



Coal Industry Act 1971

CHAPTER 16

ARRANGEMENT OF SECTIONS

Section

1. Extension to 1974 of power to make grants to N.C.B. in respect of pit closures.
2. Extension of power to make redundancy payment schemes.
3. Increase of limit of Board's accumulated deficit and power to alter it subsequently by order.
4. Borrowing powers of the Board.
5. Power of Board to enter into agreements in connection with overseas aid.
6. Power of Secretary of State to call for report of Board's diversified activities.
7. Further power of Secretary of State to give directions to the Board.
8. Further provision as to annual accounts of the Board.
9. Financial provisions.
10. Citation, interpretation and extent.

ELIZABETH II



1971 CHAPTER 16

An Act to provide further finance for the National Coal Board in respect of pit closures and for the making of payments to workers in the coal industry made redundant; to increase the limit of the Board's accumulated deficit and provide for its subsequent alteration by order of the Secretary of State; to enable the Board to borrow money otherwise than in sterling and to join in furnishing technical assistance overseas; to make further provision as to the power of the Secretary of State to give directions to the Board with respect to their activities and accounts; and for purposes connected with the matters aforesaid.

[30th March, 1971]

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.—(1) The Secretary of State may with the consent of the Treasury make to the National Coal Board such grants as it appears to him will further assist in the re-deployment of the manpower resources of the Board and the elimination of uneconomic colliery capacity.

Extension to 1974 of power to make grants to N.C.B. in respect of pit closures.

(2) Grants made by the Secretary of State under this section shall be towards expenditure of the Board for any of the three years ending with 30th March 1974, being relevant expenditure as defined by section 3(3)(b) of the Act of 1965 (which comprises payments in respect of workers' redundancy, premature retirement or loss of prospects, and for housing, re-settlement, welfare etc.), but not including contributions in respect of increase in the cost of retirement benefits where those contributions are

reimbursed by the Secretary of State under section 4 of the Act of 1967.

(3) Grants so made shall not exceed in the aggregate £24 million; and they shall not in respect of any year exceed in the aggregate an amount equal to the following proportion of the Board's relevant expenditure (as so defined) for that year—

- (a) in the case of the year 1971-72, two-thirds ;
- (b) in the case of the year 1972-73, one half ;
- (c) in the case of the year 1973-74, one third.

(4) In this section "year" means a financial year of the Board; and the reference to expenditure for any year shall be construed in accordance with section 3(3)(d) of the Act of 1965 (by which expenditure in one year may be attributed to an earlier year insofar as the obligations giving rise to it were undertaken in the earlier year, special provision being made with respect to finance for the provision of housing) with the substitution in that paragraph of a reference to this section for the reference to section 3.

Extension
of power
to make
redundancy
payment
schemes.

2.—(1) In section 3 of the Act of 1967 (which enables the Secretary of State to make schemes providing for payments to persons becoming redundant up to March 1971 on account of colliery closures), in subsection (1)—

- (a) for "28th March 1971" there shall be substituted "31st March 1974"; and
- (b) for the words from "after attaining the age of fifty-five" to the end of the subsection there shall be substituted the words "in such circumstances as may be prescribed".

(2) Nothing in this section is to be taken as prejudicing the validity of any scheme made before the commencement of this Act under the said section 3.

(3) So much of section 3(4) of the Act of 1967 as provides that a scheme under that section is not to be made unless a draft thereof has been laid before and approved by each House of Parliament shall not apply to the variation of a scheme made before the commencement of this Act, where the only effect of the variation is—

- (a) to apply the scheme to persons becoming redundant between 27th March 1971 and 26th March 1972 and otherwise falling within the classes prescribed for the purposes of the scheme; and
- (b) to extend to 29th March 1975 the period during which benefit is payable under the scheme;

but a statutory instrument which, by virtue of this section, is not subject to the said section 3(4) shall be laid before Parliament after being made.

3.—(1) The limit imposed by section 1(4) of the Act of 1965 on the amount of the accumulated deficit in the Board's revenue account at the end of any financial year of the Board, instead of being £50 million as provided by section 1(2) of the Act of 1967, shall be £75 million.

Increase of limit of Board's accumulated deficit and power to alter it subsequently by order.

(2) The Secretary of State may, with the approval of the Treasury, by order alter the amount of the limit either by increasing or reducing it, but not so as to make it exceed £100 million.

(3) The power of the Secretary of State to make orders under this section shall be exercisable by statutory instrument, but no such order shall be made unless a draft thereof has been laid before and approved by the House of Commons.

4.—(1) Section 1 of the Act of 1965 (borrowing powers of the Board) shall be amended as follows—

Borrowing powers of the Board.

(a) in subsection (1) (temporary borrowing) and in subsection (2) (borrowing in the longer term), after the words "such sums" there shall be inserted the words "in sterling";

(b) after subsection (2) there shall be inserted the following subsection:—

"(2A) The Board with the consent of the Secretary of State may, from such person and on such terms as he may with the approval of the Treasury specify, borrow in a currency other than sterling any sum which they have power to borrow in sterling from the Secretary of State"; and

(c) in subsection (4), after the words "so borrowed", there shall be inserted the words "and sums borrowed temporarily under subsection (2A)".

(2) In section 27(4) of the Act of 1946 (power of Treasury to guarantee the repayment of sums borrowed by the Board, otherwise than from the Secretary of State, and payment of interest on such sums), for "section 1(1)" there shall be substituted "section 1".

5.—(1) The Board shall have power—

(a) with the consent of the Secretary of State to enter into and carry out agreements with the Minister of the Crown having functions in respect of overseas aid, being agreements whereunder the Board act, at the expense of that Minister, as the instrument by means of which technical assistance is furnished by him in exercise of the power conferred by section 1(1) of the Overseas Aid Act 1966; and

Power of Board to enter into agreements in connection with overseas aid.

(b) with the consent of the Secretary of State and the said Minister of the Crown, to enter into and carry out agreements whereunder the Board, for any purpose specified in the said section 1(1), furnish technical assistance in a country or territory outside the United Kingdom against re-imbursement to the Board of the cost of furnishing that assistance.

(2) An order of the Secretary of State under the proviso to section 2(1) of the Act of 1949 (control of Board's activities outside Great Britain) shall not be required as authority for anything which the Board may do with consent under the foregoing subsection; but before giving any consent thereunder in relation to any technical assistance proposed to be furnished, the Secretary of State or, as the case may be, he and the said Minister of the Crown shall take into account any alternative resources in the United Kingdom which may be available in that behalf.

(3) References in this section to the Minister of the Crown having functions in respect of overseas aid are to the Secretary of State for the time being discharging the functions expressed by the Overseas Aid Act 1966 to be conferred on the Minister of Overseas Development.

1966 c. 21.

Power of Secretary of State to call for report of Board's diversified activities.

6.—(1) The Secretary of State may from time to time direct the Board to carry out a review of, and report to him on, all activities (other than colliery activities within the meaning of the Act of 1946) of the Board and their subsidiaries, or such activities as may be specified in the direction; and he may by any such direction require them to include activities of companies in which the Board or any subsidiary of the Board has interests.

(2) A report made by the Board to the Secretary of State in compliance with a direction under this section shall deal with any matters which they are directed to take into consideration and shall (subject to the terms of the direction) include particulars—

- (a) of the nature and extent of the activities in question and the assets and resources of the Board, or any subsidiary of the Board, which are applied to carrying them on;
- (b) of the companies (whether or not subsidiaries of the Board) in which the Board or their subsidiaries have interests and which are engaged in such activities, and the extent to which they are so engaged;
- (c) of the advantages (if any) and financial consequences which are foreseen as resulting from continuance of the activities and from the continued participation therein by the Board or their subsidiaries and the Board's proposals (if any) for securing the extension, restriction or discontinuance of the activities, or for altering the way in which they are carried on.

(3) A report by the Board under this section shall be submitted to the Secretary of State within twelve months of his relevant direction, or such shorter period as he may specify.

7.—(1) The Secretary of State may direct the Board to dis-
continue or restrict any of their activities, dispose of any part
of their undertaking, dispose of any assets held by them, call
in any loan made by them or exercise any power they may possess
to revoke any guarantees given by them ;

Further
power of
Secretary of
State to give
directions to
the Board.

Provided that the Secretary of State shall not give any such directions unless he is satisfied that the carrying on of the activities, or the retention of the part of the undertaking or the assets or the continuance of the loan or guarantee, as the case may be, is unnecessary for the proper discharge of the duties of the Board or, in the case of a direction to the Board to restrict any activities, that any extension of them is unnecessary as aforesaid.

(2) The Secretary of State may direct the Board to exercise their control over a subsidiary of theirs so as to require the subsidiary to discontinue or restrict any of its activities, dispose of any part of its undertaking, dispose of any assets held by it, call in any loan made by it or exercise any power it may possess to revoke any guarantees it has given.

(3) The Secretary of State may direct the Board to take specified steps, in respect of any activities of the Board or a subsidiary of the Board, with a view to altering the way in which those activities are organised :

Provided that the Secretary of State shall not give any such direction unless he is satisfied that the taking of the steps in question will not prejudice the proper discharge by the Board of their duties.

(4) References in the foregoing provisions of this section to activities of the Board or any subsidiary of the Board do not include references to colliery activities within the meaning of the Act of 1946.

(5) The Secretary of State shall not give a direction to the Board under subsection (1), (2) or (3) of this section except after consultation with the Board.

(6) A direction by the Secretary of State to the Board under subsection (1) or (2) of this section shall be given by order made by statutory instrument, of which a draft shall be laid before Parliament.

(7) Section 3(4) of the Act of 1946 (which requires the Board to afford to the Secretary of State facilities for obtaining information with respect to their property and activities) shall apply in

relation to property and activities of the Board's subsidiaries as it applies in relation to property and activities of the Board.

(8) Nothing in this section prejudices the power of the Secretary of State under section 3 of the Act of 1946 to give to the Board directions of a general character.

Further provision as to annual accounts of the Board.

8.—(1) If the Secretary of State so directs in respect of any financial year of the Board, the Board's statement of accounts prepared by them under section 31(1) of the Act of 1946 shall be supplemented by consolidated accounts, in such form as may be specified in the direction, showing the state of affairs and profit and loss of the Board and such of its subsidiaries as are so specified.

(2) The Secretary of State may from time to time direct the Board to prepare statements of accounts, in such form as he may direct, showing the state of affairs and profit and loss of the Board's subsidiaries or such of them as are specified in the direction, including (if the Secretary of State so requires) consolidated accounts for any two or more specified subsidiaries; and section 31(2) to (4) of the Act of 1946 (which relate to the auditing of accounts and require accounts to be submitted to the Secretary of State and laid before Parliament) shall apply to accounts prepared in pursuance of a direction under this subsection as they apply to other accounts of the Board.

Financial provisions.

9.—(1) There shall be paid out of moneys provided by Parliament—

- (a) any sums required for the making of grants to the Board under section 1 of this Act; and
- (b) any increase attributable to section 2 of this Act in the moneys falling to be so paid under the Act of 1967.

(2) There shall be charged on and issued out of the Consolidated Fund any increase attributable to this Act in the sums required by the Treasury for fulfilling guarantees given under section 27 of the Act of 1946, as respects the repayment of, and the payment of interest on, any sum borrowed by the Board (otherwise than from the Secretary of State) under section 1 of the Act of 1965; and there shall be paid into that Fund any increase so attributable in the sums payable by the Treasury into the Fund under the said section 27.

Citation, interpretation and extent.

10.—(1) This Act may be cited as the Coal Industry Act 1971.

(2) The Coal Industry Acts 1946 to 1966, the Act of 1967 and this Act may be cited together as the Coal Industry Acts 1946 to 1971.

(3) In this Act—

- “ the Act of 1946 ” means the Coal Industry Nationalisation 1946 c. 59.
Act 1946 ;
- “ the Act of 1949 ” means the Coal Industry Act 1949 ; 1949 c. 53.
- “ the Act of 1965 ” means the Coal Industry Act 1965 ; 1965 c. 82.
- “ the Act of 1967 ” means the Coal Industry Act 1967 ; 1967 c. 91.
- “ the Board ” means the National Coal Board ; and
- “ subsidiary ” shall be construed in accordance with section
154 of the Companies Act 1948. 1948 c. 38.

(4) This Act does not extend to Northern Ireland.

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