

1974 No. 1218
COUNTER-INFLATION
The Counter-Inflation (Abolition of Pay Board) Order 1974

Laid before Parliament in draft

Made - - - - *19th July 1974*

Coming into Operation *26th July 1974*

The Secretary of State in exercise of the powers conferred on him by section 6 of the Prices Act 1974(a), and of all other powers enabling him in that behalf, hereby makes the following Order a draft of which has been laid before Parliament and approved by resolution of each House of Parliament:—

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Counter-Inflation (Abolition of Pay Board) Order 1974 and shall come into operation at the end of the period of seven days beginning with the day on which it is made.

(2) In this Order—

“the 1973 Act” means the Counter-Inflation Act 1973(b);

“the Pay Board” means the Pay Board established by section 1(1) of the 1973 Act;

“the Price Commission” means the Price Commission established by section 1(1) of the 1973 Act.

(3) The Interpretation Act 1889(c) shall apply to the interpretation of this Order as it applies to the interpretation of an Act of Parliament and as if this Order and the instruments hereby revoked were Acts of Parliament.

Abolition of Pay Board

2. The Pay Board is hereby abolished.

Connected and consequential provisions

3. The repeals and amendments in provisions of the 1973 Act, and the supplementary and transitional provisions, referred to in the following Articles of this Order are repeals and amendments and supplementary and transitional provisions which the Secretary of State thinks necessary or expedient in connection with or in consequence of the abolition of the Pay Board.

Repeals and amendments in the 1973 Act

4. The provisions of the 1973 Act mentioned in Schedule 1 to this Order shall have effect subject to the provisions of that Schedule.

Supplementary and transitional provisions relating to the code under section 2 of the 1973 Act

5.—(1) The Counter-Inflation (Price and Pay Code) (No. 2) Order 1973(a) as amended(b) (the Schedule to which contains the code prepared by the Treasury under section 2 of the 1973 Act) shall have effect subject to the provisions of Schedule 2 to this Order.

(2) For the purposes of section 2(1) of the 1973 Act the code prepared, and any change in the code made, by the Treasury shall be treated as the code prepared, and a change in the code made, by the Secretary of State.

(3) In the case of the first Order made by the Secretary of State under section 2 of the 1973 Act, the provisions of subsection (4) of that section, which impose on the Secretary of State a duty to consult the persons referred to in that subsection, shall not be taken as requiring further consultation where the Secretary of State is satisfied that there was consultation by the Treasury before the coming into operation of this Order which in his opinion was sufficient for the purpose.

Supplementary and transitional provisions relating to the Pay Board

6.—(1) Except as otherwise provided in this Article, all property and liabilities to which the Pay Board were entitled or subject immediately before the coming into operation of this Order are hereby transferred to and shall vest in the Secretary of State.

(2) Any liability (except a liability in respect of pensions, allowances or gratuities) which but for the abolition of the Pay Board would have been a liability of the Board to any of their officers or servants shall instead be a liability of the Secretary of State.

(3) Any liability in respect of pensions, allowances or gratuities which but for the abolition of the Pay Board would have arisen as a liability of the Board to any of their officers or servants, shall instead be a liability of the Paymaster General.

(a) S.I. 1973/1785 (1973 III, p.5445).

(b) The amending Orders are not relevant to the subject matter of this Order.

(4) Any contract made before the coming into operation of this Order shall have effect as if any reference to the Pay Board were a reference to the Secretary of State and as if anything done under any such contract by or in relation to the Pay Board had been done by or in relation to the Secretary of State.

(5) Any legal proceedings to which the Pay Board are a party may be continued by or in relation to the Secretary of State.

(6) Any property owned jointly by the Pay Board and the Price Commission is hereby transferred to and shall vest in the Price Commission.

(7) Where any remuneration has been restricted by the Pay Board in exercise of their powers under section 7 of the 1973 Act (which section is hereby repealed) the restriction shall cease to have effect and any order or notice made or given, or having effect as if made or given, under that section is hereby revoked.

Revocations of instruments

7.—(1) The Orders mentioned in Part I of Schedule 3 to this Order, being Orders relating to remuneration made under powers contained in the 1973 Act, are hereby revoked.

(2) The Orders mentioned in Part II of Schedule 3 to this Order, being Orders made under section 8 of the 1973 Act (power to modify Acts about prices and pay) and which directed that certain Acts relating to remuneration and other terms or conditions of employment should have effect subject to the exceptions, modifications or adaptations specified in the Orders, are hereby revoked and the said exceptions, modifications and adaptations shall cease to have effect.

(3) The instruments mentioned in Part III of Schedule 3 to this Order are hereby revoked to the extent specified in the third column of that Part.

19th July 1974.

Michael Foot,

Secretary of State for Employment.

Article 4

SCHEDULE 1

REPEALS AND AMENDMENTS IN PROVISIONS OF THE 1973 ACT

1. In sections 1, 2, 5, 10, 15 and 21 and Schedules 1, 2, 3 and 4 for the words "each Agency", "the Agencies", "each of the Agencies", "one of the Agencies", "either Agency", "the appropriate Agency", "the Agency concerned", "an Agency", "the Agency" or "Agency", wherever they occur there shall be substituted the words "the Price Commission".

Section 1

2. In section 1(1) for the words "two Agencies" there shall be substituted the words "a body" and the words "respectively" and "and the Pay Board" shall be omitted.

3. In section 1(2) the words "in the case of the Price Commission and by the Secretary of State, in the case of the Pay Board" shall be omitted.

4. Section 1(3) and (4) shall cease to have effect.

5. In section 1(5) the words "and an order made by virtue of this subsection may provide for the composition of the two Agencies to differ shall" be omitted.

Section 2

6. In section 2 for the word "Treasury", wherever it occurs, there shall be substituted the words "Secretary of State".

7. In section 2(1) for the word "them" there shall be substituted the word "him".

8. In section 2(2) for the word "pay" there shall be substituted the word "charges".

9. In section 2(4) for the words "they think" there shall be substituted the words "he thinks".

Section 5

10. In section 5(1) after the word "prices" there shall be inserted the word "or" and the words "or remuneration" shall be omitted.

11. In section 5(4) for the word "Agencies'", wherever it occurs, there shall be substituted the words "Price Commission's", after the word "prices" there shall be inserted the word "and" and the words "and remuneration" shall be omitted.

Section 7

12. Section 7 shall cease to have effect.

Section 8

13. In section 8(1) after the word "prices" there shall be inserted the word "or" and the words "or to remuneration or other terms or conditions of employment" shall be omitted.

Section 17

14. Section 17(2), (3) and (4) shall cease to have effect.

15. In section 17(10) paragraphs (a) and (b) shall be omitted.

Schedule 1

16. In paragraph 1(4) of Schedule 1 the words "in relation to the Price Commission" shall be omitted.

17. In paragraph 2(1) of Schedule 1, the word "remuneration" shall be omitted.

18. Paragraph 3(1) of Schedule 1 shall cease to have effect.

19. In paragraph 5(1) of Schedule 1 the words "and may appoint any person to be a part-time member of both Agencies" shall be omitted.

20. In paragraph 8 of Schedule 1 after the word "Agency" in subparagraph (b) there shall be inserted the words "or the Pay Board", after the word "retirement" there shall be inserted the words "or ceasing to be a member of the Pay Board" and after the words "ceases to be a member of the Agency" there shall be inserted the words "or the Pay Board".

21. In paragraphs 14(1) and 17 of Schedule 1 for the word "Agency's" there shall be substituted the words "Price Commission's".

22. In paragraph 20 of Schedule 1 the words "in relation to the Price Commission" shall be omitted.

Schedule 2

23. In paragraph 1(1) of Schedule 2 after the word "prices" there shall be inserted the word "or" and the words "or remuneration" shall be omitted.

24. In paragraph 2(1) of Schedule 2 the words "or any kind of remuneration" and "or remuneration" shall be omitted.

25. In paragraph 5(1) of Schedule 2 the words "or section 7" and "making or giving the order or notice" shall be omitted.

26. In paragraph 6(1) of Schedule 2 the words "or section 7" shall be omitted.

Schedule 3

27. In paragraph 1(2) of Schedule 3 the words "rates of remuneration" shall be omitted.

28. Paragraph 1(3) of Schedule 3 shall cease to have effect.

29. In paragraph 1(10) of Schedule 3 the expression "section 7(3)" shall be omitted.

30. In paragraph 2(1) of Schedule 3 for the words "sections 5 to 7" there shall be substituted the words "sections 5 and 6".

31. In paragraph 2(2) of Schedule 3 for the words "sections 5 to 7" there shall be substituted the words "section 5 or 6".

32. Paragraph 3(3) of Schedule 3 shall cease to have effect.

33. In paragraph 5(2) and (3) of Schedule 3 after the word "Agency" there shall be inserted the words "or the Pay Board".

34. Paragraph 6 of Schedule 3 shall cease to have effect.

35. In paragraph 8(1) of Schedule 3 the words "or paragraph (b)" shall be omitted, for the words "the relevant date" there shall be substituted the expression "29th April 1973", the words "or, as the case may be, section 7" shall be omitted and for the expression "sections 6 and 7" there shall be substituted the expression "section 6".

36. Paragraph 8(2) of Schedule 3 shall cease to have effect.

Article 5(1)

SCHEDULE 2

THE COUNTER-INFLATION (PRICE AND PAY CODE) (NO. 2) ORDER 1973

1. In Article 2(1) of the Counter-Inflation (Price and Pay Code) (No. 2) Order 1973 for the words "the Price and Pay Code" there shall be substituted the words "the Price Code".

The Schedule to the said Order

2. For paragraphs 1 and 2 of the Schedule there shall be substituted the following paragraphs:—

"The Price Code

1. The Code has a dual function. First, the Price Commission are required to exercise their powers so as to ensure that it is implemented. Secondly, all those concerned with the determination of prices and charges should have regard to it.

2. The Code is therefore addressed both to the Commission and to all those concerned with price and charge determination."

3. Paragraphs 29 and 30 of the Schedule shall be omitted.

4. For paragraph 33 of the Schedule there shall be substituted the following paragraph:—

"33. The deduction for productivity under paragraph 32 need not be applied to increases in or arising from:—

- (i) employers' national insurance contributions;
- (ii) training costs;
- (iii) the cost of improvements in respect of progress towards the achievement of the requirements of the Equal Pay Act 1970(a);
- (iv) the cost of improvements to meet the purposes of section 8 of the Terms and Conditions of Employment Act 1959(b), the Road Haulage Wages Act 1938(c) and similar legislation, and the Fair Wages Resolution of 1946;
- (v) new or improved benefits under occupational pension or death benefit schemes which are tax approved, or under comparable schemes not requiring tax approval, and any reimbursement of a corresponding increase in employee contributions. However where a change in a pension scheme has the effect of increasing the pay, net of any pension contribution, of a substantial proportion of the group of employees covered by the scheme, that increase shall be subject to the productivity deduction unless:—
 - (a) a revaluation of the scheme, made in accordance with generally accepted principles for such revaluations, has shown a surplus in respect of those receiving the increase, the value of which equals or exceeds the increase; or

- (b) there has been a corresponding reduction in benefits to those receiving the increase; or
- (c) the change had been proposed before 6 November 1972;
- (vi) new or improved benefits under schemes which:—
 - (a) provide payments to employees who leave an employer's service or are redeployed to a job with lower earnings because of redundancy in the circumstances described in (a) and (b) of section 1(2) of the Redundancy Payments Act 1965(a), and
 - (b) require a minimum of at least 52 weeks continuous service as a condition of such payments.

Benefits which become payable after six months of incapacity are similarly not subject to the productivity deduction.”

5. In paragraph 49 of the Schedule the words “and no price increase should be made in respect of a labour cost increase not consistent with the Code” shall be omitted.

6. In paragraph 50 of the Schedule the words “(i) the increases in labour cost levels must have been consistent with the Code” shall be omitted.

7. In paragraph 103 of the Schedule for the words “The pay of professional staff who are employees is however governed by Part II, as is the remuneration from public funds of doctors and dentists” there shall be substituted the words “The remuneration from public funds of doctors and dentists is not, however, subject to the Code.”

8. Part II of the Schedule shall cease to have effect.

9. In paragraph 186 of the Schedule the words “and the Pay Board” shall be omitted.

SCHEDULE 3

Article 7

REVOCATIONS OF INSTRUMENTS

PART I

ORDERS RELATING TO REMUNERATION

| Orders revoked | References |
|---|-----------------------------------|
| The Counter-Inflation (Notification of Increases in Remuneration) Order 1973. | S.I.1973/662 (1973 I, p.2143). |
| The Counter-Inflation (Returns and Records of Remuneration) Order 1973. | S.I.1973/663 (1973 I, p.2147). |
| The Counter-Inflation (Notification of Increases in Remuneration) (Amendment) Order 1973. | S.I.1973/1788 (1973 III, p.5510). |
| The Counter-Inflation (Returns and Records of Remuneration) (Amendment) Order 1973. | S.I.1973/1789 (1973 III, p.5512). |
| The Counter-Inflation (Construction Returns) Order 1973. | S.I.1973/1840 (1973 III, p.5572). |

PART II

ORDERS UNDER SECTION 8 OF THE 1973 ACT

| Orders revoked | References |
|--|---------------------------------------|
| The Counter-Inflation (Modification of the Remuneration of Teachers Act 1965) Order 1973. | S.I.1973/616 (1973 I, p.1950). |
| The Counter-Inflation (Modification of the Remuneration of Teachers (Scotland) Act 1967) Order 1973. | S.I.1973/620 (S.48) (1973 I, p.1954). |
| The Counter-Inflation (Modification of Agricultural Wages Acts) Order 1973. | S.I.1973/646 (1973 I, p.2011). |
| The Counter-Inflation (Modification of Wages Councils Act 1959) Order 1973. | S.I.1973/661 (1973 I, p.2141). |
| The Counter-Inflation (Agricultural Wages and Wages Councils) (Northern Ireland) Order 1973. | S.I.1973/857 (1973 II, p.2659). |

PART III

| Column 1 Orders revoked | Column 2 References | Column 3 Extent of revocation |
|--|----------------------------------|---|
| The Counter - Inflation (Notices and Orders) Regulations 1973. | S.I.1973/621 (1973 I, p. 1956). | In regulation 5(1), subparagraph (b). In regulation 5(2), the expression "section 7(3)". |
| The Counter - Inflation (Validity of Transactions) Order 1973. | S.I. 1973/660 (1973 I, p. 2139). | Article 4. |

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order, made under section 6 of the Prices Act 1974, abolishes the Pay Board established by the Counter-Inflation Act 1973. The Order also contains repeals and amendments of provisions of the 1973 Act, and supplementary and transitional provisions, connected with or in consequence of the abolition of the Board. The amendments of the 1973 Act include amendments of section 2 providing for the Secretary of State instead of the Treasury to prepare the code provided for by that section.

The supplementary and transitional provisions include—

- (a) amendments of the Code prepared under section 2 of the 1973 Act;
- (b) the transfer to the Secretary of State of property and liabilities of the Pay Board;
- (c) the revocation, in whole or in part, of statutory instruments made under powers in the 1973 Act.

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