



Transport Act 1962

1962 CHAPTER 46

PART I

THE BOARDS AND THE HOLDING COMPANY

Financial provisions

19 Borrowing powers of Boards

- (1) Subject to the limit in subsection (3) of this section, each of the Boards may borrow temporarily, by way of overdraft or otherwise, either from the Minister or, with the consent of the Minister, from any other person, such sums as the Board may require for meeting their obligations or discharging their functions under this Act, but the aggregate of the amounts outstanding in respect of any temporary loans raised by a Board under this subsection shall not exceed such limit as the Minister may for the time being have imposed on that Board for the purposes of this subsection by a direction given to the Board.
- (2) Subject to the limit in subsection (3) of this section, each of the Boards may borrow (otherwise than by way of temporary loan) from the Minister such sums as the Board may require for all or any of the following purposes—
 - (a) for meeting any expenses properly chargeable to capital, being expenses incurred in connection with the provision or improvement of assets in connection with the business of the Board,
 - (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,
 - (e) for subscribing for or acquiring securities of a body corporate, otherwise than by way of investment,

Status: This is the original version (as it was originally enacted).

- (f) for the payment of interest charged to capital account under subsection (5) of the last foregoing section,
 - (g) to pay off—
 - (i) any part of the commencing capital debt of the Board,
 - (ii) any money borrowed by the Board,
 - (iii) any liability transferred to the Board from the Commission under or in pursuance of this Act,
 - (h) for any purpose for which capital moneys are properly applicable (whether or not specified in the foregoing paragraphs).
- (3) The aggregate amount outstanding in respect of—
- (a) the principal of any money borrowed by a Board under this section, and
 - (b) the Board's commencing capital debt, as defined in Part II of this Act but excluding, in the case of the Railways Board, the Railways Board's suspended debt as so defined,
- taken together shall not exceed—
- (i) for the Railways Board, eleven hundred million pounds or such greater sum not exceeding fourteen hundred million pounds as the Minister may from time to time by order specify;
 - (ii) for the London Board, two hundred million pounds or such greater sum not exceeding two hundred and seventy million pounds as the Minister may from time to time by order specify ;
 - (iii) for the Docks Board one hundred and twenty million pounds; and
 - (iv) for the British Waterways Board thirty million pounds.
- An order under this subsection shall be made by statutory instrument, and no such order shall be made unless a draft of the order has been approved by a resolution of the Commons House of Parliament.
- (4) A Board shall not have power to borrow money except in accordance with this section.
- (5) References in this section to borrowing do not include—
- (a) borrowing by a Board from a body corporate which is a subsidiary of that Board ; or
 - (b) the receipt of money by a Board in the course of the carrying on of a savings bank operated by the Board or the use by the Board of money so received, or
 - (c) the receipt or use by a Board of money of a pension fund established for the purposes of a pension scheme in which employees of the Board or of a subsidiary of the Board participate.
- (6) This section shall have effect subject to the following provisions of this Part of this Act relating to the Railways Board and the British Waterways Board.