



Coal Industry Nationalisation Act 1946

1946 CHAPTER 59

Compensation for transfer of assets.

11 Allocation of transferred interests to compensation units and to districts, and determination of their status as respects coal industry value.

- (1) The Minister shall prescribe the districts that are to be valuation districts for the purposes of this Act. The said districts shall be districts corresponding in general with those for which district wages ascertainments were made for the purposes of the adjustment of wages payable in the year nineteen hundred and thirty-nine, and shall be shown on a map to be kept available by the Minister for public inspection in accordance with regulations during usual business hours :

Provided that, if it appears to the Minister to be convenient for valuation purposes so to do, he may create a valuation district corresponding with two or more districts for which such ascertainments were so made taken together, or may create two or more valuation districts corresponding with a single district for which such ascertainments were so made.

- (2) The Minister shall constitute compensation units so as to include in some such unit every transferred interest, and shall allocate each such unit to one or other of the valuation districts :

Provided that the regulations to be made for ascertaining, verifying and recording particulars of the transferred interests may render the inclusion of a transferred interest in such a unit conditional on due and punctual compliance with provisions of the regulations.

- (3) In determining how transferred interests are to be dealt with as regards their arrangement in compensation units, and to what valuation district each compensation unit is to be allocated, the Minister shall have regard to the following requirements, that is to say,—
- (a) the expediency on the one hand of bringing together interests whose value would or might be affected by severance, so far as is practicable consistently with the scheme of district valuation established by this Act;

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- (b) the expediency on the other hand of separating interests of different owners, and of separating interests which are subject to different incidents as respects the ascertainment or satisfaction of compensation ; and
- (c) convenience and dispatch in valuation ;

and accordingly he shall treat as the normal compensation unit, subject to variation as may be needed for meeting the requirements aforesaid or special circumstances affecting particular interests, a unit consisting of all the transferred interests of a single colliery concern or other owner which are in property situated permanently in, or ordinarily operated from, a single district and which are not subject to different incidents as aforesaid.

- (4) The Minister shall also determine, as to each transferred interest, whether its value is attributable in whole or in part to usefulness for activities relevant to district wages ascertainment, and, if in part, to what extent :

Provided that provision shall be made by regulations for objection to the Minister's determination of any question under this subsection, and, if objection is duly made, for the determination of the question by two accountants being members respectively of firms of independent accountants which have acted for colliery owners and mineworkers respectively on district wages ascertainment, or, failing a determination by agreement of the accountants within a limited period, for determination of the question by arbitration under this Act.

- (5) Determinations under the last preceding subsection as to transferred interests included in compensation units which the Minister has allocated, or proposes to allocate, to any valuation district shall be made by reference to the practice observed in making the district wages ascertainment, for the district corresponding with that valuation district, of results for the period of ascertainment which included the month of June, nineteen hundred and thirty-nine (or, if the said month of June was included in two or more successive periods of ascertainment, for the first of those periods), and, in the case, of a determination as to an interest of a colliery concern dealt with in making those ascertainment, to the practice observed as respects activities of that concern, and in this section—

- (a) the said practice by reference to which such a determination is to be made as to any transferred interest is referred to as " the wages ascertainment practice " ;
- (b) the expression " activities relevant to district wages ascertainment " means activities treated as comprised in the coal industry under the wages ascertainment practice.

- (6) Notwithstanding that, in general, determinations under subsection (4) of this section are to be made as aforesaid by reference to the wages ascertainment practice, the subsequent provisions of this section shall apply in the cases therein mentioned.

- (7) The fact that figures relating to a particular activity have been brought into computation under the wages ascertainment practice shall not render it an activity relevant to district wages ascertainment under this section where the figures in question constituted an item known under the wages ascertainment practice as a fair transfer price or similar charge and the activity in question was one treated under that practice as excluded from the coal industry.

- (8) Whatever the wages ascertainment practice has been in any case, the value of the following transferred interests shall be treated as not to any extent attributable to usefulness for activities relevant to district wages ascertainment, that is to say—

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- (a) interests in stocks of products of colliery production activities and interests in consumable or spare stores within the meaning of the First Schedule to this Act ;
- (b) freehold interests in minerals other than coal; and
- (c) interests arising under a lease granted in accordance with the provisions of section four of the Coal Act, 1943, or by virtue of a right to such a lease (in this Act referred to as interests under a " former freeholder's lease ") ;

and, to the extent to which the value of any transferred interest is attributable to a provision relating to undergettings, short workings or similar matters, it shall be treated as not attributable to usefulness for such activities as aforesaid.