



Iron and Steel Act 1982

1982 CHAPTER 25

PART I

THE BRITISH STEEL CORPORATION AND THEIR SUBSIDIARIES

1 The British Steel Corporation

- (1) There shall continue to be a public authority called the British Steel Corporation (in this Act referred to as "the Corporation"), which shall have such powers and duties as are conferred and imposed on them by, or by virtue of, this Act.
- (2) The Corporation shall be a body corporate.
- (3) The Corporation shall consist of a chairman and not less than seven nor more than twenty other members.
- (4) The chairman and the other members of the Corporation shall be appointed by the Secretary of State from amongst persons appearing to him to have had wide experience of, and shown capacity in, the production of iron ore or iron or steel, industrial, commercial or financial matters, applied science, administration or the organisation of workers.
- (5) The appointment of a member of the Corporation, other than the chairman, shall not be made by the Secretary of State except after consultation with the chairman.
- (6) Schedule 1 to this Act shall have effect in relation to the Corporation.

2 Powers of the Corporation

- (1) Subject to the provisions of this Act, the Corporation shall have power—
 - (a) to carry on or promote the carrying on of any iron and steel activities and to sell or promote the sale of iron and steel products (whether within or outside the United Kingdom), and
 - (b) with the consent of, or in accordance with the terms of any general authority given by, the Secretary of State, to carry on or promote the carrying on of

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any other activities which any publicly-owned company is for the time being authorised by its memorandum of association or by its charter of incorporation or other charter, as the case may be, to carry on, or which any company that was at any time publicly-owned was at any time so authorised to carry on or to sell or promote the sale of the products of any activities authorised by this paragraph (whether within or outside the United Kingdom),

and may, instead of themselves carrying on any iron and steel or other activities, promote the carrying on of any of those activities to such extent as they think fit by other persons none of whom need be a publicly-owned company.

- (2) The Corporation shall not—
 - (a) acquire by agreement interests in companies or hold interests so acquired, or
 - (b) form, or take part in forming, companies,except with the consent of, or in accordance with the terms of any general authority given by, the Secretary of State.
- (3) The Corporation shall have power to provide for any group of companies any services which, in the opinion of the Corporation, can conveniently be provided as common services therefor; and for the purposes of this subsection the Corporation shall be entitled to treat themselves as being included in the group.
- (4) The Corporation shall have power to do any thing or to enter into any transaction (whether or not involving the expenditure of money, the borrowing of money in accordance with the provisions of this Act, the lending of money, the acquisition of any property or rights or the disposal of any property or rights) which in their opinion is incidental or conducive to the exercise of their powers under the preceding provisions of this section.
- (5) Without prejudice to subsection (4) above, the Corporation shall have power to lend to a subsidiary of theirs such sums as that company has power to borrow.
- (6) Any reference in this section to interests in a company includes a reference to rights in respect of money lent to the company or guarantees given for the benefit of the company.
- (7) The provisions of this section relate only to the capacity of the Corporation as a statutory corporation, and nothing in those provisions shall be construed as authorising the disregard by the Corporation of any enactment or rule of law.

3 General directions of the Secretary of State

The Secretary of State may, after consultation with the Corporation, give to the Corporation directions of a general character as to the exercise by the Corporation of their powers (including the exercise of rights conferred by the holding of interests in companies) in relation to matters which appear to him to affect the national interest; and the Corporation shall give effect to any directions so given.

4 Organisation of the Corporation's activities

- (1) It shall be the duty of the Corporation so to exercise their powers as to secure that the carrying on of the activities that have fallen to be carried on under their ultimate control is organised, so far as regards the direction thereof, in the most efficient manner.

- (2) The Corporation shall not make, or permit to be made, any substantial change in the manner in which the carrying on of the activities that have fallen to be carried on under their ultimate control is organised, so far as regards the direction thereof, except with the consent of the Secretary of State.
- (3) In carrying out any measure of reorganisation or any work of development which involves substantial outlay on capital account, and in securing the carrying out by any publicly-owned companies of any such measure or work, the Corporation shall act in accordance with a general programme settled from time to time with the approval of the Secretary of State.

5 Discontinuance and restriction of the Corporation's activities

- (1) Without prejudice to section 3 or 4(3) above but subject as provided in subsection (2) below, the Secretary of State may, after consultation with the Corporation, by order, give to the Corporation directions—
 - (a) to discontinue or restrict any of their activities or to dispose of any of their property, rights, liabilities and obligations; or
 - (b) to secure the discontinuance or restriction of any of the activities of a publicly-owned company or the disposal of all or any of its property, rights, liabilities and obligations, or the winding up of any such company ;and the Corporation shall give effect to any directions so given.
- (2) The Secretary of State shall not give any direction under subsection (1) above unless he is satisfied that the giving of it will further the public interest.
- (3) Subject to subsection (4) below, any direction under subsection (1) above to dispose or secure the disposal of property, rights, liabilities or obligations may in particular include a direction—
 - (a) to form a company for the purpose of acquiring the property or rights and assuming the /liabilities or obligations to be transferred in pursuance of the direction ;
 - (b) prohibiting, except with the consent of the Secretary of State, the disposal to, or acquisition from any person by, any company which will acquire property or rights in pursuance of the direction of assets used or capable of use in the production of products of a description, or of products other than products of a description, specified in the direction.
- (4) The powers to direct the formation of a company and to restrict the disposal or acquisition of assets are exercisable subject to the following further limitations, that is to say—
 - (a) no company shall be directed to be formed otherwise than as a publicly-owned company ; and
 - (b) no such restriction shall be imposed except on a company which is, or when formed will be, in public ownership or be binding after it ceases to be in public ownership.
- (5) So long as a restriction on the disposal or acquisition of assets is binding on the Corporation or a publicly-owned company the provisions of this Act relating to the capacity of the Corporation or the publicly-owned company shall have effect subject to the restriction.

6 Duty to report to the Secretary of State

- (1) The Corporation shall supply the Secretary of State with such returns, accounts and other information with respect to their property and activities, and the property and activities of any publicly-owned companies, as he may from time to time require.
- (2) Without prejudice to subsection (1) above, the Corporation shall, as soon as possible after the end of each financial year of the Corporation, make to the Secretary of State a report on the exercise and performance by the Corporation of their functions during that year and on their policy and programme, and the report shall include a general account of the activities of their subsidiaries.
- (3) The report made under subsection (2) above for any year shall set out any direction given by the Secretary of State to the Corporation during that year unless—
 - (a) the Secretary of State has notified to the Corporation his opinion that it is against the interests of national security to do so; or
 - (b) the Secretary of State accepts the contention of the Corporation that it is contrary to the commercial interests of the Corporation to do so.
- (4) Except as provided in subsection (5) below, the report made under subsection (2) above for any year shall set out any consent given by the Secretary of State to the Corporation during that year under subsection (2) of section 4 above and shall include a general account of the changes in organisation made during that year by virtue of any consent of his given in that or in any earlier year under that subsection.
- (5) Paragraphs (a) and (b) of subsection (3) above shall apply in relation to any consent given during the year by the Secretary of State as they apply in relation to any direction given by him and, in relation to changes in organisation made during the year, shall so apply except to such extent as the Secretary of State agrees.
- (6) Schedule 2 to this Act shall have effect with respect to the inclusion in reports under subsection (2) above of information respecting business of the Corporation and any publicly-owned companies consisting wholly or mainly in activities other than iron and steel activities.
- (7) The Secretary of State shall lay before each House of Parliament a copy of every report made under subsection (2) above.
- (8) Without prejudice to section 17 of the Interpretation Act 1978 (repeal and re-enactment), in relation to any financial year of the Corporation which began before the commencement of this Act, the references in subsection (4) above to any consent given under subsection (2) of section 4 above shall include references to any consent given under subsection (2) of section 4A of the Iron and Steel Act 1975.

7 Machinery for settling terms and conditions of employment

- (1) Except as provided in subsections (2) and (3) below, it shall be the duty of the Corporation to seek consultation with any organisation appearing to them to be appropriate with a view to the making of such agreements between the Corporation and that organisation as appear to the parties to be desirable with respect to the establishment and maintenance of machinery, for operation at national level or works level or any level falling between those levels which appears to the Corporation to be appropriate, for the purposes of—
 - (a) the settlement by negotiation of terms and conditions of employment of persons employed by the Corporation and by any publicly-owned companies

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- with provision for reference to arbitration in default of a settlement in such cases as may be determined by or under the agreements; and
- (b) the promotion and encouragement of measures affecting efficiency, in any respect, in the carrying on by the Corporation and by any publicly-owned companies of their activities; and
 - (c) the promotion and encouragement of measures affecting the safety, health and welfare of persons employed by the Corporation and by any publicly-owned companies.
- (2) The duty to seek consultation with any organisation under subsection (1) above may be performed by the Corporation either directly, or indirectly by exercising control over any publicly-owned companies; and, if the Corporation so decide, such consultation may be sought with a view to the making of such agreements as are referred to in that subsection between any publicly-owned companies and any organisation.
- (3) The Corporation are not required to seek consultation with any organisation under subsection (1) above in so far as they are satisfied that adequate machinery, for operation at any such level as is referred to in that subsection, exists for achieving the purposes specified in that subsection.
- (4) The Corporation shall send to the Secretary of State copies of any such agreement as aforesaid and of any instrument varying the terms of any such agreement.
- (5) Where it falls to the Corporation or a publicly-owned company to participate in the operation of machinery established under this section, and the operation involves discussion of a subject by other persons participating therein, the Corporation or the publicly-owned company, as the case may be, shall make available to those persons, at a reasonable time before the discussion is to take place, such information in their possession relating to the subject as, after consultation with those persons, appears to the Corporation or the publicly-owned company, as the case may be, to be necessary to enable those persons to participate effectively in the discussion.
- (6) Nothing in this section shall be construed as prohibiting the Corporation or a publicly-owned company from taking part, together with other employers, or organisations of employers, in the establishment and maintenance of machinery for the settlement of terms and conditions of employment and the promotion and encouragement of measures affecting the safety, health and welfare of persons employed by them, and in the discussion of other matters of mutual interest to them and persons employed by them.

8 Pension rights

- (1) Schedule 3 to this Act shall have effect with respect to the provision of pensions to, or in respect of, persons employed or formerly employed by the Corporation and other bodies corporate, including provision for the making by the Secretary of State of regulations for those purposes.
- (2) The Secretary of State shall not make regulations under the said Schedule 3 except after consultation with the Corporation and such organisations as appear to him to be representative of the persons concerned.

9 Compulsory purchase of land

- (1) Subject to subsection (2) below, the Secretary of State may authorise the Corporation to purchase compulsorily any land required for the exercise and performance of their functions or the carrying on of any activity by a publicly-owned company ; and the Acquisition of Land Act shall apply.
- (2) The Secretary of State shall not under this section authorise the acquisition by the Corporation of any land for the purpose of the carrying on by them or any publicly-owned company of any activity, other than the working and getting of iron ore, if that land is being used wholly or mainly by any other person for the purpose of carrying on the same activity or for purposes incidental to the carrying on of that activity.
- (3) In this section " the Acquisition of Land Act " means—
 - (a) in the application of this section to England and Wales, the Acquisition of Land Act 1981;
 - (b) in the application of this section to Scotland, the Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947;and the said Act of 1947 shall have effect for the purposes of subsection (1) above as if the Corporation were a local authority within the meaning of that Act and as if this Act had been in force immediately before the commencement of the said Act of 1947.

10 Power to promote and oppose Bills, etc.

The Corporation may, with the consent of the Secretary of State, promote Bills in Parliament or orders under the Private Legislation Procedure (Scotland) Act 1936 and may, without any such consent, oppose any Bill in Parliament or any such order.

11 Provisions as to publicly-owned companies

- (1) A publicly-owned company shall not, except with the consent of, or in accordance with the terms of any general authority given by, the Secretary of State, acquire by agreement interests in a company or form, or take part in forming, a company.
- (2) Schedule 4 to this Act shall have effect with respect to the constitution and proceedings of any publicly-owned company that is a private company and shall so have effect for as long as the company remains in public ownership and notwithstanding any enactment or other instrument applicable to the company.
- (3) When any company comes into public ownership or ceases to be in public ownership, the Corporation shall, as soon as possible thereafter, publish that fact in the London and Edinburgh Gazettes.
- (4) The Corporation shall keep at their principal office a list, which shall be available for inspection during business hours, of the companies which are for the time being publicly-owned companies and of the other companies, to be shown separately, in which shares are for the time being held by the Corporation, and shall supply a copy of the list to any person on demand and on the payment of such reasonable charge as the Corporation may require.
- (5) If any sum required by any judgment or order to be paid by a company which at the time of the judgment or order is a publicly-owned company, or has at any time since the cause of action arose been a publicly-owned company, is not paid by the company within fourteen days from the date on which execution becomes leviable to enforce the

judgment or order, the Corporation shall be liable to pay that sum, and that judgment or order shall be enforceable against the Corporation accordingly.

- (6) Where any such sum as is referred to in subsection (5) above is required to be paid in respect of a liability arising under a contract made by the company, the cause of action shall be deemed, for the purposes of that subsection, to have arisen at the time when the contract was made.

12 Transfer of property etc. and dissolution of publicly-owned companies

- (1) The Secretary of State may, with respect to a publicly-owned company which was in public ownership on 30th April 1969, by order, vest all or any of its property, rights, liabilities and obligations in the Corporation.
- (2) An order under subsection (1) above may make such provision as appears to the Secretary of State to be requisite or expedient in connection with, or in consequence of, the vesting.
- (3) If at any time it appears to the Secretary of State that a publicly-owned company which was in public ownership on 30th April 1969 is void of property, rights, liabilities and obligations, he may, by order, dissolve it.

13 Taxation liability of Corporation

- (1) Except as provided in this section, nothing in this Act exempts the Corporation from liability for any tax, duty, rate, levy or other charge whatsoever, whether general or local.
- (2) Where a company is formed by the Corporation or the amount of the capital of a subsidiary of the Corporation is increased, then, if the Treasury are satisfied that the formation of the company or the increase of capital, as the case may be, is—
- (a) for the purpose of giving effect to a direction given by the Secretary of State under section 5(1) above, or
 - (b) for the purpose of making a change in organisation for which the Secretary of State has given his consent under section 4(2) above, or
 - (c) for purposes that include either of those purposes,
- stamp duty shall not be chargeable under section 47 of the Finance Act 1973 on any document relating to a chargeable transaction consisting of the formation of the company or the increase of capital except to the extent to which, in the opinion of the Treasury, the transaction goes beyond what is necessary for achieving that purpose.
- (3) Where, in accordance with arrangements approved by the Secretary of State for the purposes of section 9 of the Iron and Steel Act 1969, section 13(3) of the Iron and Steel Act 1975 or this subsection, a publicly-owned company which was in public ownership on 30th April 1969 ceases to carry on a trade and the Corporation begin to carry on activities of that trade as part of their trade, section 252(3) of the Income and Corporation Taxes Act 1970 (company reconstructions without change of ownership) shall, in its application to the company and the Corporation, have effect as if, after the words " carrying on the trade ", there were inserted the words " or any trade of which it has come to form part ".
- (4) In the event of the dissolution of a company which was in public ownership both on 30th April 1969 and immediately before its dissolution, the Corporation shall be entitled to relief from corporation tax under section 265(1) of the Income and

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Corporation Taxes Act 1970 (computation of chargeable gains) for any amount for which the company, had it not been dissolved, would have been entitled to claim relief in respect of allowable losses.