

CHAPTER 9

An Act to make temporary provision authorising the British Transport Commission to meet interest and other revenue charges by borrowing, and modifying the requirement of the Transport Act, 1947, as to the sufficiency of the Commission's revenue to meet revenue charges, to authorise advances out of the Consolidated Fund of sums so borrowed, and for purposes connected therewith. [26th February, 1957]

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:—

Temporary extension of Commission's borrowing powers.

1.—(1) The borrowing powers of the British Transport Commission (in this Act referred to as " the Commission ") shall be extended as follows:—

(*a*) the purposes for which money may be borrowed by the issue of stock under subsection (2) of section eighty-eight of the Transport Act, 1947, or by taking advances under section forty-two of the Finance Act, 1956, shall include the payment of interest on capital moneys borrowed by the Commission for the purposes of British Railways in the year nineteen hundred and fifty-six or any of the next nine years (including moneys borrowed in any such year under this paragraph), being interest accruing not later than the end of the third year after that in which the moneys are borrowed;

10 & 11 Geo. 6. c. 49. 4 & 5 Eliz. 2. c. 54.

(*b*) subject to the following provisions of this section, the Commission shall (in addition to their powers under the said section eighty-eight) have power to borrow by means of advances under the next following section the sums required—

(i) to meet any deficit on revenue account of British Railways for the year nineteen hundred and fifty-six or any of the next six years;

(ii) to pay interest on money borrowed under this paragraph, being interest accruing not later than the end of the fifth year after that in which the moneys are borrowed nor later than the end of the year nineteen hundred and sixty-four.

(2) For the purposes of subsection (1) of this section moneys borrowed to repay any temporary borrowing shall be treated as borrowed for the purpose and at the time of the temporary borrowing.

(3) Any power conferred by subsection (1) of this section to borrow for any purpose shall include power to borrow for the repayment of moneys temporarily borrowed for that purpose under subsection (1) of section eighty-eight of the Transport Act, 1947.

(4) The aggregate amount borrowed by the Commission under sub-paragraph (i) of paragraph (*b*) of subsection (1) of this section shall not exceed two hundred and fifty million pounds.

(5) The sums required to meet any such deficit as is referred to in the said sub-paragraph (i) shall be taken to be the amount of that deficit less the amount of any surplus on revenue account of the Commission's undertaking excluding British Railways, and less any interest accruing during the year which is taken into account in computing that deficit but is or can be met out of moneys borrowed under some other provision of this section.

(6) The auditors appointed by the Minister of Transport and Civil Aviation (in this Act referred to as " the Minister ") to audit the Commission's accounts for the year nineteen hundred and fifty-six or any of the next eight years shall certify to the Minister the sums, if any, required in respect of that year for the purposes referred to in sub-paragraphs (i) and (ii) respectively of paragraph (*b*) of subsection (1) of this section.

(7) If on the giving of a certificate for any year under subsection (6) of this section it is found that the sums borrowed by the Commission by virtue of the said paragraph (*b*) exceed the sums certified to be required as aforesaid, the excess shall, as far as may be, be treated as borrowed by virtue of that paragraph in respect of the next following year, and in so far as it cannot be so treated, shall be repaid forthwith.

Advances by Minister to Commission.

2.—(1) The Minister may advance to the Commission any sum which the Commission are authorised to borrow by paragraph (*b*) of subsection (1) of the foregoing section, and the Treasury may issue to the Minister out of the Consolidated Fund such sums as are necessary to enable him to make advances under this section.

(2) Interest on any advance made under this section shall be paid to the Minister at such rates and at such times as he may with the approval of the Treasury direct.

(3) The Commission shall repay, or begin repaying, any such advance not later than the seventh year after that to which the advance relates, that is to say—

(*a*) in the case of an advance of sums required to meet a deficit, that in which the deficit was incurred; and

(*b*) in the case of an advance of sums required to pay interest, that in which the interest accrued.

(4) The amount outstanding in respect of any such advance at the end of the seventh year after that to which it relates shall be repaid by the Commission to the Minister at such times and by such methods as he may with the approval of the Treasury direct; and any direction given under this subsection may from time to time be varied by a subsequent direction so given.

(5) Subsections (3) and (4) of this section shall not preclude the Commission from repaying any advance in whole or in part before the time at which they are required to do so.

(6) For the purpose of providing sums to be issued under subsection (1) of this section, or of providing for the replacement of sums so issued, the Treasury may at any time, if they think fit, raise money in any manner in which they are authorised to raise money under the National Loans Act, 1939, and any securities created and issued to raise money under this subsection shall be deemed for all purposes to have been created and issued under that Act.

2 & 3 Geo. 6. c. 117.

(7) Any sums received by the Minister by way of repayment of or interest on advances under this section shall be paid into the Exchequer and shall be issued out of the Consolidated Fund at such times as the Treasury may direct, and shall be applied by the Treasury as follows, that is to say,—

(*a*) so much thereof as represents principal shall be applied in redeeming or paying off debt of such description as the Treasury think fit; and

(*b*) so much thereof as represents interest shall be applied towards meeting such part of the annual charges for the national debt as represents interest.

(8) The Minister shall, as respects each financial year, prepare in such form and manner as the Treasury may direct an account

of sums issued to him under subsection (1) of this section and of sums received by him as aforesaid, and of the disposal by him of those sums respectively, and shall send it to the Comptroller and Auditor General before December in the following financial year; and the Comptroller and Auditor General shall examine, certify and report on the account and lay copies of it, together with his report, before each House of Parliament.

Treatment of interest and deficits in accounts and in determining sufficiency of revenue.

3.—(1) The Commission, in their annual accounts for the year nineteen hundred and fifty-six or any subsequent year, shall carry to a special account the amounts (if any) required by subsection (2) or (3) of this section.

(2) In the accounts for the year nineteen hundred and fifty-six the amounts to be carried to the special account are—

(*a*) any interest accruing during the year and falling within paragraph (*a*) of subsection (1) of section one of this Act; and

(*b*) any deficit on revenue account of British Railways for the year, computed without taking into account any such interest as aforesaid; and

(*c*) the accumulated deficit at the end of the year nineteen hundred and fifty-five on the Commission's revenue account as shown in their annual accounts for that year.

(3) In the accounts for the year nineteen hundred and fifty-seven or any subsequent year the amounts to be carried to the special account are—

(*a*) the amounts shown in the special account for the preceding year; and

(*b*) any interest accruing during the year, being interest which is or can be met out of moneys borrowed under this Act; and

(*c*) (except in the case of a year later than the year nineteen hundred and sixty-two) any deficit on revenue account of British Railways for the year, computed without taking into account any such interest as aforesaid;

but reduced by such amounts (if any) as the Commission think fit, not being less—

(i) in the case of the amount referred to in paragraph (*c*) of subsection (2) of this section, than such amount (if any) as the Minister may, with the approval of the Treasury, direct; or

(ii) in the case of any other amount, than the sums advanced to the Commission in respect thereof under section two of this Act and due in that year for repayment.

(4) For the purposes of subsection (4) of section three of the Transport Act, 1947 (which puts on the Commission a duty to secure that their revenue is not less than sufficient for making provision for the meeting of charges properly chargeable to revenue, taking one year with another), the Commission shall not be required to have regard to any interest or deficit so far as it is for the time being represented by an amount standing in the special account.

Supplementary.

4.—(1) In this Act "British Railways" means that part of the Commission's undertaking which consists in providing railway services (other than services within the scope of the functions which are for the time being delegated to the London Transport Executive) and in activities incidental to the provision of those railway services; and for this purpose the activities incidental to those railway services shall be taken to include the collection and delivery by road of goods carried in the course of those services and the generation and distribution of electric current for the purposes of those services.

(2) Where the purposes for which any capital moneys are borrowed by the Commission (whether before or after the passing of this Act) are in part only the purposes of British Railways, then for the purposes of section one of this Act such part of those moneys shall be treated as borrowed for the purposes of British Railways as is so treated for the purpose of the annual accounts of the Commission.

(3) In computing for the purposes of this Act the deficit on revenue account of British Railways for any year, there shall be brought in such amounts as may be just in respect of any general expenses and charges of the Commission and in respect of any other expenses, charges and receipts referable in part only to British Railways.

(4) If any question arises under subsection (1) of this section whether any part of the Commission's undertaking forms part of British Railways, the question shall be determined by the Minister.

Short title.

5. This Act may be cited as the Transport (Railway Finances) Act, 1957.

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