



Coal Industry Act 1965

1965 CHAPTER 82

An Act to make provision with respect to borrowing by, and loans by the Minister of Power to, the National Coal Board; with respect to the capital reconstruction, and the application of certain funds, of that Board; for the making of grants with the object of accelerating the redeployment of the manpower resources of that Board and the elimination of uneconomic colliery capacity; with respect to pensions or compensation for certain persons who have been members of that Board; and for connected purposes. [22nd December 1965]

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 Borrowing by, and loans by Minister of Power to, National Coal Board

- (1) Subject to subsections (3) and (4) of this section, the National Coal Board (hereafter in this Act referred to as " the Board ") may borrow temporarily, by way of overdraft or otherwise, either from the Minister of Power (hereafter in this Act referred to as " the Minister ") or, with the consent of the Minister, from any other person, such sums as the Board may require for meeting their obligations and discharging their functions.
- (2) Subject to subsection (3) of this section, the Board may borrow (otherwise than by way of temporary loan) from the Minister such sums as the Board may require in connection with their functions for all or any of the following purposes, that is to say—
 - (a) for meeting any expenses properly chargeable to capital, being expenses incurred in connection with the provision or improvement of assets;
 - (b) for the provision of working capital;
 - (c) for acquiring an undertaking or part of an undertaking;
 - (d) for lending money to, or meeting a guarantee given for the benefit of, any person for the purpose of an undertaking carried on by him or, where that person is a body corporate, an undertaking carried on by a subsidiary of that body corporate within the meaning of section 154 of the Companies Act 1948 ;

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- (e) for subscribing for or acquiring shares, stock, debentures, debenture stock, or other securities of a like nature, of a body corporate, otherwise than by way of investment;
 - (f) to pay off any money borrowed by the Board;
 - (g) for any purpose for which capital moneys are properly applicable (whether or not specified in the foregoing paragraphs of this subsection).
- (3) Without prejudice to subsection (4) of this section, the aggregate amount outstanding in respect of the principal of all sums borrowed by the Board under this section (including the sums which under section 2(1)(a) of this Act are deemed to have been so borrowed) shall not exceed £700,000,000, or such greater sum not exceeding £750,000,000 as the Minister may from time to time by order made by statutory instrument specify; and no such order shall be made unless a draft thereof has been approved by a resolution of the Commons House of Parliament.
- (4) The aggregate of the amounts outstanding in respect of sums borrowed temporarily by the Board under subsection (1) of this section (including the sum which under section 2(1)(a)(i) of this Act is deemed to have been so borrowed)—
- (a) shall not at any time exceed such limit as the Minister may from time to time direct; and
 - (b) at the end of any financial year of the Board shall not be such as to permit any accumulated deficit on the Board's revenue account to exceed £30,000,000.
- (5) The Board shall not have power to borrow money except in accordance with this section.
- (6) The Minister may lend to the Board any sums which the Board have power to borrow under subsection (1) or (2) of this section.
- (7) The foregoing provisions of this section (other than subsections (3) and (4) thereof) shall be deemed to have come into force on 28th March 1965 and—
- (a) the provisions of the Coal Industry Nationalisation Act 1946 (hereafter in this Act referred to as " the Act of 1946 ") specified in Schedule 1 to this Act shall have effect subject to the amendments respectively specified in that Schedule, being amendments designed to cause those provisions to apply to sums lent to the Board by the Minister, or borrowed by the Board, under this section as they applied to advances by the Minister to the Board, or sums borrowed by the Board, under that Act;
 - (b) any advances made to the Board by the Minister under section 26 or 27 of the Act of 1946, and any sums borrowed from the Minister by the Board under the said section 27, being advances made or sums borrowed on or after 28th March 1965, shall be treated as loans made to the Board by the Minister, or, as the case may be, sums borrowed by the Board, under this section; and any directions with respect to any such advances given under paragraph (b) of section 28(1) of the Act of 1946 before the passing of this Act shall be deemed to have been given under the said paragraph (b) as amended by the said Schedule 1 ;
 - (c) any amounts outstanding at the passing of this Act in respect of sums borrowed temporarily under the said section 27 from any person other than the Minister shall be treated as having been borrowed under subsection (1) of this section; and accordingly any guarantee in respect thereof given by the Treasury under subsection (4) of the said section 27 shall continue to have effect.

2 Capital reconstruction, and application of funds, of Board

- (1) All outstanding liabilities of the Board to the Minister in respect of any advances made to the Board by the Minister before 28th March 1965 or in respect of any expenses and liabilities incurred as mentioned in section 28(1)(a) of the Act of 1946 before that date, other than liabilities in respect of interest for the period beginning with 31st December 1964 and ending with 27th March 1965, shall be extinguished ; but—
 - (a) the following sums shall be deemed to have been borrowed by the Board from the Minister under section 1 of this Act (and to have been lent to the Board by the Minister under subsection (6) of that section) on 28th March 1965, that is to say—
 - (i) by virtue of subsection (1) of that section, the sum of £18,085,482;
 - (ii) by virtue of subsection (2) of that section, the sum of £527,000,000;
 - (b) the Board shall credit the sum of £415,000,000 to their reserve fund;
 - (c) section 28(1) of the Act of 1946 shall apply to the payment of any such interest as aforesaid as it applies to the payment of interest on the sums therein mentioned.
- (2) Notwithstanding anything in section 29 of the Act of 1946, until the end of March 1971 no sums standing to the credit of the reserve fund of the Board shall be applied for any purpose without the consent of the Minister.
- (3) The directions which may be given to the Board by the Minister by virtue of paragraph (b) of the proviso to section 30 of the Act of 1946 (which relates to the application of any excess of the Board's revenues for any financial year of the Board over their outgoings for that year properly chargeable to revenue account) shall, notwithstanding anything in paragraph (a) of that proviso, include directions requiring the whole or any part of that excess to be paid to the Minister; and any sums received by the Minister by virtue of this subsection shall be paid into the Exchequer and be included among the sums of the receipt and disposal of which the Minister is required by section 35 of the Act of 1946 to prepare an annual account.

3 Grants in connection with pit closures

- (1) With the object of accelerating the redeployment of the manpower resources of the Board and the elimination of uneconomic colliery capacity, the Minister may, with the consent of the Treasury and subject to subsection (2) of this section, make to the Board out of moneys provided by Parliament such grants towards any relevant increase of expenditure for any of the five years ending with 27th March 1971 as it appears to him will assist in the attaining of that object.
- (2) Any grants made by the Minister under this section—
 - (a) shall not exceed in the aggregate £30,000,000; and
 - (b) in respect of any one year, shall not exceed in the aggregate an amount equal to half the relevant increase of expenditure for that year.
- (3) In this section—
 - (a) the expression " relevant increase of expenditure ", in relation to any year, means the amount by which the aggregate of the Board's relevant expenditure for that year, as certified by the Board's auditors, exceeds £3,800,000 (being the estimated aggregate of the Board's relevant expenditure for the year ending with 27th March 1965);

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- (b) the expression "relevant expenditure" means expenditure, determined in such manner as may, with the approval of the Treasury, be agreed between the Minister and the Board, on any of the following, namely—
- (i) payments under the Redundancy Payments Act 1965, so far as those payments exceed any sums received by the Board in consequence thereof under that Act, and payments under any scheme for comparable purposes made under section 37 of the Act of 1946;
 - (ii) payments in respect of loss of superannuation and employment prospects;
 - (iii) payments by way of contributions to superannuation funds maintained by virtue of the said section 37 in respect of any increase in the cost of retirement benefits paid before normal retiring age;
 - (iv) payments to persons in the employment of the Board whose place of employment is changed, and who in consequence change their place of residence, in connection with the removal and resettlement of those persons with or without their dependants;
 - (v) the provision of housing for such persons as are mentioned in subparagraph (iv) of this paragraph;
 - (vi) the provision of travelling allowances or transport services for persons employed by the Board whose place of employment is changed;
 - (vii) the temporary supplementation of the earnings of persons employed by the Board whose work or place of employment is changed in consequence of the closure of, or of part of, a pit;
 - (viii) the maintenance of existing social welfare activities within the meaning of the Miners' Welfare Act 1952, or of existing arrangements for the provision of benefits in kind, in areas where the number of persons employed by the Board has fallen since the end of March 1965 as the consequence of the closure of collieries;
- (c) the expression "year" means a financial year of the Board;
- (d) references to expenditure for any year shall be construed as references to expenditure actually incurred in that year, except that the Minister and the Board may, with the approval of the Treasury, agree—
- (i) that expenditure to be incurred in pursuance of obligations undertaken by the Board in any year to make payments over periods extending beyond that year shall, to such extent as may be so agreed, be treated for the purposes of this section as expenditure in that year of an amount greater than that actually incurred determined in such manner as may be so agreed; and
 - (ii) that, in lieu of any expenditure incurred in connection with the provision of housing by the Coal Industry Housing Association, the Board shall be deemed to have incurred such obligations involving such expenditure as it may be so agreed would have been incurred by the Board if that housing had been provided by a local authority.

4 Pensions or compensation of members of Board

- (1) Without prejudice to the generality of the provisions of section 37 of the Act of 1946, regulations made under that section may contain provisions authorising the treatment of any person who, being a participant in any pension scheme to which the regulations

relate, becomes a member of the Board as if his service as a member of the Board were service to which the pension scheme relates; and the benefit rights of any such person resulting from the operation of any such provision shall not be affected by the provisions of section 2(6) of that Act requiring any pensions or gratuities to or in respect of members of the Board to be determined by the Minister with the approval of the Treasury.

- (2) Where after the passing of this Act a person ceases to be a member of the Board otherwise than on the expiry of his term of office, and it appears to the Minister that there are special circumstances which make it right that that person should receive compensation, the Minister may with the approval of the Treasury require the Board to make to that person a payment of such amount as may be determined by the Minister with the approval of the Treasury.

5 Citation, construction, repeals and extent

- (1) This Act may be cited as the Coal Industry Act 1965, and the Coal Industry Acts 1946 to 1962 and this Act may be cited together as the Coal Industry Acts 1946 to 1965.
- (2) Save where the context otherwise requires, any reference in this Act to any enactment shall be construed as a reference to that enactment as amended by any other enactment, including any enactment contained in this Act.
- (3) The enactments mentioned in Schedule 2 to this Act are hereby repealed to the extent respectively specified in the third column of that Schedule.
- (4) This Act does not extend to Northern Ireland.

SCHEDULES

SCHEDULE 1

Section 1(7)(a).

CONSEQUENTIAL AMENDMENTS OF COAL INDUSTRY NATIONALISATION ACT 1946

- 1 In section 27, as substituted by section 1 of the Coal Industry Act 1962, in subsection (4) (which relates to the guarantee by the Treasury of sums borrowed temporarily by the Board, otherwise than from the Minister, under the said section 27) for the words " this section " there shall be substituted the words " section 1(1) of the Coal Industry Act 1965 ".
- 2 In section 28 (which relates to the making of payments to the Minister by the Board, and the payment into the Exchequer and issue out of the Consolidated Fund of sums received by the Minister by way of such payments) for paragraph (b) of subsection (1) there shall be substituted the following:—
 - “(b) payments of interest on sums lent to the Board by the Minister under section 1(6) of the Coal Industry Act 1965 at such rate as he may so direct, and payments, of such amounts as he may so direct, in or towards repayment of such sums.”
- 3 In section 34(1) (which authorises the Treasury to issue to the Minister out of the Consolidated Fund such sums as are necessary to enable him to make money payments, and advances to the Board, under the Act of 1946), for the words from " money " onwards there shall be substituted the words " money payments under this Act and loans to the Board under section 1(6) of the Coal Industry Act 1965 ".

SCHEDULE 2

Section 5(3).

ENACTMENTS REPEALED

Chapter	Short Title	Extent of Repeal
9 & 10 Geo. 6. c. 59.	The Coal Industry Nationalisation Act 1946.	Section 26. In section 27 as substituted by the Coal Industry Act 1962, subsections (1) to (3) and (9)
14 & 15 Geo. 6. c. 41.	The Coal Industry Act 1951.	Section 1.
4 & 5 Eliz. 2. c. 61.	The Coal Industry Act 1956.	The whole Act.
8 & 9 Eliz. 2. c. 17.	The Coal Industry Act 1960.	The whole Act.
10 & 11 Eliz. 2. c. 5.	The Coal Industry Act 1961.	The whole Act.
11 & 12 Eliz. 2. c. 6.	The Coal Industry Act 1962.	In section 1, subsections (1) to (3) and (9) of the

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Chapter	Short Title	Extent of Repeal
		section substituted thereby for section 27 of the Act of 1946. Section 3