



# Electricity Act 1957

## 1957 CHAPTER 48

### *Finances of Electricity Boards and Electricity Council*

#### **20 Reserve funds**

- (1) The Generating Board shall establish and maintain a general reserve fund for the purposes of that Board, which shall be known as the generating reserve fund.
- (2) Every Area Board shall establish and maintain (or, in the case of a fund established before the coming into operation of this section, shall continue to maintain) a general reserve fund for the purposes of the Board, which shall be known as an area reserve fund.
- (3) Subject to the following provisions of this section, the Generating Board shall contribute to the generating reserve fund, and each Area Board shall contribute to the area reserve fund maintained by them, to such extent as the Board maintaining the fund may from time to time determine.
- (4) The management of the generating reserve fund, and of every area reserve fund, and the application of the moneys comprised therein, shall, subject to the next following subsection, be as the Board maintaining the fund may determine:

Provided that no part of any such fund shall be applied otherwise than for the purposes of the Board maintaining the fund.

- (5) The power of the Minister under section eight of this Act to give directions to any of the Electricity Boards in England and Wales as to the performance of their functions shall extend to the giving to them of directions (whether of a general or a specific character) as to—
  - (a) any matter relating to the establishment or management of a fund which the Board are required to maintain under this section, or
  - (b) the making of contributions to such a fund, or
  - (c) the application of any moneys comprised in such a fund;

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but no directions shall be given by the Minister as to a matter falling within paragraph (a), paragraph (b) or paragraph (c) of this subsection except with the approval of the Treasury.

- (6) The preceding provisions of this section shall be without prejudice to the power of the Generating Board or any Area Board to establish appropriate reserves for replacements or other purposes ; but with respect to the management and application of any such reserves the Generating Board or an Area Board shall act in accordance with any directions given by the Minister after consultation with the Treasury.
- (7) It is hereby declared that one of the purposes of the generating reserve fund and the area reserve funds is the prevention of frequent fluctuations in the charges made by the Generating Board and the Area Boards, and the powers of those Boards in relation to those funds shall be exercised accordingly.
- (8) Section forty-three of the principal Act (which contains provisions as to reserve funds, including provisions as to the maintenance of a central reserve fund) shall cease to have effect.