



# Transport Act 1985

## 1985 CHAPTER 67

### PART III

#### THE NATIONAL BUS COMPANY

##### *The Bus Company's disposal programme*

#### **47 Transfer of operations of the Bus Company to the private sector.**

- (1) The National Bus Company (referred to below in this Part of this Act as the Bus Company) shall submit to the Secretary of State written proposals providing for—
  - (a) the disposal, in preparation for the dissolution of the Company, of the whole of their undertaking, with such exceptions only as may be specified in or determined in accordance with the proposals;
  - (b) the disposal of the whole or any part of the undertaking, or of any particular property, rights or liabilities, of any of their subsidiaries the disposal of which appears to the Company to be appropriate in preparation for the dissolution of the Company; and
  - (c) the arrangements to be made in preparation for the dissolution of the Company for any matter for which provision appears to the Company to be appropriate for the purposes of or in connection with the dissolution.
- (2) Without prejudice to the generality of subsection (1)(c) above, the arrangements there mentioned may include provision for the making by the Company or any subsidiary of theirs, to persons employed by them or any such subsidiary who do not by virtue of any disposal in pursuance of the proposals fall to be treated as employed by any other person, of payments by way of compensation in respect of the loss of their employment.
- (3) The proposals shall be submitted before the end of the period of three months beginning with the day on which this section comes into force or such further period as the Secretary of State may from time to time allow by notice in writing to the Company.

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- (4) In this Part of this Act “the Company’s disposal programme” means (as the case may require)—
- (a) the proposals submitted by the Company under this section;
  - (b) those proposals as approved by the Secretary of State under subsection (7) below; or
  - (c) the proposals formulated by the Secretary of State under subsection (8) below; (subject, in a case within paragraph (b) or (c) above, to any modifications under subsection (10) below).
- (5) The Company’s disposal programme shall describe—
- (a) the general approach the Company plan to adopt in relation to the manner in which disposals for which the programme provides are to be carried out (including the intended time-scale for major stages in implementing the programme);
  - (b) the general scope and purpose of such disposals and the estimated effect at each such stage of the disposals carried out up to that time on any remaining operations of the Company and any of their subsidiaries;
  - (c) the measures (if any) which the Company propose to take, for the purpose of preparing for any such disposals, by way of reorganisation of the structure or operations of the Company and any of their subsidiaries; and
  - (d) the manner in which the Company’s main objective under section 48(1) of this Act and their duties under subsections (3) and (4) of that section are to be implemented in relation to the proposals included in the programme.
- (6) Without prejudice to the generality of subsection (5)(c) above, the measures there mentioned may include the formation or promotion of new subsidiaries and the reconstruction, amalgamation, dissolution or winding up of any existing subsidiaries.
- (7) The Secretary of State may approve the Company’s disposal programme without modifications or with such modifications as, after consultation with the Company, he thinks fit.
- (8) If any proposals submitted by the Company under this section appear to the Secretary of State to be so defective, with respect to any matters those proposals are required in accordance with subsection (5) above to describe, as to be unsuitable for adopting (with any appropriate modifications) as a basis for carrying out the disposals mentioned in subsection (1) above the Secretary of State may, after consultation with the Company, formulate proposals of his own to have effect as the Company’s disposal programme in substitution for the Company’s proposals.
- (9) When the Secretary of State has approved the Company’s disposal programme or formulated proposals of his own to have effect as that programme, it shall be the duty of the Company to implement the programme before the end of the period of three years beginning with the day on which this section comes into force or before such date after the end of that period as may be prescribed.
- (10) The Secretary of State may from time to time, at the request of the Company or of his own motion, make such modifications in the Company’s disposal programme as, after consultation with the Company, he thinks fit.
- (11) The exercise by the Secretary of State of any of his powers under the preceding provisions of this section requires the consent of the Treasury.

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- (12) The Secretary of State may by order dissolve any company which is a subsidiary of the Bus Company and incorporated by local Act or by an order under the <sup>M1</sup>Light Railways Act 1896.
- (13) An order made under subsection (12) above may provide for the disposal of any remaining property, rights or liabilities of the company dissolved and may contain such supplementary, incidental and consequential provisions (including the repeal of any statutory provision) as appear to the Secretary of State to be necessary or expedient.

#### Marginal Citations

**M1** 1896 c. 48.

### 48 General duties of the Bus Company.

- (1) The main objective of the Bus Company—
  - (a) in preparing their disposal programme; and
  - (b) in the conduct of their undertaking and the businesses of their subsidiaries after section 47 of this Act comes into force until the completion of that programme;

shall be to promote sustained and fair competition, both between companies which are Bus group or former Bus group companies and between any such companies and other persons engaged in providing bus services or in carrying on any activities carried on in connection with providing bus services.

- (2) For the purposes of subsection (1) above, Bus group companies are the Bus Company, their subsidiaries and any companies as respects which the Bus Company have any interest in their issued ordinary share capital.
- (3) The Bus Company shall have regard—
  - (a) in preparing their disposal programme;
  - (b) in taking any decisions in carrying out their programme with respect to disposals required in pursuance of the programme; and
  - (c) in the conduct of their undertaking and the business of their subsidiaries as mentioned in subsection (1)(b) above;

to the estimated effect of any proposal, decision or other course of action under consideration on the net value that may be expected to be secured from all disposals so required.

That value is the excess of the aggregate proceeds arising from all disposals so required over the aggregate costs incurred in carrying out the programme and taking any other steps required in preparation for the dissolution of the Company.

- (4) In carrying out their disposal programme, the Bus Company shall take such steps as may be practicable to secure that persons employed in any undertaking or part of an undertaking which is to be the subject of a disposal under the programme are afforded what appears to the Company to be a reasonable opportunity of acquiring (whether alone or jointly with other persons) a controlling interest in the equity share capital of any company operating or proposing to operate that undertaking or part.
- (5) The Secretary of State may give directions to the Bus Company as to the manner in which they are to carry out their main objective under subsection (1) above, or their

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duty under subsection (3) or (4) above, in any respect or in any case specified in the directions; and a copy of any directions given by the Secretary of State under this section shall be laid before each House of Parliament.

### *Powers of disposal*

#### **49 The Bus Company's powers of disposal.**

- (1) Without prejudice to any powers conferred on them by any other enactment, the Bus Company shall have power to provide for the implementation, in such manner as they think fit, of any disposal required in pursuance of their disposal programme.
- (2) The Bus Company shall not exercise their powers under subsection (1) above in relation to any disposal so required except with the consent of the Secretary of State; but that consent may be given either—
  - (a) generally, in relation to disposals of any specified description; or
  - (b) in relation to a particular disposal.
- (3) In providing in exercise of their powers under subsection (1) above for the disposal of any shares in or other securities of any subsidiary of theirs, the Bus Company may, with the consent of the Secretary of State, provide for employees' share schemes to be established in respect of that subsidiary; and any such scheme may provide for the transfer of shares without consideration.

#### **50 Provisions supplementary to section 49.**

- (1) For the purpose of facilitating the eventual implementation of any disposal required in pursuance of their disposal programme, the Bus Company may exercise their powers to form subsidiaries and to transfer property, rights and liabilities to subsidiaries, notwithstanding the provisions of any enactment which may be taken to limit the purposes for which those powers may be exercised.
- (2) The Bus Company may also, for that purpose, make schemes for the transfer of any property, rights or liabilities between the Company and a wholly-owned subsidiary of theirs or between one such subsidiary and another.
- (3) A scheme under subsection (2) 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 Bus Company, he thinks fit.
- (4) On the coming into force of a scheme under subsection (2) above 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.

#### **51 Provision of services for related companies.**

- (1) Subject to subsection (2) below, the Bus Company may provide for any related company any of the services which they have power to provide for any of their subsidiaries.

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- (2) The Bus Company shall make proper commercial charges for any services provided under this section.
- (3) In this section and section 52 of this Act “related company” means a company as respects which the Bus Company have, or at any time have had, an interest in not less than twenty per cent. of its issued ordinary share capital.

## **52 Pensions for employees of related companies.**

- (1) The Secretary of State may make such orders under section 74 of the 1962 Act (power to make provision about pensions in the nationalised transport industry) in relation to related companies as he could make if those companies were subsidiaries of the Bus Company.
- (2) In exercising with respect to any pension scheme the powers conferred by this section, the Secretary of State shall take into account any representations made by the persons administering the scheme.
- (3) Except on the application of a related company which is not a subsidiary of the Bus Company, no order shall be made by virtue of this section which has the effect of placing the related company or any of its subsidiaries in any worse position; but for the purposes of this subsection a related company or a subsidiary shall not be regarded as being placed in a worse position because an order provides that any changes in a pension scheme are not to be effected without the consent of the Secretary of State.
- (4) Any order such as is mentioned in subsection (3) above which is made otherwise than on the application of the related company shall not be invalid because it does not have the effect of securing that the related company and its subsidiaries are not placed in any worse position, but except in so far as the related company approves the effect of the order the Secretary of State shall as soon as may be make the necessary amending order.
- (5) Subsections (3) and (4) above have effect only in relation to orders made after such day as may be appointed for the purposes of this section by order made by the Secretary of State, and different days may be so appointed in relation to different related companies.
- (6) Where an order (the “first order”) applying to a related company has been made under section 74 and at the time when it was made the related company was a subsidiary of the Bus Company, the order shall not apply to the related company when it ceases to be such a subsidiary except where an order made (at any time) by virtue of this section provides for the first order to continue to apply to the related company.
- (7) An order made by virtue of this section may, in particular, authorise the Bus Company or any subsidiary of the Company—
  - (a) to transfer liabilities under a pension scheme in relation to some (but not all) of the participants in that scheme to another pension scheme; and
  - (b) to divide or apportion a pension fund held for the purposes of the first-mentioned scheme between that scheme and the other scheme.
- (8) In this section “participant”, in relation to a scheme, means—
  - (a) in relation to a scheme under which benefits are or will be receivable as of right, a person who has pension rights under the scheme (whether he has contributed or not); and

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- (b) in relation to a scheme under which benefits are not or will not be receivable as of right, a person who (whether he is referred to in the scheme as a member, contributor or otherwise) has contributed under the scheme and has pension rights under it.

*Miscellaneous and supplementary*

**53 Financial provisions.**

- (1) The Secretary of State may from time to time by order extinguish the liability of the Bus Company in respect of the principal of, and any outstanding interest on, all or any sums lent to the Company by the Secretary of State under section 20 of the 1962 Act.
- (2) The Secretary of State may from time to time give directions to the Company requiring the Company to make to him, out of the net proceeds of any disposals made in pursuance of the Company's disposal programme, payments of such amounts, at such times and by such methods, as may be specified in the directions.
- (3) Such payments shall, if and to the extent that the Secretary of State so directs, be applied in repayment of any sums lent to the Company as mentioned in subsection (1) above or in payment of any interest outstanding on any such sums.
- (4) Sums received under subsection (2) above which are applied as mentioned in subsection (3) above shall be treated—
  - (a) for the purposes of section 20(5) of the 1962 Act as received under section 20(2); and
  - (b) for the purposes of section 44(1) of the 1968 Act (account by Secretary of State of receipt and disposal of certain sums) as received by way of interest on, or the repayment of, a loan to the Company under section 20(1).
- (5) Sums received under subsection (2) above which are not so applied shall be paid into the Consolidated Fund.
- (6) Any agreement or arrangements entered into by the Company or any subsidiary of theirs in connection with any disposal made in pursuance of the disposal programme may, with the approval of the Secretary of State, include provision—
  - (a) for the maintenance to any extent of any concession, benefit or privilege enjoyed by—
    - (i) any person who is or has been employed by the Company (or any subsidiary of theirs); or
    - (ii) a member of such a person's family; or
  - (b) for the making of any payment or the provision of any other concession, benefit or privilege in compensation for the loss, reduction or limitation of that concession, benefit or privilege;

and the Company may make payments to any person in pursuance of or for the purpose of securing any such provision.
- (7) Without prejudice to the generality of section 47(1)(c) of this Act, the arrangements there mentioned may include provision for the making by the Company of payments in compensation for any loss, reduction or limitation of any such concession, benefit or privilege as is mentioned in subsection (6) above to the extent that provision in respect of the loss, reduction or limitation is not made by virtue of that subsection.

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- (8) The power of the Secretary of State to make an order under subsection (1) above shall be subject to the approval of the Treasury and any such order shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.

#### **54 Dissolution of the Bus Company.**

- (1) When it appears to the Secretary of State that the Bus Company have completed their disposal programme, the Secretary of State may by order provide for the dissolution of the Company.
- (2) Any such order may provide for the disposal of any remaining property, rights or liabilities of the Company, and may contain such supplementary, incidental and consequential provisions as may appear to the Secretary of State to be necessary or expedient.
- (3) Without prejudice to the generality of subsection (2) above, any such order may in particular make provision—
- (a) for the preparation by such person or persons as may be specified in the order of a statement or statements of the Company's accounts for the period from the end of that dealt with in the last annual statement of accounts sent by the Company to the Secretary of State under section 24(3) of the 1962 Act down to the date of the dissolution of the Company;
  - (b) for the auditing of any such statement of accounts;
  - (c) for the making to the Secretary of State by such person or persons as may be specified in the order of a report or reports on the exercise and performance by the Company of their functions during any period not dealt with in the reports made by the Company under section 27(8) of the 1962 Act;
  - (d) making such amendments or repeals in any provision of the 1962 Act or the 1968 Act or of this or any other Act as appear to the Secretary of State to be required in consequence of the dissolution of the Company.
- (4) The Secretary of State may with the approval of the Treasury—
- (a) pay to any person upon whom duties are imposed by virtue of subsection (3)(a) to (c) above such remuneration, and such allowances in respect of expenses, as the Secretary of State may with the agreement of the Treasury determine; and
  - (b) incur expenditure in doing any other thing that falls to be done in preparation for or in connection with the dissolution of the Company.
- (5) On the dissolution of the Company, any remaining right of the Secretary of State or liability of the Company in respect of the principal of or any interest on sums lent to the Company by the Secretary of State under section 20 of the 1962 Act shall be extinguished.

#### **55 Reduction of assets of National Loans Fund.**

The assets of the National Loans Fund shall be reduced by the aggregate amount by which the liability of the Bus company in respect of the principal of or any interest on sums lent to the Company by the Secretary of State under section 20 of the 1962 Act is extinguished under section 53 or 54 of this act.

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## **56 Interpretation of Part III.**

In this Part of this Act—

- (a) references to the Bus Company shall be read in accordance with section 47(1) of this Act; and
- (b) “the Company’s disposal programme” has the meaning given by subsection (4) of that section.



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