



# Civil Aviation Act 1971

## 1971 CHAPTER 75

### PART I

#### THE CIVIL AVIATION AUTHORITY

##### *Financial provisions*

#### **6 General financial duties**

- (1) It shall be the duty of the Authority so to conduct its affairs as to secure that its revenue (including any grant towards revenue made to it in pursuance of section 10(1) of this Act) is not less than sufficient to meet charges properly chargeable to revenue account, taking one year with another.
- (2) It shall be the duty of the Authority, in framing and carrying out proposals involving it in substantial outlay on capital account, to act on lines settled from time to time with the approval of the Secretary of State; and it shall also be the duty of the Authority to secure that any subsidiary of the Authority acts on those lines in framing and carrying out proposals involving the subsidiary in such an outlay.
- (3) The Secretary of State may, with the approval of the Treasury, give to the Authority a direction as to any matter relating to the establishment or management of reserves or the carrying of sums to the credit of any reserves or the application of any reserves for the purposes of the Authority.

#### **7 The initial debt**

- (1) The Authority shall assume, in accordance with the following provisions of this section, debts to the Secretary of State (hereafter in this Act referred to collectively as the "initial debt") in respect of the property and rights transferred to the Authority by virtue of Schedule 2 to this Act.
- (2) The Secretary of State may, with the approval of the Treasury, give to the Authority a notice in writing specifying any property or right which is to be or has been transferred

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to the Authority by virtue of the said Schedule 2 and stating the amount of the debt which the Authority is to assume in respect of that property or right as from the date which in relation to it is the vesting date for the purposes of that Schedule, and the Authority shall accordingly assume as from that date a debt of the amount specified in the notice; and a notice given in pursuance of this subsection with respect to any property or right shall be so given either before or as soon as possible after the date aforesaid.

- (3) It shall be the duty of the Secretary of State, as soon as possible after the transfer of property, rights and liabilities in pursuance of the said Schedule 2 has been completed, to give to the Authority a notice in writing specifying the aggregate amount of the initial debt.
- (4) The aggregate amount of the initial debt shall not exceed £50 million.
- (5) If it appears to the Secretary of State that in determining the amount of any debt specified in a notice given in pursuance of subsection (2) of this section he has not taken account, or not properly taken account, of any property, right or liability by reference to which that amount should have been or was calculated, he may with the approval of the Treasury, at any time before the expiration of the period of two years beginning with the date on which notice was given in pursuance of subsection (3) of this section, give notice in writing to the Authority reducing or, subject to the preceding subsection, increasing the amount of the initial debt by an amount specified in the notice.
- (6) The rate of interest payable on the initial debt, the arrangements for paying off the principal and the other terms of the debt shall be such as the Secretary of State may from time to time determine with the approval of the Treasury.
- (7) Any sums received by the Secretary of State by way of interest on or repayment of the initial debt shall be paid into the National Loans Fund.
- (8) In relation to any period before notice is given in pursuance of subsection (3) of this section, references in subsections (6) and (7) of this section to the initial debt include references to any part of that debt.

## **8 Borrowing powers**

- (1) Subject to subsection (5) of this section, the Authority may, with the consent of or in accordance with a general authorisation given by the Secretary of State, borrow temporarily by overdraft or otherwise such sums in sterling as the Authority may require for performing its functions.
- (2) Subject to subsection (5) of this section, the Authority may borrow from the Secretary of State otherwise than by way of temporary loan such sums in sterling as the Authority may require for capital purposes or for fulfilling a guarantee entered into by the Authority.
- (3) Subject to subsection (5) of this section, the Authority may with the consent of the Secretary of State borrow in currency other than sterling, from such persons and on such terms as the Secretary of State may from time to time specify, any sum which the Authority has power to borrow in sterling in pursuance of subsection (1) or (2) of this section.

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- (4) The Secretary of State shall not give consent or an authorisation or specify any person or terms in pursuance of the preceding provisions of this section except with the approval of the Treasury.
- (5) The aggregate amount outstanding in respect of the principal of any money borrowed by the Authority under this section and the initial debt shall not exceed £75 million.

## **9 Charges**

- (1) The Authority may, after consultation with the Secretary of State, make a scheme for determining the charges which are to be paid to the Authority in respect of the performance of such of its functions as are specified in the scheme ; and a scheme under this section may as respects any of those functions—
  - (a) specify the amount of the charge or a scale of charges by reference to which that amount is to be ascertained or provide that the charges shall be of such amount, not exceeding that specified in the scheme, as may be decided by the Authority having regard to the expense incurred by the Authority in performing the function in question and to such other factors (if any) as may be so specified ;
  - (b) provide for different charges for cases of such different descriptions as may be so specified ;
  - (c) specify the manner in which, the time at which and the person by whom any charge is to be paid.
- (2) A scheme under this section shall come into force on such day as may be specified in the scheme, not being earlier than the expiration of the period of sixty days beginning with the day on which the scheme is published in the prescribed manner; and a scheme made under this section may vary or revoke a previous scheme so made.
- (3) Regulations may make provision for determining the charges which are to be paid to the Authority, or for securing that no charge is payable to the Authority, in respect of such of its functions as may be prescribed; and regulations for determining the said charges may—
  - (a) prescribe the amount of a charge or the maximum or minimum amount of a charge or a scale of charges by reference to which those amounts are to be ascertained ;
  - (b) prescribe the manner in which, the time at which and the person by whom a charge is to be paid.
- (4) In so far as a scheme and regulations under this section make different provision with respect to the same matter the provision made by the scheme shall be disregarded.
- (5) Where as respects any function of the Authority provision for a charge to be paid is made by virtue of this section it shall be the duty of the Authority to charge accordingly, except that the Authority may if it thinks fit to do so in a particular case waive the whole or part of the charge; and any charge payable by virtue of this section may be recovered by the Authority in any court of competent jurisdiction.
- (6) Nothing in the preceding provisions of this section shall be construed as derogating from the power of the Authority to enter into an agreement for the payment to the Authority of charges of such amounts as may be determined in pursuance of the agreement in respect of the performance by the Authority of any of its functions, other

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than a function in respect of which provision is made in pursuance of those provisions for the making of a charge or of no charge.

- (7) Charges shall not be determined in pursuance of this section, or by the Authority in exercise of the power mentioned in the preceding subsection, in respect of the provision of air navigation services ; and provision shall not be made by or under an Air Navigation Order for the payment of fees to the Authority.

## **10 Grants and loans by Secretary of State**

- (1) The Secretary of State may—
- (a) make to the Authority out of money provided by Parliament grants of such amounts as the Secretary of State thinks fit;
  - (b) give the Authority a direction providing that the whole or part of a grant made in pursuance of the preceding paragraph is not to be used by the Authority otherwise than for the purposes of such of the Authority's functions as are specified in the direction.
- (2) The Secretary of State may, with the approval of the Treasury, lend to the Authority any sums which the Authority has power to borrow by virtue of section 8(2) of this Act.
- (3) Any loan which the Secretary of State makes in pursuance of the preceding subsection shall be repaid to him at such times and by such methods, and interest on the loan shall be paid to him at such rates and at such times, as the Secretary of State may with the approval of the Treasury from time to time determine.
- (4) The Treasury may issue out of the National Loans Fund to the Secretary of State such sums as are necessary to enable him to make loans in pursuance of subsection (2) of this section ; and any sums received by the Secretary of State in pursuance of the preceding subsection shall be paid into that Fund.

## **11 Payments to Secretary of State**

- (1) Any excess of the revenues of the Authority for any accounting year over the total sums properly chargeable by the Authority to revenue account for that year shall be applied by the Authority in such manner as the Secretary of State may direct with the approval of the Treasury and after consultation with the Authority; and the direction may require the whole or part of the excess to be paid to the Secretary of State.
- (2) The Secretary of State may, with the approval of the Treasury and after consultation with the Authority, direct the Authority to pay to the Secretary of State the whole or part of the sums for the time being standing to the credit of any reserves of the Authority.
- (3) Any sums received by the Secretary of State in pursuance of this section shall be paid into the Consolidated Fund.

## **12 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 any sums which the Authority borrows from a person other than the Secretary of State.

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- (2) Immediately after a guarantee is given under this section the Treasury shall lay a statement of the guarantee before each House of Parliament; and where any sum is issued for fulfilling a guarantee so given the Treasury shall, as soon as possible after the end of each financial year (beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged), lay before each House of Parliament a statement relating to that sum.
- (3) Any sums required by the Treasury for fulfilling a guarantee under this section shall be charged on and issued out of the Consolidated Fund.
- (4) If any sums are issued in fulfilment of a guarantee given under this section, the Authority shall make to the Treasury, at such times and in such manner as the Treasury from time to time direct, payments of such amounts as the Treasury so direct in or towards repayment of the sums so issued and payments of interest, at such rate as the Treasury so direct, on what is outstanding for the time being in respect of sums so issued.
- (5) Any sums received by the Treasury in pursuance of the preceding subsection shall be paid into the Consolidated Fund.

## **13 Accounts and audit**

- (1) It shall be the duty of the Authority—
  - (a) to keep proper accounts and proper records in relation to the accounts;
  - (b) to prepare in respect of each accounting year a statement of accounts, in such form as the Secretary of State may direct with the approval of the Treasury, showing the state of affairs and the profit or loss of the Authority; and
  - (c) to send copies of the statement to the Secretary of State and the Comptroller and Auditor General before the end of the month of November next following the accounting year to which the statement relates.
- (2) The Comptroller and Auditor General shall examine, certify and report on each statement received by him in pursuance of the preceding subsection and shall lay copies of the statement and of his report on it before each House of Parliament.
- (3) The Secretary of State may by order made with the consent of the Treasury modify or repeal paragraph (c) of subsection (1) of this section and the preceding subsection as for the time being in force.
- (4) It shall be the duty of the Secretary of State as respects each financial year—
  - (a) to prepare, in such form and manner as the Treasury may direct, an account of sums issued to the Secretary of State in pursuance of subsection (4) of section 10 of this Act and of any sums required to be paid into the National Loans Fund in pursuance of that subsection or section 7 of this Act or into the Consolidated Fund in pursuance of section 11 of this Act and of the disposal by the Secretary of State of those sums respectively; and
  - (b) to send a copy of the account to the Comptroller and Auditor General not later than the end of the month of November next following that year;and the Comptroller and Auditor General shall examine, certify and report on the account and shall lay copies of it and of his report on it before each House of Parliament.