



# Postal Services Act 2011

## 2011 CHAPTER 5

### PART 4

#### SPECIAL ADMINISTRATION REGIME

##### *Financial support for companies in administration*

#### **79 Grants and loans**

- (1) This section applies if a postal administration order has been made in relation to a company.
- (2) The Secretary of State may, with the consent of the Treasury, make grants or loans to the company of such amounts as it appears to the Secretary of State appropriate for achieving the objective of the postal administration.
- (3) The grants or loans may be made in whatever manner, and on whatever terms, the Secretary of State considers appropriate.
- (4) The terms on which the grants may be made include, in particular, terms requiring the whole or a part of the grants to be repaid to the Secretary of State if there is a contravention of the other terms on which they are made.
- (5) The terms on which loans may be made include, in particular, terms requiring—
  - (a) the loans to be repaid at such times and by such methods as the Secretary of State may, with the consent of the Treasury, from time to time direct, and
  - (b) interest to be paid on the loans at such rates and at such times as the Secretary of State may, with the consent of the Treasury, from time to time direct.
- (6) The Secretary of State must pay sums received as a result of this section into the Consolidated Fund.

*Changes to legislation: There are currently no known outstanding effects for the Postal Services Act 2011,  
 Cross Heading: Financial support for companies in administration. (See end of Document for details)*

#### Commencement Information

**II** [S. 79](#) in force at 1.10.2011 by [S.I. 2011/2329](#), [art. 3](#)

### 80 Indemnities

- (1) This section applies if a postal administration order has been made in relation to a company.
- (2) The Secretary of State may, with the consent of the Treasury, agree to indemnify persons in respect of one or both of the following—
  - (a) liabilities incurred in connection with the exercise and performance of powers and duties by the postal administrator, and
  - (b) loss or damage sustained in that connection.
- (3) The agreement may be made in whatever manner, and on whatever terms, the Secretary of State considers appropriate.
- (4) As soon as practicable after agreeing to indemnify persons under this section, the Secretary of State must lay a statement of the agreement before Parliament.
- (5) If sums are paid by the Secretary of State in consequence of an indemnity agreed to under this section, the company must pay the Secretary of State—
  - (a) such amounts in or towards the repayment to the Secretary of State of those sums as the Secretary of State may, with the consent of the Treasury, direct, and
  - (b) interest on amounts outstanding under this subsection at such rates as the Secretary of State may, with the consent of the Treasury, direct.
- (6) The payments must be made by the company at such times and in such manner as the Secretary of State may, with the consent of the Treasury, determine.
- (7) Subsection (5) does not apply in the case of a sum paid by the Secretary of State for indemnifying a person in respect of a liability to the company.
- (8) If a sum has been paid out in consequence of an indemnity agreed to under this section, the Secretary of State must lay a statement relating to that sum before Parliament—
  - (a) as soon as practicable after the end of the financial year in which the sum is paid out, and
  - (b) if subsection (5) applies to the sum, as soon as practicable after the end of each subsequent financial year in relation to which the repayment condition has not been met.
- (9) The repayment condition is met in relation to a financial year if—
  - (a) the whole of the sum has been repaid to the Secretary of State before the beginning of the year, and
  - (b) the company was not at any time during the year liable to pay interest on amounts that became due in respect of the sum.
- (10) The power of the Secretary of State to agree to indemnify persons—
  - (a) is confined to a power to agree to indemnify persons in respect of liabilities, loss and damage incurred or sustained by them as relevant persons, but

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- (b) includes power to agree to indemnify persons (whether or not they are identified or identifiable at the time of the agreement) who subsequently become relevant persons.
- (11) The following are relevant persons for the purposes of this section—
- (a) the postal administrator,
  - (b) an employee of the postal administrator,
  - (c) a partner or employee of a firm of which the postal administrator is a partner,
  - (d) a partner or employee of a firm of which the postal administrator is an employee,
  - (e) a partner of a firm of which the postal administrator was an employee or partner at a time when the order was in force,
  - (f) a body corporate which is the employer of the postal administrator,
  - (g) an officer, employee or member of such a body corporate, and
  - (h) a Scottish firm which is the employer of the postal administrator or of which the postal administrator is a partner.
- (12) For the purposes of subsection (11)—
- (a) references to the postal administrator are to be read, where two or more persons are appointed as the postal administrator, as references to any one or more of them, and
  - (b) references to a firm of which a person was a partner or employee at a particular time include a firm which holds itself out to be the successor of a firm of which the person was a partner or employee at that time.
- (13) The Secretary of State must pay sums received as a result of subsection (5) into the Consolidated Fund.

#### Commencement Information

**I2** [S. 80](#) in force at 1.10.2011 by [S.I. 2011/2329](#), [art. 3](#)

## 81 Guarantees where postal administration order is made

- (1) This section applies if a postal administration order has been made in relation to a company.
- (2) The Secretary of State may, with the consent of the Treasury, guarantee—
- (a) the repayment of any sum borrowed by the company while that order is in force,
  - (b) the payment of interest on any sum borrowed by the company while that order is in force, and
  - (c) the discharge of any other financial obligation of the company in connection with the borrowing of any sum while that order is in force.
- (3) The Secretary of State may give the guarantees in such manner, and on such terms, as the Secretary of State considers appropriate.
- (4) As soon as practicable after giving a guarantee under this section, the Secretary of State must lay a statement of the guarantee before Parliament.

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- (5) If sums are paid out by the Secretary of State under a guarantee given under this section, the company must pay the Secretary of State—
  - (a) such amounts in or towards the repayment to the Secretary of State of those sums as the Secretary of State may, with the consent of the Treasury, direct, and
  - (b) interest on amounts outstanding under this subsection at such rates as the Secretary of State may, with the consent of the Treasury, direct.
- (6) The payments must be made by the company at such times, and in such manner, as the Secretary of State may, with the consent of the Treasury, from time to time direct.
- (7) If a sum has been paid out under a guarantee given under this section, the Secretary of State must lay a statement relating to that sum before Parliament—
  - (a) as soon as practicable after the end of the financial year in which the sum is paid out, and
  - (b) as soon as practicable after the end of each subsequent financial year in relation to which the repayment condition has not been met.
- (8) The repayment condition is met in relation to a financial year if—
  - (a) the whole of the sum has been repaid to the Secretary of State before the beginning of the year, and
  - (b) the company was not at any time during the year liable to pay interest on amounts that became due in respect of the sum.
- (9) The Secretary of State must pay sums received as a result of subsection (5) into the Consolidated Fund.
- (10) In this section “financial year” means a period of 12 months ending with 31 March.

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**Commencement Information**

**I3**    [S. 81](#) in force at 1.10.2011 by [S.I. 2011/2329](#), [art. 3](#)

**Changes to legislation:**

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