be treated as having been borrowed under subsection (1) of this section; and accordingly any guarantee in respect thereof given by the Treasury under subsection (4) of the said section 27 shall continue to have effect.

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[^{F7}(8) An order shall not be made under subsection (3) of this section unless a draft of the order has been laid before the Commons House of Parliament and approved by a resolution of that House.]

Annotations:

Amendments (Textual)

- F1** S. 1(1)-(6) substituted by virtue of Coal Industry Act 1977 (c. 39), s. 1(2), **Sch. 1 Pt. I para. 1**
- F2** Words substituted by Coal Industry Act 1987 (c. 3, SIF 86), s. 1(1)(2), **Sch. 1 para. 11(1)**
- F3** Word substituted by Coal Industry Act 1987 (c. 3, SIF 86), s. 1(1)(2), **Sch. 1 para. 11(2)**
- F4** Words substituted by Companies Consolidation (Consequential Provisions) Act 1985 (c. 9, SIF 27), s. 30, **Sch. 2**
- F5** Words substituted by Coal Industry Act 1983 (c. 60, SIF 86) s. 1
- F6** Words substituted by Coal Industry Act 1980 (c. 50, SIF 86), **s. 1(2)**
- F7** Words substituted by Coal Industry Act 1980 (c. 50, SIF 86), **s. 1(3)**

Modifications etc. (not altering text)

- C1** S. 1 explained by Coal Industry Act 1973 (c. 8) s. 2(4)
- C2** S. 1(1)(2A) and (2)(6) extended by Coal Industry Act 1973 (c. 8) s. 2(2) and 1(5) respectively
- C3** S. 1(3) amended by Coal Industry Act 1980 (c. 50), **s. 2(1)**, 2(3)
- C4** S. 1(6) amended by Coal Industry Act 1980 (c. 50), **s. 2(1)**, 2(1)
- C5** The text of S. 1(7), Sch 1 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Marginal Citations

- M1** 1973 c. 8.
- M2** 1973 c. 8.
- M3** 1946 c.59

2 Capital reconstruction, and application of funds, of Board.

(1) ^{F8}
^{F9}(3)

Annotations:

Amendments (Textual)

- F8** Ss. 2(1)(2) repealed by Coal Industry Act 1973 (c. 8), **Sch. 2**
- F9** S. 2(3) repealed (31.10.1994) by 1994 c. 21, ss. 67, 68(2), **Sch. 11 Pt. II**; S.I. 1994/2553, **art. 2**

3 ^{F10}

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Annotations:**Amendments (Textual)**

- F10** S. 3 repealed with saving for grants under [Coal Industry Act 1971 \(c. 16\)](#), s. 1 in respect of Board's financial year ending in March 1978 or in any earlier year by [Coal Industry Act 1977 \(c. 39\)](#), **Sch. 5 Pt. 1**

4 Pensions or compensation of members of Board.

- (1) Without prejudice to the generality of the provisions of section 37 of the Act of 1946, regulations made under that section may contain provisions authorising the treatment of any person who, being a participant in any pension scheme to which the regulations relate, becomes a member of the ^{F11}Corporation] as if his service as a member of the ^{F11}Corporation] were service to which the pension scheme relates; and the benefit rights of any such person resulting from the operation of any such provision shall not be affected by the provisions of section 2(6) of that Act requiring any pensions or gratuities to or in respect of members of the ^{F11}Corporation] to be determined by ^{F12}the Secretary of State] with the approval of ^{F13}the Minister for the Civil Service].
- (2) Where after the passing of this Act a person ceases to be a member of the ^{F11}Corporation] otherwise than on the expiry of his term of office, and it appears to ^{F12}the Secretary of State] that there are special circumstances which make it right that that person should receive compensation, ^{F12}the Secretary of State] may with the approval of ^{F13}the Minister for the Civil Service] require the ^{F11}Corporation] to make to that person a payment of such amount as may be determined by ^{F12}the Secretary of State] with the approval of ^{F13}the Minister for the Civil Service].

Annotations:**Amendments (Textual)**

- F11** Words substituted by [Coal Industry Act 1987 \(c. 3, SIF 86\)](#), s. 1(1)(2), **Sch. 1 para. 11(2)**
- F12** Words substituted by virtue of [S.I. 1969/1498](#), **arts. 2(1), 5(6)** and [1970/1537](#), arts. 2(2), 7(4)
- F13** Words substituted by virtue of [S.I. 1968/1656](#), **arts. 2(1)(d)(e)**, 3(2)

Modifications etc. (not altering text)

- C6** “The Act of 1946” means the [Coal Industry Nationalisation Act 1946 \(c. 59\)](#)

5 †Citation, construction, repeals and extent.

- (1) This Act may be cited as the [Coal Industry Act 1965](#), and the [Coal Industry Acts 1946 to 1962](#) and this Act may be cited together as the [Coal Industry Acts 1946 to 1965](#).
- (2) Save where the context otherwise requires, any reference in this Act to any enactment shall be construed as a reference to that enactment as amended by any other enactment, including any enactment contained in this Act.
- (3) ^{F14}
- (4) This Act does not extend to Northern Ireland.

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Annotations:

Amendments (Textual)

F14 [S. 5\(3\)](#) repealed by [Statute Law \(Repeals\) Act 1974 \(c. 22\)](#), [Sch. Pt. XI](#)

Modifications etc. (not altering text)

C7 Unreliable marginal note

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SCHEDULES

SCHEDULE 1

Section 1(7)(a).

CONSEQUENTIAL AMENDMENTS OF ^{M4}COAL INDUSTRY NATIONALISATION ACT 1946

Annotations:

Modifications etc. (not altering text)

- C8** The text of S. 1(7), Sch 1 is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

Marginal Citations

- M4** 1946 c. 59.

- 1 In section 27, as substituted by section 1 of the ^{M5}Coal Industry Act 1962, in subsection (4) (which relates to the guarantee by the Treasury of sums borrowed temporarily by the Board, otherwise than from the Minister, under the said section 27) for the words “this section” there shall be substituted the words “section 1(1) of the Coal Industry Act 1965”.

Annotations:

Marginal Citations

- M5** 1962 c. 6 (11 & 12 Eliz. 2.)

- 2 In section 28 (which relates to the making of payments to the Minister by the Board, and the payment into the Exchequer and issue out of the Consolidated Fund of sums received by the Minister by way of such payments) for paragraph (b) of subsection (1) there shall be substituted the following :—
- “(b) payments of interest on sums lent to the Board by the Minister under section 1(6) of the Coal Industry Act 1965 at such rate as he may so direct, and payments, of such amounts as he may so direct, in or towards repayment of such sums.”
- 3 In section 34(1) (which authorises the Treasury to issue to the Minister out of the Consolidated Fund such sums as are necessary to enable him to make money repayments, and advances to the Board, under the Act of 1946), for the words from “money” onwards there shall be substituted the words “money repayments under this Act and loans to the Board under section 1(6) of the Coal Industry Act 1965”.

SCHEDULE

2.....

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F15

Annotations:

Amendments (Textual)

F15 Sch. 2 repealed by Statute Law (Repeals) Act 1974 (c. 22), Sch. Pt. XI

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Commencement Orders yet to be applied to the Coal Industry Act 1965:

Commencement Orders bringing legislation that affects this Act into force:

- [S.I. 2004/144 art. 2 Sch.](#) commences (1994 c. 21)