



# British Telecommunications Act 1981

## 1981 CHAPTER 38

### PART II

#### THE POST OFFICE

##### *Powers and duties of the Post Office*

#### **58 Powers of the Post Office**

- (1) For paragraphs (a) to (d) of subsection (1) of section 7 of the 1969 Act (powers of the Post Office) there shall be substituted the following paragraphs—
- “(a) to provide postal services (including cash on delivery services) and telepost services;
  - (b) to provide banking services and such other services by means of which money may be remitted (whether by means of money orders, postal orders or otherwise) as it thinks fit;
  - (c) to perform services for British Telecommunications or any subsidiary of British Telecommunications;
  - (d) to perform services for Her Majesty's Government in the United Kingdom, Her Majesty's Government in Northern Ireland or the government of a country or territory outside the United Kingdom ;
  - (e) to perform services for local authorities or national health service authorities”.
- (2) At the end of that subsection there shall be inserted the words “and
- (f) with the consent of, or in accordance with the terms of a general authorisation given by, the Secretary of State, to perform, in such parts of post offices as are open to the public for the transaction of postal business, such services for such bodies falling within subsection (1A) below as it thinks fit.”
- (3) After that subsection there shall be inserted the following subsection—
- “(1A) The bodies referred to in subsection (1)(f) above are—

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- (a) any body corporate—
  - (i) which supplies goods or services by way of business;
  - (ii) the affairs of which are managed by its members; and
  - (iii) the members of which hold office as such by virtue of their appointment to that or another office by a Minister of the Crown under any enactment;
- (b) the London Transport Executive and any passenger transport executive established under section 9(1)(b) of the Transport Act 1968 ;
- (c) any statutory water undertaker within the meaning of the Water Act 1973 ;
- (d) the British Broadcasting Corporation ;
- (e) any body corporate with a statutory duty to promote and assist the maintenance and development of the efficient supply of any goods or services by a body falling within paragraphs (a) to (d) above; or
- (f) any wholly owned subsidiary of a body falling within paragraphs (a) to (e) above ;

but the Secretary of State may by order made by statutory instrument exclude from this subsection such bodies or bodies of such descriptions as may be specified in the order.”

- (4) At the end of section 86(1) of that Act (interpretation of Part III) there shall be inserted the following definitions—
  - “ ‘telecommunication system’ shall be construed in accordance with section 12(1) of the British Telecommunications Act 1981 ;
  - ‘telepost service’ means a service whereby the Post Office does all or any of the following things, namely—
    - (a) receives or collects in material form communications which are to be transmitted by means of a telecommunication system ;
    - (b) transmits by means of such a system communications which have been received or collected, or are to be delivered, in material form ; and
    - (c) delivers in material form communications which have been transmitted by means of such a system.”
- (5) Subsections (1) and (4) shall come into operation on the appointed day.

## **59 General duty of the Post Office**

- (1) It shall be the duty of the Post Office (consistently with any directions given to it under the provisions of Part III of the 1969 Act or this Part) so to exercise its powers as to provide throughout the United Kingdom (save in so far as they are provided by other persons or the provision thereof is, in its opinion, impracticable or not reasonably practicable) such services for the conveyance of letters as satisfy all reasonable demands for them.
- (2) It shall also be the duty of the Post Office, in exercising its powers, to have regard to—
  - (a) efficiency and economy;
  - (b) the social, industrial and commercial needs of the United Kingdom with respect to matters that are subserved by its powers;
  - (c) the desirability of improving and developing its operating systems; and

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- (d) developments in the fields of communications and banking.
- (3) Subsection (1) shall not be taken to preclude the Post Office from interrupting, suspending or restricting, in the case of emergency, any service provided by it.
- (4) Nothing in this section shall be construed as imposing upon the Post Office, either directly or indirectly, any form of duty or liability enforceable by proceedings before any court.
- (5) This section shall come into operation on the appointed day.

## **60 Redistribution of property, rights and liabilities among wholly owned subsidiaries**

- (1) Subject to subsection (5) the Post Office may make schemes—
  - (a) for the reorganisation, amalgamation or dissolution of any of its wholly owned subsidiaries;
  - (b) for the transfer, between the Post Office and any such subsidiary or between one such subsidiary and another, of any specified property, rights or liabilities, or of all property, rights and liabilities comprised in a specified part of the transferor's undertaking.
- (2) A scheme under subsection (1) may contain such supplementary, incidental and consequential provisions as may appear to the Post Office to be necessary or expedient.
- (3) Without prejudice to the generality of subsection (2), a scheme under subsection (1) (b) which transfers to a subsidiary property, rights and liabilities comprised in a part of the transferor's undertaking concerned with the provision of services which, by virtue of the provisions of this Part, the Post Office has the exclusive privilege of providing may provide that such enactments relating to the provision of those services as may be specified in the scheme shall apply in relation to the subsidiary (but only so long as it remains a wholly owned subsidiary of the Post Office) as they apply in relation to the Post Office.
- (4) Without prejudice to any power conferred on it by any other enactment, the Post Office may establish subsidiaries for the purposes of schemes under subsection (1)(b).
- (5) A scheme under subsection (1) shall not come into force unless it has been approved by the Secretary of State or until such date as the Secretary of State may in giving his approval specify; and the Secretary of State may approve a scheme either without modifications or with such modifications as, after consultation with the Post Office, he thinks fit.
- (6) Notice of the coming into force of a scheme under subsection (1)(b) which contains such provision as is mentioned in subsection (3) shall be published by the Post Office—
  - (a) if the scheme relates in whole or in part to England and Wales, in the London Gazette;
  - (b) if the scheme relates in whole or in part to Scotland, in the Edinburgh Gazette; and
  - (c) if the scheme relates in whole or in part to Northern Ireland, in the Belfast Gazette.
- (7) Subject to subsection (8), in the case of any scheme under subsection (1)(b) the property, rights and liabilities in question shall on the date of the coming into force

of the scheme be transferred, and by virtue of the scheme vest, in accordance with the scheme.

- (8) Schedule 2 shall apply to any transfer under subsection (7) subject to any reference in that Schedule to a transfer by or a vesting by virtue of this Act being construed as a reference to a transfer by or a vesting by virtue of the scheme in question, and that subsection shall have effect subject to the provisions of that Schedule.

## **61 Control of wholly owned subsidiaries**

- (1) As regards any wholly owned subsidiary of the Post Office, the Post Office shall so exercise the rights conferred on it by the holding of its interests therein as to secure that no person is elected chairman of the board of directors of the subsidiary except after consultation with the Secretary of State as to his suitability for election.
- (2) As regards any wholly owned subsidiary of the Post Office, the Post Office shall secure that, notwithstanding anything in the subsidiary's memorandum or articles of association, the subsidiary does not—
- (a) engage in any activity which the Post Office itself has no power to engage in or has power to engage in only with the consent of the Secretary of State ;
  - (b) issue any of its shares, stock or debentures to a person other than—
    - (i) the Post Office or another wholly owned subsidiary of the Post Office; or
    - (ii) a person who is to hold them as a nominee of the Post Office or of a wholly owned subsidiary of the Post Office ; or
  - (c) transfer any interest of the subsidiary in another wholly owned subsidiary of the Post Office to a person not within paragraph (b)(i) or (ii),
- except with the consent of, or in accordance with the terms of any general authority given by, the Secretary of State.
- (3) As regards any wholly owned subsidiary of the Post Office, the Post Office shall not transfer any of its interest therein to a person other than—
- (a) another wholly owned subsidiary of the Post Office; or
  - (b) a person who is to hold it as a nominee of the Post Office or of a wholly owned subsidiary of the Post Office,
- except with the consent of, or in accordance with a general authorisation given by, the Secretary of State.
- (4) As regards any wholly owned subsidiary of the Post Office, the Post Office shall secure that the subsidiary seeks consultation with any organisation appearing to the subsidiary to be appropriate with a view to the conclusion between it and that organisation of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance of machinery for—
- (a) the settlement of terms and conditions of employment of persons employed by the subsidiary ;
  - (b) the promotion and encouragement of measures affecting efficiency in the carrying on by the subsidiary of its activities, including, in particular, the promotion and encouragement of the training of persons employed by the subsidiary ; and
  - (c) the promotion and encouragement of measures affecting the safety, health and welfare of persons employed by the subsidiary.

*Powers of the Secretary of State over the Post Office*

**62 General control and supervision by the Secretary of State**

(1) For subsection (1) of section 11 of the 1969 Act (which provides for general control and supervision of the Post Office by the Secretary of State) there shall be substituted the following subsections—

“(1) The Post Office shall give effect to any direction given to it by the Secretary of State under the provisions of this Part of this Act or Part II of the British Telecommunications Act 1981 and shall secure, so far as appropriate, that each of its wholly owned subsidiaries also gives effect to any such direction.

(1A) The Secretary of State may, after consultation with the Post Office, give to it such directions of a general character as to the exercise by it of its powers as appear to the Secretary of State to be requisite in the national interest.”

(2) In subsection (4) of that section—

- (a) after the words " Post Office" where first occurring there shall be inserted the words " or any wholly owned subsidiary of its ";
- (b) for the words " the following provisions of this Part of this Act" there shall be substituted the words " the provisions of Part II of the said Act of 1981 ";
- (c) for the words " it ceases so to do " there shall be substituted the words " the Post Office or subsidiary ceases so to do ".

(3) For subsection (5) of that section there shall be substituted the following subsections—

“(5) The Secretary of State may, after consultation with the Post Office, direct the Post Office—

- (a) to make a scheme under subsection (1) of section 60 of the said Act of 1981, or to exercise its powers under subsection (4) of that section, for such purposes and in such manner as may be specified in the direction ; or
- (b) to dispose of any part of its undertaking or any assets held by it or to exercise its control over any wholly owned subsidiary of its so as to cause the subsidiary to dispose of any part of its undertaking or any assets held by it;

but the Secretary of State shall not give any direction under paragraph (b) above unless he is satisfied that he will not thereby impede or prevent the proper discharge of the Post Office's duty under section 59(1) of the said Act of 1981.

(5A) The Secretary of State shall lay before each House of Parliament a copy of every direction given under subsection (5) above unless he is of opinion that disclosure of the direction is against—

- (a) the interests of national security; or
- (b) the commercial interests of any person.”

(4) In subsection (6) of that section—

- (a) for the word " directions " there shall be substituted the word " direction ";
- (b) for the words " it is against the interests of national security to do so " there shall be substituted the words “disclosure of the direction is against—
  - (i) the interests of national security ; or

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(ii) the commercial interests of a person other than the Post Office and its wholly owned subsidiaries”.

(5) Subsection (7) of that section shall be omitted.

(6) For subsection (9) of that section there shall be substituted the following subsection—

“(9) The Post Office, in such manner and at such times as the Secretary of State may specify in writing to it, shall furnish him with such information—

(a) as he may so specify, and

(b) as the Post Office has or can reasonably be expected to obtain,

with respect to such matters relating to the Post Office or its subsidiaries or the activities (past, present or future), plans or properties of any of them as the Secretary of State may so specify.”

(7) In subsection (10) of that section, for the words "performance by it of its functions" there shall be substituted the words "performance by it and its subsidiaries of its and their functions".

(8) In subsection (11) of that section —

(a) for the word "section" there shall be substituted the words "Part of this Act or Part II of the said Act of 1981"; and

(b) for the words "subsection (6) above" there shall be substituted the words "subsection (6)(a) above".

(9) This section shall come into operation on the appointed day.

### **63 Activities requiring consultation with the Secretary of State**

(1) The Post Office shall consult with the Secretary of State before it and all of its wholly owned subsidiaries taken together (in this section referred to as "the group") during any accounting year construct, manufacture or produce, for the relevant purpose, things of any kind to an extent substantially greater than that to which the group constructed, manufactured or produced, for that purpose, things of that kind during the relevant period.

(2) The Post Office shall also consult with the Secretary of State before the group during any accounting year constructs, manufactures or produces to a substantial extent, for the relevant purpose, things of a kind that the group did not construct, manufacture or produce for that purpose during the three accounting years immediately preceding that year.

(3) In this section—

"the relevant period" means, in relation to things of any kind and any accounting year, whichever of the three accounting years immediately preceding that year was the one in which the group constructed, manufactured or produced, for the relevant purpose, things of that kind to the greatest extent;

"the relevant purpose" means the purpose of—

(a) use by the Post Office or any of its wholly owned subsidiaries;

(b) supply by the Post Office or any of its wholly owned subsidiaries to British Telecommunications or a subsidiary of British Telecommunications; or

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(c) supply by the Post Office or any of its wholly owned subsidiaries to outside persons for use by such persons in connection with services provided by the Post Office or any of its wholly owned subsidiaries ;  
and for the purposes of this section the assembly of an article in the course of its installation at the place where it is to be used shall not be taken to constitute its manufacture, construction or production.

(4) This section shall Come into operation on the appointed day.

#### **64 Activities requiring approval of the Secretary of State**

(1) Neither the Post Office nor any of its wholly owned subsidiaries shall, except with the approval of the Secretary of State, construct, manufacture, produce or purchase, otherwise than for the relevant purpose, things of any kind to a substantial extent.

(2) The Secretary of State—

(a) may give approval for the purposes of subsection (1) subject to such conditions (if any) as he may think fit; and

(b) notwithstanding the giving of approval, may at any time, after consultation with the Post Office, direct it to discontinue or, as the case may be, to exercise its control over any of its wholly owned subsidiaries so as to require the subsidiary to discontinue, any activity that the Post Office or, as the case may be, the subsidiary is carrying on with approval.

(3) The Secretary of State shall publish, in such manner as he thinks fit, particulars of any approval given by him under subsection (1).

(4) In carrying on any activities to which subsection (1) applies, the Post Office shall act as if it were a company engaged in a commercial enterprise, and it shall so exercise its control over each of its wholly owned subsidiaries that carries on any such activities as to ensure that the subsidiary so acts.

(5) In this section " the relevant purpose " has the same meaning as in section 63.

(6) This section shall come into operation on the appointed day.

#### *Post Office Users' Councils*

#### **65 Power to provide that certain services shall no longer be referable to Post Office Users' Councils**

(1) The Secretary of State may, after consultation with the Post Office and the Post Office Users' National Council, provide by order made by statutory instrument that as from such date as may be specified in the order references in sections 14 and 15 of the 1969 Act to services provided by, or main services of, the Post Office shall not include references to such services as may be so specified, not being services which, by virtue of the provisions of this Part of this Act, the Post Office has the exclusive privilege of providing.

(2) A statutory instrument containing an order under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.

*Exclusive privilege of the Post Office with respect to the conveyance etc. of letters***66 Exclusive privilege of the Post Office with respect to the conveyance etc. of letters**

- (1) Subject to the following provisions of this Part, the Post Office shall have throughout the United Kingdom the exclusive privilege of conveying letters from one place to another and of performing all the incidental services of receiving, collecting and delivering letters.
- (2) A person who—
- (a) does any act, or performs any service, which infringes the exclusive privilege conferred on the Post Office by subsection (1); or
  - (b) causes to be conveyed, or tenders or delivers in order to be conveyed, any letter by any means which infringes that privilege,
- shall be guilty of an offence.
- (3) A person guilty of an offence under this section shall be liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum;
  - (b) on conviction on indictment, to a fine.
- (4) Where a body corporate is guilty of an offence under this section and that offence is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he, as well as the body corporate, shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Where the affairs of a body corporate are managed by its members, this subsection shall apply in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

- (5) In this section and section 67—
- "correspondent", in relation to a letter or other communication, means the sender or the addressee ;
- "employee ", in relation to a body corporate, includes any officer or director of the body corporate and any other person taking part in its management, and "employer " and other cognate expressions shall be construed accordingly ;
- "letter" means any communication in written form which—
- (a) is directed to a specific person or address ;
  - (b) relates to the personal, private or business affairs of, or the business affairs of the employer of, either correspondent; and
  - (c) neither is to be nor has been transmitted by means of a telecommunication system, and includes a packet containing any such communication ;
- "sender ", in relation to any letter or other communication, means the person whose communication it is.
- (6) References in the 1953 Act, the 1969 Act or this Part to services which, by virtue of the provisions of this Part, the Post Office has the exclusive privilege of providing are references to services the provision of which by a person other than the Post Office would necessarily infringe the privilege conferred by subsection (1); and for this purpose licences granted under section 68(1) shall be disregarded.



## **67 General classes of acts not infringing the postal privilege**

- (1) The privilege conferred on the Post Office by section 66(1) is not infringed by—
- (a) the conveyance and delivery of a letter personally by the sender;
  - (b) the conveyance and delivery of a letter by a personal friend of the sender;
  - (c) the conveyance and delivery of a letter by a messenger sent for the purpose by either correspondent;
  - (d) the conveyance of an overseas letter to an aircraft by a messenger sent for the purpose by the sender and the conveyance of that letter out of the United Kingdom by means of that aircraft;
  - (e) the conveyance and delivery of any document issuing out of a court of justice or of any return or answer thereto;
  - (f) the conveyance of letters from merchants who are the owners of a merchant ship or commercial aircraft, or of goods carried in such a ship or aircraft, by means of that ship or aircraft, and the delivery thereof to the addressees by any person employed for the purpose by those merchants, so however that no payment or reward, profit or advantage whatever is given or received for the conveyance or delivery of those letters ;
  - (g) the conveyance and delivery of letters by any person, being letters concerning and for delivery with goods carried by that person, so however that no payment or reward, profit or advantage whatever is given or received for the conveyance or delivery of those letters ;
  - (h) the conveyance and delivery to the Post Office of pre paid letters for conveyance and delivery by the Post Office to the addressees, and the collection of such letters for that purpose ;
  - (i) the conveyance and delivery of letters by a person who has a business interest in those letters, and the collection of letters for that purpose;
  - (j) the conveyance and delivery of banking instruments from one bank to another or from a bank to a government department, and the collection of such instruments for that purpose;
  - (k) the collection, conveyance and delivery of coupons or other entry forms issued by authorised promoters in connection with established competitions.
- (2) Nothing in paragraphs (a) to (g) of subsection (1) shall authorise any person to make a collection of letters for the purpose of their being conveyed in any manner authorised by those paragraphs.
- (3) For the purposes of paragraph (f) of subsection (1) a person has a business interest in a letter if, and only if—
- (a) he is an employee of one of the correspondents or of a member of the same group as one of the correspondents and the letter relates to the business affairs of that correspondent; or
  - (b) he and one of the correspondents are employees of the same person or of different members of the same group and the letter relates to the business affairs of that person or, as the case may be, the employer of that correspondent.
- (4) In this section—
- " authorised promoter " means—
    - (a) a registered football pool promoter;

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- (b) a person who is or has at any time been an associate (within the meaning of section 184 of the Consumer Credit Act 1974) of such a promoter; or
- (c) a registered pool promoter to whom a certificate has been granted under section 1 of the Pool Competitions Act 1971;

" bank " means—

- (a) the Bank of England;
- (b) a recognised bank or licensed institution within the meaning of the Banking Act 1979 ;
- (c) the Post Office or a trustee savings bank; or
- (d) the central bank of a member State other than the United Kingdom;

" banking instrument" means—

- (a) any cheque or other instrument to which section 4 of the Cheques Act 1957 applies;
- (b) any document issued by a public officer which is intended to enable a person to obtain payment from a government department of the sum mentioned in the document;
- (c) any bill of exchange not falling within paragraph (a) or (b) or any promissory note;
- (d) any postal order or money order;
- (e) any credit transfer, credit advice or debit advice; or
- (f) any list of items, or any copy of an item, falling within the foregoing paragraphs;

"established competition", in relation to an authorised promoter, means a competition which is of the same kind as or is broadly similar to a competition held by him before the passing of this Act;

"government department" includes any Minister of the Crown and any Northern Ireland department;

"group" means a body corporate and all of its wholly owned subsidiaries taken together;

"overseas letter" means a letter which is directed to a specific person or address outside the United Kingdom ;

" pre-paid letter " includes any letter which, in pursuance of arrangements made with the Post Office, does not require to be pre-paid ;

" registered pool promoter " has the meaning assigned by section 4(2) of the Betting, Gaming and Lotteries Act 1963, and "registered football pool promoter" shall be construed accordingly;

" ship " includes any boat, vessel or hovercraft.

## **68 Savings for things done under a licence**

- (1) A licence may be granted by the Secretary of State after consultation with the Post Office, either unconditionally or subject to any conditions specified in the licence, and either irrevocably or subject to revocation as therein specified, for the doing of any such act or the performance of any such service falling within subsection (1) of section 66 as is specified in the licence; and anything done under and in accordance with a licence granted under this subsection shall not constitute an infringement of the privilege conferred by that subsection.

- (2) A licence granted under subsection (1) shall, unless previously revoked in accordance with any term in that behalf contained in the licence, continue in force for such period as may be specified therein.
- (3) A licence granted under subsection (1) may be granted either to persons of a class or to a particular person, and may include (without prejudice to the power to impose conditions conferred by that subsection) conditions requiring the rendering to the Secretary of State or the Post Office or both of a payment on the grant of the licence or periodic payments during the currency of the licence or both.
- (4) A payment required by virtue of this section to be rendered to any person may be recovered by that person in any court of competent jurisdiction and, except in Scotland, may be so recovered as if it were a simple contract debt.
- (5) A licence granted under subsection (1) to persons of a class shall be published in such manner as appears to the Secretary of State to be appropriate for bringing it to the attention of the persons for whose benefit it will enure, and a licence expressed to be so granted must be in writing.
- (6) For the purposes of a licence granted under subsection (1) above, the definition of a class of persons may be framed by reference to any circumstances whatever.
- (7) Any sums received by the Secretary of State under this section shall be paid into the Consolidated Fund.

## **69 Suspension of the postal privilege**

- (1) The Secretary of State may, after consultation with the Post Office, by order suspend the exclusive privilege conferred on the Post Office by section 66(1) for such a period and to such extent as may be specified in the order.
- (2) For the purposes of an order made under this section, any definition of a class of letters may be framed by reference to any circumstances whatever ; and in this subsection " letter " has the same meaning as in section 66.
- (3) An order under this section may contain such supplementary, incidental and consequential provisions as may appear to the Secretary of State to be necessary or expedient.
- (4) An order under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

### *Limitation of liability*

## **70 The Post Office to be subject to limited liability in respect of certain inland packets**

- (1) in subsection (1) of section 30 of the 1969 Act (the Post Office to be subject to limited liability in respect of registered inland packets) for the words "registered inland packet" there shall be substituted the words " packet to which this section applies ".
- (2) For subsection (3) of that section there shall be substituted the following subsection—
  - “(3) The amount recoverable in any proceedings under this section in relation to a packet of any description shall not exceed—

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- (a) the market value of the packet at the time when the cause of action arises ; or
  - (b) the maximum amount payable under a scheme made under section 28 of this Act for compensating the person aggrieved in respect of a packet of that description;
- and for the purposes of paragraph (a) above the market value of a packet shall not include the market value of any message or information which it bears or the market value of any item which, in relation to packets of that description, is excluded from the operation of this section by a scheme made under section 28 of this Act.”
- (3) In subsection (4) of that section after the word " packet", in the first place where it occurs, there shall be inserted the words " of any description " and for the words "registered inland packets " there shall be substituted the words " packets of that description at the time when they are posted ".
- (4) After subsection (6) of that section there shall be inserted the following subsection—
- “(6A) For the purposes of this section a scheme made under section 28 of this Act may define a description of packet by reference to any circumstances whatever, including in particular the amount of any fee paid in respect of the packet in pursuance of the scheme.”
- (5) In subsection (7) of that section—
- (a) after the definition of " inland packet" there shall be inserted the following definition—
    - ““packet to which this section applies' means any inland packet in respect of which, in pursuance of a scheme made under section 28 of this Act, the Post Office accepts liability under this section ;”;
  - (b) in the definition of " sender " for the words " registered inland packets " there shall be substituted the words " packets to which this section applies ".
- (6) In subsection (1) of section 28 of that Act (schemes for determining charges and other terms and conditions applicable to services) after the words " but so that " there shall be inserted the words " except as provided by section 30(3) of this Act ".
- (7) At the end of subsections (2) and (3) of section 29 of that Act (exclusion of liability of employees etc. of the Post Office) there shall be inserted the words " or any loss of, or damage to, a packet to which the next following section applies ".
- (8) This section shall come into operation on the appointed day.

### *Finance*

## **71 General duty of the Post Office as to finance**

- (1) It shall be the duty of the Post Office so to exercise its powers as to secure that the combined revenues of the Post Office and all its wholly owned subsidiaries together are not less than sufficient—
- (a) to meet all their combined charges properly chargeable to revenue account, taking one year with another; and
  - (b) to enable the Post Office and its wholly owned subsidiaries to make all such allocations to reserve as the Post Office considers adequate, and as may be

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necessary to comply with any directions given by the Secretary of State under section 72.

- (2) The secretary of state may from time to time determine, with the time approval of the treasury after consultation with the Post Office, as respects such period as he may so determine, the financial objectives which, having regard to the duty imposed on it by subsection (1), he considers it is reasonable for the Post Office to achieve in that period; and —
  - (a) different determinations may be made for different periods and in relation to different assets and different activities of the Post Office; and
  - (b) the Secretary of State may, with the like approval and after such consultation as aforesaid, vary or revoke a determination under this section in respect of any period by a further determination.
- (3) A determination under subsection (2)—
  - (a) may relate to a period beginning before the date on which it is made; and
  - (b) may contain incidental or supplemental provisions.
- (4) The Secretary of State shall give notice in writing to the Post Office of any determination under subsection (2).
- (5) The Post Office shall conduct its affairs during any period in respect of which a determination has been made under subsection (2) with a view to achieving the financial objectives specified by the determination as for the time being in force.

## **72 Reserves of the Post Office and its wholly owned subsidiaries**

- (1) The Secretary of State may from time to time, after consultation with the Post Office and with the approval of the Treasury, give to the Post Office directions—
  - (a) requiring it to allocate to reserve generally, or to reserve for a particular purpose, or to cause any of its wholly owned subsidiaries so to allocate, either a specified amount or such amount as the Post Office considers adequate; or
  - (b) requiring it to re-allocate for a specified purpose, or to cause any of its wholly owned subsidiaries so to reallocate, the whole or any part of any amount previously allocated by the Post Office or subsidiary, as the case may be, to reserve for some other purpose; or
  - (c) with respect to the application by the Post Office or any of its wholly owned subsidiaries of amounts allocated to reserve.
- (2) Directions under subsection (1) requiring the allocation of any amount to reserve may provide for it to be so allocated either at a specified time or during the course of a specified period.

## **73 Borrowing powers of the Post Office and its wholly owned subsidiaries**

- (1) The Post Office may borrow temporarily, by way of overdraft or otherwise.—
  - (a) in sterling from the Secretary of State; or
  - (b) with the consent of the Secretary of State and the approval of the Treasury, in sterling or a currency other than sterling from a person other than the Secretary of State,

such sums as may be required for meeting the obligations and discharging the functions of the Post Office or any of its wholly owned subsidiaries.

- (2) The Post Office may borrow, otherwise than by way of temporary loan.—
- (a) in sterling from the Secretary of State; or
  - (b) with the consent of the Secretary of State and the approval of the Treasury, in sterling or a currency other than sterling from a person other than the Secretary of State,
- such sums as may be required by the Post Office or any of its wholly owned subsidiaries for all or any of the purposes mentioned in subsection (3).
- (3) The said purposes are—
- (a) provision of money for meeting any expenses incurred by the Post Office or any of its subsidiaries in connection with any works the cost of which is chargeable to capital account;
  - (b) provision of working capital required by it or any such subsidiary;
  - (c) subscription for, or acquisition of, securities of an incorporated company or other body corporate, promotion of the formation of an incorporated company or participation in the promotion of such a company or acquisition of an undertaking or part of an undertaking ;
  - (d) repayment of any money borrowed by it or any such subsidiary and repayment of any sums issued by the Treasury in fulfilment of a guarantee under section 38 of the 1969 Act;
  - (e) repayment of any part of the debt assumed by it under section 33 of that Act; and
  - (f) any other purpose for which capital moneys are properly applicable.
- (4) The Post Office may borrow from any of its wholly owned subsidiaries without any consent, approval or other authority.
- (5) References in this section and section 74 to borrowing by the Post Office do not include references to receiving any money in its capacity as the provider of any services or the supplier of any apparatus, or using money received in that capacity.
- (6) It shall be the duty of the Post Office to secure that none of its wholly owned subsidiaries borrows otherwise than from the Post Office or from another of its wholly owned subsidiaries except with the consent of the Secretary of State and the approval of the Treasury.
- (7) A person lending money to the Post Office shall not be concerned to inquire whether the borrowing of the money is legal or regular or whether the money raised was properly applied and shall not be prejudiced by any illegality or irregularity or by the misapplication or non-application of any of the money.
- (8) This section shall come into operation on the appointed day.

#### **74 Limitation of indebtedness**

- (1) The Post Office shall not have the power to borrow money except in accordance with section 73.
- (2) The aggregate of—
- (a) the amount outstanding, otherwise than by way of interest, in respect of—
    - (i) money borrowed by the Post Office or any of its wholly owned subsidiaries, other than money borrowed on excluded loans ;

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- (ii) sums issued by the Treasury in fulfilment of guarantees under section 38 of the 1969 Act; and
    - (iii) the debt assumed by the Post Office under section 33 of that Act; and
  - (b) sums received by it under section 3(1) of the Post Office (Banking Services) Act 1976 (public dividend capital),
- shall not at any time exceed £1,200 million or such greater sum, not exceeding £1,700 million, as the Secretary of State may from time to time by order specify.
- (3) A loan is an excluded loan for the purposes of subsection (1) if it consists of money borrowed—
    - (a) by the Post Office from one of its wholly owned subsidiaries ; or
    - (b) by one of its wholly owned subsidiaries from another such subsidiary or from the Post Office.
  - (4) An order under subsection (2) shall be made by statutory instrument, and no such order shall be made unless a draft thereof has been approved by a resolution of the Commons House of Parliament.
  - (5) This section shall come into operation on the appointed day.

## **75 The Post Office's accounts and audit thereof**

- (1) Subject to the following provisions of this section, it shall be the duty of the Post Office—
  - (a) to keep proper accounts and proper records in relation thereto;
  - (b) to prepare in respect of each accounting year a statement of accounts giving a true and fair view of the state of affairs and profit or loss of the Post Office; and
  - (c) to prepare in respect of each accounting year such a statement or statements of consolidated accounts dealing with, and giving a true and fair view of the state of affairs and profit or loss of.—
    - (i) the Post Office and all of its subsidiaries (in this section referred to as " the group "); or
    - (ii) some but not all the members of the group, as the Post Office may determine and the Secretary of State and the Treasury may for the time being approve.
- (2) If the Secretary of State with the consent of the Treasury so requires the Post Office by notice in writing, the Post Office shall, in respect of any accounting year to which the notice relates, comply with its obligation under subsection (1)(c), so far as it relates to those members of the group which are specified in the notice, by preparing a statement of consolidated accounts dealing with the members of the group specified in the notice and giving a true and fair view of their state of affairs and profit or loss.
- (3) Every statement of accounts prepared by the Post Office in accordance with this section shall comply with any requirement which the Secretary of State has, after consultation with the Post Office and with the consent of the Treasury, notified in writing to the Post Office relating to—
  - (a) the information to be contained in the statement;
  - (b) the manner in which that information is to be presented ; and
  - (c) the methods and principles according to which the statement is to be prepared.

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

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- (4) Subject to any requirement notified to the Post Office under subsection (3), in preparing any statement of accounts in accordance with this section, the Post Office shall follow, with respect to each of the matters specified in paragraphs (a) to (c) of that subsection, such course as may for the time being be approved by the Secretary of State with the consent of the Treasury.
- (5) If the Secretary of State after consultation with the Post Office so directs in relation to an accounting year of the Post Office, that accounting year shall end on such date as may be specified in the direction (whether before or after the date on which it would otherwise end).
- (6) The accounts kept, and all statements prepared, by the Post Office under this section shall be audited by auditors appointed for each accounting year by the Secretary of State after consultation with the Post Office.
- (7) A person shall not be qualified for appointment under subsection (6) unless he is a member of one or more bodies of accountants established in the United Kingdom and for the time being recognised for the purposes of section 161(1)(a) of the Companies Act 1948 by the Secretary of State; but a Scottish firm may be so appointed if each of the partners therein is qualified to be so appointed.
- (8) As soon as the accounts kept, and the statements prepared, by the Post Office under this section have been audited, the Post Office shall send to the Secretary of State—
- (a) a copy of the statements ;
  - (b) copies of the statements of accounts for such of its subsidiaries as the Post Office may, with the approval of the Secretary of State and the consent of the Treasury, determine; and
  - (c) if the Secretary of State with the consent of the Treasury so requires by notice in writing, copies of the statements of accounts for each subsidiary of the Post Office which is specified in the notice,
- together with a copy of any report made by the auditors on the statements or on the accounts of the Post Office; and the Secretary of State shall lay a copy of every statement and report of which a copy is received by him in pursuance of this subsection before each House of Parliament.
- (9) This section shall come into operation on the appointed day.

### *Pensions*

## **76 Power of the Secretary of State to make orders about pensions**

- (1) The Secretary of State may make orders under this section providing for either or both of the following matters, namely—
- (a) the enabling of employees of any of the Post Office's subsidiaries to participate or continue to participate in any pension scheme established by the Post Office under section 43 of the 1969 Act; and
  - (b) any matter supplemental or incidental to or consequential on the matter aforesaid, including the amendment of any statutory provision and any trust deed, rules or other instrument made for the purposes of such a scheme;
- but nothing in this section shall authorise the making of provision for the diversion of any part of a pension fund to purposes other than the payment of pensions to or in respect of employees of any of the Post Office's subsidiaries.



- (2) An order under this section shall be so framed as to secure that no person other than the Post Office or any of its subsidiaries is placed in a worse position than he would have been in if the order had not been made.

An order shall not be invalid by reason that in fact it does not secure that result; but if the Secretary of State is satisfied or it is determined as hereinafter mentioned that an order has failed to secure that result, the Secretary of State shall as soon as possible make the necessary amending order.

Any dispute arising as to whether or not the said result has been secured shall be referred to and determined by an industrial tribunal.

- (3) An order under this section may be made so as to have effect from a date prior to the making thereof, so however that so much of any order as provides that any provision thereof is to have effect from a date prior to the making of the order shall not place any person other than the Post Office or any of its subsidiaries in a worse position than he would have been in if the order had been made to have effect only from the date of its making.
- (4) An order under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

#### *Miscellaneous*

### **77 Delivery boxes**

For Paragraph (c) of section 87(2) (delivery of postal packets) of the Post Office Act 1953 (in this Act referred to as " the 1953 act) there shall be substituted the following paragraph —

- “(c) the delivery of a postal packet—
- (i) at the premises to which it is addressed or redirected, except they be a post office from which it is to be collected ;
  - (ii) to any box or receptacle to which the occupier of those premises has agreed that postal packets addressed to persons at those premises may be delivered ; or
  - (iii) to the addressee's servant or agent or to some other person considered to be authorised to receive the packet, shall be a delivery to the addressee.”

### **78 Interpretation and extent of Part II**

- (1) This Part shall be construed as one with Part III of the 1969 Act.
- (2) This Part, except sections 59 and 63 to 70, shall extend to the Isle of Man and the Channel Islands.