



Transport Act 1985

1985 CHAPTER 67

PART IV

LOCAL PASSENGER TRANSPORT SERVICES

Passenger Transport Areas

59 Transfer of bus undertakings of Executives to companies owned by Authorities

- (1) Before such date as the Secretary of State may specify in the case of any Passenger Transport Executive in a direction given to that Executive, the Executive shall form a company for the purpose of carrying on—
 - (a) activities of any description carried on by the Executive in or for the purposes of the provision of any service for the carriage of passengers by road currently provided by the Executive in exercise of any of their powers under section 10(1) of the 1968 Act; and
 - (b) any activities which appear to the Executive to be incidental to or connected with any activities within paragraph (a) above or to be capable of being conveniently carried on in association with any such activities.
- (2) The company shall be a company limited by shares registered under the Companies Act 1985.
- (3) Where the Executive for any passenger transport area have formed a company in pursuance of this section, the Executive shall, before such date as the Secretary of State may specify in a direction given to the Executive, submit to the Secretary of State a scheme providing for the transfer to the company of any property, rights or liabilities of the Executive, or of any wholly-owned subsidiary of theirs, which it appears to the Executive to be appropriate to transfer to that company.
- (4) In preparing a scheme in pursuance of subsection (3) above, the Executive in question shall take into account any advice given by the Secretary of State as to the provisions he regards as appropriate for inclusion in the scheme (and in particular, but without

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- prejudice to the generality of that, as to the description of property, rights and liabilities it is in his view appropriate to transfer to the company).
- (5) A scheme under subsection (3) above shall not come into force until 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 Executive and with the Passenger Transport Authority for the area in question, he thinks fit.
- (6) If the Secretary of State is not satisfied that a scheme submitted under subsection (3) above accords with any such advice given by him as is mentioned in subsection (4) above, or would do so with appropriate modifications, he may, after consultation with the Executive and with the Passenger Transport Authority for the area in question, instead of approving the scheme substitute for it a scheme of his own, to come into force on such date as may be specified in the scheme.
- (7) On the coming into force of a scheme under this section the property, rights and liabilities affected by the scheme shall, subject to section 129 of this Act, be transferred and vest in accordance with the scheme.
- (8) Following the transfer to the company under subsection (7) above of the property, rights and liabilities affected by the scheme, the Executive shall, before such date as the Secretary of State may specify in a direction given to the Executive, transfer all shares in or other securities of the company to the Passenger Transport Authority for their area.
- (9) Where—
- (a) the property, rights and liabilities transferred under subsection (7) above include the whole of the undertaking of any wholly-owned subsidiary of the Executive ; and
 - (b) it appears to the Executive that no further action is required on the part of that subsidiary to perfect any transfer under that subsection ;
- the Executive shall secure that that subsidiary is wound up.
- (10) Without prejudice to any other restriction on their powers, a Passenger Transport Executive may not dispose of any shares in or other securities of a company formed by that Executive in pursuance of this section otherwise than in accordance with subsection (8) above.