



Coal Industry Act 1971

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]

1 F1

Textual Amendments

F1 S. 1 repealed with saving for grants under [Coal Industry Act 1977 \(c. 39\)](#), [Sch. 5 Pt. I](#) in respect of Board's financial year ending in March 1978 or in any earlier year by [Coal Industry Act 1977 \(c. 39\)](#), [Sch. 5 Pt. I](#)

2 F2

Textual Amendments

F2 S. 2 repealed with saving by [Coal Industry Act 1977 \(c. 39\)](#), s. 7(10), [Sch. 5 Pt. II](#)

3 F3

Status: Point in time view as at 01/02/1991.

Changes to legislation: There are currently no known outstanding effects for the Coal Industry Act 1971. (See end of Document for details)

Textual Amendments

F3 S. 3 repealed by [Coal Industry Act 1973 \(c. 8\), Sch. 2](#)

4 Borrowing powers of the Board.

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

(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)^{F4}

(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”.

Textual Amendments

F4 S. 4(c) repealed by [Coal Industry Act 1973 \(c. 8\), Sch. 2](#)

Modifications etc. (not altering text)

C1 The text of S. 4(1)(a)(b)(2) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

5^{F5}

Textual Amendments

F5 S. 5 repealed by [Overseas Development and Corporation Act 1980 \(c. 63, SIF 88\), Sch. 2 Pt. I](#)

6 Power of Secretary of State to call for report of [Corporation’s] diversified activities.

(1) The Secretary of State may from time to time direct the [^{F6}Corporation] 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 [^{F6}Corporation] 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 [^{F6}Corporation] or any subsidiary of the [^{F6}Corporation] has interests.

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- (2) A report made by the [F⁶Corporation] 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 [F⁶Corporation], or any subsidiary of the [F⁶Corporation], which are applied to carrying them on;
 - (b) of the companies (whether or not subsidiaries of the [F⁶Corporation]) in which the [F⁶Corporation] 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 [F⁶Corporation] or their subsidiaries and the [F⁶Corporation'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 [F⁶Corporation] 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.

Textual Amendments

F6 Word substituted by [Coal Industry Act 1987 \(c. 3, SIF 86\)](#), s. 1(1)(2), [Sch. 1 para. 18\(1\)](#)

7 Further power of Secretary of State to give directions to the [F⁷Corporation].

- (1) The Secretary of State may direct the [F⁷Corporation] to discontinue 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;

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 [F⁷Corporation] or, in the case of a direction to the [F⁷Corporation] to restrict any activities, that any extension of them is unnecessary as aforesaid.

- (2) The Secretary of State may direct the [F⁷Corporation] 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 [F⁷Corporation] to take specified steps, in respect of any activities of the [F⁷Corporation] or a subsidiary of the [F⁷Corporation], 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 [F⁷Corporation] of their duties.

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- (4) References in the foregoing provisions of this section to activities of the [F7Corporation] or any subsidiary of the [F7Corporation] 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 [F7Corporation] under subsection (1), (2) or (3) of this section except after consultation with the [F7Corporation].
- (6) A direction by the Secretary of State to the [F7Corporation] 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 [F7Corporation] 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 [F7Corporation's] subsidiaries as it applies in relation to property and activities of the [F7Corporation].
- (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 [F7Corporation] directions of a general character.

Textual Amendments

F7 Word substituted by [Coal Industry Act 1987 \(c. 3, SIF 86\)](#), s. 1(1)(2), [Sch. 1 para. 18\(1\)](#)

8 Further provision as to annual accounts of the [F8Corporation].

- (1) If the Secretary of State so directs in respect of any financial year of the [F8Corporation], the [F8Corporation'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 [F8Corporation] and such of its [F9subsidiary undertakings] as are so specified.
 - (2) The Secretary of State may from time to time direct the [F8Corporation] to prepare statements of accounts, in such form as he may direct, showing the state of affairs and profit and loss of the [F8Corporation's][F9subsidiary undertakings] 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 [F9subsidiary undertakings]; 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 [F8Corporation].
- [F10(3) In this section “subsidiary undertaking” has the same meaning as in Part VII of the Companies Act 1985.]

Textual Amendments

F8 Word substituted by [Coal Industry Act 1987 \(c. 3, SIF 86\)](#), s. 1(1)(2), [Sch. 1 para. 18\(1\)](#)

F9 Words substituted by [Companies Act 1989 \(c. 40, SIF 27\)](#), s. 23, [Sch. 10 para. 27\(2\)](#) (subject to savings and transitional provisions of S.I. 1990/1392, [art. 6](#))

Status: Point in time view as at 01/02/1991.

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F10 S. 8(3) inserted by [Companies Act 1989 \(c. 40, SIF 27\)](#), s. 23, **Sch. 10 para. 27(3)** (subject to savings and transitional provisions in [S.I. 1990/1392art. 6](#))

9 Financial provisions.

- (1) ^{F11}
- (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 [^{F12}Corporation] (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.

Textual Amendments

- F11** S. 9(1) repealed with saving for grants under s. 1 of this Act in respect of Board's financial year ending in March 1978 or in any earlier year by [Coal Industry Act 1977 \(c. 39\)](#), **Sch. 5 Pt. I**
- F12** Word substituted by [Coal Industry Act 1987 \(c. 3, SIF 86\)](#), s. 1(1)(2), **Sch. 1 para. 18(1)**

10 Citation, interpretation and extent.

- (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 ^{M1}Coal Industry Nationalisation Act 1946;
“the Act of 1949” means the ^{M2}Coal Industry Act 1949;
“the Act of 1965” means the ^{M3}Coal Industry Act 1965;
“the Act of 1967” means the ^{M4}Coal Industry Act 1967;
^{F13} “the Corporation” means the British Coal Corporation]; and
“subsidiary” shall be construed in accordance with [^{F14}section 736 of the Companies Act 1985].
- (4) This Act does not extend to Northern Ireland.

Textual Amendments

- F13** Definition substituted by [Coal Industry Act 1987 \(c. 3, SIF 86\)](#), s. 1(2), **Sch. 1 para. 18(2)**
- F14** Words substituted as provided by [Companies Consolidation \(Consequential Provisions\) Act 1985 \(c. 9, SIF 27\)](#), s. 30, **Sch. 2**

Marginal Citations

- M1** 1946 c. 59.
M2 1949 c. 53.
M3 1965 c. 82.
M4 1967 c. 91

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