



# Transport Act 1985

## 1985 CHAPTER 67

### PART IV

#### LOCAL PASSENGER TRANSPORT SERVICES

##### *Passenger transport in other areas*

#### **67 Formation of companies to run council bus undertakings.**

- (1) Where an order is made under section 66(2) of this Act, the council or (as the case may be) each of the councils to whom the order applies shall, before the end of that council's preparatory period, form (whether alone or jointly with any other council operating a bus undertaking) one or more companies for the purpose of carrying on—
  - (a) activities of any description included among the activities of the bus undertaking of that council or (as the case may be) of any of the councils concerned in the formation of the company or companies in question;
  - (b) activities of any other description included among the activities of any joint undertaking of which that council's bus undertaking, or (as the case may be) the bus undertaking of any council so concerned, forms part; and
  - (c) any other activities which appear to the council or (as the case may be) to both or all of the councils so concerned to be incidental to or connected with any activities within paragraph (a) or (b) above or to be capable of being conveniently carried on in association with any such activities.
- (2) Any company formed under this section shall be a company limited by shares registered under the <sup>MI</sup>Companies Act 1985.
- (3) Subject to subsections (4) and (5) below, a council's bus undertaking shall be regarded for the purposes of this Part of this Act as forming part of a joint undertaking if the services for the carriage of passengers by road provided in the course of the activities of the council's bus undertaking are wholly or mainly provided under any agreement for—
  - (a) the provision or operation of those services by a body acting on the joint behalf of that council and one or more other councils; or

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*Status: Point in time view as at 01/02/1991. This version of this provision has been superseded.*

*Changes to legislation: Transport Act 1985, Section 67 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

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- (b) the operation of those services by any company operating those services in conjunction with services for the carriage of passengers by road provided by that company.
- (4) Subsection (3)(a) above only applies where the agreement provides for the distribution among the parties on its termination of—
- (a) all assets, or the proceeds of all assets, used or appropriated for use for the purpose of providing services for the carriage of passengers by road under the agreement; or
  - (b) all such assets or proceeds excluding only land or the proceeds of disposal of land.
- (5) Subsection (3)(b) above only applies where—
- (a) the agreement includes provision for securing that the parties on termination of the agreement hold shares of equal value in assets required to be brought into account on termination of the agreement; and
  - (b) those assets include all assets so used or appropriated for use.
- (6) References in this Part of this Act, in relation to a council whose bus undertaking forms part of a joint undertaking, to the joint undertaking are references to all activities carried on, or (according to the context) to all property used or appropriated for use and all rights and liabilities subsisting for the purposes of any activities carried on, in pursuance of the agreement by reference to which that council falls within subsection (3) above.

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**Marginal Citations**

**M1** 1985 c. 6.

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