STATUTORY INSTRUMENTS

1978 No. 1083

COUNTER-INFLATION

The Prices and Charges (Notification of Increases) Order 1978

Made - - - -	26*th July* 1978
Laid before Parliament	31*st July* 1978
Coming into Operation	1*st August* 1978

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The Secretary of State, in exercise of powers conferred on him by sections 5 and 15 of, and paragraphs 1(1), (2), (4) and (6) and 2(2) of Schedule 3 to, the Counter-Inflation Act 1973(**a**) as amended under the Prices Act 1974(**b**) and by sections 14 and 15(4) of the Price Commission Act 1977(**c**), and of all other powers enabling him in that behalf, hereby makes the following Order:—

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Prices and Charges (Notification of Increases) Order 1978 and shall come into operation on 1st August 1978.

(2) In this Order—

"the 1973 Act" means the Counter-Inflation Act 1973;

"the 1977 Act" means the Price Commission Act 1977;

"base period" has the meaning assigned to it by article 3(6);

"the Commission" means the Price Commission established by section 1(1) of the 1973 Act;

"historic revenue" has the meaning assigned to it by article 6(2)(*a*);

"local authority" means, in England and Wales, a county council, the Greater London Council, the Common Council of the City of London, a district council or a London borough council and, in Scotland, a regional council, an islands council and a district council;

"manufacturer" means a person other than a local authority who carries on in the course of business activities falling within Orders II, III (other than the quick freezing of meat, poultry or fish, the curing of bacon or ham and the preparation of oven-ready poultry), IV to XIX, XXI (other than minimum list heading 603) and XXII (other than a travel ticket agent) of the Standard Industrial Classification and bakers;

"provider of services" means a person other than a local authority who carries on in the course of business activities falling within minimum list headings 864 and 865 of Order XXIV or within Order XXVI (other than minimum list heading 894) of the Standard Industrial Classification or the hiring of furniture, radio and television sets and other domestic appliances, or the hiring of contractors' plant and scaffolding or the leasing of industrial

(**a**) 1973 c. 9. (**b**) *See* S.I. 1974/1218. (**c**) 1977 c. 33.

and office machinery or the repairing of motor vehicles or the activities of a travel ticket agent;

"the Standard Industrial Classification" means the edition thereof published by Her Majesty's Stationery Office in 1968, as amended by Amendment List No. 1 so published in 1977 together with the alphabetical list of industries so published in 1968 as amended by Amendment Lists Nos. 1 and 2 so published in 1970 and 1977 respectively;

"water authority" includes a statutory water company;

"yield" shall be construed in accordance with article 6;

and all other expressions have the same respective meanings as they have for the purposes of the 1973 Act and the 1977 Act.

(3) Where a person satisfies both the definition of "manufacturer" and the definition of "provider of services" in paragraph (2) above, the provisions of this Order shall apply to him in relation to each of the expressions he satisfies.

(4) Except as provided in articles 5(3) and 12, paragraph 2(1) of Schedule 3 to the 1973 Act (which relates to the identification of two or more different persons) shall apply for the purposes of this Order as it applies for the purposes of sections 5 and 6 of that Act but in relation to article 8 only so as to require a person to notify an increased price or charge which he himself intends to implement:

Provided that any of the several persons who are by virtue of this paragraph to be treated as one may serve a notification under article 8 on behalf of himself and of any other such person.

(5) In relation to persons mentioned in paragraphs 1 to 4 of Schedule 1 this Order applies only to banking and to any other activity carried on by those persons which falls within the definition of "manufacturer" or "provider of services" in paragraph (2) above.

(6) Nothing in this Order applies to any person who is a body established for religious, charitable, educational, representational or recreational purposes, which is non-profit making and does not carry on a trade or business as its main activity.

(7) The Interpretation Act 1889(**a**) shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Parliament and as if this Order and the Order hereby revoked were Acts of Parliament.

Revocation and saving

2.—(1) Subject to paragraphs (2) and (3) below the Prices and Charges (Notification of Increases and Information) Order 1977(**b**) is hereby revoked.

(2) Article 8 shall not impose any obligation on any person in respect of any increase in a price or charge of which notice has been given to the Commission in pursuance of the Order referred to in paragraph (1) above so far as that increase is implemented before 1st October 1978.

(3) Anything done under the order referred to in paragraph (1) above or under any provision in any earlier order under section 5 or 15 of the 1973

(**a**) 1889 c. 63. (**b**) S.I. 1977/1281.

Act, being in the former case a provision corresponding to any one of those mentioned in paragraph (4), shall, for the purposes of this Order, be treated as if it had been done under the corresponding provision of this Order and as if this Order had then been in operation.

(4) The things done under the order referred to in paragraph (1) above which are referred to in paragraph (3) above and to which that paragraph applies are—

(*a*) any certificate made by the Commission under articles 6 or 8;

(*b*) any notice given by the Commission under article 10; and

(*c*) anything done or required to be done under article 13.

Application of Order

3.—(1) This article shall have effect only for the purpose of ascertaining whether any provision of this Order applies to a person by reason of sales exceeding a certain amount.

(2) Subject to paragraphs (3), (4) and (5) of this article, there shall be taken into account in determining sales, in relation to goods, the total amount (excluding excise duties) of prices charged for their sale in the course of business in the base period and, in relation to services, the total amount of charges made in the base period for their performance, there being left out of account in either case trade discounts, rebates and other allowances.

(3) There shall be left out of account—

(*a*) any price or charge to which, by virtue of paragraph 1 of Schedule 2, this Order does not apply and, in the case of transport, charges for carriage between terminals of which one or both are outside the United Kingdom and charges for carriage between points in the United Kingdom where the tariff applicable to those charges is one for the whole of the first-mentioned carriage;

(*b*) in the case of a person who is a manufacturer, the price for the sale of goods manufactured by another person and the price for the sale of goods or the charge for the performance of services in the course of any activity not mentioned in the definition of "manufacturer" in article 1(2);

(*c*) in the case of a provider of services, the price for the sale of goods or the charge for the performance of services in the course of any activity not mentioned in the definition of "provider of services" in article 1(2);

(*d*) in the case of a person who has ceased to carry on an activity in the course of business since the beginning of the base period, any price or charge in respect of that activity.

(4) There shall also be left out of account car tax payable by the person in question and value added tax which is, under Part I of the Finance Act 1972(**a**), chargeable by the person in question on the supply by him of goods and services (including goods and services specified in an order under section 6 of that Act) other than on the supply of any goods of which the price, or any services for which the charge, is under paragraph (3) above to be left out of account.

(**a**) 1972 c. 41.

(5) Where a person has not carried on any activity in the course of business throughout the whole of the base period—

(*a*) in the case of a person who commenced to carry on that activity in the course of business (not being an activity to which sub-paragraph (*b*) of this paragraph applies) during the base period, the amounts determined under this article apart from this paragraph shall be increased by the proportion which 12 months bears to the period falling within the base period during which the person carried on that activity;

(*b*) in the case of a person who commenced to carry on that activity in the base period in succession to another person (whether upon purchase, amalgamation or reconstruction, or otherwise) the amounts determined under this article apart from this paragraph both in respect of the person and of that other person shall be aggregated and—

(i) if the aggregate of the periods during which the person and that other person carried on that activity during the base period exceeds 12 months, the aggregated amounts shall be reduced; or

(ii) if the aggregate of those periods is less than 12 months, the aggregated amounts shall be increased;

by the proportion which 12 months bears to the aggregate of those periods;

(*c*) in the case of a person who commenced to carry on an activity after the end of the base period in succession to another person (whether upon purchase, amalgamation or reconstruction, or otherwise) this article shall apply to the person as it would have applied to that other person had he carried on no other activity in the course of business in the base period.

(6) In this Order, "base period" in relation to any person means his latest completed year of account; and the amounts referred to in paragraph (2) above shall, where the accounting period is longer than 12 months, be reduced or, where the accounting period is shorter than 12 months, be increased by the proportion which 12 months bears to the length of the accounting period.

(7) In ascertaining the amount of sales in relation to any person, whether as a manufacturer or as a provider of services, account shall be taken of all transactions effected by the persons (of whom he is one) who are, under the provisions of paragraph 2(1) of Schedule 3 to the 1973 Act, to be treated as one, including any transaction between such persons except where both parties to the transaction are acting as manufacturers or as providers of services, as the case may be.

Meaning of increase

4.—(1) In ascertaining for the purposes of this Order whether a price or charge represents an increase, the following provisions of this article shall have effect.

(2) The price or charge shall be compared with those charged or made by a person in the course of business for comparable transactions as regards goods or services of the same description and, as between earlier and later transactions, account shall only be taken of the latest.

(3) If there are no prices or charges which can be taken for comparison under paragraph (2) above, the comparison may be with prices or charges charged or made by that person in the course of business for transactions which are not in all respects comparable and, as regards goods or services which are not of precisely the same description, with a fair adjustment to take account of the differences; and as between different transactions or different descriptions of goods or services, those taken for comparison under this paragraph shall be those which are most closely comparable.

(4) Where a person charges or makes different prices or charges for the same goods or services in relation to different persons or to persons of different descriptions or to the same persons or descriptions of persons in different circumstances, a price or charge shall be treated as an increased price or charge in relation to any person only if it exceeds the price or charge charged or made in relation to the same person, persons of the same description or persons of the same description in the same circumstances, as the case may be.

(5) A price or charge shall not be treated for the purposes of this Order as an increased price or charge only because it exceeds an earlier price or charge if the increase does not exceed the cash amount of any increase (including a change from a nil amount) in—

(*a*) excise duties, customs duties or car tax on, or on anything comprised in, the goods in question which, whether by virtue of a contract or otherwise, is, or is to be, borne in the particular case by the person intending to implement the increase; or

(*b*) value added tax chargeable by that person on the supply of the goods or services in question; or

(*c*) any fee prescribed(**a**) under sub-section (3) of section 11 of the Weights and Measures Act 1963(**b**) or sub-section (3) of section 5 of the Weights and Measures Act (Northern Ireland) 1967(**c**) (both of which provisions relate to the passing and stamping as fit for use for trade of weighing or measuring equipment) which is payable in respect of, or of anything comprised in, the goods in question by the person intending to implement the increase.

Provisions supplemental to article 4 relating to cost adjustment, etc., provisions

5.—(1) Subject to article 4, an increased price or charge shall be treated for the purposes of this Order as an increased price or charge because it exceeds an earlier price or charge except in a case where the increase satisfies one of the conditions specified in paragraph (2) below.

(2) The conditions referred to in the preceding paragraph are—

(*a*) a condition that the increase is made in accordance with any formula, which provides for the price or charge to be varied because of changes in costs specified in a provision of the contract under which the increase is proposed to be made and that either—

(i) that provision was subsisting at 25th March 1974, or

(ii) it was the established practice at that date of the person proposing to implement the increase to be party, as seller of the goods or as provider of the services, to contracts containing a provision

(**a**) *See* S.I. 1975/1381. (**b**) 1963 c. 31. (**c**) 1967 c. 6 (N.I.).

specifying the same formula as, or a formula similar to, the above mentioned formula whereby that person sold or agreed to sell goods or to perform services (being, in either case, of the same description as those to which the price or charge in question relates) to persons in the capacity of distributors or in the capacity of domestic consumers, or

(iii) the contract provides for the goods to be sold to, or for the service to be performed for, any person except in the capacity of a distributor or in the capacity of a domestic consumer;

(*b*) a condition that the increase is made—

(i) under an agreement for the leasing of any equipment on which the lessor's capital expenditure is more than £5,000, and

(ii) is made in accordance with any formula specified in the agreement which provides for variation of charges on account of changes in the rate of corporation tax to the extent that the rate of return to the lessor on his capital expenditure net of corporation tax is not greater than it would have been if the rate of corporation tax had remained at that in force at the date of the agreement or, if the formula specifies another date for that purpose, at that date.

(3) For the purposes of this article, paragraph 2(1)(*b*) of Schedule 3 to the 1973 Act shall not have effect.

Meaning of yield

6.—(1) For the purpose of ascertaining which of the particulars specified in Schedule 3 are to be furnished to the Commission in any case in pursuance of articles 8 and 13, "yield" means the amount produced by applying to the historic revenue the increase specified pursuant to paragraph 6 of Schedule 3 expressed as a proportion of the price specified pursuant to paragraph 5 of that Schedule or, in the case of an increase which relates to a range of products or services, of the weighted average so specified of the prices or charges concerned at the date of the notification.

(2) For the purposes of this Order—

(*a*) "historic revenue" in relation to any proposed increase means the gross receipts of the person concerned from sales of the goods or from performance of the services in question in a period ending not earlier than 3 months before the notification is given to the Commission, being—

(i) where he has sold such goods or performed such services for not less than 12 months ending with the end of that period, a period of 12 months, and

(ii) where he has sold such goods or performed such services for a shorter period, such shorter period;

and where (ii) above has effect, the historic revenue shall be the gross receipts from sales of the goods or performance of the services in the period there mentioned increased in the proportion which 12 months bears to the length of that period; and

(*b*) "gross receipts" means the total amount of receipts from sales of goods or from performance of the services in the period concerned

(otherwise than from prices or charges referred to in article 3(3)(*a*)) including the amount of value added tax or car tax.

Ranges of products

7. In a case where a person has for the purposes of the order under section 5 of the 1973 Act hereby revoked or of any previous order under that section treated any product as forming part of a particular range of related products, he shall, for the purposes of this Order, continue to treat that product as forming part of that range, being, in a case where the product has on different occasions been treated for the first-mentioned purposes as forming part of different ranges, the range of which the product was treated as forming part on the last occasion before 1st August 1977, unless the Commission certify, having regard to changes in the person's practice of determining prices and charges, that this article shall not apply to the product in question.

Obligation to notify increased prices and charges

8.—(1) Subject to the provisions of articles 9 to 12 before a person specified in paragraph (3) below implements in the course of any business carried on by him in the United Kingdom—

(*a*) an increased price for the sale of goods or an increased charge for the performance of services previously sold or provided; or

(*b*) in respect of goods or services which are not identical with goods or services previously sold or performed, a price or charge in excess of that in respect of goods or services of substantially the same description as the goods or services in respect of which the price or charge is proposed to be implemented;

(not being, in either case, goods or services of a kind referred to in Schedule 2) he shall give notice of the proposed price or charge, as the case may be, to the Commission in accordance with article 13:

Provided that no notice need be given under this article—

(i) (except in a case where (ii) below applies) if the increase taken with any earlier increase implemented during the period of 12 months immediately preceding the date of implementation of the increase is not more than 2 per cent. of the latest price or charge before the commencement of that period; and

(ii) in the case of an increase relating to a range of related products or services, if the increase (weighted by value of sales in a period of not less than 12 weeks and not more than 14 weeks ending not more than 14 weeks before the date of implementation of the increase), taken with any increase in respect of such goods or services implemented during the period of 12 months immediately preceding that date, does not exceed 2 per cent. of the average price (weighted by value of sales in a period of not less than 12 weeks ending not more than 14 weeks before the commencement of that period);

and article 4 shall, with necessary modifications, have effect for determining whether an increase exceeds the limits specified in this proviso.

(2) If, notwithstanding the proviso to paragraph (1) above, notice of an increase not exceeding the limits therein specified is given to the Commission,

this Order has effect as if the notice were a notice required to be given under that paragraph.

(3) the persons referred to in paragraph (1) above are—

(*a*) any person who is a manufacturer and has sales exceeding £15,000,000;

(*b*) any person who is a provider of services and has sales exceeding £12,000,000;

(*c*) any person specified in Schedule 1 and subject to the provisions of that Schedule;

(*d*) a water authority in England and Wales having sales exceeding £9,000,000.

(4) For the purposes of this Order, where (whether under section 20(2)(*b*) of the Transport Act 1968(**a**) or otherwise) a passenger transport executive has entered into an agreement with the British Railways Board for securing that the Board provides railway passenger services, the executive and not the Board shall be treated as implementing any increase in a fare for railway passenger services provided by the Board pursuant to the agreement.

(5) This article applies—

(*a*) in the case of a manufacturer, only to the price for goods sold and to the charge for services performed in the course of an activity referred to in the definition of "manufacturer" in article 1(2); and

(*b*) in the case of a provider of services, only to the price for goods sold and to the charge for services performed in the course of an activity referred to in the definition of "provider of services" in article 1(2).

(6) A price or charge in respect of which an increase is required to be notified to the Commission shall be restricted by the exclusion of the increase for the period of 28 days beginning with the date of service of the notification on the Commission; and a person shall contravene the Order if he implements the increase before the end of that priod.

Small activities

9.—(1) Article 8 shall not apply, in relation to any person referred to in paragraph (3)(*a*) or (*b*) of that article, to the price or charge for any goods or services—

(*a*) manufactured or performed in the course of any activity falling within any of the minimum list headings of the Standard Industrial Classification; or

(*b*) manufactured or performed in the course of any one or more activities falling within one minimum list heading of the Standard Industrial Classification, which the Commission certify having regard to the person's established practice of determining prices or charges, may be treated as an activity or activities separate from other activities falling within the minimum list heading:

Provided that the sales of the person in question in respect of all his

(**a**) 1968 c. 73.

activities within the minimum list heading in question or, in the case of (*b*) above, in respect of any of his activities treated as a separate activity, do not exceed the lesser of 10 per cent. of his sales and—

(i) in the case of a manufacturer, £10,000,000; and

(ii) in the case of a provider of services, £7,500,000.

(2) In ascertaining whether sales exceed the amounts referred to in paragraph (1) above the provisions of article 3 shall apply, but no account shall be taken of any goods or services referred to in Schedule 2.

Resale of goods by providers of services

10. A person referred to in paragraph (3)(*b*) of article 8 shall not be required by that article to give notice to the Commission of an increased price for the sale of any goods if those goods are manufactured by another person (not being a person who, under paragraph 2(1) of Schedule 3 to the 1973 Act, is to be treated as one with that person) and either—

(*a*) that increased price does not exceed the price for the sale of identical goods charged by the person who manufactures them, or

(*b*) his margin relating to the increased price does not exceed his margin relating to the price for identical goods manufactured by the same person and calculated immediately before implementation of the increased price;

and, in this article, "margin" means the excess of the price for the sale of goods by any person over his buying price for those goods, expressed as a percentage of that buying price.

Goods comprising more than one component

11.—(1) Where—

(*a*) in a notification of an intended increase in the price of any goods, a person states that goods of that description may or will be comprised (with or without change) in other goods specified in the notification; and

(*b*) the price for the sale of the former goods may be charged—

(i) without contravention of article 8(6) of this Order or in accordance with the consent of the Commission or of the Minister; and

(ii) without contravening any restriction imposed by or under the provisions of the 1977 Act mentioned in paragraph (2) below and without breaching any undertaking given pursuant to section 7 or 12 of that Act; and

(*c*) the former goods are comprised (with or without change) in any other goods so specified and manufactured by that person;

article 8 shall not apply to the implementation of an increase in the price for the sale of those other goods if—

(i) that increase is no greater than the cash amount of the increase in the price for the sale of the former goods; and

(ii) before the implementation of the increase in the price for the sale of the former goods, the Commission have not given notice to that person that article 8 shall apply to the implementation of an increase in the price for sale of those other goods.

(2) The provisions of the 1977 Act referred to in sub-paragraph (*b*)(ii) of paragraph (1) above are—

(*a*) section 4(2)(*b*) (which modifies and extends the restrictions on implementation of price increases imposed by section 5 of the 1973 Act where the Commission give notification of their intention to investigate a price increase);

(*b*) section 7(1) (which gives temporary effect to recommendations of the Commission in consequence of reports on investigations); and

(*c*) sections 7(5)(*a*) and 12(3)(*b*) (which enable the Secretary of State to make orders in consequence of investigations of price increases and of examinations of questions relating to prices and charges respectively) but not including any provisions made under section 12(4) (which provides that orders under section 12(3)(*b*) may include provisions relating to recommended prices).

Sales within groups of companies

12. Where—

(*a*) a person or a company controlled by him sells goods to another company controlled by him or a company controlled by a person sells goods to him; and

(*b*) the seller sells and the purchaser purchases in the capacity of a manufacturer or of a provider of services;

then, notwithstanding the provisions of paragraph (4) of article 1, article 8 shall not have effect in relation to the price for that sale.

Method of notification

13. A notification required to be made under article 8—

(*a*) shall be in writing signed by the person or one of the persons required to make the notification or his authorised agent or, in the case of a body corporate, signed by an officer of the body corporate serving the notification, and shall be dated;

(*b*) shall contain particulars of the matters specified in Schedule 3 being, except in the case of an increase proposed by a water authority—

(i) particulars of the matters specified in paragraphs 1 to 8, where the yield of the proposed increase does not exceed £250,000,

(ii) particulars of the matters specified in paragraphs 9 and 10, where the yield of the proposed increase exceeds £250,000 but does not exceed £1,000,000, and

(iii) particulars of the matters specified in paragraphs 11 to 14, where the yield of the proposed increase exceeds £1,000,000;

or, in the case of an increase proposed by a water authority, particulars of the matters specified in paragraphs 15 and 16; and

(*c*) shall be accompanied by true copies—

(i) of all appropriate accounts containing particulars of sales ascertained under article 3 unless these have already been furnished; and

(ii) of such other documents (other than published documents generally

available) which the person required to make the notification wishes to be taken into account by the Commission in exercising their functions under the 1977 Act in relation to the increase.

Special returns relating to certain increases

14.—(1) Any person—

(*a*) who has under article 8 notified an increase which is an average increase applying to a range of products or services; or

(*b*) who has implemented an increase which he would, but for the proviso to article 8(1), article 9 or paragraph 7 of Schedule 2, be required to notify to the Commission under article 8,

as soon as he first quotes by any display, advertisement, circular or other public notice a new price for the goods concerned or a new charge for the provision of the services concerned, shall furnish to the Commission a return containing the following particulars—

(i) his name and address or, in the case of a body corporate, its registered or principal office in the United Kingdom;

(ii) the goods or services to which the return relates; and

(iii) the amounts of the new prices or charges and the date of their implementation or intended implementation.

(2) A return under paragraph (1) above—

(*a*) may be in any form whatsoever and may include a copy of any such advertisement, circular or other public notice in which the new price or charge is quoted; and

(*b*) shall be in writing signed by the person or one of the persons required to make the return or, in the case of a body corporate, signed by an officer of the body corporate making the return and shall be dated.

Roy Hattersley,
Secretary of State
for Prices and Consumer Protection.

26th July 1978.

SCHEDULE 1 (Article 8(3)(*c*))

Persons required to notify increases in the price for the sale of goods or the charge for the performance of services.

1. Barclays Bank Limited.
2. Lloyds Bank Limited.
3. Midland Bank Limited.
4. National Westminster Bank Limited.
5. British Waterways Board.
6. Milk Marketing Boards, but in respect only of milk not referred to in paragraph 6 of Schedule 2.
7. A passenger transport executive, but in respect only of fares for railway passenger services referred to in article 8(4).

(Article 3(3)(*a*) and 8(1)) SCHEDULE 2

Prices and charges in respect of which no notice of an intended increase is required to be made to the Price Commission.

1. The price for the sale of goods or the charge for the performance of services which are supplied, whether by the person selling or performing them or another, outside the United Kingdom or to persons or in relation to property outside the United Kingdom.

2. The price for the sale of any goods—

(*a*) which have been produced or manufactured outside the United Kingdom; and

(*b*) which have not been subjected to any process in the United Kingdom other than packing or repacking, cleaning and sterilizing or, in the case of crude oil, stabilisation; and

(*c*) which have not been sold to any person in the United Kingdom;

and the charge for the performance of any services in the United Kingdom or in relation to any property in the United Kingdom which are performed for any person outside the United Kingdom.

3. The price for the sale, whether alive or dead, of any goods produced in the course of agriculture, horticulture or fishing including—

(*a*) (except in the case of a Milk Marketing Board) liquid milk not referred to in paragraph 6 below; and

(*b*) by-products for animal feeding which arise in the milling of grain, the processing of sugar beet or oilseeds or in the manufacture of alcoholic drinks;

which have not been incorporated in any processed product and to which no process has been applied except—

(i) cleaning, sterilizing, breaking down of bulk supplies or packaging; and

(ii) in the case of any carcasses or parts of carcasses of livestock or poultry or of any product of fishing, chilling, freezing, curing, cutting up or boning, in the case only of bacon and ham, cooking and, in the case only of whole hams, canning.

4. The price for the sale of blended butter.

5. The price for the sale of raw beet sugar for further refining.

6. The price for the sale of liquid milk of which the maximum price is for the time being controlled by an order(**a**) under section 6 of the Emergency Laws (Re-enactments and Repeals) Act 1964(**b**).

(**a**) S.I. 1977/2054, 2055. (**b**) 1964 c. 60.

7. The price for the sale, otherwise than in cans, of sausages, meat pies, sausage rolls and other manufactured meat products.

8. The price for the sale of—

(*a*) unseasoned timber in logs;

(*b*) raw wool which has not undergone any process of combing, spinning or felting and tops of wool and other fine animal hair;

(*c*) untanned hides.

9. The price for the sale of coal and steel (as defined in Annex 1 to the Treaty establishing the European Coal and Steel Community, signed at Paris on 18th April 1951, together with any additions to the lists in that Annex made by the Special Council of Ministers under article 81 of that Treaty) charged by an undertaking as defined in article 80 of that Treaty (otherwise than for the special purposes therein mentioned) except for sales to domestic consumers.

10. The price for the sale of scrap metal.

11. The charge for carriage by sea transport between terminals—

(*a*) of which one or both are outside the United Kingdom including charges for carriage between points in the United Kingdom, where the tariff applicable to those charges is one for the whole of the first-mentioned carriage; or

(*b*) of which both are within the United Kingdom, whether or not the charge relates to a voyage during which a call is made at any other place, other than a charge which is in accordance with a tariff of general application.

12. The charge for carriage by air transport for which an air transport licence granted by the Civil Aviation Authority is by section 21 of the Civil Aviation Act 1971(**a**) required to be held by the operator.

13. The charge for a package holiday taken outside the United Kingdom.

14. (*a*) Bus fares wich are fixed by conditions attached to a road service licence granted under section 135 of the Road Traffic Act 1960(**b**) or a permit granted under section 30 of the Transport Act 1968(**c**) and charges made in respect of the use of vehicles under authorisations granted under section 2(3)(*b*) of the Passenger Vehicles (Experimental Areas) Act 1977(**d**);

(*b*) bus fares which are charged in pursuance of an agreement with the London Transport Executive under section 23 of the Transport (London) Act 1969(**e**) or a consent continued in force or granted under Schedule 4 to that Act;

(*c*) taxi fares fixed by regulations made by, or by byelaws confirmed by, the Secretary of State;

(**a**) 1971 c. 75. (**b**) 1960 c. 16. (**c**) 1968 c. 73.
(**d**) 1977 c. 21. (**e**) 1969 c. 35.

(*d*) charges made by the British Airports Authority and the British Railways Board for the parking of vehicles.

15. (*a*) Charges or dues for the provision of aids for air navigation where that provision is made principally in connection with transport between terminals of which one or both are outside the United Kingdom;

(*b*) charges for the provision of landing and related facilities for aircraft;

(*c*) pilotage dues within the meaning of the Pilotage Act 1913(**a**);

(*d*) charges for harbour operations within the harbour area (other than charges mentioned in head (*e*) below) made by a harbour authority within the meaning of the Harbours Act 1964(**b**) or the Harbours Act (Northern Ireland) 1970(**c**) as the case may require;

(*e*) ship, passenger and goods dues in relation to which an objection may be made to the National Ports Council under the said Act of 1964 or to the Department of Commerce under section 7 of the said Act of 1970 and charges exigible by virtue of section 29 of the said Act of 1964 (local light dues).

16. Charges made by the Post Office in accordance with any international agreement in respect of the carriage of postal packets or the provision of telecommunications, giro or remittance services to or from any place in the United Kingdom to or from any other place.

17. (*a*) The price of any goods on any sale by auction;

(*b*) the price of any goods determined on a commodity market in the United Kingdom (including any price to the extent to which it is determined by reference to a price determined on any such market);

(*c*) the price for the sale of any goods or the charge for the performance of any services under any contract formed by acceptance of a competitive tender.

18. The price for the sale of goods to or the charge for the performance of services for a government department to which the profit formula for non-competitive contracts as recorded in the Report by the Review Board for Government Contracts published by Her Majesty's Stationery Office in 1974 relates.

19. The price for the sale of manufactured goods (other than the price for the sale of motor vehicles by a person who ordinarily sells motor vehicles in the course of business)—

(*a*) which have been used to a material extent otherwise than solely for the purpose of testing, examination or adjustment and, in the case of a ship, aircraft or hovercraft, in the course of its delivery to a person who ordinarily sells ships, aircraft or hovercraft in the course of business; and

(*b*) which have not been substantially changed after completion of their manufacture.

(**a**) 1913 c. 31 (2 & 3 Geo. 5). (**b**) 1964 c. 40. (**c**) 1970 c. 1 (N.I.).

20. Insurance premiums.

21. Charges by way of interest and other charges under conditional sale, credit sale, and hire-purchase agreements, solely for the giving of credit.

22. Charges for services to the Post Office by sub-postmasters.

23. Charges being payments in respect of services provided under or pursuant to Part IV of the National Health Service Act 1946(**a**) or Part IV of the National Health Service (Scotland) Act 1947(**b**) to persons providing such services.

24. The price for the sale of any human pharmaceutical which may be prescribed under the National Health Service but is not advertised to the general public.

25. The price for the sale of goods or the charge for the performance of services to the extent that any increase made therein is required for the purpose of implementing, and only to the extent required for that purpose, any obligation created or arising by or under any international agreement or arrangement (being an agreement or arrangement between states or organisations of states and not any other) or is made as a direct consequence of any such increase already made.

26. Charges for services provided by shipbrokers.

27. The price for the sale of tallow, meat and bonemeal processed from waste fat, bone and offal.

28. The price for the sale of any product where more than one half of the total cost of that product immediately before the date of any proposed increase in the price represents the cost of milk, but only by an amount corresponding to an increase in the intervention prices of butter and skimmed milk powder.

29. The price for the sale of any goods during a period not exceeding 12 months in which the goods are sold principally for the purpose of testing their acceptability to prospective users, being goods—

(*a*) which are during that period for sale only in a certain area of the United Kingdom; and

(*b*) which have not been sold anywhere in the United Kingdom before that period.

(**a**) 1946 c. 81. (**b**) 1947 c. 27.

(Article 13(*b*)) SCHEDULE 3

Matters relating to an increase in the price of goods or the charge for the performance of a service of which particulars are required to be notified to the Price Commission.

Particulars to be notified in every case.

1. The name of the person required to make the notification, his address or, in the case of a body corporate, its registered or principal office in the United Kingdom and the address for service of notices by the Commission, if different.

2. The name of an individual (not being the person mentioned in paragraph 1 above) to whom any enquiry concerning the notification may be made by the Commission and the office or employment held by him.

3. The intended date for implementation of the proposed increase.

4. The goods or services to which the notification relates.

5. The price or charge at the date of the notification for the sale of goods or the performance of services to which the notification relates (not being in respect of a range of products or services).

6. The increase in the price or charge or, in relation to a range of related products, the average increase (weighted by value of sales in the period of 12 months referred to in head (i) of sub-paragraph (2)(*a*) of article 6 or in the shorter period referred to in head (ii) of that sub-paragraph, as the case may require) expressed as a percentage of the average so weighted of the prices or charges at the date of the notification.

7. The yield of the proposed increase ascertained in accordance with article 6 and the manner in which it is calculated.

8. Any change (of which particulars have not previously been given to the Commission) in the accounting principles (including the method of allocating costs to the goods or services or within the range of products or services concerned) employed by the person required to make the notification, so far as they relate to the ascertainment of costs and determination of prices and charges.

Particulars to be notified where the yield of a proposed increase exceeds £250,000 *but does not exceed* £1,000,000.

9. The particulars referred to in paragraphs 1 to 8 above.

10. The percentage margin over total costs per unit of output or per £ sterling of sales ascertained by reference to all sales except at prices or charges referred to in article 3(3)(*a*) or, if stated to be so, by reference to all sales—

(*a*) either at the date of implementation of the last price increase before

the date of the notification or during a representative period (which shall be specified) following the last increase, and

(*b*) either immediately following the date of the increase to which the notification relates or during a representative period (which shall be specified) after that date.

Particulars to be notified where the yield of a proposed increase exceeds £1,000,000.

11. Particulars of the matters referred to in paragraphs 1 to 8 and 10 above.

12. Where the proposed increase is an average increase applying to a range of products or services—

(*a*) in a case where any increase intended for a single product or service in the range does not exceed twice the average increase, either—

(i) the proportion which the greatest such increase bears to the average increase and the product or service to which it applies, or

(ii) the particulars specified in sub-paragraph (*b*) or (*c*) below, as may be appropriate;

(*b*) where the number of products or services in the range exceeds 5—

(i) the 3 products or services in respect of which the greatest increases are intended, the amount of each increase, the amount of each price or charge to which the increase applies and the product or service to which it applies,

(ii) the 3 products or services in respect of which the greatest decrease in the price or charge or the least increase is intended, the amount of each decrease or increase, as the case may be, the amount of each price or charge to which the decrease or increase applies and the product or service to which it applies; and

(iii) the 3 products or services having the greatest historic revenue, the amount of each price or charge and the intended variation in each price or charge;

(*c*) where the number of products or services in the range does not exceed 5, the products or services in the range, the amounts of the prices or charges in respect of each product or service and the amount of each intended variation:

Provided that, in relation to sub-paragraphs (*b*) and (*c*) above—

(i) in a case where fewer than 3 increases or fewer than 3 decreases are intended, as the case may be, a price or charge which is intended to remain unchanged shall be treated as if a zero increase or a zero decrease is intended respectively; and

(ii) where the same increase or decrease (including a zero increase or a zero decrease) applies to more than one product or service, all increases or decreases of the same amount shall be treated as a single increase or decrease, as the case may be;

and in those sub-paragraphs, references to an intended variation in a price or charge include references to a zero increase or a zero decrease, as the case may require.

13. Particulars of the application of those matters mentioned in section 2(2)(*a*) to (*h*) of the 1977 Act which the person giving the notification considers relevant to the increase to which the notification relates including, in the case of subsection (2)(*a*) of that section, sufficient information concerning the costs incurred in supplying the goods or services to enable the Commission to ascertain what are the principal costs incurred and whether there have been changes in those costs which the Commission should take into account.

14. Particulars of any other matter not mentioned in section 2(2)(*a*) to (*h*) of the 1977 Act which the person making the notification considers the Commission should have regard to in exercising any of the functions mentioned in section 2(3) of that Act.

Particulars to be notified by water authorities

15. The particulars referred to in paragraphs 1 to 8 above.

16. (*a*) Estimates of income and expenditure during the accounting year in which the proposed increased price or charge is to be implemented;

(*b*) particulars, where available, of or estimates of such income and expenditure during the preceding accounting year;

(*c*) the provisions of any direction given to it by a Minister and, in the case of a statutory water company, of any arrangements between the company and any other water authority relevant to the calculation of any increase specified pursuant to paragraph 6 above;

(*d*) its proposals for re-structuring of charges.

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

This Order replaces the Prices and Charges (Notification of Increases and Information) Order 1977.

The Order makes provision for notification to the Price Commission of proposed increases in prices and charges. It no longer provides for the furnishing of periodic returns and for the keeping of records.

The obligation to notify (Article 88) applies primarily to firms whose annual sales exceed £15,000,000 in the case of manufacturers, and £12,000,000 in the case of service firms. (These limits were previously set at £12,000,000 and £9,000,000 respectively.)

The other principal features of the Order are: —

(*a*) the information (Schedule 3) which must accompany a notification is scaled according to the amount yielded by the increase calculated by reference to historic performance (Article 6); and

(*b*) the Price Commission are to be informed of certain increases exempted from the detailed notification procedure, when these are first made public by the firm concerned. The information may comprise any advertisement, circular or public notice used by the firm for notifying its customers (Article 14).

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