



Electricity Act 1947

1947 CHAPTER 54

PART II

ACQUISITION OF ELECTRICITY UNDERTAKINGS.

Compensation to Local Authorities.

22 Compensation to local authorities.

- (1) The Central Authority shall, by way of compensation for the vesting in them or in any other Electricity Board of property and rights of any local authority, and in lieu of any other compensation in respect of that vesting, make payments to the authority in accordance with this and the two next following sections.
- (2) Where the local authority have raised a loan wholly or partly for the purposes of their functions as authorised undertakers or have advanced money for those purposes out of any consolidated loans fund or mortgage loans pool established by them or out of any other moneys held by them, and, in pursuance of the arrangements in force immediately before the vesting date for the redemption of the loan and the payment of interest thereon or, as the case may be, for the repayment of the advance and the payment of interest thereon, any amounts would, but for this Act, have fallen, on or after the vesting date, to be debited in the accounts of the local authority in their capacity as authorised undertakers, the Central Authority shall, subject to the provisions of this section, pay those amounts to the local authority at the times at which, but for this Act, those amounts would have fallen to be debited in the accounts of the local authority in their capacity aforesaid."
- (3) Where the local authority have before the vesting date made arrangements for the making of financial adjustments, as between the accounts of the local authority in their capacity as authorised undertakers and any other account of the local authority, in respect of any other transaction or matter affecting both their functions as authorised undertakers and other functions of the authority, and in pursuance of those arrangements any amounts would, but for this Act, have fallen, on or after the vesting date, to be debited or credited in the accounts of the local authority in their capacity

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as authorised undertakers and credited, or, as the case may be, debited, in some other account of the local authority, the Central Authority shall, subject to the provisions of this section, pay those amounts to the local authority or be entitled to receive those amounts from the authority, as the case may be, at the times at which, but for this Act, those amounts would have fallen to be debited or credited in the accounts of the local authority in their capacity aforesaid:

Provided that this subsection shall not apply in relation to any apportionment of establishment charges between the accounts of the local authority in their capacity aforesaid and other accounts of the authority.

- (4) The Central Authority and the local authority may agree or the Minister of Health may, on the application of either party in default of such agreement, determine that, having regard to the circumstances in which any such arrangements were made and the circumstances arising under this Act, the last foregoing subsection shall not apply to those arrangements or shall apply thereto with such modifications as to the payments to be made by the Central Authority or the local authority as may be so agreed or determined, and the said subsection shall have effect subject to any such agreement or determination.

Any other question arising under either of the two last foregoing subsections as to the payments to be made thereunder shall, in default of agreement, be determined by the Minister of Health.

- (5) Any payment made by the Central Authority or the local authority under the foregoing provisions of this section which would, but for this Act, have been debited or credited as a capital payment, or any payment made in respect of the liability for the redemption of a loan or the repayment of an advance, shall be deemed to be a capital payment, and any other such payment shall be deemed to be an annual payment.

23 Further compensation to local authorities in respect of severance.

There shall be paid by the Central Authority to local authorities, by way of compensation in respect of the severance of their electricity undertakings from their other activities, the sum of five million pounds, and the said sum shall be divided among such of the said local authorities as satisfy the prescribed conditions, and the amounts to be paid to the individual authorities shall be determined in such manner and in accordance with such principles as may be prescribed.

24 Further compensation to local authorities in respect of capital works.

Where the Minister is satisfied, on the application of a local authority to whom this Part of this Act applies, that the authority incurred at any time after the nineteenth day of November, nineteen hundred and forty-five, in respect of works approved by the Electricity Commissioners expenditure properly chargeable to capital account, being expenditure incurred with the consent of the Electricity Commissioners (if such consent was required) and not defrayed out of moneys borrowed or advanced for the purposes of the electricity undertaking or out of the revenue or reserves of the electricity undertaking, the Minister may direct the payment by the Central Authority to the local authority of such sums by way of compensation, not exceeding the amount of the expenditure aforesaid, as may be determined by him :

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Provided that no payment shall be directed to be made under this section in respect of any expenditure in respect of which the Central Authority are liable to make payments under subsection (3) of the last but one foregoing section.