ELIZABETH II

Covent Garden Market (Financial Provisions) Act 1977

1977 CHAPTER 2

An Act to make fresh provision in relation to the finances and the financial duties of the Covent Garden Market Authority and for related purposes. [17th March 1977]

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:—

Reduction in the debt of the Covent Garden Market Authority.
1961 c. 49.

1.—(1) The following provisions of this section apply for the purpose of reducing the outstanding liabilities of the Covent Garden Market Authority (in this Act referred to as " the Authority ") in respect of sums advanced to the Authority by the Minister of Agriculture, Fisheries and Food (in this Act referred to as " the Minister ") under section 40 of the Covent Garden Market Act 1961.

(2) On the date appointed by the Minister for the purposes of this subsection, the liabilities of the Authority in respect of sums so advanced shall be reduced by £13 million and the assets of the National Loans Fund shall accordingly be reduced on that date by the same amount.

(3) As from the date appointed by the Minister for the purposes of this subsection, the liabilities of the Authority in respect of sums so advanced (after allowing for the reduction effected by subsection (2) above) shall, to the extent of the prescribed amount, be suspended, that is to say—

(*a*) the prescribed amount of principal (referred to in this section as " the suspended debt ") shall not be repayable on the dates on which it would be due to be repaid

apart from the suspension effected by this paragraph but shall be repayable in accordance with subsection (6) below, and

(*b*) no interest shall be payable on the suspended debt.

(4) So much of the suspended debt as has not become repayable by virtue of subsection (6) below shall, except as provided in paragraphs (*a*) and (*b*) above, continue to be included in the outstanding liabilities of the Authority, shall be shown in the statement of accounts of the Authority but may be so shown as a deduction from the aggregate amount outstanding by way of principal in respect of advances made by the Minister.

(5) The prescribed amount is such amount, not exceeding £25 million as the Minister, after consultation with the Authority and with the approval of the Treasury, determines.

(6) The Minister shall, at such times as he thinks fit, after consultation with the Authority and with the approval of the Treasury, give directions to the Authority reviving, as from a specified date, the Authority's liability to repay, and to pay interest on, a specified amount of the suspended debt.

(7) A direction given under subsection (6) above shall specify the dates on which the Authority are to repay that part of each debt comprised in the suspended debt which becomes again repayable by virtue of the direction.

(8) The Minister shall consult the Treasury in appointing the date on which subsection (2) and the date on which subsection (3) above is to come into operation.

(9) The amounts specified in subsection (2) and determined or specified under subsections (5) and (6) above shall be apportioned among the sums advanced under the said section 40 as the Minister determines with the approval of the Treasury and after consultation with the Authority.

(10) The Minister shall, in determining the prescribed amount under subsection (5) or in giving directions under subsection (6) above, have regard to the financial position and prospects of the Authority.

Disposal of some of the Authority's assets.

2.—(1) If at any time the Minister is satisfied that the disposal of any assets then held by the Authority would facilitate the proper exercise or performance of their powers or duties he may, after consultation with the Authority, give the Authority directions under this section requiring them to dispose of those assets and it shall be the duty of the Authority to comply with the directions.

(2) A direction under this section shall specify the assets which are to be disposed of and may specify the period or periods within which they are to be disposed of.

Changes in the financial duties of the Authority. 1961 c. 49.

3.—(1) The Covent Garden Market Act 1961 shall be amended in accordance with this section.

(2) For section 37 (duty of the Authority to cover their non-capital outgoings from revenue) there shall be substituted the following section:—

"General duty of the Authority as to finance.

37.—(1) It shall be the duty of the Authority so to exercise and perform their powers and duties as to secure that their revenues are not less than sufficient to meet all sums properly chargeable to revenue account, taking one year with another.

(2) The Minister may, after consultation with the Authority and with the approval of the Treasury, determine financial objectives for the Authority and it shall be the duty of the Authority to achieve those objectives.

(3) The Minister may, after consultation with the Authority and with the approval of the Treasury, give to them such directions as he thinks fit with a view to ensuring that the Authority so exercise their powers as to discharge the duty imposed on them by subsection (1) or, as the case may be, subsection (2) above, and it shall be the duty of the Authority to comply with the directions."

(3) For section 42 (duties of the Authority as to reserves) there shall be substituted the following section—

"Reserves.

42.—(1) The Authority shall maintain a reserve fund.

(2) The Minister may, with the approval of the Treasury, give to the Authority directions as to any matter relating to the management of the reserve fund, the carrying of sums to the credit of the fund or the application of the fund and the Authority shall comply with the directions.

(3) Subject to any directions given under subsection (2) above or under section 44 or 45 of this Act, the management of the fund, the sums to be carried to the credit of the fund and the application of the fund for the purposes of the Authority shall be such as the Authority may determine."

(4) It shall cease to be the duty of the Authority to include in the charges made to revenue account provision for the redemption of capital and accordingly in section 43 (duty of the Authority as to charges to revenue account) the words " proper provision for the redemption of capital " shall be omitted.

(5) For section 44 (application of revenues) there shall be substituted the following section—

"Application of surplus revenues and capital receipts.

44.—(1) The Minister may, with the approval of the Treasury, and after consultation with the Authority, give to the Authority directions requiring the Authority to pay to him—

(*a*) the whole or part of any excess of the revenues of the Authority for any accounting period over the total sums properly chargeable to revenue account for that period; or

(*b*) any amounts received by the Authority in any accounting period otherwise than by way of revenue;

and it shall be the duty of the Authority to comply with the directions.

(2) Any sums paid to the Minister under subsection (1) above shall be paid by him into the Consolidated Fund.

(3) The revenues and other receipts of the Authority, where not paid to the Minister in pursuance of subsection (1) above, shall be applicable for such purposes of the Authority as they may determine."

(6) In section 45 (powers of investment) the words " (1) Subject to subsection (2) below " shall be inserted at the beginning and the following subsection shall be added at the end—

" (2) The Minister may, after consultation with the Authority and with the approval of the Treasury, give to the Authority directions requiring them to invest the whole or any specified part of the sums in their hands which are not for the time being required for the purposes of their business in the securities or the class of securities specified in the directions and it shall be the duty of the Authority to comply with the directions."

(7) In section 46(4) (annual report to set out directions) for the words " thirty-seven or forty-two " there shall be substituted " 37, 42, 44 or 45 ".

Citation construction and minor correction.

4.—(1) This Act may be cited as the Covent Garden Market (Financial Provisions) Act 1977 and this Act and the Covent Garden Market Acts 1961 to 1969 may be cited together as the Covent Garden Market Acts 1961 to 1977.

(2) Any reference in this Act to any other enactment is a reference to that enactment as amended, and includes a reference thereto as extended or applied, by or under any other enactment, including this Act.

(3) In section 29(1) of the Covent Garden Market Act 1961 (power to levy charges other than tolls) there shall be omitted the words " under the last foregoing section ". 1961 c. 49.

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