



Statutory Corporations (Financial Provisions) Act 1974

1974 CHAPTER 8

1 Compensation to certain statutory corporations in respect of limitation of prices in financial years 1971-73

(1) For the purpose of compensating the bodies corporate specified in the first column of Schedule 1 to this Act in respect of financial loss which—

- (a) in any of the financial years 1971-1973 was incurred by them in consequence of their compliance with the national policy relating to limitation of prices, and
- (b) was reflected in deficits on their revenue accounts for any of those financial years,

the appropriate Minister shall make payments to those bodies in accordance with the following provisions of this section.

(2) For the purposes of the application of this section to any of the bodies corporate specified in the first column of Schedule 1 to this Act (in this section referred to as a "specified body")—

- (a) "the specified amount" means the amount specified in the corresponding entry in the second column of that Schedule, and
- (b) "the financial years 1971-73" means the financial years of the specified body which ended in March 1971, March 1972 and March 1973 respectively.

(3) The aggregate amount of the payments to be made under this section to bodies corporate specified in paragraph 1 of Schedule 1 to this Act shall be the specified amount, which shall be apportioned among them as the appropriate Minister, having regard to the purpose mentioned in subsection (1) of this section, may with the consent of the Treasury determine; and the amount of the payments to be made under this section to each of the other specified bodies shall be the specified amount.

(4) Subject to subsection (3) of this section, the times at which payments are made under this section, and the amount paid at any one time, shall be such as the appropriate Minister may, with the consent of the Treasury, determine.

- (5) For the purposes of this section the reference in Schedule 1 to this Act to the British Gas Corporation shall be taken to refer to the body now so called and formerly called the Gas Council, and, in relation to that body, references in subsection (1) of this section to financial loss incurred by them in any of the financial years 1971-1973 and reflected in deficits on their revenue accounts for any of those financial years shall be construed as references—
- (a) to financial loss which, in either of their financial years ending in March 1971 and March 1972 respectively, was incurred by any of the Area Boards established under the Gas Act 1948 in consequence of their compliance with the national policy referred to in that subsection and was reflected in deficits on their revenue accounts for either of those financial years, and
 - (b) to financial loss which, if those Area Boards had continued to exist until the end of March 1973 and to operate in the like manner, and with the like compliance with that policy, as in their previous financial years, might have been expected to be incurred by them, and to be reflected in deficits on their revenue accounts, for their financial years which would in that event have ended in March 1973.

2 Further compensation in respect of financial years 1974-75

- (1) For the purpose of compensating any of the bodies corporate specified in the next following subsection in respect of financial loss which, in either of their financial years ending in March 1974 and March 1975 respectively, may be or have been incurred by them in consequence of their compliance with the national policy relating to limitation of prices, the appropriate Minister may, subject to the following provisions of this section, make by statutory instrument an order in the case of any such body corporate.
- (2) The bodies corporate referred to in subsection (1) of this section are—
- (a) the Central Electricity Generating Board, and
 - (b) the bodies corporate specified in the first column of Schedule 1 to this Act.
- (3) An order made under subsection (1) of this section in the case of a body corporate in respect of a financial year shall provide that the appropriate Minister shall make a payment or payments to that body in respect of that financial year of such amount or aggregate amount as may be specified in the order.
- (4) The amount specified in such an order in the case of a body corporate in respect of the financial year ending in March 1974, shall not exceed the deficit on that body's revenue account for that financial year.
- (5) The amount specified in such an order in the case of a body corporate in respect of the financial year ending in March 1975 shall, subject to the following provisions of this section, be such amount as the appropriate Minister may determine, having regard in particular—
- (a) to any prospective deficit for that financial year which, at any time before or during that financial year, may have been forecast by agreement between that body and the appropriate Minister (or, if different prospective deficits are so forecast at different times before or during that financial year, to the latest of them), and
 - (b) to the extent (if any) to which the actual state of their revenue account at the end of that financial year is more or less favourable than the prospective deficit (or, as the case may be, the latest prospective deficit) so forecast.

- (6) The aggregate amount of the payments made under this section shall not exceed £400 million or such greater sum, not exceeding £500 million, as the Treasury may specify by order made by statutory instrument.
- (7) No order shall be made under subsection (1) of this section in the case of a body corporate except with the consent of the Treasury and after consultation with that body corporate; and no power to make an order under this section shall be exercisable unless a draft of the order has been laid before the Commons House of Parliament and approved by a resolution of that House.

3 Provisions supplementary to ss. 1 and 2

- (1) Any payments required to be made by virtue of section 1 or section 2 of this Act shall be made out of moneys provided by Parliament.
- (2) Any payment to a body corporate under either of those sections shall be treated as being for the credit of their revenue account, or for the credit of their capital account, or partly for the credit of the one and partly for the credit of the other, as the appropriate Minister, having regard to the duty of that body under the relevant enactment, may with the consent of the Treasury direct.
- (3) In determining, for the purposes of either of those sections, whether in the case of a body corporate there is or was a deficit or surplus on revenue account for a financial year, or the amount of any such deficit or surplus, no account shall be taken of any payment made or to be made under either of those sections.
- (4) For the purposes of the application of either of those sections to the Post Office—
 - (a) each of the branches of the Post Office's undertaking relating respectively to the provision of postal services, to the provision of telecommunication services, to the provision of such services as are mentioned in section 7(1)(b) of the Post Office Act 1969 (banking, giro and related services) and to the provision of data processing services shall be treated as if it were a separate undertaking, and
 - (b) references in either of those sections to financial loss incurred or to a deficit on revenue account shall, in relation to the Post Office, be construed accordingly.
- (5) In this section " the relevant enactment"—
 - (a) in relation to the Central Electricity Generating Board and to Area Boards within the meaning of the Electricity Act 1947, means section 13 of the Electricity Act 1957;
 - (b) in relation to the North of Scotland Hydro-Electric Board and to the South of Scotland Electricity Board, means section 10(1) of the Hydro-Electric Development (Scotland) Act 1943;
 - (c) in relation to the British Gas Corporation, means section 14 of the Gas Act 1972; and
 - (d) in relation to the Post Office, means section 31(1) of the Post Office Act 1969.

4 Extension of borrowing powers of certain statutory corporations

- (1) With a view to securing that the borrowing powers of the bodies corporate specified in the first column of Schedule 2 to this Act will extend—

Status: This is the original version (as it was originally enacted).

- (a) to the borrowing of money in a currency other than sterling from any person and in any manner, and
- (b) to the borrowing of money in sterling from the Commission of the European Communities and from the European Investment Bank,

the enactments specified in the second column of that Schedule shall have effect subject to the amendments specified in the third column of that Schedule, and any other enactment which applies any of those enactments to any of those bodies corporate shall be construed as applying it as so amended.

- (2) For the purpose of extending the borrowing powers of development corporations and of the Commission for the New Towns, and of making provision consequential upon the extension of those powers, the enactments specified in Schedule 3 to this Act shall have effect subject to the amendments specified in that Schedule.
- (3) Any increase in—
 - (a) the sums required by the Treasury for fulfilling guarantees given in respect of money borrowed under any of the enactments specified in Schedule 2 to this Act, or
 - (b) the sums received by the Treasury in consequence of any such guarantee,which is an increase attributable to any of the amendments specified in that Schedule shall be charged on and issued out of the Consolidated Fund or (as the case may be) shall be paid into that Fund.

5 Interpretation

- (1) In this Act "the appropriate Minister", except in relation to the Post Office, means the Secretary of State and, in relation to the Post Office, means the Minister of Posts and Telecommunications.
- (2) Except in so far as the context otherwise requires, any reference in this Act to an enactment shall be construed as a reference to that enactment as amended or extended by or under any other enactment.

6 Short title

This Act may be cited as the Statutory Corporations (Financial Provisions) Act 1974.