



Transport (London) Act 1969

1969 CHAPTER 35

PART II

THE LONDON TRANSPORT EXECUTIVE

4 London Transport Executive

- (1) For the purpose of implementing the policies which it is the duty of the Council under section 1 of this Act to develop, there shall be constituted a public authority to be called the London Transport Executive who shall be a body corporate with perpetual succession and a common seal and shall consist of—
 - (a) a chairman appointed by the Council; and
 - (b) not less than four nor more than ten other members appointed by the Council after consultation with the chairman of the Executive.
- (2) The chairman and other members of the Executive shall be appointed by the Council from among persons who appear to the Council to have had wide experience of, and shown capacity in, transport, industrial, commercial or financial matters, administration, applied science, or the organisation of workers.
- (3) Before appointing a person to be a member of the Executive, the Council shall satisfy themselves that he will have no such financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of the Executive, and the Council shall also satisfy themselves from time to time with respect to every member of the Executive that he has no such interest; and any person who is, or whom the Council propose to appoint to be, a member of the Executive shall, whenever requested by the Council so to do, furnish to the Council such information as the Council consider necessary for the performance by the Council of their duties under this subsection.
- (4) The Executive—
 - (a) shall pay to the members thereof such salaries or fees, and such allowances, as the Council may from time to time determine, and

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- (b) as regards any of the members in whose case the Council determine that such provision should be made, shall pay such pensions to or in respect of those members, or enter into and carry into effect agreements or arrangements with some other person for securing or preserving such pension rights for those members, as the Council may determine ;

and if a person ceases to be a member of the Executive, otherwise than on the expiration of his term of office, and it appears to the Council that there are special circumstances which make it right that that person should receive compensation, the Council may require the Executive to pay to or in respect of that person a sum of such amount as the Council may determine.

- (5) Section 15 of the Local Government Superannuation Act 1953 (which enables local authorities to admit to their superannuation schemes employees of statutory undertakers) and section 6(1)(k) of this Act shall have effect as if members of the Executive were employees of the Executive; but where a member of the Executive is admitted to participate in the benefits of a superannuation fund maintained by a local authority or of a pension fund or scheme in which employees of the Executive or any subsidiary of theirs participate—
 - (a) subsection (4)(b) of this section shall not apply to him; and
 - (b) the Executive shall make any payments which are required to be made in respect of him to the superannuation fund by the employing authority or, as the case may be, to the pension fund or under the pension scheme by the employer, and may make from his remuneration any deductions which the employing authority or, as the case may be, the employer might make in respect of his contributions to that fund or under that scheme if he were an employee of the Executive.
- (6) So much of subsection (4) of this section as requires that the pensions, if any, which are to be paid in the case of members of the Executive are to be determined by the Council shall not apply in relation to any pension payable apart from the provisions of that subsection.
- (7) The provisions of Schedule 1 to this Act shall have effect as regards the Executive.

5 General duties of Executive and other bodies with respect to passenger transport services for Greater London

- (1) Subject always to the requirements of section 7(3) of this Act, it shall be the general duty of the Executive to exercise and perform their functions, in accordance with principles from time to time laid down or approved by the Council, in such manner as, in conjunction with the Railways Board and the Bus Company, and with due regard to efficiency, economy and safety of operation, to provide or secure the provision of such public passenger transport services as best meet the needs for the time being of Greater London.
- (2) It shall be the duty of the Executive, the Railways Board and the Bus Company, either acting directly, or acting indirectly through subsidiaries of theirs, to co-operate with one another in the exercise and performance of their respective functions for the purpose—
 - (a) of co-ordinating the passenger transport services provided by, or by subsidiaries of, those authorities respectively ; and
 - (b) of securing or facilitating the proper discharge of the Executive's duty under subsection (1) of this section,

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and to afford to one another such information as to their services as may be reasonably required for those purposes; and for the purposes of such co-operation those authorities shall have power to enter into such arrangements with one another with respect to the exercise and performance of their respective functions on such terms as may appear to them to be expedient.

- (3) It shall be incumbent on the Executive to take such steps as appear to them to be practicable and desirable for promoting—
 - (a) research on lines settled from time to time with the approval of the Council into matters affecting, or arising out of, the exercise of the functions of the Executive or any subsidiary of theirs ; and
 - (b) the doing of such work as is requisite to enable there to be turned to account—
 - (i) the results of any research into any such matter as aforesaid (whether or not promoted by the Executive); and
 - (ii) anything resulting from any idea affecting, or arising out of, the exercise of any of those functions.
- (4) The Executive may take such steps as are referred to in subsection (3) of this section with respect to any matter either by themselves carrying out the necessary research or doing the necessary work or by arranging for that research to be carried out or that work to be done by some other person with or without assistance (including financial assistance) from the Executive; but nothing in this section shall authorise the Executive to do themselves, either directly or through a subsidiary, any work such as is mentioned in paragraph (b) of the said subsection (3) which the Executive would not have power to do apart from this section.
- (5) The Council may give directions to the Executive with respect to the exercise and performance of the Executive's functions under subsections (3) and (4) of this section.
- (6) Nothing in subsection (1), (2) or (3) of this section shall be construed as imposing, either directly or indirectly, any form of duty or liability enforceable by proceedings before any court to which the Executive, the Railways Board or the Bus Company, as the case may be, would not otherwise be subject.

6 General powers of Executive

- (1) Subject to the provisions of this Act, the Executive shall have power—
 - (a) to carry passengers by any form of land or water transport (including in either case hovercraft) within, to or from Greater London;
 - (b) so far as the Executive consider requisite—
 - (i) in connection with the exercise of their powers under paragraph (a) of this subsection, or
 - (ii) in order to avoid an interruption of services formerly provided by the London Board,to carry passengers as mentioned in the said paragraph (a) between places outside Greater London;
 - (c) in any vehicle or vessel used for the carriage of passengers in pursuance of paragraph (a) or (b) of this subsection, or in another vehicle drawn by or with, or propelled with, any vehicle so used, to carry also luggage and other goods;
 - (d) to let passenger vehicles on hire with or without other vehicles drawn by or with, or propelled with, those passenger vehicles for the carriage of goods ;

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- (e) to store within Greater London or in any premises of the Executive outside Greater London goods which have been or are to be carried by the Executive or a subsidiary of theirs and, so far as any premises provided for the purposes of that or any other part of their business are not required for those purposes, to use them to provide facilities for the storage of other goods;
- (f) to make arrangements with any person providing passenger transport services by air for the provision of such services between places in Greater London or between such places and places outside Greater London, and to include in such arrangements provision for the making of payments to that person by the Executive;
- (g) to supply, maintain and repair anything required for the purposes of the business of, or of a subsidiary of, the Executive or any of the national transport authorities or for the purposes of the Council;
- (h) to supply to any person spare parts and components for passenger road vehicles disposed of by the Executive in the exercise of their powers under section 14(1)(e) of the Act of 1962 as applied by subsection (2) of this section, or by a subsidiary of the Executive, as being no longer required for the purposes of their business, and, for the purpose of supplying such spare parts or components which the Executive are satisfied cannot be satisfactorily obtained for the purpose by any other means, to manufacture them ;
- (i) subject to any directions by the Council, to construct, manufacture and produce anything which is required for any of the purposes of, or of a subsidiary of, the Executive or any of the national transport authorities or for the purposes of the Council;
- (j) subject to any directions by the Council, at any place where the Executive, in the exercise of their powers under section 14(1)(d) of the Act of 1962 as applied by subsection (2) of this section, provide a car park, to repair motor vehicles for any persons, and to sell to any persons petrol, oil and spare parts and accessories for motor vehicles, whether or not those persons are using the car park ;
- (k) subject to any directions by the Council, to establish and administer pension schemes and pension funds in the interest of persons who are or have been employed by, or by a subsidiary of, the Executive or the London Board or by any other person of whom the Council are satisfied that the Executive are a successor in title, and to pay pensions to or in respect of such persons, or to enter into and carry into effect agreements or arrangements with any other person for securing or preserving pension rights for such persons ;
- (l) with the consent of the Council, to lend money to be applied for the purposes of a pension scheme under which the Executive or a subsidiary of theirs pay employer's contributions or are subject to any other obligations;
- (m) to do anything necessary for the purpose of fulfilling a contract entered into by the London Board before the vesting date notwithstanding that apart from this paragraph the Executive would not have power to do that thing;

but if the Executive engage, either directly or through a subsidiary, in any activities authorised by paragraph (d) or (j) of this subsection, the Executive shall in carrying on those activities act as if they were a company engaged in a commercial enterprise or, as the case may be, shall exercise their control over that subsidiary so as to ensure that the subsidiary in carrying on those activities acts as a company so engaged.

- (2) Subject to the provisions of this Act, the following provisions with respect to the powers of the Boards, namely—

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- (a) section 11 of the Act of 1962 and section 49(1) to (3) of the Act of 1968 (which relate to the development of land);
- (b) section 12 of the Act of 1962 (which relates to pipelines) so far as it relates to the construction and operation of pipe-lines required for the purposes of the business of a Board other than the operation of pipelines ;
- (c) sections 14(1) to (4) and 16 of the Act of 1962 and section 50(7) to (9) of the Act of 1968 (which contain supplemental provisions relating to the powers of the Boards);
- (d) section 15 of the Act of 1962 (which relates to the power of the Minister to authorise the compulsory purchase of land by a Board);
- (e) section 17(1) and (2) of the Act of 1962 (which relate to powers to promote or oppose Bills and orders);
- (f) section 25(1) and (2) of the Act of 1962 and section 51(2) and (4) to (6) of the Act of 1968 (which relate to subsidiaries);
- (g) section 43 of the Act of 1962 and sections 50(10) and (so far as relating to the said section 43) 51(2) of the Act of 1968 (which contain general provisions as to charges and facilities of the Boards),

shall apply to the Executive as they applied, apart from any other provision of the Act of 1962 or of 1968, to the London Board and have effect accordingly as if the Executive were one of the Boards, except that in their application to the Executive those provisions other than section 15 of the Act of 1962 shall have effect as if for any reference to the Minister there were substituted a reference to the Council.

- (3) Subsection (1)(l) of this section and subsections (3) and (4) of section 14 of the Act of 1962 as applied by subsection (2) of this section shall not affect the power of the Executive—
 - (a) to lend money by way of investment or to subscribe for or acquire securities by way of investment; or
 - (b) to leave outstanding any loan made or guarantee given, or to retain any securities acquired, before the vesting date by the Commission or the London Board.
- (4) The Council, the Executive and any subsidiary of the Executive shall each have power to enter into and carry out agreements with one another for the giving of assistance to one another by making available to the assisted party any services or facilities provided by, or any property of, the assisting party on such terms as may be agreed between those parties; and in section 72(2) of the London Government Act 1963 (which sets out the authorities for whom the Council may purchase, store and supply goods) at the end there shall be added the following paragraph:—
 - “(h) the London Transport Executive and any subsidiary within the meaning of the Transport (London) Act 1969 of that Executive.”
- (5) Each of the powers conferred on the Executive by the foregoing provisions of this section shall be deemed to be in addition to, and not in derogation of, any other powers so conferred ; and it is hereby declared that those provisions relate only to the capacity of the Executive as a statutory corporation, and nothing in those provisions shall be construed as authorising the disregard by the Executive of any enactment or rule of law.
- (6) If at the vesting date any action has been taken by the London Board for the purpose of promoting a Bill in Parliament in pursuance of the powers conferred by, and with the consent of the Minister under, section 17 of the Act of 1962, the Executive may

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proceed with the promotion of that Bill as if that action had been taken by them in pursuance of the powers conferred by, and with the consent of the Council under, the said section 17 as applied by subsection (2) of this section.

7 **Financial duty of Executive**

- (1) In respect of each accounting period of the Executive, the Executive shall charge to revenue account, and secure that any subsidiary of theirs so charges, all charges which are proper to be made to revenue account, including, in particular, proper provision for the depreciation or renewal of assets.
- (2) Without prejudice to the power of the Executive to establish specific reserves, they shall establish and maintain a general reserve, and the Council may give to the Executive directions as to any matter relating to the establishment or management of that general reserve, or the carrying of sums to the credit thereof, or the application thereof; but no part of the moneys comprised in that general reserve shall be applied otherwise than for purposes of the Executive or a subsidiary of theirs.
- (3) The Executive shall so perform their functions as to ensure so far as practicable—
 - (a) that at the end of each such period as may from time to time be agreed for the purpose of this paragraph between the Executive and the Council the aggregate of the net balance of the consolidated revenue account of the Executive and any subsidiaries of theirs and the net balance of the general reserve of the Executive is such (not being a deficit) as may be approved by the Council with respect to that period, and
 - (b) that, if at the end of any accounting period of the Executive the said aggregate shows a deficit, the amount properly available to meet charges to revenue account of the Executive and their subsidiaries in the next following accounting period of the Executive exceeds those charges by at least the amount of that deficit.
- (4) The Executive may, with the consent of (the Council, make charges to capital account representing interest on expenditure of a capital nature (including expenditure of a capital nature incurred by the London Board before the vesting date), being interest for any period which ends on or before the end of the accounting period of the Executive in which the project or scheme to which the expenditure relates is in the opinion of the Council completed.
- (5) The Executive shall from time to time, at such times, in such form and manner, and as respects such periods, as the Minister may after consultation with the Council require, submit to the Minister a statement approved by the Council of the Executive's proposals for expenditure on capital account by the Executive and any subsidiaries of theirs ; and—
 - (a) the Minister from time to time by notice in writing to the Executive may impose a limit on such expenditure by the Executive and their subsidiaries ; and
 - (b) the Executive shall secure that any such expenditure is restricted within that limit.
- (6) The Council, in exercising or performing their functions under this Act, shall have regard—
 - (a) to the duty imposed on the Executive by subsection (3) of this section ; and
 - (b) to the provisions of subsection (5) of this section; and

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(c) to any limit on capital expenditure by the Executive and their subsidiaries imposed by the Minister under the said subsection (5);

and where the requirements of paragraph (b) of the said subsection (3) fall to be complied with by the Executive, the Council shall take such action in the exercise and performance of their functions under this Act as appears to the Council to be necessary and appropriate in order to enable the Executive to comply with those requirements.

(7) For the purposes of subsections (1) and (3) of this section, the provisions of section 51(5) of the Act of 1968 shall be disregarded.

8 Borrowing by and loans to Executive

(1) The Executive may borrow temporarily, by way of overdraft or otherwise, from any person such sums as they may require for meeting their obligations and discharging their functions; but the Executive shall ensure that the aggregate of the amount outstanding in respect of any temporary loans raised by the Executive under this subsection or raised by any subsidiary of the Executive does not at any time exceed such amount as the Council may for the time being have approved.

(2) The Executive may, with the approval of the Council, borrow otherwise than by way of temporary loan from any person and in any manner such sums as the Executive may require for all or any of the following purposes, namely—

- (a) for meeting any expenses properly chargeable to capital, being expenses incurred in connection with the provision or improvement of assets in connection with their business;
- (b) for the provision of working capital;
- (c) for acquiring an undertaking or part of an undertaking;
- (d) for the making of any payment which they are required by or under this Act to make by way of compensation ;
- (e) for subscribing for or acquiring securities of a body corporate otherwise than by way of investment;
- (f) for the payment of interest charged to capital account under section 7(4) of this Act;
- (g) to pay off any debt incurred by the Executive or any liability (including the fulfilment of any guarantee given by the Commission or the London Board) assumed by or transferred to the Executive in pursuance of this Act;
- (h) for making any loan, or fulfilling any guarantee given, in pursuance of the powers conferred on the Executive by this Act;
- (j) for any purpose for which capital moneys are properly applicable, whether or not specified in the foregoing paragraphs of this subsection ;

and the Executive shall exercise their control over any subsidiary of theirs so as to ensure that the subsidiary does not borrow otherwise than by way of temporary loan from any person without the approval of the Council or for any purpose other than purposes of the subsidiary such as are specified in paragraphs (a) to (e) and (j) of this subsection or for paying off any debt incurred by the subsidiary.

(3) The approval of the Council to a borrowing by the Executive under subsection (1) or (2) of this section from a person other than the Council shall operate as a guarantee by the Council of the repayment of the principal of, and the payment of interest on, the sum borrowed.

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- (4) In Schedule 2 to the London Government Act 1963, in sub-paragraph (2) of paragraph 27 (which specifies the classes of persons to whom the Council may make loans under that paragraph) after paragraph (b) there shall be inserted the following paragraph:—
 “(bb) the London Transport Executive”;
- and notwithstanding anything in paragraphs 25 to 29 of that Schedule the Council shall have power to lend to the Executive any amount which the Executive desire to borrow under subsection (1) of this section and for that purpose may themselves borrow temporarily, by way of overdraft or otherwise, from any person such sums as they may require so to lend to the Executive.
- (5) Any loan by the Council to the Executive shall be made at a rate of interest sufficient to ensure so far as reasonably practicable that having regard to all the circumstances existing at the time when the loan to the Executive is made no loss will be incurred by the Council in respect of that loan.
- (6) All moneys borrowed by the Executive shall be charged indifferently on all their revenues, and all securities created by the Executive shall rank equally without any priority; but nothing in this subsection shall affect any right to priority conferred by a security for any liability assumed by or transferred to the Executive in pursuance of this Act.
- (7) The provisions of this section shall have effect subject to any order made under section 1 of the Borrowing (Control and Guarantees) Act 1946, and for the purposes of that Act and any such order the Executive shall be deemed to be a local authority within the meaning of that Act.
- (8) The Executive shall be deemed to be a local authority for the purposes of—
- (a) the enactments relating to loans by or borrowing from the Public Works Loan Commissioners; and
 - (b) section 203 of the Local Government Act 1933 and section 278 of the Local Government (Scotland) Act 1947 (which relieve lenders from making certain inquiries);
- and the Minister may, on the application of the Executive made with the approval of the Council, by order provide for the application with or without modifications to borrowing by the Executive of any specified statutory provision relating to borrowing by a local authority.
- (9) References in this section to borrowing do not include—
- (a) borrowing by the Executive from a subsidiary of theirs ; or
 - (b) the receipt of money by the Executive in the course of the carrying on of a savings bank operated by the Executive or the use by the Executive of money so received; or
 - (c) the receipt or use by the Executive of money of a pension fund established for the purposes of a pension scheme in which employees of the Executive or a subsidiary of theirs participate.

9 Provisions as to insurance by Executive

- (1) Section 130 of the Local Government Act 1948 (which relates to insurance by local authorities against accidents to members) shall apply to the Executive as it applies to a local authority.

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- (2) In subsection (2) of section 202 of the Act of 1960 (which specifies certain vehicles to which the requirements of section 201 of that Act as to users of motor vehicles being insured or secured against third-party risks are not to apply) at the end there shall be added the following paragraph:—
- “(e) to a vehicle owned by the London Transport Executive or by a body which is within the meaning of the Transport (London) Act 1969 (but disregarding section 51(5) of the Transport Act 1968) a wholly-owned subsidiary of that Executive, at a time when the vehicle is being driven under the owner's control.”

10 Accounts of Executive

- (1) The Executive shall—
- (a) cause proper accounts and other records in relation to their business to be kept; and
 - (b) prepare an annual statement of accounts in respect of such accounting period, in such form, and containing such particulars, compiled in such manner, as the Council may from time to time direct.
- (2) The accounts of the Executive shall be audited by an auditor or auditors to be appointed annually by the Council, and any person so appointed as auditor shall be either the district auditor or some other person who is a member, or is a firm in Scotland each of the partners wherein is a member, of one or more of the following bodies namely—
- the Institute of Chartered Accountants in England and Wales;
 - the Institute of Chartered Accountants of Scotland ;
 - the Association of Certified and Corporate Accountants ;
 - the Institute of Chartered Accountants in Ireland ;
 - the Institute of Municipal Treasurers and Accountants ;
 - any other body established in the United Kingdom who are—
- (a) a body of accountants, and
 - (b) for the time being recognised for the purposes of section 161(1)(a) of the Companies Act 1948 by the Board of Trade ;
- and any auditor so appointed shall be entitled to require from any officer of the Executive or of any subsidiary of theirs such books, deeds, contracts, accounts, vouchers, receipts and other documents, and such information and explanations, as may be necessary for the performance of his duties.

11 Additional provisions as to control of Executive by Council

- (1) In addition to any power of the Council under any other provision of this Act to give directions to the Executive as respects any matter, the Council may give to the Executive general directions as to the exercise and performance by the Executive of their functions (including the exercise of rights conferred by the holding of interests in companies) in relation to matters appearing to the Council to affect the policies and measures which it is the duty of the Council under section 1 of this Act to develop, organise or carry out.
- (2) Without prejudice to any requirement as to the approval or consent of the Council in any other provision contained in or applied by this Act, the Executive shall submit to the Council and obtain the Council's approval of—

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- (a) such annual or other estimates of income or expenditure of the Executive and any subsidiaries of theirs as the Council may require to be so submitted;
 - (b) any major change proposed to be made in any of those estimates after their approval by the Council;
 - (c) any proposal for expenditure by the Executive or any subsidiary of theirs which involves a substantial outlay on capital account;
 - (d) the general level and structure of the fares to be charged for the time being for the carriage of passengers by the Executive or any subsidiary of theirs on railway services or London bus services ;
 - (e) any proposal by the Executive to form, promote or assist, or to join with any other person in forming, promoting or assisting, a company for carrying on any activities which the Executive have power to carry on.
- (3) Unless the Council are of opinion that in all the circumstances it is unnecessary so to do, they shall cause particulars of the general level and structure of the fares referred to in subsection (2)(d) of this section as for the time being approved by the Council to be published in such manner as the Council may determine, and the Executive shall comply with any directions of the Council as to that publication; and the Council may direct the Executive to submit proposals for an alteration in the Executive's fare arrangements to achieve any object of general policy specified by the Council in the direction.
- (4) The Executive shall provide the Council at such times or intervals and in such form and manner as the Council may require with information with respect to the operations and the expenditure on capital and revenue account respectively which are planned or under consideration by the Executive, and shall furnish the Council with such returns, accounts and other information with respect to the property and activities of the Executive or any subsidiary of theirs as the Council may from time to time require.
- (5) In connection with the discharge of their functions under subsections (2)(d) and (3) of this section with respect to fares for the carriage of passengers by the Executive's railways, the Council—
- (a) shall in each year consult with the council of any county within which any of those railways are situated as to the general level and structure of such fares on journeys within, to or from that county ; and
 - (b) before approving any proposal for a change of substance in that general level and structure submitted to them for that purpose by the Executive shall inform the council of that county of that proposal and consider any offer by that council to make a financial contribution to the Executive in respect of the provision of services for the carriage of passengers by the Executive's railways within, to or from that county ;
- and the Council shall so exercise their powers under subsection (4) of this section as to enable them to inform the council of that county in advance of any proposal by the Executive for a change of substance in the level of the provision made for such journeys.
- (6) The Council may from time to time cause a review to be made of the organisation of the Executive's undertaking and may give to the Executive such directions as appear to the Council from any such review to be requisite to secure that the Executive's undertaking is organised in the most efficient manner; and the Executive shall not make, or permit to be made, any substantial change in the manner in which their undertaking is organised except in pursuance of a direction given by the Council under this subsection or with the approval of the Council.

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12 Minister's power to prevent improper conduct of subsidiary activities

- (1) Where the activities of the Executive or any subsidiary of theirs include the carrying on—
 - (a) of the business of providing services for the carriage of passengers by road which both do not, and if section 23(2)(a) of this Act had not been passed would not, require authorisation by a road service licence; or
 - (b) of any business of a description which the Executive are authorised to carry on by section 6(1)(i) of this Act,subsection (2) of this section shall apply to that business.
- (2) In the case of any business to which this subsection applies the annual report of the Executive under section 15 of this Act for any accounting period shall include a statement of—
 - (a) the amount, as determined by the Executive, of the turnover of the Executive or subsidiary for that period in respect of that business;
 - (b) the extent or approximate extent (expressed in either case in monetary terms) to which, as so determined, the carrying on of that business contributed to, or restricted, the profit or loss of the Executive or subsidiary for that period before taxation;
 - (c) the method by which any determination for the purposes of paragraph (a) or (b) of this subsection was arrived at; and
 - (d) such further information, if any, relating to the carrying on by the Executive or subsidiary of that business as the Minister may from time to time direct.
- (3) If, where the Executive or any subsidiary of theirs carry on any business to which subsection (2) of this section applies, it appears at any time to the Minister that, having regard to all the circumstances appearing to the Minister to be relevant, the charges made by the Executive or subsidiary in the course of that business are unduly low having regard to the cost of carrying on that business, the Minister shall, after consultation with the Council and with the Executive, either—
 - (a) direct the Executive to make, or, as the case may be, to ensure that the subsidiary makes, such modifications in their or its method of conducting that business as may be specified in the direction ; or
 - (b) direct the Executive to discontinue, or, as the case may be, to ensure that the subsidiary discontinues, that business.
- (4) The Minister may by order provide that subsection (2) of this section shall apply with or without modifications of that subsection and subsection (3) of this section—
 - (a) to any specified business carried on by the Executive or a subsidiary of theirs, being business of a description which the Executive are authorised by section 6(1)(d), (g), (h) or (j) of this Act to carry on; or
 - (b) to any other specified business of the Executive or any subsidiary of theirs, being business which appears to the Minister to be of a character only subsidiary or incidental to the discharge of the Executive's duty under section 5(1) of this Act and to be carried on a substantial scale.
- (5) The Executive shall secure that no subsidiary of theirs carries on any business with respect to which the Minister has given the Executive a direction under subsection (3) (b) of this section.

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13 Machinery for negotiation and consultation with staff

Section 137 of the Act of 1968 (which relates to machinery for negotiation and consultation with staff) shall apply to the Executive as if they were the Executive for a designated area within the meaning of section 9(1) of that Act and as if the Council were the Authority for that designated area, except that a copy of any such agreement as is referred to in subsection (2) of the said section 137 entered into by the Executive and of any instrument varying the terms of any such agreement shall be sent to the Secretary of State for Employment and Productivity as well as to the Council.

14 Users' consultative body

- (1) As soon as may be after the vesting date, the Council shall establish a consultative body for the purpose of considering, and, where it appears to that body to be desirable, making recommendations with respect to, any matter affecting the services and facilities provided by the Executive which, not being concerned with the charges made for any service or facility or with a proposal for such a closure as is referred to in section 25(1) of this Act of a station or line on their railways—
 - (a) has been the subject of representations (other than representations appearing to that body to be frivolous) made to that body by or on behalf of users of those services or facilities ; or
 - (b) has been referred to that body by the Council or by the Executive; or
 - (c) appears to that body to be a matter to which consideration ought to be given ;and copies of the minutes, conclusions and recommendations of that body shall be sent to the Council and to the Executive.
- (2) Before the Council appoint any person to be a member of the body aforesaid they shall consult with such as they consider appropriate of any bodies appearing to them to be representative of the interests of persons likely to be significantly concerned with matters within the competence of the body aforesaid.
- (3) The Council may give to the Executive any directions which, after consultation with the Executive and having regard to the provisions of section 7(6) of this Act, the Council think fit with respect to the matters dealt with in any recommendation of the body aforesaid.
- (4) The Council shall provide the body aforesaid with such officers and servants, and such office accommodation, as appear to the Council to be requisite for the proper discharge of that body's functions.
- (5) The Council may pay to the members of the body aforesaid such allowances as the Council may determine, being allowances of such description and not exceeding such amount as might have been paid by that body if that body had been a body to which Part VI of the Local Government Act 1948 applies.

15 Annual report by Executive

- (1) The Executive shall as soon as may be after the end of each of their accounting periods make to the Council a report on the exercise and performance of the Executive's functions during that period and shall send a copy of that report to the Minister; and the Council shall cause that report to be published in such manner as the Council think fit.
- (2) In addition to including the statement required by section 12(2) of this Act, the report of the Executive for any accounting period shall also set out—

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

- (a) the statement of accounts for that period referred to in section 10(1)(b) of this Act, together with the report on that statement made by the auditor or auditors by whom the Executive's accounts for that period were audited; and
- (b) any direction given in pursuance of this Act to the Executive during that period by the Council or by the Minister.