



Nuclear Industry (Finance) Act 1977

CHAPTER 7

ARRANGEMENT OF SECTIONS

Section

1. Government guarantee of companies' borrowing, etc.
2. Financial limits.
3. National Nuclear Corporation Limited.
4. Citation.

ELIZABETH II



Nuclear Industry (Finance)

Act 1977

1977 CHAPTER 7

An Act to make further financial provision for and in respect of British Nuclear Fuels Limited, The Radiochemical Centre Limited and the National Nuclear Corporation Limited. [30th March 1977]

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 guarantee repayment of any loan made to British Nuclear Fuels Limited (" B.N.F.L. ") or The Radiochemical Centre Limited (" T.R.C.L. "); and the guarantee may extend to the payment of loan interest and any other payments falling to be made by the company concerned to the lender or the lender's order in connection with the loan or its repayment. Government guarantee of companies' borrowing, etc.

(2) If B.N.F.L. enter into agreements requiring them to perform services for which they are to receive payment or part payment in advance, and the agreements provide for the advances to be repaid in specified circumstances, the Secretary of State may guarantee the repayment and also any payment of interest on sums advanced for which B.N.F.L. may be liable under the agreements.

(3) The Treasury's consent is required for any guarantee to be given by the Secretary of State under this section ; and immediately after giving it the Secretary of State shall lay before each House of Parliament a statement showing the extent and character of the guarantee, and the circumstances in which it came to be given.

(4) If any amount is paid by the Secretary of State in fulfilment of a guarantee given under this section, the company concerned shall as from the date of the payment be indebted to him in that amount, with interest (for so long as the debt remains unpaid) at such rate as the Treasury may specify from time to time.

(5) For so long as there remains outstanding any indebtedness of a company to the Secretary of State under subsection (4), he shall from time to time as the Treasury may request (and in any case not less often than once in each financial year) lay before each House of Parliament a statement—

- (a) showing the amount of the indebtedness and the circumstances in which it arose ; and
- (b) defining (with Treasury approval) his intentions with regard to requiring its repayment.

(6) Any sums required for fulfilling a guarantee given under this section shall be paid out of money provided by Parliament ; and any sums received by the Secretary of State as repayment of a company's indebtedness under subsection (4), or by way of interest on such indebtedness, shall be paid into the Consolidated Fund.

2.—(1) For the purposes of the Atomic Energy Authority Act 1971 (" the 1971 Act ") and this Act, the financial limits applicable to the two companies are—

- (a) in the case of B.N.F.L., £300 million or such increased or further increased amount (not exceeding £500 million) as may be specified by order ; and
- (b) in the case of T.R.C.L., £5 million or such increased or further increased amount (not exceeding £15 million) as may be so specified ;

and the commitment of public finance to either company under the Acts (disregarding the Secretary of State's guarantees under section 1(2) above) shall not at any time exceed the financial limit applicable to that company.

(2) In relation to either of the two companies, that commitment is to be taken as the aggregate of the following amounts—

- (a) the total paid (in or after 1971) by the Secretary of State or the United Kingdom Atomic Energy Authority, or by both collectively, for shares issued by the company (other than shares issued pursuant to section 7 of the 1971 Act in consideration of the transfer of property etc. made by the Act) ;
- (b) the total outstanding in respect of the principal of loans made (in or after 1971) by the Secretary of State to the company under section 12 of the Act ; and

(c) the total of—

(i) any sums for which the Secretary of State is, or may in default of payment by the company become, liable in the fulfilment of guarantees given for the company under section 1(1) of this Act, so far only as the guarantee relates to the principal of any loan to the company; and

(ii) any sums which he has paid in fulfilment of guarantees given for the company under that subsection, less any repayment made by the company of its resulting indebtedness under section 1(4).

(3) The aggregate of—

(a) any sums for which the Secretary of State is, or may in default of payment by B.N.F.L. become, liable in the fulfilment of guarantees given for the company under section 1(2) of this Act; and

(b) any sums which he has paid in fulfilment of guarantees so given, less any repayment made by the company of its resulting indebtedness under section 1(4),

shall not at any time exceed £400 million or such increased or further increased amount (not exceeding £500 million) as may be specified by order.

(4) In this section “order” means an order in a statutory instrument made by the Secretary of State with Treasury approval and for the time being in force; and no such order shall be made unless a draft of it has been laid before the House of Commons and approved by a resolution of that House.

(5) Section 13 of the 1971 Act (financial limits under sections 11 and 12 of that Act) is repealed; and—

(a) in section 11(4) of that Act, the words “section 13 of this Act”; and

(b) in section 12(1) of that Act, the words “the next following section”,

are replaced in each case by the words “section 2 of the Nuclear Industry (Finance) Act 1977”.

3. There may be defrayed out of money provided by Parliament any expenditure which the Secretary of State may with the consent of the Treasury incur with a view to or in connection with the acquisition for the Crown of shares in, or securities of, the National Nuclear Corporation Limited or any company which is a subsidiary of it (within the meaning of the Companies Act 1948). National Nuclear Corporation Limited. 1948 c. 38.

4. This Act may be cited as the Nuclear Industry (Finance) Act 1977.

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