



# Railways Act 1974

## 1974 CHAPTER 48

An Act to amend the law relating to the British Railways Board; to make provision for the performance by the Secretary of State of functions in relation to the Board under certain regulations of the Council of the European Communities relating to transport; to make provision with respect to certain pension schemes; to make provision for grants in connection with freight haulage facilities; to make provision with respect to the chairmen of Transport Consultative Committees; and for connected purposes. [31st July 1974]

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:—

### **1 Reduction in capital debt of the Railways Board**

- (1) On 1st January 1975 there shall be extinguished so much of the liability of the Railways Board on that date in respect of—
  - (a) the commencing capital debt of the Board under section 39 of the 1962 Act, and
  - (b) the principal of money borrowed by the Board from the Secretary of State under section 19 of that Act,as is necessary to reduce that liability to £250 million.
- (2) Of the amount in respect of which the Board's liability is extinguished by subsection (1) above, such part as the Secretary of State may, with the approval of the Treasury, direct shall be treated as reducing the commencing capital debt of the Board and the remainder shall be treated as reducing the principal of money borrowed as aforesaid.
- (3) The assets of the National Loans Fund shall accordingly be reduced by the amount in respect of which the Board's liability is so extinguished.

## **2 Increase in borrowing powers of the Railways Board**

In section 42(6) of the 1968 Act (which limits the aggregate amount which may be outstanding in respect of the principal of money borrowed by the Railways Board and the Board's commencing capital debt to £550 million or such greater sum not exceeding £700 million as the Secretary of State may by order specify) for the words " £550 million " there shall be substituted the words " £600 million " and for the words " £700 million " there shall be substituted the words " £900 million ".

## **3 Functions of the Secretary of State in relation to the Railways Board under certain transport regulations**

- (1) The Secretary of State shall be the competent authority of Great Britain in relation to the Railways Board for the purposes of the relevant transport regulations and, as that authority, may give directions to the Board imposing on them obligations of a general nature with respect to the operation of the whole or any part of their railway passenger system.
- (2) It shall fall to the Secretary of State to make any payments which are required to be made to the Board by any provision of those regulations and he may, subject to and in accordance with the provisions of those regulations, determine the manner of calculating, and the conditions applicable to, those payments.
- (3) Any directions under subsection (1) above may be varied or revoked by subsequent directions thereunder.
- (4) The power of giving directions under subsection (1) above shall be so exercised that the aggregate amount of any compensation payable under the relevant transport regulations in respect of all obligations imposed by directions for the time being in force under that subsection shall not exceed £900 million or such greater sum not exceeding £1,500 million as may be specified by Order in Council.
- (5) Her Majesty shall not be recommended to make an Order under subsection (4) above unless a draft of the Order has been approved by resolution of the Commons House of Parliament.
- (6) The obligations imposed by any directions under subsection (1) above shall not give rise to any form of duty or liability enforceable against the Board by proceedings before any court to which the Board would not otherwise be subject.
- (7) Section 39 of the 1968 Act (grants for unremunerative passenger services) shall cease to have effect.

## **4 The Board's duties in relation to policies, plans and information**

- (1) The Railways Board shall, in framing and carrying out proposals involving substantial expenditure of a capital nature by the Board or a subsidiary of theirs, act on lines settled from time to time with the approval of the Secretary of State.
- (2) The Railways Board shall, in formulating policies and plans for the general conduct of their undertaking and the businesses of their subsidiaries, act on lines settled from time to time with the approval of the Secretary of State.
- (3) The Railways Board shall furnish the Secretary of State with such information as he may specify in writing and the Board have or can reasonably be expected to obtain

with respect to such matters relating to the Board or any subsidiary of theirs or their activities (past, present or future), plans or property as the Secretary of State may so specify and the information so specified shall be furnished in such manner and at such times as he may so specify.

- (4) Without prejudice to subsection (3) above, the Railways Board shall, as soon as possible after the end of each accounting year of the Board and in accordance with subsection (5) below, make to the Secretary of State a report on the exercise and performance by them of their functions during that year and on their policy and programme and the Secretary of State shall lay a copy of every such report before each House of Parliament.
- (5) The report made by the Railways Board under subsection (4) above shall—
  - (a) include such information as the Secretary of State may from time to time specify in writing with respect to any matter on which the Board is to report to him under that subsection;
  - (b) set out any directions given by the Secretary of State to the Board under the 1962 Act or section 3(1) above during that year, unless the Secretary of State has notified the Board his opinion that it is against the interests of national security to do so ; and
  - (c) include a statement of the salaries or fees and of the emoluments of each of the members of the Board during that year.
- (6) The foregoing provisions of this section shall have effect in relation to the Railways Board in place of subsections (2), (7) and (8) of section 27 of the 1962 Act (which require the Boards constituted by that Act to consult the Secretary of State on certain capital expenditure and to furnish him with certain information and an annual report); and accordingly the words "(other than the Railways Board)" shall be inserted after the words " A Board " in subsection (2) and after the words " each Board " in subsections (7) and (8) of that section.

## **5 Railway, etc., pension schemes**

- (1) The Railways Board shall, subject to and in accordance with the following provisions of this section, provide the money for funding the prescribed obligations owed by the Board in connection with any prescribed relevant pension schemes in force on the appointed day, in so far as those obligations have not been funded before that day.
- (2) The obligations which may be prescribed under subsection (1) above shall not include any obligation imposed on the Board by an amendment made to a pension scheme after the appointed day or an obligation of the Board arising after that day to pay increases of pensions payable under any such scheme in excess of the increases payable on official pensions under the Pensions (Increase) Act 1971.
- (3) The money to be provided for funding the prescribed obligations shall, for any prescribed period, be a prescribed aggregate amount which shall be apportioned in accordance with an order made by the Secretary of State with the consent of the Treasury between the prescribed pension schemes and—
  - (a) the amounts so apportioned shall be debts of the Railways Board to the persons administering those schemes respectively, to be paid off by the prescribed instalments and on the prescribed dates ; and
  - (b) interest at the prescribed rate shall be payable on those debts on prescribed dates.

- (4) Different provision may be made by an order made by virtue of subsection (3)(a) above for different debts.
- (5) An order made under this section may be varied or revoked by a subsequent order thereunder, but not so as—
- (a) to reduce the principal of any debt of the Railways Board to the persons administering a prescribed pension scheme below the minimum amount prescribed for that debt by the order by virtue of which the debt was created; or
  - (b) to alter the date by which any instalment of any such debt is to be paid off or the rate of interest payable on any such debt.
- (6) No order shall be made under this section after the end of 1979.
- (7) The Railways Board may, with the approval of the Secretary of State, appoint persons (who may be the Board) to be trustees to act on behalf of persons administering a prescribed pension scheme and on trusts approved by him for the purposes of this section; and where trustees are so appointed payments under this section in respect of the principal of or interest on the debts due by virtue of this section to the persons administering the prescribed pension scheme may be made by the Board to those trustees.
- (8) The funding of an obligation under this section shall not discharge the obligation so far as it is one to pay pensions or increases of pension under the relevant pension scheme owed to the persons to whom pensions or increases of pension are or may become payable under the scheme or is an obligation to secure the payment of those pensions or increases.
- (9) If the persons administering a prescribed pension scheme have no power to amend the scheme apart from this subsection, they may amend it by instrument in writing for the purpose of bringing it into conformity with any provision of this section or section 6 below or any order under either section, and any power of amending any such scheme apart from this subsection may for that purpose be exercised without regard to any limitations on the exercise of the power and without compliance with any procedural provisions applicable to its exercise.
- (10) The Secretary of State shall, in so far as he is not required to do so under any of the relevant transport regulations, reimburse the Railways Board in respect of any sums paid under this section in respect of the principal of or interest on the debts due by virtue of this section, and any sums required by him for that purpose shall be paid out of money provided by Parliament.

## **6 Provisions supplementary to section 5**

- (1) In section 5 above and this section—
- " appointed day " means such day as may be appointed for the purposes of that section and this section by an order made by the Secretary of State :
- " prescribed " means prescribed by an order made by the Secretary of State with the consent of the Treasury.
- (2) In section 5 above and this section " relevant pension scheme " means—
- (a) a pension scheme in relation to which rights, liabilities and functions were conferred or imposed on the Railways Board by an instrument made under or by virtue of any provision of the 1962 Act; or

- (b) a pension scheme established by the Board for the provision of pensions for or in respect of persons who are or have at any time been employed by the Board or any subsidiary of theirs.
- (3) Where at any time, whether before or after the appointed day, the Railways Board pay pensions payable under a prescribed pension scheme or increases in such pensions, the Board shall be treated for the purposes of section 5 above as being under an obligation at that time to make those payments.
- (4) References in section 5 above to persons administering a pension scheme shall be construed, in a case where the Railways Board administer the scheme, as references to the Board; and in such a case—
  - (a) references in that section to a debt of the Board to those persons shall be construed as references to a liability of the Board to appropriate sums for the benefit of the scheme; and
  - (b) references to the payment of sums in respect of the principal of or interest on such a debt shall be construed accordingly.
- (5) Where it appears to the Railways Board that there is a doubt as to who are the persons administering a pension scheme, the Board may by instrument in writing specify the persons (who may be the Board) who are to be treated for the purposes of section 5 above as the persons administering the scheme.
- (6) Any power to make an order under section 5 above or this section shall be exercisable by statutory instrument, and any such instrument, other than one appointing a day for the purposes of that section and this section, shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.

## **7 Reimbursement of the Board's expenditure in repaying deposits of pension funds**

- (1) The Secretary of State may, out of money provided by Parliament, reimburse the Railways Board in respect of any expenditure incurred by them—
  - (a) in repaying to the persons administering any pension scheme to which the British Railways Board (Alteration of Pension Schemes) Order 1973 relates, or any order varying or replacing that Order, sums which belong to the fund of that pension scheme but are for the time being deposited with the Board or were before the coming into force of that Order applied to the general purposes of the Board's undertaking; or
  - (b) in paying interest on those sums.
- (2) Where the persons administering a pension scheme are the Railways Board the reference in subsection (1) above to the repayment of sums shall be construed as a reference to the appropriation of sums for the benefit of the fund of that pension scheme, and the reference to expenditure shall be construed accordingly.

## **8 Grants to assist the provision of facilities for freight haulage by rail**

- (1) Where it appears to the Secretary of State that it would be in the interests of any locality or of all or some of its inhabitants for facilities to be provided in that locality or elsewhere for or in connection with the loading or unloading of freight carried or intended to be carried by rail, he may out of money provided by Parliament make grants subject to and in accordance with this section towards the provision of such facilities.

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

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- (2) Grants under this section shall be made towards expenditure which appears to the Secretary of State to be expenditure of a capital nature which has been or is to be incurred in providing such facilities, and the facilities may, without prejudice to the generality of subsection (1) above, include railway sidings, depots, access roads and equipment for use in connection with the loading or unloading of freight.
- (3) Grants under this section shall be made in pursuance of an application made to the Secretary of State by the person who is in the course of providing or intends to provide the facilities and shall be supported by evidence that the Railways Board have given that person their approval for the provision by him of the facilities to which the application relates.
- (4) The Secretary of State may, in making a grant under this section, impose such terms and conditions as he thinks fit.

## **9 Salaries of chairmen of Transport Consultative Committees**

- (1) The Secretary of State may, instead of paying the chairman of a Consultative Committee an allowance under section 55(3) of the 1968 Act in respect of loss of remunerative time, pay him out of money provided by Parliament such remuneration as the Secretary of State may determine with the consent of the Minister for the Civil Service.
- (2) In this section Consultative Committee means the Central Transport Consultative Committee for Great Britain or an Area Transport Users Consultative Committee established under section 56 of the 1962 Act.
- (3) In Part III of Schedule 1 to the House of Commons Disqualification Act 1957 (offices the holders of which are disqualified for membership of the House of Commons), as it applies in relation to the House of Commons of the Parliament of the United Kingdom, there shall be inserted at the appropriate place in alphabetical order the words—  
“Paid Chairman of the Central Transport Consultative Committee for Great Britain or of an Area Transport Users Consultative Committee established under section 56 of the Transport Act 1962.”

## **10 Short title, interpretation, extent and commencement**

- (1) This Act may be cited as the Railways Act 1974.
- (2) In this Act—  
“ the 1962 Act ” means the Transport Act 1962 ;  
“ the 1968 Act ” means the Transport Act 1968 ;  
“ the relevant transport regulations ” means Council Regulation (EEC) No. 1191/69 on public service obligations in transport and Council Regulation (EEC) No. 1192/69 on common rules with respect to the financial status of railway undertakings;  
and expressions used in this Act and in the 1962 Act have the same meaning in this Act as they have in that Act.
- (3) This Act, except sections 3 and 8, extends to Northern Ireland.
- (4) Sections 1, 2 and 3(7) above shall come into force on 1st January 1975.