



Statutory Corporations (Financial Provisions) Act 1975

1975 CHAPTER 55

An Act to provide further (by extending section 2 of the Statutory Corporations (Financial Provisions) Act 1974) for compensating certain nationalised industries for their losses due to price restraint; and to make other provision with respect to finance and administration in the public sector. [1st August 1975]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Compensation to nationalised industries for losses due to price restraint

- (1) Subject to the provisions of this section, the Secretary of State may by order direct, in the case of any of the bodies corporate specified in Schedule 1 to this Act, the payment by him to that body of such amount as may be specified by the order by way of compensation for financial losses which it may, in either of its years 1974-75 or 1975-76, have incurred in consequence of compliance with the national policy relating to limitation of prices.
- (2) The Treasury may by order direct that this section shall take effect with the substitution for the words " either of its years 1974-75 or 1975-76 " of the words "any of its years 1974-75, 1975-76 or 1976-77 ".
- (3) The amount so specified for any year of a body corporate shall not exceed the deficit on the body's revenue account for that year.
- (4) If it appears to the Secretary of State, in the case of any of those bodies corporate, that it is incurring in its current year, or has incurred in its year last ended, such losses as are likely to justify the making of an order under subsection (1) above, he may (subject to subsections (7) and (8) below) make one or more payments to that body

by way of advance on the payment which, if an order is made, will be due to the body under the order.

- (5) If the Secretary of State determines not to make such an order, the body corporate shall repay to the Secretary of State the total of any advances made to it under subsection (4) in respect of that year; and if an order is made in its case specifying (as compensation for losses of that year) an amount less than that total, it shall repay to him the difference; and any repayment required by this subsection shall be made with interest at such rate as the Secretary of State may determine.
- (6) The whole or any part of a payment falling to be made to a body corporate by virtue of an order under subsection (1) above may be made with interest at such rate or rates and in respect of such period or periods as the Secretary of State may determine.
- (7) The Treasury's approval shall be required—
 - (a) for the making of an order under subsection (1) above ;
 - (b) for the making of any payment by way of advance under subsection (4);
 - (c) for the determination by the Secretary of State of a rate of interest under subsection (5); and
 - (d) for the payment of interest under subsection (6), and for any determination by the Secretary of State of the rate or rates of interest or the period or periods in respect of which it is to be paid.
- (8) No order shall be made under subsection (1) above in the case of a body corporate, and no payment shall be made to a body corporate by way of advance under subsection (4), except after consultation with that body.
- (9) Orders under this section shall be made by statutory instrument; and the power to make an order (whether a power of the Secretary of State under subsection (1) or of the Treasury under subsection (2)) shall not be exercisable unless a draft of a statutory instrument containing it has been laid before the House of Commons and approved by a resolution of that House.
- (10) In this section "year" means financial year.
- (11) Section 2 of the Statutory Corporations (Financial Provisions) Act 1974 (which, so far as not spent, is replaced by this section) shall cease to have effect.

2 Provisions supplementary to s. 1

- (1) Any payment to a body corporate under or by virtue of section 1 above shall be made out of money provided by Parliament and shall be treated as being for the credit of the body's revenue account.
- (2) Any sums repaid to the Secretary of State under section 1(5) (including any interest) shall be paid into the Consolidated Fund.
- (3) In determining for the purposes of section 1 whether in the case of a body corporate there is or was a deficit on its revenue account for a financial year, and in determining the amount of the deficit, no account shall be taken of any payment made or to be made under or by virtue of that section (whether a payment by the Secretary of State or by a body corporate), except a payment of interest by the Secretary of State under subsection (6) of the section.

- (4) For the purposes of applying section 1 to the Post Office, each of the branches of the Post Office's undertaking relating respectively to—
- (a) the provision of postal services,
 - (b) the provision of telecommunication services,
 - (c) 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
 - (d) the provision of data processing services,
- shall be treated as if it were a separate undertaking; and references to financial loss incurred, or to a deficit on revenue account, shall be construed accordingly.

3 Borrowing powers of British Steel Corporation

In section 3 of the Iron and Steel Act 1969 (which provides that the aggregate of the amount outstanding in respect of the principal of money borrowed by the British Steel Corporation and the publicly-owned companies, together with any sums paid to the Corporation under section 2(1) of that Act, shall not at any time exceed an amount which at the passing of this Act stands at £1,250 million) for " £1,250,000,000 " there shall be substituted " £2,000 million ".

4 Borrowing powers of National Bus Company

In section 27(3) of the Transport Act 1968, in paragraph (i) (which specifies the limit of the aggregate amount to be outstanding in respect of the principal of any money borrowed by the National Bus Company and the Company's commencing capital debt), for "£130 million" there shall be substituted " £200 million ".

5 Miscellaneous provisions as to borrowing in public sector

- (1) In the case of any of the bodies corporate specified in Schedule 2 to this Act, its power to borrow money in a currency other than sterling shall not be subject to any statutory restriction as to the persons from whom, or the terms on which, it may borrow; but the power shall be exercisable only with the consent of the Secretary of State and that consent shall require the Treasury's approval.
- (2) Section 18(1) to (3) of the Electricity Act 1957 (estimates of Area Boards' borrowing requirements; allocation of liabilities on loans to Electricity Council, etc.) shall apply in relation to borrowing by the Council, under section 15(3A) of that Act, from the Commission of the European Communities or the European Investment Bank as they apply (by virtue of section 18(4)) in relation to borrowing by means of Government advances ; and in section 19 of that Act (central guarantee fund), in subsection (1) (a), for the words " any temporary loan " there shall be substituted the words " any temporary or other loan ".

6 Consultative and Consumers' Councils (electricity and gas)

- (1) Part I of Schedule 3 to this Act has effect with respect to the Electricity Consultative Councils there specified and to various financial and administrative matters concerning those Councils.

- (2) Part II of that Schedule has effect for the amendment of Schedule 3 to the Gas Act 1972 in respect of various financial and administrative matters concerning the National and Regional Gas Consumers' Councils.
- (3) Payments under Part I of Schedule 3 to this Act to or in respect of the chairmen of the Councils there mentioned, and also payments under paragraph 1 of Schedule 3 to the Gas Act 1972—
- (a) in respect of remuneration of the chairman of any of the Consumers' Councils mentioned in that Schedule; or
 - (b) in respect of the chairman's pension or otherwise under paragraph 1 (3) of that Schedule,
- shall be made by the Secretary of State out of money provided by Parliament; and any expenditure incurred by the Secretary of State in providing funds to Councils under Part I of Schedule 3 to this Act, or under Schedule 3 to the Gas Act 1972, or otherwise under those Schedules, shall be defrayed out of money so provided.

7 Supplementary provisions

- (1) The enactments specified in Schedule 4 to this Act shall have effect with the amendments there specified, being amendments required in consequence of this Act and other minor amendments.
- (2) The enactments specified in Schedule 5 to this Act (which include certain spent provisions and minor provisions which are no longer required) are hereby repealed to the extent specified in the third column of that Schedule.
- (3) 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 any other enactment, including this Act.

8 Citation

This Act may be cited as the Statutory Corporations (Financial Provisions) Act 1975.

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

SCHEDULES

SCHEDULE 1

Section 1(1).

BODIES CORPORATE WHICH MAY BE COMPENSATED FOR LOSS

The Central Electricity Generating Board.
Area Boards within the meaning of the Electricity Act 1947.
The North of Scotland Hydro-Electric Board.
The South of Scotland Electricity Board.
The British Gas Corporation.
The Post Office.

SCHEDULE 2

Section 5(1).

BODIES CORPORATE AFFECTED BY SECTION 5 AS TO THEIR POWER TO BORROW IN CURRENCIES OTHER THAN STERLING

The British Airports Authority.	The Housing Corporation.
The British Airways Board.	The National Coal Board.
The British Steel Corporation and the publicly-owned companies for the purposes of the Iron and Steel Act 1967.	The North of Scotland Hydro-Electric Board.
	The Post Office.
The Civil Aviation Authority.	The South of Scotland Electricity Board.
The Electricity Council.	

SCHEDULE 3

Section 6.

CONSULTATIVE AND CONSUMERS' COUNCILS

PART I

ELECTRICITY INDUSTRY

The Councils concerned

- 1 This Part of this Schedule applies to the Consultative Councils established—
- (a) under section 7 of the Electricity Act 1947 for the areas of Area Boards ;
- and

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- (b) under section 7A of that Act, for the districts of the North of Scotland Hydro-Electric Board and the South of Scotland Electricity Board.

Council chairmen

2 There shall be paid to the chairman of a Council such remuneration as the Secretary of State may determine ; and in the case of a person remunerated under this paragraph there shall be no obligation to remunerate him also—

- (a) under paragraph 14 of Schedule 1 to the Hydro-Electric Development (Scotland) Act 1943, as a member of the North of Scotland Hydro-Electric Board or the South of Scotland Electricity Board; or
- (b) under section 3(6) of the Electricity Act 1947, as a member of the Area Board for the same area as that for which he is chairman of the Consultative Council.

3 If the Secretary of State so determines in the case of a person who has been remunerated under paragraph 2 above, he shall pay such pension to or in respect of that person, or make such payments towards the provision of such a pension, as he (the Secretary of State) may determine.

4 If a person in receipt of remuneration under that paragraph ceases to hold the office by virtue of which he receives it, and it appears to the Secretary of State that there are special circumstances which make it right that that person should receive compensation, that person shall be paid a sum of such amount as the Secretary of State may determine.

5 In Part III of Schedule 1 to the House of Commons Disqualification Act 1975, the following shall be inserted at the appropriate place in alphabetical order—

“Chairman of any of the Consultative Councils established, under sections 7 and 7A of the Electricity Act 1947, for the areas of Area Boards or the districts of the North of Scotland Hydro-Electric Board and the South of Scotland Electricity Board.”

Councils' administration, personnel etc.

6 A Council may, subject to the approval of the Secretary of State as to numbers, appoint such officers as appear to the Council to be requisite for the performance of their functions, including those of any committee or individual appointed under section 7(9) or 7A(8) of the Electricity Act 1947 (scheme for Council's representation at local level).

7 The Secretary of State shall provide the Councils with funds wherewith to pay—

- (a) to their members, and to members of any such committee, or to any such individual, as is mentioned above such travelling and other allowances ; and
- (b) to the officers of a Council, such remuneration, and such travelling and other allowances,

as the Secretary of State may determine, and wherewith also to defray such other expenses in connection with their functions as he may determine to be appropriate; and he may make arrangements for Councils to be provided with office accommodation.

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- 8 (1) There shall be paid such pensions, or arrangements shall be made for the payment of such pensions, to or in respect of persons who are or have been officers of Consultative Councils as the Secretary of State may determine.
- (2) A Consultative Council may, if the Secretary of State determines that they should do so, assume in respect of such persons as are referred to in sub-paragraph (1) above any liabilities incurred by the Electricity Council, an Area Board, the North of Scotland Hydro-Electric Board or the South of Scotland Electricity Board (as the case may be) under or in pursuance of section 54 of the Electricity Act 1947.
- (3) The Secretary of State shall provide Consultative Councils with funds wherewith to pay pensions under sub-paragraph (1) above or to finance any arrangements under that sub-paragraph, and to discharge any liabilities assumed by Councils under sub-paragraph (2).

Supplementary

- 9 (1) The consent of the Minister for the Civil Service shall be required for any determination or approval by the Secretary of State under the foregoing paragraphs.
- (2) In this Part of this Schedule " pension " includes allowance and gratuity payable on retirement or otherwise.

PART II

GAS INDUSTRY

- 10 Schedule 3 to the Gas Act 1972 is amended in accordance with the following paragraphs.
- 11 In paragraph 2 of the Schedule—
- (a) for sub-paragraph (3) substitute—
- “(3) Any of the said Councils may, if the Secretary of State determines that they should do so, assume in respect of any such persons as are referred to in sub-paragraph (2) above any liabilities incurred by the Corporation under or in pursuance of section 36(1) of this Act”;
- (b) after sub-paragraph (4) insert—
- “(4A) The Secretary of State may make arrangements for Councils to be provided with office accommodation”.
- 12 For paragraph 3 of the Schedule substitute—
- “3 (1) The payments to be made under paragraph 1 above—
- (a) in respect of the remuneration of the chairman of any of the Councils there mentioned ; and
- (b) in respect of the chairman's pension or otherwise under sub-paragraph (3) of that paragraph,
- shall be made by the Secretary of State ; and other payments under or in pursuance of paragraphs 1 and 2 above shall be made by Councils from funds provided by the Secretary of State.

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- (2) The consent of the Minister for the Civil Service shall be required for any determination or approval by the Secretary of State under paragraphs 1 and 2 above.
 - (3) In those paragraphs "pension" includes allowance and gratuity payable on retirement or otherwise".
- 13 In paragraph 7 of the Schedule for " the Corporation " substitute " the Secretary of State ".

SCHEDULE 4

Section 7(1).

CONSEQUENTIAL AMENDMENT OF ENACTMENTS

The Hydro-Electric Development (Scotland) Act 1943 (c. 32)

- 1 In the Hydro-Electric Development (Scotland) Act 1943, in section 12—
- (a) in subsection (1), for the words from the beginning to " money" substitute the words " Subject to the provisions of this section, the Scottish Electricity Boards may, with the consent of the Secretary of State (which shall require the approval of the Treasury) and subject to regulations to be made by the Secretary of State with the approval of the Treasury, borrow money in sterling or foreign currency from any source whether within or outwith the United Kingdom, ";
 - (b) at the end of the section add the following subsections—
 - “(4) The amount outstanding in respect of the principal of any sums of foreign currency borrowed under this section or section 3 of the Gas and Electricity Act 1968 and of any sums of sterling borrowed from outwith the United Kingdom under this section shall be included in the aggregate of the amounts outstanding in respect of loans raised by the Scottish Electricity Boards which is subject to the limit imposed by section 47(7) of the Electricity Act 1947 ; but this subsection shall not prevent the Scottish Electricity Boards from borrowing in excess of the said limit for the purpose of repaying the principal of any such sums borrowed by them under this section or the said section 3 or for the purpose of redeeming any securities issued under either of those sections which they are required or entitled to redeem.
 - (5) Nothing in this section shall be taken as exempting the Scottish Electricity Boards from the provisions of any order under section 1 of the Borrowing (Control and Guarantees) Act 1946 or from the provisions of the Exchange Control Act 1947.
 - (6) The repeal by the Statutory Corporations (Financial Provisions) Act 1975 of section 3 of the Gas and Electricity Act 1968 shall not affect anything done or any right established under that section before the passing of the said Act of 1975.”.

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The Coal Industry Act 1965 (c. 82)

- 2 In the Coal Industry Act 1965, in section 1(2A) (inserted by section 4(1)(b) of the Coal Industry Act 1971) for the words " may, from such person and on such terms as he may with the approval of the Treasury specify " substitute the words " (which shall require the approval of the Treasury) may ".

The Iron and Steel Act 1967 (c. 17)

- 3 In the Iron and Steel Act 1967—
- (a) in section 19(2A) (inserted by section 7(1) of the Iron and Steel Act 1969) for the words " may, from such person and on such terms as he may, with the approval of the Treasury, specify " substitute the words " (which shall require the approval of the Treasury) may ";
 - (b) in section 19(3) (as substituted by section 7(2) of the Iron and Steel Act 1969), in paragraph (b), for the words " from such person and on such terms as the Minister may, with the approval of the Treasury, specify " substitute the words " (which shall require the approval of the Treasury) ".

The Gas and Electricity Act 1968 (c. 39)

- 4 In the Gas and Electricity Act 1968—
- (a) in section 2(1), for the words " borrow, from such persons and on such terms as the Minister may, with the approval of the Treasury, from time to time specify " substitute the words " with the consent of the Secretary of State (which shall require the approval of the Treasury), borrow ";
 - (b) in section 2(3) after " guarantees)" insert " and section ".

The Post Office Act 1969 (c. 48)

- 5 In the Post Office Act 1969, in section 35(3), for the words " may, from such person and on such terms as he may, with the approval of the Treasury specify " substitute the words " (which shall require the approval of the Treasury) may ".

The Civil Aviation Act 1971 (c. 75)

- 6 In the Civil Aviation Act 1971—
- (a) in section 8, in subsection (3), omit the words " from such persons and on such terms as the Secretary of State may from time to time specify ", and in subsection (4) omit the words " or specify any person or terms ";
 - (b) in section 41, in subsection (3), for the words "borrow, from such persons and on such terms as the Secretary of State may from time to time specify " substitute the words " with the consent of the Secretary of State, borrow " and in subsection (5) omit the words " or specify any person or terms ".

The Airports Authority Act 1972 (c. 8)

- 7 In the Airports Authority Act 1972, in section 2(1) for the words "borrow, from such persons and on such terms as the Secretary of State may with the approval of the Treasury from time to time specify" substitute the words " with the consent of the Secretary of State (which shall require the approval of the Treasury), borrow ".

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The Housing Act 1974 (c. 44)

- 8 In the Housing Act 1974, in section 7, for subsection (4) substitute—
- “(4) The Corporation may, with the consent of the Secretary of State, borrow—
- (a) from the European Investment Bank or the Commission of the European Communities, sums in any currency; and
 - (b) from any other person, sums in a currency other than sterling.”

SCHEDULE 5

Section 7(2).

REPEALS

Chapter	Short Title	Extent of Repeal
10 & 11 Geo. 6. c. 54.	Electricity Act 1947.	In section 7, subsections (10), (11) and (11A). In section 7A, subsections (9), (10) and (11).
2 & 3 Eliz. 2. c. 60.	Electricity Reorganisation (Scotland) Act 1954.	In Part I of Schedule 1, the specific adaptation of section 12 of the Hydro-Electric Development (Scotland) Act 1943.
1967 c. 33.	Air Corporations Act 1967.	In section 10(3) the word " temporary " (in paragraph (b)), and paragraph (c).
1968 c. 39.	Gas and Electricity Act 1968.	In section 2(3) the words " and 19 (central guarantee fund) ". Section 3.
1971 c. 75.	Civil Aviation Act 1971.	In section 8, in subsection (3) the words " from such persons and on such terms as the Secretary of State may from time to time specify "; and in subsection (4) the words " or specify any person or terms ". In section 41(5), the words " or specify any person or terms ".
1972 c. 12.	Iron and Steel Act 1972.	Section 1(3).
1972 c. 60.	Gas Act 1972.	In Schedule 3, in paragraph 1, the words " with the consent of the Minister for

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Chapter	Short Title	Extent of Repeal
1974 c. 8.	Statutory Corporations (Financial Provisions) Act 1974.	the Civil Service", wherever they occur. Sections 1 to 3. Section 5(1). Schedule 1. In Schedule 2, in paragraph 2, the amendments of section 12(1) of the Hydro-Electric Development (Scotland) Act 1943 and section 3 of the Gas and Electricity Act 1968.