



# Atomic Energy Authority Act 1986

## 1986 CHAPTER 3

### *The Authority's finances*

#### **1 Commencing capital debt.**

- (1) The United Kingdom Atomic Energy Authority shall, in respect of their net assets on 1st April 1986, assume a debt due to the Secretary of State (their commencing capital debt) of such amount as the Secretary of State, after consulting the Authority, may with the approval of the Treasury specify by notice in writing.
- (2) The commencing capital debt of the Authority shall be deemed to have been assumed by them on 1st April 1986 and a sum equal to the amount of that debt shall be deemed to have been issued to the Secretary of State out of the National Loans Fund on that date.

#### **2 Borrowing powers.**

- (1) The Authority may borrow such sums as may be required for meeting the obligations and discharging the functions of the Authority or their subsidiaries—
  - (a) in sterling from the Secretary of State, or (b) with the consent of the Secretary of State, or in accordance with a general authority given by him, in any currency from a person other than the Secretary of State.
- (2) The Authority may borrow money from a wholly owned subsidiary of theirs without any consent or authority.
- (3) The Authority shall exercise control over their subsidiaries so as to secure that no subsidiary borrows from a person other than the Authority or another subsidiary except with the consent of the Secretary of State or in accordance with a general authority given by him.
- (4) The Secretary of State may give general authority for—
  - (a) temporary borrowing, by way of overdraft or otherwise, and
  - (b) borrowing by subsidiaries of the Authority.

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- (5) The Secretary of State shall not give his consent or authority under this section except with the approval of the Treasury.
- (6) The Authority may not borrow money except in accordance with this section; but a person lending to the Authority is not prejudiced by a failure to comply with the requirements of this Act as to borrowing by the Authority.

### **3 Limit on borrowing.**

- (1) The aggregate amount outstanding by way of principal in respect of—
  - (a) money borrowed by the Authority or a wholly owned subsidiary of theirs,
  - (b) money borrowed for the repayment of which the Authority or a wholly owned subsidiary of theirs is a guarantor or surety,
  - (c) the Authority's commencing capital debt, and
  - (d) sums issued by the Treasury in fulfilment of guarantees under section 5 (guarantees of borrowing by Authority or their subsidiaries),

shall not exceed £150 million or such greater sum, not exceeding £200 million, as the Secretary of State may specify by order.

- (2) Borrowing between the Authority and a wholly owned subsidiary of theirs, or between two such subsidiaries, shall not be taken into account for the purposes of subsection (1).
- (3) If a body corporate ceases to be a wholly owned subsidiary of the Authority, the Secretary of State may, having regard to the extent to which the amounts taken into account for the purposes of subsection (1) were attributable to—
  - (a) money borrowed by that body corporate, and
  - (b) money borrowed for the repayment of which that body corporate is a guarantor or surety,

by order provide that subsection (1) shall have effect with the substitution for the amounts specified in that subsection, or in an order in force under that subsection, of such lower amounts as he considers appropriate.

- (4) Where the Authority or a wholly owned subsidiary of theirs enter into a transaction which involves credit or other financial services being made available to them, the Secretary of State may by order provide—
  - (a) that they shall be treated for the purposes of subsection (1) as having borrowed such amount as may be specified in the order, and
  - (b) for determining how much of that amount is to be treated for the purposes of that subsection as outstanding at any time.

- (5) The Secretary of State may, when he consents to borrowing in a currency other than sterling, or later, give directions as to the method of calculation, and the date to be taken, in determining for the purposes of subsection (1) the value in sterling of the amount outstanding.

- (6) The Secretary of State shall not make an order under subsection (1) or give directions under subsection (5) except with the approval of the Treasury; and before giving directions under subsection (5) he shall consult the Authority.

- (7) Orders under this section shall be made by statutory instrument, and—

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- (a) an order shall not be made under subsection (1) unless a draft of it has been approved by a resolution of the House of Commons, and
- (b) an order under subsection (3) or (4) shall be subject to annulment in pursuance of a resolution of that House.

**Subordinate Legislation Made**

P1 [S. 3\(1\)](#): s. 3(1) power exercised by [S.I.1991/1736](#)

#### **4 Loans from the Secretary of State.**

- (1) The Secretary of State may lend to the Authority any sums which they have power to borrow from him.
- (2) The Authority's commencing capital debt and any loans made to the Authority under this section shall be repaid to the Secretary of State—
  - (a) at such times and in such manner as he may direct, and
  - (b) with interest at such rates, and payable at such times, as he may direct.
- (3) The Secretary of State shall not make such a loan or give such a direction except with the approval of the Treasury; and before giving a direction altering the terms for repayment, or for the payment of interest, he shall consult the Authority.
- (4) The Treasury shall issue out of the National Loans Fund to the Secretary of State such sums as are necessary to enable him to make loans under this section.
- (5) Sums received by the Secretary of State in respect of the Authority's commencing capital debt or a loan under this section shall be paid into the National Loans Fund.
- (6) The Secretary of State shall—
  - (a) prepare in respect of each financial year an account, in such form and manner as the Treasury may direct, of sums issued to him for loans under this section, and of sums received by him under this section, and of the disposal by him of those sums, and
  - (b) send it to the Comptroller and Auditor General not later than the end of November in the following financial year;

and the Comptroller and Auditor General shall examine, certify and report on the account and lay copies of it, together with his report, before each House of Parliament.

#### **5 Treasury guarantees.**

- (1) The Treasury may guarantee, in such manner and on such conditions as they think fit, the repayment of the principal of, and the payment of interest on, and any other financial obligation in connection with, any sums which the Authority or any of their subsidiaries borrow from a person other than the Secretary of State.
- (2) Immediately after a guarantee is given the Treasury shall lay a statement of the guarantee before each House of Parliament.
- (3) If any sums are issued in fulfilment of a guarantee, the Authority or, as the case may be, the subsidiary shall make to the Treasury, at such times and in such manner as the Treasury may direct—

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- (a) payments of such amounts as the Treasury may direct in or towards repayment of the sums issued, and
  - (b) payments of interest on what is outstanding in respect of sums issued, at such rate as the Treasury may direct.
- (4) Before giving such a direction the Treasury shall consult the Authority.
- (5) Where a sum is issued for fulfilling a guarantee, the Treasury shall, as soon as possible, lay before each House of Parliament a statement relating to that sum.
- (6) Any sums required by the Treasury for fulfilling a guarantee shall be charged on and issued out of the Consolidated Fund; and sums received by the Treasury shall be paid into that Fund.

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