



# Transport Act 2000

## 2000 CHAPTER 38

An Act to make provision about transport.

[30th November 2000]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### PART I

#### AIR TRAFFIC

#### CHAPTER I

#### AIR TRAFFIC SERVICES

##### *General duties*

#### **1 Secretary of State's general duty**

- (1) The Secretary of State must exercise his functions under this Chapter so as to maintain a high standard of safety in the provision of air traffic services; and that duty is to have priority over the application of subsections (2) to (5).
- (2) The Secretary of State must exercise his functions under this Chapter in the manner he thinks best calculated—
  - (a) to further the interests of operators and owners of aircraft, owners and managers of aerodromes, persons travelling in aircraft and persons with rights in property carried in them;
  - (b) to promote efficiency and economy on the part of licence holders;
  - (c) to secure that licence holders will not find it unduly difficult to finance activities authorised by their licences.

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- (3) The only interests to be considered under subsection (2)(a) are interests regarding the range, availability, continuity, cost and quality of air traffic services.
- (4) The reference in subsection (2)(a) to furthering interests includes a reference to furthering them (where the Secretary of State thinks it appropriate) by promoting competition in the provision of air traffic services.
- (5) If in a particular case there is a conflict in the application of the provisions of subsections (2) to (4), in relation to that case the Secretary of State must apply them in the manner he thinks is reasonable having regard to them as a whole.
- (6) The Secretary of State must exercise his functions under this Chapter so as to impose on licence holders the minimum restrictions which are consistent with the exercise of those functions.
- (7) This section does not apply to the exercise of the Secretary of State's functions under section 38.

## **2 CAA's general duty**

- (1) The CAA must exercise its functions under this Chapter so as to maintain a high standard of safety in the provision of air traffic services; and that duty is to have priority over the application of subsections (2) to (5).
- (2) The CAA must exercise its functions under this Chapter in the manner it thinks best calculated—
  - (a) to further the interests of operators and owners of aircraft, owners and managers of aerodromes, persons travelling in aircraft and persons with rights in property carried in them;
  - (b) to promote efficiency and economy on the part of licence holders;
  - (c) to secure that licence holders will not find it unduly difficult to finance activities authorised by their licences;
  - (d) to take account of any international obligations of the United Kingdom notified to the CAA by the Secretary of State (whatever the time or purpose of the notification);
  - (e) to take account of any guidance on environmental objectives given to the CAA by the Secretary of State after the coming into force of this section.
- (3) The only interests to be considered under subsection (2)(a) are interests regarding the range, availability, continuity, cost and quality of air traffic services.
- (4) The reference in subsection (2)(a) to furthering interests includes a reference to furthering them (where the CAA thinks it appropriate) by promoting competition in the provision of air traffic services.
- (5) If in a particular case there is a conflict in the application of the provisions of subsections (2) to (4), in relation to that case the CAA must apply them in the manner it thinks is reasonable having regard to them as a whole.
- (6) The CAA must exercise its functions under this Chapter so as to impose on licence holders the minimum restrictions which are consistent with the exercise of those functions.

- (7) Section 4 of the Civil Aviation Act 1982 (CAA's general objectives) does not apply in relation to the performance by the CAA of its functions under this Chapter.

### *Restrictions*

## **3 Restrictions on providing services**

- (1) A person commits an offence if he provides air traffic services in respect of a managed area.
- (2) But subsection (1) is subject to subsections (3) to (5).
- (3) Subsection (1) does not apply if the person—
- (a) is authorised by an exemption to provide the services, or
  - (b) acts as an employee or agent of a person who is authorised by an exemption to provide the services.
- (4) Subsection (1) does not apply if the person—
- (a) holds a licence authorising him to provide the services, or
  - (b) acts as an employee or agent of a person who is authorised by a licence to provide the services.
- (5) Subsection (1) does not apply if the services are provided by the CAA in pursuance of directions under section 66(1).
- (6) For the purposes of this section—
- (a) air traffic services are to be treated as provided at the place from which they are provided;
  - (b) air traffic services may be provided in respect of a managed area whether or not the aircraft concerned is in that area when they are provided.
- (7) A person who commits an offence under this section is liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum;
  - (b) on conviction on indictment, to a fine.
- (8) No proceedings may be started in England and Wales or Northern Ireland for an offence under this section except by or on behalf of—
- (a) the Secretary of State, or
  - (b) the CAA acting with his consent.

## **4 Exemptions**

- (1) The Secretary of State may by order grant an exemption authorising the provision of air traffic services in respect of a managed area.
- (2) An exemption—
- (a) may be granted to a particular person or to persons of a specified description or to all persons;
  - (b) may be granted in respect of air traffic services of one or more specified descriptions;
  - (c) may be granted in respect of air traffic services provided in specified circumstances;

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- (d) may be granted in respect of one or more specified areas (any of which may consist of all or part of a managed area);
  - (e) may be granted subject to such conditions as may be specified.
- (3) An exemption granted to persons of a specified description must be published in such manner as the Secretary of State thinks appropriate for bringing it to the attention of persons of that description.
- (4) An exemption continues in force for the period specified in or determined by or under it, unless it previously ceases to have effect in accordance with its provisions.

## **5 Licences: general**

- (1) A licence may be granted to a company authorising it to provide air traffic services in respect of a managed area.
- (2) A licence—
- (a) may be granted in respect of air traffic services of one or more specified descriptions;
  - (b) may be granted in respect of one or more specified areas (any of which may consist of all or part of a managed area).
- (3) A licence is not valid unless it is in writing.
- (4) A licence is not valid unless it is granted to a company which is—
- (a) limited by shares and formed and registered under the Companies Act 1985 or the Companies (Northern Ireland) Order 1986, or
  - (b) an existing company within the meaning given by section 735(1) of the Companies Act 1985 or Article 3 of the Companies (Northern Ireland) Order 1986.
- (5) A licence continues in force for the period specified in it or determined by or under it, unless it previously ceases to have effect in accordance with its provisions.
- (6) A licence may not be transferred.

## **6 Licences: grant**

- (1) A licence may be granted by—
- (a) the Secretary of State after consulting the CAA,
  - (b) the CAA with the consent of the Secretary of State, or
  - (c) the CAA in accordance with a general authority given by the Secretary of State.
- (2) A general authority may be given on condition that the CAA complies with specified requirements (whether as to consulting the Secretary of State or obtaining his consent before granting a licence, as to the provisions to be included in a licence, or otherwise).
- (3) An application for a licence—
- (a) must be made in the prescribed manner;
  - (b) must contain or be accompanied by prescribed information;
  - (c) must be accompanied by the application fee (if any);

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- (d) must, if the licence authority requires, be published by the applicant in the prescribed manner and within a period notified to it by the licence authority.
- (4) On an application the licence authority may grant or refuse the licence.
- (5) Before granting or refusing a licence the licence authority must—
  - (a) publish a notice in such manner as the authority thinks appropriate for bringing it to the attention of persons likely to be affected by the grant or refusal,
  - (b) serve a copy of the notice on the applicant, and
  - (c) consider any representations made in accordance with the notice (and not withdrawn).
- (6) The notice must—
  - (a) state either that the licence authority proposes to grant the licence or that it proposes to refuse it and (in either case) the reasons for so proposing, and
  - (b) state the period (not less than 28 days starting with the date of publication of the notice) within which representations may be made regarding the proposed grant or refusal.
- (7) As soon as practicable after granting a licence the grantor must send a copy—
  - (a) to the CAA, if the grantor is the Secretary of State;
  - (b) to the Secretary of State, if the grantor is the CAA.
- (8) The following requirements do not apply in relation to licences which need to be granted before the coming into force of section 3—
  - (a) the requirement to consult imposed by subsection (1)(a);
  - (b) the requirements imposed by subsection (3);
  - (c) the requirements imposed by subsections (5) and (6).
- (9) The licence authority is the Secretary of State or the CAA (depending on the person to whom it falls to grant the licence).
- (10) The application fee is—
  - (a) the prescribed fee, if the licence authority is the Secretary of State;
  - (b) the charge determined under a scheme or regulations made under section 11 of the Civil Aviation Act 1982, if the licence authority is the CAA.
- (11) “Prescribed” means prescribed by regulations made by the Secretary of State.

## **7 Licences: provisions**

- (1) A licence may include such provisions as the licence authority thinks are necessary or expedient; and a provision need not relate to services authorised by the licence.
- (2) In particular, provision of the following kinds may be included—
  - (a) provision requiring the licence holder to enter into an agreement for a purpose specified in the licence and provision for determining the terms of the agreement;
  - (b) provision requiring the licence holder to comply with any requirements imposed at any time (by directions or otherwise) by a person with respect to any matter specified, or of a description specified, in the licence;

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- (c) provision requiring the licence holder, except in so far as a person consents to its doing or not doing them, not to do or to do such things as may be specified, or of a description specified, in the licence;
  - (d) provision requiring the licence holder to refer to a person for approval or determination such matters as may be specified, or of a description specified, in the licence.
- (3) A reference in subsection (2) to a person is to—
- (a) a person specified, or of a description specified, in the licence for the purpose concerned, or
  - (b) if the licence so provides, a person nominated for the purpose concerned by a person falling within paragraph (a);
- and any of those persons may be the licence authority or some other person.
- (4) A licence may include provisions requiring a payment on its grant or payments during its currency (or both)—
- (a) of an amount or amounts specified in the licence or determined by or under it;
  - (b) to a person or persons specified in the licence or determined by or under it.
- (5) A provision relating to the modification of a licence is to have effect in addition to the provisions of this Chapter regarding modification.
- (6) Such provisions as the licence authority thinks fit may be expressed as conditions.
- (7) The licence authority is the Secretary of State or the CAA (depending on the person to whom it falls to grant the licence).

## **8 Duties of licence holders**

- (1) While a licence is in force its holder—
- (a) must secure that a safe system for the provision of authorised air traffic services in respect of a licensed area is provided, developed and maintained;
  - (b) must take all reasonable steps to secure that the system is also efficient and co-ordinated;
  - (c) must take all reasonable steps to secure that the demand for authorised air traffic services in respect of a licensed area is met;
  - (d) must have regard, in providing, developing and maintaining the system, to the demands which are likely to be placed on it in the future.
- (2) A licensed area is an area in respect of which the licence authorises its holder to provide air traffic services.
- (3) Authorised services are services of the description specified in the licence as the description of services which the holder of the licence is authorised to provide.
- (4) For the purposes of subsection (1)(a) a system for the provision of services is safe if (and only if) in providing the services the person who provides them complies with such requirements as are imposed by Air Navigation Orders with regard to their provision.
- (5) An Air Navigation Order is an Order in Council under section 60 of the Civil Aviation Act 1982.

## **9 Power to exclude services from effect of section 8**

- (1) If a notice given by the CAA to a licence holder so provides, such air traffic services as are specified in the notice are to be treated as not being authorised services for the purposes of section 8 in its application to that holder.
- (2) A notice under subsection (1) may specify the air traffic services by reference to part of a licensed area.
- (3) A notice under this section may be modified or revoked by a further notice given by the CAA to the holder concerned.

## **10 Breach of duties or conditions**

- (1) No action is to lie in respect of a failure by a licence holder to perform—
  - (a) a duty imposed by section 8;
  - (b) a condition of a licence.
- (2) But subsection (1) does not affect—
  - (a) a right of action in respect of an act or omission which takes place in the course of the provision of air traffic services;
  - (b) the power to make an order under section 20, a duty to comply with the order and a power to bring proceedings in respect of the duty.

### *Modification of licences*

## **11 Modification by agreement**

- (1) The CAA may modify the conditions of a licence if its holder consents to the modifications.
- (2) Before making modifications under this section the CAA must—
  - (a) publish a notice in such manner as the CAA thinks appropriate for bringing it to the attention of persons likely to be affected by the making of the modifications,
  - (b) serve a copy of the notice on the licence holder,
  - (c) send a copy of the notice to the Secretary of State, and
  - (d) consider any representations made in accordance with the notice.
- (3) The notice must—
  - (a) state that the CAA proposes to make the modifications and state their effect and the reasons for so proposing, and
  - (b) state the period (not less than 28 days starting with the date of publication of the notice) within which representations may be made regarding the proposed modifications.
- (4) If within the period stated under subsection (3)(b) the Secretary of State gives a direction to the CAA requiring it not to make the modifications the CAA must comply with the direction.
- (5) As soon as practicable after making modifications under this section the CAA must send a copy of them to the licence holder and a copy to the Secretary of State.

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## 12 References to Competition Commission

- (1) The CAA may make to the Competition Commission a reference requiring the Commission to investigate and report on—
  - (a) whether any matters which are specified in the reference and which relate to the provision of air traffic services by or on behalf of a licence holder operate against the public interest or may be expected to do so;
  - (b) if so, whether the effects adverse to the public interest which the matters have or may be expected to have could be remedied or prevented by modifying the conditions of the licence.
- (2) The CAA may at any time by notice given to the Commission vary a reference by adding to the matters specified in it or by excluding from it one or more of those matters; and on receiving a notice the Commission must give effect to the variation.
- (3) To help the Commission in its investigation the CAA may specify in the reference or a variation of it—
  - (a) any effects adverse to the public interest which in its opinion the matters specified in the reference or variation have or may be expected to have;
  - (b) any modifications of the conditions of the licence by which in its opinion those effects could be remedied or prevented.
- (4) As soon as practicable after making a reference or variation the CAA must—
  - (a) serve a copy of the reference or variation on the licence holder;
  - (b) publish particulars of the reference or variation in such manner as the CAA considers appropriate for bringing it to the attention of persons likely to be affected by it;
  - (c) send a copy of the reference or variation to the Secretary of State.
- (5) If before the end of the period of 28 days starting with the day on which the Secretary of State receives the copy he gives a direction to the Commission requiring it not to proceed with the reference or not to give effect to the variation, the Commission must comply with the direction.
- (6) To help the Commission in its investigation the CAA must give to the Commission—
  - (a) any information the CAA has which relates to matters within the scope of the investigation and which the Commission requests;
  - (b) any information the CAA has which relates to matters within the scope of the investigation and which the CAA thinks it would be appropriate for it to give without a request;
  - (c) any other help which the CAA is able to give in relation to matters within the scope of the investigation and which the Commission requests.
- (7) In carrying out the investigation concerned the Commission must take account of any information given under subsection (6).
- (8) In deciding under this section whether a matter operates, or may be expected to operate, against the public interest the Commission must have regard to the matters as respects which duties are imposed on the Secretary of State and the CAA by sections 1 and 2.
- (9) The provisions listed in subsection (10) apply to references under this section as if—
  - (a) the functions of the Commission in relation to those references were functions under Parts IV, V, VI and VIII of the 1973 Act;



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- (b) the expression “merger reference” included a reference under this section;
  - (c) in section 70 of the 1973 Act references to the Secretary of State were to the CAA and the reference to three months were to six months.
- (10) The provisions are—
- (a) sections 70, 85 and 93B of the 1973 Act (time limit for report; witnesses and documents; and false or misleading information);
  - (b) section 24 of the Competition Act 1980 (modification of provisions about Commission’s general functions);
  - (c) Part II of Schedule 7 to the Competition Act 1998 (Commission’s general functions).
- (11) The 1973 Act is the Fair Trading Act 1973.

### **13 Reports on references**

- (1) In making a report on a reference under section 12 the Competition Commission—
- (a) must include definite conclusions on the questions contained in the reference and such an account of its reasons for the conclusions as in its opinion facilitates a proper understanding of the questions and of the conclusions;
  - (b) if it concludes that any of the matters specified in the reference operate against the public interest or may be expected to do so, must specify the effects adverse to the public interest which the matters have or may be expected to have;
  - (c) if it concludes that any adverse effects so specified could be remedied or prevented by modifications of the conditions of the licence, must specify modifications by which the effects could be remedied or prevented.
- (2) Section 82 of the Fair Trading Act 1973 (general provisions as to reports) applies to reports of the Commission on references under section 12 as it applies to reports of the Commission under that Act.
- (3) A report of the Commission on a reference under section 12 must be made to the CAA.
- (4) The CAA—
- (a) must on receiving such a report send a copy to the licence holder and a copy to the Secretary of State;
  - (b) must, after the end of the specified period, publish the report in such manner as the CAA considers appropriate for bringing it to the attention of persons likely to be affected by it.
- (5) But if the Secretary of State thinks that the publication of any matter would be against the public interest or any person’s commercial interests, he may before the end of the specified period give a direction to the CAA requiring it to exclude the matter from every copy of the report to be published as mentioned above.
- (6) The specified period is the period of 14 days starting with the day after the Secretary of State receives the copy under subsection (4).

### **14 Modification following report**

- (1) This section applies if a report of the Competition Commission on a reference under section 12—

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- (a) includes conclusions to the effect that any of the matters specified in the reference operate against the public interest or may be expected to do so,
  - (b) specifies effects adverse to the public interest which the matters have or may be expected to have,
  - (c) includes conclusions to the effect that the effects could be remedied or prevented by modifications of the conditions of the licence, and
  - (d) specifies modifications by which the effects could be remedied or prevented.
- (2) The CAA must suggest such modifications of the conditions of the licence as it thinks are needed to remedy or prevent the adverse effects specified in the report.
- (3) Before suggesting modifications the CAA must—
- (a) have regard to the modifications specified in the report,
  - (b) publish a notice in such manner as the CAA thinks appropriate for bringing the matters to which it relates to the attention of persons likely to be affected by the making of the modifications,
  - (c) serve a copy of the notice on the licence holder, and
  - (d) consider any representations made in accordance with the notice (and not withdrawn).
- (4) The notice must—
- (a) state that the CAA proposes to suggest the modifications and state their effect and the reasons for so proposing, and
  - (b) state the period (not less than 28 days starting with the date of publication of the notice) within which representations may be made regarding the proposals.
- (5) If the CAA suggests modifications under this section it must—
- (a) give notice to the Commission setting out the modifications it suggests and the reasons for its suggestions, and
  - (b) send to the Commission copies of any representations made in accordance with the notice published under subsection (3) (and not withdrawn).

## **15 Commission's power to give direction**

- (1) This section applies if the Competition Commission is given notice under section 14.
- (2) Within the permitted period the Commission may give a direction to the CAA—
- (a) not to make the modifications set out in the notice, or
  - (b) not to make such of those modifications as are specified in the direction.
- (3) But the Commission may give a direction only if it thinks the modifications set out in the notice are not the modifications which are needed to remedy or prevent the adverse effects specified in the Commission's report on the reference under section 12.
- (4) If the Commission gives a direction it must—
- (a) publish a notice in such manner as the Commission thinks appropriate for bringing the matters to which it relates to the attention of persons likely to be affected by the direction, and
  - (b) serve a copy of the notice on the licence holder.
- (5) The notice must set out—
- (a) the modifications set out in the notice given under section 14,

- (b) the direction, and
  - (c) the reasons for giving the direction.
- (6) If the permitted period expires without a direction being given under subsection (2) the CAA must make the modifications set out in the notice given under section 14.
- (7) If within the permitted period a direction is given under subsection (2)(b) the CAA must make the modifications which are—
  - (a) set out in the notice given under section 14, and
  - (b) not specified in the direction.
- (8) As soon as practicable after making modifications under this section the CAA must send a copy of them to the licence holder and a copy to the Secretary of State.
- (9) The permitted period is the period of four weeks starting with the day the Commission is given notice under section 14.
- (10) But if within that period—
  - (a) the Commission applies to the Secretary of State to extend it to six weeks, and
  - (b) he directs that it is to be so extended,the permitted period is the period of six weeks starting with the day the Commission is given notice under section 14.

## **16 Position where Commission gives direction**

- (1) This section applies if the Competition Commission gives a direction under section 15(2).
- (2) If the direction is given under section 15(2)(a) the Commission must itself make such modifications of the conditions of the licence as it thinks are needed to remedy or prevent the adverse effects specified in the Commission’s report on the reference under section 12.
- (3) If the direction is given under section 15(2)(b) the Commission must itself make such modifications of the conditions of the licence as it thinks are needed to remedy or prevent such of the adverse effects as—
  - (a) are specified in the Commission’s report on the reference under section 12, and
  - (b) would not be remedied or prevented by the modifications set out in the notice under section 14 and not specified under section 15(2)(b).
- (4) Before making modifications under this section the Commission must—
  - (a) publish a notice in such manner as the Commission thinks appropriate for bringing the matters to which it relates to the attention of persons likely to be affected by the making of the modifications,
  - (b) serve a copy of the notice on the licence holder and a copy on the CAA, and
  - (c) consider any representations made in accordance with the notice (and not withdrawn).
- (5) The notice must—
  - (a) state that the Commission proposes to make the modifications and state their effect and the reasons for so proposing, and

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- (b) state the period (not less than 28 days starting with the date of publication of the notice) within which representations may be made regarding the proposed modifications.
- (6) As soon as practicable after making modifications under this section the Commission must—
  - (a) publish a notice in such manner as the Commission thinks appropriate for bringing the matters to which it relates to the attention of persons likely to be affected by the modifications, and
  - (b) serve a copy of the notice on the licence holder, a copy on the Secretary of State and a copy on the CAA.
- (7) The notice under subsection (6) must—
  - (a) state that the modifications have been made,
  - (b) set them out, and
  - (c) set out the reasons for making them.

## **17 Commission’s duty as to modifications under section 16**

- (1) The Competition Commission must exercise its functions under section 16(2) and (3) so as to maintain a high standard of safety in the provision of air traffic services; and that duty is to have priority over the application of subsections (2) to (5).
- (2) The Commission must exercise its functions under section 16(2) and (3) in the manner it thinks best calculated—
  - (a) to further the interests of operators and owners of aircraft, owners and managers of aerodromes, persons travelling in aircraft and persons with rights in property carried in them;
  - (b) to promote efficiency and economy on the part of licence holders;
  - (c) to secure that licence holders will not find it unduly difficult to finance activities authorised by their licences;
  - (d) to take account of any international obligations of the United Kingdom notified to the CAA by the Secretary of State (whatever the time or purpose of the notification) and notified to the Commission by the CAA;
  - (e) to take account of any guidance on environmental objectives given to the CAA by the Secretary of State after the coming into force of this section and notified to the Commission by the CAA.
- (3) The only interests to be considered under subsection (2)(a) are interests regarding the range, availability, continuity, cost and quality of air traffic services.
- (4) The reference in subsection (2)(a) to furthering interests includes a reference to furthering them (where the Commission thinks it appropriate) by promoting competition in the provision of air traffic services.
- (5) If in a particular case there is a conflict in the application of the provisions of subsections (2) to (4), in relation to that case the Commission must apply them in the manner it thinks is reasonable having regard to them as a whole.
- (6) The Commission must exercise its functions under section 16(2) and (3) so as to impose on licence holders the minimum restrictions which are consistent with the exercise of those functions.

## **18 Sections 15 and 16: general**

- (1) The provisions listed in subsection (2) apply in relation to the exercise by the Commission of its functions under section 15 or 16 as if—
  - (a) references in section 82(1) and (2) of the 1973 Act to a report of the Commission under that Act were references to a notice under section 15(4) or 16(4) or (6) above;
  - (b) references in section 85 of the 1973 Act to an investigation on a reference made to the Commission under that Act were references to an investigation by the Commission for the purposes of exercising its functions under section 15 or 16 above;
  - (c) the reference in section 93B of the 1973 Act to the Commission's functions under Part IV, V, VI or VIII of that Act were a reference to its functions under section 15 or 16 above.
- (2) The provisions are—
  - (a) sections 82(1) and (2) of the 1973 Act (exclusion of certain matters and absolute privilege);
  - (b) section 85 of the 1973 Act (witnesses and documents);
  - (c) section 93B of the 1973 Act (false or misleading information);
  - (d) section 24 of the Competition Act 1980 (modification of provisions about Commission's general functions);
  - (e) Part II of Schedule 7 to the Competition Act 1998 (Commission's general functions).
- (3) The 1973 Act is the Fair Trading Act 1973.

## **19 Modification by order under other enactments**

- (1) This section applies if—
  - (a) the Secretary of State by order exercises any of the powers specified in Parts I and II of Schedule 8 to the 1973 Act, and
  - (b) the first or second requirement (set out below) is satisfied.
- (2) The first requirement is that—
  - (a) the circumstances are as mentioned in section 56(1) of the 1973 Act (order on report on monopoly reference), and
  - (b) the monopoly situation exists in relation to the provision of air traffic services.
- (3) The second requirement is that the circumstances are as mentioned in section 73(1) of the 1973 Act (order on report on merger reference) and—
  - (a) at least one of the two or more enterprises which ceased to be distinct enterprises was engaged in the provision of air traffic services, or
  - (b) at least one of the two or more enterprises which would cease to be distinct enterprises (in the application of section 73(1) by virtue of section 75(4)(e)) is engaged in the provision of air traffic services.
- (4) The order mentioned in subsection (1) may also provide for the modification of the conditions of a licence to such extent as the Secretary of State thinks necessary or expedient to give effect to or take account of any provision made by the order.
- (5) As soon as practicable after making modifications under this section the Secretary of State must send a copy of them to the licence holder and a copy to the CAA.

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- (6) Expressions used in this section and the 1973 Act have the same meanings in this section as in that Act.
- (7) The 1973 Act is the Fair Trading Act 1973.

### *Enforcement*

## **20 Orders for securing compliance**

- (1) If the CAA is satisfied that a licence holder is contravening or is likely to contravene a section 8 duty or a licence condition it must make a final order containing provision it thinks is needed to secure compliance with the duty or condition.
- (2) If the CAA is not so satisfied but it appears to it that a licence holder is contravening or is likely to contravene a section 8 duty or a licence condition and that a provisional order is needed, it must make a provisional order containing provision it thinks is needed to secure compliance with the duty or condition.
- (3) In deciding whether a provisional order is needed the CAA must have regard in particular to—
  - (a) the extent to which any person is likely to sustain loss or damage as a result of anything likely to be done or omitted in contravention of the section 8 duty or licence condition unless a provisional order is made, and
  - (b) the fact that the only remedy for a contravention of a section 8 duty or licence condition is under this section and section 24 (unless there is an act or omission which takes place in the course of the provision of air traffic services).
- (4) A final or provisional order must require the licence holder to do or not to do specified things or things of a specified description.
- (5) A final or provisional order—
  - (a) takes effect at a time determined by or under the order;
  - (b) must secure that that time is the earliest practicable time;
  - (c) may be revoked at any time by the CAA.
- (6) A final order continues to have effect until such time (if any) as the CAA revokes it.
- (7) A provisional order ceases to have effect at the termination time, and that is the earlier of—
  - (a) the end of the period (not exceeding three months) which is determined by or under the order and which starts when it takes effect;
  - (b) such time (if any) as the CAA revokes it.
- (8) But if the CAA confirms a provisional order under subsection (9) before the termination time it continues to have effect until such time (if any) as the CAA revokes it.
- (9) The CAA must confirm a provisional order (with or without modifications) if—
  - (a) it is satisfied that the licence holder is contravening or is likely to contravene a section 8 duty or a licence condition, and
  - (b) it thinks its confirmation (with any modifications) is needed to secure compliance with the duty or condition.

- (10) In relation to a licence holder—
  - (a) a section 8 duty is a duty imposed on the holder by section 8;
  - (b) a licence condition is a condition of the licence concerned.
- (11) In sections 21 to 25 any reference to a section 8 duty or to a licence condition or to a final or provisional order must be construed in accordance with this section.
- (12) This section has effect subject to section 21.

## **21 Exceptions**

- (1) The CAA must not make a final order or make or confirm a provisional order if it is satisfied that—
  - (a) the duty imposed on it by section 2 precludes it from doing so, or
  - (b) the most appropriate way of proceeding is under the Competition Act 1998.
- (2) If the CAA is satisfied that any of the conditions in subsection (3) applies it must not make a final order or make or confirm a provisional order unless it believes that it is appropriate to do so.
- (3) The conditions are that—
  - (a) the licence holder has agreed to take and is taking all the steps the CAA thinks appropriate to secure or facilitate compliance with the duty or condition concerned;
  - (b) the contraventions or apprehended contraventions are trivial;
  - (c) the contraventions or apprehended contraventions will not adversely affect the interests of the persons referred to in subsection (4);
  - (d) the Secretary of State has made an application under section 28 for an air traffic administration order in relation to the licence holder.
- (4) The persons are operators and owners of aircraft, owners and managers of aerodromes, persons travelling in aircraft and persons with rights in property carried in them.
- (5) These interests are the only ones to be considered under subsection (3)(c)—
  - (a) interests regarding safety;
  - (b) interests regarding the range, availability, continuity, cost and quality of air traffic services.

## **22 Procedural requirements**

- (1) Before making a final order or confirming a provisional order the CAA must—
  - (a) publish a notice in such manner as it thinks appropriate for bringing the matters to which the notice relates to the attention of persons likely to be affected by them,
  - (b) serve on the licence holder a copy of the notice and a copy of the order proposed (or proposed to be confirmed), and
  - (c) consider any representations made in accordance with the notice (and not withdrawn).
- (2) The notice must—
  - (a) state that the CAA proposes to make or confirm the order and state its effect,

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- (b) state the section 8 duty or licence condition with which the order is intended to secure compliance, the acts or omissions which the CAA thinks constitute (or would constitute) contraventions of the duty or condition, and any other facts which it thinks justify the making or confirmation of the order, and
  - (c) state the period (not less than 21 days starting with the date of publication of the notice) within which representations may be made regarding the proposed order or confirmation.
- (3) The CAA must not make a final order with modifications, or confirm a provisional order with modifications, unless—
  - (a) the licence holder consents to the modifications, or
  - (b) subsection (4) is complied with.
- (4) This subsection is complied with if the CAA—
  - (a) serves on the licence holder a notice of the proposal to make or confirm the order with modifications,
  - (b) states in the notice the period (not less than seven days starting with the date of the service of the notice) within which representations may be made regarding the proposed modifications, and
  - (c) considers any representations made in accordance with the notice (and not withdrawn).
- (5) But if the modifications are trivial the CAA must be treated as complying with subsection (4) if it serves on the licence holder a notice of the proposal to make or confirm the order with modifications.
- (6) As soon as practicable after making a final order or making or confirming a provisional order the CAA must—
  - (a) serve a copy of the order on the licence holder and a copy on the Secretary of State, and
  - (b) publish the order in such manner as the CAA thinks appropriate for bringing it to the attention of persons likely to be affected by it.
- (7) Before revoking a final order or a provisional order which has been confirmed the CAA must—
  - (a) publish a notice in such manner as it thinks appropriate for bringing the revocation to the attention of persons likely to be affected by it,
  - (b) serve a copy of the notice on the licence holder, and
  - (c) consider any representations made in accordance with the notice (and not withdrawn).
- (8) The notice must—
  - (a) state that the CAA proposes to revoke the order and state its effect, and
  - (b) state the period (not less than 21 days starting with the date of publication of the notice) within which representations may be made regarding the proposed revocation.
- (9) If after acting under subsection (7) the CAA decides not to revoke the order it must—
  - (a) publish a notice of its decision in such manner as it thinks appropriate for bringing the decision to the attention of persons likely to be affected by it, and
  - (b) serve a copy of the notice on the licence holder.
- (10) If the CAA is satisfied as mentioned in section 21(1) it must—



- (a) serve a notice that it is so satisfied on the licence holder, and
  - (b) publish the notice in such manner as it thinks appropriate for bringing the matters to which the notice relates to the attention of persons likely to be affected by them.
- (11) If the CAA is satisfied as mentioned in section 21(2) and it does not believe it is appropriate to make a final order or make or confirm a provisional order, it must—
- (a) serve a notice to that effect on the licence holder, and
  - (b) publish the notice in such manner as it thinks appropriate for bringing the matters to which the notice relates to the attention of persons likely to be affected by them.

### **23 Validity of orders**

- (1) This section applies if a licence holder to which a final or provisional order relates is aggrieved by the order and wants to question its validity on the ground that—
- (a) its making or confirmation was not within the powers conferred by sections 20 and 21, or
  - (b) any of the requirements of section 22(1) to (6) have not been complied with.
- (2) The licence holder may apply to the court.
- (3) If a copy of the order as made or confirmed was served on the licence holder the application to the court must be made within the period of 42 days starting with the day the copy was served on it.
- (4) On an application under this section the court may quash the order or any provision of it if satisfied that—
- (a) the making or confirmation of the order was not within the powers conferred by sections 20 and 21, or
  - (b) the interests of the licence holder have been substantially prejudiced by a failure to comply with the requirements of section 22(1) to (6).
- (5) Except as provided by this section, the validity of a final or provisional order may not be questioned in any legal proceedings.
- (6) A reference to the court is to—
- (a) the High Court in relation to England and Wales or Northern Ireland;
  - (b) the Court of Session in relation to Scotland.

### **24 Effect of orders**

- (1) The licence holder to which a final or provisional order relates has a duty to comply with it.
- (2) The duty is owed to any person who may be affected by a contravention of the order.
- (3) A breach of the duty which causes such a person to sustain loss or damage is actionable by him.
- (4) In proceedings brought against a licence holder under subsection (3) it is a defence for it to prove that it took all reasonable steps and exercised all due diligence to avoid contravening the order.

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- (5) Compliance with a final or provisional order is also enforceable by civil proceedings brought by the CAA for an injunction or for interdict or for any other appropriate relief or remedy.
- (6) Subsection (5) does not prejudice a right a person may have by virtue of subsection (3) to bring civil proceedings for contravention or apprehended contravention of a final or provisional order.

## **25 Power to obtain information**

- (1) This section applies if it appears to the CAA that a licence holder may have contravened or may be contravening or is likely to contravene a section 8 duty or a licence condition.
- (2) For any purpose connected with such of the CAA's functions under sections 20 and 21 as are exercisable in relation to the matter it may serve on any person a notice which—
  - (a) requires the person to produce any documents which are specified or described in the notice and are in his custody or under his control, and to produce them at a time and place so specified and to a person so specified, or
  - (b) requires the person to supply information specified or described in the notice, and to supply it at a time and place and in a form and manner so specified and to a person so specified.
- (3) A requirement may be made under subsection (2)(b) only if the person is carrying on a business.
- (4) No person may be required under this section—
  - (a) to produce documents which he could not be compelled to produce in civil proceedings in the court;
  - (b) to supply information which he could not be compelled to supply in such proceedings.
- (5) If a person without reasonable excuse fails to do anything required of him by a notice under subsection (2) he is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.
- (6) If a person intentionally alters, suppresses or destroys a document which he has been required to produce by a notice under subsection (2) he is guilty of an offence and liable—
  - (a) on summary conviction, to a fine not exceeding the statutory maximum;
  - (b) on conviction on indictment, to a fine.
- (7) If a person makes default in complying with a notice under subsection (2) the court may on the CAA's application make such order as the court thinks fit for requiring the default to be made good.
- (8) An order under subsection (7) may provide that all the costs or expenses of and incidental to the application are to be borne—
  - (a) by the person in default, or
  - (b) if officers of a company or other association are responsible for its default, by those officers.
- (9) A reference to producing a document includes a reference to producing a legible and intelligible copy of information recorded otherwise than in legible form.

- (10) A reference to suppressing a document includes a reference to destroying the means of reproducing information recorded otherwise than in legible form.
- (11) A reference to the court is to—
  - (a) the High Court in relation to England and Wales or Northern Ireland;
  - (b) the Court of Session in relation to Scotland.

*Administration orders etc.*

**26 Protection of licence companies etc**

- (1) No licence company may be wound up voluntarily.
- (2) No application may be made to a court for an administration order under Part II of the 1986 Act in relation to a licence company, and—
  - (a) anything purporting to be such an application is of no effect;
  - (b) no administration order may be made under that Part in relation to a licence company.
- (3) No step may be taken by a person to enforce any security over the property of a licence company unless the person has given to the Secretary of State and the CAA at least 14 days' notice of his intention to take the step.
- (4) No application for the winding up of a licence company may be made by a person other than the Secretary of State unless the person has given to the Secretary of State and the CAA at least 14 days' notice of his intention to make the application.
- (5) In subsection (3) “security” and “property” have the same meanings as in Parts I to VII of the 1986 Act.
- (6) In this section and sections 27 to 30—
  - (a) references to a licence company are to a company which holds a licence;
  - (b) references to the 1986 Act are to the Insolvency Act 1986.

**27 Duty to make order**

- (1) This section applies if an application is made to any court for the winding up of a licence company.
- (2) The Secretary of State and the CAA are entitled to be heard by the court.
- (3) The court must not make a winding up order or appoint a provisional liquidator.
- (4) But if the court is satisfied that it would be appropriate to make a winding up order if the company were not a licence company, it must instead make an air traffic administration order.
- (5) The Secretary of State and the CAA may propose a person to manage the company's affairs, business and property while an air traffic administration order is in force; and if they do the court must appoint that person.
- (6) A reference to the court is to the court which (but for this section) would have jurisdiction to wind up the company.

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## **28 Power to make order**

- (1) The court may make an air traffic administration order in relation to a licence company if—
  - (a) an application by petition is made by the Secretary of State or by the CAA with his consent, and
  - (b) the court is satisfied that one or more of the following four conditions is satisfied.
- (2) The first condition is that the company is or is likely to be unable to pay its debts.
- (3) The second condition is that—
  - (a) the Secretary of State certifies that but for section 27 it would be appropriate for him to petition for the company’s winding up under section 124A of the 1986 Act (petition following inspectors' report etc), and
  - (b) but for section 27 it would be just and equitable (as mentioned in section 124A) for the company to be wound up.
- (4) The third condition is that—
  - (a) there has been or is or is likely to be a contravention by the company of a section 8 duty,
  - (b) no notice has been served under section 22(10) or (11) in relation to the contravention or apprehended contravention, and
  - (c) the contravention or apprehended contravention is serious enough to make it inappropriate for the company to continue to hold the licence concerned.
- (5) The fourth condition is that—
  - (a) a final or provisional order has been made or confirmed in relation to a section 8 duty or a licence condition,
  - (b) the order is not the subject of proceedings under section 23, and
  - (c) there has been or is or is likely to be such a contravention of the order by the company as to make it inappropriate for it to continue to hold the licence concerned.
- (6) For the purposes of subsection (2) a company is unable to pay its debts if it is deemed to be unable to do so under section 123 of the 1986 Act.
- (7) A reference in subsection (4) or (5) to a section 8 duty or to a licence condition or to a final or provisional order is to be construed in accordance with section 20.
- (8) A reference to the court is to the court which (but for section 27) would have jurisdiction to wind up the company.

## **29 Air traffic administration orders**

- (1) An air traffic administration order made under section 27 or 28 is an order directing that in the period while the order is in force the company’s affairs, business and property are to be managed by a person appointed by the court—
  - (a) for the achievement of the following two purposes, and
  - (b) in a manner which protects the interests of the company’s members and creditors.
- (2) The first purpose is—

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- (a) the transfer to another company, as a going concern, of so much of the licence company's undertaking as it is necessary to transfer to ensure that its licensed activities may be properly carried out, or
  - (b) the transfer to different companies of different parts of the licence company's undertaking, as going concerns, where the parts together constitute so much of its undertaking as is described in paragraph (a).
- (3) The second purpose is the carrying on, pending the transfer, of the licence company's licensed activities.
- (4) A reference to a licence company's licensed activities is to the activities which the licence concerned authorises the company to carry out.
- (5) In subsection (1) "business" and "property" have the same meanings as in the 1986 Act.
- (6) The reference in subsection (1) to the court is to the court making the order.

### **30 Petitions and orders: supplementary**

- (1) A petition under section 28 above cannot be withdrawn except with the court's leave.
- (2) Section 9(4) and (5) of the 1986 Act (court's powers) apply on the hearing of a petition under section 28 above as they apply on the hearing of a petition for an administration order.
- (3) Section 10(1), (2), (4) and (5) of the 1986 Act (effect of petition) apply in the case of a petition under section 28 above as if—
- (a) the reference in subsection (1) to an administration order were to an air traffic administration order;
  - (b) the reference in subsection (1)(c) to proceedings included a reference to proceedings under or for the purposes of section 20 above;
  - (c) in subsection (1)(c) after "its property" there were inserted "and no right of re-entry or forfeiture may be enforced against the company in respect of any land,";
  - (d) subsection (2)(b) and (c) were omitted.
- (4) Schedules 1 and 2 contain provisions relating to air traffic administration orders.
- (5) The power given by section 411 of the 1986 Act to make rules applies for the purpose of giving effect to the air traffic administration order provisions as it applies for the purpose of giving effect to Parts I to VII of that Act, but taking references to those Parts as references to those provisions.
- (6) The air traffic administration order provisions are sections 27 to 29, this section and Schedules 1 and 2.
- (7) The reference in subsection (1) to the court is to the court to which the application by petition is made.

### **31 Government financial help**

- (1) If an air traffic administration order is in force in relation to a company the Secretary of State may—

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- (a) make grants or loans to the company of such sums as he thinks appropriate to facilitate the achievement of the order's purposes;
  - (b) agree to indemnify the air traffic administrator in respect of liabilities incurred and loss or damage sustained by him in connection with carrying out his functions under the order.
- (2) The Secretary of State may guarantee, in such manner and on such terms as he thinks fit, the repayment of the principal of, the payment of interest on and the discharge of any other financial obligation in connection with any sum borrowed from any person by a company in relation to which an air traffic administration order is in force when the guarantee is given.
- (3) The terms on which a grant is made under this section may require all or part of it to be repaid to the Secretary of State if there is a contravention of the other terms on which it is made.
- (4) A loan made under this section must be repaid to the Secretary of State at such times and by such methods, and interest must be paid to him at such rates and times, as may be specified in directions given by him from time to time.
- (5) Subsections (3) and (4) do not prejudice any provision applied in relation to the company by Schedule 1.
- (6) A grant, loan, agreement to indemnify, guarantee or direction under this section requires the Treasury's consent.
- (7) The air traffic administrator is the person appointed by the court to achieve the purposes of the air traffic administration order.

### **32 Guarantees under section 31**

- (1) This section applies to a guarantee given under section 31.
- (2) Immediately after a guarantee is given the Secretary of State must lay a statement of it before each House of Parliament.
- (3) If a sum is paid out for fulfilling a guarantee, as soon as possible after the end of each relevant financial year the Secretary of State must lay a statement relating to the sum before each House of Parliament.
- (4) If any sums are paid out for fulfilling a guarantee the borrowing company must make to the Secretary of State at such times and in such manner as may be specified in directions given by him from time to time—
- (a) payments of such amounts as he may specify in such directions in or towards repayment of the sums paid out, and
  - (b) payments of interest at such rate as he may specify in such directions on what is outstanding in respect of sums paid out.
- (5) Subsection (4) does not prejudice any provision applied in relation to the borrowing company by Schedule 1.
- (6) A direction under this section requires the Treasury's consent.
- (7) Relevant financial years are financial years starting with that in which the sum is paid out and ending with that in which all liability in respect of the principal of the sum and interest on it is finally discharged.

- (8) The borrowing company is the company which borrowed the sums in respect of which the guarantee was given.

### **33 Northern Ireland**

Schedule 3 contains provisions relating to Northern Ireland.

#### *Miscellaneous*

### **34 Investigations**

- (1) The CAA must investigate an alleged or apprehended contravention of a section 8 duty or of a condition of a licence if the alleged or apprehended contravention is the subject of a representation made to the CAA by or on behalf of a person who appears to it to have an interest in the matter.
- (2) But this does not apply if the representation appears to the CAA to be frivolous or vexatious.
- (3) A section 8 duty is a duty imposed on a licence holder by section 8.

### **35 Register**

- (1) The CAA must compile and maintain a register for the purposes of this Chapter.
- (2) The register must be kept at such premises and in such form as the CAA decides.
- (3) The CAA must cause these matters to be entered in the register—
- (a) the provisions of every exemption;
  - (b) the provisions of every licence;
  - (c) every modification of the conditions of a licence;
  - (d) every revocation or surrender of a licence;
  - (e) the provisions of every requirement or determination made or direction, consent or approval given under a licence;
  - (f) the terms of every notice given under section 9;
  - (g) the terms of every final or provisional order made under section 20, every revocation of such an order, and every notice under section 22(10) or (11).
- (4) The duty in subsection (3) does not extend to anything of which the CAA is unaware.
- (5) So far as practicable the CAA must secure the exclusion from the register of any matter relating to the affairs of a person if the CAA thinks its inclusion would or might seriously and prejudicially affect the person's interests.
- (6) If the Secretary of State thinks that entry of anything in the register would be against the public interest or any person's commercial interests, he may give a direction to the CAA requiring the CAA not to enter it.
- (7) The CAA must secure that the contents of the register are available for inspection by the public during such hours as may be specified in an order made by the Secretary of State.

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- (8) If requested by any person to do so the CAA must supply him with a copy (certified to be true) of the register or of an extract from it.
- (9) But subsection (8) does not apply if a charge required by a scheme or regulations made under section 11 of the Civil Aviation Act 1982 is not paid.

### **36 Land**

Schedule 4 gives licence holders powers in relation to land.

### **37 Licence holders as statutory undertakers**

Schedule 5 contains provisions treating licence holders as statutory undertakers.

### **38 Directions in interests of national security etc**

- (1) The Secretary of State may give to a licence holder or to licence holders generally such directions of a general character as he thinks are necessary or expedient—
  - (a) in the interests of national security, or
  - (b) in the interests of encouraging or maintaining the United Kingdom's relations with another country or territory.
- (2) The Secretary of State may give to a licence holder a direction requiring it to do or not to do a particular thing, if the Secretary of State thinks it necessary or expedient to give the direction in the interests of national security.
- (3) The Secretary of State may give to a licence holder a direction requiring it—
  - (a) to do or not to do a particular thing in connection with anything authorised by the licence, or
  - (b) to secure that a particular thing is done or not done in connection with anything authorised by the licence,
 if the Secretary of State thinks it necessary or expedient to give the direction in order to discharge or facilitate the discharge of an international obligation of the United Kingdom.
- (4) In exercising his powers under subsections (1) to (3) the Secretary of State must have regard to the need to maintain a high standard of safety in the provision of air traffic services.
- (5) In so far as a direction under this section conflicts with the requirements of section 93 or of an order under section 94, the direction is to be disregarded.
- (6) In so far as a direction under this section conflicts with the requirements of an enactment or instrument other than section 93 or an order under section 94, the requirements are to be disregarded.
- (7) Before giving a direction under this section to a particular licence holder (as opposed to licence holders generally) the Secretary of State must consult it.
- (8) The Secretary of State must send a copy of a direction under this section to the CAA.
- (9) The Secretary of State must lay before each House of Parliament a copy of a direction under this section unless he thinks its disclosure is against the interests of national



security or the interests of the United Kingdom's relations with another country or territory or the commercial interests of any person.

- (10) A person must not disclose, and is not required by any enactment or otherwise to disclose, a direction given or other thing done by virtue of this section if the Secretary of State notifies him that he thinks disclosure is against the interests of national security or the interests of the United Kingdom's relations with another country or territory or the commercial interests of any person (other than the person notified).
- (11) A person commits an offence if—
- (a) without reasonable excuse he contravenes or fails to comply with a direction under this section, or
  - (b) he makes a disclosure in contravention of subsection (10).
- (12) A person who commits an offence under this section is liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum;
  - (b) on conviction on indictment, to a fine or imprisonment for a term not exceeding two years or both.

### **39 Directions relating to the environment**

- (1) The Secretary of State may give such directions as he thinks are necessary or expedient—
- (a) to prevent or deal with noise, vibration, pollution or other disturbance attributable to aircraft used for the purpose of civil aviation;
  - (b) to limit or mitigate the effects of such noise, vibration, pollution or disturbance.
- (2) Directions under this section may be given to—
- (a) a licence holder or licence holders generally;
  - (b) a person who is authorised by an exemption to provide air traffic services (an authorised person) or authorised persons generally.
- (3) A direction under this section may be of a general character or may require a licence holder or an authorised person to do or not to do a particular thing.
- (4) A direction under this section may include provision requiring persons to have regard to guidance which relates to the environment and which the Secretary of State may issue from time to time.
- (5) In so far as a direction under this section conflicts with the requirements of section 38 or 93 or of an order under section 94, the direction is to be disregarded.
- (6) In so far as a direction under this section conflicts with the requirements of an enactment or instrument other than section 38 or 93 or an order under section 94, the requirements are to be disregarded.
- (7) Before giving a direction under this section to a particular licence holder or authorised person (as opposed to licence holders or authorised persons generally) requiring him to do or not to do a particular thing, the Secretary of State must consult—
- (a) that licence holder or authorised person;
  - (b) the CAA.

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### *Interpretation*

#### **40 Interpretation**

- (1) This section defines these expressions (here listed alphabetically) for the purposes of this Chapter—
  - (a) aerodrome;
  - (b) condition of a licence;
  - (c) exemption;
  - (d) licence;
  - (e) licence holder;
  - (f) managed area;
  - (g) manager of an aerodrome;
  - (h) modification.
- (2) An aerodrome is an aerodrome as defined in section 105(1) of the Civil Aviation Act 1982; and a manager of an aerodrome is a person who is in charge of it or holds a licence granted in respect of it by virtue of section 60 of that Act (Chicago Convention, regulation of air navigation etc).
- (3) These are managed areas—
  - (a) the United Kingdom;
  - (b) any area which is outside the United Kingdom but in respect of which the United Kingdom has undertaken under international arrangements to provide air traffic services.
- (4) An exemption is an exemption under this Chapter.
- (5) A licence is a licence under this Chapter, and references to a licence holder must be construed accordingly.
- (6) A condition of a licence is a provision of the licence which is expressed as a condition.
- (7) “Modification” includes addition, alteration and omission, and cognate expressions are to be construed accordingly.

## **CHAPTER II**

### **TRANSFER SCHEMES**

#### *Introduction*

#### **41 Meaning of transfer scheme**

- (1) For the purposes of this Chapter a transfer scheme is a scheme which contains provisions falling within one or more of subsections (2) to (8).
- (2) Provisions falling within this subsection are ones for the transfer of any of the CAA’s property, rights or liabilities or of all or part of its undertaking to any of the following—
  - (a) the Secretary of State;
  - (b) a company which is wholly owned by the Crown;

- (c) a company which is wholly owned by the CAA;
  - (d) a company which is a wholly owned subsidiary of a company falling within paragraph (b) or (c).
- (3) Provisions falling within this subsection are ones for the transfer of any of the property, rights or liabilities of a company (the transferor) which is wholly owned by the CAA or of all or part of the transferor's undertaking to any of the following—
- (a) the Secretary of State;
  - (b) the CAA;
  - (c) a company which is wholly owned by the Crown;
  - (d) a company which is wholly owned by the CAA;
  - (e) a company which is a wholly owned subsidiary of a company falling within paragraph (c) or (d).
- (4) Provisions falling within this subsection are ones for the transfer of any of the property, rights or liabilities of a company (the transferor) which is a wholly owned subsidiary of a company wholly owned by the CAA, or of all or part of the transferor's undertaking, to any of the following—
- (a) the CAA;
  - (b) a company which is wholly owned by the Crown;
  - (c) a company which is wholly owned by the CAA;
  - (d) a company which is a wholly owned subsidiary of a company falling within paragraph (b) or (c).
- (5) Provisions falling within this subsection are ones for the transfer of any of the property, rights or liabilities of a company (the transferor) which is wholly owned by the Crown but which was wholly owned by the CAA on the coming into force of this section, or of all or part of the transferor's undertaking, to any of the following—
- (a) a company which is wholly owned by the Crown;
  - (b) a company which is a wholly owned subsidiary of the transferor.
- (6) Provisions falling within this subsection are ones for the transfer of any of the property, rights or liabilities of a company (the transferor) which is wholly owned by the Crown, or of all or part of the transferor's undertaking, to the CAA.
- (7) Provisions falling within this subsection are ones for the transfer of any of the property, rights or liabilities of a company (the transferor) in circumstances where the transferor is a wholly owned subsidiary of a company (the holding company) wholly owned by the Crown and the holding company was wholly owned by the CAA on the coming into force of this section, or of all or part of the transferor's undertaking, to any of the following—
- (a) a company which is wholly owned by the Crown;
  - (b) a company which is a wholly owned subsidiary of a company falling within paragraph (a).
- (8) Provisions falling within this subsection are ones for the transfer of any of the property, rights or liabilities of a company (the transferor) which is a wholly owned subsidiary of a company wholly owned by the Crown, or of all or part of the transferor's undertaking, to the CAA.
- (9) To the extent that a scheme provides for the transfer of all or part of an undertaking, references in the following provisions of this Chapter to property, rights and liabilities

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are to the undertaking or part (including property, rights and liabilities falling within it).

#### **42 Transfer schemes: supplementary**

- (1) The things which may be transferred by a transfer scheme include—
  - (a) anything which the transferor would not otherwise be capable of transferring or assigning;
  - (b) anything to which the transferor may become entitled or subject after the scheme is made and before it comes into force;
  - (c) anything situated anywhere in the United Kingdom or elsewhere;
  - (d) anything subsisting under an enactment;
  - (e) anything subsisting under the law of any part of the United Kingdom or of any country or territory outside the United Kingdom.
- (2) A scheme may divide any property, rights or liabilities of a transferor and in connection with the division may—
  - (a) create for a transferor or transferee an interest in any property to which the scheme relates;
  - (b) create new rights and liabilities as between a transferor and a transferee with respect to any property to which the scheme relates;
  - (c) in connection with any provision made by virtue of paragraph (a) or (b), make incidental provision as to the interests, rights and liabilities of other persons with respect to any property to which the scheme relates.
- (3) A scheme may impose obligations on a transferor and transferee to take any necessary steps to secure that the following have effect—
  - (a) any interest, right or liability created by virtue of subsection (2)(a) or (b);
  - (b) any incidental provision made by virtue of subsection (2)(c).
- (4) A scheme may—
  - (a) impose on a transferor or transferee an obligation to enter into a specified written agreement with a specified person or persons (who may be or include a transferor or transferee);
  - (b) impose on a transferor or transferee an obligation to execute a specified instrument in favour of a specified person or persons (who may be or include a transferor or transferee);
  - (c) make provision (for instance, where part of particular property is transferred) that rights and liabilities specified or identified in the scheme are enforceable by or against a transferor or transferee (or both).
- (5) A scheme may make such supplementary, incidental, consequential or transitional provisions as the scheme's maker thinks are appropriate.

#### *CAA's schemes*

#### **43 Transfer schemes made by CAA**

- (1) After consulting the CAA the Secretary of State may give a direction requiring it to make a transfer scheme.

- (2) A direction may specify how a scheme is to be made and the time within which it is to be made and submitted to the Secretary of State (as well as what is to be transferred, the transferor and the transferee).
- (3) In so far as a direction conflicts with the requirements of an enactment or instrument, the requirements are to be disregarded.
- (4) No direction may be given under this section before the end of the period of three months starting with the day on which this Act is passed.

#### **44 Effect of scheme made by CAA**

- (1) This section applies to a scheme made under section 43.
- (2) A scheme does not come into force unless the Secretary of State approves it in writing.
- (3) Subject to that, a scheme comes into force on—
  - (a) the day it specifies for it to come into force, or
  - (b) if the approval specifies a day for it to come into force, that day.
- (4) The Secretary of State may modify a scheme before approving it and after consulting each person who is a transferor or a transferee.
- (5) When a scheme comes into force it has effect to transfer (in accordance with its provisions) the property, rights and liabilities to which it applies.
- (6) Any transferor or transferee (other than the Secretary of State) must provide the Secretary of State with any information and other assistance he may reasonably require in connection with his powers to approve and modify under this section.
- (7) If a body fails without reasonable excuse to comply with subsection (6) it is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.
- (8) In this section “modify” includes add to, omit from and otherwise alter.
- (9) No approval may be given under this section before the end of the period of three months starting with the day on which this Act is passed.

#### *Secretary of State’s schemes*

#### **45 Transfer schemes made by Secretary of State**

- (1) This section applies if—
  - (a) the CAA fails to submit a transfer scheme within the time specified in a direction under section 43, or
  - (b) the Secretary of State does not approve a transfer scheme submitted by the CAA.
- (2) In such a case the Secretary of State may make a transfer scheme after consulting each person who is a transferor or a transferee.
- (3) A scheme made under this section comes into force on the day it specifies for it to come into force.

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- (4) When the scheme comes into force it has effect to transfer (in accordance with its provisions) the property, rights and liabilities to which it applies.
- (5) No scheme may be made under this section before the end of the period of three months starting with the day on which this Act is passed.

#### **46 Information for purposes of section 45**

- (1) If the Secretary of State proposes to make a transfer scheme he may give a direction to an interested body requiring it—
  - (a) to provide him with such information as he thinks necessary to enable him to make the scheme, and
  - (b) to do so within the period (not less than 28 days starting with the date on which the direction is given) specified in the direction.
- (2) These are interested bodies—
  - (a) the CAA;
  - (b) a company which is wholly owned by the Crown;
  - (c) a company which is wholly owned by the CAA;
  - (d) a company which is a wholly owned subsidiary of a company falling within paragraph (b) or (c).
- (3) If a body fails to comply with a direction under subsection (1) the Secretary of State may serve on it a notice which—
  - (a) requires it to produce any documents which are specified or described in the notice and are in its custody or under its control, and to produce them at a time and place so specified and to a person so specified, or
  - (b) requires it to supply information specified or described in the notice, and to supply it at a time and place and in a form and manner so specified and to a person so specified.
- (4) No body may be required under this section—
  - (a) to produce documents which it could not be compelled to produce in civil proceedings in the court;
  - (b) to supply information which it could not be compelled to supply in such proceedings.
- (5) If a body fails without reasonable excuse to do anything required of it by a notice under subsection (3) it is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.
- (6) If a body intentionally alters, suppresses or destroys a document which it has been required to produce by a notice under subsection (3) it is guilty of an offence and liable—
  - (a) on summary conviction, to a fine not exceeding the statutory maximum;
  - (b) on conviction on indictment, to a fine.
- (7) If a body makes default in complying with a notice under subsection (3) the court may on the Secretary of State's application make such order as the court thinks fit for requiring the default to be made good.
- (8) An order under subsection (7) may provide that all the costs or expenses of and incidental to the application are to be borne—

- (a) by the body in default, or
  - (b) if officers of the body are responsible for its default, those officers.
- (9) A reference to producing a document includes a reference to producing a legible and intelligible copy of information recorded otherwise than in legible form.
- (10) A reference to suppressing a document includes a reference to destroying the means of reproducing information recorded otherwise than in legible form.
- (11) A reference to the court is to—
- (a) the High Court in relation to England and Wales or Northern Ireland;
  - (b) the Court of Session in relation to Scotland.

#### *Accounting provisions*

### **47 Accounting provisions**

- (1) This section applies if any property, rights or liabilities are transferred under a transfer scheme—
- (a) from the CAA to a company,
  - (b) from a company to the CAA, or
  - (c) from a company to a company.
- (2) The transfer scheme may state—
- (a) the value at which any asset transferred to the transferee under the scheme is to be entered in the opening accounts of the transferee;
  - (b) the amount at which any liability so transferred is to be entered in those accounts.
- (3) The value or amount which may be stated by virtue of subsection (2) is—
- (a) in a case where the whole of the asset or liability is transferred by the transfer scheme, the value or amount at which the asset or liability appeared in the last full accounts of the transferor;
  - (b) in a case where part only of the asset or liability is so transferred, such part of the value or amount at which the asset or liability appeared in the last full accounts of the transferor as may be determined by or in accordance with the transfer scheme.
- (4) But if the maker of the transfer scheme considers that some other value or amount is appropriate, the value or amount which may be stated by virtue of subsection (2) is that other amount or value.
- (5) If no value or amount appeared as mentioned in subsection (3) in the case of an asset or liability, the value or amount which may be stated by virtue of subsection (2) is the value or amount which the maker of the transfer scheme considers appropriate.
- (6) The transfer scheme may provide that the amount to be included in the opening accounts of the transferee as representing its accumulated realised profits is to be determined as if such proportion of any profits realised and retained by the transferor as may be determined by or in accordance with the transfer scheme had been realised and retained by the transferee.

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- (7) The transfer scheme may provide that the amount to be included in the opening accounts of the transferee as representing its accumulated realised losses is to be determined as if such proportion of any accumulated realised losses of the transferor as may be determined by or in accordance with the transfer scheme had been losses realised by the transferee.
- (8) When the transfer scheme comes into force a statement or provision under subsection (2), (6) or (7) has effect to require any value or amount concerned to be entered or determined accordingly.

#### **48 Accounting provisions: interpretation**

- (1) This section applies for the purposes of section 47.
- (2) The opening accounts of the transferee are—
  - (a) if the transferee is the CAA, the annual accounts prepared by it in accordance with section 15 of the Civil Aviation Act 1982 for the accounting year next ending after the transfer date;
  - (b) if the transferee is a company, any statutory accounts prepared by it for the accounting year next ending after the transfer date.
- (3) The last full accounts of the transferor are—
  - (a) if the transferor is the CAA, the annual accounts prepared by it in accordance with section 15 of the Civil Aviation Act 1982 for the accounting year last ended before the making of the transfer scheme;
  - (b) if the transferor is a company, the statutory accounts of the company for the accounting year last ended before the making of the transfer scheme.
- (4) An accounting year is—
  - (a) in the case of the CAA, the period of 12 months ending with 31 March in any year;
  - (b) in the case of a company, its financial year within the meaning of the Companies Act 1985 or the Companies (Northern Ireland) Order 1986.
- (5) Statutory accounts are accounts prepared by a company for the purpose of any provision of the Companies Act 1985 or the Companies (Northern Ireland) Order 1986 (including group accounts).

#### *Ownership of transferee companies*

#### **49 Issue of securities**

- (1) This section applies if any property, rights or liabilities are transferred under a transfer scheme to a transferee which at the time of the transfer is a company falling within subsection (4).
- (2) The Secretary of State may give a direction under this section to the transferee if when the direction is given it is a company falling within subsection (4).
- (3) A direction under this section is one requiring the transferee—
  - (a) to issue to the appropriate person such securities of the transferee as are specified in the direction,



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- (b) to do so at a time or times (specified in the direction) when it is a company falling within subsection (4), and
  - (c) to do so on such terms as are specified in the direction.
- (4) A company falls within this subsection if it is—
- (a) a company which is wholly owned by the Crown,
  - (b) a company which is wholly owned by the CAA, or
  - (c) a company which is a wholly owned subsidiary of a company falling within paragraph (a) or (b).
- (5) The appropriate person is such of the following as the Secretary of State may specify in the direction—
- (a) the transferor;
  - (b) the Secretary of State;
  - (c) the CAA;
  - (d) a company which is wholly owned by the Crown;
  - (e) a company which is wholly owned by the CAA;
  - (f) a company which is a wholly owned subsidiary of a company falling within paragraph (d) or (e).
- (6) Shares issued in pursuance of this section—
- (a) must be of such nominal value as may be specified in a direction given by the Secretary of State, and
  - (b) must be issued as fully paid and treated for the purposes of the Companies Act 1985 or the Companies (Northern Ireland) Order 1986 as if they had been paid up by virtue of the payment to the transferee of their nominal value in cash.

## **50 Government investment in securities**

- (1) This section applies if any property, rights or liabilities are transferred under a transfer scheme to a transferee which at the time of the transfer is—
- (a) a company which is wholly owned by the Crown,
  - (b) a company which is wholly owned by the CAA, or
  - (c) a company which is a wholly owned subsidiary of a company falling within paragraph (a) or (b).
- (2) The Treasury or the Secretary of State with the Treasury's consent may—
- (a) acquire securities of the transferee by subscription or purchase;
  - (b) acquire options to acquire or dispose of securities of the transferee.
- (3) The Secretary of State must not dispose of any securities or options acquired under this section without the Treasury's consent.

## **51 Crown shareholding**

- (1) This section applies if any property, rights or liabilities are transferred under a transfer scheme to a transferee which at the time of the transfer is—
- (a) a company which is wholly owned by the Crown,
  - (b) a company which is wholly owned by the CAA, or
  - (c) a company which is a wholly owned subsidiary of a company falling within paragraph (a) or (b).

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- (2) The Secretary of State may by order designate such a transferee for the purposes of this section.
- (3) The Secretary of State must ensure that the Crown does not dispose of any of the shares it holds in the designated company unless he is satisfied that a scheme is in place to ensure the completion of any project which—
  - (a) concerns the development of major facilities connected with air traffic services, and
  - (b) was commissioned before the coming into force of this section by the CAA or a company wholly owned by the CAA.
- (4) The Secretary of State must ensure that the Crown does not dispose of any of the shares it holds in the designated company unless—
  - (a) the Crown holds at least 49 per cent of the company's issued ordinary share capital immediately before the disposal, and
  - (b) the Crown will continue to hold at least 49 per cent of that share capital immediately after the disposal.
- (5) The Secretary of State must ensure that at any given time the Crown holds at least 25 per cent of the designated company's issued ordinary share capital.
- (6) The Secretary of State must ensure that the Crown continues to hold any special share provided for under the designated company's articles of association.
- (7) A special share is a share which can be held only by the Crown and which gives the shareholder the right to prevent certain events by withholding consent.
- (8) The Secretary of State must not consent to any alteration of the designated company's articles of association which requires his consent on behalf of the Crown as special shareholder unless a statement of the intended consent has been laid before and approved by resolution of each House of Parliament.
- (9) If a person enters into a transaction relating to shares issued by the designated company—
  - (a) he need not enquire whether the transaction results in a contravention of subsection (3), (4), (5) or (6), and
  - (b) his rights in relation to the shares are not to be questioned on the grounds of, or affected by, a contravention of subsection (3), (4), (5) or (6).
- (10) Grounds on which the Secretary of State may be satisfied that a scheme is in place as mentioned in subsection (3) include the grounds that the arrangements for the disposal of the shares include provision obliging the person acquiring them to ensure the completion of the project.
- (11) For the purposes of this section a project concerns the development of major facilities if (and only if) the Secretary of State thinks that the value of the project is above £200 million.
- (12) The Secretary of State may by order amend or repeal this section.

*Transferee companies: other provisions*

**52 Loans**

- (1) This section applies if any property, rights or liabilities are transferred under a transfer scheme to a transferee which at the time of the transfer is a company falling within subsection (3).
- (2) With the Treasury's approval the Secretary of State may make loans of such amounts as he thinks fit to the transferee if when the loans are made it is a company falling within subsection (3).
- (3) A company falls within this subsection if it is—
  - (a) a company which is wholly owned by the Crown,
  - (b) a company which is wholly owned by the CAA, or
  - (c) a company which is a wholly owned subsidiary of a company falling within paragraph (a) or (b).
- (4) If loans are made under this section—
  - (a) they must be repaid to the Secretary of State at such times and by such methods as he may specify in a direction given with the Treasury's approval;
  - (b) interest on them must be paid to him at such rates and at such times as may be specified in such a direction.
- (5) The Secretary of State must exercise his powers under this section so as to ensure that the aggregate of the amounts outstanding in respect of the principal of loans made under this section does not at any time exceed £1,000 million.
- (6) In respect of each financial year the Secretary of State must prepare, in such form as may be specified in a direction given by the Treasury, an account of—
  - (a) sums issued to him out of the National Loans Fund for making loans under this section,
  - (b) sums received by him under subsection (4), and
  - (c) how he has disposed of those sums.
- (7) The Secretary of State must send the account to the Comptroller and Auditor General not later than the end of the month of August in the following financial year.
- (8) The Comptroller and Auditor General must examine, certify and report on the account and must lay copies of it and of his report before each House of Parliament.

**53 Guarantees**

- (1) This section applies if any property, rights or liabilities are transferred under a transfer scheme to a transferee which at the time of the transfer is a company falling within subsection (3).
- (2) The Treasury or the Secretary of State may guarantee the discharge of any financial obligation of the transferee if when the guarantee is made it is a company falling within subsection (3).
- (3) A company falls within this subsection if it is—
  - (a) a company which is wholly owned by the Crown,
  - (b) a company which is wholly owned by the CAA, or

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- (c) a company which is a wholly owned subsidiary of a company falling within paragraph (a) or (b).
- (4) In the case of a financial obligation incurred before the giving of a guarantee, it is immaterial when the obligation was incurred.
- (5) A guarantee may be given on such terms and in such manner as the Treasury or the Secretary of State decides.
- (6) A guarantee may continue to have effect after the transferee has ceased to be a company falling within subsection (3).
- (7) The Treasury may not give a guarantee in relation to a financial obligation which is owed by the transferee to the Secretary of State.
- (8) A guarantee may not be given unless the Treasury or the Secretary of State has entered into arrangements under which the transferee will be liable to make payments (including payments of interest) in respect of sums issued in fulfilment of the guarantee.
- (9) The Treasury and the Secretary of State must exercise their powers under this section so as to ensure that the aggregate of the amounts of principal in relation to which guarantees are given under this section does not at any time exceed £500 million.
- (10) As soon as practicable after giving a guarantee under this section the Treasury or the Secretary of State must lay a statement of the guarantee before each House of Parliament.
- (11) As soon as practicable after issuing a sum in fulfilment of a guarantee under this section the Treasury or the Secretary of State must lay a statement relating to the sum before each House of Parliament.
- (12) If a payment is not made as required by arrangements under subsection (8), as soon as practicable after the default occurs the Treasury or the Secretary of State (depending on who made the arrangements) must lay a statement of the default before each House of Parliament.

## **54 Grants**

- (1) This section applies if any property, rights or liabilities are transferred under a transfer scheme to a transferee which at the time of the transfer is a company falling within subsection (3).
- (2) With the Treasury's approval the Secretary of State may make grants towards the transferee's expenditure if when the grants are made it is a company falling within subsection (3).
- (3) A company falls within this subsection if it is—
  - (a) a company which is wholly owned by the Crown,
  - (b) a company which is wholly owned by the CAA, or
  - (c) a company which is a wholly owned subsidiary of a company falling within paragraph (a) or (b).
- (4) Grants may be of such amounts and be made at such times and in such manner as the Secretary of State may determine with the Treasury's approval.

- (5) Grants may be made subject to such conditions as the Secretary of State may determine with the Treasury's approval.
- (6) Grants may be retained by the transferee after it has ceased to be a company falling within subsection (3) (subject to any condition imposed under subsection (5)).

## **55 Trustee investments**

- (1) This section applies if—
  - (a) any property, rights or liabilities are transferred under a transfer scheme to a transferee which at the time of the transfer is a company wholly owned by the Crown,
  - (b) at a time after the transfer the first condition (set out in subsection (2)) is satisfied, and
  - (c) the second condition (set out in subsection (3)) is satisfied.
- (2) The first condition is that the transferee is a company whose shares or debentures are included in the Official List, within the meaning of Part IV of the Financial Services Act 1986, in pursuance of that Part.
- (3) The second condition is that immediately before its shares or debentures are admitted to the Official List the transferee is wholly owned by the Crown.
- (4) If this section applies, subsection (5) has effect for the purpose of applying paragraph 3(b) of Part IV of Schedule 1 to the Trustee Investments Act 1961 (dividends to be paid in each of the five years immediately preceding investment year) in relation to investment in shares or debentures of the transferee in the year of issue or any later year.
- (5) The transferee must be taken to have paid a dividend as mentioned in paragraph 3(b)—
  - (a) in every year which precedes the year of issue and which is included in the relevant five years, and
  - (b) in the year of issue, if it is included in the relevant five years and the transferee does not in fact pay such a dividend in that year.
- (6) For the purposes of this section—
  - (a) the year of issue is the calendar year in which shares in the transferee are first issued in pursuance of section 49;
  - (b) the relevant five years are the five years immediately preceding the year in which the investment in question is made or proposed to be made.

## **56 Shadow directors**

- (1) This section applies if—
  - (a) any property, rights or liabilities are transferred under a transfer scheme to a transferee which at the time of the transfer is a company falling within subsection (2), and
  - (b) at a time after the transfer the condition set out in subsection (3) is satisfied.
- (2) A company falls within this subsection if it is—
  - (a) a company which is wholly owned by the Crown,
  - (b) a company which is wholly owned by the CAA, or

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- (c) a company which is a wholly owned subsidiary of a company falling within paragraph (a) or (b).
- (3) The condition is that—
- (a) the transferee continues to be, or becomes and continues to be, a company which is wholly owned by the Crown or a wholly owned subsidiary of such a company, or
  - (b) the Crown continues to hold any special share provided for under the transferee's articles of association.
- (4) For the purposes of the provisions of the Companies Act 1985 listed in subsection (5) none of the persons listed in subsection (8) is to be regarded as a shadow director of the transferee or of a company associated with the transferee at a time while the condition set out in subsection (3) is satisfied.
- (5) The provisions are—
- (a) section 288 (register of directors);
  - (b) section 305 (directors' names on correspondence etc);
  - (c) section 317 (disclosure of interests in contracts);
  - (d) section 320 (transactions involving directors);
  - (e) section 323 (prohibition on dealing in share options);
  - (f) section 324 (disclosure of shareholdings);
  - (g) section 325 (register of directors' interests);
  - (h) section 330 (restriction on loans).
- (6) For the purposes of the provisions of the Companies (Northern Ireland) Order 1986 listed in subsection (7) none of the persons listed in subsection (8) is to be regarded as a shadow director of the transferee or of a company associated with the transferee at a time while the condition set out in subsection (3) is satisfied.
- (7) The provisions are—
- (a) Article 296 (register of directors);
  - (b) Article 313 (directors' names on correspondence etc);
  - (c) Article 325 (disclosure of interests in contracts);
  - (d) Article 328 (transactions involving directors);
  - (e) Article 331 (prohibition on dealing in share options);
  - (f) Article 332 (disclosure of shareholdings);
  - (g) Article 333 (register of directors' interests);
  - (h) Article 338 (restriction on loans).
- (8) The persons are—
- (a) a Minister of the Crown;
  - (b) a Northern Ireland Minister;
  - (c) a nominee of a person falling within paragraph (a) or (b);
  - (d) a Northern Ireland Department.
- (9) A special share is a share which can be held only by the Crown and which gives the shareholder the right to prevent certain events by withholding consent.
- (10) A company is associated with the transferee if the conditions in subsections (11) and (12) are satisfied.

- (11) The first condition is that the company is designated for the purposes of this subsection by an order of the Secretary of State.
- (12) The second condition is that the company is—
  - (a) wholly owned by the Crown, or
  - (b) a subsidiary of the transferee.

### *Extinguishment of liabilities*

## **57 Extinguishment of liabilities**

- (1) With the Treasury's consent the Secretary of State may give a direction under this section to the CAA if he thinks that to do so would be appropriate in connection with a transfer scheme which has been or is proposed to be made.
- (2) A direction may be given in relation to a company which is wholly owned by the CAA when the direction is given, and it may require the CAA—
  - (a) to release the company from liability in respect of debts which the company owes to the CAA and which are specified in the direction;
  - (b) to do so at a time when the company is wholly owned by the CAA;
  - (c) to become a party to such arrangements as the direction may specify with a view to the release taking effect.
- (3) A direction may by virtue of subsection (2)(c) include provision as to instruments, their form and the time they are to be made.
- (4) A direction has effect to require the CAA to act in accordance with it even if to do so would not be in furtherance of the CAA's functions arising apart from this section.
- (5) If a direction is given the Secretary of State may by order extinguish the CAA's liability in respect of debts which satisfy these conditions—
  - (a) the CAA owes the debts to him,
  - (b) he thinks they correspond to those specified in the direction, and
  - (c) they are specified in the order.
- (6) A direction or order may relate to liability for principal only.

## **58 Securities to be issued**

- (1) With the Treasury's consent the Secretary of State may give one or more directions under this section if he thinks that to do so would be appropriate in connection with a direction which has been given under section 57.
- (2) A direction under this section may be given to a company falling within subsection (3), and it may require the company—
  - (a) to issue to the appropriate person specified in the direction such securities of the company as the direction specifies, or
  - (b) to issue to different appropriate persons so specified such securities of the company as the direction specifies.
- (3) These companies fall within this subsection—

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- (a) the company whose liability the direction under section 57 requires to be released;
  - (b) a company which wholly owns that company;
  - (c) a company which is a wholly owned subsidiary of a company falling within paragraph (a) or (b).
- (4) These are appropriate persons—
- (a) the Secretary of State;
  - (b) the company whose liability the direction under section 57 requires to be released;
  - (c) a company which wholly owns that company.
- (5) But a company does not fall within subsection (3), and a company is not an appropriate person, unless—
- (a) it is wholly owned by the Crown when the direction under this section is given, or
  - (b) it is a wholly owned subsidiary of a company which is wholly owned by the Crown when the direction under this section is given.
- (6) Different directions may be given under this section to the same company; and different directions may be given to different companies.
- (7) A company which is given a direction under this section must issue securities in accordance with it.
- (8) Securities issued in pursuance of this section must be issued at such times and on such terms as the direction concerned specifies.
- (9) Shares issued in pursuance of this section—
- (a) must be of such nominal value as the direction concerned specifies, and
  - (b) must be issued as fully paid and treated for the purposes of the Companies Act 1985 or the Companies (Northern Ireland) Order 1986 as if they had been paid up by virtue of the payment to the issuing company of their nominal value in cash.

## **59 Securities: other provisions**

- (1) If a security is issued to a company in pursuance of section 49 or 58, for the purposes of its statutory accounts the value of the security when issued must be taken to have been equal to—
- (a) its nominal value (if it is a share);
  - (b) the principal sum payable under it (if it is a debenture).
- (2) The nominal value or principal sum mentioned above must be taken to be accumulated realised profits for the purposes of the company's statutory accounts.
- (3) If a direction under section 49 or 58 requires a company to issue a debenture the direction may specify—
- (a) the principal sum payable under the debenture;
  - (b) the terms as to the payment of the principal sum;
  - (c) the terms as to the payment of interest on the principal sum.



- (4) The principal sum payable under the debenture, and the terms as to the payment of it and of interest on it, must be taken to be those so specified.
- (5) Statutory accounts are accounts prepared by a company for the purpose of any provision of the Companies Act 1985 or the Companies (Northern Ireland) Order 1986 (including group accounts).

### *Miscellaneous*

## **60 Enforcement of certain obligations**

- (1) An obligation imposed by a provision included in a scheme by virtue of section 42(4)
  - (a) is enforceable by civil proceedings by a person with whom the agreement is to be made or by any transferor or transferee.
- (2) An obligation imposed by a provision included in a scheme by virtue of section 42(4)
  - (b) is enforceable by civil proceedings by a person in whose favour the instrument is to be executed or by any transferor or transferee.
- (3) The proceedings may be for an injunction or for interdict or for any other appropriate relief or remedy.
- (4) A transaction effected in pursuance of an obligation mentioned in subsection (1) or (2)—
  - (a) is to have effect subject to the provisions of any enactment providing for transactions of the kind concerned to be registered in a statutory register, but
  - (b) subject to that, is to be binding on all other persons, even if it would otherwise require the consent or concurrence of any other person.

## **61 Special provisions about land**

- (1) For the purposes of this section these rights affecting land are relevant land rights—
  - (a) a right of reverter (or in Scotland the right of the fiar on the termination of a liferent);
  - (b) a right of pre-emption;
  - (c) a right of forfeiture;
  - (d) a right of re-entry;
  - (e) a right of irritancy;
  - (f) an option;
  - (g) a right similar to anything falling within paragraphs (a) to (f).
- (2) No relevant land right is to operate or become exercisable as a result of a transfer of land—
  - (a) under a transfer scheme,
  - (b) in consequence of anything done under Schedule 6, or
  - (c) pursuant to an obligation imposed by a provision included in a scheme by virtue of section 42(4)(a) or (b).
- (3) In the case of a transfer mentioned in subsection (2) a relevant land right is to have effect as if—

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- (a) the person to whom the land is transferred were the same person in law as the person transferring the land, and
  - (b) no transfer of the land had taken place.
- (4) Subsection (5) applies if—
- (a) apart from subsections (2) and (3) a relevant land right would have operated in favour of a person or become exercisable by him, but
  - (b) the circumstances are such that in consequence of those subsections the right cannot subsequently operate in his favour or become exercisable by him (as the case may be).
- (5) In such a case just compensation is payable to him by the person to whom the land is transferred or the person transferring it (or both) in respect of the right's extinguishment.
- (6) A dispute about whether or how much compensation is payable or about the person to or by whom it is payable must be referred to and decided by—
- (a) an arbitrator appointed by the President of the Royal Institution of Chartered Surveyors (if the proceedings are to be held in England and Wales),
  - (b) an arbiter appointed by the Chairman of the Royal Institution of Chartered Surveyors in Scotland (if the proceedings are to be held in Scotland), or
  - (c) an arbitrator appointed by the Lord Chancellor (if the proceedings are to be held in Northern Ireland).
- (7) If it appears to the person transferring the land that a person is or may be entitled to compensation he must—
- (a) notify that person in writing that he is or may be entitled, and
  - (b) invite him to make representations to the person transferring the land, and to do so not later than the expiry of the period of 14 days starting with the date of issue of the notification.
- (8) But if the person transferring the land is not aware of the name and address of the person concerned he must publish in such manner as he thinks appropriate a notice—
- (a) containing information about the right affected, and
  - (b) inviting any person who thinks he is or may be entitled to compensation to make representations to the person transferring the land, and to do so within the period (not less than 28 days starting with the date of publication of the notice) specified in the notice.
- (9) Subsections (2) and (3) apply in relation to the doing of any thing in relation to land (including the grant or creation of an estate or interest in it or right over it) as they apply in relation to a transfer of land; and a reference in this section to the person to whom the land is transferred or the person transferring it is to be construed accordingly.

## **62 Exercise of functions through nominees**

- (1) The Treasury or the Secretary of State with the Treasury's approval may for the purposes of section 49, 50 or 58 appoint a person to act as the nominee, or one of the nominees, of the Treasury or the Secretary of State.
- (2) In accordance with directions given from time to time by the Treasury or by the Secretary of State—

- (a) securities may be issued under section 49 or 58 to a nominee of the Secretary of State appointed for the purposes of that section, and
  - (b) a nominee of the Treasury or the Secretary of State appointed for the purposes of section 50 may acquire securities under that section.
- (3) A person holding any securities as a nominee of the Treasury or the Secretary of State by virtue of this section must hold and deal with them (or any of them) on such terms and in such manner as may be specified in directions given by the Treasury or the Secretary of State.
- (4) A direction of the Secretary of State under subsection (2) or (3) requires the Treasury's consent.

### **63 Further provisions about transfer schemes**

Schedule 6 contains provisions about transfer schemes.

### **64 Tax**

Schedule 7 contains provisions about tax.

## *Interpretation*

### **65 Interpretation**

- (1) This section defines these expressions (here listed alphabetically) for the purposes of this Chapter—
- (a) company;
  - (b) company which wholly owns a company;
  - (c) company wholly owned by the CAA;
  - (d) company wholly owned by the Crown;
  - (e) a Northern Ireland Minister;
  - (f) securities;
  - (g) shares held by the Crown;
  - (h) subsidiary and wholly owned subsidiary;
  - (i) transferee;
  - (j) transferor.
- (2) “Company” has the meaning given by section 735(1) of the Companies Act 1985 or Article 3 of the Companies (Northern Ireland) Order 1986.
- (3) A company is wholly owned by the Crown at any time when all its shares are held by the Crown.
- (4) Shares are held by the Crown if they are held—
- (a) by a Minister of the Crown or his nominee,
  - (b) by a Northern Ireland Minister or his nominee,
  - (c) by a Northern Ireland department, or
  - (d) by a company of which all the shares are held by the Crown.

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- (5) “Northern Ireland Minister” includes the First Minister and the deputy First Minister in Northern Ireland.
- (6) A company is wholly owned by the CAA at any time when it has no members except—
  - (a) the CAA and its wholly owned subsidiaries, or
  - (b) persons acting on behalf of the CAA or its wholly owned subsidiaries.
- (7) A company which wholly owns another company is a company of which the other is a wholly owned subsidiary.
- (8) The expressions “subsidiary” and “wholly owned subsidiary” have the meanings given by section 736 of the Companies Act 1985 or Article 4 of the Companies (Northern Ireland) Order 1986.
- (9) “Securities” has the same meaning as in section 142 of the Financial Services Act 1986.
- (10) A transferee is any person to whom anything is or is to be transferred by a scheme.
- (11) A transferor is any person from whom anything is or is to be transferred by a scheme.
- (12) The definitions in this section apply unless the contrary intention appears.

### CHAPTER III

#### AIR NAVIGATION

#### **66 Air navigation: directions**

- (1) The Secretary of State may give directions to the CAA imposing duties or conferring powers (or both) on it with regard to air navigation in a managed area.
- (2) No action is to lie in respect of a failure by the CAA to perform a duty imposed on it by a direction under subsection (1); but that does not affect a right of action in respect of an act or omission which takes place in the course of performing the CAA’s air navigation functions.
- (3) The Secretary of State may nominate a member of the CAA for the purposes of this section, and a person so nominated must perform on the CAA’s behalf such of its air navigation functions as the Secretary of State may specify.
- (4) The following provisions are not to apply to the CAA’s air navigation functions—
  - (a) section 7(1) of the Civil Aviation Act 1982 (Secretary of State’s power to prescribe functions not to be performed by a person on CAA’s behalf);
  - (b) paragraph 15 of Schedule 1 to that Act (CAA’s power to authorise a person to perform functions on its behalf).
- (5) A person nominated under subsection (3) may authorise a member or employee of the CAA to perform on his behalf the functions which he is to perform by virtue of that subsection.

## **67 National security**

- (1) The Secretary of State may nominate a member of the CAA for the purposes of this section, and in this section references to the national security nominee are to the person nominated under this section.
- (2) Subsection (3) applies if—
  - (a) there is a difference of opinion between the national security nominee and the CAA,
  - (b) the difference of opinion relates to the CAA's air navigation functions, and
  - (c) the national security nominee thinks that if the CAA's opinion prevailed it could have an effect contrary to the interests of national security.
- (3) In such a case—
  - (a) the CAA must refer the matter to the Secretary of State, and
  - (b) after consulting the CAA the Secretary of State may give it such directions regarding the matter as he thinks fit.
- (4) The national security nominee may authorise a member or employee of the CAA to perform on his behalf the functions which he is to perform by virtue of this section; and while such an authorisation is effective references in subsection (2) to the national security nominee are to the person authorised under this subsection.

## **68 Directions: further provision**

- (1) Directions under section 66(1) may include provision as to the manner in which the CAA is to exercise its air navigation functions.
- (2) The provision may include—
  - (a) provision requiring consultation with specified persons or specified descriptions of persons in relation to specified matters;
  - (b) provision requiring the CAA to seek the approval of the Secretary of State in relation to specified matters;
  - (c) provision requiring the CAA in specified circumstances to refer specified matters to the Secretary of State.
- (3) If a matter is referred to the Secretary of State by virtue of subsection (2)(b) or (c) he may give such directions to the CAA as he thinks fit.

## **69 Directions: supplementary**

- (1) In so far as a direction under section 66(1), 67(3) or 68(3) conflicts with the requirements of section 93 or of an order under section 94, the direction is to be disregarded.
- (2) In so far as a direction under section 66(1), 67(3) or 68(3) conflicts with the requirements of an enactment or instrument other than section 93 or an order under section 94, the requirements are to be disregarded.
- (3) If a direction is given under section 66(1) the CAA—
  - (a) must publish the direction in such manner as may be specified in regulations made by the Secretary of State;

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- (b) must set out the direction in the report made under section 21 of the Civil Aviation Act 1982 (annual report) for the accounting year in which the direction is given.
- (4) If a direction is given under section 67(3) or section 68(3) the CAA—
- (a) must set out the direction in the report made under section 21 of the Civil Aviation Act 1982 for the accounting year in which the direction is given, but
  - (b) must exclude a direction or part of a direction as to which the Secretary of State notifies the CAA that in his opinion it is against the national interest to set it out in the report.

## **70 General duty**

- (1) The CAA must exercise its air navigation functions so as to maintain a high standard of safety in the provision of air traffic services; and that duty is to have priority over the application of subsections (2) and (3).
- (2) The CAA must exercise its air navigation functions in the manner it thinks best calculated—
- (a) to secure the most efficient use of airspace consistent with the safe operation of aircraft and the expeditious flow of air traffic;
  - (b) to satisfy the requirements of operators and owners of all classes of aircraft;
  - (c) to take account of the interests of any person (other than an operator or owner of an aircraft) in relation to the use of any particular airspace or the use of airspace generally;
  - (d) to take account of any guidance on environmental objectives given to the CAA by the Secretary of State after the coming into force of this section;
  - (e) to facilitate the integrated operation of air traffic services provided by or on behalf of the armed forces of the Crown and other air traffic services;
  - (f) to take account of the interests of national security;
  - (g) to take account of any international obligations of the United Kingdom notified to the CAA by the Secretary of State (whatever the time or purpose of the notification).
- (3) If in a particular case there is a conflict in the application of the provisions of subsection (2), in relation to that case the CAA must apply them in the manner it thinks is reasonable having regard to them as a whole.
- (4) The CAA must exercise its air navigation functions so as to impose on providers of air traffic services the minimum restrictions which are consistent with the exercise of those functions.
- (5) Section 4 of the Civil Aviation Act 1982 (CAA's general objectives) does not apply in relation to the performance by the CAA of its air navigation functions.

## **71 Information for purposes of Chapter III**

- (1) The CAA may, for any purpose connected with its air navigation functions, serve on a person who provides air traffic services a notice which—
- (a) requires the person to produce any documents which are specified or described in the notice and are in his custody or under his control, and to produce them at a time and place so specified and to a person so specified, or

- (b) requires the person to supply information specified or described in the notice, and to supply it at a time and place and in a form and manner so specified and to a person so specified.
- (2) A requirement may be made under subsection (1)(b) only if the person is carrying on a business.
- (3) No person may be required under this section—
  - (a) to produce documents which he could not be compelled to produce in civil proceedings in the court;
  - (b) to supply information which he could not be compelled to supply in such proceedings.
- (4) If a person without reasonable excuse fails to do anything required of him by a notice under subsection (1) he is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.
- (5) If a person intentionally alters, suppresses or destroys a document which he has been required to produce by a notice under subsection (1) he is guilty of an offence and liable—
  - (a) on summary conviction, to a fine not exceeding the statutory maximum;
  - (b) on conviction on indictment, to a fine.
- (6) If a person makes default in complying with a notice under subsection (1) the court may on the CAA's application make such order as the court thinks fit for requiring the default to be made good.
- (7) An order under subsection (6) may provide that all the costs or expenses of and incidental to the application are to be borne—
  - (a) by the person in default, or
  - (b) if officers of a company or other association are responsible for its default, by those officers.
- (8) A reference to producing a document includes a reference to producing a legible and intelligible copy of information recorded otherwise than in legible form.
- (9) A reference to suppressing a document includes a reference to destroying the means of reproducing information recorded otherwise than in legible form.
- (10) A reference to the court is to—
  - (a) the High Court in relation to England and Wales or Northern Ireland;
  - (b) the Court of Session in relation to Scotland.

## **72 Interpretation**

- (1) This section applies for the purposes of this Chapter.
- (2) The CAA's air navigation functions are the functions which the CAA is to perform in pursuance of directions under section 66(1).
- (3) These are managed areas—
  - (a) the United Kingdom;

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- (b) any area which is outside the United Kingdom but in respect of which the United Kingdom has undertaken under international arrangements to carry out activities with regard to air navigation.

## CHAPTER IV

### CHARGES FOR AIR SERVICES

#### *Charges*

#### **73 Charges for services**

- (1) The CAA may specify—
  - (a) the amounts of, or methods of calculating, the charges which are to be paid by virtue of this section in respect of chargeable air services (or of such descriptions of those services as the CAA specifies),
  - (b) the operators and owners of aircraft (or descriptions of such operators and owners) who are to pay the charges,
  - (c) the persons (or descriptions of persons) to whom they are to be paid, and
  - (d) the currencies in which they are to be paid.
- (2) On or after making specifications under subsection (1) the CAA may stipulate—
  - (a) that charges are to be dispensed with in cases of specified descriptions;
  - (b) that interest at a specified rate is to be paid on charges in respect of any period in which they are due but unpaid;
  - (c) that interest is to be paid with the charges or separately;
  - (d) that charges of a specified description are payable elsewhere than in the United Kingdom;
  - (e) that charges of a specified description are to be disposed of in a specified way when received.
- (3) Charges of the specified amounts, or calculated in accordance with the specified methods, must be paid in accordance with specifications made under subsection (1).
- (4) But if stipulations are made under subsection (2)(a) the charges concerned are not to be paid.
- (5) If stipulations are made under subsection (2)(b) or (c) interest must be paid accordingly.
- (6) If stipulations are made under subsection (2)(d) the charges concerned are payable accordingly.
- (7) If stipulations are made under subsection (2)(e) the charges concerned must be disposed of accordingly.
- (8) Subsections (3) to (7) have effect subject to section 74.
- (9) For the purposes of subsection (1)(c) persons include—
  - (a) Eurocontrol and other international organisations, and
  - (b) governments of countries or territories outside the United Kingdom.



#### **74 Publication, commencement, amendment and revocation**

- (1) If the CAA makes specifications or stipulations under section 73—
  - (a) it must publish a notice containing them;
  - (b) they become effective as provided in the published notice.
- (2) The CAA may amend or revoke any specifications or stipulations published under this section, and—
  - (a) it must publish a notice containing any amendment or revocation;
  - (b) the amendment or revocation becomes effective as provided in the published notice.
- (3) An amendment or revocation does not affect any liability incurred before the amendment or revocation becomes effective.
- (4) Publication under this section must be made—
  - (a) in the London Gazette, the Edinburgh Gazette and the Belfast Gazette, or
  - (b) in such other manner as the Secretary of State may provide by order.

#### **75 Specifications: supplementary**

- (1) This section applies for the purposes of specifications under section 73(1).
- (2) The CAA may specify—
  - (a) different amounts or methods in respect of different descriptions of services;
  - (b) different amounts or methods in respect of different classes or descriptions of aircraft;
  - (c) different amounts or methods in respect of different circumstances in which aircraft are used.
- (3) In specifying amounts or methods the CAA must have regard to—
  - (a) tariffs which are approved under any international agreement to which the United Kingdom is a party;
  - (b) tariffs which in the CAA's opinion are likely to be approved under any such agreement before or within one month after the date when the specifications are to take effect;
  - (c) tariffs which in the CAA's opinion are likely to be approved, before or within one month after the date when the specifications are to take effect, under any international agreement to which the United Kingdom is likely to be a party before or within one month after that date.
- (4) Methods may be expressed by reference to such factors (including exchange rates between currencies) as the CAA thinks fit.
- (5) A description of services may be expressed by reference to such factors (including the area in respect of which they are provided) as the CAA thinks fit.
- (6) A description of operators and owners may be so general as to refer to all operators and owners.
- (7) Owners and operators may be specified (or of a description specified) if the services concerned are available for the aircraft concerned, and it is immaterial whether or not the services are actually used or could be used with the equipment installed in the aircraft.

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## **76 Liability, recovery etc**

- (1) Liability to pay a charge by virtue of section 73 arises whether or not—
  - (a) the aircraft concerned is registered in the United Kingdom;
  - (b) it is in the United Kingdom when the services concerned are provided;
  - (c) the services concerned are provided from a place in the United Kingdom.
- (2) A charge payable by virtue of section 73 is recoverable in the United Kingdom wherever it is payable (without prejudice to its recovery elsewhere).
- (3) A court in any part of the United Kingdom has jurisdiction to hear and determine—
  - (a) a claim for a charge or interest payable by virtue of section 73;
  - (b) a claim, by a person appearing to the court to have an interest in the matter, that a charge which by virtue of that section must be disposed of in a particular way has not been disposed of in that way.
- (4) Subsection (3) applies even if the person against whom the claim is made is not resident within the court's jurisdiction.

## **77 Chargeable air services**

- (1) For the purposes of this Chapter chargeable air services are services which—
  - (a) fall within subsection (2), and
  - (b) are not excepted air services (as defined in subsection (3)).
- (2) These services fall within this subsection—
  - (a) air traffic services provided in respect of the United Kingdom;
  - (b) air traffic services which the United Kingdom has undertaken under international arrangements to provide in respect of an area outside the United Kingdom;
  - (c) air traffic services which are provided in respect of an area outside the United Kingdom and the charges for which the United Kingdom has undertaken to collect under international arrangements;
  - (d) services which are provided by the CAA in performing its air navigation functions (within the meaning of Chapter III) and for which Eurocontrol is to collect charges under the Eurocontrol agreement;
  - (e) air traffic services which do not fall within paragraph (d) and for which Eurocontrol is to collect charges under the Eurocontrol agreement.
- (3) These are excepted air services—
  - (a) air traffic services provided by the owner or manager of an aerodrome or by his employee;
  - (b) air traffic services provided on behalf of the owner or manager of an aerodrome (other than a designated aerodrome) in circumstances where the person providing the services is not an employee of the owner or manager and they are provided under a contract or other arrangement made by the owner or manager and the person providing them.
- (4) A designated aerodrome is an aerodrome designated by the Secretary of State by order for the purposes of subsection (3)(b).
- (5) The Secretary of State may by order amend the meaning of chargeable air services for the purposes of this Chapter.

## **78 Amounts for recovery etc**

- (1) This section applies if—
  - (a) an amount of a charge is specified under section 73(1) in respect of a service falling within section 77(2)(d) or (e), and
  - (b) under the Eurocontrol agreement Eurocontrol is to collect a charge in respect of the specification and publication of the amount of the charge and its recovery.
- (2) In specifying the amount of the charge the CAA may include an amount in respect of the specification and publication of the amount of the charge and its recovery.
- (3) References to an amount include references to a method of calculating an amount.

## **79 Further duties of the CAA**

- (1) The CAA—
  - (a) must exercise its powers under section 73 if it thinks it should do so in order for international agreements to which the United Kingdom is a party to be fulfilled, and
  - (b) in exercising those powers must act in the manner it thinks best calculated to take account of those agreements.
- (2) The CAA must exercise its powers under section 73 in relation to services falling within section 77(2)(b) if it thinks it should do so in order to enable the provider of the services to be paid for their provision.

## **80 Secretary of State's duties**

- (1) If information is given to the Secretary of State by the CAA concerning the charges the CAA would like to be paid in respect of chargeable air services which fall within section 77(2)(d), he must (so far as practicable) ensure that the information is given to Eurocontrol.
- (2) If information is given to the Secretary of State by a licence holder concerning the charges it would like to be paid in respect of chargeable air services which it provides and which fall within section 77(2)(e), he must (so far as practicable) ensure that the information is given to Eurocontrol.
- (3) But subsection (2) does not apply if the CAA tells the Secretary of State that giving the information to Eurocontrol could result in the licence holder being paid charges whose calculation was in contravention of the provisions of the licence.
- (4) If money is received by the government of the United Kingdom from Eurocontrol in respect of a chargeable air service falling within section 77(2)(d) or (e), the Secretary of State must (so far as practicable) ensure that the money is paid to the person who provided the service.
- (5) If money falls to be paid by Eurocontrol in respect of a chargeable air service falling within section 77(2)(d) or (e), the Secretary of State must (so far as practicable) ensure that the money falls to be paid by Eurocontrol to the person who provided the service.
- (6) The reference to money being received by the government of the United Kingdom is to money being received by a person on behalf of that government.

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*Miscellaneous*

**81 Records**

- (1) The Secretary of State may make regulations in order to facilitate the assessment and collection of charges payable by virtue of section 73.
- (2) The regulations may require operators or owners of aircraft or managers of aerodromes—
  - (a) to make such records of the movements of aircraft, and of such other particulars relating to aircraft, as are specified;
  - (b) to preserve the records for a specified period;
  - (c) to produce relevant records for inspection by specified persons at specified times;
  - (d) to provide specified particulars of relevant records to specified persons.
- (3) Relevant records are records required to be preserved by the operators, owners or managers by the regulations or an Air Navigation Order.
- (4) The persons who may be specified under subsection (2)(c) or (d) are—
  - (a) in the case of charges payable to Eurocontrol, officers of the CAA or of Eurocontrol;
  - (b) in the case of other charges, officers of the CAA or of the organisation, government or other person to whom the charges are payable.
- (5) The requirements may be imposed on the operator or owner of an aircraft whether or not—
  - (a) it is registered in the United Kingdom;
  - (b) it is in the United Kingdom when the services concerned are provided;
  - (c) the services concerned are provided from a place in the United Kingdom.
- (6) A record includes (in addition to a record in writing)—
  - (a) a disc, tape, sound-track or other device in which sounds or signals are embodied so as to be capable of being reproduced from it (with or without the aid of some other instrument);
  - (b) a film, tape or other device in which visual images are embodied so as to be capable of being reproduced from it (with or without the aid of some other instrument);
  - (c) a photograph.
- (7) An Air Navigation Order is an Order in Council under section 60 of the Civil Aviation Act 1982.
- (8) In subsection (4)—
  - (a) a reference to officers of the CAA includes a reference to persons authorised to act as such officers;
  - (b) a reference to officers of Eurocontrol includes a reference to persons authorised to act as such officers.

## **82 Offences**

- (1) A person commits an offence if without reasonable excuse he fails to comply with a requirement of regulations made under section 81.
- (2) A person commits an offence if he is in possession of information provided to him or obtained by him under regulations made under section 81 and he discloses the information otherwise than—
  - (a) with the consent of the person by whom it was provided or from whom it was obtained,
  - (b) for the purposes of the regulations,
  - (c) for the purposes of any proceedings arising out of this Chapter,
  - (d) for the purposes of any criminal proceedings (however arising),
  - (e) for the purposes of any proceedings brought by virtue of paragraph 3 of Schedule 4 to the Civil Aviation Act 1982 (claims against Eurocontrol),
  - (f) for the purposes of a public inquiry or investigation held or carried out under regulations made under section 75 of the Civil Aviation Act 1982, or
  - (g) for the purposes of a report of any proceedings, inquiry or investigation mentioned above.
- (3) A person commits an offence if in providing particulars under a provision contained in regulations by virtue of section 81(2)(d)—
  - (a) he provides particulars which he knows are false in a material particular, or
  - (b) he recklessly provides particulars which are false in a material particular.
- (4) A person who commits an offence under subsection (1) is liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (5) A person who commits an offence under subsection (2) is liable on summary conviction to a fine not exceeding level 3 on the standard scale or to imprisonment for a term not exceeding 3 months or to both.
- (6) A person who commits an offence under subsection (3) is liable—
  - (a) on summary conviction, to a fine not exceeding the statutory maximum or to imprisonment for a term not exceeding 3 months or to both;
  - (b) on conviction on indictment, to a fine or to imprisonment for a term not exceeding 2 years or to both.

## **83 Detention and sale**

- (1) The Secretary of State may make regulations containing—
  - (a) provision which, in the case of default by an operator in paying a charge payable by virtue of section 73, authorises the detention (pending payment) of any aircraft falling within subsection (2);
  - (b) provision which, in the case of default by an operator in complying with a requirement imposed by regulations made under section 81 to produce records for inspection or provide particulars of records, authorises the detention (pending compliance) of any aircraft of which he is the operator when detention begins;
  - (c) provision which authorises the sale of any detained aircraft if the default is not remedied within a specified period.
- (2) These aircraft fall within this subsection—

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- (a) the aircraft in respect of which the charge was incurred (whether or not the person who is the operator of the aircraft when detention begins is the defaulter);
  - (b) any aircraft of which the defaulter is the operator when detention begins.
- (3) Regulations under subsection (1) may—
- (a) provide that detention (or continued detention) is authorised only in specified circumstances or at specified places;
  - (b) provide that in specified circumstances detention is authorised only if a specified person consents;
  - (c) provide that sale is authorised only in specified circumstances (which may relate to the court’s consent, to be given only in specified circumstances);
  - (d) specify the descriptions of person authorised to detain or sell aircraft;
  - (e) provide for the power of detention or sale to extend to other matters (such as the aircraft’s equipment);
  - (f) provide for the application of the proceeds of sale;
  - (g) provide for them to be applied in a specified order;
  - (h) make provision corresponding to any provision made by or under section 88 of the Civil Aviation Act 1982 (detention and sale of aircraft for unpaid airport charges);
  - (i) generally make such provision as the Secretary of State thinks is necessary or expedient to secure detention or sale.

### *Interpretation*

## **84 Interpretation**

- (1) This section applies for the purposes of this Chapter.
- (2) Eurocontrol has the meaning given by section 24 of the Civil Aviation Act 1982.
- (3) The Eurocontrol agreement is the multilateral agreement relating to route charges signed at Brussels on 12 February 1981 or any agreement replacing it.
- (4) An aerodrome is an aerodrome as defined in section 105(1) of the Civil Aviation Act 1982; and a manager of an aerodrome is a person who is in charge of it or holds a licence granted in respect of it by virtue of section 60 of that Act (Chicago Convention, regulation of air navigation etc).
- (5) “Licence holder” has the meaning given by section 40.

## **CHAPTER V**

### COMPETITION

## **85 Interpretation of Chapter V**

- (1) For the purposes of this Chapter—
  - (a) the 1973 Act is the Fair Trading Act 1973;
  - (b) the 1998 Act is the Competition Act 1998;

- (c) the Director is the Director General of Fair Trading.
- (2) For the purposes of this Chapter these expressions have the meanings given by section 40—
  - (a) aerodrome;
  - (b) licence;
  - (c) licence holder.
- (3) If an expression is used in this Chapter and also in the 1973 Act or the 1998 Act it has the same meaning in this Chapter as it has in the Act concerned.

## **86 Functions exercisable by CAA and Director**

- (1) The functions to which subsections (2) and (3) apply shall be concurrent functions of the CAA and the Director.
- (2) This subsection applies to the Director's functions under sections 44, 50, 52, 53, 56A to 56G, 86 and 88 of the 1973 Act so far as they relate to monopoly situations which exist or may exist in relation to the supply of air traffic services.
- (3) This subsection applies to the Director's functions under the provisions of Part I of the 1998 Act (other than sections 38(1) to (6) and 51) so far as they relate to—
  - (a) agreements, decisions or concerted practices which are of the kind mentioned in section 2(1) of the 1998 Act and which relate to the supply of air traffic services, or
  - (b) conduct which is of the kind mentioned in section 18(1) of the 1998 Act and which relates to the supply of air traffic services.
- (4) References to the Director in—
  - (a) Part IV and sections 86, 88, 93B(1)(a) and 133(4) of the 1973 Act, and
  - (b) Part I of the 1998 Act (except in sections 38(1) to (6), 51, 52(6) and (8) and 54),must be read as including references to the CAA.
- (5) But subsection (4) applies—
  - (a) only so far as it is consequential on subsections (1) to (3) above, and
  - (b) only if the context does not otherwise require.
- (6) If a question arises as to whether subsections (1) to (3) above apply to a particular case the question must be referred to and determined by the Secretary of State.
- (7) No objection may be taken to anything done by or in relation to the CAA—
  - (a) under Part IV or section 86 or 88 of the 1973 Act, or
  - (b) under Part I of the 1998 Act (except under section 38(1) to (6) or 51),on the ground that it should have been done by or in relation to the Director.

## **87 CAA's 1973 Act functions**

- (1) For the purposes of this section the CAA's 1973 Act functions are the functions mentioned in subsection (2) of section 86 which, by virtue of that section, are functions of the CAA.

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- (2) The CAA must exercise its 1973 Act functions so as to maintain a high standard of safety in the provision of air traffic services; and that duty is to have priority over the application of subsections (3) to (6).
- (3) The CAA must exercise its 1973 Act functions in the manner it thinks best calculated—
  - (a) to further the interests of operators and owners of aircraft, owners and managers of aerodromes, persons travelling in aircraft and persons with rights in property carried in them;
  - (b) to promote efficiency and economy on the part of suppliers of air traffic services;
  - (c) to secure that suppliers of air traffic services who are licence holders will not find it unduly difficult to finance activities authorised by their licences;
  - (d) to take account of any international obligations of the United Kingdom notified to the CAA by the Secretary of State (whatever the time or purpose of the notification);
  - (e) to take account of any guidance on environmental objectives given to the CAA by the Secretary of State after the coming into force of this section.
- (4) The only interests to be considered under subsection (3)(a) are interests regarding the range, availability, continuity, cost and quality of air traffic services.
- (5) The reference in subsection (3)(a) to furthering interests includes a reference to furthering them (where the CAA thinks it appropriate) by promoting competition in the provision of air traffic services.
- (6) If in a particular case there is a conflict in the application of the provisions of subsections (3) to (5), in relation to that case the CAA must apply them in the manner it thinks is reasonable having regard to them as a whole.
- (7) The CAA must exercise its 1973 Act functions so as to impose on suppliers of air traffic services the minimum restrictions which are consistent with the exercise of those functions.
- (8) Section 4 of the Civil Aviation Act 1982 (CAA's general objectives) does not apply in relation to the performance by the CAA of its 1973 Act functions.

## **88 CAA's 1998 Act functions**

- (1) For the purposes of this section the CAA's 1998 Act functions are the functions mentioned in subsection (3) of section 86 which, by virtue of that section, are functions of the CAA.
- (2) In exercising its 1998 Act functions the CAA may (in particular) have regard to any matter which satisfies the following condition.
- (3) The condition is that the matter is one to which, by virtue of section 87, the CAA must have regard in exercising its 1973 Act functions (within the meaning of that section).

## **89 Carrying out functions**

- (1) For the purposes of this section the 1973 Act functions are the functions mentioned in subsection (2) of section 86 which, by virtue of that section, are concurrent functions of the CAA and the Director.



- (2) Before the Director or the CAA first carries out the 1973 Act functions in relation to a matter he or it must consult the other.
- (3) If the Director or the CAA has carried out the 1973 Act functions in relation to a matter the other must not carry out the 1973 Act functions in relation to the matter.
- (4) If in carrying out the 1973 Act functions the CAA makes a reference to the Competition Commission, to help the Commission in its investigation on the reference the CAA must give to it—
  - (a) any information the CAA has which relates to matters within the scope of the investigation and which the Commission requests;
  - (b) any information the CAA has which relates to matters within the scope of the investigation and which the CAA thinks it would be appropriate for it to give without a request;
  - (c) any other help which the CAA is able to give in relation to matters within the scope of the investigation and which the Commission requests.
- (5) In carrying out the investigation concerned the Commission must take account of any information given under subsection (4).

## CHAPTER VI

### MISCELLANEOUS AND GENERAL

#### *Miscellaneous*

#### **90 Publication of information and advice**

- (1) The CAA may publish information and advice which it thinks it is expedient to give to—
  - (a) operators and owners of aircraft;
  - (b) owners and managers of aerodromes;
  - (c) persons travelling in aircraft and persons with rights in property carried in them.
- (2) The CAA may instead arrange for the publication of such information and advice.
- (3) Publication under this section is to be in the form and manner the CAA thinks appropriate.
- (4) So far as practicable the CAA must secure the exclusion of any matter relating to the affairs of a person if the CAA thinks its publication would or might seriously and prejudicially affect the person's interests.
- (5) But subsection (4) does not apply if the CAA thinks publication of the matter would be in the public interest.
- (6) The Director must consult the CAA before publishing under section 124 of the 1973 Act any information or advice which may be published under this section.
- (7) An aerodrome is an aerodrome as defined by section 105(1) of the Civil Aviation Act 1982; and a manager of an aerodrome is a person who is in charge of it or holds a

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licence granted in respect of it by virtue of section 60 of that Act (Chicago Convention, regulation of air navigation etc).

- (8) The Director is the Director General of Fair Trading and the 1973 Act is the Fair Trading Act 1973.

## **91 Review and information**

- (1) So far as it appears to the CAA practicable to do so with a view to facilitating the exercise of its functions under this Part, it must—
- (a) keep under review the provision (in the United Kingdom and elsewhere) of air traffic services;
  - (b) collect information about the provision (in the United Kingdom and elsewhere) of those services.
- (2) The Secretary of State may give directions indicating considerations to which the CAA is to have particular regard in deciding the order of priority in which matters are to be reviewed in performing its duty under subsection (1)(a).
- (3) If the CAA thinks it expedient or it is asked by the Secretary of State or the Director to do so, it must provide information, advice and help to the Secretary of State or the Director regarding any matter in respect of which the CAA has a function under this Part.
- (4) The CAA may recover from the Secretary of State or the Director a sum equal to any expense reasonably incurred by it in providing anything to the person concerned under subsection (3).
- (5) The Director is the Director General of Fair Trading.

## **92 Secretary of State's directions to CAA**

The Secretary of State may give directions indicating considerations to which the CAA is to have particular regard in deciding whether and how to exercise its functions under this Part.

## **93 Control in time of hostilities etc**

- (1) The Secretary of State may—
- (a) give directions to any listed person in any time of actual or imminent hostilities or of severe international tension or of great national emergency;
  - (b) give directions to any listed person requiring him to participate in the planning of steps which might be taken in any time of actual or imminent hostilities or of severe international tension or of great national emergency.
- (2) The listed persons are—
- (a) the CAA;
  - (b) a person who provides air traffic services;
  - (c) a person who operates a United Kingdom air transport undertaking;
  - (d) a person who operates an airport;
  - (e) a person who owns or operates a relevant asset.
- (3) The power under subsection (1)(a) includes—

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- (a) in the case of the CAA, power to direct it to carry out its functions in a specified manner or for specified purposes;
  - (b) in the case of a person who provides air traffic services, power to direct him to do so in a specified manner or for specified purposes;
  - (c) in the case of a person who owns a relevant asset, power to direct him to permit the use of the asset or to exercise his rights over it in a specified manner or for specified purposes;
  - (d) in the case of a person who operates a relevant asset, power to direct him to exercise his powers of management over the asset in a specified manner or for a specified purpose.
- (4) The power under subsection (1)(a) includes power to give directions designed—
- (a) to regulate or prohibit (absolutely or subject to conditions) the navigation of all or any descriptions of aircraft over the United Kingdom or over part of it or over any area of sea;
  - (b) to regulate or prohibit (absolutely or subject to conditions) the use, building, maintenance or establishment of aerodromes or flying schools or of any description of aerodrome or flying school;
  - (c) to secure that relevant assets are taken into the Secretary of State’s possession for use by or for the purposes of the armed forces of the Crown.
- (5) In so far as a direction under this section conflicts with the requirements of an order under section 94, the direction is to be disregarded.
- (6) In so far as a direction under this section conflicts—
- (a) with the requirements of an enactment or instrument other than an order under section 94, or
  - (b) with any duty which arises otherwise than under an enactment or instrument, the requirements are or the duty is to be disregarded.
- (7) A person directed under this section commits an offence if without reasonable excuse he contravenes or fails to comply with the direction.
- (8) A person who commits an offence under subsection (7) is liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum;
  - (b) on conviction on indictment, to a fine or imprisonment for a term not exceeding two years or both.
- (9) A person (other than the CAA) who suffers direct injury or loss arising from compliance with a direction under subsection (1)(a) is entitled to receive compensation from the Secretary of State.
- (10) The compensation must be of an amount agreed by the person and the Secretary of State or (in default of agreement) of an amount decided by—
- (a) an arbitrator appointed by the President of the Royal Institution of Chartered Surveyors (if the proceedings are to be held in England and Wales),
  - (b) an arbiter appointed by the Chairman of the Royal Institution of Chartered Surveyors in Scotland (if the proceedings are to be held in Scotland), or
  - (c) an arbitrator appointed by the Lord Chancellor (if the proceedings are to be held in Northern Ireland).

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#### **94 Orders for possession of aerodromes etc**

- (1) This section applies in any time of actual or imminent hostilities or of severe international tension or of great national emergency.
- (2) The Secretary of State may by order provide for—
  - (a) any aerodrome, and
  - (b) any aircraft, machinery, plant, material or thing found in or on any aerodrome, to be taken into his possession and used by or for the purposes of the armed forces of the Crown.
- (3) An order under this section may, for the purpose of securing compliance with the provisions of the order—
  - (a) provide for the detention of aircraft;
  - (b) make such other provision as appears to the Secretary of State to be necessary or expedient for securing such detention.
- (4) A person must comply with an order under this section notwithstanding any other duty, however arising.
- (5) An order under this section may, for the purpose of securing compliance with the provisions of the order, provide for—
  - (a) persons to be guilty of offences in such circumstances as may be specified in the order;
  - (b) persons to be liable on conviction of those offences to such penalties as may be so specified.
- (6) The power under subsection (5) does not include power—
  - (a) to provide for offences to be triable only on indictment;
  - (b) to authorise the imposition, on summary conviction of an offence, of any term of imprisonment or of a fine exceeding the statutory maximum;
  - (c) to authorise the imposition, on conviction on indictment of an offence, of a term of imprisonment exceeding two years.
- (7) Any person who suffers direct injury or loss arising from compliance with an order under this section is entitled to receive compensation from the Secretary of State.
- (8) The compensation must be of an amount agreed by the person and the Secretary of State or (in default of agreement) of an amount decided by—
  - (a) an arbitrator appointed by the President of the Royal Institution of Chartered Surveyors (if the proceedings are to be held in England and Wales),
  - (b) an arbiter appointed by the Chairman of the Royal Institution of Chartered Surveyors in Scotland (if the proceedings are to be held in Scotland), or
  - (c) an arbitrator appointed by the Lord Chancellor (if the proceedings are to be held in Northern Ireland).

#### **95 Sections 93 and 94: interpretation**

- (1) This section defines these expressions (here listed alphabetically) for the purposes of sections 93 and 94 and this section—
  - (a) aerodrome;
  - (b) airport, and its operator;
  - (c) great national emergency;

- (d) relevant asset, and a person who owns or operates it;
  - (e) United Kingdom air transport undertaking.
- (2) A great national emergency is a natural disaster or other emergency which the Secretary of State thinks is or may be likely to give rise to such disruption of the means of transport that the population, or a substantial part of the population, of the United Kingdom is or may be likely to be deprived of essential goods or services.
- (3) An aerodrome is an aerodrome as defined in section 105(1) of the Civil Aviation Act 1982.
- (4) An airport is the aggregate of the land, buildings and works comprised in an aerodrome; and a person operates an airport if he manages it.
- (5) A United Kingdom air transport undertaking is an undertaking which appears to the Secretary of State to have its principal place of business in the United Kingdom and which includes the provision of services for the carriage by air of passengers or cargo for hire or reward.
- (6) A relevant asset is any—
- (a) aerodrome,
  - (b) property used in connection with the operation of an aerodrome,
  - (c) aircraft, or
  - (d) property used in connection with the provision of air traffic services.
- (7) An owner of a relevant asset is a person—
- (a) who owns it or has a right over or interest in it, and
  - (b) whose consent is needed for its use by any other person.
- (8) An operator of a relevant asset is a person who manages it.

## **96 Civil Aviation Authority Pension Scheme**

- (1) The Secretary of State may by order make provision for the allocation of assets, rights, liabilities or obligations between different sections of the Civil Aviation Authority Pension Scheme.
- (2) An order under this section may include provision for or in connection with—
- (a) securing that the Scheme continues to be approved for the purposes of the relevant enactments;
  - (b) the amendment of the Scheme;
  - (c) the manner in which questions arising under the order are to be determined.
- (3) The reference in subsection (2) to the amendment of the Scheme includes a reference to the amendment of—
- (a) the trust deed of the Scheme;
  - (b) the rules of the Scheme;
  - (c) any other instrument relating to the constitution, management or operation of the Scheme.
- (4) An order under this section may be made so as to have effect from a date falling before the making of the order.

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- (5) In making an order under this section the Secretary of State must secure that each person falling within subsection (6) is overall in materially at least as good a position, as respects pension arrangements, as a result of the order.
- (6) A person falls within this subsection if—
  - (a) he is or has at any time been a contributing member of the Scheme, or
  - (b) he is or may become entitled to benefits in respect of a person falling within paragraph (a).
- (7) A contributing member of the Scheme is a member who makes, and whose employer makes in respect of him, contributions under the Scheme.
- (8) The relevant enactments are—
  - (a) Chapter I of Part XIV of the Income and Corporation Taxes Act 1988 (retirement benefit schemes);
  - (b) Part III of the Pension Schemes Act 1993, so far as relating to occupational pension schemes.

## **97 Amendments**

Schedule 8 contains amendments.

### *General interpretation*

## **98 Air traffic services**

- (1) For the purposes of this Part these are air traffic services—
  - (a) providing instructions, information or advice with a view to preventing aircraft colliding with other aircraft or with other obstructions (whether in the air or on the ground);
  - (b) providing instructions, information or advice with a view to securing safe and efficient flying;
  - (c) managing the flow of air traffic with a view to ensuring the most efficient use of airspace;
  - (d) providing facilities for communicating with aircraft and for the navigation and surveillance of aircraft;
  - (e) notifying organisations of aircraft needing search and rescue facilities, and assisting organisations to provide such facilities.
- (2) The Secretary of State may by order amend the meaning of air traffic services for the purposes of this Part.

## **99 The CAA**

For the purposes of this Part the CAA is the Civil Aviation Authority.

### *Other general provisions*

#### **100 Service of documents**

- (1) A document required or authorised by virtue of this Part to be served on a person may be served—
  - (a) by delivering it to him or by leaving it at his proper address or by sending it by post to him at that address;
  - (b) if the person is a body corporate, by serving it in accordance with paragraph (a) on the secretary of the body;
  - (c) if the person is a partnership, by serving it in accordance with paragraph (a) on a partner or a person having the control or management of the partnership business.
- (2) For the purposes of this section and section 7 of the Interpretation Act 1978 (service of documents by post) in its application to this section, the proper address of a person on whom a document is to be served is his last known address, except that—
  - (a) in the case of service on a body corporate or its secretary, it is the address of the registered or principal office of the body;
  - (b) in the case of service on a partnership or a partner or a person having the control or management of a partnership business, it is the address of the principal office of the partnership.
- (3) For the purposes of subsection (2) the principal office of a company constituted under the law of a country or territory outside the United Kingdom or of a partnership carrying on business outside the United Kingdom is its principal office within the United Kingdom.
- (4) Subsection (5) applies if a person to be served under this Part with a document by another has specified to that other an address within the United Kingdom other than his proper address (as determined under subsection (2)) as the one at which he or someone on his behalf will accept documents of the same description as that document.
- (5) In relation to that document that address must be treated as his proper address for the purposes of this section and section 7 of the Interpretation Act 1978 in its application to this section, instead of that determined under subsection (2).
- (6) This section does not apply to a document if rules of court make provision about its service.
- (7) In this section references to serving include references to similar expressions (such as giving or sending).

#### **101 Making of false statements etc**

- (1) A person commits an offence if in giving information or making an application in relevant circumstances—
  - (a) he makes a statement which he knows to be false in a material particular, or
  - (b) he recklessly makes a statement which is false in a material particular.
- (2) A person gives information or makes an application in relevant circumstances if he gives or makes it in pursuance of—
  - (a) a provision contained in or made under this Part, or

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- (b) a direction given, notice served or other thing done in pursuance of such a provision.
- (3) A person who commits an offence under this section is liable—
  - (a) on summary conviction, to a fine not exceeding the statutory maximum;
  - (b) on conviction on indictment, to a fine.
- (4) No proceedings may be started in England and Wales for an offence under this section except by or with the consent of the Secretary of State or the Director of Public Prosecutions.
- (5) No proceedings may be started in Northern Ireland for an offence under this section except by or with the consent of the Secretary of State or the Director of Public Prosecutions for Northern Ireland.

## **102 Disclosure of information**

Schedule 9 contains provision about the disclosure of information.

## **103 Orders and regulations**

- (1) A power to make an Order in Council or an order or regulations under this Part may be exercised differently in relation to different cases or descriptions of case.
- (2) An Order in Council or an order or regulations under this Part may include such supplementary, incidental, consequential or transitional provisions as the person exercising the power thinks are necessary or expedient.
- (3) A power to make an order or regulations under this Part is exercisable by statutory instrument.
- (4) In subsections (1) and (3) references to a power to make an order are to a power of the Secretary of State; and in subsection (2) the reference to an order is to an order made by the Secretary of State.
- (5) A statutory instrument is subject to annulment in pursuance of a resolution of either House of Parliament if the instrument contains an order or regulations made by the Secretary of State under any provision of this Part other than section 51 or 94.
- (6) No order is to be made under section 51 unless a draft has been laid before and approved by resolution of each House of Parliament.
- (7) The power to make an order under section 4 is exercisable only after consultation with the CAA, unless the exemption needs to be granted before the coming into force of section 3.
- (8) The power to make an order under section 98 is exercisable only after consultation with the CAA.
- (9) The power to make regulations under section 6 is exercisable only after consultation with the CAA.
- (10) The power to make an order under section 57 is exercisable only with the Treasury's consent.



- (11) The power to make an order under section 77(5) is exercisable only after consultation with the CAA and holders of licences under Chapter I.
- (12) The power to make an order under section 96 is exercisable only after consultation with the trustees of the Civil Aviation Pension Scheme.
- (13) If apart from this subsection a draft of an order under section 51 would be treated for the purposes of the standing orders of either House of Parliament as a hybrid instrument, it is to proceed in that House as if it were not such an instrument.

#### **104 Directions**

- (1) A person to whom a direction is given under this Part must give effect to the direction.
- (2) A direction under a provision of this Part may be varied or revoked by a direction under the same provision.
- (3) A direction under this Part must be in writing.

#### **105 Crown application**

- (1) The provisions mentioned in subsection (2) bind the Crown.
- (2) The provisions are—
  - (a) section 3;
  - (b) sections 26 to 30 and 33;
  - (c) sections 41, 42, 44, 45 and 60;
  - (d) Chapter V, to the extent that it applies or modifies the operation of provisions of the Competition Act 1998;
  - (e) sections 93 to 95;
  - (f) section 104, so far as relating to other provisions of this Part which bind the Crown;
  - (g) Schedule 1, to the extent that it applies, amends or modifies the operation of provisions of the Insolvency Act 1986 which bind the Crown so far as affecting or relating to the matters specified in paragraphs (a) to (e) of section 434 of that Act;
  - (h) Schedule 2;
  - (i) Schedule 3, to the extent that it applies, amends or modifies the operation of provisions of the Insolvency (Northern Ireland) Order 1989 which bind the Crown so far as affecting or relating to the matters specified in paragraphs (a) to (e) of Article 378 of that Order;
  - (j) Schedule 6.
- (3) Her Majesty may by Order in Council apply, with or without modification, any of the provisions mentioned in subsection (4) to any aircraft belonging to or exclusively employed in the service of Her Majesty.
- (4) The provisions are—
  - (a) Chapter IV (except section 82);
  - (b) any order or regulations under any provision mentioned in paragraph (a).

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- (5) This section (except so far as it relates to Chapter V) has effect subject to section 106; and, so far as it relates to Chapter V, it has effect subject to section 73 of the Competition Act 1998.

#### **106 The Crown: other provisions**

- (1) No contravention by the Crown of a provision contained in or made under this Part shall make the Crown criminally liable; but the High Court or in Scotland the Court of Session may, on the application of a person appearing to the Court to have an interest, declare unlawful any act or omission of the Crown which constitutes such a contravention.
- (2) Notwithstanding subsection (1), the provisions contained in or made under section 3(1), 93(7) or 94(5) apply to persons in the public service of the Crown as they apply to other persons.
- (3) However, section 3(1) does not apply if the services there mentioned are provided by or on behalf of the armed forces of the Crown; and the person to whom and aircraft for which the services are provided are immaterial.
- (4) Nothing in section 105 or this section affects Her Majesty in her private capacity; and this subsection must be construed as if section 38(3) of the Crown Proceedings Act 1947 (meaning of Her Majesty in her private capacity) were contained in this Act.

#### **107 Extension outside United Kingdom**

- (1) Her Majesty may by Order in Council direct that any of the provisions listed in subsection (2) is to extend to any relevant overseas territory specified in the Order, with the modifications (if any) so specified.
- (2) The provisions are—
- (a) Chapter I;
  - (b) Chapter II;
  - (c) Chapter III;
  - (d) Chapter IV;
  - (e) sections 90 to 104 and Schedules 8 and 9;
  - (f) section 273 so far as it relates to offences under this Part.
- (3) These are relevant overseas territories—
- (a) any of the Channel Islands;
  - (b) the Isle of Man;
  - (c) any colony.
- (4) In this section “modifications” includes additions, omissions and other alterations.

## PART II

### LOCAL TRANSPORT

#### *Local transport plans and bus strategies*

#### **108 Local transport plans**

- (1) Each local transport authority must—
  - (a) develop policies for the promotion and encouragement of safe, integrated, efficient and economic transport facilities and services to, from and within their area, and
  - (b) carry out their functions so as to implement those policies.
- (2) The transport facilities and services mentioned in subsection (1) are—
  - (a) those required to meet the needs of persons living or working in the authority's area, or visiting or travelling through that area, and
  - (b) those required for the transportation of freight;and include facilities and services for pedestrians.
- (3) Each local transport authority must prepare a document to be known as the local transport plan containing their policies under subsection (1).
- (4) In this Part “local transport authority” means—
  - (a) a county council in England,
  - (b) a council of a non-metropolitan district in England comprised in an area for which there is no county council,
  - (c) a Passenger Transport Authority for a passenger transport area in England, or
  - (d) a county council or county borough council in Wales.

#### **109 Further provision about plans**

- (1) A local transport authority must keep their local transport plan under review and alter it if they consider it appropriate to do so.
- (2) The authority must replace the plan not later than five years after the date on which it was made.
- (3) As soon as practicable after any occasion when they prepare a new plan or alter their plan, the authority must—
  - (a) publish the plan or the plan as altered in such manner as they think fit, and
  - (b) send a copy of it to the Secretary of State (in the case of an authority whose area is in England) or the National Assembly for Wales (in the case of an authority whose area is in Wales) and to such other persons (if any) as may be specified in guidance under section 112(1).
- (4) The authority must also—
  - (a) cause a copy of their local transport plan to be made available for inspection (at all reasonable hours) at such places as they think fit,
  - (b) give notice, by such means as they think expedient for bringing it to the attention of the public, as to the places at which a copy of it may be inspected, and

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- (c) supply a copy of it (or any part of it) to any person on request, either free of charge or at a charge representing no more than the cost of providing the copy.
- (5) Where a local transport authority have, before the coming into force of section 108, prepared and published a document which—
- (a) contains policies developed by them for the purposes described in subsection (1)(a) of that section, and
  - (b) was prepared and published in accordance with guidance issued by the Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales),
- that document shall be taken to be the authority's local transport plan.
- (6) But, in the case of a document which is a local transport plan by virtue of subsection (5), subsection (2) requires its replacement not later than—
- (a) 31st March 2006, if it relates to an area in England, or
  - (b) such date as is specified in an order made by the National Assembly for Wales, if it relates to an area in Wales,
- (rather than not later than five years after the date on which it was made).

## **110 Bus strategies**

- (1) Each local transport authority must prepare a document to be known as the bus strategy containing their general policies as to how best to carry out their functions (or, in the case of a Passenger Transport Authority for a passenger transport area, as to how the functions of the Passenger Transport Executive for their area would be best carried out) in order to secure that—
- (a) bus services meet such of the transport requirements of persons within the authority's area as the authority consider should be met by such services,
  - (b) bus services meeting such requirements are provided to the standards to which the authority consider that they should be provided, and
  - (c) such additional facilities and services connected with bus services are provided as the authority consider should be provided.
- (2) The bus strategy is to form part of the authority's local transport plan.
- (3) In developing their bus strategy, the authority must have regard to any measures the authority are required or propose to take for meeting transport requirements in carrying out any functions of theirs as a local education authority or any social services functions (within the meaning of the Local Authority Social Services Act 1970) of theirs.
- (4) In developing their bus strategy, a Passenger Transport Authority must seek and have regard to the advice of the Passenger Transport Executive for their area.
- (5) In this Part "bus services" means services using public service vehicles.

## **111 Consultation and publicity about bus strategies**

- (1) In complying with section 110, a local transport authority must consult—
- (a) any other relevant local authority whose area may, in the opinion of the authority, be affected by the bus strategy developed by them,

- (b) if the authority is a county council in England, the councils of the districts in the county (if any),
  - (c) either operators of bus services which are provided within the authority's area or organisations appearing to the authority to be representative of such operators, and
  - (d) organisations appearing to the authority to be representative of users of such services.
- (2) For the purpose of subsection (1)(a) the following are relevant local authorities—
- (a) local transport authorities,
  - (b) metropolitan district councils,
  - (c) London transport authorities, and
  - (d) councils in Scotland;
- (except that, in the case of consultation by a Passenger Transport Authority for a passenger transport area, a council for a metropolitan district comprised in the area is not a relevant local authority).
- (3) When an authority publish a statement of a new bus strategy or their strategy as altered in accordance with section 109(3)(a), they must send a copy of it to each authority, council, operator or organisation consulted under subsection (1) on the occasion in question.

## **112 Plans and strategies: supplementary**

- (1) In carrying out their functions under sections 108 to 111, a local transport authority must have regard to any guidance concerning—
- (a) the content of local transport plans (and bus strategies),
  - (b) the preparation of such plans (and strategies),
  - (c) the alteration and replacement of such plans (and strategies), and
  - (d) the publication and making available of such plans (and strategies) as originally made and as altered or replaced,
- which is issued from time to time by the Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales).
- (2) In developing their policies under section 108(1) and their bus strategy, a local transport authority must have regard to the transport needs of persons who are elderly or have mobility problems.

## **113 Role of metropolitan district councils**

- (1) The duties imposed on a Passenger Transport Authority for a passenger transport area by sections 108(1)(a) and (3), 109(1) to (3), 110(1) and 111(3) shall be performed by—
- (a) that Authority, and
  - (b) the councils for the metropolitan districts comprised in the area,
- acting jointly.
- (2) The duties imposed on a Passenger Transport Authority for a passenger transport area by sections 108(1)(b), 109(4), 110(3) and 112 are also duties of each of the councils for the metropolitan districts comprised in the area.

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- (3) Section 109(5) applies in the case of a Passenger Transport Authority for a passenger transport area only if the document to which it refers has been prepared and published by—
- (a) that Authority, and
  - (b) the councils for the metropolitan districts comprised in the area, acting jointly.

*Bus services: quality partnership schemes*

**114 Quality partnership schemes**

- (1) A local transport authority, or two or more such authorities acting jointly, may make a quality partnership scheme if they are satisfied that the scheme will to any extent implement the policies set out in their bus strategy or strategies.
- (2) A quality partnership scheme is a scheme under which—
  - (a) the authority or authorities provide particular facilities in the whole or part of their area, or combined area, and
  - (b) operators of local services who wish to use the facilities must undertake to provide local services of a particular standard when using them.
- (3) The authority or authorities must be satisfied that both the provision of those facilities and the provision of local services of that standard will—
  - (a) improve the quality of local services provided in the whole or any part of their area, or combined area, by bringing benefits to persons using those services, or
  - (b) reduce or limit traffic congestion, noise or air pollution.
- (4) A quality partnership scheme may not be made unless the authority or authorities have complied with the notice and consultation requirements imposed by section 115.
- (5) The facilities which may be specified in a scheme—
  - (a) must be facilities provided at specific locations along routes served, or proposed to be served, by local services within the area to which the scheme relates, or facilities which are ancillary to such facilities, but
  - (b) may not be facilities which are required to be provided as a result of section 139 or 140.
- (6) The standard of services which may be specified in a scheme—
  - (a) include requirements which the vehicles being used to provide the services must meet, but
  - (b) do not include requirements as to frequency or timing of the services.
- (7) If the provision of any of the facilities requires the making of a traffic regulation order in respect of a road or other place in a metropolitan district (other than a road for which the Secretary of State or the National Assembly for Wales is the traffic authority), the scheme may not be made unless it is made by—
  - (a) the local transport authority or authorities, and
  - (b) the metropolitan district council for the district, acting jointly.

- (8) If the provision of any of the facilities requires the making of a traffic regulation order in respect of a road for which the Secretary of State or the National Assembly for Wales is the traffic authority, the scheme may not be made unless it is made by—
  - (a) the local transport authority or authorities, and
  - (b) the Secretary of State or the National Assembly for Wales, acting jointly.
- (9) Where subsection (7) or (8) applies so that a metropolitan district council, the Secretary of State or the National Assembly for Wales is a maker of the scheme, then (subject to section 121) the relevant references to the authority or authorities include (as well as the local transport authority or authorities) the metropolitan district council, the Secretary of State or the National Assembly for Wales.
- (10) For the purpose of subsection (9) the relevant references are those in—
  - (a) subsections (2) and (4),
  - (b) sections 115 to 120, and
  - (c) section 127(7),and paragraph 27(3) of Schedule 9 to the Road Traffic Regulation Act 1984.
- (11) In carrying out their functions under this Part in relation to quality partnership schemes, local transport authorities must co-operate with one another.
- (12) In considering whether to make a quality partnership scheme, a local transport authority must have regard to the desirability, in appropriate cases, of making a scheme jointly with another such authority.

## **115 Notice and consultation requirements**

- (1) If an authority or authorities propose to make a quality partnership scheme, they must give notice of the proposed scheme in at least one newspaper circulating in the area to which it relates.
- (2) The notice must either contain full details of the facilities and standards of services or state where such details may be inspected.
- (3) After giving notice of the proposed scheme, the authority or authorities must consult—
  - (a) all operators of local services who would, in the opinion of the authority or authorities, be affected by it,
  - (b) such organisations appearing to the authority or authorities to be representative of users of local services as they think fit,
  - (c) any other relevant local authority any part of whose area would, in the opinion of the authority or authorities, be affected by it,
  - (d) the traffic commissioner for each traffic area covering the whole or part of the area to which it relates,
  - (e) the chief officer of police for each police area covering the whole or part of that area, and
  - (f) such other persons as the authority or authorities think fit.
- (4) For the purpose of subsection (3)(c) the following are relevant local authorities—
  - (a) local transport authorities,
  - (b) metropolitan district councils,

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- (c) London transport authorities, and
- (d) councils in Scotland.

## 116 Making of scheme

- (1) If the authority or authorities decide that it is appropriate to make the scheme, they may make it as proposed or with modifications.
- (2) The scheme must specify—
  - (a) the facilities to be provided under it by the authority or authorities,
  - (b) the standard of services to be provided under it by operators of local services,
  - (c) the date on which it is to come into operation, and
  - (d) the period for which it is to remain in operation, which must not be less than five years.
- (3) The scheme may provide that—
  - (a) local services specified in it, or
  - (b) local services of a class specified in it,are to be excluded from the scheme, subject to such conditions (if any) as may be specified in it.
- (4) The date specified in the scheme as that on which it is to come into operation must not be earlier than the date by which, in the opinion of the authority or authorities, it will be reasonably practicable—
  - (a) for the authority or authorities to provide the specified facilities, and
  - (b) for operators of local services to provide the specified standard of services,and, in any event, must not be earlier than the date provided by subsection (5).
- (5) The date referred to in subsection (4) is three months after—
  - (a) the date on which the scheme is made, or
  - (b) if later, the date on which any traffic regulation order required for the provision of any of the specified facilities is made or, if more than one such order is required for that purpose, the date on which the last of them is made.
- (6) Not later than 14 days after the date on which the scheme is made, the authority or authorities must give notice—
  - (a) in at least one newspaper circulating in the area to which the scheme relates, and
  - (b) to all operators of local services who would, in the opinion of the authority or authorities, be affected by the scheme and the traffic commissioner for each traffic area covering the whole or part of the area to which the scheme relates.
- (7) The notice must—
  - (a) either contain full details of the scheme or state where such details may be inspected, and
  - (b) if the scheme made is a modified version of that proposed, state that fact.



### **117 Postponement of scheme**

- (1) If it appears to the authority or authorities appropriate to do so, they may decide that the date on which the scheme would otherwise come into operation shall be postponed by such period, not exceeding 12 months, as they think fit.
- (2) Before making such a decision they must consult all operators of local services who would, in their opinion, be affected by the scheme.
- (3) Not later than 14 days after the date on which any such decision is made they must give notice of the decision—
  - (a) in at least one newspaper circulating in the area to which the scheme relates, and
  - (b) to all operators of local services who would, in their opinion, be affected by the scheme and the traffic commissioner for each traffic area covering the whole or part of the area to which the scheme relates.

### **118 Effect of scheme**

- (1) The authority or authorities must—
  - (a) provide the specified facilities not later than the date on which the scheme is to come into operation, and
  - (b) continue to provide them throughout the period during which it remains in operation.
- (2) But subsection (1) does not apply in relation to any period during which the authority or authorities are temporarily unable to provide the facilities owing to circumstances beyond their control.
- (3) Nor does it apply in the case of the Secretary of State or the National Assembly for Wales if he or it is unable to provide the facilities owing to the variation or revocation of a traffic regulation order.
- (4) The operator of a local service may not use facilities provided under a quality partnership scheme unless—
  - (a) he has given a written undertaking to the traffic commissioner for each traffic area covering the whole or part of the area to which the scheme relates that he will provide the service to the standard specified in the scheme when using the facilities, and
  - (b) he provides the service to that standard when using the facilities, except in relation to any period during which he is temporarily unable to do so owing to circumstances beyond his control.
- (5) But subsection (4) does not apply in relation to services which are excluded from the scheme as a result of any provision of the scheme made in accordance with section 116(3).
- (6) Where the exclusion of a local service from the scheme is made subject to conditions as a result of such a provision, those conditions are to be treated, during any period in which the scheme is in operation, as if they were prescribed particulars registered under section 6 of the Transport Act 1985 (registration of local services) of the service concerned.

## **119 Regulations about schemes involving existing facilities**

- (1) The appropriate national authority may by regulations make provision about the specifying in quality partnership schemes of facilities which are already being provided before the schemes are proposed (“existing facilities”).
- (2) The regulations may in particular—
  - (a) provide that existing facilities may not be specified if they were being provided before a date prescribed by, or determined in accordance with, the regulations,
  - (b) provide that particular existing facilities or classes of existing facilities may not be specified (whenever they were first provided),
  - (c) provide that particular existing facilities or classes of existing facilities may be specified only in circumstances prescribed by the regulations,
  - (d) provide that, in circumstances prescribed by the regulations, particular existing facilities or classes of existing facilities may be specified only with the consent of a person prescribed by, or determined in accordance with, the regulations, and
  - (e) make provision modifying any provision of sections 115 to 117 in relation to schemes which specify existing facilities.

## **120 Variation or revocation of schemes**

- (1) The authority or authorities who made a quality partnership scheme may vary the scheme if they decide that it is appropriate to do so.
- (2) The authority or authorities who made a scheme may revoke it before the end of the period for which it would otherwise remain in operation if all persons who have given an undertaking to provide a service to the standard specified in the scheme consent to the revocation of the scheme; and such consent must not be unreasonably withheld.
- (3) If the variation of a scheme under subsection (1) would require the making of a traffic regulation order, the variation is subject to the same procedure as the making of a scheme.
- (4) Any other variation of a scheme under subsection (1), or the revocation of a scheme under subsection (2), is subject to that procedure, except to the extent that the procedure is modified by regulations made under section 122.

## **121 Variation: supplementary**

- (1) The relevant references to the authority or authorities in relation to a quality partnership scheme—
  - (a) include a local transport authority if it has been varied so that it relates to that authority’s area, but
  - (b) do not include a local transport authority if it has been varied so that it no longer relates to that authority’s area.
- (2) But if (although the scheme does not relate to a local transport authority’s area) it would do by reason of a proposed variation, those references (apart from those in section 118) include that authority.
- (3) The relevant references (apart from those in section 114(1) and (3)) to the authority or authorities in relation to a quality partnership scheme—

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- (a) include a traffic regulation authority if it has been varied so that it specifies traffic regulation facilities, but
  - (b) do not include a traffic regulation authority if it has been varied so that it no longer specifies such facilities.
- (4) But if (although the scheme does not specify facilities which are traffic regulation facilities in relation to a traffic regulation authority) it would do by reason of a proposed variation, those references (apart from those in section 118) include that authority.
- (5) And if (although the scheme specifies facilities which are traffic regulation facilities in relation to a traffic regulation authority)—
- (a) the traffic regulation order, or (where more than one) each of the traffic regulation orders, required to be made by that authority for the provision of those facilities has been revoked, and
  - (b) the scheme is proposed to be varied (but not so that it specifies other facilities which are traffic regulation facilities in relation to that authority),
- the relevant references (apart from those in section 118) do not include that authority.
- (6) For the purposes of this section the relevant references are those in—
- (a) section 114(1) to (4),
  - (b) sections 115 to 120, and
  - (c) section 127(7),
- and paragraph 27(3) of Schedule 9 to the Road Traffic Regulation Act 1984.
- (7) In this section “traffic regulation authority” means—
- (a) a metropolitan district council,
  - (b) the Secretary of State, or
  - (c) the National Assembly for Wales.
- (8) For the purposes of this section facilities are traffic regulation facilities, in relation to a traffic regulation authority and a quality partnership scheme, if that authority was required to be a maker of the scheme because it originally specified those facilities or would have been required to be a maker of it had it done so.

## **122 Regulations about schemes**

- (1) The appropriate national authority may by regulations make further provision with respect to—
- (a) the procedure to be followed when making, varying or revoking quality partnership schemes,
  - (b) the local services or classes of local services which must be, or may be, excluded from schemes,
  - (c) the conditions which must be, or may be, attached to such exclusions,
  - (d) the form and manner in which undertakings are to be given to the traffic commissioner in connection with schemes,
  - (e) the making of traffic regulation orders in connection with schemes, and
  - (f) such other incidental matters in connection with quality partnership schemes as the appropriate national authority thinks fit.
- (2) The regulations may in particular make provision with respect to—

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- (a) giving notice of proposed schemes or proposed variations or revocation of schemes,
- (b) objections to such proposals,
- (c) the holding of inquiries or hearings into objections,
- (d) modifications of such proposals,
- (e) the form of schemes or variations, and
- (f) giving notice of schemes which have been made or of the variation or revocation of schemes.

### **123 Guidance about schemes**

- (1) The appropriate national authority may issue guidance concerning the carrying out by local transport authorities and metropolitan district councils of their functions under this Part in relation to quality partnership schemes.
- (2) Those authorities and councils must have regard to any such guidance.

*Bus services: quality contracts schemes*

### **124 Quality contracts schemes**

- (1) A local transport authority, or two or more such authorities acting jointly, may make a quality contracts scheme covering the whole or any part of their area, or combined area, if they are satisfied that—
  - (a) making a quality contracts scheme is the only practicable way of implementing the policies set out in their bus strategy or strategies in the area to which the proposed scheme relates, and
  - (b) the proposed scheme will implement those policies in a way which is economic, efficient and effective.
- (2) A quality contracts scheme may not be made unless the authority or authorities—
  - (a) have complied with the notice and consultation requirements imposed by section 125, and
  - (b) have obtained the approval of the appropriate national authority in accordance with section 126.
- (3) A quality contracts scheme is a scheme under which—
  - (a) the authority or authorities determine what local services should be provided in the area to which the scheme relates and any additional facilities or services which should be provided in that area, and
  - (b) local services may only be provided in that area in accordance with quality contracts (subject to section 127(4)).
- (4) In this Part “quality contract”, in relation to a quality contracts scheme, means an agreement entered into under section 130 or 131 under which—
  - (a) the authority or authorities grant to another person the exclusive right to operate the local services to which the contract relates, and
  - (b) that person undertakes to provide the services on such terms (including in particular as to frequency, fares and standard of service) as may be specified in the agreement.

- (5) A quality contract may be made on terms—
  - (a) which include provision for the making of payments by the authority or authorities to the person undertaking to provide the local service, and
  - (b) requiring one or more of the parties to provide additional facilities or services.
- (6) Section 88(1) of the Transport Act 1985 (application to subsidy agreements of sections 89 to 92 of that Act) does not apply in relation to quality contracts.
- (7) The authority or authorities must keep under review the extent to which quality contracts entered into by them are complied with.
- (8) In carrying out their functions under this Part in relation to quality contracts schemes, local transport authorities must co-operate with one another.
- (9) In considering whether to make a quality contracts scheme, a local transport authority must have regard to the desirability, in appropriate cases, of making a scheme jointly with another authority.

## **125 Notice and consultation requirements**

- (1) If an authority or authorities propose to make a quality contracts scheme, they must give notice of the proposed scheme in at least one newspaper circulating in the area to which it relates.
- (2) The notice must—
  - (a) describe the proposed scheme,
  - (b) state where a copy of the scheme may be inspected, and
  - (c) state their reasons for wishing to make the scheme.
- (3) After giving notice of the proposed scheme, the authority or authorities must consult—
  - (a) all persons operating local services in the area to which it relates,
  - (b) all other persons holding a PSV operator's licence or a community bus permit who would, in the opinion of the authority or authorities, be affected by it,
  - (c) such organisations appearing to the authority or authorities to be representative of users of local services as they think fit,
  - (d) any other relevant local authority any part of whose area would, in the opinion of the authority or authorities, be affected by it,
  - (e) the traffic commissioner for each traffic area covering the whole or part of the area to which it relates,
  - (f) the chief officer of police for each police area covering the whole or part of that area, and
  - (g) such other persons as the authority or authorities think fit.
- (4) For the purpose of subsection (3)(d) the following are relevant local authorities—
  - (a) local transport authorities,
  - (b) district councils in England,
  - (c) London transport authorities, and
  - (d) councils in Scotland.
- (5) The authority or authorities may modify the proposed scheme following those consultations.

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## **126 Approval of proposed scheme**

- (1) If, having complied with section 125, the authority or authorities wish to proceed with the proposed scheme, they must apply to the appropriate national authority for its approval.
- (2) The application must include—
  - (a) their reasons for wishing to make the scheme, and
  - (b) such other information as the appropriate national authority may reasonably require.
- (3) Any person consulted under section 125(3) may make written representations to the appropriate national authority about the scheme.
- (4) The appropriate national authority may approve the proposed scheme, with or without modifications, if it is satisfied that—
  - (a) the conditions set out in paragraphs (a) and (b) of section 124(1) are met, and
  - (b) it is in the interests of the public that the scheme is made.
- (5) If the appropriate national authority proposes to approve the scheme with modifications, it must first inform the authority or authorities and they must—
  - (a) consult such of the persons they consulted under section 125(3) as would, in their opinion, be affected by those modifications, and
  - (b) inform the appropriate national authority as to the outcome of that consultation.
- (6) After being informed of that outcome the appropriate national authority may approve the scheme either with those modifications or without modifications.

## **127 Making of scheme**

- (1) If the appropriate national authority approves the scheme, the authority or authorities who proposed it may make it as approved at any time not later than six months after the date of the approval.
- (2) The scheme must specify—
  - (a) the area to which it relates,
  - (b) the date on which it is to come into operation, which must not be earlier than 21 months after the date on which it is made, and
  - (c) the period for which it is to remain in operation, which must not be more than ten years.
- (3) The scheme must outline—
  - (a) the local services which are to be provided under quality contracts, and
  - (b) the features of the proposed invitations to tender for quality contracts.
- (4) The scheme may provide that—
  - (a) local services specified in it, or
  - (b) local services of a class specified in it,are to be excluded from the scheme, subject to such conditions (if any) as may be specified in it.
- (5) The scheme may contain such ancillary provisions as the authority or authorities think fit.

- (6) The scheme may include provision—
- (a) varying or revoking any quality partnership scheme which only relates to the area of the authority, or combined area of the authorities, by which the scheme is made, or
  - (b) varying any other quality partnership scheme to the extent that it so relates.
- (7) If provision is made under subsection (6)(b) to vary the quality partnership scheme so that it no longer so relates, such of the authorities by which it was made as did not make the quality contracts scheme—
- (a) may (subject to the provision so made) vary it if they decide that it is appropriate to do so, or
  - (b) may revoke it if all persons who have given an undertaking to provide a service to a standard specified in the scheme consent to the revocation of the scheme (which consent must not be unreasonably withheld);
- and subsections (3) and (4) of section 120 apply to a variation or revocation under this subsection.
- (8) Not later than 14 days after the date on which the scheme is made, the authority or authorities must—
- (a) give notice in at least one newspaper circulating in the area to which the scheme relates, and
  - (b) send a copy of the scheme to the traffic commissioner for each traffic area covering the whole or part of that area.
- (9) The notice must state—
- (a) that the scheme has been made,
  - (b) where a copy of the scheme may be inspected, and
  - (c) the date on which the scheme is to come into operation.
- (10) The appropriate national authority may by order vary the period mentioned in subsection (2)(b).

## **128 Postponement of scheme**

- (1) If it appears to the authority or authorities who made the scheme appropriate to do so, they may decide that the date on which the scheme would otherwise come into operation shall be postponed by such period as they think fit (subject to any provision of regulations made under subsection (4)).
- (2) Before making such a decision they must consult all operators of local services who would, in their opinion, be affected by the decision.
- (3) Not later than 14 days after the date on which any such decision is made they must give notice of the decision—
- (a) in at least one newspaper circulating in the area to which the scheme relates, and
  - (b) to all operators of local services who would, in their opinion, be affected by the decision and the traffic commissioner for each traffic area covering the whole or part of the area to which the scheme relates.
- (4) The appropriate national authority may by regulations make provision with respect to postponements under subsection (1).

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- (5) The regulations may in particular make provision—
- (a) as to the maximum period of postponements, and
  - (b) requiring authorities to re-issue invitations to tender in accordance with section 130.

### **129 Effect of scheme**

- (1) During any period in which the scheme is in operation—
- (a) sections 6 to 9 of the Transport Act 1985 (registration of local services) do not have effect in relation to the area to which it relates, and
  - (b) no local service shall be provided in that area (if there is a stopping place for the service in that area) unless it is provided under a quality contract.
- (2) But subsection (1) does not apply in relation to services which are excluded from the scheme as a result of any provision of the scheme made in accordance with section 127(4).
- (3) Where the exclusion of a local service from the scheme is made subject to conditions as a result of such a provision, those conditions are to be treated, during any period in which the scheme is in operation, as if they were prescribed particulars registered under section 6 of the Transport Act 1985 of the service concerned.
- (4) The authority or authorities must invite tenders in accordance with section 130 not later than—
- (a) three months, or
  - (b) such other period as the appropriate national authority may by order specify, after the scheme has been made.

### **130 Tendering for quality contracts**

- (1) The authority, or the authorities acting jointly, must invite tenders for the provision of services to which the scheme relates for such period and on such basis as may be specified in the invitation to tender.
- (2) The period specified must not exceed five years.
- (3) Subject to subsection (4), such an invitation—
- (a) must be issued generally, in such manner as the authority or authorities consider appropriate for bringing it to the attention of persons who may be interested, and
  - (b) must also be issued individually to all persons who have given to that authority or any of those authorities a written notice indicating that they wish to receive invitations to tender for the provision of local services of a description to which the invitation relates.
- (4) Such a notice must specify the address to which such an invitation is to be directed, and it shall be sufficient for the purposes of subsection (3)(b) if the authority or authorities send the invitation to the person giving such a notice at the address so specified.
- (5) The authority or authorities may only accept a tender submitted by a person who is the holder of either—
- (a) a PSV operator's licence, or



- (b) a community bus permit.
- (6) But subsection (5)(a) does not include a licence to which a condition is attached under section 26 of the Transport Act 1985 (power of traffic commissioner to attach conditions to licences) prohibiting the holder from using vehicles under the licence to provide local services of all descriptions or of any description to which the invitation relates.
- (7) After entering into a quality contract, the authority or authorities must give notice to the traffic commissioner for each traffic area covering the whole or part of the area to which the scheme relates of—
  - (a) the local services to be provided in accordance with the contract, and
  - (b) the duration of the contract.
- (8) The appropriate national authority may by regulations make provision requiring authorities to publish prescribed information about tenders submitted to them in accordance with this section or about their reasons for entering into particular quality contracts.

### **131 Exceptions from section 130**

- (1) Section 130 does not apply in any case where it appears to the authority or authorities that action is urgently required for the purpose of—
  - (a) maintaining an existing service,
  - (b) securing the provision of a service in place of a service which has ceased to operate, or
  - (c) securing the provision of a service to meet any public transport requirement which has arisen unexpectedly and ought in the opinion of the authority to be met without delay.
- (2) The appropriate national authority may by regulations make provision for further exceptions from section 130, including in particular with respect to—
  - (a) cases in which no tender, or no acceptable tender, is submitted in response to an invitation to tender issued under section 130(1) or under any provision made by virtue of subsection (5)(a), and
  - (b) agreements of a prescribed description.
- (3) The appropriate national authority may make regulations fixing the maximum duration of a quality contract entered into under subsection (1) or under any provision made by virtue of subsection (2).
- (4) The appropriate national authority may by regulations make further provision with respect to exceptions from section 130.
- (5) Regulations under subsection (4) may in particular—
  - (a) require authorities to invite tenders for the provision of a service which is the subject of a quality contract made under subsection (1) or under any provision made by virtue of subsection (2), and
  - (b) require authorities to publish prescribed information (including as to their reasons for entering into particular quality contracts) or to give notices.

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### **132 Variation or revocation of scheme**

- (1) The authority or authorities who made the scheme (other than any to whose area the scheme no longer relates) may vary it by—
  - (a) increasing the area to which it relates (to no greater than the whole of their area or combined area) or adding to the description of local services which are to be provided under quality contracts,
  - (b) reducing that area or reducing the description of services, or
  - (c) providing for new exclusions from the scheme or for the variation or revocation of existing exclusions.
- (2) The scheme may not be varied under subsection (1)(a) unless the conditions set out in paragraphs (a) and (b) of section 124(1) are met with respect to the scheme as varied.
- (3) The scheme may not be varied under subsection (1)(b) unless those conditions—
  - (a) are no longer met with respect to it, but
  - (b) are met with respect to the scheme as varied.
- (4) The authority or authorities who made the scheme (other than any to whose area the scheme no longer relates) may revoke the scheme—
  - (a) if those conditions are no longer met with respect to it, or
  - (b) if they and one or more other authorities make a quality contracts scheme covering the whole or part of the area to which it relates.
- (5) The variation or revocation of the scheme under subsection (1) or (4)—
  - (a) requires the approval of the authority which approved the making of the scheme, and
  - (b) is subject to the same procedure as the making of a scheme, except to the extent that that procedure is modified by regulations made by the appropriate national authority;
 and section 130 applies to a varied scheme but subject to regulations so made.
- (6) The appropriate national authority may by regulations provide that in prescribed circumstances quality contracts schemes may be revoked by that authority before coming into operation.

### **133 Regulations about schemes**

- (1) The appropriate national authority may by regulations make further provision with respect to—
  - (a) the procedure to be followed when making, varying or revoking quality contracts schemes,
  - (b) the approval of schemes,
  - (c) the local services or classes of local services which are to be, or may be, excluded from schemes,
  - (d) the conditions which must be, or may be, attached to such exclusions, and
  - (e) such other incidental matters in connection with quality contracts schemes as the appropriate national authority thinks fit.
- (2) The regulations may in particular make provision with respect to—
  - (a) giving notice of proposed schemes or proposed variations or revocation of schemes,

- (b) objections to such proposals,
- (c) the holding of inquiries or hearings into objections,
- (d) modifications of such proposals,
- (e) the form and manner of applications for approval of such proposals,
- (f) the form of schemes or variations, and
- (g) giving notice of schemes which have been made or of the variation or revocation of schemes.

### **134 Transitional provision about schemes**

- (1) The appropriate national authority may by regulations make such transitional provision as it considers appropriate in connection with—
  - (a) the coming into operation of quality contracts schemes,
  - (b) the variation of such schemes, and
  - (c) the ending of such schemes (whether or not as a result of their revocation).
- (2) The regulations may in particular provide that in prescribed circumstances—
  - (a) any provision of sections 6 to 9 of the Transport Act 1985 (registration of local services) which would otherwise have effect is not to have effect or is to have effect with such modifications as may be prescribed, or
  - (b) any such provision which would not otherwise have effect is to have effect or is to have effect with such modifications as may be prescribed,in relation to the whole or any part of the area to which the scheme relates.

#### *Bus services: ticketing schemes*

### **135 Joint and through ticketing schemes**

- (1) A local transport authority, or two or more such authorities acting jointly, may make a ticketing scheme covering the whole or any part of their area, or combined area, if they consider that the proposed scheme—
  - (a) would be in the interests of the public, and
  - (b) would to any extent implement the policies set out in their bus strategy.
- (2) A ticketing scheme may not be made unless the authority or authorities have complied with the notice and consultation requirements imposed by section 136.
- (3) A ticketing scheme is a scheme under which operators of local services of a class specified in it are required to make and implement arrangements under which persons may purchase, in a single transaction, a ticket (or tickets) of any of the descriptions which may be covered by a ticketing scheme and to which the scheme applies.
- (4) The descriptions of tickets which may be covered by a ticketing scheme are—
  - (a) tickets entitling the holder to make more than one journey on particular local services or on local services of a class specified in the scheme (whether or not operated by the same person),
  - (b) tickets entitling the holder to make a particular journey on two or more local services (whether or not operated by the same person),

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- (c) where a particular journey could be made on local services provided by any of two or more operators, tickets entitling the holder to make the journey on whichever service the holder chooses, and
  - (d) tickets entitling the holder to make a journey, or more than one journey, involving both travel on one or more local services and travel by one or more connecting rail or tram services.
- (5) A connecting rail or tram service, in relation to a ticketing scheme, is a service for the carriage of passengers by railway or by tramway (or by both) which runs between—
- (a) a station or stopping place at or in the vicinity of which local services stop and which serves any part of the area to which the ticketing scheme relates, and
  - (b) any other place.
- (6) Different arrangements may be specified in a ticketing scheme for different cases.
- (7) In carrying out their functions under this Part in relation to ticketing schemes, local transport authorities must co-operate with one another.
- (8) In considering whether to make a ticketing scheme, a local transport authority must have regard to the desirability, in appropriate cases, of making a scheme jointly with another authority.

### **136 Notice and consultation requirements**

- (1) If an authority or authorities propose to make a ticketing scheme, they must give notice of the proposed scheme in at least one newspaper circulating in the area to which it relates.
- (2) The notice must specify the date on which the scheme is proposed to come into operation.
- (3) After giving notice of the proposed scheme, the authority or authorities must consult—
  - (a) all operators of local services who would, in the opinion of the authority or authorities, be affected by it,
  - (b) such organisations appearing to the authority or authorities to be representative of users of local services as they think fit, and
  - (c) the traffic commissioner for each traffic area covering the whole or part of the area to which it relates.

### **137 Making of scheme**

- (1) If the authority or authorities decide that it is appropriate to make the scheme, they may make it as proposed or with modifications.
- (2) If the scheme applies to tickets within section 135(4)(d), it may only be made with the agreement of the operators of the connecting rail or tram services concerned.
- (3) The scheme must specify the date on which it is to come into operation, which must not be earlier than three months after the date on which it is made.
- (4) Not later than 14 days after the date on which the scheme is made, the authority or authorities must give notice of it—
  - (a) in at least one newspaper circulating in the area to which it relates,

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- (b) to the traffic commissioner for each traffic area covering the whole or part of that area,
  - (c) to all operators of local services or services for the carriage of passengers by railway or by tramway (or by both) who would, in the opinion of the authority or authorities, be affected by it,
  - (d) to the Strategic Rail Authority if it applies to tickets within section 135(4)(d), and
  - (e) in such other manner, or to such other persons or class of person, (if any) as the appropriate national authority may prescribe by regulations.
- (5) The notice must set out the terms of the scheme and the date on which it is to come into operation.
- (6) The authority or authorities may vary or revoke the scheme; and the variation or revocation is subject to the same procedure as the making of the scheme, except to the extent that that procedure is modified by regulations made by the appropriate national authority.

### **138 Effect of scheme**

During any period in which a ticketing scheme is in operation, operators of local services to which the scheme relates must make and implement the arrangements required by the scheme.

#### *Bus services: provision of information*

### **139 Information about bus services**

- (1) Each local transport authority must from time to time determine, having regard to their local transport plan—
- (a) what local bus information should be made available to the public (“the required information”), and
  - (b) the way in which it should be made available (“the appropriate way”).
- (2) Before making such a determination, the authority must consult—
- (a) such organisations appearing to the authority to be representative of users of local services as they think fit, and
  - (b) the traffic commissioner for the traffic area covering their area.
- (3) Each authority must from time to time ascertain whether the required information is being made available to the public in the appropriate way.
- (4) Subsection (5) applies if an authority consider that—
- (a) the required information is not being made available to the public to any extent, or
  - (b) that information is not being made available to the public in the appropriate way.
- (5) If this subsection applies, the authority must seek to make arrangements with the operators of the local services concerned under which those operators agree to make the information available (or to make it available in that way).

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- (6) In this section “local bus information”, in relation to a local transport authority, means—
- (a) information about routes and timetabling of local services to, from and within the authority’s area,
  - (b) information about fares for journeys on such local services, and
  - (c) such other information about facilities for disabled persons, travel concessions, connections with other public passenger transport services or other matters of value to the public as the authority consider appropriate in relation to their area.

#### **140 Duty of authority to make information available**

- (1) If the authority are unable to make satisfactory arrangements with one or more of those operators, they—
- (a) must make available, or secure that there is made available, in the appropriate way such of the required information as is not being made available or is not being made available in that way (whether by virtue of arrangements made under section 139(5) or otherwise), and
  - (b) may recover from that operator or those operators the reasonable costs incurred by them in doing so as a civil debt due to them.
- (2) In determining for the purposes of subsection (1)(b) what is reasonable in relation to a particular operator, the authority must have regard to—
- (a) the amount of information which has to be made available, and
  - (b) the way in which that information has to be made available,
- in respect of the local services provided by that operator.
- (3) If the authority require an operator to provide information to them or to another person in order to perform their duty under subsection (1)(a), the operator must provide the information at such times and in such manner as is specified by the authority.
- (4) The authority must give notice of any requirement imposed under subsection (3) to the traffic commissioner for the traffic area covering their area.

#### **141 Bus information: supplementary**

- (1) In considering how they should carry out their functions under sections 139 and 140, a local transport authority must have regard to a combination of economy, efficiency and effectiveness.
- (2) In carrying out those functions, local transport authorities—
- (a) must not act in such a way as to discriminate (whether directly or indirectly) against any operator, or class of operator, of local services, and
  - (b) must co-operate with one another.
- (3) A local transport authority must have regard to the desirability, in appropriate cases, of carrying out those functions jointly with another authority (whether as respects the whole or any part of their combined area).

*Bus services: miscellaneous*

**142 Traffic regulation conditions to reduce or limit pollution**

In section 7 of the Transport Act 1985 (traffic regulation conditions to be met in provision of local services subject to registration), in subsection (4) (reasons for which conditions may be determined), insert at the end “; or

(c) reduce or limit noise or air pollution.”

**143 Power to obtain information about local services**

(1) A local transport authority may, in connection with the exercise of any of their functions relating to public transport, require an operator of local services to provide them with any information relating to the matters specified in subsection (2) which is in his possession or control.

(2) The matters referred to in subsection (1) are—

- (a) the total number of journeys undertaken by passengers on the local services operated by the operator in the authority’s area or any part of its area,
- (b) the structure of fares for those journeys, and
- (c) the total distance covered by vehicles used by him in operating those local services.

(3) The operator may be required to provide the information in any form in which, having regard to the manner in which the information is kept, it is reasonable to expect him to provide it.

(4) No information which—

- (a) has been provided under this section, or provided together with information so provided, and
  - (b) relates to the affairs of an individual or to a particular business,
- shall be disclosed during the lifetime of the individual or while the business continues to be carried on.

(5) But subsection (4) does not apply to a disclosure made—

- (a) with the consent of the individual or the person for the time being carrying on the business,
- (b) in connection with the investigation of crime or for the purposes of criminal proceedings,
- (c) for the purposes of civil proceedings brought by virtue of this Act or the Transport Act 1985, or
- (d) in order to comply with the order of a court or tribunal.

(6) A person who discloses information in contravention of subsection (4) is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

**144 Civil penalties for bus lane contraventions**

(1) The relevant national authority may by regulations make provision for or in connection with—

- (a) the imposition of penalty charges in respect of bus lane contraventions, and

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- (b) the payment of such penalty charges.
- (2) Regulations under subsection (1) may provide for the imposition of penalty charges—
- (a) by approved local authorities, or
  - (b) both by approved local authorities and by Transport for London or London local authorities or both.
- (3) An authority is an approved local authority if—
- (a) an order designating the whole or any part of its area has been made under paragraph 1(1) or 2(1) of Schedule 3 to the Road Traffic Act 1991 (permitted and special parking areas outside Greater London), and
  - (b) the relevant national authority has made an order specifying it as an approved local authority for the purposes of this section.
- (4) A bus lane contravention is a contravention of any such provision of—
- (a) a traffic regulation order,
  - (b) an experimental traffic order, or
  - (c) a temporary traffic restriction order,
- as relates to the use of an area of road which is or forms part of a bus lane.
- (5) And an area of road is or forms part of a bus lane if the order provides that it may be used—
- (a) only by buses (or a particular description of bus), or
  - (b) only by buses (or a particular description of bus) and some other class or classes of vehicular traffic.
- (6) The roads in relation to which regulations under subsection (1) may authorise the imposition of penalty charges are—
- (a) in the case of an approved local authority, roads in its area,
  - (b) in the case of Transport for London, roads in Greater London of a description prescribed by such regulations or all roads in Greater London, and
  - (c) in the case of a London local authority, roads in its area of a description prescribed by such regulations or all roads in its area.
- (7) Before making any regulations by virtue of subsection (6)(b) or (c) the Secretary of State shall consult—
- (a) Transport for London, and
  - (b) the London local authorities affected by the regulations.
- (8) Regulations under subsection (1) shall include provision—
- (a) specifying the person by whom a penalty charge in respect of any contravention is to be paid (who may be the registered keeper of the motor vehicle involved in the contravention, its driver at the time of the contravention or any other appropriate person),
  - (b) permitting the imposition of a penalty charge only on the basis of a record produced by an approved device,
  - (c) securing that a penalty charge in respect of a contravention is not required to be paid, or is refunded, where the conduct constituting the contravention is the subject of criminal proceedings or where a fixed penalty notice has been given in respect of that conduct, and
  - (d) as to the application of sums paid by way of penalty charges.



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- (9) Regulations under subsection (1) shall include provision for the level of penalty charges in the case of approved local authorities to be set by the authorities subject to the approval of the relevant national authority; and sections 74 and 74A of the Road Traffic Act 1991 apply to penalty charges in the case of Transport for London and London local authorities as they apply to additional parking charges.
- (10) Regulations under subsection (1) may—
- (a) specify exemptions from penalty charges,
  - (b) make provision for discounts or surcharges (or both), and
  - (c) make provision about the keeping of accounts, and the preparation and publication of statements of account, relating to sums paid by way of penalty charges.
- (11) The Lord Chancellor may make regulations about the notification, adjudication and enforcement of penalty charges.
- (12) Regulations under subsection (11) may include—
- (a) provision creating criminal offences to be triable summarily and punishable with a fine not exceeding level 5 on the standard scale or such lower amount as is prescribed by the regulations, and
  - (b) provision for or in connection with permitting evidence of a fact to be given by the production of a record produced by an approved device with a certificate as to the circumstances in which the record was produced,
- but may not confer power to stop motor vehicles.
- (13) Regulations under this section made by the Secretary of State or the Lord Chancellor may make provision in respect of Greater London different from that in respect of the rest of England.
- (14) In this section—
- “approved device” means a device of a description specified in an order made by the relevant national authority,
- “bus” includes a tramcar (within the meaning of section 141A of the Road Traffic Regulation Act 1984) and a trolley vehicle (within the meaning of that section),
- “experimental traffic order” means an order under section 9 of that Act,
- “fixed penalty notice” has the same meaning as in Part III of the Road Traffic Offenders Act 1988,
- “London local authority” means a London borough council or the Common Council of the City of London,
- “motor vehicle” has the meaning given in section 185(1) of the Road Traffic Act 1988, except that section 189 of that Act (exception for certain pedestrian controlled vehicles and electrically assisted pedal cycles) shall apply as it applies for the purposes of the Road Traffic Acts,
- “registered keeper”, in relation to a contravention involving a motor vehicle, means the person in whose name the motor vehicle was registered under the Vehicle Registration and Excise Act 1994 at the time of the contravention,
- “relevant national authority” means—
- (a) the Secretary of State as respects England, or
  - (b) the National Assembly for Wales as respects Wales,

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“road” has the same meaning as in the Road Traffic Regulation Act 1984,  
“temporary traffic restriction order” means an order under section 14 or  
16A of that Act, and  
“traffic regulation order” means an order under section 1 or 6 of that Act.

*Mandatory travel concessions outside Greater London*

**145 Mandatory concessions outside Greater London**

- (1) Any person to whom a current statutory travel concession permit has been issued by a travel concession authority and who travels on an eligible service on a journey—
  - (a) between places in the authority’s area, and
  - (b) beginning at a relevant time,
is entitled, on production of the permit, to be provided with a half-price travel concession by the operator of the service.
- (2) A travel concession authority must, on an application made to it by any person who appears to the authority to be an elderly or disabled person residing in its area, issue to the person free of charge a permit, in such form and for such period as the authority considers appropriate, indicating that he is entitled to the concession specified in subsection (1).
- (3) In this section “statutory travel concession permit” means a permit issued pursuant to subsection (2).
- (4) The Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales) may issue guidance to travel concession authorities to which they must have regard in determining for the purposes of subsection (2) whether a person is a disabled person.
- (5) Before issuing guidance under subsection (4) the Secretary of State or the National Assembly for Wales shall consult—
  - (a) the Disabled Persons Transport Advisory Committee,
  - (b) associations representative of travel concession authorities, and
  - (c) such other persons as he or it thinks fit.
- (6) A person entitled to be issued with a statutory travel concession permit by a travel concession authority may agree with the authority that he is not to be entitled to the concession specified in subsection (1) for a period in return for being entitled during that period to receive travel concessions under a scheme under section 93 of the Transport Act 1985 (if the scheme provides that a person may not receive travel concessions under the scheme unless he so agrees).
- (7) The Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales) may by regulations make provision about agreements within subsection (6).
- (8) The regulations may in particular make provision—
  - (a) requiring the serving of notices before an agreement is made,
  - (b) about the form of agreements, and
  - (c) as to the period for which a person may agree not to be entitled to the concession specified in subsection (1).

## 146 **Mandatory concessions: supplementary**

In this Part—

“disabled person” means a person who—

- (a) is blind or partially sighted,
- (b) is profoundly or severely deaf,
- (c) is without speech,
- (d) has a disability, or has suffered an injury, which has a substantial and long-term adverse effect on his ability to walk,
- (e) does not have arms or has long-term loss of the use of both arms,
- (f) has a learning disability, that is, a state of arrested or incomplete development of mind which includes significant impairment of intelligence and social functioning, or
- (g) would, if he applied for the grant of a licence to drive a motor vehicle under Part III of the Road Traffic Act 1988, have his application refused pursuant to section 92 of that Act (physical fitness) otherwise than on the ground of persistent misuse of drugs or alcohol,

“elderly person” means a person who has attained pensionable age (within the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995),

“eligible service” means—

- (a) until section 92 of the Finance Act 1965 (grants towards duty charged on bus fuel) ceases to have effect as a result of section 154(6), a service in relation to which fuel used in operating the service falls to be taken into account for the purpose of calculating grant payable to the operator of the service under section 92 of that Act, and
- (b) after that time, a bus service of a class specified in an order made by the Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales),

“a half-price travel concession”, in relation to a journey, means reduction of the fare for the journey to not more than one-half of that applicable to an adult who is not entitled to any reduction,

“relevant time” means—

- (a) any time on a Saturday or Sunday or on any day which is a bank holiday in England and Wales under the Banking and Financial Dealings Act 1971, or
- (b) a time during the period from 9.30 a.m. to 11 p.m. on any other day, and

“travel concession authority” means—

- (a) a non-metropolitan district council in England,
- (b) a council of a county in England so far as they are the council for an area for which there are no district councils,
- (c) a Passenger Transport Executive for a passenger transport area in England, or
- (d) a county council or county borough council in Wales.

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#### **147 Variation of mandatory concessions**

The Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales) may by order amend either or both of sections 145 and 146 for or in connection with securing that section 145(1)—

- (a) applies to any person for the time being eligible to receive travel concessions under a scheme under section 93 of the Transport Act 1985 or to any such person of a specified description (as well as to any elderly person and any disabled person),
- (b) applies to travel on any public passenger transport service or to travel on any such service of a specified description (as well as to travel on an eligible service),
- (c) applies to a journey between a place in a travel concession authority's area and a place outside but in the vicinity of that area or to a journey between places outside but in the vicinity of that area (as well as to a journey between places in that area),
- (d) provides for the reduction of fares to less than one-half of those applicable to adults who are not entitled to any reduction or for waiver of fares, or
- (e) applies, or does not apply, to a journey beginning at a specified time.

#### **148 Enforcement**

- (1) An operator commits an offence if he systematically fails to comply with the obligation under section 145(1) during any period.
- (2) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (3) Proceedings for an offence under this section shall not be instituted except—
  - (a) by a travel concession authority, or
  - (b) by or with the consent of the Director of Public Prosecutions;
 and any authority who would not otherwise have power to bring such proceedings shall accordingly have that power.

#### **149 Reimbursement of operators**

- (1) Where an operator provides concessions under section 145(1) for persons who reside in a travel concession authority's area, the authority shall reimburse the operator for providing the concessions.
- (2) Subject to regulations under subsection (3), the arrangements with respect to reimbursement shall be—
  - (a) such as the travel concession authority may agree with the operators who provide concessions for persons who reside in their area, or
  - (b) in the absence of agreement, such as may be determined by the authority (being the same in the case of all of those operators) not later than 28 days before the date on which the arrangements, or any variations of the arrangements, are to come into operation.
- (3) The Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales) may by regulations make provision—

- (a) with respect to the determination by travel concession authorities of the amounts to be paid to individual operators, or to any class of operators, by way of reimbursement,
- (b) as to the manner of making any payments due to operators by way of reimbursement, and
- (c) about the terms on which, and the extent to which, travel concession authorities may employ any person as their agent for the purpose of making payments due to operators by way of reimbursement and the descriptions of persons who may be so employed.

### **150 Procedure for reimbursement arrangements determined by authority**

- (1) At least four months before the coming into operation of, or of any variations of, any arrangements with respect to reimbursement determined by a travel concession authority in accordance with section 149(2)(b), the authority shall publish the proposed arrangements, or the proposed variations, in such manner as they consider appropriate.
- (2) Following publication—
  - (a) copies of the published material shall be made available at the principal office of the authority,
  - (b) a copy of it shall be supplied to every operator of local services who would, in the opinion of the authority, be affected by the proposals, and
  - (c) a copy of it shall be supplied to any person on request (whether at the principal office or by post), either free of charge or at a charge representing no more than the cost of providing the copy.
- (3) An operator who considers that he may be prejudicially affected by the proposals may apply to—
  - (a) the Secretary of State (in the case of arrangements determined by a travel concession authority in England), or
  - (b) the National Assembly of Wales (in the case of arrangements determined by such an authority in Wales),for a modification of the proposed arrangements, or proposed variations, on the grounds that there are special reasons why they would be inappropriate with respect to one or more local services provided by him.
- (4) An application under subsection (3) shall be made by notice in writing given not later than 28 days after the date on which the arrangements, or the variations, come into operation.
- (5) An application under subsection (3) may not be made unless the applicant has previously given notice in writing of his intention to make the application to the travel concession authority by which the arrangements, or varied arrangements, are being, or have been, determined.
- (6) The Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales)—
  - (a) may make regulations as to the form and content of notices under this section and the manner in which they are to be given,
  - (b) may appoint a person to determine an application under subsection (3) on his or its behalf, and

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- (c) may by regulations make provision as to the procedure to be followed in connection with applications under subsection (3).
- (7) Regulations made under subsection (6)(c) may in particular make provision—
  - (a) as to the conduct of any proceedings held in connection with applications under subsection (3), and
  - (b) for applicants or travel concession authorities, or both, to make payments towards the expenses incurred in connection with the determination of such applications.
- (8) On an application under subsection (3) the Secretary of State or the National Assembly for Wales, or (if a person is appointed under subsection (6)(b) to determine the application) the person so appointed, may direct—
  - (a) that the arrangements, or varied arrangements, are to have effect with such modifications as are specified in the direction from the time so specified, and
  - (b) that the authority shall make a payment of an amount specified in the direction to the applicant.

*Travel concessions in Greater London*

## **151 Concessions in Greater London**

- (1) Chapter VIII of Part IV of the Greater London Authority Act 1999 (travel concessions on journeys in and around Greater London) has effect subject to the following amendments.
- (2) Section 240 (travel concessions on journeys in and around Greater London) is amended as follows.
- (3) In subsections (1) and (2), for “any persons eligible to receive them in accordance with subsection (5) below” substitute “such of the persons eligible to receive them in accordance with subsection (5) below as are specified in the arrangements”.
- (4) In subsection (5), for “are persons, or any description of persons,” substitute “by an authority are persons appearing to the authority to be persons” and for paragraphs (b) and (c) substitute—
  - “(b) who are blind;
  - (c) who are partially sighted;
  - (d) who are profoundly or severely deaf;
  - (e) who are without speech;
  - (f) who have a disability, or have suffered an injury, which has a substantial and long-term adverse effect on their ability to walk;
  - (g) who do not have arms or have long-term loss of the use of both arms;
  - (h) who have a learning disability, that is, a state of arrested or incomplete development of mind which includes significant impairment of intelligence and social functioning; or
  - (i) who, if they applied for the grant of a licence to drive a motor vehicle under Part III of the Road Traffic Act 1988, would have their applications refused pursuant to section 92 of that Act (physical fitness) otherwise than on the ground of persistent misuse of drugs or alcohol.”

- (5) After that subsection insert—
- “(5A) The Secretary of State may issue guidance to local authorities to which they must have regard in determining whether a person falls within subsection (5) (b) to (i) above.
- (5B) Before issuing guidance under subsection (5A) above the Secretary of State shall consult—
- (a) the Disabled Persons Transport Advisory Committee;
  - (b) associations representative of local authorities; and
  - (c) such other persons as he thinks fit.”
- (6) In section 241(1) (reserve free travel scheme), after “provided for” insert “all”.
- (7) Section 242 (requirements as to scope of concessions which must be given if free travel scheme is not to have effect) is amended as follows.
- (8) In subsection (1), after “provide” insert “(a)” and insert at the end “; and
- (b) for the travel concessions granted to them to include the concession specified in subsection (8) below.”
- (9) In subsection (2), for “Those journeys” substitute “The journeys referred to in subsection (1)(a) above”.
- (10) In subsection (5), for “The requirements of this section as to scope do” substitute “Subsection (1)(a) above does”.
- (11) In subsection (7), for “the categories of such residents mentioned in paragraphs (a), (b) and (c)” substitute “a category specified in any one of the paragraphs”.
- (12) After that subsection insert—
- “(8) The travel concession which must be included is a half-price concession for each journey on the London bus network which begins—
- (a) at any time on a Saturday or Sunday or on any day which is a bank holiday in England and Wales under the Banking and Financial Dealings Act 1971; or
  - (b) in the period from midnight to 4.30 a.m, or the period from 9.30 a.m. to midnight, on any other day.
- (9) In subsection (8) above “half-price concession”, in relation to a journey, means the reduction of the fare for the journey to not more than one-half of that applicable to an adult who is not entitled to any reduction.
- (10) The Secretary of State may by order amend this section for or in connection with securing that subsection (8) above provides for the reduction of fares to less than one-half of those applicable to adults who are not entitled to any reduction or for waiver of fares.”
- (13) In section 243 (requirements as to uniformity), after subsection (5) insert—
- “(6) No charge may be made for the issue to an eligible London resident of a travel concession permit relating to the travel concession specified in section 242(8) above.”

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### *Financial and competition provisions*

#### **152 Agreements providing for service subsidies**

- (1) Part V of the Transport Act 1985 (expenditure on public passenger transport services) is amended as follows.
- (2) In section 89 (obligation to invite tenders for subsidised services), for subsections (7) and (8) substitute—
  - “(7) An authority issuing an invitation to tender under this section shall, in determining whether to accept a tender submitted in response to the invitation or which (if any) of several such tenders to accept, have regard in particular to—
    - (a) a combination of economy, efficiency and effectiveness;
    - (b) the implementation of the policies set out in the appropriate bus strategy; and
    - (c) the reduction or limitation of traffic congestion, noise or air pollution.
  - (8) In subsection (7)(b) above “the appropriate bus strategy” means—
    - (a) in the case of a local transport authority (within the meaning of section 108(4) of the Transport Act 2000), their bus strategy;
    - (b) in the case of a district council which is not such an authority, the bus strategy of the council for the county in which the district is situated; and
    - (c) in the case of a Passenger Transport Executive for a passenger transport area, the bus strategy made jointly by the Passenger Transport Authority for the area and the councils for the metropolitan districts comprised in the area.”
- (3) In section 90(3) (duty of authority to publish reasons for considering that payment of subsidies to secure service in accordance with accepted tender is conducive to achieving most effective and economic application of funds), for the words from “is conducive” to the end substitute “accords with section 89(7) of this Act.”
- (4) In section 92(1) (authorities subsidising public passenger transport services not to inhibit competition between persons providing or seeking to provide such services in their area), for the words from “so conduct” to the end substitute “have regard to the interests of the public and of persons providing public passenger transport services in their area.”

#### **153 Competition test for exercise of bus functions**

Schedule 10 contains provision applying a competition test in relation to the exercise of functions relating to quality partnership schemes, ticketing schemes and subsidised local services.

#### **154 Grants to bus service operators**

- (1) The Secretary of State with the approval of the Treasury (as respects England) or the National Assembly for Wales (as respects Wales) may make grants to operators of eligible bus services towards their costs in operating those services.



- (2) The Secretary of State with the approval of the Treasury (as respects England) or the National Assembly for Wales (as respects Wales) may make provision by regulations as to the method of calculation of grants.
- (3) Subject to the provisions of any such regulations, grants under this section shall be of such amount and subject to such conditions (including conditions requiring their repayment in specified circumstances) as may be determined by—
  - (a) the Secretary of State with the approval of the Treasury (as respects England),  
or
  - (b) the National Assembly for Wales (as respects Wales).
- (4) A determination under subsection (3) may be made either generally or in relation to particular cases or classes of case.
- (5) In this section “eligible bus services” means bus services of a class (or using vehicles of a class) prescribed by regulations made by the Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales).
- (6) Section 92 of the Finance Act 1965 (grants towards duty charged on bus fuel) and section 111 of the Transport Act 1985 (unregistered and unreliable local services: reduction of fuel duty grant) cease to have effect.

## **155 Penalties**

- (1) Where the traffic commissioner for any traffic area is satisfied that the operator of a local service has, without reasonable excuse—
  - (a) failed to operate a local service registered under section 6 of the Transport Act 1985,
  - (b) operated a local service in contravention of that section or section 118(4) or 129(1)(b) of this Act, or
  - (c) failed to comply with section 138 or 140(3) of this Act,he may impose a penalty on the operator.
- (2) The amount of the penalty shall be such amount as the traffic commissioner thinks fit in all the circumstances of the case, not exceeding the amount determined in accordance with subsection (3).
- (3) That amount is—
  - (a) £550, or
  - (b) such other amount as the Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales) may by order specify,multiplied by the total number of vehicles which the operator is licensed to use under all the PSV operator’s licences held by him.
- (4) The penalty is payable to the Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales).
- (5) After imposing the penalty, the traffic commissioner must at once give notice in writing to—
  - (a) the Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales), and
  - (b) the operator.

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- (6) The operator may appeal to the Transport Tribunal against the imposition of the penalty.
- (7) An amount due under this section is recoverable as a civil debt.

### **156 Non-metropolitan transport grants**

- (1) The Secretary of State with the approval of the Treasury (as respects England) or the National Assembly for Wales (as respects Wales) may make grants to non-metropolitan transport authorities for the purpose of—
  - (a) securing the establishment, continuance or improvement of any public passenger transport service which in his or its opinion is or will be for the benefit of persons residing in their area, or
  - (b) securing the provision of new facilities for, or new services ancillary to, any such service which in his or its opinion are or will be for the benefit of such persons.
- (2) Grants under this section shall be of such amount and subject to such conditions (including conditions requiring their repayment in specified circumstances) as may be determined by—
  - (a) the Secretary of State with the approval of the Treasury (as respects England), or
  - (b) the National Assembly for Wales (as respects Wales).
- (3) A determination under subsection (2) may be made either generally or in relation to particular cases or classes of case.
- (4) In this section “non-metropolitan transport authority” means—
  - (a) a county council in England,
  - (b) a council of a non-metropolitan district in England comprised in an area for which there is no county council, or
  - (c) a county council or county borough council in Wales.

### **157 Grants to Passenger Transport Authorities**

- (1) The Secretary of State may, with the approval of the Treasury, make grants to the Passenger Transport Authority for a passenger transport area in England for the purpose of enabling the Authority, or the Passenger Transport Executive for the area, to carry out any of their functions.
- (2) Grants under this section shall be of such amount and subject to such conditions (including conditions requiring their repayment in specified circumstances) as the Secretary of State may, with the approval of the Treasury, determine.
- (3) A determination under subsection (2) may be made either generally or in relation to particular cases or classes of case.

### **158 Repayment of grants towards bus fuel duty**

- (1) Section 111 of the Transport Act 1985 (unregistered and unreliable local services: requirement to repay twenty per cent. of bus fuel duty grants) is amended as follows (until it ceases to have effect as a result of section 154(6)).

(2) For subsections (2) to (4) substitute—

“(2) If any amount has been paid to the operator by way of grant under section 92 of the Finance Act 1965 (grants towards duty charged on bus fuel) in respect of any services operated during the period of three months ending with the day on which the determination under subsection (1) above is made, there is due from the operator—

- (a) to the Secretary of State (as respects England); or
- (b) to the National Assembly for Wales (as respects Wales),

such percentage of that amount as the traffic commissioner thinks fit in all the circumstances of the case.

(3) The percentage determined shall be at least one per cent. but not more than twenty per cent.

(4) A traffic commissioner who makes a determination under this section shall at once give notice in writing to—

- (a) the Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales); and
- (b) the operator;

and the operator may appeal to the Transport Tribunal against the determination.”

(3) In subsection (5), omit—

- (a) “to the Secretary of State”, and
- (b) the words from “and any amount” to the end.

### **159 Abolition of financial plans of Passenger Transport Executives**

Sections 3 to 5 of the Transport Act 1983 (duty of Passenger Transport Executives to prepare three-year financial plans and determination of revenue grants) shall cease to have effect.

### *Supplementary*

### **160 Part II: regulations and orders**

(1) Any power to make regulations or orders under this Part—

- (a) is exercisable by statutory instrument,
- (b) includes power to make different provision for different cases, and
- (c) may be exercised so as to make incidental, consequential, supplementary or transitional provision or savings.

(2) A statutory instrument containing regulations or an order made by a Minister of the Crown under this Part (whether alone or jointly with the National Assembly for Wales) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

### **161 Part II: minor and consequential amendments**

Schedule 11 makes minor and consequential amendments relating to this Part.

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## 162 Interpretation of Part II

(1) In this Part—

“appropriate national authority”, in relation to a quality partnership scheme, a quality contracts scheme or a ticketing scheme, means—

(a) the Secretary of State, as respects a scheme relating to an area in England,

(b) the National Assembly for Wales, as respects a scheme relating to an area in Wales, or

(c) the Secretary of State and the National Assembly for Wales acting jointly, as respects a scheme relating to an area in England and Wales,

“bus services” has the meaning given in section 110(5),

“community bus permit” means a permit under section 22 of the Transport Act 1985,

“connecting rail or tram service” has the meaning given in section 135(5),

“disabled person” has the meaning given in section 146,

“elderly person” has the meaning given in section 146,

“eligible service” has the meaning given in section 146,

“half-price travel concession” has the meaning given in section 146,

“local transport authority” has the meaning given in section 108(4),

“London transport authority” means the Greater London Authority, a London borough council or the Common Council of the City of London,

“quality contract” has the meaning given in section 124(4),

“quality contracts scheme” is to be construed in accordance with section 124(3),

“quality partnership scheme” is to be construed in accordance with section 114(2),

“railway” and “tramway” have the meanings given in section 67(1) of the Transport and Works Act 1992,

“relevant time” has the meaning given in section 146,

“ticketing scheme” is to be construed in accordance with section 135(3),

“traffic regulation order” means an order under the Road Traffic Regulation Act 1984 or any other enactment (other than this Act) regulating the use of roads or other places by public service vehicles, and

“travel concession authority” has the meaning given in section 146.

(2) In this Part the expressions listed below have the same meaning as in the Public Passenger Vehicles Act 1981—

“fares”,

“modification”,

“public service vehicle”,

“PSV operator’s licence”,

“road”, and

“traffic commissioner”.

(3) In this Part the expressions listed below have the same meaning as in the Transport Act 1985—

“local service”,

“public passenger transport services”,

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“stopping place”, and  
“traffic area”.

- (4) Where a reference to an authority in any of the following provisions is to a Passenger Transport Authority, it is to be construed as a reference to the Passenger Transport Executive for the passenger transport area concerned; and where a reference to authorities in any of those provisions is to one or more Passenger Transport Authorities, it is to be construed as a reference to the Passenger Transport Executive or Executives for the passenger transport area or areas concerned—
- section 114(2)(a),
  - section 116(2)(a) and (4)(a),
  - section 118(1) and (2),
  - section 124(4)(a), (5) and (7),
  - section 129(4),
  - section 130,
  - section 131,
  - section 139(5), and
  - section 140.
- (5) References in this Part to Passenger Transport Authorities and Executives and to passenger transport areas are references respectively to the Passenger Transport Authorities and Executives, and to passenger transport areas, for the purposes of Part II of the Transport Act 1968.
- (6) References in this Part to the local transport plan or bus strategy of a Passenger Transport Authority for a passenger transport area are to the local transport plan or bus strategy made jointly by the Passenger Transport Authority and the councils for the metropolitan districts comprised in the area.
- (7) References in this Part to the operator of a passenger transport service of any description are to be construed in accordance with section 137(7) of the Transport Act 1985.

### **PART III**

#### **ROAD USER CHARGING AND WORKPLACE PARKING LEVY**

### **CHAPTER I**

#### **ROAD USER CHARGING**

##### *Charging schemes*

### **163 Preliminary**

- (1) In this Part “charging scheme” means a scheme for imposing charges in respect of the use or keeping of motor vehicles on roads.
- (2) Charges imposed in respect of any motor vehicle by a charging scheme under this Part shall be paid—

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- (a) by the registered keeper of the motor vehicle, or
  - (b) in circumstances specified in regulations made by the appropriate national authority, by such person as is so specified.
- (3) A charging scheme may be made—
- (a) by a non-metropolitan local traffic authority (“a local charging scheme”),
  - (b) jointly by more than one non-metropolitan local traffic authority (“a joint local charging scheme”),
  - (c) jointly by one or more non-metropolitan local traffic authorities and one or more London traffic authorities (“a joint local-London charging scheme”), or
  - (d) by the Secretary of State or the National Assembly for Wales (“a trunk road charging scheme”).
- (4) In this Part references to a non-metropolitan local traffic authority are to a local traffic authority for an area outside Greater London.
- (5) In this Part—
- (a) “the charging authority”, in relation to a charging scheme under this Part made or proposed to be made by one authority, means the authority by which the charging scheme is or is proposed to be made, and
  - (b) “the charging authorities”, in relation to a charging scheme under this Part made or proposed to be made jointly by more than one authority, means the authorities by which the charging scheme is or is proposed to be made.
- (6) The power to make joint local-London charging schemes conferred by this Part does not limit any of the powers in Schedule 23 to the Greater London Authority Act 1999 (road user charging in Greater London).

#### **164 Local charging schemes**

- (1) A local charging scheme may only be made in respect of roads for which the charging authority are the traffic authority.
- (2) A local charging scheme may only be made if it appears desirable for the purpose of directly or indirectly facilitating the achievement of policies in the charging authority’s local transport plan.

#### **165 Joint local charging schemes**

- (1) A joint local charging scheme may only be made in respect of roads for which any of the charging authorities are the traffic authority.
- (2) A joint local charging scheme may only be made if it appears desirable for the purpose of directly or indirectly facilitating the achievement of policies in the charging authorities’ local transport plans.

#### **166 Joint local-London charging schemes**

- (1) A joint local-London charging scheme may only be made in respect of—
  - (a) roads for which the non-metropolitan local traffic authority, or any of the non-metropolitan local traffic authorities, by which it is made are the traffic authority, and

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- (b) roads in respect of which the London traffic authority, or any of the London traffic authorities, by which it is made may impose charges by a scheme under Schedule 23 to the Greater London Authority Act 1999 without the consent of the Secretary of State.
- (2) A joint local-London charging scheme may only be made if it appears desirable for the purpose of directly or indirectly facilitating the achievement of—
- (a) policies in the local transport plan of the non-metropolitan local traffic authority, or the local transport plans of the non-metropolitan local traffic authorities, by which it is made, and
  - (b) policies and proposals set out in the transport strategy prepared and published by the Mayor of London under section 142 of the Greater London Authority Act 1999.

### **167 Trunk road charging schemes**

- (1) A trunk road charging scheme may only be made—
- (a) by the Secretary of State in respect of roads for which he is the traffic authority, or
  - (b) by the National Assembly for Wales in respect of roads for which it is the traffic authority.
- (2) A trunk road charging scheme may only be made in respect of a road if—
- (a) the road is carried by a bridge, or passes through a tunnel, of at least 600 metres in length, or
  - (b) a local traffic authority or Transport for London has requested the charging authority to make the trunk road charging scheme in connection with a charging scheme under this Part, or a scheme under Schedule 23 to the Greater London Authority Act 1999, made or proposed by them.

#### *Making of charging schemes*

### **168 Charging schemes to be made by order**

- (1) A charging scheme under this Part is made by order of the charging authority or of the charging authorities (acting jointly).
- (2) The charging authority or the charging authorities (acting jointly) may by order vary a charging scheme under this Part and the charging authority or any of the charging authorities may by order revoke such a scheme; but where a trunk road charging scheme is made at the request of a local traffic authority or Transport for London, it shall not be varied or revoked unless the local traffic authority, or Transport for London, have been consulted about its variation or revocation.
- (3) The appropriate national authority may make regulations about orders making, varying or revoking charging schemes under this Part, including (in particular)—
- (a) provision specifying the form of orders,
  - (b) provision about the publication of proposals for orders making or varying such charging schemes and the making and consideration of objections to such proposals, and
  - (c) provision about the publication of notice of orders and of their effect.

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- (4) Before making regulations under subsection (3) which relate to joint local-London charging schemes the Secretary of State shall consult the Greater London Authority about the regulations so far as they so relate.

### **169 Confirmation of charging schemes**

- (1) A charging scheme under this Part, other than a trunk road charging scheme, shall not come into force unless the order making it has been submitted to and confirmed by the appropriate national authority; and a variation of such a charging scheme shall not take effect until the order making the variation has been so submitted and confirmed.
- (2) Subsection (1) does not apply in such circumstances as may be specified in or determined in accordance with regulations made by the appropriate national authority.
- (3) A joint local-London charging scheme shall not come into force unless the order making it has been submitted to and confirmed by the Greater London Authority; and a variation or revocation of such a charging scheme shall not take effect until the order making the variation or revocation has been so submitted and confirmed.
- (4) Where confirmation of an order is required by this section, the order may be confirmed with or without modifications.
- (5) Where confirmation by both the Secretary of State and the Greater London Authority of an order making a joint local-London charging scheme, or a variation of such a charging scheme, is required by this section—
- (a) the order shall not be submitted to the Secretary of State until it has been confirmed by the Greater London Authority,
  - (b) if the order has been confirmed by the Greater London Authority with modifications it is the modified order that must be submitted to the Secretary of State, and
  - (c) the order may not be confirmed with modifications by the Secretary of State until the modifications have been confirmed by the Greater London Authority.

### **170 Charging schemes: consultation and inquiries**

- (1) The charging authority or the charging authorities (acting jointly) may at any time before an order making, varying or revoking a charging scheme under this Part is made, consult other persons about the charging scheme, variation or revocation.
- (2) The charging authority or the charging authorities (acting jointly)—
- (a) may cause an inquiry to be held in relation to a charging scheme under this Part, or the variation or revocation of such a scheme, and
  - (b) may appoint the person or persons by whom such an inquiry is to be held.
- (3) The appropriate national authority may at any time—
- (a) before an order making or varying a charging scheme under this Part (other than a trunk road charging scheme) is made, or
  - (b) (where such an order has to be confirmed) before it is confirmed,
- consult other persons, or require the charging authority or authorities to consult other persons, about the charging scheme or variation.
- (4) The appropriate national authority—



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- (a) may cause an inquiry to be held in relation to a charging scheme under this Part (other than a trunk road charging scheme) or the variation of such a scheme, and
  - (b) may appoint the person or persons by whom such an inquiry is to be held.
- (5) In the case of a joint local-London charging scheme—
- (a) the Greater London Authority may, at any time before an order making, varying or revoking the charging scheme is confirmed by that Authority, consult other persons, or require the charging authorities to consult other persons, about the charging scheme, variation or revocation, and
  - (b) the Secretary of State shall not cause an inquiry to be held in relation to the charging scheme, or the variation of the charging scheme, or appoint the person or persons by whom such an inquiry is to be held, without the consent of the Greater London Authority.
- (6) Subsections (2) and (3) of section 250 of the Local Government Act 1972 (witnesses at local inquiries) apply in relation to any inquiry held by virtue of this section.
- (7) Where an inquiry is held by virtue of this section in relation to a charging scheme, or the variation or revocation of such a scheme, the costs of the inquiry shall be paid—
- (a) in the case of a trunk road charging scheme made by virtue of section 167(2)
  - (b), by the local traffic authority which requested the making of the scheme (or Transport for London, if it did), and
  - (b) in any other case, by the charging authority or authorities;
- and the parties at the inquiry shall bear their own costs.

### *Contents of charging schemes*

## **171 Matters to be dealt with in charging schemes**

- (1) A charging scheme under this Part must—
- (a) designate the roads in respect of which charges are imposed,
  - (b) specify or describe the events by reference to the happening of which a charge is imposed in respect of a motor vehicle being used or kept on a road,
  - (c) specify the classes of motor vehicles in respect of which charges are imposed,
  - (d) specify the charges imposed, and
  - (e) state whether or not the charging scheme is to remain in force indefinitely and, if it is not to remain in force indefinitely, the period for which it is to remain in force.
- (2) Subject to sections 164 to 167 and to any modifications made by virtue of section 169, the designation of the roads in respect of which charges are imposed by a charging scheme under this Part shall be such as the charging authority or authorities may determine.
- (3) Any charge imposed by a charging scheme under this Part in respect of the keeping of a motor vehicle on a road must also have effect in respect of the use of the motor vehicle on that road.
- (4) A charging scheme under this Part may make provision in relation to the manner in which charges are to be made, collected, recorded and paid.

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- (5) The charges that may be imposed by a charging scheme under this Part include different charges (which may be no charge) for different cases, including (in particular) —
- (a) different days,
  - (b) different times of day,
  - (c) different roads,
  - (d) different distances travelled, and
  - (e) different classes of motor vehicles.
- (6) In setting the charges imposed by a charging scheme under this Part, regard may be had to the purposes for which any of the net proceeds of the charging scheme may be applied (in accordance with Schedule 12).
- (7) A charging scheme under this Part may contain provision requiring—
- (a) documents to be displayed while a motor vehicle is on a road in respect of which charges are imposed, or
  - (b) equipment to be carried in or fitted to a motor vehicle while it is on such a road.

## **172 Charging schemes: exemptions etc**

- (1) The appropriate national authority may make regulations requiring charging schemes under this Part to contain provision for or in connection with—
- (a) exemptions from charges,
  - (b) the application of reduced rates of charges, or
  - (c) the imposition of limits on the charges payable.
- (2) Subject to regulations under subsection (1) and to section 169(1) and (3), a charging scheme under this Part may contain provision of any of the descriptions specified in that subsection.
- (3) A road shall not be subject to charges imposed by more than one charging scheme under this Part, or by such a charging scheme and a scheme under Schedule 23 to the Greater London Authority Act 1999, at the same time.
- (4) A road shall not be subject to charges under a charging scheme under this Part if tolls are charged in respect of the use of the road.

### *Enforcement of charging schemes*

## **173 Penalty charges**

- (1) The appropriate national authority may by regulations make provision for or in connection with the imposition and payment of charges (“charging scheme penalty charges”) in respect of acts, omissions, events or circumstances relating to or connected with charging schemes under this Part.
- (2) The regulations may include provision for or in connection with setting the rates of charging scheme penalty charges (which may include provision for discounts or surcharges).
- (3) Charging scheme penalty charges in respect of any motor vehicle shall be paid—
- (a) by the registered keeper of the motor vehicle, or

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- (b) in circumstances specified in regulations made by the appropriate national authority, by such person as is so specified.
- (4) The Lord Chancellor may make regulations about the notification, adjudication and enforcement of charging scheme penalty charges.
- (5) A person commits an offence if with intent to avoid payment of, or being identified as having failed to pay, a charge imposed by a charging scheme under this Part—
- (a) he interferes with any equipment used for or in connection with charging under the charging scheme, or
  - (b) he causes or permits the registration plate of a motor vehicle to be obscured.
- (6) A person commits an offence if he makes or uses any false document with intent to avoid payment of, or being identified as having failed to pay, charges imposed by a charging scheme under this Part or charging scheme penalty charges.
- (7) A person commits an offence if he removes a notice of a charging scheme penalty charge which has been fixed to a motor vehicle in accordance with regulations under this section unless—
- (a) he is the registered keeper of the vehicle or a person using the vehicle with his authority, or
  - (b) he does so under the authority of the registered keeper or such a person or of the charging authority or any of the charging authorities.
- (8) A person guilty of an offence under subsection (5) or (6) is liable on summary conviction to—
- (a) a fine not exceeding level 5 on the standard scale, or
  - (b) imprisonment for a term not exceeding six months,
- or to both.
- (9) A person guilty of an offence under subsection (7) is liable on summary conviction to a fine not exceeding level 2 on the standard scale.

#### **174 Examination, entry, search and seizure**

- (1) The appropriate national authority may by regulations make provision enabling or requiring charging schemes under this Part to confer powers on persons specified in, or determined in accordance with, the regulations for or in connection with examining a motor vehicle for ascertaining—
- (a) whether any document required to be displayed while the motor vehicle is on a road in respect of which charges are imposed is so displayed,
  - (b) whether any equipment required to be carried in or fitted to the motor vehicle while the motor vehicle is on such a road is carried or fitted, is in proper working order or has been interfered with with intent to avoid payment of, or being identified as having failed to pay, a charge, or
  - (c) whether any conditions relating to the use of any such equipment are satisfied.
- (2) The appropriate national authority may by regulations make provision enabling or requiring charging schemes under this Part to confer power on any person authorised in writing by the charging authority, or any of the charging authorities, to enter a motor vehicle where he has reasonable grounds for suspecting that—
- (a) any equipment required to be carried in or fitted to it while it is on a road in respect of which charges are imposed has been interfered with with intent to

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- avoid payment of, or being identified as having failed to pay, a charge imposed by the charging scheme, or
- (b) there is in the motor vehicle a false document which has been made or used with intent to avoid payment of, or being identified as having failed to pay, such a charge.
- (3) A person commits an offence if he intentionally obstructs a person exercising any power conferred on him by a charging scheme under this Part by virtue of subsection (2).
- (4) A person guilty of an offence under subsection (3) is liable on summary conviction to—
- (a) a fine not exceeding level 5 on the standard scale, or
- (b) imprisonment for a term not exceeding six months,
- or to both.
- (5) The appropriate national authority may by regulations make provision enabling or requiring charging schemes under this Part to confer power on any person authorised in writing by the charging authority, or any of the charging authorities, to seize anything (if necessary by detaching it from a motor vehicle) and detain it as evidence of the commission of an offence under section 173(5) or (6).
- (6) A charging scheme under this Part may not authorise an examination of, or entry into, a motor vehicle unless it is on a road.

## **175 Immobilisation etc**

- (1) The appropriate national authority may by regulations make provision enabling or requiring charging schemes under this Part to make provision for or in connection with—
- (a) the fitting of immobilisation devices to motor vehicles,
- (b) the fixing of immobilisation notices to motor vehicles to which an immobilisation device has been fitted,
- (c) the removal and storage of motor vehicles,
- (d) the release of motor vehicles from immobilisation devices or from storage,
- (e) the satisfaction of conditions before the release of a motor vehicle, and
- (f) the sale or destruction of motor vehicles not released.
- (2) A person commits an offence if he removes or interferes with an immobilisation notice fixed to a motor vehicle in accordance with provision included in a charging scheme under this Part by virtue of subsection (1) in contravention of such provision.
- (3) A person commits an offence if he removes or attempts to remove an immobilisation device fitted to a motor vehicle in accordance with provision included in a charging scheme under this Part by virtue of subsection (1) in contravention of such provision.
- (4) A person commits an offence if he intentionally obstructs a person exercising any power conferred on him by provision included in a charging scheme under this Part by virtue of subsection (1).
- (5) A person guilty of an offence under subsection (2) is liable on summary conviction to a fine not exceeding level 2 on the standard scale.

- (6) A person guilty of an offence under subsection (3) or (4) is liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (7) In this section “immobilisation device” has the same meaning as in section 104 of the Road Traffic Regulation Act 1984.
- (8) A charging scheme under this Part may not authorise or require the fitting of an immobilisation device to, or the removal of, a motor vehicle unless it is on a road.

### *Supplementary*

#### **176 Equipment etc**

- (1) The charging authority, or any of the charging authorities, in relation to a charging scheme under this Part may—
  - (a) install and maintain, or authorise the installation and maintenance of, any equipment, or
  - (b) construct and maintain, or authorise the construction and maintenance of, any buildings or other structures,used or to be used for or in connection with the operation of a charging scheme under this Part.
- (2) The appropriate national authority may by regulations approve standards for equipment installed, or authorised to be installed, by charging authorities for or in connection with the operation of charging schemes under this Part.
- (3) No equipment may be installed for or in connection with the operation of a charging scheme under this Part if it is incompatible with a standard approved under subsection (2).

#### **177 Traffic signs**

- (1) The appropriate national authority may direct the charging authority, or any of the charging authorities, in relation to a charging scheme under this Part (other than a trunk road charging scheme) to place and maintain traffic signs, or cause traffic signs to be placed and maintained, in connection with the scheme.
- (2) In the case of a joint local-London charging scheme the Greater London Authority may also exercise the power conferred by subsection (1); but any direction under this subsection shall not have effect if and to the extent that it is inconsistent with a direction under subsection (1).
- (3) The appropriate national authority may direct any local traffic authority to place and maintain traffic signs, or cause traffic signs to be placed and maintained, in connection with a trunk road charging scheme.
- (4) An authority which is or could be given a direction under this section may enter any land, and exercise any other powers which may be necessary, for placing and maintaining traffic signs, or causing traffic signs to be placed and maintained, in connection with any charging scheme in respect of which a direction is or could be given.

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- (5) A direction under this section shall be given in writing and may be varied or revoked by the authority by which it was given.
- (6) In this section “traffic signs” has the meaning given by section 64 of the Road Traffic Regulation Act 1984 but also includes signposts and other signs and notices included in that term by section 71(2) of that Act.

## CHAPTER II

### WORKPLACE PARKING LEVY

#### *Licensing schemes*

#### **178 Preliminary**

- (1) In this Part “licensing scheme” means a scheme for imposing charges in respect of the provision of workplace parking places at premises in the area covered by the scheme to be paid on licences covering the provision of a maximum number of such parking places at the premises.
- (2) Charges imposed in respect of any premises by a licensing scheme under this Part shall be paid—
  - (a) by the occupier of the premises, or
  - (b) in circumstances specified in regulations made by the appropriate national authority, by such person as is so specified.
- (3) In this Part “licence” means a licence under a licensing scheme under this Part.
- (4) A licence relating to premises must cover the provision at the premises of the number of workplace parking places requested by the applicant for the licence; and in this Part “licensed unit”, in relation to a licence relating to premises, means each unit comprised in the maximum number of workplace parking places which may be provided at the premises under the cover of the licence.
- (5) A licensing scheme may be made—
  - (a) by a non-metropolitan local traffic authority (“a local licensing scheme”),
  - (b) jointly by more than one non-metropolitan local traffic authority (“a joint local licensing scheme”), or
  - (c) jointly by one or more non-metropolitan local traffic authorities and one or more London traffic authorities (“a joint local-London licensing scheme”).
- (6) In this Part—
  - (a) “the licensing authority”, in relation to a licensing scheme under this Part made or proposed to be made by one authority, means the authority by which the licensing scheme is or is proposed to be made, and
  - (b) “the licensing authorities”, in relation to a licensing scheme under this Part made or proposed to be made jointly by more than one authority, means the authorities by which the licensing scheme is or is proposed to be made.
- (7) The power to make joint local-London licensing schemes conferred by this Part does not limit any of the powers in Schedule 24 to the Greater London Authority Act 1999 (workplace parking levy in Greater London).

### **179 Local licensing schemes**

- (1) A local licensing scheme may cover the whole or any part of the area of the licensing authority.
- (2) A local licensing scheme may only be made if it appears desirable for the purpose of directly or indirectly facilitating the achievement of policies in the licensing authority's local transport plan.

### **180 Joint local licensing schemes**

- (1) A joint local licensing scheme may cover the whole or any part of the combined area of the licensing authorities.
- (2) A joint local licensing scheme may only be made if it appears desirable for the purpose of directly or indirectly facilitating the achievement of policies in the licensing authorities' local transport plans.

### **181 Joint local-London licensing schemes**

- (1) A joint local-London licensing scheme may cover—
  - (a) the whole or any part of the area of the non-metropolitan local traffic authority, or combined area of the non-metropolitan local traffic authorities, by which it is made, and
  - (b) the whole or any part of any area to which a scheme under Schedule 24 to the Greater London Authority Act 1999 made by the London traffic authority, or any of the London traffic authorities, by which it is made could apply.
- (2) A joint local-London licensing scheme may only be made if it appears desirable for the purpose of directly or indirectly facilitating the achievement of—
  - (a) policies in the local transport plan of the non-metropolitan local traffic authority, or the local transport plans of the non-metropolitan local traffic authorities, by which it is made, and
  - (b) policies and proposals set out in the transport strategy prepared and published by the Mayor of London under section 142 of the Greater London Authority Act 1999.

### **182 Workplace parking places**

- (1) For the purposes of this Part a workplace parking place is provided at any premises at any time if a parking place provided at the premises is at that time occupied by a motor vehicle (other than an exempt vehicle) used—
  - (a) by a relevant person,
  - (b) by an employee, agent, supplier, business customer or business visitor of a relevant person,
  - (c) by a pupil or student attending a course of education or training provided by a relevant person, or
  - (d) where a body whose affairs are controlled by its members is a relevant person, by a member of the body engaged in the carrying on of any business of the body,for attending a place at which the relevant person carries on business at or in the vicinity of the premises.

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- (2) In this section “relevant person” means—
- (a) the person who provides the parking place in question (“the provider”),
  - (b) any person with whom the provider has entered into arrangements to provide the parking place (whether or not for that person’s own use), or
  - (c) any person who is associated with the provider or a person within paragraph (b).
- (3) For the purposes of subsection (2)(c) any two persons are associated if and only if—
- (a) one is a company of which the other (directly or indirectly) has control, or
  - (b) both are companies of which a third person (directly or indirectly) has control.
- (4) For the purposes of this section—
- “business” includes—
- (a) any trade, profession, vocation or undertaking,
  - (b) the functions of any office holder,
  - (c) the provision of any course of education or training, and
  - (d) the functions of, or any activities carried on by, a government department or a local authority or other statutory body,
- “business customer”, in relation to a relevant person, means a client or customer of the relevant person who is attending at any premises occupied by the relevant person for the purposes of a business carried on by that client or customer,
- “business visitor”, in relation to a relevant person, means an individual who—
- (a) in the course of his employment, or
  - (b) in the course of carrying on a business or for the purposes of a business carried on by him,
- is visiting the relevant person or any premises occupied by the relevant person,
- “employee” means a person employed under a contract of service or apprenticeship, whether express or implied, and (if express) whether oral or in writing, and
- “supplier”, in relation to a relevant person, means—
- (a) a person supplying, or seeking to supply, goods or services to the relevant person for the purposes of a business carried on by the relevant person, or
  - (b) any agent or sub-contractor of such a person.
- (5) The appropriate national authority may make regulations amending the preceding provisions of this section for the purpose of adding, removing or varying cases where, for the purposes of this Part, a workplace parking place is provided.

### *Making of licensing schemes*

#### **183 Licensing schemes to be made by order**

- (1) A licensing scheme under this Part is made by order of the licensing authority or of the licensing authorities (acting jointly).
- (2) The licensing authority or the licensing authorities (acting jointly) may by order vary a licensing scheme under this Part and the licensing authority or any of the licensing authorities may by order revoke such a scheme.



- (3) The appropriate national authority may make regulations about orders making, varying or revoking licensing schemes under this Part, including (in particular)—
  - (a) provision specifying the form of orders,
  - (b) provision about the publication of proposals for orders making or varying such licensing schemes and the making and consideration of objections to such proposals, and
  - (c) provision about the publication of notice of orders and of their effect.
- (4) Before making regulations under subsection (3) which relate to joint local-London licensing schemes the Secretary of State shall consult the Greater London Authority about the regulations so far as they so relate.

#### **184 Confirmation of licensing schemes**

- (1) A licensing scheme under this Part shall not come into force unless the order making it has been submitted to and confirmed by the appropriate national authority; and a variation of such a licensing scheme shall not take effect until the order making the variation has been so submitted and confirmed.
- (2) Subsection (1) does not apply in such circumstances as may be specified in or determined in accordance with regulations made by the appropriate national authority.
- (3) A joint local-London licensing scheme shall not come into force unless the order making it has been submitted to and confirmed by the Greater London Authority; and a variation or revocation of such a licensing scheme shall not take effect until the order making the variation or revocation has been so submitted and confirmed.
- (4) Where confirmation of an order is required by this section, the order may be confirmed with or without modifications.
- (5) Where confirmation by both the Secretary of State and the Greater London Authority of an order making a joint local-London licensing scheme, or a variation of such a licensing scheme, is required by this section—
  - (a) the order shall not be submitted to the Secretary of State until it has been confirmed by the Greater London Authority,
  - (b) if the order has been confirmed by the Greater London Authority with modifications it is the modified order that must be submitted to the Secretary of State, and
  - (c) the order may not be confirmed with modifications by the Secretary of State until the modifications have been confirmed by the Greater London Authority.

#### **185 Licensing schemes: consultation and inquiries**

- (1) The licensing authority or the licensing authorities (acting jointly) may at any time before an order making, varying or revoking a licensing scheme under this Part is made, consult other persons about the licensing scheme, variation or revocation.
- (2) The licensing authority or the licensing authorities (acting jointly)—
  - (a) may cause an inquiry to be held in relation to a licensing scheme under this Part, or the variation or revocation of such a scheme, and
  - (b) may appoint the person or persons by whom such an inquiry is to be held.
- (3) The appropriate national authority may at any time—

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- (a) before an order making or varying a licensing scheme under this Part is made, or
  - (b) (where such an order has to be confirmed) before it is confirmed,
- consult other persons, or require the licensing authority or authorities to consult other persons, about the licensing scheme or variation.
- (4) The appropriate national authority—
- (a) may cause an inquiry to be held in relation to a licensing scheme under this Part or the variation of such a scheme, and
  - (b) may appoint the person or persons by whom such an inquiry is to be held.
- (5) In the case of a joint local-London licensing scheme—
- (a) the Greater London Authority may, at any time before an order making, varying or revoking the licensing scheme is confirmed by that Authority, consult other persons, or require the licensing authorities to consult other persons, about the licensing scheme, variation or revocation, and
  - (b) the Secretary of State shall not cause an inquiry to be held in relation to the licensing scheme, or the variation of the licensing scheme, or appoint the person or persons by whom such an inquiry is to be held, without the consent of the Greater London Authority.
- (6) Subsections (2) and (3) of section 250 of the Local Government Act 1972 (witnesses at local inquiries) apply in relation to any inquiry held by virtue of this section.
- (7) Where an inquiry is held by virtue of this section in relation to a licensing scheme or the variation or revocation of such a scheme—
- (a) the costs of the inquiry shall be paid by the licensing authority or authorities, and
  - (b) the parties at the inquiry shall bear their own costs.

*Contents of licensing schemes and licences*

**186 Matters to be dealt with in licensing schemes**

- (1) A licensing scheme under this Part must—
- (a) designate the area covered by the licensing scheme (“the licensing area”),
  - (b) state the days on which, and hours during which, a licence is required,
  - (c) specify the charges payable on licences (expressed as a specified sum of money for each licensed unit), and
  - (d) state whether or not the licensing scheme is to remain in force indefinitely and, if it is not to remain in force indefinitely, the period for which it is to remain in force.
- (2) Subject to sections 179 to 181 and to any modifications made by virtue of section 184, the designation by a licensing scheme under this Part of the boundaries of the licensing area shall be such as the licensing authority or authorities may determine.
- (3) The charges that may be imposed by a licensing scheme under this Part include different charges (which may be no charge) for different cases, including (in particular)
- 
- (a) different days,
  - (b) different times of day,

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- (c) different parts of the licensing area,
  - (d) different classes of motor vehicles, and
  - (e) different numbers of licensed units.
- (4) In setting the charges imposed by a licensing scheme under this Part, regard may be had to the purposes for which any of the net proceeds of the licensing scheme may be applied (in accordance with Schedule 12).
- (5) A licensing scheme may include provision for or in connection with—
- (a) the making of an application for a licence,
  - (b) the grant of a licence,
  - (c) the issue of a licence, and
  - (d) the variation or revocation of a licence.

### **187 Licensing schemes: exemptions etc**

- (1) The appropriate national authority may make regulations requiring licensing schemes under this Part to contain provision for or in connection with—
- (a) exemptions from licensing,
  - (b) the application of reduced rates of charges payable on licences, or
  - (c) the imposition of limits on the charges payable on a licence.
- (2) Subject to regulations under subsection (1) and to section 184(1) and (3), a licensing scheme under this Part may contain provision of any of the descriptions specified in that subsection.
- (3) The same premises shall not be subject to more than one licensing scheme under this Part, or to such a licensing scheme and a scheme under Schedule 24 to the Greater London Authority Act 1999, at the same time.
- (4) In subsection (1) the reference to exemptions from licensing includes (as well as exemptions in respect of any description of premises, persons or motor vehicles) exemption of a specified number of parking places provided at any premises from being workplace parking places, either generally or in the case of any description of premises, persons or motor vehicles.

### **188 Licences**

- (1) A licence must—
- (a) state the name of the person to whom it is granted,
  - (b) identify the premises to which it relates,
  - (c) specify the maximum number of motor vehicles (not counting exempt vehicles) which may be parked at those premises at any one time, and
  - (d) state the amount of the charge paid on the licence and set out the calculation of that amount.
- (2) A licence may be granted subject to conditions.
- (3) A licence may not be granted for a period of more than one year.
- (4) A person commits an offence if he intentionally provides false or misleading information in or in connection with an application for a licence.

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- (5) A person guilty of an offence under subsection (4) is liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum, or
  - (b) on conviction on indictment, to a fine.

### *Enforcement of licensing schemes*

#### **189 Penalty charges**

- (1) The appropriate national authority may by regulations make provision for or in connection with the imposition and payment of charges (“licensing scheme penalty charges”) in respect of acts, omissions, events or circumstances relating to or connected with licensing schemes under this Part.
- (2) The regulations may include provision for or in connection with setting the rates of licensing scheme penalty charges (which may include provision for discounts or surcharges).
- (3) Licensing scheme penalty charges in respect of any premises shall be paid—
- (a) by the occupier of the premises, or
  - (b) in circumstances specified in regulations made by the appropriate national authority, by such person as is so specified.
- (4) The Lord Chancellor may make regulations about the notification, adjudication and enforcement of licensing scheme penalty charges.

#### **190 Rights of entry**

- (1) Where a person duly authorised in writing by the licensing authority, or any of the licensing authorities, in relation to a licensing scheme under this Part has reason to believe that workplace parking places are being provided at any premises in the licensing area, he may at any reasonable time enter the premises for ascertaining—
- (a) whether any workplace parking places are being provided at the premises without a licence or a licence covering all the workplace parking places being provided, or
  - (b) whether there is or has been any contravention of the conditions of a licence in respect of the premises.
- (2) A person duly authorised in writing by the licensing authority, or any of the licensing authorities, in relation to a licensing scheme under this Part may at any reasonable time enter any premises for the purpose of issuing notice of a licensing scheme penalty charge.
- (3) A person authorised under subsection (1) or (2) to enter any premises shall, if so required, produce evidence of his authority before so entering.
- (4) A person commits an offence if he intentionally obstructs a person exercising any power conferred on him by subsection (1) or (2).
- (5) A person guilty of an offence under subsection (4) is liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum, or
  - (b) on conviction on indictment, to a fine.

- (6) Where any land is damaged in the exercise of a right of entry conferred under subsection (1) or (2), compensation in respect of that damage may be recovered by any person interested in the land from the authority on whose behalf the entry was effected.
- (7) The provisions of section 118 of the Town and Country Planning Act 1990 shall apply in relation to compensation under subsection (6) as they apply in relation to compensation under Part IV of that Act.

## CHAPTER III

### GENERAL AND SUPPLEMENTARY

#### **191 Financial provisions about schemes**

Schedule 12 contains financial provisions about charging schemes and licensing schemes.

#### **192 Powers of authorities**

The charging authority or licensing authority, or any of the charging authorities or licensing authorities, in relation to a charging scheme or licensing scheme under this Part may—

- (a) incur expenditure in or in connection with the establishment or operation of the charging scheme or licensing scheme, or
- (b) enter into arrangements (including arrangements for forming or participating in companies) with any person in respect of the operation of the charging scheme or licensing scheme or relating to the installation or operation of any equipment used for or in connection with the operation of the charging scheme or licensing scheme.

#### **193 Guidance**

- (1) The appropriate national authority may issue guidance to non-metropolitan local traffic authorities and London traffic authorities in relation to the discharge of their functions with respect to charging schemes and licensing schemes under this Part; and such authorities shall, in exercising those functions, have regard to any such guidance.
- (2) Before issuing guidance under this section which relates to joint local-London charging schemes or joint local-London licensing schemes the Secretary of State shall consult the Greater London Authority about the guidance so far as it so relates.
- (3) Guidance issued under this section shall be published in such manner as the appropriate national authority by which it is issued considers appropriate; and the appropriate national authority may at any time vary or revoke guidance issued by it under this section.

#### **194 Information**

- (1) Information obtained by—
  - (a) any Minister of the Crown or government department,
  - (b) the National Assembly for Wales, or

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- (c) any local authority or other statutory body,  
 may be disclosed to the charging authority or licensing authority, or any of the charging authorities or licensing authorities, in relation to a charging scheme or licensing scheme under this Part for or in connection with the exercise of any of their functions with respect to the charging scheme or licensing scheme.
- (2) Information obtained by the charging authority or licensing authority, or any of the charging authorities or licensing authorities, in relation to a charging scheme or licensing scheme under this Part for or in connection with any of their functions other than their functions with respect to the charging scheme or licensing scheme may be used by them for or in connection with the exercise of any of their functions with respect to the charging scheme or licensing scheme.
- (3) Any information—
- (a) which has been or could be disclosed to an authority under subsection (1) for or in connection with the exercise of any of their functions with respect to the charging scheme or licensing scheme, or
  - (b) which has been or could be used by an authority by virtue of subsection (2) for or in connection with the exercise of any of those functions,
- may be disclosed to any person with whom the authority has entered into arrangements under section 192(b).
- (4) Information disclosed to a person under subsection (3)—
- (a) may be disclosed to any other person for or in connection with the charging scheme or licensing scheme, but
  - (b) may not be used (by him or any other person to whom it is disclosed under paragraph (a)) otherwise than for or in connection with the charging scheme or licensing scheme.

## **195 Determination of disputes, appeals and evidence**

- (1) The Lord Chancellor may by regulations make provision for or in connection with—
- (a) appeals against decisions relating to licences under licensing schemes under this Part or any failure to make such a decision,
  - (b) the determination of disputes relating to charging schemes or licensing schemes under this Part,
  - (c) appeals against such determinations or any failure to make such a determination, and
  - (d) the appointment of persons to hear any such appeals.
- (2) The Lord Chancellor may by regulations make provision for or in connection with permitting evidence of a fact relevant to proceedings for an offence under this Part, or proceedings in respect of a failure to comply with the provisions of a charging scheme or licensing scheme under this Part, to be given by the production of—
- (a) a record produced by a device specified in, or determined in accordance with, the regulations, and
  - (b) a certificate (whether in the same or another document) as to the circumstances in which the record was produced signed by a person so specified or determined.

## **196 Crown application**

- (1) Chapter I applies in relation to Crown roads (within the meaning of section 131 of the Road Traffic Regulation Act 1984) as in relation to other roads.
- (2) The provisions of this Part and of regulations and schemes under it bind the Crown.
- (3) No contravention by the Crown of any of those provisions makes the Crown criminally liable; but—
  - (a) the High Court may, on the application of a charging authority, declare unlawful any act or omission of the Crown which constitutes such a contravention, and
  - (b) (subject to subsection (4)) those provisions apply to motor vehicles or persons in the public service of the Crown as they apply to other motor vehicles or persons.
- (4) No power of entry conferred by—
  - (a) regulations made under section 174(2), or
  - (b) section 190(1) or (2),is exercisable in relation to any motor vehicle in the public service of the Crown or any premises held or used by or on behalf of the Crown.
- (5) Nothing in this section affects Her Majesty in her private capacity; and this subsection shall be construed as if section 38(3) of the Crown Proceedings Act 1947 (interpretation of references in that Act to Her Majesty in her private capacity) were contained in this Act.

## **197 Part III: regulations and orders**

- (1) Any power to make regulations under this Part—
  - (a) is exercisable by statutory instrument,
  - (b) includes power to make different provision for different cases, and
  - (c) may be exercised so as to make incidental, consequential, supplementary or transitional provision or savings.
- (2) The power to make an order making, varying or revoking a trunk road charging scheme is exercisable by statutory instrument.
- (3) Regulations under paragraph 9(1) or 13(2) or (5) of Schedule 12 shall not be made without the consent of the Treasury.
- (4) Regulations shall not be made by the Secretary of State under—
  - (a) section 182(5), or
  - (b) paragraph 9(1) or 13(2) or (5) of Schedule 12,unless a draft of the regulations has been laid before, and approved by a resolution of, the House of Commons.
- (5) A statutory instrument containing regulations made by the Secretary of State or the Lord Chancellor under any other provision of this Part shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (6) The references in subsections (4) and (5) to regulations made by the Secretary of State include regulations made by him jointly with the National Assembly for Wales.

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## 198 Interpretation of Part III

(1) In this Part—

“the appropriate national authority” means—

- (a) the Secretary of State in relation to charging schemes and licensing schemes relating only to England,
- (b) the National Assembly for Wales in relation to charging schemes and licensing relating only to Wales, and
- (c) the Secretary of State and the National Assembly for Wales, acting jointly, in relation to charging schemes and licensing schemes relating to both England and Wales,

“bridge” means a bridge or viaduct and includes the abutments of a bridge,  
“charging authority” and “charging authorities” have the meanings given by section 163(5),

“charging scheme” has the meaning given by section 163(1),

“charging scheme penalty charges” shall be construed in accordance with section 173(1),

“exempt vehicle”, in relation to a licensing scheme, means a motor vehicle exempt from licensing under the scheme by virtue of regulations under subsection (1) of section 187 or provision included in the scheme by virtue of subsection (2) of that section,

“financial year” means a period of twelve months ending with 31st March,

“joint local charging scheme” shall be construed in accordance with section 163(3)(b),

“joint local licensing scheme” shall be construed in accordance with section 178(5)(b),

“joint local-London charging scheme” shall be construed in accordance with section 163(3)(c),

“joint local-London licensing scheme” shall be construed in accordance with section 178(5)(c),

“licence” shall be construed in accordance with section 178(3),

“licensed unit” has the meaning given by section 178(4),

“licensing area” shall be construed in accordance with section 186(1)(a),

“licensing authority” and “licensing authorities” have the meanings given by section 178(6),

“licensing scheme” has the meaning given by section 178(1),

“licensing scheme penalty charges” shall be construed in accordance with section 189(1),

“local charging scheme” shall be construed in accordance with section 163(3)(a),

“local licensing scheme” shall be construed in accordance with section 178(5)(a),

“local traffic authority” has the same meaning as in the Road Traffic Regulation Act 1984,

“London traffic authority” means Transport for London, a London borough council or the Common Council of the City of London,

“motor vehicle” has the meaning given in section 185(1) of the Road Traffic Act 1988, except that section 189 of that Act (exception for certain pedestrian



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controlled vehicles and electrically assisted pedal cycles) shall apply as it applies for the purposes of the Road Traffic Acts,

“non-metropolitan local traffic authority” shall be construed in accordance with section 163(4),

“operation” includes enforcement (related expressions being construed accordingly),

“registered keeper”, in relation to a charge imposed in respect of motor vehicle, means the person in whose name the vehicle was registered under the Vehicle Excise and Registration Act 1994 at the time of the act, omission, event or circumstances in respect of which the charge is imposed,

“road” has the same meaning as in the Road Traffic Regulation Act 1984,

“trunk road charging scheme” shall be construed in accordance with section 163(3)(d), and

“workplace parking place” shall be construed in accordance with section 182.

- (2) Any reference in this Part to an authority’s local transport plan shall, where the authority is the council of a metropolitan district, be construed as a reference to the local transport plan made jointly by the Passenger Transport Authority for the passenger transport area in which the district is included and the councils for the metropolitan districts comprised in that area.
- (3) Any reference in this Part to a class of motor vehicles is a reference to a class defined or described, by reference to any characteristics of the motor vehicles or to any other circumstances whatsoever, in regulations made by the appropriate national authority.

## **199 Amendments of Greater London Authority Act**

Schedule 13 contains amendments of Schedules 23 and 24 to the Greater London Authority Act 1999 in consequence of the provisions of this Part and minor amendments of those Schedules.

## **200 Exemption from local non-domestic rating**

In Schedule 5 to the Local Government Finance Act 1988 (local non-domestic rating: exemptions), after paragraph 18A insert—

### *“Property used for road user charging schemes*

18B (1) A hereditament which is occupied (as mentioned in section 65 of this Act) is exempt to the extent that—

- (a) it consists of a road in respect of which charges are imposed by a charging scheme under Schedule 23 to the Greater London Authority Act 1999 or Part III of the Transport Act 2000, or
- (b) it is used solely for or in connection with the operation of such a scheme.

(2) But office buildings are not exempt under sub-paragraph (1)(b) above.”

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## PART IV

### RAILWAYS

#### CHAPTER I

##### THE STRATEGIC RAIL AUTHORITY

###### *The Authority*

#### **201 The Authority**

- (1) There shall be a body corporate known as the Strategic Rail Authority (but in this Part referred to as “the Authority”).
- (2) The Authority shall not be regarded as the servant or agent of the Crown or as enjoying any status, immunity or privilege of the Crown; and its property shall not be regarded as property of, or held on behalf of, the Crown.

#### **202 Membership and chairing**

- (1) The Authority shall consist of—
  - (a) a member who is to chair it, and
  - (b) not fewer than seven, nor more than fourteen, other members.
- (2) But the Secretary of State may by order alter either or both of the numbers for the time being specified in subsection (1); and an order under this subsection shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (3) Both the member who is to chair the Authority and the other members shall be appointed by the Secretary of State; but the other members shall include—
  - (a) one person appointed by him after consultation with the Scottish Ministers, and
  - (b) one person appointed by him after consultation with the National Assembly for Wales.
- (4) In making any appointment to membership of the Authority the Secretary of State shall have regard to the desirability of appointing a person who has experience of, and has shown capacity in, some matter relevant to the functions of the Authority.
- (5) In making an appointment to membership after consultation with the Scottish Ministers or the National Assembly for Wales the Secretary of State shall also have regard to the desirability of appointing a person who is familiar with the special requirements and circumstances of Scotland, or of Wales.
- (6) The Secretary of State shall consult the member appointed to chair the Authority before appointing any other person to membership of the Authority.

### **203 Other senior appointments**

- (1) The Secretary of State may, after consulting the member appointed to chair the Authority, appoint another of its members to act as deputy to that member.
- (2) The Authority shall, with the approval of the Secretary of State, appoint a chief executive of the Authority.
- (3) A person appointed as chief executive of the Authority shall (if not already a member of the Authority) be appointed as a member.

### **204 Further provisions**

Schedule 14 contains further provisions about the Authority.

#### *Purposes, strategies and exercise of functions*

### **205 Purposes**

The purposes of the Authority are—

- (a) to promote the use of the railway network for the carriage of passengers and goods,
- (b) to secure the development of the railway network, and
- (c) to contribute to the development of an integrated system of transport of passengers and goods.

### **206 Strategies**

- (1) The Authority shall formulate, and keep under review, strategies with respect to its purposes.
- (2) The Authority shall consult—
  - (a) the Scottish Ministers,
  - (b) the National Assembly for Wales,
  - (c) the Regulator, and
  - (d) such other persons as the Authority thinks fit,before formulating a strategy and from time to time as part of keeping its strategies under review.
- (3) The Secretary of State may give the Authority directions and guidance in relation to its strategies, in particular in relation to—
  - (a) the matters to be covered by them,
  - (b) the issues to be taken into account in formulating them,
  - (c) the strategy to be adopted in relation to any matter, and
  - (d) the updating of them.
- (4) The strategies formulated by the Authority shall include one relating to services in various parts of Great Britain for facilitating the carriage of passengers or goods by rail by way of the Channel Tunnel.
- (5) The Authority shall publish its strategies in such manner as it considers appropriate.

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## **207 Manner of exercise of functions**

- (1) The Authority shall exercise its functions with a view to furthering its purposes and shall do so in accordance with any such strategies as it has formulated with respect to them (except when exercising the function of reviewing those strategies).
- (2) In exercising its functions in accordance with subsection (1) the Authority shall act in the way best calculated—
  - (a) to protect the interests of users of railway services,
  - (b) to contribute to the achievement of sustainable development,
  - (c) to promote efficiency and economy on the part of persons providing railway services,
  - (d) to promote measures designed to facilitate the making by passengers of journeys which involve the use of the services of more than one passenger service operator (including, in particular, arrangements for the issue and use of through tickets),
  - (e) to impose on the operators of railway services the minimum restrictions which are consistent with the performance of the Authority's functions, and
  - (f) to enable persons providing railway services to plan the future of their businesses with a reasonable degree of assurance.
- (3) In exercising its functions in accordance with subsections (1) and (2) the Authority shall have regard to—
  - (a) the need to protect all persons from dangers arising from the operation of railways (including, in particular, by taking into account any advice given by the Health and Safety Executive),
  - (b) the interests of persons who are disabled, and
  - (c) the effect on the environment of activities connected with the provision of railway services.
- (4) The Authority shall secure that any grants or other payments or loans made by it, any guarantees given by it and any investment in bodies corporate by it are such as it reasonably considers will further its purposes (in accordance with any strategies which it has formulated) efficiently and economically.
- (5) Subject to subsection (4), the Secretary of State may give the Authority—
  - (a) directions and guidance as to the manner in which it is to exercise any of its functions in order to comply with subsections (1) to (3), and
  - (b) directions not to exercise any of its functions in a particular manner (or not to do so without consulting, or obtaining the consent of, the Secretary of State).

## **208 Directions, guidance and advice by Scottish Ministers**

- (1) The Scottish Ministers may give the Authority—
  - (a) directions and guidance in relation to services for the carriage of passengers by rail which start and end in Scotland and are provided under a franchise agreement,
  - (b) directions and guidance in relation to services for the carriage of passengers by rail which either start or end in Scotland, include sleeping facilities and are provided under a franchise agreement by a person who also provides services within paragraph (a), and

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- (c) advice in relation to services for the carriage of passengers by rail which either start or end in Scotland and are provided under a franchise agreement (other than services within paragraph (b)).
- (2) The Authority shall not comply with any direction or have regard to any guidance given under subsection (1) to the extent that to do so would be inconsistent with any direction or guidance given under section 206(3) or 207(5) or with the Authority's financial framework.
- (3) The Authority need not comply with any direction or have regard to any guidance given under paragraph (b) of subsection (1) to the extent that to do so—
  - (a) would require the expenditure by the Authority of any money not provided to it out of the Scottish Consolidated Fund, or
  - (b) would adversely affect any railway services other than those mentioned in that subsection.

## **209 Directions, guidance and advice: supplementary**

- (1) Any direction or guidance to the Authority under this Act, or any advice given under section 208(1)(c), shall be published by the person by whom it is given in such manner as he considers appropriate.
- (2) The Authority shall comply with any direction given to it under this Act (but subject to section 208(2) and (3)).
- (3) In exercising its functions the Authority shall have regard to any guidance given to it under this Act (but subject to section 208(2) and (3)).
- (4) The Authority—
  - (a) shall take note of any advice given under section 208(1)(c), and
  - (b) in exercising its functions, may have regard to that advice (but subject to subsections (2) and (3)).
- (5) Any power to give a direction or guidance to the Authority under this Act includes power to vary or revoke the direction or guidance.

## **210 Validity of transactions**

- (1) A transaction entered into by the Authority is not invalidated merely by reason of a contravention by the Authority of a requirement imposed by section 207(1), (2), (3) or (4) or 209(2), (3) or (4)(a).
- (2) Subsection (1) applies whether or not any person who entered into the transaction with the Authority enquired whether the Authority was acting in contravention of such a requirement.

*Securing provision of railway services and assets etc.*

## **211 Financial assistance etc**

- (1) The Authority may enter into agreements or other arrangements—
  - (a) for the purpose of securing the provision, improvement or development by others of any railway services or railway assets, or

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- (b) for any other purpose relating to any railway or railway services.
- (2) Agreements or other arrangements entered into under this section may provide for the Authority—
- (a) to make grants or other payments or loans,
  - (b) to give guarantees, or
  - (c) to invest in bodies corporate,
- on such terms and subject to any such conditions as the Authority considers appropriate.
- (3) The Authority shall not enter into agreements or other arrangements under this section with—
- (a) the franchise operator,
  - (b) the franchisee, or
  - (c) any servant, agent or independent contractor of the franchise operator or franchisee,
- in respect of any services provided under a franchise agreement otherwise than in accordance with the provisions of the franchise agreement.
- (4) The Authority shall not enter into agreements or other arrangements under this section for the purpose of securing the provision, improvement or development in Scotland of—
- (a) services for the carriage of goods by railway, or
  - (b) facilities for or in connection with the carriage of goods by railway or the loading or unloading of goods carried or intended to be carried by railway,
- if the Scottish Ministers have power to do so under section 249.
- (5) Schedule 15 contains provision for the transfer to the Authority of certain property, rights and liabilities of the Secretary of State in consequence of sections 137 and 139 of the Railways Act 1993 being superseded by this section.
- (6) In this section—
- “facilities” includes track, rolling stock, depots, access roads and equipment for use in connection with the carriage, loading or unloading of goods, and
  - “railway” has its wider meaning.

## **212 Securing of services by franchising**

- (1) In section 23 of the Railways Act 1993, in subsection (1) (duty of Authority to designate passenger services as eligible for provision under franchise agreements), for the words after “designate” substitute “such services for the carriage of passengers by railway (other than services which are, by virtue of section 24 below, exempt from designation under this subsection) as it considers ought to be provided under franchise agreements.”
- (2) In that section, after subsection (2) insert—
- “(2A) A designation may be varied or revoked; but a variation or revocation of the designation of particular services, or services of a class or description, shall not affect any franchise agreement previously entered into with respect to those services or services of that class or description.

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- (2B) The Authority shall publish designations, and any variations or revocations of designations, in such manner as it considers appropriate.”
- (3) In section 26 of that Act (invitations to tender for franchise), after subsection (3) insert—
- “(4) The directions which may be given under subsection (1) above (at any time when the Secretary of State considers it inappropriate that the person who is to be the franchisee under a franchise agreement should be selected after an invitation to tender) include—
- (a) a direction that that person is to be the person specified in the direction, and
  - (b) a direction requiring the Authority to select that person in such manner as is so specified,
- (as well as a direction authorising the Authority to select that person in such other manner as it may consider appropriate).
- (5) The Secretary of State shall prepare and publish a statement of policy with respect to directions under subsection (1) above.
- (6) The statement shall (in particular) contain the Secretary of State’s policy about—
- (a) when he will consider giving a direction (including, in particular, when he will consider doing so in relation to a franchise agreement which is to replace an earlier franchise agreement before the end of its franchise term); and
  - (b) the sorts of direction which he will consider giving in particular circumstances.
- (7) In deciding whether to give a direction, and (if so) what direction to give, the Secretary of State shall have regard to the statement of policy.
- (8) The Secretary of State—
- (a) may at any time alter or replace a statement of policy; and
  - (b) shall publish the altered or replacement statement.
- (9) The Secretary of State shall undertake appropriate consultation when preparing, altering or replacing a statement of policy.
- (10) When a statement of policy is prepared, altered or replaced, a copy of the statement shall be laid before each House of Parliament.”

(4) After that section insert—

**“26A No tenders for franchise**

- (1) The Authority shall give notice to the Secretary of State if it has—
- (a) issued an invitation to tender for the provision of any services under section 26 above (otherwise than in compliance with a direction under section 26B(3)(b) below); but
  - (b) received no tenders in response to the invitation.
- (2) On receipt of the notice under subsection (1) above the Secretary of State shall (after considering the matter) give to the Authority—

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- (a) a direction to issue new invitations to tender for the provision of the services under section 26 above, or
  - (b) a direction not to seek to secure the provision of the services under a franchise agreement,
- as he considers appropriate.

- (3) The Secretary of State may at any time—
- (a) revoke a direction under subsection (2)(b) above; and
  - (b) instead direct the Authority to issue new invitations to tender for the provision of the services under section 26 above.

### **26B No adequate tenders for franchise**

- (1) The Authority shall give notice under subsection (2) below if—
- (a) it has issued an invitation to tender for the provision of any services under section 26 above (otherwise than in compliance with a direction under subsection (3)(b) below); but
  - (b) although it has received a tender or tenders in response to the invitation, it considers that the services would be provided more economically and efficiently than under a franchise agreement entered into pursuant to the tender or any of the tenders if the Authority provided them or secured their provision otherwise than under a franchise agreement.
- (2) The notice shall be given to—
- (a) the Secretary of State; and
  - (b) the person, or each of the persons, who submitted a tender.
- (3) On receipt of the notice under paragraph (a) of subsection (2) above the Secretary of State shall (after considering the matter and any representations duly made in response to a notice under paragraph (b) of that subsection and not withdrawn) give to the Authority—
- (a) a direction to reconsider the tender or tenders with a view to selecting a franchisee, or
  - (b) a direction to issue new invitations to tender for the provision of the services under section 26 above,
- as he considers appropriate.
- (4) The Authority shall give notice under subsection (5) below if it has issued an invitation to tender for the provision of any services under section 26 above in compliance with a direction under subsection (3)(b) above but either—
- (a) it has received no tenders in response to the invitation; or
  - (b) although it has received a tender or tenders in response to the invitation, it considers that the services would be provided more economically and efficiently than under a franchise agreement entered into pursuant to the tender or any of the tenders if the Authority provided them or secured their provision otherwise than under a franchise agreement.
- (5) The notice shall be given to—
- (a) the Secretary of State; and



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- (b) if the Authority received a tender or tenders, the person, or each of the persons, who submitted a tender.
- (6) In a case where the Authority has received no tenders, on receipt of the notice under subsection (5)(a) above the Secretary of State shall give to the Authority a direction not to seek to secure the provision of the services under a franchise agreement.
- (7) In a case where the Authority has received a tender or tenders, on receipt of the notice under paragraph (a) of subsection (5) above the Secretary of State shall (after considering the matter and any representations duly made in response to a notice under paragraph (b) of that subsection and not withdrawn) give to the Authority—
- (a) a direction to reconsider the tender or tenders with a view to selecting a franchisee, or
  - (b) a direction not to seek to secure the provision of the services under a franchise agreement,
- as he considers appropriate.
- (8) Any notice under subsection (2)(b) or (5)(b) above shall specify a period (not being less than 28 days from the date of the service of the notice) within which representations may be made to the Secretary of State.
- (9) The Secretary of State may at any time—
- (a) revoke a direction under subsection (6) or (7)(b) above; and
  - (b) instead direct the Authority to issue new invitations to tender for the provision of the services under section 26 above.

### **26C Review of directions**

- (1) If the Secretary of State gives a direction under section 26B(3) or (7) above, he shall give notice to the person or persons who submitted the tender or tenders that he has done so.
- (2) An application for the review of a decision of the Secretary of State to give a direction under section 26B(3) or (7) above may be made to the court by any person who submitted a tender within 42 days from the date of service on him of the notice under subsection (1) above.
- (3) Except as provided by subsection (2) above, a direction under section 26A or 26B above shall not be questioned by any legal proceedings whatever.
- (4) In subsection (2) above “the court” means—
  - (a) the High Court in relation to England and Wales; and
  - (b) the Court of Session in relation to Scotland.”
- (5) For section 30 of that Act substitute—

### **“30 Duty of Authority in absence of franchise**

- (1) The Authority shall provide, or secure the provision of, services for the carriage of passengers by railway where—

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- (a) a direction not to seek to secure the provision of the services under a franchise agreement has been given to the Authority under section 26A or 26B above (and not revoked); or
  - (b) a franchise agreement in respect of the services is terminated or otherwise comes to an end but no further franchise agreement has been entered into in respect of the services (otherwise than because of such a direction).
- (2) The duty in subsection (1) above in relation to any services ceases if the services begin (or again begin) to be provided under a franchise agreement.
- (3) Subsection (1) above does not—
- (a) require the Authority to provide or secure the provision of services if and to the extent that, in its opinion, adequate alternative railway passenger services are available;
  - (b) preclude it from giving notice under subsection (5) of section 38 below in relation to any of the services, in which case its duty under this section to secure the provision of the services to which the notice relates will (subject to subsections (5) and (6) of that section) terminate on the day specified in the notice in pursuance of paragraph (b) of that subsection; or
  - (c) preclude it from ceasing to provide or secure the provision of any of the services in any case falling within any of paragraphs (a) to (d) of subsection (2) of that section.”
- (6) In section 18 of that Act (access agreements: contracts requiring approval of Regulator), after subsection (6) insert—
- “(6A) The grounds on which the Regulator may reject, or approve subject to modifications, a proposed access contract submitted to him pursuant to subsection (5) above include that he considers that the use of the facility for which it provides might impede the provision of services—
- (a) under a franchise agreement; or
  - (b) under an agreement entered into by the Authority pursuant to its duty under section 30 below.”

## **213 Limited additional powers to provide railway services**

- (1) The Authority may provide services for the carriage of passengers or goods by railway if the Secretary of State consents to the provision of the services by the Authority and either—
- (a) the services are the same as, or broadly correspond to, services which were provided by a person other than the Authority before the Authority begins to provide them, or
  - (b) a scheme under Schedule 19 provides for the transfer to the Authority of a liability to provide them.
- (2) The Authority may for the purposes of, or in connection with, any services which it provides under this section—
- (a) provide or operate network services, station services or light maintenance services, or

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- (b) store goods or consign them from any place to which they have been carried by rail.
- (3) The Authority may not provide services for the carriage of passengers or goods by railway except in pursuance of the power conferred by this section or in compliance with a duty imposed by the Railways Act 1993.

## **214 Securing provision of substitute bus and taxi services**

- (1) The Authority may secure the provision by other persons of services for the carriage of passengers by road, by means of public service vehicles or licensed taxis or private hire vehicles, where railway services have been temporarily interrupted or discontinued.
- (2) Where it is not practicable for a service by road to correspond precisely to the railway service which has been interrupted or discontinued, it may deviate from the route of that railway service.
- (3) Even where it is practicable for it to do so, the route and stopping places of a service by road provided where a railway service has been discontinued need not correspond precisely with the discontinued service so long as it broadly corresponds with the discontinued service in terms of the localities it serves.
- (4) Before entering into any agreement with any person in pursuance of this section for the provision of a service by road in a case where a railway service has been discontinued, the Authority shall invite other persons to submit tenders to provide the service by road service for such period, and on such basis, as may be specified in the invitation to tender.
- (5) Subsection (4)—
  - (a) does not apply in relation to an agreement for the provision of a service in a case where such a service provided under an agreement entered into by the Authority in pursuance of this section has been temporarily interrupted, and
  - (b) does not require the Authority to accept any tender submitted in response to an invitation to tender.
- (6) In this section “licensed taxis or private hire vehicles” means—
  - (a) in England and Wales, vehicles licensed under section 37 of the Town Police Clauses Act 1847, section 6 of the Metropolitan Public Carriage Act 1869, section 48 of the Local Government (Miscellaneous Provisions) Act 1976 or section 7 of the Private Hire Vehicles (London) Act 1998 or under any similar enactment, and
  - (b) in Scotland, taxis or private hire cars licensed under section 10 of the Civic Government (Scotland) Act 1982.
- (7) In this section—
  - “public service vehicles” has the meaning given by section 1 of the Public Passenger Vehicles Act 1981, and
  - “stopping places”, in relation to a service, means points at which passengers are taken up or set down in the course of the service.

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### *Functions of Franchising Director, Regulator and Board*

#### **215 Assumption of functions of Franchising Director**

- (1) Schedule 16 transfers to the Authority the functions of the Franchising Director.
- (2) All the property, rights and liabilities of the Franchising Director (including any rights and liabilities relating to staff appointed by him) are by virtue of this section transferred to the Authority.
- (3) Nothing in this Part affects the validity of anything done by or in relation to the Franchising Director.
- (4) There may be continued by or in relation to the Authority anything (including legal proceedings) which is in the process of being done by or in relation to the Franchising Director when his functions, property, rights and liabilities are transferred to the Authority.
- (5) Anything done by the Franchising Director which is in effect immediately before his functions, property, rights or liabilities are transferred to the Authority shall be treated as if done by the Authority.
- (6) The Authority shall be substituted for the Franchising Director in private Acts, instruments made under Acts, other documents and legal proceedings.
- (7) For the purposes of the Employment Rights Act 1996, where a person employed in the civil service of the state becomes an employee of the Authority by virtue of this section—
  - (a) his period of employment in the civil service of the state counts as a period of employment with the Authority, and
  - (b) the change of employment does not break the continuity of the period of employment.
- (8) In consequence of the preceding provisions of this section the office of Franchising Director is abolished.
- (9) If the Secretary of State determines that there are special circumstances which make it right that the person who is the Franchising Director immediately before the office is abolished should receive compensation, the Secretary of State shall pay to that person such compensation as may be determined by the Secretary of State.

#### **216 Assumption of certain functions of Regulator**

Schedule 17 makes provision for the transfer to the Authority of certain functions of the Regulator and of associated property, rights and liabilities.

#### **217 Assumption of Board's functions relating to transport police**

- (1) Schedule 18 transfers to the Authority the functions of the Board relating to the British Transport Police and associated property, rights and liabilities.
- (2) The Authority shall exercise its functions relating to the British Transport Police Force in such manner and to such extent as appears to the Authority to be best calculated to promote the efficiency and effectiveness of that Force; and section 207 does not apply to those functions.

## **218 Functions relating to Board's property**

- (1) Schedule 19 makes provision for the transfer to the Authority of other property, rights and liabilities of the Board.
- (2) Any property, rights and liabilities which are transferred to the Authority by virtue of Schedule 19 but are not required by the Authority for the discharge of any of its other functions shall be disposed of or otherwise dealt with by the Authority—
  - (a) in accordance with directions given to it by the Secretary of State, and
  - (b) subject to that, in the way which appears to the Authority most economic and efficient.
- (3) For the purposes of subsection (2) (and subject to directions given to it by the Secretary of State), the Authority may (in particular)—
  - (a) retain and manage property,
  - (b) develop land with a view to disposing of it, and
  - (c) acquire land for the purpose of developing it with the land which it adjoins.
- (4) Section 207 does not apply to the functions in subsections (2) and (3).

### *Other powers*

## **219 Power to make bye-laws**

- (1) The Authority may make bye-laws regulating—
  - (a) the use and working of railway assets,
  - (b) travel on or by means of railway assets,
  - (c) the maintenance of order on railway assets, and
  - (d) the conduct of persons while on railway assets.
- (2) The Authority may, in particular, make bye-laws—
  - (a) with respect to tickets issued for entry on railway assets or travel by railway and the evasion of payment of fares or other charges,
  - (b) with respect to interference with, or obstruction of, the working of any railway or any railway asset or the provision of any railway service,
  - (c) prohibiting or restricting the smoking of tobacco in railway carriages and elsewhere,
  - (d) with respect to the prevention of nuisance,
  - (e) with respect to the receipt and delivery of goods, and
  - (f) for regulating the passage of bicycles and other vehicles on footways and other premises intended for the use of those on foot.
- (3) Schedule 20 makes further provision about bye-laws under this section.
- (4) For the purposes of this section and that Schedule “railway assets” includes rolling stock other than trains (as well as what is specified in section 6(2) of the Railways Act 1993); and “operator”, in relation to such rolling stock, means the person having management of the rolling stock for the time being.

## **220 Power to make transfer schemes**

Schedule 21 makes provision for the making of transfer schemes by the Authority.

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## 221 Power to promote and oppose Bills

The Authority—

- (a) may promote in Parliament Bills relating to railways, and
- (b) may oppose any Bill in Parliament.

## 222 Other incidental powers

- (1) The Authority may do anything which it considers—
  - (a) is necessary or appropriate for or for facilitating, or
  - (b) is incidental or conducive to,
 the exercise of any of its functions.
- (2) In particular, the Authority may—
  - (a) enter into agreements,
  - (b) acquire or dispose of property,
  - (c) invest money,
  - (d) form bodies corporate or acquire or dispose of interests in bodies corporate, and
  - (e) promote or assist in the promotion of publicity.
- (3) This section has effect subject to any provision of this Part, or of any other enactment, limiting the powers of the Authority.

## CHAPTER II

### OTHER PROVISIONS ABOUT RAILWAYS

#### *Directions to provide etc. railway facilities*

## 223 Regulator’s power to require provision etc. of railway facilities

In the Railways Act 1993, after section 16 insert—

#### *“Directions to provide, improve or develop railway facilities*

### **16A Provision, improvement and development of railway facilities**

- (1) The Regulator may, on an application—
  - (a) made by the Authority, or
  - (b) made by any other person with the consent of the Authority,
 give to the operator of a network, station or light maintenance depot a direction to provide a new railway facility if the Regulator considers him to be an appropriate person to provide the new railway facility.
- (2) The Regulator may, on an application—
  - (a) made by the Authority, or
  - (b) made by any other person with the consent of the Authority,

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give to a person who has an estate or interest in, or right over, an existing railway facility a direction to improve or develop the railway facility if the Regulator considers him to be an appropriate person to improve or develop the railway facility.

- (3) The Authority's consent to the making by any other person of an application under subsection (1) or (2) above may be given subject to compliance with conditions (and may be withdrawn if any condition is not complied with before the Regulator decides whether to give the direction).

### **16B Exemption of railway facilities from section 16A**

- (1) The Secretary of State may, after consultation with the Regulator, by order grant exemption from subsection (1) or (2) of section 16A above (or from both of those subsections) in respect of such railway facilities as may be specified in the order, but subject to compliance with such conditions (if any) as may be so specified.
- (2) An exemption under subsection (1) above may be granted in respect of—
- (a) railway facilities of a particular class or description, or
  - (b) a particular railway facility,
- or in respect of part only of railway facilities of a particular class or description or a particular railway facility.
- (3) An exemption under subsection (1) above may be granted generally, to persons of a particular class or description or to a particular person.
- (4) If a person fails to comply with any condition subject to compliance with which an exemption was granted, the Secretary of State may give a direction declaring that the exemption is revoked, so far as relating to that person, to such extent and as from such date as may be specified in the direction.
- (5) Subject to subsection (4) above, an exemption, unless previously revoked in accordance with any term contained in the exemption, shall continue in force for such period as may be specified in, or determined by or under, the exemption.
- (6) Exemptions may make different provision, or be granted subject to compliance with different conditions, for different cases.

### **16C Making of applications for directions**

- (1) An application for a direction under section 16A above must be made to the Regulator in writing.
- (2) The application must—
- (a) specify the person to whom the direction would be given;
  - (b) state what it would require him to do; and
  - (c) give the applicant's reasons for considering that person to be an appropriate person to do what the direction would require him to do.
- (3) The applicant may at any time vary what the direction would require that person to do by giving to the Regulator notice in writing of the variation; but if the

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applicant is a person other than the Authority such a notice may only be given with the consent of the Authority.

- (4) The application or notice of a variation may be accompanied by any written representations which the applicant wishes to make in relation to the direction.

### **16D Procedure for considering applications**

- (1) When the Regulator has received the application or notice of a variation, he must—
- (a) send a copy to the person specified in the application, the Authority (if it is not the applicant) and any other persons who the Regulator considers ought to be sent one; and
  - (b) invite them to make written representations within a period specified in the invitation.
- (2) If the person specified in the application makes representations that he is not an appropriate person to do what the direction would require him to do, the Regulator must decide that issue in advance of considering any other matters which may be relevant in deciding whether to give the direction.
- (3) If that person makes such representations but the Regulator decides that he is an appropriate person to do what the direction would require him to do, the Regulator must—
- (a) notify him of that decision; and
  - (b) invite him to make written representations within a period specified in the invitation about any other matters which may be relevant in deciding whether to give the direction.
- (4) The Regulator must—
- (a) send the applicant a copy of any representations received by him in response to any invitation under subsection (1) or (3) above; and
  - (b) invite him to make further written representations within a period specified in the invitation.
- (5) Subject to subsection (6) below, the Regulator may substitute as the applicant any other person if—
- (a) the applicant,
  - (b) the other person, and
  - (c) the Authority (if it is neither the applicant nor the other person),
- consent to the substitution.
- (6) The applicant may, by giving notice in writing to the Regulator, withdraw or suspend the application at any time before the Regulator decides whether to give the direction.
- (7) The Regulator may direct—
- (a) the person specified in the application,
  - (b) the applicant, or
  - (c) any other person (apart from the Authority),
- to provide him with any information required by him in order to decide whether to give the direction.



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- (8) If a person fails to comply with a direction under subsection (7) above, the High Court or the Court of Session may, on the application of the Regulator, make such order as it thinks fit for requiring the failure to be made good.
- (9) Such an order may provide that all the costs or expenses of and incidental to the application shall be borne by—
  - (a) the person who failed to comply; or
  - (b) in the case of a company or other association, any officers who are responsible for the failure to comply.

### **16E Decisions on applications: adequate reward**

- (1) The Regulator may only give a direction to a person under section 16A above to provide, improve or develop a railway facility if he is satisfied that the person will be adequately rewarded for providing, improving or developing the railway facility in accordance with the direction.
- (2) In considering whether he is so satisfied the Regulator shall take into account (in particular)—
  - (a) any receipts obtained or likely to be obtained by the person (from the Authority, passengers, operators of railway services or any other persons) in connection with, or as a result of, the provision, improvement or development of the railway facility; and
  - (b) any other benefit obtained or likely to be obtained by him in consequence of its provision, improvement or development.
- (3) Representations made by the applicant for a direction—
  - (a) under section 16C(4) above, or
  - (b) in response to an invitation under section 16D(4) above,may, in particular, include representations as to matters which he considers the Regulator should take into account in deciding whether the person to whom the direction would be given would be adequately rewarded for doing what it would require him to do.

### **16F Other provisions about decisions**

- (1) If the Regulator does not consider it right to give a direction under section 16A above in the terms applied for (or to reject the application), he may give a direction under that section in modified terms.
- (2) The Regulator may include supplementary provisions in any direction under section 16A above, including (in particular)—
  - (a) provision adding detail (for instance, as to the time by which, or standard to which, the person to whom it is given is to do anything which it requires him to do); and
  - (b) provision imposing requirements on the applicant (for instance, to make arrangements for rewarding the person to whom the direction is given or to make payments to him).
- (3) Before giving a direction under section 16A above which is in modified terms or includes supplementary provisions, the Regulator shall—

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- (a) notify his intention to give a direction to the applicant, the Authority (if it is not the applicant) and any other persons who the Regulator considers ought to be notified; and
- (b) invite them to make written representations within a period specified in the invitation;

and if the applicant makes representations that the direction should not be given, the Regulator shall not give it.

- (4) Whatever the Regulator's decision on an application he shall notify the decision to—
  - (a) the person specified in the application;
  - (b) the applicant; and
  - (c) any other persons who he considers ought to be notified.
- (5) The Regulator may direct the person specified in the application or the applicant to pay to—
  - (a) the other of those persons, or
  - (b) any other person directed to provide information under section 16D(7) above,
 any such amount as he considers appropriate in respect of costs incurred in connection with the application.

### **16G Directions: compliance, variation and revocation**

- (1) A person shall not be regarded as failing to comply with a direction under section 16A above if he has done everything which it is reasonably practicable to do in order to comply with the direction.
- (2) If a person is unable to comply with such a direction because he does not have the necessary powers or rights (including rights over land), he shall not be taken to have done everything which it is reasonably practicable to do in order to comply with the direction unless he has done everything which it is reasonably practicable to do in order to obtain those powers or rights.
- (3) A direction under section 16A above may only be revoked or varied by the Regulator—
  - (a) on the application of the person to whom the direction was given, the applicant for the direction or the Authority (if it was not the applicant); and
  - (b) after consultation with the other persons with power to apply for a revocation or variation.
- (4) Such a direction may only be varied on an application by the applicant for the direction or the Authority if the Regulator is satisfied that the person to whom the direction was given will be adequately rewarded for providing, improving or developing the railway facility in accordance with the varied direction, taking into account (in particular) the matters specified in section 16E(2) above.
- (5) The Regulator may grant an application for the variation or revocation of a direction under section 16A above by the applicant for the direction or the Authority on condition that he or it secures that any such compensation as the Regulator may specify is paid to the person to whom the direction was given

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in respect of any liabilities incurred, or other things done, by him in complying with the direction.

### **16H Code of practice**

- (1) The Regulator shall prepare, and from time to time revise, a code of practice supplementing sections 16A to 16G above and shall publish it in such manner as he considers appropriate.
- (2) The Regulator shall have regard to the code of practice in the exercise of his functions under those sections.
- (3) The code of practice may (in particular)—
  - (a) set out minimum periods to be specified in invitations to make representations;
  - (b) include provision about requesting the provision of information prior to giving a direction under section 16D(7) above;
  - (c) specify principles according to which directions to pay costs are to be given under section 16F(5) above; and
  - (d) make provision about the consultation required by section 16G(3)(b) above.

### **16I Supplementary**

- (1) References in sections 16A to 16H above and this section to a railway facility include part of a railway facility.
- (2) Nothing in any of those sections or a direction under section 16A above—
  - (a) limits any power of the Regulator under any other provision of this Act; or
  - (b) affects any obligation to provide a new railway facility, or to improve or develop an existing railway facility, arising otherwise than from such a direction.”

### *Objectives of Regulator and Secretary of State*

## **224 Amendment of objectives**

- (1) Section 4 of the Railways Act 1993 (general duties of Regulator and Secretary of State) is amended as follows.
- (2) In subsection (1) (objectives)—
  - (a) for “Secretary of State and the Regulator shall each” substitute “Regulator shall”,
  - (b) before paragraph (a) insert—
    - “(za) to facilitate the furtherance by the Authority of any strategies which it has formulated with respect to its purposes;”,
  - (c) after paragraph (b) insert—
    - “(ba) to contribute to the development of an integrated system of transport of passengers and goods;

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- (bb) to contribute to the achievement of sustainable development;”, and
- (d) in paragraph (d) (promotion of competition in provision of railway services), insert at the end “for the benefit of users of railway services”.
- (3) In subsection (2) (objectives)—
  - (a) for “Secretary of State and the Regulator shall each” substitute “Regulator shall”, and
  - (b) omit “the Secretary of State or, as the case may be,”.
- (4) In subsection (3) (safety and the environment), for “Secretary of State and the Regulator shall each” substitute “Regulator shall”.
- (5) After that subsection insert—
  - “(3A) Subsections (1) to (3) above shall have effect in relation to the Secretary of State as in relation to the Regulator, except that in their application to the Secretary of State—
    - (a) paragraph (za) of subsection (1) above shall be disregarded; and
    - (b) the references in each of the subsections to the functions transferred or assigned to the Secretary of State under or by virtue of this Part include only the functions transferred or assigned to him under or by virtue of sections 6 to 22 and 37 to 50 below.”
- (6) In subsection (5) (additional duties of Regulator), for paragraph (a) (duty until 31st December 1996 to take account of guidance of Secretary of State) substitute—
  - “(a) to have regard to any general guidance given to him by the Secretary of State about railway services or other matters relating to railways;”.
- (7) After subsection (7) insert—
  - “(7ZA) Any general guidance given by the Secretary of State to the Regulator about railway services or other matters relating to railways—
    - (a) shall be published by the Secretary of State in such manner as he considers appropriate; and
    - (b) may be varied or revoked.”

### *Enforcement regime*

## **225 Penalties**

- (1) In the Railways Act 1993, after section 57 insert—

### **“57A Penalties**

- (1) If the appropriate authority is satisfied that a relevant operator has contravened or is contravening—
  - (a) a relevant condition or requirement, or
  - (b) a final or provisional order made by the appropriate authority,
 the appropriate authority may impose on the relevant operator a penalty of such amount as is reasonable.
- (2) A penalty is payable to the Authority.

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- (3) The amount of a penalty imposed on a relevant operator may not exceed 10 per cent. of his turnover determined in accordance with an order made by the Secretary of State; and an order under this subsection shall not be made unless a draft of the statutory instrument containing it has been laid before and approved by a resolution of each House of Parliament.
- (4) No penalty may be imposed in respect of any contravention of a final or provisional order if provision was made in the order by virtue of section 55(7A) above in relation to the contravention.
- (5) The Authority shall not impose a penalty on a licence holder or person under closure restrictions unless—
  - (a) it has given notice to the Regulator specifying a period within which he may give notice to it if he considers that the most appropriate way of proceeding is under the Competition Act 1998;
  - (b) that period has expired; and
  - (c) the Regulator has not given notice to the Authority within that period that he so considers (or, if he has, he has withdrawn it).
- (6) The Regulator shall not impose a penalty if he is satisfied that the most appropriate way of proceeding is under the Competition Act 1998.

#### **57B Statement of policy**

- (1) The Authority and the Regulator shall each prepare and publish a statement of policy with respect to the imposition of penalties and the determination of their amount.
- (2) A statement of policy may include provision for a decision whether to impose a penalty, or the determination of the amount of any penalty, in respect of the contravention of any relevant condition or requirement or order to be influenced by—
  - (a) the desirability of securing compliance with that relevant condition or requirement or order;
  - (b) the consequences or likely consequences of anything which has been or is being done or omitted to be done in contravention of that relevant condition or requirement or order; and
  - (c) the desirability of deterring contraventions of relevant conditions and requirements and final and provisional orders.
- (3) In deciding whether to impose a penalty, and in determining the amount of any penalty, in respect of a contravention the Authority and Regulator shall have regard to any statement of its or his policy published at the time when the contravention occurred.
- (4) The Authority and Regulator—
  - (a) may at any time alter or replace a statement of his or its policy; and
  - (b) shall publish the altered or replacement statement.
- (5) The Authority and Regulator shall undertake appropriate consultation when preparing, altering or replacing a statement of policy.

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- (6) The Authority and Regulator shall publish a statement of policy in the manner that appears most suitable for bringing it to the attention of those likely to be affected by it.
- (7) This section applies in relation to sums required to be paid by virtue of section 55(7A) above as to penalties, but as if—
  - (a) references to the imposition of penalties were to the inclusion in an order of a requirement to pay a sum;
  - (b) references to relevant conditions or requirements were omitted; and
  - (c) the reference in subsection (2)(b) above to anything which has been or is being done or omitted to be done included a reference to anything which is likely to be done or omitted to be done.

### **57C Procedural requirements for penalties**

- (1) Before it imposes a penalty on a relevant operator, the appropriate authority shall give notice—
  - (a) stating that it proposes to impose a penalty on the relevant operator and the amount of the penalty proposed,
  - (b) setting out the relevant condition or requirement or order in question,
  - (c) specifying the acts or omissions which, in its opinion, constitute contraventions of that condition or requirement or order and the other facts which, in its opinion, justify the imposition of a penalty and the amount of the penalty proposed,
  - (d) specifying the manner in which, and place at which, it is proposed to require the penalty to be paid, and
  - (e) specifying the period (not being less than 21 days from the date of publication of the notice) within which representations or objections with respect to the proposed penalty may be made,and shall consider any representations or objections which are duly made and not withdrawn.
- (2) A notice under subsection (1) above shall be given—
  - (a) by publishing the notice in such manner as the appropriate authority considers appropriate; and
  - (b) by serving a copy of the notice on the relevant operator.
- (3) Where the Regulator serves a copy of a notice under subsection (1) above on a licence holder, he shall also serve a copy on the Authority; and where the Authority so serves a copy of such a notice, it shall also serve a copy on the Regulator.
- (4) The appropriate authority shall not modify a proposal to impose a penalty except—
  - (a) with the consent of the relevant operator;
  - (b) where the modifications consist of a reduction of the amount of the penalty or a deferral of the date by which it is to be paid; or
  - (c) after complying with the requirements of subsection (5) below.
- (5) The requirements mentioned in subsection (4)(c) above are that the appropriate authority shall—

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- (a) give to the relevant operator such notice as appears to it requisite of its modified proposal;
  - (b) unless the proposed modifications are trivial, in that notice specify a period (not being less than seven days from the date of service of the notice) within which representations or objections with respect to the proposed modifications may be made; and
  - (c) consider any representations or objections which are duly made and not withdrawn.
- (6) As soon as practicable after imposing a penalty, the appropriate authority shall give notice—
- (a) stating that it has imposed a penalty on the relevant operator and its amount;
  - (b) setting out the relevant condition or requirement or order in question;
  - (c) specifying the acts or omissions which, in its opinion, constitute contraventions of that condition or requirement or order and the other facts which, in its opinion, justify the imposition of the penalty and its amount;
  - (d) specifying the manner in which, and place at which, the penalty is to be paid; and
  - (e) specifying the date (not being less than fourteen days from the date of publication of the notice) by which the penalty is to be paid.
- (7) A notice under subsection (6) above shall be given—
- (a) by publishing the notice in such manner as the appropriate authority considers appropriate; and
  - (b) by serving a copy of the notice on the relevant operator.
- (8) The relevant operator may, within 21 days of the date of service on him of the notice under subsection (6) above, make an application to the appropriate authority for it to specify different dates by which different portions of the penalty are to be paid.

### **57D Time limits**

- (1) No penalty may be imposed in respect of a contravention by a relevant operator—
- (a) by virtue of paragraph (a) of subsection (1) of section 57A above in a case where no final or provisional order has been made in relation to the contravention, or
  - (b) by virtue of paragraph (b) of that subsection,
- unless a copy of the notice relating to the penalty under section 57C(1) above is served on the relevant operator within two years of the time of the contravention.
- (2) No penalty may be imposed in respect of a contravention by a relevant operator by virtue of section 57A(1)(a) above in a case where a final or provisional order has been made in relation to the contravention unless a copy of the notice relating to the penalty under section 57C(1) above is served on the relevant operator—
- (a) within three months of the confirmation of the provisional order or the making of the final order; or

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- (b) where the provisional order is not confirmed, within six months of the making of the provisional order.

#### **57E Interest and payment of instalments**

- (1) If the whole or any part of a penalty is not paid by the date by which it is to be paid, the unpaid balance from time to time shall carry interest at the rate for the time being specified in section 17 of the Judgments Act 1838.
- (2) If an application is made under subsection (8) of section 57C above in relation to a penalty, the penalty need not be paid until the application has been determined.
- (3) If the appropriate authority grants an application under that subsection in relation to a penalty but any portion of the penalty is not paid by the date specified in relation to it by the appropriate authority under that subsection, so much of the penalty as has not already been paid is to be paid immediately.

#### **57F Validity and effect of penalties**

- (1) If the relevant operator to whom a penalty order relates is aggrieved by a penalty and desires to question its validity on the ground—
  - (a) that it was not within the powers of section 57A above,
  - (b) that any of the requirements of section 57C above have not been complied with in relation to it and his interests have been substantially prejudiced by the non-compliance, or
  - (c) that it was unreasonable of the appropriate authority not to grant an application under section 57C(8) above;
 he may make an application to the court under this section.
- (2) An application under this section by a person shall be made—
  - (a) where it is on the ground mentioned in subsection (1)(c) above, within 42 days from the date on which he is notified of the decision not to grant the application under section 57C(8) above, and
  - (b) in any other case, within 42 days from the date of service on him of the notice under section 57C(6) above.
- (3) If an application is made under this section in relation to a penalty, the penalty need not be paid until the application has been determined.
- (4) On an application under this section on the ground mentioned in subsection (1) (a) or (b) above the court, if satisfied that the ground is established, may quash the penalty or (instead of quashing it) make provision under either or both of paragraphs (a) and (b) of subsection (5) below.
- (5) The provision referred to in subsection (4) above is—
  - (a) provision substituting a penalty of such lesser amount as the court considers appropriate in all the circumstances of the case; and
  - (b) provision substituting as the date by which the penalty, or any portion of the penalty, is to be paid a date later than that specified in the notice under section 57C(6) above.



- (6) On an application under this section on the ground mentioned in subsection (1) (c) above the court, if satisfied that the ground is established, may specify different dates by which different portions of the penalty are to be paid.
  - (7) Where the court substitutes a penalty of a lesser amount it may require the payment of interest on the substituted penalty at such rate, and from such date, as it determines; and where it specifies as the date by which the penalty, or a portion of the penalty, is to be paid a date before the determination of the application it may require the payment of interest on the penalty, or portion, from that date at such rate as it determines.
  - (8) Except as provided by this section, the validity of a penalty shall not be questioned by any legal proceedings whatever.”
- (2) In section 55 of that Act (orders for securing compliance), for subsection (8) substitute—
- “(7A) The provision that may be made in a final or provisional order includes, in particular, provision requiring the relevant operator to pay to the Authority in the event of any specified contravention of the order such reasonable sum in respect of the contravention as is specified in, or determined in accordance with, the order in such manner, at such place and by such date as is so specified or determined.
  - (7B) The amount of the sum may not exceed 10 per cent. of the turnover of the relevant operator determined in accordance with an order made by the Secretary of State; and an order under this subsection shall not be made unless a draft of the statutory instrument containing it has been laid before and approved by a resolution of each House of Parliament.
  - (7C) If the whole or any part of the sum is not paid by the date by which it is to be paid, the unpaid balance from time to time shall carry interest at the rate for the time being specified in section 17 of the Judgments Act 1838.”

## **226 Orders for securing compliance**

- (1) In section 55 of the Railways Act 1993 (orders for securing compliance)—
- (a) in subsection (5) (cases where order shall not be made or confirmed) omit paragraphs (b) and (c),
  - (b) after subsection (5A) insert—
    - “(5B) If the appropriate authority is satisfied—
      - (a) that the relevant operator has agreed to take, and is taking, all such steps as it appears to the appropriate authority for the time being to be appropriate for the relevant operator to take for the purpose of securing or facilitating compliance with the condition or requirement in question, or
      - (b) that the contravention or apprehended contravention will not adversely affect the interests of users of railway services or lead to any increase in public expenditure,it shall only make a final order, or make or confirm a provisional order, if it considers it appropriate to do so.”, and

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- (c) in subsection (6) (requirement to serve and publish notice that subsection (5) or (5A) applies), for the words from “is satisfied” to “so satisfied” substitute “does not make a final order, or make or confirm a provisional order, because of any provision contained in any of subsections (5) to (5B) above, it shall—
  - (a) serve notice of that fact”.
- (2) In section 56 of that Act (procedural requirements about orders)—
  - (a) in subsection (1)(c) (requirement of at least 28 days' notice for making representations or objections to proposed final order or proposed confirmation of provisional order), for “28” substitute “21”,
  - (b) in subsection (4)(b) (requirement of at least 28 days' notice for making representations or objections to proposed modifications), for “in that notice specify the period (not being less than 28” substitute “unless the proposed modifications are trivial, in that notice specify a period (not being less than seven”, and
  - (c) in subsection (6)(b) (requirement of at least 28 days' notice for making representations or objections to proposal to revoke order), for “28” substitute “21”.

### *Consultative committees*

#### **227 Renaming of committees**

- (1) The Central Rail Users' Consultative Committee is renamed the Rail Passengers' Council and the Rail Users' Consultative Committees are renamed Rail Passengers' Committees.
- (2) Schedule 22 makes amendments in consequence of subsection (1).
- (3) References in private Acts, instruments made under Acts, other documents and legal proceedings to the Central Rail Users' Consultative Committee shall have effect as references to the Rail Passengers' Council; and such references to a Rail Users' Consultative Committee shall have effect as references to a Rail Passengers' Committee.

#### **228 Extension of functions**

- (1) Sections 76 and 77 of the Railways Act 1993 (duties of Central Committee and consultative committees) are amended as follows.
- (2) In subsection (1) of each of those sections, for paragraph (a) (duty to investigate any matter which relates to the provision of railway passenger services by the Board or a subsidiary, under a franchise agreement or on behalf of the Franchising Director) substitute—
  - “(a) to the provision of railway passenger services, or”.
- (3) In—
  - (a) subsection (5)(b) of section 76, and
  - (b) subsection (4)(b) of section 77,
 (matters to be referred), after “that” insert “a franchisee is contravening, or is likely to contravene, any term of the franchise agreement or that”.

(4) After subsection (7) of section 76 insert—

“(7A) It shall also be the duty of the Rail Passengers' Council, so far as it appears expedient from time to time to do so—

- (a) to keep under review matters affecting the interests of the public in relation to railway passenger services and station services;
- (b) to make representations to, and consult, such persons as they think appropriate about those matters; and
- (c) to co-operate with other bodies representing the interests of users of public passenger transport services.

(7B) The Secretary of State may, after consultation with the Rail Passengers' Council, make an order excluding services from the duties imposed by this section; and an order under this subsection—

- (a) may exclude services of a particular class or description, particular services or services provided by a particular person;
- (b) may provide that services are excluded subject to compliance with specified conditions; and
- (c) may not revoke an exclusion except for breach of condition or in accordance with the order which made it.

(7C) The Secretary of State may, after consultation with the Rail Passengers' Council, make an order providing that the duties imposed by this section apply to services of a particular class or description, particular services or services provided by a particular person—

- (a) only to such extent as is specified by the order; or
- (b) with such modifications as are so specified.”

(5) After subsection (9) of section 77 insert—

“(9A) It shall also be the duty of each Rail Passengers' Committee, so far as it appears expedient from time to time to do so—

- (a) to keep under review matters affecting the interests of the public in relation to railway passenger services and station services; and
- (b) to make representations to, and consult, such persons as they think appropriate about those matters; and
- (c) to co-operate with other bodies representing the interests of users of public passenger transport services.

(9B) The Secretary of State may, after consultation with the Rail Passengers' Council, make an order excluding services from the duties imposed by this section; and an order under this subsection—

- (a) may exclude services of a particular class or description, particular services or services provided by a particular person;
- (b) may provide that services are excluded subject to compliance with specified conditions; and
- (c) may not revoke an exclusion except for breach of condition or in accordance with the order which made it.

(9C) The Secretary of State may, after consultation with the Rail Passengers' Council, make an order providing that the duties imposed by this section apply

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to services of a particular class or description, particular services or services provided by a particular person—

- (a) only to such extent as is specified by the order; or
- (b) with such modifications as are so specified.”

## **229 Financial and procedural changes**

Schedule 23 makes amendments of the provisions about the finances and procedures of consultative committees.

### *Access agreements*

## **230 Regulator’s general approvals of access agreements etc**

- (1) In subsection (1) of section 18 of the Railways Act 1993 (access contracts requiring approval of Regulator), after paragraph (b) insert “or

- (c) the access contract is of a class or description specified in a general approval given by the Regulator;”;

and for the words from “which is” to the end substitute “shall be void unless one of the conditions in paragraphs (a) to (c) above is satisfied.”

- (2) After subsection (7) of that section insert—

“(7A) Where the Regulator gives or revokes a general approval under subsection (1) (c) above, he shall publish the approval or revocation in such manner as he considers appropriate.

(7B) The revocation of a general approval given under subsection (1)(c) above shall not affect the continuing validity of any access contract to which it applied.”

- (3) In subsection (3) of section 19 of that Act (installation access contracts requiring approval of Regulator), after paragraph (b) insert “or

- (c) the installation access contract is of a class or description specified in a general approval given by the Regulator;”;

and for the words from “which is” to the end substitute “shall be void unless one of the conditions in paragraphs (a) to (c) above is satisfied.”

- (4) After subsection (5) of that section insert—

“(5A) Where the Regulator gives or revokes a general approval under subsection (3) (c) above, he shall publish the approval or revocation in such manner as he considers appropriate.

(5B) The revocation of a general approval given under subsection (3)(c) above shall not affect the continuing validity of any installation access contract to which it applied.”

- (5) In section 72(2)(b)(v) of that Act (provisions of general approvals under section 22(3) to be entered in register kept by Regulator), after “section” insert “18(1)(c), 19(3)(c) or”.

- (6) In section 83(1) of that Act (interpretation), in the definition of “access agreement”—

- (a) in paragraph (a), for “entered into pursuant to directions under section 17 or 18” substitute “which satisfies one of the conditions in paragraphs (a) to (c) of section 18(1)”, and
- (b) in paragraph (b), for “entered into pursuant to directions under section 19” substitute “which satisfies one of the conditions in paragraphs (a) to (c) of section 19(3)”.

### **231 Review of access charges by Regulator**

- (1) In the Railways Act 1993, after section 19 insert—

#### **“19A Review of access charges by Regulator**

Schedule 4A to this Act (which contains provision about the review of access charges by the Regulator) shall have effect.”

- (2) After Schedule 4 to that Act insert, as Schedule 4A, the Schedule set out in Schedule 24 to this Act.

### **232 Amendment of access agreements**

- (1) In subsection (1) of section 22 of the Railways Act 1993 (amendment of access agreement void unless approved by Regulator), insert at the end “or is made pursuant to directions under section 22A or 22C below or Schedule 4A to this Act.”
- (2) After that section insert—

#### **“22A Directions to require amendment permitting more extensive use**

- (1) The Regulator may, on the application of the person permitted by an access agreement to use the whole or part of a railway facility or network installation, give directions requiring the parties to the access agreement to make to the agreement—
- (a) amendments permitting more extensive use of the railway facility or network installation by the applicant; and
  - (b) any amendments which the Regulator considers necessary or desirable in consequence of those amendments.
- (2) In subsection (1)(a) above “more extensive use” means—
- (a) increased use for the purpose for which the applicant is permitted by the access agreement to use the railway facility or network installation, or
  - (b) (in the case of a railway facility) use for any other permitted purpose, and if the applicant is permitted to use only part of the railway facility or network installation, includes use for the purpose for which he is permitted to use it, or (in the case of a railway facility) for any other permitted purpose, of any other part of the railway facility or network installation.
- (3) In subsection (2) above “permitted purpose”, in relation to a railway facility, means a purpose for which directions may be given in relation to the railway facility under section 17 above.

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- (4) No directions shall be given under this section in relation to a railway facility if and to the extent that—
- (a) the railway facility is, by virtue of section 20 above, an exempt facility; or
  - (b) performance of the access agreement as amended would necessarily involve the facility owner in being in breach of another access agreement or an international railway access contract.
- (5) No directions shall be given under this section in relation to a railway facility or network installation if and to the extent that, as a result of an obligation or duty owed by the facility owner or installation owner which arose before the coming into force of section 17 or 19 above, the consent of some other person is required by him before he may make the amendments.
- (6) Nothing in this section authorises the Regulator to give directions to any person requiring him to grant a lease of the whole or any part of a railway facility or network installation.
- (7) In this section and section 22B below—
- (a) “international railway access contract” and “lease” have the same meaning as in section 17 above; and
  - (b) “network installation” has the same meaning as in section 19 above.

### **22B Applications for directions under section 22A: procedure**

- (1) Schedule 4 to this Act shall have effect with respect to applications for directions under section 22A above as it has effect with respect to applications for directions under section 17 above (but subject as follows).
- (2) In its application by virtue of this section Schedule 4 to this Act has effect with the following modifications—
- (a) in paragraph 1, in the definition of “the facility owner”, for “17(1)” there shall be substituted “22A” and, in the definition of “interested person”, for “enter into the required access contract” there shall be substituted “make the amendments”;
  - (b) in paragraph 2(1), for “which the applicant proposes should be contained in the required access contract” and “to be contained in the required access contract” there shall be substituted “of the proposed amendments”;
  - (c) in paragraph 5(2), for “to the facility owner requiring him to enter into an access contract” there shall be substituted “under section 22A of this Act”;
  - (d) for paragraph 5(2)(a)(i) and (ii) there shall be substituted “the amendments to be made and the date by which they are to be made; and”;
  - (e) in paragraph 6(2), for the words from “facility owner's” to the end of paragraph (c) there shall be substituted “making of the amendments, the performance of the access agreement as amended or failing to take any step to protect the interests of the interested person in connection with the application for directions or the making of the amendments,”; and

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- (f) in paragraph 6(3), for “any access contract which is entered into” there shall be substituted “the amendments made”;  
and the definition of “the required access contract”, and the words following that definition, in paragraph 1 and paragraph 5(4) shall be omitted.
- (3) In its application by virtue of this section in relation to an application relating to an installation access contract Schedule 4 to this Act has effect with the following further modifications—
  - (a) references to the railway facility shall have effect as references to the network installation;
  - (b) references to the facility owner shall have effect as references to the installation owner; and
  - (c) in the definition of “interested person” in paragraph 1, for “17” there shall be substituted “19”.
- (4) The Regulator may determine that, in their application by virtue of this section in relation to any particular application, paragraphs 3 and 4 of Schedule 4 to this Act shall have effect as if for any of the numbers of days specified in them there were substituted the lower number specified by the Regulator.

### **22C Amendment: supplementary**

- (1) The Regulator may give directions requiring the parties to an access agreement to make to the access agreement amendments which are, in his opinion, necessary to give effect to the conditions of a licence or otherwise required in consequence of the conditions of a licence.
- (2) The Regulator shall not have power to direct or otherwise require amendments to be made to an access agreement except in accordance with section 22A above, subsection (1) above or Schedule 4A to this Act.
- (3) If an access agreement includes provision for any of its terms to be varied—
  - (a) by agreement of the parties, or
  - (b) by direction or other requirement of the Regulator,a variation made pursuant to that provision shall not be regarded for the purposes of section 22 above or subsection (2) above as an amendment of the agreement.”

### **233 Prospective facility owners, proposed facilities etc**

- (1) In section 17(6) of the Railways Act 1993 (directions requiring facility owners to enter into contracts for use of their railway facilities), in the definition of “facility owner”, after paragraph (b) insert “but also includes a person before he becomes a facility owner;”.
- (2) In section 19 of that Act (contracts for use of installations comprised in a network)—
  - (a) in subsection (9), in the definition of “installation owner”, after paragraph (b) insert “but also includes a person before he becomes an installation owner;”, and
  - (b) in subsection (11), insert at the end “and to one which is proposed to be constructed or is in the course of construction.”
- (3) In section 83 of that Act (interpretation of Part I), after subsection (1) insert—

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“(1A) In sections 17 to 22C above (and Schedule 4 to this Act) references to a railway facility (including references to any track, station or light maintenance depot) or a network include references to a railway facility (or any track, station or light maintenance depot) or a network which is proposed to be constructed or is in the course of construction.”

### *Closures*

#### **234 Transfer of Regulator’s functions to Secretary of State**

- (1) In sections 37(6), 38(5), 39(7), 40(5), 41(6) and 42(4) of the Railways Act 1993 (lodging of objections to proposed closures with Regulator), for “Regulator” substitute “Secretary of State”.
- (2) In sections 37(9), 38(7), 39(10), 40(7), 41(9) and 42(6) of that Act, in the definition of “the final decision on the closure question”, for paragraphs (a) and (b) substitute “the Secretary of State’s decision under section 43(9) below with respect to the proposed closure;”.
- (3) In section 43 of that Act (notification to, and functions of, Regulator)—
  - (a) for “Regulator” (in each place except subsection (11)) substitute “Secretary of State”,
  - (b) omit subsection (11) (time limit for making of decisions by Regulator), and
  - (c) in subsection (12), for “Secretary of State” substitute “Regulator”.
- (4) Omit section 44 of that Act (reference of Regulator’s decisions to Secretary of State).
- (5) In section 46 of that Act (variation of closure conditions)—
  - (a) in subsection (1), for “Regulator” substitute “Secretary of State” and omit the words from “, other than” to the end,
  - (b) in subsection (2), for “Regulator” substitute “Secretary of State” and for “Secretary of State” substitute “Regulator”, and
  - (c) omit subsection (3).
- (6) In section 48 of that Act (experimental services)—
  - (a) in subsection (1), for “, 43 and 44” substitute “and 43”, and
  - (b) in subsection (7), for “Regulator” substitute “Secretary of State”.
- (7) In section 68 of that Act (investigatory functions of Regulator), omit subsection (1) (b) (duty to investigate contravention of condition of closure consent).

#### **235 Publication of proposed closures at stations**

- (1) In section 43 of the Railways Act 1993 (notification of proposed closures), after subsection (1) insert—
 

“(1A) The Authority shall also—

  - (a) send a copy of the notice to every person who is the operator of a station within the area affected; and
  - (b) require him to publish it at the station.”
- (2) After subsection (12) of that section insert—



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- “(12A) The Secretary of State shall also—
- (a) send a copy of the decision to every person who is the operator of a station within the area affected; and
  - (b) require him to publish it at the station.”
- (3) In Schedule 5 to that Act (alternative closure procedure), renumber paragraph 2 as sub-paragraph (1) of that paragraph and after that sub-paragraph insert—
- “(2) The operator shall also—
- (a) send a copy of the notice to every person who is the operator of a station within the area affected; and
  - (b) require him to publish it at the station.”
- (4) After paragraph 3 of that Schedule insert—
- “Publication of consent at stations*
- 3A Where the Secretary of State has given his consent under paragraph 3(2) (b) above, he shall—
- (a) send a copy of it to every person who is the operator of a station within the area affected; and
  - (b) require him to publish it at the station.”
- (5) In paragraph 5A of that Schedule (services in and around Greater London), insert at the end—
- “(10) The Secretary of State shall also—
- (a) send a copy of his decision to every person who is the operator of a station within the area affected; and
  - (b) require him to publish it at the station.”
- (6) In sub-paragraph (1) of paragraph 6 of that Schedule (interpretation), for “in which the station or the line, or any part of the line, affected by the proposed closure is situated” substitute “affected”.
- (7) After that sub-paragraph insert—
- “(1A) In this Schedule “the area affected” means the area in which the station or line, or any part of the line, affected by the proposed closure is situated.”

## **236 Conditions**

- (1) In section 37(1) of the Railways Act 1993 (notice of proposed closure of non-franchised passenger services except where closure is minor closure), after “minor closure” insert “and the service operator has agreed to comply with any conditions imposed by the Authority”.
- (2) In sections 39(1) and 41(1) of that Act (notice of proposed closure of whole or part of network or facility except where closure is minor closure), after “minor closure” insert “and the operator has agreed to comply with any conditions imposed by the Authority”.
- (3) In section 55(10) of that Act (enforcement), in the definition of “relevant condition or requirement”, after paragraph (c) insert—

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“(d) in the case of a person (other than the Authority) who is required to comply with closure conditions or has agreed to comply with conditions under section 37(1), 39(1) or 41(1) above, any of those conditions;”,

and, in the definition of “relevant operator”, for “or person under closure restrictions” substitute “, person under closure restrictions or person who is required to comply with closure conditions or has agreed to comply with conditions under section 37(1), 39(1) or 41(1) above”.

(4) In sections 37(8)(b), 38(6)(b), 39(9)(b), 40(6)(b), 41(8)(b) and 42(5)(b) of that Act (securing compliance with closure conditions), after “secure” insert “(in accordance with sections 55 to 58 below)”.

### **237 Closure of unnecessary track to be minor closure**

In section 39(10) of the Railways Act 1993 (proposals to close part of network used or previously used for or in connection with provision of services for carriage of passengers), in the definition of “minor closure”, after paragraph (a) insert—

“(aa) any part of a network which consists of a stretch of track, or installations associated with a stretch of track, doing no more than serve a station or light maintenance depot, or some part of it, where the circumstances are such that—

- (i) that part of the network is not necessary for the use of the station or light maintenance depot, or that part of it, for the purpose of or in connection with the provision of services for the carriage of passengers by railway; or
- (ii) the use of the station or light maintenance depot, or that part of it, has been or is proposed to be subject to termination constituting a minor closure within the meaning of section 41 below; or”.

### **238 General determinations of minor closures**

In the Railways Act 1993, after section 46 insert—

#### **“46A General determinations of minor closures**

- (1) The Authority may make a general determination for the purposes of any or all of sections 37(1), 38(2), 39(1), 40(2), 41(1) and 42(2) above that closures of a particular class or description are minor closures.
- (2) Where the Authority makes or revokes a general determination under subsection (1) above, it shall—
  - (a) give a copy of the determination or revocation to the Regulator; and
  - (b) publish it in such manner as it considers appropriate.
- (3) The revocation of a general determination made under subsection (1) above shall not affect any closure if its status as a minor closure by virtue of the general determination has been relied on before the revocation as the ground for not giving a notice or for discontinuing any services or the operation of the whole or part of any network or facility.”

### **239 Operator’s duty to continue**

- (1) In section 37 of the Railways Act 1993 (closures of non-franchised passenger services)
  - (a) in subsections (1) and (3)(b), for “will” substitute “proposes to”, and
  - (b) in subsection (6), for the words following the paragraphs substitute “and the service operator shall not discontinue the services to which the proposed closure relates before the end of the interim period.”
- (2) In section 39(7) of that Act (closures of operational passenger networks), for the words following the paragraphs substitute “and the operator shall not discontinue the operation of the network, or the part of the network, to which the proposed closure relates before the end of the interim period.”
- (3) In section 41(6) of that Act (closures of railway facilities used in connection with passenger services), for the words following the paragraphs substitute “and the operator shall not terminate the use of the relevant facility, or the part of the relevant facility, to which the proposed closure relates before the end of the interim period.”
- (4) In section 55(10) of that Act (enforcement), in the definition of “relevant condition or requirement”, in paragraph (c)(i), for the words after “under” substitute “section 37(1) or (6), 39(1) or (7) or 41(1) or (6) above not to discontinue a railway passenger service or the operation of the whole or part of a network or not to terminate the use of the whole or part of a station or light maintenance depot; and”.

#### *The Board*

### **240 Transfer of Board’s property etc. to Secretary of State**

Schedule 25 makes provision for the transfer to the Secretary of State of property, rights and liabilities of the Board.

### **241 Winding down and abolition of Board**

- (1) Section 84 of the Railways Act 1993 (power of Board to form companies) shall apply as if facilitating the carrying into effect of, or of any provision made under, sections 217, 218 and 240 and Schedules 18, 19 and 25 were a purpose specified by the Secretary of State under subsection (1)(d) of that section; and section 85 of that Act (power of Board to make transfer schemes) shall apply as if that were a purpose specified in subsection (3)(b) of that section.
- (2) The Board shall give to the Authority any information, prepare any document and do any other thing which appears to the Authority appropriate for facilitating the carrying into effect of, or of any provision made under, sections 217, 218 and 240 and Schedules 18, 19 and 25.
- (3) The Secretary of State may—
  - (a) by order made by statutory instrument reduce the membership of the Board to a chairman and one or more other persons appointed by the Secretary of State, and
  - (b) by notice in writing remove from office any member of the Board or vary the terms of his appointment.

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- (4) When, after consulting the Board, the Secretary of State considers that it is no longer necessary for the Board to continue to exist, he shall by order made by statutory instrument provide for its dissolution.
- (5) If a person ceases to hold office as chairman or a member of the Board by virtue of subsection (3)(b) or (4) before his term of office would otherwise have expired and the Secretary of State determines that there are special circumstances which make it right that the person should receive compensation—
- (a) if the person ceases to hold office by virtue of subsection (3)(b), the Board, and
  - (b) if the person ceases to hold office by virtue of subsection (4), the Secretary of State,
- shall pay to the person such compensation as may be determined by the Secretary of State.
- (6) Where an order under subsection (4) provides for the Board to be dissolved with effect from a time which would not, apart from this subsection, be the end of its financial year, the financial year of the Board which is current at that time shall be deemed to end with its dissolution.
- (7) An order under subsection (4) which so provides may contain such provision as the Secretary of State considers appropriate (including provision modifying the effect of any enactment) for the Board or the Authority—
- (a) to prepare accounts for the final financial year of the Board, and
  - (b) to make and lay before Parliament a report relating to the carrying out of the Board's functions during that financial year.

### *Competition*

#### **242 Licence modifications following Competition Commission report**

- (1) In section 15 of the Railways Act 1993 (modification of licence conditions following report of Competition Commission), after subsection (4) insert—
- “(4A) Where (after considering any representations or objections which are duly made and not withdrawn) the Regulator or Authority proposes to make or require the making of modifications under this section, he or it shall give notice to the Competition Commission—
- (a) setting out the modifications he proposes to make or it proposes to require to be made; and
  - (b) stating the reasons why he proposes to make the modifications or it proposes to require the making of them.
- (4B) The Regulator or Authority shall include with the notice under subsection (4A) above a copy of any representations and objections which have been considered.
- (4C) If the period within which a direction may be given by the Competition Commission under section 15A below expires without such a direction being given, the Regulator or Authority shall make, or require the making of, the modifications set out in the notice given under subsection (4A) above.

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(4D) If a direction is given by the Competition Commission under section 15A(1) (b) below, the Regulator or Authority shall make, or require the making of, such of those modifications as are not specified in the direction.”

(2) After that section insert—

**“15A Competition Commission’s power to veto modifications following report**

- (1) The Competition Commission may, within the period of four weeks beginning with the day on which they are given notice under section 15(4A) above, give a direction to the Regulator or Authority—
  - (a) not to make, or require the making of, the modifications set out in the notice; or
  - (b) not to make such of those modifications as are specified in the direction.
- (2) The Secretary of State may, if an application is made to him by the Competition Commission within that period of four weeks, extend the period within which a direction may be given under this section to one of six weeks beginning with the day on which the Competition Commission are given notice under section 15(4A) above.
- (3) The Competition Commission may give a direction under this section only if the modifications to which it relates do not appear to them requisite for the purpose of remedying or preventing the adverse effects specified in their report on the reference under section 13 above.
- (4) If the Competition Commission give a direction under this section, they shall give notice—
  - (a) setting out the modifications contained in the notice given under section 15(4A) above;
  - (b) setting out the direction; and
  - (c) stating the reasons why they are giving the direction.
- (5) A notice under subsection (4) above shall be given—
  - (a) by publishing the notice in such manner as the Competition Commission consider appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by the direction; and
  - (b) by serving a copy of the notice on the holder of the licence.

**15B Making of modifications by Competition Commission**

- (1) If the Competition Commission give a direction under section 15A above, they shall themselves make such modifications of the conditions of the licence as appear to them requisite for the purpose of remedying or preventing—
  - (a) the adverse effects specified in their report on the reference under section 13 above; or
  - (b) such of those adverse effects as would not be remedied or prevented by the modifications made by the Regulator, or required to be made by the Authority, under section 15(4D) above.

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- (2) In exercising the function conferred by subsection (1) above, the Competition Commission shall have regard to the matters as respects which duties are imposed on the Regulator by section 4 above.
- (3) Before making modifications under this section, the Competition Commission shall give notice—
- (a) stating that they propose to make the modifications and setting out their effect,
  - (b) stating the reasons why they propose to make the modifications, and
  - (c) specifying the period (not being less than 28 days from the date of publication of the notice) within which representations or objections may be made,
- and shall consider any representations or objections which are duly made and not withdrawn.
- (4) A notice under subsection (3) above shall be given—
- (a) by publishing the notice in such manner as the Competition Commission consider appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by the making of the modifications; and
  - (b) by serving a copy of the notice on the holder of the licence.
- (5) As soon as practicable after making any modifications under this section, the Competition Commission shall send a copy of those modifications to the Regulator, the Authority and the Health and Safety Executive.

### **15C Sections 15A and 15B: supplementary**

- (1) The provisions mentioned in subsection (2) below are to apply in relation to the exercise by the Competition Commission of their functions under sections 15A and 15B above as if—
- (a) in section 82(1) and (2) of the 1973 Act references to a report of the Competition Commission under that Act were references to a notice under section 15A(4) or 15B(3) above;
  - (b) in section 85 of that Act references to an investigation on a reference made to the Competition Commission were references to an investigation by the Competition Commission for the purposes of the exercise of their functions under those sections; and
  - (c) in section 93B of that Act references to the functions of the Competition Commission under that Act were references to their functions under those sections.
- (2) The provisions are—
- (a) sections 82(1) and (2) (general provisions as to reports), 85 (attendance of witnesses and production of documents) and 93B (false or misleading information) of the 1973 Act;
  - (b) Part II of Schedule 7 to the Competition Act 1998 (performance of the Competition Commission's general functions); and
  - (c) section 24 of the 1980 Act (modification of provisions about performance of such functions).

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- (3) For the purpose of assisting the Competition Commission in exercising their functions under sections 15A and 15B above, the Regulator and the Authority shall give to the Competition Commission any information in his or its possession which relates to matters relevant to the exercise of those functions and—
- (a) is requested by the Competition Commission for that purpose; or
  - (b) is information which, in his or its opinion, it would be appropriate for that purpose to give to the Competition Commission without any such request;
- and any other assistance which the Competition Commission may require, and which it is within his or its power to give, in relation to any such matters.
- (4) For the purpose of exercising those functions, the Competition Commission shall take account of any information given to them for that purpose under subsection (3) above.”

#### **243 Competition functions of Regulator**

- (1) Section 67 of the Railways Act 1993 (functions of Regulator and Director General of Fair Trading) is amended as follows.
- (2) In subsection (3) (concurrent exercise by Regulator and Director of functions under Part I of Competition Act 1998 so far as relating to agreements etc. which relate to supply of railway services), for “railway services” substitute “services relating to railways”.
- (3) After that subsection insert—
- “(3ZA) In subsection (3) above “services relating to railways” means—
- (a) railway services;
  - (b) the provision or maintenance of rolling stock;
  - (c) the development, maintenance or renewal of a network, station or light maintenance depot; and
  - (d) the development, provision or maintenance of information systems designed wholly or mainly for facilitating the provision of railway services.
- (3ZB) The Secretary of State may by order amend subsection (3ZA) above; and an order under this subsection shall not be made unless a draft of the statutory instrument containing it has been laid before and approved by a resolution of each House of Parliament.”

#### *Pensions*

#### **244 Authority’s duty to continue Board’s practice of indexation**

- (1) The Authority shall make provision for increases in pensions and capital sums to which this section applies broadly corresponding to each increase in official pensions under the Pensions (Increase) Act 1971 and section 59 of the Social Security Pensions Act 1975 (“an official pensions increase”).
- (2) This section applies to a pension or capital sum at any time if—

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- (a) at that time it is a pension in payment, a deferred pension or capital sum or a pension or capital sum to which a person's future entitlement is contingent on the death of another person, and
  - (b) the Board either made provision for an increase in it broadly corresponding to an official pensions increase or would have done so if it had been within paragraph (a) at a time when the Board made provision for increases broadly corresponding to an official pensions increase.
- (3) But where it was the practice of the Board, when making increases broadly corresponding to an official pensions increase, in any circumstances—
- (a) not to make provision for an increase, or
  - (b) to make provision for an increase of a reduced amount,
- subsection (1) does not require the Authority to make in similar circumstances provision for an increase in excess of any for which the Board would have made provision.

## **245 Amendments of pension protection provisions**

- (1) In paragraph 6(2)(a)(ii) of Schedule 11 to the Railways Act 1993 (power to make order providing for pension rights of protected persons to be no less favourable as a result of a transfer of pension rights), after “rights” insert “(whether made between occupational pension schemes or sections of an occupational pension scheme or otherwise)”.
- (2) The Railway Pensions (Protection and Designation of Schemes) Order 1994 is amended as follows.
- (3) In article 6 (transfers etc.), insert at the end—
  - “(9) In paragraphs (2), (3), (5), (7)(a) and (b)(i) and (8) references to an occupational pension scheme include a section of such a scheme.”
- (4) In article 7(4) (payments on transfers), insert at the end (but not as part of sub-paragraph (b))—
  - “and in this paragraph references to an occupational pension scheme include a section of such a scheme.”
- (5) In article 9 (circumstances in which breaks in continuity of employment are disregarded)—
  - (a) in paragraph (2), omit “, except to the extent specified in paragraph (3),” and “relevant” (in both places), and
  - (b) in paragraph (3), for “this article” substitute “paragraph (1)”.
- (6) In article 11(4) (activities to be regarded as the railway industry)—
  - (a) after “of Schedule 11 are” insert “the activities of the Authority or any subsidiary of the Authority and activities consisting of”, and
  - (b) for “in each case” substitute “in each of the cases in sub-paragraphs (a) to (d)”.
- (7) Omit paragraphs 13 and 14 (arbitration).
- (8) The amendments made by subsections (3) to (7) shall be treated as if made by an order made under Schedule 11 to the Railways Act 1993 (and, accordingly, may be varied or revoked by an order so made).



### *Miscellaneous*

#### **246 Passenger Transport Executives**

- (1) Section 34 of the Railways Act 1993 (Passenger Transport Authorities and Executives: franchising) is amended as follows.
- (2) After subsection (8) insert—
  - “(8A) The Authority shall not do anything under subsection (8) above if or to the extent that to do it would prevent or seriously hinder the Authority—
    - (a) from complying with any directions given to it by the Secretary of State under section 207(5) of the Transport Act 2000 or from having regard to any guidance so given;
    - (b) from complying with any directions given to it by the Scottish Ministers under section 208 of that Act with which it must comply or from having regard to any guidance so given to which it must have regard; or
    - (c) from exercising any of its functions in a manner which is consistent with its financial framework.
  - (8B) The Authority need not do anything under subsection (8) above if or to the extent that to do it would have an adverse effect on the provision of services for the carriage of passengers or goods by railway (whether inside or outside the Passenger Transport Executive’s passenger transport area).
  - (8C) The Authority need not do anything under subsection (8) above if or to the extent that to do it would increase the amount of any expenditure of the Authority under agreements or other arrangements entered into (in accordance with a franchise agreement) with—
    - (a) the franchise operator;
    - (b) the franchisee; or
    - (c) any servant, agent or independent contractor of the franchise operator or franchisee.”
- (3) In subsection (17) (disputes between Authority and Passenger Transport Executives: directions by Secretary of State), for “with respect to the dispute” substitute “with respect to the proposal or franchise agreement”.

#### **247 Standards**

- (1) The Secretary of State may by regulations make provision for the setting of standards to be complied with in relation to railway assets, railway vehicles or railway services.
- (2) The regulations may provide—
  - (a) for standards to be set (and from time to time varied), or
  - (b) for compliance with standards to be monitored,by persons specified in, or designated in accordance with, the regulations.
- (3) The regulations may authorise the setting of standards which involve obtaining the approval of any person.
- (4) The regulations may authorise the charging of fees in respect of—

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- (a) the monitoring of compliance with standards, or
  - (b) the seeking of approvals in connection with standards.
- (5) The regulations may impose requirements to provide information on persons who—
- (a) are required to comply with standards, or
  - (b) set, or monitor compliance with, standards,
- and prohibit the giving of false information.
- (6) The regulations may create criminal offences in respect of failures to comply with requirements imposed by the regulations.
- (7) The regulations may provide for such offences to be triable—
- (a) only summarily, or
  - (b) either summarily or on indictment.
- (8) The regulations may provide for an offence triable only summarily to be punishable on conviction with a fine not exceeding—
- (a) level 5 on the standard scale, or
  - (b) such lower amount as may be prescribed.
- (9) The regulations may provide for an offence triable either summarily or on indictment to be punishable—
- (a) on summary conviction, with a fine not exceeding the statutory maximum or such lower amount as may be prescribed, or
  - (b) on conviction on indictment, with a fine.
- (10) The regulations may make different provision for different cases and may (in particular) include provision—
- (a) authorising conditional or unconditional dispensation from requirements imposed by the regulations which would otherwise apply, or
  - (b) requiring compliance with requirements so imposed which would not otherwise apply,
- in particular cases or descriptions of case.
- (11) The regulations may include such incidental, consequential, supplementary or transitional provisions or savings as the Secretary of State may consider appropriate, including (in particular) provision modifying any provision made by or under any other enactment.
- (12) The regulations shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

## **248 Substitute services to be suitable for disabled passengers**

- (1) This section applies where—
- (a) a person who provides services for the carriage of passengers by railway provides or secures the provision of substitute road services, or
  - (b) the Authority secures the provision of such services (under an agreement entered into in pursuance of section 214).
- (2) In doing so the person or Authority shall ensure, so far as is reasonably practicable, that the substitute road services allow disabled passengers to undertake their journeys safely and in reasonable comfort.

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- (3) In the event of any failure by the person or Authority to comply with subsection (2), he or it shall be liable to pay damages in respect of any expenditure reasonably incurred, or other loss sustained, by a disabled passenger in consequence of the failure.
- (4) The Secretary of State may by order grant exemption from subsection (2) to—
  - (a) any class or description of persons who provide services for the carriage of passengers by railway, or
  - (b) any particular person who provides such services,in respect of all substitute road services or any class or description of such services.
- (5) Before making an order under subsection (4) the Secretary of State shall consult—
  - (a) the Disabled Persons Transport Advisory Committee, and
  - (b) such other representative organisations as he thinks fit.
- (6) An order under subsection (4) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (7) In this section “substitute road services” means services for the carriage of passengers by road which are provided where railway services have been temporarily interrupted or discontinued.
- (8) For the purposes of this section a passenger is disabled if he has a disability, or has suffered an injury, which seriously impairs his ability to walk.

#### **249 Freight assistance by Scottish Ministers and Welsh Assembly**

- (1) The Authority shall notify the Scottish Ministers and the National Assembly for Wales about any scheme in accordance with which it exercises its functions under section 211 for the purpose of securing the provision, improvement or development of—
  - (a) services for the carriage of goods by railway, or
  - (b) facilities for or in connection with the carriage of goods by railway or the loading or unloading of goods carried or intended to be carried by railway,and the criteria applied by it in exercising those functions for that purpose in accordance with the scheme.
- (2) The Scottish Ministers and the National Assembly for Wales may enter into agreements or other arrangements for the purpose of securing the provision, improvement or development in Scotland and Wales (respectively) of—
  - (a) services for the carriage of goods by railway, and
  - (b) facilities for or in connection with the carriage of goods by railway or the loading or unloading of goods carried or intended to be carried by railway,in accordance with any scheme notified to them under subsection (1) and applying the criteria so notified.
- (3) In this section—

“facilities” includes track, rolling stock, depots, access roads and equipment for use in connection with the carriage, loading or unloading of goods, and

“railway” has its wider meaning.

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**250 Taxation of transfers**

Schedule 26 contains provisions about tax.

**251 Abolition of requirements for Treasury approval**

- (1) The Railways Act 1993 has effect subject to the following amendments.
- (2) In Schedule 1 (Regulator), in paragraph 1 (remuneration, pensions etc.), omit subparagraph (4) (Treasury approval of Secretary of State's determinations).
- (3) In Schedule 2 (rail users' consultative committees), in paragraph 2 (remuneration etc. of chairman), omit “, with the approval of the Treasury,”.
- (4) In Schedule 3 (Central Rail Users' Consultative Committee), in paragraph 2 (remuneration etc. of chairman), omit “, with the approval of the Treasury,”.

**CHAPTER III**

SUPPLEMENTARY

**252 Part IV: minor and consequential amendments**

Schedule 27 makes minor and consequential amendments relating to railways.

**253 Part IV: transitionals and savings**

Schedule 28 makes transitional provisions and savings relating to this Part.

**254 Interpretation of Part IV**

Expressions which are used both in this Part and in the Railways Act 1993 and are given a meaning for the purposes of that Act, or Part I of that Act, have the same meaning in this Part.

**PART V**

MISCELLANEOUS AND SUPPLEMENTARY

*Charges for street works on highway*

**255 Charge for whole duration of works**

- (1) In the New Roads and Street Works Act 1991, after section 74 insert—

**“74A Charge determined by reference to duration of works**

- (1) The Secretary of State may make provision by regulations requiring an undertaker executing street works in a maintainable highway to pay to the highway authority a charge determined, in the prescribed manner, by reference to the duration of the works.

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- (2) The regulations shall not require charges to be paid to a local highway authority unless the Secretary of State has approved it for the purposes of the regulations by order made by statutory instrument.
- (3) The regulations may prescribe exemptions from the requirement to pay charges.
- (4) The regulations may prescribe different rates of charge according to—
  - (a) the extent to which the surface of the highway is affected by the works,
  - (b) the place and time at which the works are executed, and
  - (c) such other factors as appear to the Secretary of State to be relevant.
- (5) The regulations may—
  - (a) prescribe more than one rate of charge in respect of the same description of works, and
  - (b) provide that charges are to be paid in respect of any works of that description at the rate which appears to the highway authority to be appropriate in relation to those works.
- (6) The regulations may make provision for the determination of the duration of works for the purposes of the regulations.
- (7) And they may, in particular, make provision for works to be treated as beginning or ending on the giving of, or as stated in, a notice given by the undertaker to the highway authority, in the prescribed manner, in accordance with a requirement imposed by the regulations.
- (8) The regulations may make provision as to the time and manner of making payment of charges.
- (9) The regulations shall provide that a highway authority may reduce the amount, or waive payment, of a charge—
  - (a) in any particular case,
  - (b) in such classes of case as they may decide or as may be prescribed, or
  - (c) in all cases or in all cases other than a particular case or such class of case as they may decide or as may be prescribed.
- (10) The regulations may make provision as to—
  - (a) the application by local highway authorities of sums paid by way of charges, and
  - (b) the keeping of accounts, and the preparation and publication of statements of account, relating to sums paid by way of charges.
- (11) The regulations may create in respect of any failure to give a notice required by the regulations a criminal offence triable summarily and punishable with a fine not exceeding level 3 on the standard scale.
- (12) The regulations may require disputes of any prescribed description to be referred to an arbitrator appointed in accordance with the regulations.
- (13) The first regulations under this section shall not be made unless a draft of them has been laid before and approved by a resolution of each House of

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Parliament; subsequent regulations shall be subject to annulment in pursuance of a resolution of either House of Parliament.

#### **74B Regulations under sections 74 and 74A**

Nothing shall be taken to prevent the imposition of charges by both regulations under sections 74 and regulations under section 74A in respect of the execution of the same works at the same time.”

- (2) The reference to the New Roads and Street Works Act 1991 in Schedule 1 to the National Assembly for Wales (Transfer of Functions) Order 1999 is to be treated as referring to that Act as amended by this section and section 256.

#### **256 Charges where works unreasonably prolonged**

- (1) Section 74 of the New Roads and Street Works Act 1991 (charges where works unreasonably prolonged) is amended as follows.

- (2) After subsection (2) insert—

“(2A) The regulations may prescribe exemptions from the requirement to pay charges.”

- (3) In subsection (3)—

- (a) for “may submit to the authority” substitute “shall give to the authority, in such manner as may be prescribed, notice containing”, and
- (b) for “so submitted” substitute “contained in a notice given to an authority in such manner”.

- (4) In subsection (4), for “may submit” substitute “shall give to the authority, in such manner as may be prescribed, notice containing”.

- (5) After subsection (5) insert—

“(5A) The regulations may—

- (a) prescribe more than one rate of charge in respect of the same description of works, and
- (b) provide that charges are to be paid in respect of any works of that description at the rate which appears to the highway authority to be appropriate in relation to those works.

- (5B) The regulations may make provision for the determination of the duration of works for the purposes of the regulations.

- (5C) And they may, in particular, make provision for works to be treated as beginning or ending on the giving of, or as stated in, a notice given by the undertaker to the highway authority, in the prescribed manner, in accordance with a requirement imposed by the regulations.”

- (6) In subsection (7), for the words from “charge” to the end substitute “charges

- (a) in any particular case,
- (b) in such classes of case as they may decide or as may be prescribed, or
- (c) in all cases or in all cases other than a particular case or such class of case as they may decide or as may be prescribed.”

(7) After that subsection insert—

“(7A) The regulations may make provision as to—

- (a) the application by local highway authorities of sums paid by way of charges, and
- (b) the keeping of accounts, and the preparation and publication of statements of account, relating to sums paid by way of charges.

(7B) The regulations may create in respect of any failure to give a notice required by the regulations a criminal offence triable summarily and punishable with a fine not exceeding level 3 on the standard scale.”

*Driver training and driving instructors*

**257 Compulsory driver training courses**

In the Road Traffic Act 1988, after section 99 insert—

*“Driver training*

**99ZA Compulsory driver training courses**

Regulations may make provision about training in the driving of motor vehicles by means of courses provided in accordance with the regulations (“driver training courses”).

**99ZB Requirements to complete training courses**

- (1) Regulations under section 99ZA of this Act may provide that persons who have not successfully completed a driver training course—
  - (a) may not take a test of competence to drive motor vehicles of a prescribed class (or a prescribed part of such a test),
  - (b) are not authorised to drive motor vehicles of a prescribed class (before having passed a test of competence to drive them) by a provisional licence (or by section 98(2) or 99A(5) of this Act),
  - (c) are not granted a licence authorising the driving of motor vehicles of a prescribed class by virtue of regulations under section 89(6)(b) or (c) of this Act, or
  - (d) are not authorised to drive motor vehicles of a prescribed class in prescribed circumstances (despite having passed a test of competence to drive them).
- (2) But a person is exempt from provision made by virtue of subsection (1)(b), (c) or (d) above if he is undergoing training on a driver training course and is driving a motor vehicle as part of the training.
- (3) And regulations under section 99ZA of this Act may include provision exempting persons from any provision made by virtue of subsection (1) above in other circumstances; and regulations including such provision may (in particular)—
  - (a) limit an exemption to persons in prescribed circumstances,

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- (b) limit an exemption to a prescribed period or in respect of driving in a prescribed area,
  - (c) attach conditions to an exemption, and
  - (d) regulate applications for an exemption.
- (4) Regulations under section 99ZA of this Act may include provision for the evidencing by a person of his being within—
- (a) the exemption specified in subsection (2) above, or
  - (b) any exemption provided by virtue of subsection (3) above.
- (5) Regulations under section 99ZA of this Act may provide that a driver training course is not to be taken into account for the purposes of the regulations if it was completed before such time as is prescribed.

#### **99ZC Driver training courses: supplementary**

- (1) Regulations under section 99ZA of this Act may include—
- (a) provision about the nature of driver training courses,
  - (b) provision for the approval by the Secretary of State of persons providing such courses and the withdrawal of approvals (including provision for appeals against refusal and withdrawal of approvals) and provision for exemptions from any requirement of approval,
  - (c) provision for the training or assessment, or the supervision of the training or assessment, of persons providing driver training courses,
  - (d) provision setting the maximum amount of any charges payable by persons undergoing such courses, and
  - (e) provision for the evidencing of the successful completion of such courses.
- (2) Such regulations may include provision for the charging of reasonable fees in respect of the exercise of any function conferred or imposed on the Secretary of State by such regulations.
- (3) Such regulations may make different provision—
- (a) for different classes of motor vehicles,
  - (b) for different descriptions of persons, or
  - (c) otherwise for different circumstances.”

#### **258 Register of approved instructors: destination of appeals**

- (1) Section 131 of the Road Traffic Act 1988 (appeals to Secretary of State by persons aggrieved by decision of registrar of approved driving instructors) is amended as follows.
- (2) In subsections (1) and (2), for “Secretary of State” substitute “Transport Tribunal”.
- (3) In subsection (3)—
- (a) for “Secretary of State” substitute “Transport Tribunal”, and
  - (b) for “he thinks” substitute “they think”.
- (4) After subsection (4) insert—



“(4A) If the Tribunal consider that any evidence adduced on an appeal had not been adduced to the Registrar before he gave the decision to which the appeal relates, they may (instead of making an order under subsection (3) above) remit the matter to the Registrar for him to reconsider the decision.”

## **259 Taking effect of decisions about instructors**

- (1) In section 127 of the Road Traffic Act 1988 (application to retain name in register of approved instructors), after subsection (7) insert—

“(7A) A decision to refuse an application shall take effect at the end of the period of fourteen days beginning with the day on which notice of the decision is given (or, if any appeal brought against the decision under the following provisions of this Part of this Act is previously withdrawn or dismissed, when the appeal is withdrawn or dismissed).”

and, in subsection (8), for “A decision to refuse an application shall” substitute “But the Registrar may, when giving notice of his decision to refuse the application, direct that the decision shall instead”.

- (2) In section 128 of that Act (removal of name from register), after subsection (6) insert—

“(6A) A decision to remove a name from the register shall take effect at the end of the period of fourteen days beginning with the day on which notice of the decision is given (or, if any appeal brought against the decision under the following provisions of this Part of this Act is previously withdrawn or dismissed, when the appeal is withdrawn or dismissed).”

and, in subsection (7), for “A decision to remove a name from the register shall” substitute “But the Registrar may, when giving notice of his decision to remove the name from the register, direct that the decision shall instead”.

- (3) In section 130 of that Act (revocation of licence for giving instruction in order to obtain practical experience), for subsection (6) substitute—

“(5A) A decision to revoke a licence shall take effect at the end of the period of fourteen days beginning with the day on which notice of the decision is given (or, if any appeal brought against the decision under the following provisions of this Part of this Act is previously withdrawn or dismissed, when the appeal is withdrawn or dismissed).

- (6) But the Registrar may, when giving notice of his decision to revoke a licence, direct that (if an appeal under the following provisions of this Part of this Act is brought against the decision) it shall instead take effect—

- (a) if the appeal is withdrawn or struck out for want of prosecution, on the withdrawal or striking out of the appeal, or
- (b) if and when the appeal is dismissed, and not otherwise.”

- (4) In section 131 of that Act (appeals against decisions of registrar), after subsection (4A) (inserted by section 258) insert—

“(4B) A person who is aggrieved by a decision of the Registrar not to give a direction under section 127(8), 128(7) or 130(6) of this Act may by notice in writing appeal to the Transport Tribunal within the period of ten days beginning with the day on which notice of the decision is given.

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- (4C) The Transport Tribunal shall determine the appeal by either—
- (a) giving the direction concerned, or
  - (b) dismissing the appeal,
- within the period of fourteen days beginning with the day on which notice of the decision is given.
- (4D) Where the Registrar has decided to refuse an application for the retention of a name in the register, to remove a name from the register or to revoke a licence granted under section 129 of this Act but either—
- (a) he gave a direction under section 127(8), 128(7) or 130(6) of this Act, or
  - (b) the Transport Tribunal have given such a direction on appeal,
- he may by notice in writing apply to the Transport Tribunal for an order that the decision is to take effect immediately.
- (4E) The Transport Tribunal shall determine the Registrar’s application by either granting or refusing the application, within the period of fourteen days beginning with the day on which it is made.
- (4F) The Transport Tribunal may only grant the application if they consider that a failure to do so might prejudicially affect—
- (a) the well-being of any person to whom the person concerned may give instruction in the driving of a motor car, or
  - (b) the safety of road users.”

## **260 Training and instructors: minor and consequential amendments**

Schedule 29 makes minor and consequential amendments about driver training and driving instructors.

### *Licensing of operators of goods vehicles*

## **261 Increase of fine for breach of obligation to hold operator’s licence**

- (1) In section 2(5) of the Goods Vehicles (Licensing of Operators) Act 1995 (obligation to hold operator’s licence: penalty for offence), for “level 4” substitute “level 5”.
- (2) Subsection (1) does not apply to any offence committed before this section comes into force.

## **262 Detention of vehicle used without operator’s licence**

- (1) In the Goods Vehicles (Licensing of Operators) Act 1995, after section 2 insert—

### **“2A Detention of vehicle used without operator’s licence**

Schedule 1A (which relates to the detention, removal and disposal of goods vehicles in respect of which it appears that section 2 is contravened) shall have effect.”

- (2) After Schedule 1 to that Act insert, as Schedule 1A, the Schedule set out in Schedule 30 to this Act.

### **263 Addition of specified vehicles to operator’s licence**

In section 5 of the Goods Vehicles (Licensing of Operators) Act 1995 (vehicles authorised to be used under operator’s licence), for subsection (6) substitute—

- “(6) A motor vehicle which is not specified in an operator’s licence is not authorised to be used under that licence by virtue of subsection (1) unless the licence-holder—
- (a) has given to the traffic commissioner by whom the licence was issued a notice in such form and containing such information about the vehicle as the commissioner may require, and
  - (b) has paid to him a prescribed fee.”

*Type approvals: exemptions*

### **264 Type approval: individual exemptions**

In section 63 of the Road Traffic Act 1988 (obligatory type approval certificates, certificates of conformity and Minister’s approval certificates), for subsection (5) (power to make exemptions by regulations) substitute—

- “(5) The Secretary of State may make provision for securing that, subject to such restrictions and conditions as may be specified by or under the instrument by which the provision is made—
- (a) the use of vehicles is exempted from all or any of the preceding provisions of this section for purposes specified in the instrument or in such an area as is so specified,
  - (b) goods vehicles are exempted from the provisions of subsection (2) above, and
  - (c) there are issued in respect of vehicles or vehicle parts, in such circumstances as may be specified in the instrument, certificates of temporary exemption exempting the vehicles or vehicle parts from the provisions of subsection (1) above for such period as may be provided in the certificate.
- (6) Subject to subsection (7) below, the power conferred by subsection (5) above is exercisable by regulations.
- (7) That power is exercisable by order in relation to—
- (a) specified vehicles, or
  - (b) vehicles of specified persons;
- and an order under this subsection may be varied or revoked by a subsequent order of the Secretary of State.”

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*Licensing of private hire vehicles*

**265 Vehicles subject to regulation as private hire vehicles**

- (1) In section 79 of the Public Passenger Vehicles Act 1981 (which provides that a vehicle which is not a public service vehicle because of section 1(3) or (4) of that Act is to be treated as one for the purpose of excluding it from regulation as a private hire vehicle), for “1(3) or (4)” substitute “1(4)”.
- (2) After that section insert—

**“79A Small PSVs subject to regulation as private hire vehicles**

- (1) If a small bus is being provided for hire with the services of a driver for the purpose of carrying passengers otherwise than at separate fares, it is not to be regarded as a public service vehicle for the purpose of—
  - (a) Part II of the Local Government (Miscellaneous Provisions) Act 1976, or
  - (b) any local Act applying in any area in England and Wales which regulates the use of private hire vehicles provided for hire with the services of a driver for the purpose of carrying passengers and excludes public service vehicles from the scope of that regulation.
- (2) If a small bus is being made available with a driver to the public for hire for the purpose of carrying passengers otherwise than at separate fares, it is not to be regarded as a public service vehicle for the purpose of the Private Hire Vehicles (London) Act 1998.
- (3) But subsection (1) or (2) does not apply where the vehicle is being so provided or made available in the course of a business of carrying passengers by motor vehicles all but a small part of which involves the operation of large buses.
- (4) In this section—
 

“small bus” means a public service vehicle within paragraph (b) of subsection (1) of section 1 of this Act; and

“large buses” means public service vehicles within paragraph (a) of that subsection.”
- (3) In section 167(4) of the Criminal Justice and Public Order Act 1994 (touting for hire car services: defence in case of public service vehicles), for “passengers for public service vehicles” substitute “passengers to be carried at separate fares by public service vehicles”.

*Enforcement of requirements relating to drivers' hours*

**266 Power to prohibit driving of vehicle**

After section 99 of the Transport Act 1968 insert—

**“99A Power to prohibit driving of vehicle**

- (1) If—

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- (a) the driver of a UK vehicle obstructs an authorised person in the exercise of his powers under subsection (2) or (3) of section 99 of this Act or fails to comply with any requirement made by an authorised person under subsection (1) of that section,
  - (b) it appears to an authorised person that, in relation to a UK vehicle or its driver, there has been a contravention of any of the provisions of—
    - (i) sections 96 to 98 of this Act and any orders or regulations under those sections, or
    - (ii) the applicable Community rules,or that there will be such a contravention if the vehicle is driven on a road, or
  - (c) it appears to an authorised person that an offence under section 99(5) of this Act has been committed in respect of a UK vehicle or its driver, the authorised person may prohibit the driving of the vehicle on a road either for a specified period or without limitation of time.
- (2) Where an authorised person prohibits the driving of a vehicle under this section, he may also direct the driver to remove the vehicle (and, if it is a motor vehicle drawing a trailer, also to remove the trailer) to such place and subject to such conditions as are specified in the direction; and the prohibition shall not apply to the removal of the vehicle in accordance with that direction.
- (3) On imposing a prohibition under subsection (1) of this section, the authorised person shall give notice in writing of the prohibition to the driver of the vehicle, specifying the circumstances (as mentioned in paragraph (a), (b) or (c) of that subsection) in consequence of which the prohibition is imposed and stating whether it is imposed only for a specified period (and if so specifying the period) or without limitation of time.
- (4) Any direction under subsection (2) of this section may be given—
- (a) in the notice under subsection (3) of this section, or
  - (b) in a separate notice in writing given to the driver of the vehicle.
- (5) In this section—
- “authorised person” means—
- (a) an examiner appointed by the Secretary of State under section 66A of the Road Traffic Act 1988, or
  - (b) a constable authorised to act for the purposes of this section by or on behalf of a chief officer of police;
- “UK vehicle” means a vehicle registered under the Vehicle Excise and Registration Act 1994.

### **99B Duration and removal of prohibition**

- (1) Subject to any exemption granted under subsection (2) of this section, a prohibition under subsection (1) of section 99A of this Act shall come into force as soon as notice of it has been given in accordance with subsection (3) of that section and shall continue in force—
- (a) until it is removed under subsection (3) of this section, or

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*Status: This is the original version (as it was originally enacted).*

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- (b) in the case of a prohibition imposed for a specified period, until it is removed under that subsection or that period expires, whichever first occurs.
- (2) Where notice of a prohibition has been given under section 99A(3) of this Act in respect of a vehicle, an exemption in writing for the use of the vehicle in such manner, subject to such conditions and for such purposes as may be specified in the exemption may be granted by any authorised person.
- (3) A prohibition under section 99A(1) of this Act may be removed by any authorised person, if he is satisfied that appropriate action has been taken to remove or remedy the circumstances (as mentioned in paragraph (a), (b) or (c) of section 99A(1) of this Act) in consequence of which the prohibition was imposed; and on doing so the authorised person shall give notice in writing of the removal of the prohibition to the driver of the vehicle.
- (4) In this section, “authorised person” has the same meaning as in section 99A of this Act.

#### **99C Failure to comply with prohibition**

Any person who—

- (a) drives a vehicle on a road in contravention of a prohibition imposed under section 99A(1) of this Act,
- (b) causes or permits a vehicle to be driven on a road in contravention of such a prohibition, or
- (c) refuses or fails to comply within a reasonable time with a direction given under section 99A(2) of this Act,

shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.”

#### *Appeals relating to London service permits*

#### **267 London service permits: appeals**

- (1) Section 189 of the Greater London Authority Act 1999 (appeals against decisions of Transport for London about London service permits) is amended as follows.
- (2) In subsections (2) and (4) (appeals to be made to Mayor), for “appeal to the Mayor” substitute “make an appeal”.
- (3) In subsection (5) (appeal to be made within 28 days of issue of notice of decision), insert at the end “; but, subject to that, the procedure for the making of appeals under this section shall be such as the Secretary of State may by regulations prescribe.”
- (4) For subsection (6) (Mayor to refer appeal to panel appointed by him) substitute—
  - “(6) An appeal under this section shall be heard by a panel of persons appointed by the Lord Chancellor for the purpose of hearing such an appeal (“an appeal panel”).”
- (5) For subsection (7) (charging by Mayor of fees for appeals) substitute—

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*Status: This is the original version (as it was originally enacted).*

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- “(7) The Secretary of State may make regulations providing for the charging of reasonable fees in respect of appeals under this section.”
- (6) In subsection (9) (payment by Mayor of fees and expenses of panel members), for “Mayor” substitute “Secretary of State”.
- (7) For subsections (11) to (13) (power of panel to report to Mayor who may issue appropriate guidance or directions to Transport for London) substitute—
- “(11) An appeal panel which has heard an appeal against a decision may—
- (a) uphold the decision,
  - (b) quash the decision, or
  - (c) substitute for the decision such other decision which Transport for London had power to make as appears to the appeal panel to be appropriate.
- (12) An appeal panel which has heard an appeal may make an order about payment of the costs of the appeal; and such an order may require that Transport for London pay to the person who made the appeal a sum equal to the whole or part of any fee paid in accordance with regulations under subsection (7) above.”
- (8) In section 420(7) of that Act (regulations subject to negative Parliamentary procedure), after the entry relating to any provision contained in Chapters I to IV or VI of Part III, insert—
- “section 189;”.

*Quiet lanes and home zones and rural road speed limits*

**268 Quiet lanes and home zones**

- (1) A local traffic authority may designate any road for which they are the traffic authority as a quiet lane or a home zone.
- (2) The appropriate national authority may make regulations authorising local traffic authorities who have designated roads as quiet lanes or home zones to make use orders and speed orders of such descriptions as are prescribed by the regulations in relation to any roads designated by them as quiet lanes or home zones.
- (3) A use order is an order permitting the use of a road for purposes other than passage.
- (4) But a use order may not permit any person—
- (a) wilfully to obstruct the lawful use of a road by others, or
  - (b) to use a road in a way which would deny reasonable access to premises situated on or adjacent to the road.
- (5) A speed order is an order authorising the local traffic authority by whom it is made to take measures with a view to reducing the speed of motor vehicles or cycles (or both) on a road to below that specified in the order.
- (6) The appropriate national authority may make regulations specifying procedures for the making, variation and revocation of—
- (a) designations, and

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*Status: This is the original version (as it was originally enacted).*

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- (b) use orders and speed orders,  
including procedures for confirmation (whether by the appropriate national authority or any other body).
- (7) The appropriate national authority may give guidance to local traffic authorities about matters to which they must have regard in determining whether or not to designate a road as a quiet lane or home zone.
- (8) In this section—
  - “the appropriate national authority” means—
    - (a) the Secretary of State as respects England, and
    - (b) the National Assembly for Wales as respects Wales,
  - “cycle” has the same meaning as in the Road Traffic Act 1988,
  - “local traffic authority” has the same meaning as in the Road Traffic Regulation Act 1984,
  - “motor vehicle” means a mechanically propelled vehicle intended or adapted for use on roads, and
  - “road” has the same meaning as in the Road Traffic Regulation Act 1984.
- (9) Regulations under this section shall be made by statutory instrument and may make different provision for different cases or areas.
- (10) A statutory instrument containing regulations made by the Secretary of State under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.

## **269 Report on rural road speed limits**

- (1) The Secretary of State shall review the operation in relation to rural roads of the provision made by and under—
  - (a) Part VI of the Road Traffic Regulation Act 1984 (speed limits), and
  - (b) Schedule 9 to that Act (orders) so far as relating to orders under that Part.
- (2) The review shall in particular include consideration of whether (and, if so, how) the law should be amended to facilitate the introduction of rural road hierarchies.
- (3) A rural road hierarchy is a system under which rural roads are categorised by a local traffic authority (by reference to the ways in which they are used) for the purpose of subjecting different categories of rural roads to different speed limits.
- (4) The Secretary of State shall consult—
  - (a) the Scottish Ministers, and
  - (b) the National Assembly for Wales,
 when carrying out the review.
- (5) The Secretary of State shall publish a report of the review before the end of the period of 12 months beginning with the day on which this Act is passed.
- (6) The Secretary of State shall lay a copy of the report before each House of Parliament.
- (7) In this section “local traffic authority” has the same meaning as in the Road Traffic Regulation Act 1984.



*School crossing patrols*

**270 School crossing patrols**

- (1) The Road Traffic Regulation Act 1984 is amended as follows.
- (2) In section 26 (arrangements for patrolling places where children cross roads during certain periods)—
  - (a) in subsection (1), omit “during periods between the hours of eight in the morning and half-past five in the afternoon when children are so on their way,”, and
  - (b) after that subsection insert—

“(1A) Arrangements under subsection (1) above may be made for patrolling places at such times as the authority thinks fit.”
- (3) In section 28 (power to stop vehicles at school crossings)—
  - (a) in subsection (1)—
    - (i) omit “between the hours of eight in the morning and half-past five in the afternoon”, and
    - (ii) for “children on their way to or from school, or from one part of a school to another, are” substitute “a person is”,
  - (b) in subsection (2)—
    - (i) for “children are” substitute “person is”, and
    - (ii) for “their” substitute “his”, and
  - (c) in subsection (5)—
    - (i) insert “and” at the end of paragraph (a), and
    - (ii) omit paragraph (c) and the word “and” before it.

*Stands etc. for bicycles or motor cycles*

**271 Stands etc. for bicycles or motor cycles**

- (1) The Road Traffic Regulation Act 1984 is amended as follows.
- (2) In section 63 (power of authorities to provide stands and racks for bicycles), for “and racks for bicycles” substitute “or racks for, or devices for securing, bicycles or motor cycles”.
- (3) In section 136(4) (meaning of “motor cycle”), for “section 57” substitute “sections 57 and 63”.

*Financial assistance: inland waterway and sea freight*

**272 Financial assistance for inland waterway and sea freight**

- (1) The Secretary of State may make grants or other payments for the purpose of securing or encouraging the carriage of goods by inland waterway or by sea rather than by road where he is satisfied that that is in the public interest.

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- (2) Grants or payments under this section may in particular be made in respect of facilities for or in connection with the carriage of goods by inland waterway or by sea (including facilities for loading or unloading goods).
- (3) Grants or payments under this section shall be of such amount and subject to such conditions (including conditions requiring their repayment in specified circumstances) as the Secretary of State may determine.
- (4) So far as it relates to inland waterways in Wales the power conferred by this section is a power of the National Assembly for Wales.
- (5) The power conferred by this section may only be exercised in or as regards Scotland if its exercise relates to reserved matters within the meaning of the Scotland Act 1998.
- (6) In this section “inland waterway” includes both a natural and an artificial inland waterway.

### *Supplementary*

#### **273 Offences: general**

- (1) If an offence under this Act is committed by a body corporate and is proved to have been committed with the consent or connivance of, or to be attributable to neglect on the part of—
  - (a) a director, manager, secretary or other similar officer of the body, or
  - (b) a person who was purporting to act in such a capacity,he (as well as the body) commits the offence.
- (2) In subsection (1) “director”, in relation to a body corporate whose affairs are managed by its members, means a member of the body.
- (3) If an offence under this Act is committed by a Scottish partnership and is proved to have been committed with the consent or connivance of a partner, he (as well as the partnership) commits the offence.

#### **274 Repeals and revocations**

Schedule 31 contains repeals and revocations.

#### **275 Commencement**

- (1) Subject as follows, the preceding provisions of this Act come into force in accordance with provision made by the Secretary of State by order made by statutory instrument; and different provision may be made for different purposes.
- (2) The power conferred by subsection (1) is exercisable as respects Wales by the National Assembly for Wales (and not the Secretary of State) in relation to Parts II and III (and the repeals relating to Part II).
- (3) An order making provision for the coming into force of section 151—
  - (a) shall provide for it to come into force on 1st April in any year, and
  - (b) shall be made at least three months before the day on which it is to come into force.

- (4) Section 231 (and Schedule 24), section 253 (and Schedule 28) and section 269 come into force on the day on which this Act is passed.
- (5) In section 245, subsections (1) and (3) to (5), and subsections (2) and (8) so far as relating to subsections (3) to (5), shall be treated as having come into force on 10th May 2000.

## **276 Transitional and savings**

- (1) The Secretary of State may by order made by statutory instrument make any transitional provisions or savings which he considers appropriate in connection with the coming into force of any provision of this Act.
- (2) The power conferred by subsection (1) is exercisable as respects Wales by the National Assembly for Wales (and not the Secretary of State) in relation to Parts II and III (and the repeals relating to Part II).

## **277 Power to make amendments**

- (1) The Secretary of State may, in consequence of any provision of this Act or of any instrument made under it, by order made by statutory instrument make such amendments (including repeals or revocations) as appear to him to be appropriate in—
  - (a) any Act (whether public general or local) passed, or
  - (b) any subordinate legislation (within the meaning of the Interpretation Act 1978) made,before that provision comes into force.
- (2) The power conferred by subsection (1) is exercisable as respects Wales by the National Assembly for Wales (and not the Secretary of State) in relation to Parts II and III and any instruments made under them.
- (3) No order shall be made under subsection (1) by the Secretary of State unless a draft of the order containing it has been laid before, and approved by resolution of, each House of Parliament.

## **278 Financial provision**

- (1) There shall be paid out of money provided by Parliament—
  - (a) any expenditure incurred by any Minister of the Crown or government department under or by virtue of this Act (apart from any expenditure to be met from the National Loans Fund), and
  - (b) any increase attributable to this Act in the sums payable out of money so provided under any other enactment.
- (2) There shall be issued to the Secretary of State by the Treasury out of the National Loans Fund any sums required by him for—
  - (a) making loans under section 52 to a transferee, or
  - (b) making loans to the Strategic Rail Authority.
- (3) There shall be paid into the National Loans Fund any repayment of, or payment of interest on, loans—
  - (a) made under section 52 by the Secretary of State to a transferee, or

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- (b) made by the Secretary of State to the Strategic Rail Authority.
- (4) The assets of the National Loans Fund shall be reduced by an amount corresponding to such liability as the Secretary of State extinguishes by order under section 57.
- (5) There shall be paid into the Consolidated Fund any sums received by any Minister of the Crown or government department under or by virtue of this Act (apart from any sums required to be paid into the National Loans Fund).

**279 Extent**

- (1) Parts II and III, and the repeals relating to those Parts, and sections 255 and 256, 265, 267 and 268 and 270 and 271, and the repeals in Part V(2) of Schedule 31, extend only to England and Wales.
- (2) Subject as follows, Part IV, sections 257 to 260 (and Schedule 29), sections 261 to 263 (and Schedule 30) and sections 264, 266 and 269, and Part V(1) of Schedule 31, extend only to England and Wales and Scotland.
- (3) The amendments made by Parts I and IV, and the repeals and revocations relating to those Parts, have the same extent as the enactments to which they relate (except where it is otherwise provided).
- (4) Sections 247 and 250, paragraph 14 of Schedule 14 and Schedule 26 extend to England and Wales, Scotland and Northern Ireland.

**280 Short title**

This Act may be cited as the Transport Act 2000.

## SCHEDULES

### SCHEDULE 1

Section 30.

#### AIR TRAFFIC ADMINISTRATION ORDERS: GENERAL

#### PART I

#### MODIFICATIONS OF 1986 ACT

##### *Introduction*

1 This Part of this Schedule applies if an air traffic administration order is made.

##### *General application of provisions of 1986 Act*

2 Sections 11 to 23 and 27 of the 1986 Act (which relate to administration orders under Part II of that Act) apply with the modifications specified in this Part of this Schedule.

##### *General modifications*

3 In those sections as applied by this Part of this Schedule—  
(a) references to an administration order are to an air traffic administration order, and  
(b) references to an administrator are to an air traffic administrator.

##### *Effect of order*

4 In section 11 of the 1986 Act (effect of order) as applied by this Part of this Schedule—  
(a) the requirement in subsection (1)(a) that any petition for the winding up of the company shall be dismissed does not prejudice the air traffic administration order if it is made by virtue of section 27 above,  
(b) the reference in subsection (3)(d) to proceedings includes a reference to any proceedings under or for the purposes of section 20 above, and  
(c) subsection (3)(d) has effect as if after “its property” there were inserted “, and no right of re-entry or forfeiture may be enforced against the company in respect of any land,”.

##### *Appointment of air traffic administrator*

5 In section 13 of the 1986 Act (appointment of administrator) as applied by this Part of this Schedule for subsection (3) substitute—

“(3) An application for an order under subsection (2) may be made—

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- (a) by the Secretary of State,
- (b) by the CAA with the Secretary of State’s consent,
- (c) by any continuing air traffic administrator of the company, or
- (d) where there is no such air traffic administrator, by the company, the directors or any creditor or creditors of the company.”

*General powers of air traffic administrator*

- 6 (1) Section 14 of the 1986 Act (general powers of administrator) as applied by this Part of this Schedule has effect as follows.
- (2) In subsection (1)(b) the reference to the powers specified in Schedule 1 to the 1986 Act includes a reference to a power to act on behalf of the company—
- (a) for the purposes of this Part, or
  - (b) for the purposes of the exercise or performance of any power or duty which is conferred or imposed on the company by virtue of its holding a licence.
- (3) In subsection (4) the reference to a power conferred by the company’s memorandum or articles of association includes a reference to a power conferred by virtue of the company’s holding a licence.

*Power to deal with charged property*

- 7 (1) Section 15 of the 1986 Act (power to deal with charged property) as applied by this Part of this Schedule has effect as follows.
- (2) In subsection (2) for “the purpose or one or more of the purposes specified in the administration order” substitute “one or both of the purposes of the administration order”.
- (3) In subsection (5)(b) for “in the open market by a willing vendor” substitute “for the best price which is reasonably available on a sale which is consistent with the purposes of the air traffic administration order”.

*Duties of air traffic administrator*

- 8 (1) Section 17 of the 1986 Act (duties of administrator) as applied by this Part of this Schedule has effect as follows.
- (2) For subsection (2) substitute—
- “(2) Subject to any directions of the court, it shall be the duty of the air traffic administrator to manage the affairs, business and property of the company in accordance with proposals under section 23 as they are revised from time to time.”
- (3) In subsection (3) omit paragraph (a).

*Discharge of order*

- 9 (1) Section 18 of the 1986 Act (discharge and variation of administration order) as applied by this Part of this Schedule has effect as follows.
- (2) For subsections (1) and (2) substitute—

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“(1) An application for an air traffic administration order to be discharged may be made—

- (a) by the air traffic administrator, on the ground that the purposes of the order have been achieved; or
- (b) by the Secretary of State or (with his consent) by the CAA, on the ground that it is no longer necessary that those purposes are achieved.”

(3) In subsection (3) omit the words “or vary”.

(4) In subsection (4)—

- (a) omit the words “or varied” and “or variation”, and
- (b) after “to the registrar of companies” insert “, to the CAA and to the Secretary of State”.

#### *Notice of making of order*

- 10 In section 21(2) of the 1986 Act (notice of order to be given by administrator) as applied by this Part of this Schedule after “to the registrar of companies” insert “, to the CAA, to the Secretary of State”.

#### *Statement of proposals*

- 11 In section 23 of the 1986 Act (statement of proposals) as applied by this Part of this Schedule for subsections (1) and (2) substitute—

“(1) Where an air traffic administration order has been made, the air traffic administrator shall, within 3 months (or such longer period as the court may allow) after the making of the order, send a statement of his proposals for achieving the purposes of the order—

- (a) to the Secretary of State,
- (b) to the CAA,
- (c) to all creditors of the company (so far as he is aware of their addresses), and
- (d) to the registrar of companies.

(2) The air traffic administrator may from time to time revise those proposals.

(2A) If the air traffic administrator proposes to make revisions which appear to him to be substantial, he shall before making them send a statement of the proposed revisions—

- (a) to the Secretary of State,
- (b) to the CAA,
- (c) to all creditors of the company (so far as he is aware of their addresses), and
- (d) to the registrar of companies.

(2B) The air traffic administrator shall give a copy of any statement under subsection (1) or (2A) to all members of the company before the end of the period described in subsection (1) or, as the case may be, before making the revisions.

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*Status: This is the original version (as it was originally enacted).*

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- (2C) The requirement in subsection (2B) is satisfied if the administrator—
- (a) sends a copy of the statement to all members of the company (so far as he is aware of their addresses), or
  - (b) publishes in the prescribed manner a notice stating an address to which members should write for copies of the statement to be sent to them free of charge.”

*Applications to court*

- 12 (1) Section 27 of the 1986 Act (protection of interests of creditors and members) as applied by this Part of this Schedule has effect as follows.

- (2) After subsection (1) insert—

“(1A) If a creditor or member of the company makes an application under subsection (1), the court shall give notice of the application to the Secretary of State, who shall be entitled to be heard by the court in connection with the application.

(1B) At any time when an air traffic administration order is in force the Secretary of State or (with his consent) the CAA may apply to the court by petition for an order under this section on one or both of the following grounds.

(1C) The first ground is that the air traffic administrator has exercised or is exercising or proposing to exercise his powers in relation to the company in a manner which will not best ensure the achievement of the purposes of the order.

(1D) The second ground is that he has exercised or is exercising or proposing to exercise his powers in relation to the company in a manner which involves a contravention of—

- (a) a condition of the licence granted under Chapter I of Part I of the Transport Act 2000, or
- (b) a duty imposed by section 8(1) of that Act, or
- (c) any other requirement imposed on the company by virtue of its holding the licence.”

- (3) Omit subsection (3).

- (4) In subsection (4) omit the words “Subject as above”.

- (5) After that subsection insert—

“(4A) Provision may be made by virtue of subsection (4)(d) that the air traffic administration order is to be discharged from such date as may be specified in the order unless, before that date, such measures are taken as the court thinks fit for the purpose of protecting the interests of creditors.”

- (6) For subsection (6) substitute—

“(6) Where an air traffic administration order is discharged, the air traffic administrator shall within 14 days after the date on which the discharge takes effect send an office copy of the order under this section—

- (a) to the Secretary of State,
- (b) to the CAA, and



(c) to the registrar of companies;  
and if, without reasonable excuse, the air traffic administrator fails to comply with this subsection, he is liable to a fine and, for continued contravention, to a daily default fine.”

## PART II

### OTHER PROVISIONS

#### *General adaptations*

- 13 (1) References in the 1986 Act (except in sections 8 to 10 and 24 to 26), or in any other enactment passed before the day on which this Act is passed, to an administration order under Part II of that Act, to an application for such an order and to an administrator include references (respectively) to an air traffic administration order, to an application for an air traffic administration order and to an air traffic administrator.
- (2) References in the 1986 Act, or in any other enactment passed before the day on which this Act is passed, to an enactment contained in Part II of that Act include references to that enactment as applied by section 30 above or Part I of this Schedule.
- (3) But—
- (a) sub-paragraph (1) applies in relation to a reference in an enactment contained in Part II of the 1986 Act only so far as necessary for the purposes of the operation of the provisions of that Part as so applied;
  - (b) sub-paragraphs (1) and (2) apply subject to Part I of this Schedule.

#### *Saving*

- 14 The provisions of this Schedule are without prejudice to the power conferred by section 411 of the 1986 Act (company insolvency rules) as modified by paragraph 13(1) and (2).

#### *Interpretation*

- 15 (1) In this Schedule “the 1986 Act” means the Insolvency Act 1986.
- (2) For the purposes of this Schedule and any modification of the 1986 Act made by this Schedule—
- (a) an air traffic administration order is an order made under section 27 or 28 above;
  - (b) an air traffic administrator is a person appointed by the court to achieve the purposes of an air traffic administration order;
  - (c) the CAA is the Civil Aviation Authority.

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*Status: This is the original version (as it was originally enacted).*

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## SCHEDULE 2

Section 30.

### AIR TRAFFIC ADMINISTRATION ORDERS: SCHEMES

#### *Application of Schedule*

- 1 This Schedule applies if—
- (a) the court has made an air traffic administration order in relation to a licence company (the existing licence company), and
  - (b) it is proposed that on and after the appointed day another company (the new licence company) should carry out licensed activities in respect of all or part of a licensed area.

#### *Interpretation*

- 2 For the purposes of this Schedule—
- (a) an air traffic administration order is an order made under section 27 or 28;
  - (b) an air traffic administrator is a person appointed by the court to achieve the purposes of an air traffic administration order;
  - (c) the court is the court which (but for section 27) would have jurisdiction to wind up the existing licence company;
  - (d) references to the existing licence company and the new licence company must be construed in accordance with paragraph 1;
  - (e) references to a licence company are to be construed in accordance with section 26;
  - (f) other licence companies are licence companies, other than the existing licence company and the new licence company;
  - (g) licensed activities are activities which the licence concerned authorises the existing licence company to carry out;
  - (h) a licensed area is an area in respect of which the licence concerned authorises the existing licence company to provide air traffic services;
  - (i) the appointed day is a day which falls before the discharge of the air traffic administration order takes effect and which is appointed by the court for the purposes of this Schedule.

#### *Making and modification of schemes*

- 3
- (1) The existing licence company, acting with the consent of the new licence company and, in relation to the matters affecting them, of any other licence companies, may make a scheme designed to secure that the new licence company carries out licensed activities in respect of all or part of the licensed area.
  - (2) No scheme takes effect unless it is approved by the Secretary of State after consulting the CAA.
  - (3) If a scheme is submitted to the Secretary of State for approval he may modify the scheme before approving it.
  - (4) But no modification may be made unless the following consent—
    - (a) the new licence company,
    - (b) the existing licence company, and

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- (c) in relation to the matters affecting them, any other licence companies.
- (5) A scheme comes into force on the appointed day.
- (6) At any time after a scheme has come into force, if he thinks it appropriate the Secretary of State may by order provide that the scheme is to be taken for all purposes to have come into force with the modifications specified in the order.
- (7) But the Secretary of State may not make an order under sub-paragraph (6) unless the following consent—
- (a) the existing licence company,
  - (b) the new licence company, and
  - (c) in relation to the provisions of the order which affect them, any other licence companies.
- (8) An order under sub-paragraph (6)—
- (a) may make, with effect from the coming into force of the scheme to which it relates, any such provision as could have been made by the scheme, and
  - (b) in connection with giving effect to that provision from that time, may make such supplementary, consequential and transitional provision as the Secretary of State thinks appropriate.

#### *Effect on licence*

- 4 (1) A scheme may provide for a licence held by the existing licence company to have effect, with such modifications as the scheme may specify, as if the licence had been granted to the new licence company.
- (2) If different schemes are made in relation to different parts of the licensed area—
- (a) each scheme has effect as if there were a separate licence in respect of each part, and
  - (b) each licence has effect as if it had been granted to the company which is the new licence company under the scheme concerned.

#### *Property, rights and liabilities*

- 5 A scheme may provide for the transfer of property, rights and liabilities from the existing licence company to the new licence company.
- 6 (1) In determining whether and in what manner to exercise the powers under paragraph 3 to approve and modify a scheme, the Secretary of State must have regard to the need to ensure that a scheme allocates property, rights and liabilities to the new licence company in such manner as appears to the Secretary of State to be appropriate.
- (2) In deciding what is appropriate the Secretary of State must take into account the licensed activities which will be carried out on or after the appointed day by any of—
- (a) the new licence company,
  - (b) the existing licence company, and
  - (c) any other licence companies.
- 7 (1) When a scheme comes into force, it has effect without more so as to transfer to the new licence company the property, rights and liabilities to which the scheme relates.

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- (2) A scheme may divide the property, rights or liabilities of the existing licence company and in connection with that division may—
- (a) create for the existing licence company, the new licence company or any other licence companies an interest in or right over any property to which the scheme relates;
  - (b) create new rights and liabilities as between any two or more of those companies with respect to the subject-matter of the scheme;
  - (c) in connection with any provision made by virtue of paragraph (a) or (b), make incidental provision as to the interests, rights and liabilities of other persons with respect to the subject-matter of the scheme.
- (3) A scheme may impose duties on the existing licence company, the new licence company and any other licence company to take all such steps as may be necessary to secure that—
- (a) any interest, right or liability created by virtue of paragraph (a) or (b) of sub-paragraph (2), and
  - (b) any incidental provision made by virtue of paragraph (c) of that sub-paragraph,
- has effect.
- (4) A scheme may require the new licence company and any other licence companies to provide consideration in respect of the transfer or creation of property, rights and liabilities by means of the scheme.
- (5) A requirement imposed under sub-paragraph (4) is enforceable in the same way as if the property, rights and liabilities had been created or transferred, and (if the case so requires) had been capable of being created or transferred, by agreement between the parties.
- (6) The property, rights and liabilities of the existing licence company which may be transferred in accordance with a scheme include—
- (a) property, rights and liabilities which the existing licence company would not otherwise be capable of transferring or assigning;
  - (b) property, rights and liabilities to which the existing licence company may become entitled or subject after the making of the scheme and before the appointed day;
  - (c) property situated anywhere in the United Kingdom or elsewhere;
  - (d) rights and liabilities under enactments;
  - (e) rights and liabilities under the law of any part of the United Kingdom or of any country or territory outside the United Kingdom.
- (7) If a scheme makes a person entitled to possession of a document, the provision that may be made by virtue of sub-paragraph (2)(b) includes—
- (a) provision for treating that person as having given another person an acknowledgement in writing of the right of that other person to the production of the document and to delivery of copies of it,
  - (b) provision applying section 64 of the Law of Property Act 1925 (production and safe custody of documents) to that acknowledgement,
  - (c) provision that, where a scheme transfers any interest in land or other property situated in Scotland, subsections (1) and (2) of section 16 of the Land Registration (Scotland) Act 1979 (omission of certain clauses in deeds) are

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- to have effect in relation to the transfer as if the transfer had been effected by deed and as if from each of those subsections the words “unless specially qualified” had been omitted, and
- (d) provision applying section 9 of the Conveyancing Act 1881 (which is the equivalent in Northern Ireland to section 64 of the Law of Property Act 1925) to that acknowledgement.
- (8) Sub-paragraph (9) applies if a transfer authorised by sub-paragraph (6)(a) would (were it not so authorised)—
- (a) give rise to a contravention or liability by reason of a provision relating to the terms on which the existing licence company is entitled or subject to the property, right or liability transferred, or
- (b) give rise to an interference with any interest or right by reason of such a provision.
- (9) In such a case the transfer does not give rise to such a contravention, liability or interference.
- (10) The provision referred to in sub-paragraph (8) may arise under an enactment or agreement or otherwise.
- 8 (1) A scheme may impose duties on the existing licence company and on the new licence company to take all such steps as may be necessary to secure that the vesting in the new licence company, by virtue of the scheme, of any foreign property, right or liability is effective under the relevant foreign law.
- (2) A scheme may require the existing licence company to comply with any directions given by the new licence company in performing any duty imposed on the existing licence company by virtue of a provision included in the scheme under sub-paragraph (1).
- (3) A scheme may provide that, until the vesting of any foreign property, right or liability of the existing licence company in the new licence company is effective under the relevant foreign law, it is the duty of the existing licence company—
- (a) to hold that property or right for the benefit of the new licence company, or
- (b) to discharge that liability on behalf of the new licence company.
- (4) A scheme may provide that in specified cases foreign property, rights or liabilities acquired or incurred by an existing licence company after the scheme comes into force are immediately to become property, rights or liabilities of the new licence company; and in relation to such property, rights or liabilities the scheme may make provision equivalent to that in sub-paragraphs (1) to (3).
- (5) Nothing in any provision included in a scheme by virtue of this paragraph affects the law of any part of the United Kingdom as it applies to the vesting of any foreign property, right or liability in the new licence company by virtue of the scheme.
- (6) References in this paragraph to any foreign property, right or liability are references to any property, right or liability as respects which any issue arising in any proceedings would have to be determined (in accordance with the rules of private international law) by reference to the law of a country or territory outside the United Kingdom.

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- (7) Any expenses incurred by an existing licence company in consequence of any provision included in a scheme by virtue of this paragraph must be met by the new licence company.
- (8) Duties imposed on an existing licence company or a new licence company by virtue of this paragraph are enforceable in the same way as if they were imposed by a contract between the existing licence company and the new licence company.

*Supplementary provisions of schemes*

- 9 (1) A scheme may contain supplementary, consequential and transitional provision for the purposes of, or in connection with, any provision of the scheme.
- (2) In particular a scheme may provide—
  - (a) that for purposes connected with any transfers made in accordance with the scheme (including the transfer of rights and liabilities under an enactment) the new licence company is to be treated as the same person in law as the existing licence company;
  - (b) that (so far as may be necessary for the purposes of or in connection with any such transfers) agreements made, transactions effected and other things done by or in relation to the existing licence company are to be treated as made, effected or done by or in relation to the new licence company;
  - (c) that (so far as may be necessary for the purposes of or in connection with any such transfers) references in any agreement (whether or not in writing) or in any document to, or to any officer of, the existing licence company are to have effect with such modifications as the scheme may specify;
  - (d) that proceedings commenced by or against the existing licence company are to be continued by or against the new licence company;
  - (e) that contracts of employment with the existing licence company are not to terminate and that periods of employment with the existing licence company are to count for all purposes as periods of employment with the new licence company;
  - (f) that disputes about the effect of the scheme between the existing licence company and the new licence company, between either of them and any other licence company or between different companies which are other licence companies are to be referred to such arbitration as may be specified in or determined under the scheme;
  - (g) that determinations on such arbitrations are conclusive for all purposes;
  - (h) that certificates given jointly by two or more of the licence companies mentioned in paragraph (f) as to the effect of the scheme as between the licence companies giving the certificates are conclusive for all purposes.

*Assistance*

- 10 (1) The new licence company, the existing licence company and any other licence companies which are likely to be affected by a scheme must provide the Secretary of State with all such information and other assistance as the Secretary of State may reasonably require for the purposes of, or in connection with, the exercise of any power conferred by paragraph 3.

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- (2) If a company without reasonable excuse fails to do anything required of it by subparagraph (1) it is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

*Effect of air traffic administration order*

- 11 While an air traffic administration order is in force in relation to an existing licence company anything which the company is permitted or required to do—
- (a) by paragraph 3 or 10, or
  - (b) in consequence of any provision of a scheme,
- is effective only if it is done on the company's behalf by its air traffic administrator.

SCHEDULE 3

Section 33.

AIR TRAFFIC ADMINISTRATION ORDERS: NORTHERN IRELAND

- 1 In their application to a licence company formed and registered under the Companies (Northern Ireland) Order 1986, sections 26 to 32 and Schedules 1 and 2 have effect with the modifications made by this Schedule.
- 2 (1) Section 26 is modified as follows.
- (2) In subsection (2) for “Part II of the 1986 Act” substitute “Part III of the 1989 Order”.
  - (3) In subsection (5) for “Parts I to VII of the 1986 Act” substitute “Parts II to VII of the 1989 Order”.
  - (4) In subsection (6)—
    - (a) for “the 1986 Act” substitute “the 1989 Order”, and
    - (b) for “the Insolvency Act 1986” substitute “the Insolvency (Northern Ireland) Order 1989”.
- 3 (1) Section 28 is modified as follows.
- (2) In subsection (3) for paragraph (a) substitute—
    - “(a) the Secretary of State certifies that but for section 27 it would in his opinion be appropriate for the Department of Enterprise, Trade and Investment to petition for the company's winding up under Article 104A of the 1989 Order (petition following inspectors' report etc), and”.
  - (3) In subsection (3)(b) for “section 124A” substitute “Article 104A”.
  - (4) In subsection (6) for “section 123 of the 1986 Act” substitute “Article 103 of the 1989 Order”.
- 4 In section 29(5) for “the 1986 Act” substitute “the 1989 Order”.
- 5 (1) Section 30 is modified as follows.
- (2) In subsection (2) for “Section 9(4) and (5) of the 1986 Act” substitute “Article 22(4) and (5) of the 1989 Order”.
  - (3) In subsection (3)—

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(a) for “Section 10(1), (2), (4) and (5) of the 1986 Act” substitute “Article 23(1), (2) and (4) of the 1989 Order”;

(b) in paragraphs (a), (b), (c) and (d) for “subsection” substitute “paragraph”.

(4) In subsection (5)—

(a) for “section 411 of the 1986 Act” substitute “Article 359 of the 1989 Order”, and

(b) for “Parts I to VII of that Act” substitute “Parts II to VII of that Order”.

6 For Schedule 1 substitute—

## “SCHEDULE 1

### AIR TRAFFIC ADMINISTRATION ORDERS: GENERAL

#### PART I

#### MODIFICATIONS OF 1989 ORDER

##### *Introduction*

1 This Part of this Schedule applies if an air traffic administration order is made in Northern Ireland.

##### *General application of provisions of 1989 Order*

2 Articles 24 to 35 and 39 of the 1989 Order (which relate to administration orders under Part III of that Order) apply with the modifications specified in this Part of this Schedule.

##### *General modifications*

3 In those Articles as applied by this Part of this Schedule—

(a) references to an administration order are to an air traffic administration order, and

(b) references to an administrator are to an air traffic administrator.

##### *Effect of order*

4 In Article 24 of the 1989 Order (effect of order) as applied by this Part of this Schedule—

(a) the requirement in paragraph (1)(a) that any petition for the winding up of the company shall be dismissed does not prejudice the air traffic administration order if it is made by virtue of section 27 above,

(b) the reference in paragraph (3)(d) to proceedings includes a reference to any proceedings under or for the purposes of section 20 above, and

(c) paragraph (3)(d) has effect as if after “its property” there were inserted “, and no right of re-entry or forfeiture may be enforced against the company in respect of any land,”.



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*Appointment of air traffic administrator*

5 In Article 26 of the 1989 Order (appointment of administrator) as applied by this Part of this Schedule for paragraph (3) substitute—

- “(3) An application for an order under paragraph (2) may be made—
- (a) by the Secretary of State,
  - (b) by the CAA with the Secretary of State’s consent,
  - (c) by any continuing air traffic administrator of the company, or
  - (d) where there is no such air traffic administrator, by the company, the directors or any creditor or creditors of the company.”

*General powers of air traffic administrator*

6 (1) Article 27 of the 1989 Order (general powers of administrator) as applied by this Part of this Schedule has effect as follows.

- (2) In paragraph (1)(b) the reference to the powers specified in Schedule 1 to the 1989 Order includes a reference to a power to act on behalf of the company—
- (a) for the purposes of this Part, or
  - (b) for the purposes of the exercise or performance of any power or duty which is conferred or imposed on the company by virtue of its holding a licence.

(3) In paragraph (4) the reference to a power conferred by the company’s memorandum or articles of association includes a reference to a power conferred by virtue of the company’s holding a licence.

*Power to deal with charged property*

7 (1) Article 28 of the 1989 Order (power to deal with charged property) as applied by this Part of this Schedule has effect as follows.

- (2) In paragraph (2) for “the purpose or one or more of the purposes specified in the administration order” substitute “one or both of the purposes of the administration order”.
- (3) In paragraph (5)(b) for “in the open market by a willing vendor” substitute “for the best price which is reasonably available on a sale which is consistent with the purposes of the air traffic administration order”.

*Duties of air traffic administrator*

8 (1) Article 29 of the 1989 Order (duties of administrator) as applied by this Part of this Schedule has effect as follows.

(2) For paragraph (2) substitute—

- “(2) Subject to any directions of the High Court, it shall be the duty of the air traffic administrator to manage the affairs, business and property of

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the company in accordance with proposals under Article 35 as they are revised from time to time.”

- (3) In paragraph (3) omit sub-paragraph (a).

*Discharge of order*

- 9 (1) Article 30 of the 1989 Order (discharge and variation of administration order) as applied by this Part of this Schedule has effect as follows.

- (2) For paragraphs (1) and (2) substitute—

“(1) An application for an air traffic administration order to be discharged may be made—

- (a) by the air traffic administrator, on the ground that the purposes of the order have been achieved; or
- (b) by the Secretary of State or (with his consent) by the CAA, on the ground that it is no longer necessary that those purposes are achieved.”

- (3) In paragraph (3) omit the words “or vary”.

- (4) In paragraph (4)—

- (a) omit the words “or varied” and “or variation”, and
- (b) after “to the registrar” insert “, to the CAA and to the Secretary of State”.

*Notice of making of order*

- 10 In Article 33(2) of the 1989 Order (notice of order to be given by administrator) as applied by this Part of this Schedule after “to the registrar” insert “, to the CAA, to the Secretary of State”.

*Statement of proposals*

- 11 In Article 35 of the 1989 Order (statement of proposals) as applied by this Part of this Schedule for paragraphs (1) and (2) substitute—

“(1) Where an air traffic administration order has been made, the air traffic administrator shall, within 3 months (or such longer period as the High Court may allow) after the making of the order, send a statement of his proposals for achieving the purposes of the order—

- (a) to the Secretary of State,
- (b) to the CAA,
- (c) to all creditors of the company (so far as he is aware of their addresses), and
- (d) to the registrar.

- (2) The air traffic administrator may from time to time revise those proposals.

- (2A) If the air traffic administrator proposes to make revisions which appear to him to be substantial, he shall before making them send a statement of the proposed revisions—

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- (a) to the Secretary of State,
  - (b) to the CAA,
  - (c) to all creditors of the company (so far as he is aware of their addresses), and
  - (d) to the registrar.
- (2B) The air traffic administrator shall give a copy of any statement under paragraph (1) or (2A) to all members of the company before the end of the period described in paragraph (1) or, as the case may be, before making the revisions.
- (2C) The requirement in paragraph (2B) is satisfied if the administrator—
- (a) sends a copy of the statement to all members of the company (so far as he is aware of their addresses), or
  - (b) publishes in the prescribed manner a notice stating an address to which members should write for copies of the statement to be sent to them free of charge.”

*Applications to court*

- 12 (1) Article 39 of the 1989 Order (protection of interests of creditors and members) as applied by this Part of this Schedule has effect as follows.
- (2) After paragraph (1) insert—
- “(1A) If a creditor or member of the company makes an application under paragraph (1), the court shall give notice of the application to the Secretary of State, who shall be entitled to be heard by the court in connection with the application.
- (1B) At any time when an air traffic administration order is in force the Secretary of State or (with his consent) the CAA may apply to the court by petition for an order under this Article on one or both of the following grounds.
- (1C) The first ground is that the air traffic administrator has exercised or is exercising or proposing to exercise his powers in relation to the company in a manner which will not best ensure the achievement of the purposes of the order.
- (1D) The second ground is that he has exercised or is exercising or proposing to exercise his powers in relation to the company in a manner which involves a contravention of—
- (a) a condition of the licence granted under Chapter I of Part I of the Transport Act 2000, or
  - (b) a duty imposed by section 8(1) of that Act, or
  - (c) any other requirement imposed on the company by virtue of its holding the licence.”
- (3) Omit paragraph (3).
- (4) In paragraph (4) omit the words “Subject to paragraph (3),”.
- (5) After that paragraph insert—

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“(4A) Provision may be made by virtue of paragraph (4)(d) that the air traffic administration order is to be discharged from such date as may be specified in the order unless, before that date, such measures are taken as the court thinks fit for the purpose of protecting the interests of creditors.”

(6) For paragraph (6) substitute—

“(6) Where an air traffic administration order is discharged, the air traffic administrator shall within 14 days after the date on which the discharge takes effect send an office copy of the order under this Article—

- (a) to the Secretary of State,
- (b) to the CAA, and
- (c) to the registrar;

and if, without reasonable excuse, the air traffic administrator contravenes this paragraph, he shall be guilty of an offence and, for continued contravention, he shall be guilty of a continuing offence.”

## PART II

### OTHER PROVISIONS

#### *General adaptations*

- 13 (1) References in the 1989 Order (except in Articles 21 to 23 and 36 to 38), or in any other enactment passed before the day on which this Act is passed, to an administration order under Part III of that Order, to an application for such an order and to an administrator include references (respectively) to an air traffic administration order, to an application for an air traffic administration order and to an air traffic administrator.
- (2) References in the 1989 Order, or in any other enactment passed before the day on which this Act is passed, to an enactment contained in Part III of that Order include references to that enactment as applied by section 30 above or Part I of this Schedule.
- (3) But—
- (a) sub-paragraph (1) applies in relation to a reference in an enactment contained in Part III of the 1989 Order only so far as necessary for the purposes of the operation of the provisions of that Part as so applied;
  - (b) sub-paragraphs (1) and (2) apply subject to Part I of this Schedule.

#### *Saving*

- 14 The provisions of this Schedule are without prejudice to the power conferred by Article 359 of the 1989 Order (insolvency rules) as modified by paragraph 13(1) and (2).

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### *Interpretation*

- 15 (1) In this Schedule “the 1989 Order” means the Insolvency (Northern Ireland) Order 1989.
- (2) For the purposes of this Schedule and any modification of the 1989 Order made by this Schedule—
- (a) an air traffic administration order is an order made under section 27 or 28 above;
  - (b) an air traffic administrator is a person appointed by the court to achieve the purposes of an air traffic administration order;
  - (c) the CAA is the Civil Aviation Authority.”

## SCHEDULE 4

Section 36.

### LICENCE HOLDERS: LAND

- 1 The Civil Aviation Act 1982 shall be amended as follows.
- 2 After section 42 (acquisition of land by CAA) insert the following—

#### **“42A Acquisition of land: air traffic services licence holders**

- (1) A licence holder may be authorised by the Secretary of State to acquire land in Great Britain compulsorily for any purpose connected with the carrying out of the activities authorised by the licence.
- (2) Where a licence holder proposes to acquire, otherwise than by agreement, any land in Northern Ireland—
- (a) which is required by the licence holder for any purpose connected with the carrying out of the activities authorised by the licence, or
  - (b) as to which it can reasonably be foreseen that it will be so required,
- the licence holder may apply to the Secretary of State for an order vesting the land in it, and the Secretary of State shall have power to make such an order.
- (3) The Secretary of State shall not grant an authorisation under subsection (1) or an order under subsection (2) to a licence holder in respect of land which is owned by another licence holder who—
- (a) is using it, or
  - (b) will, in the opinion of the Secretary of State, use it at some time in the period of five years beginning with the date on which he receives the request for the authorisation or order.
- (4) A reference in subsection (3) to use of land by a licence holder is a reference to use for a purpose connected with the carrying out of the activities authorised by the licence.
- (5) The following provisions of section 42 shall apply for the purposes of this section in relation to a licence holder as they apply for the purposes of that section in relation to the CAA—

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- (a) in subsection (1), the words from “and the following enactments” to the end,
  - (b) subsection (3),
  - (c) subsection (5) (with the reference to acquisition for the purposes of the CAA’s undertaking being construed as a reference to acquisition in connection with the carrying out of the activities authorised by the licence), and
  - (d) subsection (6).”
- 3 In section 43(1) (rights over land to bind grantor’s successors) after paragraph (b) insert—
- “or,
- (c) for any purpose connected with the carrying out of the activities authorised by the licence, to a licence holder.”.
- 4 (1) Section 44 (power to obtain rights over land) shall be amended as follows.
- (2) In subsection (6) after paragraph (b) insert—
- “and
- (c) if the relevant authority in whose favour the order was made is a licence holder, the licence holder.”.
- (3) For subsection (7) substitute—
- “(7) The ownership of anything shall not be affected by reason only that it is placed on or under, or affixed, to, any land in pursuance of any such order.
- (7A) So long as any such order is in force, no person shall, except with the necessary consent, wilfully interfere—
- (a) with any works carried out on any land in pursuance of the order, or
  - (b) with anything installed on, under, over or across any land in pursuance of the order.
- (7B) The necessary consent is—
- (a) if the relevant authority in whose favour the order is made is the Secretary of State or Eurocontrol, the consent of the Secretary of State,
  - (b) if that relevant authority is the CAA, the consent of the Secretary of State or the CAA, and
  - (c) if that relevant authority is a licence holder, the consent of the licence holder.”
- (4) In subsection (12) the following shall be inserted after paragraph (c)—
- “and
- (d) a licence holder;”.
- 5 In section 46(10) (control over land: relevant authorities) after paragraph (d) insert—
- “and
- (e) a licence holder (within the meaning of section 105(1) below);”.

- 6 (1) Section 48 (Secretary of State’s powers in respect of highways, &c.) shall be amended as follows.
- (2) In subsection (1) for “or the CAA” substitute (in each place) “, the CAA or a licence holder”.
- (3) In subsection (9) after “the CAA” insert (in each place) “or a licence holder”.
- 7 In section 49 (acquisition of land for purpose related to highway) after subsection (3) insert—
- “(3A) A licence holder’s power of acquiring land compulsorily under this Act may be exercised for the purpose of providing or improving any highway which is to be provided or improved in pursuance of an order made under section 48(1) above in relation to land which is vested in the licence holder or which the licence holder proposes to acquire or for any other purpose for which land is required in connection with such an order.”
- 8 (1) Section 50 (powers of entry) shall be amended as follows.
- (2) In subsection (1)(a), (b) and (c) after “the CAA” insert “or a licence holder”.
- (3) In subsection (1)(d) after “the CAA” insert “, a licence holder (within the meaning of section 105(1) below)”.
- (4) In subsection (3)(a), (b) and (c) for “or the CAA” substitute “, the CAA or a licence holder”.
- (5) In subsection (7) for paragraph (a) substitute—
- “(a) in a case falling within subsection (1)(a) to (c) above in respect of the CAA, the CAA,
- (aa) in a case falling within subsection (1)(a) to (c) above in respect of a licence holder, the licence holder.”
- 9 In section 51(7)(a) (statutory undertakers) after “the CAA” insert “or a licence holder”.
- 10 (1) Section 52 (displacements from land) shall be amended as follows.
- (2) After subsection (1)(c) (and before the word “or”) insert—
- “(ca) a licence holder has acquired land for purposes connected with the carrying out of the activities authorised by the licence;”.
- (3) In subsection (2)(a) for “or (c)” substitute “, (c) or (ca)”.
- (4) In subsection (3)(a) after “(c)” insert “, (ca)”.
- 11 (1) Section 53 (planning decisions: compensation) shall be amended as follows.
- (2) In subsection (1)—
- (a) for “entitled to recover from the CAA” substitute “entitled to recover from the relevant person”,
- (b) for paragraph (b)(iii) substitute—
- “(iii) to secure the safe and efficient operation of apparatus which is in the possession of a licence holder and is provided for the purpose of the activities authorised by the licence.”

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- (3) In subsection (2) for “shall pay the CAA” substitute “shall refund to the person who paid that sum”.
- (4) In subsection (3)—
- (a) for “such a need as aforesaid in respect of an aerodrome or apparatus owned by the CAA,” substitute “a need referred to in subsection (1)(b)(i) to (iii),”
  - (b) for “given to the CAA” substitute “given to the relevant person”, and
  - (c) for “require the CAA” substitute “require the relevant person”.
- (5) In subsection (4) for “the CAA” substitute (in each place) “the relevant person”.
- (6) In subsection (7) for paragraph (b) and the words following it substitute—
- “(b) the decision would not have been taken but for the need to secure the safe and efficient operation of apparatus which is in the possession of a licence holder and is provided for the purpose of the activities authorised by the licence,
- the Department shall be entitled to recover from the licence holder a sum equal to that compensation.”
- (7) In subsection (8) for “the CAA” substitute “the licence holder”.
- (8) After subsection (9) insert—
- “(10) The relevant person for the purposes of this section is—
- (a) in a case to which subsection (1)(b)(i) or (ii) applies, the CAA, and
  - (b) in a case to which subsection (1)(b)(iii) applies, the licence holder.”
- 12 In section 54(2) (consecrated land and burial grounds) for “in relation to any land acquired by the CAA” substitute “in relation to any land—
- (a) acquired by the CAA, or
  - (b) acquired by a licence holder for purposes connected with the carrying out of the activities authorised by the licence,”.
- 13 (1) Section 55 (registration of orders, &c.) shall be amended as follows.
- (2) In subsection (5) after “the CAA” insert “or a licence holder”.
- (3) In subsection (7)(a) after sub-paragraph (ii) (and after the word “and”) insert—
- “(iii) if the order is made in favour of a licence holder, the licence holder; and”.
- (4) In subsection (7)(c) after sub-paragraph (i) (and before the word “and”) insert—
- “(ia) if the order is made in respect of a licence holder, the licence holder;”.
- 14 In section 105(1) (interpretation) after the definition of “the Lands Tribunal” insert—
- ““licence holder” means a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (air traffic services);”.
- 15 In Schedule 6 (modifications of Schedule 6 to the Local Government Act (Northern Ireland) 1972)—
- (a) in paragraph 2 after “Civil Aviation Authority” insert “or (as the case may be) the licence holder”,



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- (b) in paragraph 4 after “Civil Aviation Authority” insert “or a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (“a licence holder”); and
  - (c) in paragraphs 5 and 6 after “Civil Aviation Authority” (in each place) insert “or (as the case may be) the licence holder”.
- 16 (1) Schedule 7 (certain orders under Part II: supplementary) shall be amended as follows.
- (2) For the words “the CAA”—
    - (a) substitute “the CAA or a licence holder” in paragraph 1(1), in the first place where the words appear in paragraph 1(2), and in paragraph 12(2)(a), and
    - (b) substitute “the CAA or the licence holder” in the second place where the words appear in paragraph 1(2).
  - (3) After paragraph 5(2)(a) insert—
    - “(aa) the licence holder in the case of an order under section 44 of this Act made in favour of a licence holder;”.
  - (4) After paragraph 12(2)(b) insert—
    - “(c) from the licence holder in the case of an order made in favour of a licence holder.”
- 17 In Schedule 13 (subordinate instruments), in Part I after the entry for section 42(2) insert—  
“Section 42A(2) (order vesting land in licence holder).”

## SCHEDULE 5

Section 37.

### LICENCE HOLDERS AS STATUTORY UNDERTAKERS

#### *Miscellaneous enactments*

- 1 (1) For the purposes of the provisions mentioned in sub-paragraph (2)—
- (a) a licence holder carrying out activities authorised by its licence is to be taken to be a statutory undertaker;
  - (b) its undertaking as licence holder is to be taken to be a statutory undertaking.
- (2) The provisions are—
- (a) the Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947;
  - (b) section 4 of the Requisitioned Land and War Works Act 1948;
  - (c) the National Parks and Access to the Countryside Act 1949;
  - (d) the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951;
  - (e) the Landlord and Tenant Act 1954;
  - (f) section 39(6)(b) of the Opencast Coal Act 1958;
  - (g) section 11 of the Land Compensation Act 1961;
  - (h) section 3(4) of the Flood Prevention (Scotland) Act 1961;
  - (i) section 18 of the Land Compensation (Scotland) Act 1963;
  - (j) Schedule 3 to the Harbours Act 1964;
  - (k) Schedule 6 to the Gas Act 1965;
  - (l) the New Towns (Scotland) Act 1968;

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- (m) paragraph 6 of Schedule 2 to the Countryside Act 1968;
- (n) section 22 of the Sewerage (Scotland) Act 1968;
- (o) sections 283, 296 and 611 of the Housing Act 1985.

*Public health*

- 2 (1) The provisions mentioned in sub-paragraph (2) apply in relation to—
- (a) a licence holder carrying out activities authorised by its licence, and
  - (b) any property which is owned by the licence holder,
- as they apply in relation to a railway company and its railway.
- (2) The provisions are—
- (a) section 330 of the Public Health Act 1936 (power of certain undertakers in England and Wales to alter sewers);
  - (b) section 333 of that Act (protection of certain undertakings in England and Wales from works executed under that Act);
  - (c) section 107 of the Public Health (Scotland) Act 1897 (protection of certain undertakings in Scotland from works connected with sewers).

*Civil defence*

- 3 (1) For the purposes of the Civil Defence Act 1939—
- (a) a licence holder carrying out activities authorised by its licence is to be taken to be a public utility undertaker;
  - (b) its undertaking as licence holder is to be taken to be a public utility undertaking.
- (2) For the purposes of the 1939 Act as it applies in relation to a licence holder the appropriate department is the Secretary of State.

*Pipe-lines*

- 4 (1) For the purposes of the Pipe-lines Act 1962—
- (a) a licence holder carrying out activities authorised by its licence is to be taken to be a statutory undertaker;
  - (b) its undertaking as licence holder is to be taken to be a statutory undertaking.
- (2) For the purposes of section 13 of the 1962 Act, in relation to a licence holder operational land is land—
- (a) which is used by the licence holder, or by a company associated with it, for the purpose of carrying out activities authorised by the licence, or
  - (b) in which the licence holder, or a company associated with it, holds an interest for that purpose.
- (3) If for the purposes of section 13 of the 1962 Act a question arises whether land is operational land in relation to a licence holder the question must be decided by the Secretary of State.

*New towns*

- 5 (1) Section 79 of the New Towns Act 1981 (meaning of statutory undertakers and operational land) shall be amended as follows.

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- (2) In subsection (1) after “the Civil Aviation Authority,” insert “or  
(ba) a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (air traffic services).”
- (3) After subsection (1) insert—  
“(1A) For the purposes of this Act—  
(a) a person who holds a licence under Chapter I of Part I of the Transport Act 2000 shall not be considered to be a statutory undertaker unless the person is carrying out activities authorised by the licence;  
(b) the person’s undertaking shall not be considered to be a statutory undertaking except to the extent that it is the person’s undertaking as licence holder.”
- (4) In subsection (3) after paragraph (b) insert—  
“(ba) in relation to a person who holds a licence under Chapter I of Part I of the Transport Act 2000, means any land which is used by the licence holder (or by a company associated with it) for the purpose of carrying out activities authorised by the licence or land in which the licence holder (or a company associated with it) holds an interest for that purpose.”
- (5) After subsection (3) insert—  
“(4) If for the purposes of this Act a question arises whether land is operational land in relation to a person who holds a licence under Chapter I of Part I of the Transport Act 2000 the question must be decided by the Secretary of State.”

### *Planning*

- 6 (1) Section 262 of the Town and Country Planning Act 1990 (meaning of statutory undertakers) shall be amended as follows.
- (2) In subsection (3) for “and the Civil Aviation Authority” substitute “, the Civil Aviation Authority and a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (air traffic services)”.
- (3) In subsection (5)(b) for “and the Civil Aviation Authority” substitute “, the Civil Aviation Authority and a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (air traffic services)”.
- (4) After subsection (5) insert—  
“(5A) For the purposes of this Act—  
(a) a person who holds a licence under Chapter I of Part I of the Transport Act 2000 shall not be considered to be a statutory undertaker unless the person is carrying out activities authorised by the licence;  
(b) the person’s undertaking shall not be considered to be a statutory undertaking except to the extent that it is the person’s undertaking as licence holder.”

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- 7 In section 263 of the Town and Country Planning Act 1990 (meaning of operational land) after subsection (2) insert—
- “(2A) Subsection (1) does not apply in relation to a person who holds a licence under Chapter I of Part I of the Transport Act 2000.
- (2B) Subject to section 264, in this Act “operational land” means, in relation to a person who holds a licence under Chapter I of Part I of the Transport Act 2000, land—
- (a) which is used by the licence holder, or by a company associated with it, for the purpose of carrying out activities authorised by the licence, or
- (b) in which the licence holder, or a company associated with it, holds an interest for that purpose.
- (2C) If for the purposes of this Act a question arises whether land is operational land in relation to a person who holds a licence under Chapter I of Part I of the Transport Act 2000 the question must be decided by the Secretary of State.”
- 8 In section 91(3) of the Planning (Listed Buildings and Conservation Areas) Act 1990 (meaning of statutory undertakers) in paragraph (b) after “the Civil Aviation Authority,” there shall be inserted “a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (to the extent that the person is carrying out activities authorised by the licence).”.
- 9 In section 39(6) of the Planning (Hazardous Substances) Act 1990 (persons deemed to be statutory undertakers) after “the Civil Aviation Authority” there shall be inserted “, a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (to the extent that the person is carrying out activities authorised by the licence).”.
- 10 (1) Section 214 of the Town and Country Planning (Scotland) Act 1997 (meaning of statutory undertakers) shall be amended as follows.
- (2) In subsection (3) for “and the Civil Aviation Authority” substitute “, the Civil Aviation Authority and a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (air traffic services).”.
- (3) In subsection (5)(b) for “and the Civil Aviation Authority” substitute “, the Civil Aviation Authority and a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (air traffic services).”.
- (4) After subsection (5) insert—
- “(5A) For the purposes of this Act—
- (a) a person who holds a licence under Chapter I of Part I of the Transport Act 2000 shall not be considered to be a statutory undertaker unless the person is carrying out activities authorised by the licence;
- (b) the person’s undertaking shall not be considered to be a statutory undertaking except to the extent that it is the person’s undertaking as licence holder.”
- 11 In section 215 of the Town and Country Planning (Scotland) Act 1997 (meaning of operational land) after subsection (2) insert—

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“(2A) Subsection (1) does not apply in relation to a person who holds a licence under Chapter I of Part I of the Transport Act 2000.

(2B) Subject to section 216, in this Act “operational land” means, in relation to a person who holds a licence under Chapter I of Part I of the Transport Act 2000, land—

- (a) which is used by the licence holder, or by a company associated with it, for the purpose of carrying out activities authorised by the licence, or
- (b) in which the licence holder, or a company associated with it, holds an interest for that purpose.

(2C) If for the purposes of this Act a question arises whether land is operational land in relation to a person who holds a licence under Chapter I of Part I of the Transport Act 2000 the question must be decided by the Secretary of State.”

12 In section 81(3) of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997 (meaning of statutory undertakers) in paragraph (b) after “the Civil Aviation Authority,” there shall be inserted “a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (to the extent that the person is carrying out activities authorised by the licence).”.

13 In section 38(5) of the Planning (Hazardous Substances) (Scotland) Act 1997 (persons deemed to be statutory undertakers) after “the Civil Aviation Authority” there shall be inserted “, a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (to the extent that the person is carrying out activities authorised by the licence)”.

#### *Water and drainage*

14 In Schedule 13 to the Water Industry Act 1991 (protection of undertakings) in paragraph 1(5) after paragraph (j) there shall be inserted—

- “(k) the undertaking of a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (air traffic services) to the extent that it is the person’s undertaking as licence holder.”

15 In Schedule 22 to the Water Resources Act 1991 (protection of undertakings) in paragraph 1(4) after paragraph (j) there shall be inserted—

- “(k) the undertaking of a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (air traffic services) to the extent that it is the person’s undertaking as licence holder.”

16 In Schedule 6 to the Land Drainage Act 1991 (protection of undertakings) in paragraph 1(1) after paragraph (j) there shall be inserted—

- “(k) the undertaking of a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (air traffic services) to the extent that it is the person’s undertaking as licence holder.”

#### *Development*

17 In section 161 of the Leasehold Reform, Housing and Urban Development Act 1993 (vesting of undertakers’ land by order etc) in the entry relating to statutory undertakers in subsection (7) after paragraph (b) there shall be inserted—

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“(ba) a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (air traffic services) to the extent that the person is carrying out activities authorised by the licence;”.

18 In section 19 of the Regional Development Agencies Act 1998 (vesting of undertakers' land by order etc) in the entry relating to statutory undertakers in subsection (10) after paragraph (c) there shall be inserted—

“(ca) a person who holds a licence under Chapter I of Part I of the Transport Act 2000 (air traffic services) to the extent that the person is carrying out activities authorised by the licence;”.

#### *Coal mining subsidence*

19 In section 52(1) of the Coal Mining Subsidence Act 1991 (interpretation) in paragraph (b) of the entry relating to statutory undertakers after “the Civil Aviation Authority” there shall be inserted “, any person who holds a licence under Chapter I of Part I of the Transport Act 2000 (to the extent that the person is carrying out activities authorised by the licence)”.

## SCHEDULE 6

Section 63.

### TRANSFER SCHEMES

#### *Allocation*

- 1 (1) Paragraphs 2 and 3 apply if the following two conditions are satisfied.
- (2) The first condition is that—
- (a) provision is made by a transfer scheme for the transfer to a transferee of a specified part of a transferor's undertaking, or
  - (b) provision is made by a transfer scheme (or transfer schemes) for the transfer to different transferees of different specified parts of a transferor's undertaking.
- (3) The second condition is that any property, right or liability falls partly in one part of the undertaking and partly in another or others; and the parts of the undertaking are—
- (a) the part (or each part) transferred, and
  - (b) if a part is retained by the transferor, that part.
- (4) In paragraphs 2 and 3 references to the parties are to—
- (a) the transferee or transferees concerned, and
  - (b) the transferor (if he retains part of the undertaking).
- (5) Paragraphs 2 and 3 do not apply to rights or liabilities under a contract of employment.
- 2 (1) If the nature of the property, right or liability permits, it must be apportioned in appropriate proportions between the parties; and each appropriate part must be taken to have been transferred to a transferee or retained by the transferor.
- (2) If an estate or interest in land is to be apportioned under sub-paragraph (1)—
- (a) any rent payable under a lease in respect of the estate or interest, and

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- (b) any rent charged on the estate or interest,  
must be apportioned so that an appropriate part of the rent is payable in respect of  
(or charged on) the appropriate part of the estate or interest.
  - (3) Sub-paragraph (2) applies, with any necessary modifications, in relation to any  
feuduty payable in respect of an estate or interest in land in Scotland as it applies in  
relation to any rent charged on an estate or interest in land.
- 3
- (1) If the nature of the property, right or liability does not permit it to be apportioned as  
mentioned in paragraph 2(1), it must be taken to have been transferred to a transferee  
or retained by the transferor in accordance with the tests in sub-paragraphs (2) and  
(3).
  - (2) In the case of an estate or interest in land the test is—
    - (a) which one of the parties has the greater (or greatest) need of the estate or  
interest for business purposes, or
    - (b) if it is not possible to say that one of them has the greater (or greatest) need,  
which one of them is likely to make more (or the most) use of the land.
  - (3) In the case of any other property or any right or liability, the test is which one of the  
parties is likely—
    - (a) to make more (or the most) use of the property, or
    - (b) to be more (or the most) affected by the right or liability.
  - (4) The tests in sub-paragraphs (2) and (3) must be applied at—
    - (a) the time when the transfer scheme comes into force (or schemes come into  
force), or
    - (b) if there are two or more schemes and they come into force at different times,  
the later or latest of the times.
  - (5) The preceding provisions of this paragraph apply subject to any arrangements made  
by the parties as to the protection of the interests of any of them.

#### *Identification*

- 4
- (1) Paragraphs 5 to 7 apply if—
    - (a) provision is made by a transfer scheme for the transfer to a transferee of a  
specified part of a transferor’s undertaking, or
    - (b) provision is made by a transfer scheme (or transfer schemes) for the  
transfer to different transferees of different specified parts of a transferor’s  
undertaking.
  - (2) It is immaterial whether or not the second condition set out in paragraph 1 is satisfied.
  - (3) In paragraphs 5 to 7 references to the parties are to—
    - (a) the transferee or transferees concerned, and
    - (b) the transferor (if he retains part of the undertaking).
  - (4) Paragraphs 5 to 7 do not apply to rights or liabilities under a contract of employment.
- 5
- (1) The parties must, so far as practicable, make any written agreement necessary or  
expedient to identify what is to be taken to have been transferred to whom and what  
(if anything) is to be taken to have been retained.

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- (2) The duty under sub-paragraph (1) has effect before as well as after the coming into force of any transfer scheme concerned.
- 6 (1) If the Secretary of State thinks it is unlikely that agreement will be reached on a matter where agreement is required under paragraph 5 he may serve a notice on the parties.
- (2) A notice may be served—
- (a) whether or not representations are made by a party;
  - (b) before or after the coming into force of any transfer scheme concerned.
- (3) A notice may specify the terms of the agreement which the Secretary of State thinks the parties should have made under paragraph 5 in relation to the matter concerned.
- (4) If a notice is served under this paragraph the parties are to be treated as having made an agreement in the terms specified.
- 7 (1) This paragraph applies if—
- (a) an agreement made under paragraph 5, or
  - (b) an agreement treated as made by paragraph 6,
- contains provision to the effect that any property, right or liability is to be taken to have been transferred to a transferee.
- (2) The property, right or liability is to be treated as having been transferred to the transferee by the scheme concerned (or, if there are two or more schemes, such of them as the agreement specifies).

#### *Discharge of functions*

- 8 (1) Paragraphs 9 and 10 apply if—
- (a) provision is made by a transfer scheme for the transfer to a transferee of a specified part of a transferor's undertaking, or
  - (b) provision is made by a transfer scheme (or transfer schemes) for the transfer to different transferees of different specified parts of a transferor's undertaking.
- (2) It is immaterial whether or not the second condition set out in paragraph 1 is satisfied.
- (3) In paragraphs 9 and 10 references to the parties are to—
- (a) the transferee or transferees concerned, and
  - (b) the transferor (if he retains part of the undertaking).
- (4) Paragraphs 9 and 10 do not apply to rights or liabilities under a contract of employment.
- (5) Sub-paragraph (6) applies if at the time a transfer scheme comes into force a transferor or transferee under the scheme is—
- (a) a company which is wholly owned by the Crown;
  - (b) a company which is wholly owned by the CAA;
  - (c) a company which is a wholly owned subsidiary of a company falling within paragraph (a) or (b).
- (6) Paragraphs 9 and 10 cease to apply in relation to the scheme concerned at the time when the transferor or any one of the transferees under the scheme ceases to be a company which falls within any of paragraphs (a) to (c) of sub-paragraph (5).



- 9 (1) The parties must, so far as practicable, make any written agreement and execute any other instrument necessary or expedient to—
- (a) give to any party (as against another or others) any rights and safeguards needed for carrying out the party's functions;
  - (b) modify the division of the transferor's undertaking in order to help the parties in carrying out their functions.
- (2) An agreement or instrument under sub-paragraph (1) may provide—
- (a) for the granting of leases and for the creation of other rights and liabilities over land (whether or not amounting in law to interests in land and whether or not involving the surrender of any existing interest or the creation of a new interest);
  - (b) for the granting of indemnities in connection with the severance of leases and other matters;
  - (c) for responsibility for registration of any matter in any statutory register.
- (3) The duty under sub-paragraph (1) has effect before as well as after the coming into force of any transfer scheme concerned.
- 10 (1) If the Secretary of State thinks it is unlikely that agreement will be reached on a matter where agreement is required under paragraph 9 he may serve a notice on the parties.
- (2) A notice may be served—
- (a) whether or not representations are made by a party;
  - (b) before or after the coming into force of any transfer scheme concerned.
- (3) A notice may specify the terms of the agreement which the Secretary of State thinks the parties should have made under paragraph 9 in relation to the matter concerned.
- (4) If a notice is served under this paragraph the parties are to be treated as having made an agreement in the terms specified.

*Transfers by agreement*

- 11 (1) If a transfer scheme provides for property, rights or liabilities to be transferred from a transferor to a transferee, they may agree that such of the property, rights or liabilities as are specified in the agreement are to be transferred from the transferee to the transferor.
- (2) If one or more transfer schemes provide for different property, rights or liabilities to be transferred to different transferees, any transferee may agree with another that such of the property, rights or liabilities as are specified in the agreement are to be transferred from one to the other.
- (3) This paragraph does not apply to rights or liabilities under a contract of employment.
- (4) An agreement under this paragraph—
- (a) must be in writing;
  - (b) must be made before the end of the required period;
  - (c) must be made with the Secretary of State's approval.
- (5) The required period is the period of 12 months starting with—
- (a) the day on which the transfer scheme comes into force (or schemes come into force), or

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- (b) if there are two or more schemes and they come into force on different days, the later or latest of the days.
- (6) An agreement under this paragraph may provide for a transfer to take effect on a date specified in or determined in accordance with the agreement; but the agreement may provide that a transfer is not to take effect unless the circumstances are such as the agreement specifies.
- (7) When a transfer agreed under this paragraph takes effect the agreement has effect to transfer (in accordance with its provisions) the property, rights or liabilities concerned, subject to any enactment which provides for transactions to be registered in a statutory register.

*Documents of title*

- 12 (1) This paragraph applies if on a transfer under a transfer scheme a transferor is entitled to retain possession of any document relating in part to the title to, or to the management of, any land or other property transferred to a transferee.
- (2) If the land or other property is situated in England and Wales—
  - (a) the transferor is to be treated as having given the transferee an acknowledgement in writing of the transferee's right to production of the document and to delivery of copies of it, and
  - (b) section 64 of the Law of Property Act 1925 (production and safe custody of documents) is to apply to the acknowledgement and is to apply on the basis that the acknowledgement does not contain an expression of contrary intention.
- (3) If the land or other property is situated in Scotland, subsections (1) and (2) of section 16 of the Land Registration (Scotland) Act 1979 (omission of certain clauses in deeds) is to have effect in relation to the transfer as if the transfer had been effected by deed and as if from each of those subsections the words "unless specially qualified" were omitted.
- (4) If the land or other property is situated in Northern Ireland—
  - (a) the transferor is to be treated as having given the transferee an acknowledgement in writing of the transferee's right to production of the document and to delivery of copies of it, and
  - (b) section 9 of the Conveyancing Act 1881 (which corresponds to section 64 of the Law of Property Act 1925) is to apply to the acknowledgement and is to apply on the basis that the acknowledgement does not contain an expression of contrary intention.

*Foreign property, rights and liabilities*

- 13 (1) This paragraph applies if a transfer scheme provides for the transfer of foreign property, rights or liabilities from a transferor to a transferee.
- (2) The transferor and the transferee must take such steps as may be necessary to secure that the vesting of the property, rights or liabilities in the transferee is effective under the relevant foreign law; and the transferor must take the steps at such times as the transferee may specify in directions given to the transferor.

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- (3) Until the vesting of the property, rights or liabilities in the transferee is effective under the relevant foreign law, the transferor must—
  - (a) hold the property or rights for the transferee’s benefit, or
  - (b) discharge the liabilities on the transferee’s behalf.
- (4) The transferor is to have all powers necessary for the performance of his duty under sub-paragraph (2), but the transferee must act on the transferor’s behalf (so far as possible) in the performance of that duty.
- (5) Nothing in sub-paragraphs (2) to (4) affects the law of the United Kingdom (or of any part of the United Kingdom) as it applies to the vesting of the property, rights or liabilities in the transferee by virtue of the transfer scheme.
- (6) References in this paragraph to foreign property, rights or liabilities are references to property, rights or liabilities as respects which any issue arising in any proceedings would be determined (in accordance with the rules of private international law) by reference to the law of a country or territory outside the United Kingdom.
- (7) The transferee must meet any expenses incurred by the transferor in consequence of this paragraph.
- (8) Duties imposed on the transferor or the transferee by this paragraph are enforceable in the same way as if they were imposed by a contract between them.

#### *Certificates*

- 14 (1) This paragraph applies if—
  - (a) a transfer scheme provides for the transfer of property, rights or liabilities from a transferor to a transferee, and
  - (b) a certificate falling within sub-paragraph (2) is made jointly by or on behalf of the parties.
- (2) A certificate falls within this sub-paragraph if it certifies that any specified property, right or liability—
  - (a) was intended to be, and was, vested in the transferee by virtue of the transfer, and
  - (b) has not been the subject of an agreement under paragraph 11.
- (3) The certificate is to be conclusive evidence for all purposes of the facts it certifies.
- (4) The reference in sub-paragraph (2) to property includes a reference to an interest in or right over property.
- (5) Sub-paragraph (6) applies if—
  - (a) one of the parties requests the other to join in the preparation of a certificate, and
  - (b) they fail to agree the terms of a certificate within the period of one month starting with the day of the request.
- (6) The parties must—
  - (a) refer the matter to the Secretary of State, and
  - (b) issue a certificate in such terms as may be specified in a direction given by him.

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(7) The parties are the transferor and the transferee.

*Restrictions on dealing with land*

- 15 (1) For the purposes of this paragraph a person is a party if—
- (a) he is the transferor (or one of the transferors) under a transfer scheme and holds an interest in land immediately after the scheme comes into force, or
  - (b) he is the transferee (or one of the transferees) under the scheme and an interest in land is transferred to him under the scheme.
- (2) For the purposes of this paragraph the relevant land is any land in which any party has an interest immediately after the scheme comes into force.
- (3) On the representation of any of the parties the Secretary of State may give to the parties a direction stating that sub-paragraph (4) is to apply to such of the relevant land as the direction specifies.
- (4) While the direction remains in force—
- (a) no party may dispose of an interest in any of the specified land unless the Secretary of State consents;
  - (b) if a party proposes to dispose of such an interest and the Secretary of State thinks it necessary or expedient to exercise any of the powers set out in sub-paragraph (5) for the protection of any other party, the Secretary of State may exercise any of those powers.
- (5) The powers are—
- (a) power to consent to the proposed disposal subject to compliance with such conditions as the Secretary of State may see fit to impose;
  - (b) power to require a party to dispose of an interest in any of the specified land to such person and in such manner as may be specified in the requirement;
  - (c) power to require a party to acquire another party's interest in any of the specified land.
- (6) In sub-paragraph (5)(b) and (c) references to an interest include (but are not limited to) references to the interest whose disposal is proposed.
- (7) A person who is not a party and who is dealing with a party (or with a person claiming under a party) in relation to land is not to be concerned to see or enquire—
- (a) whether this paragraph applies (or has applied) in relation to any of the land;
  - (b) whether a direction under this paragraph has been given in relation to any of the land;
  - (c) whether this paragraph or any condition imposed or requirement made under it has been complied with in connection with the dealing or any other dealing concerning any of the land.
- (8) No transaction between a person who is not a party (on the one hand) and a party or a person claiming under a party (on the other) is to be invalid by reason of any failure to comply with this paragraph or any condition imposed or requirement made under it.

*Construction of agreements etc*

- 16 (1) This paragraph applies if—

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- (a) a transfer scheme provides for the transfer of property, rights or liabilities from a transferor to a transferee, and
    - (b) immediately before the coming into force of the scheme the transferor was entitled or subject to the property, rights or liabilities under an agreement to which he was then a party.
  - (2) This paragraph applies—
    - (a) whether or not the agreement is in writing;
    - (b) whether or not the transferor could assign the property, rights or liabilities.
  - (3) So far as the agreement relates to the property, rights or liabilities transferred to the transferee, as respects anything falling to be done after the coming into force of the scheme the agreement is to have effect as if—
    - (a) the transferee had been a party to it instead of the transferor;
    - (b) a reference to the transferor were a reference to the transferee;
    - (c) a reference to a person employed by (or engaged in the business of) the transferor and holding a specified office or serving in a specified capacity were a reference to such a person as the transferee may appoint or, in default of appointment, to a person with corresponding functions who is employed by (or engaged in the business of) the transferee;
    - (d) a reference in general terms to persons employed by, persons engaged in the business of, or agents of, the transferor were a reference to persons employed by, persons engaged in the business of, or agents of, the transferee.
  - (4) A reference mentioned in sub-paragraph (3)(b) or (c) may be express or implied; and if express it is immaterial how it is worded.
  - (5) It is immaterial how a reference mentioned in sub-paragraph (3)(d) is worded.
- 17 (1) This paragraph applies if—
- (a) a transfer scheme provides for the transfer of property, rights or liabilities from a transferor to a transferee, and
  - (b) immediately before the coming into force of the scheme any provision of an agreement to which the transferor was not a party, any statutory provision or any provisions of a document (other than an agreement) related to the property, rights or liabilities transferred to the transferee.
- (2) This paragraph applies—
- (a) whether or not the agreement mentioned in sub-paragraph (1)(b) is in writing;
  - (b) whether or not the transferor could assign the property, rights or liabilities.
- (3) So far as the agreement, provision or document relates to the property, rights or liabilities transferred to the transferee, as respects anything falling to be done after the coming into force of the scheme the agreement, provision or document is to have effect as if—
- (a) a reference to the transferor were a reference to the transferee;
  - (b) a reference to a person employed by (or engaged in the business of) the transferor and holding a specified office or serving in a specified capacity were a reference to such a person as the transferee may appoint or, in default of appointment, to a person with corresponding functions who is employed by (or engaged in the business of) the transferee;

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- (c) a reference in general terms to persons employed by, persons engaged in the business of, or agents of, the transferor were a reference to persons employed by, persons engaged in the business of, or agents of, the transferee.
- (4) A reference mentioned in sub-paragraph (3)(a) or (b) may be express or implied; and if express it is immaterial how it is worded.
- (5) It is immaterial how a reference mentioned in sub-paragraph (3)(c) is worded.
- (6) A reference mentioned in sub-paragraph (3) to the transferor may be a general reference to a class of persons of which the transferor is one (without the transferor being named).
- (7) For the purposes of this paragraph a statutory provision is a provision contained in an Act or in a document made or issued under an Act; and here “Act” includes a private or local Act.

*Proceedings etc*

- 18
- (1) This paragraph applies if a transfer scheme provides for a transfer from a transferor to a transferee.
  - (2) From the coming into force of the scheme the transferee is to have the same rights, powers and remedies for ascertaining, perfecting or enforcing a right or liability transferred to him under the scheme as he would have had if the right or liability had at all times been a right or liability of his.
  - (3) From the coming into force of the scheme any person (other than the transferee) is to have the same rights, powers and remedies for ascertaining, perfecting or enforcing a right or liability transferred to the transferee under the scheme as he would have had if the right or liability had at all times been a right or liability of the transferee.
  - (4) The rights and powers which the transferee or any other person is to have include—
    - (a) rights and powers as to the taking or resisting of legal proceedings;
    - (b) rights and powers as to the making or resisting of applications to an authority.
  - (5) Sub-paragraph (6) applies if on the coming into force of the scheme legal proceedings or applications to an authority by or against the transferor are pending.
  - (6) The proceedings or applications must be continued by or against the transferee (to the transferor’s exclusion) in so far as they relate—
    - (a) to any property, rights or liabilities transferred to the transferee under the scheme, or
    - (b) to any agreement or enactment relating to any such property, rights or liabilities.

*Third parties*

- 19
- (1) This paragraph applies if—
    - (a) an agreement is made by the parties under paragraph 5 or 9 or treated as made under paragraph 6 or 10, or
    - (b) an instrument is executed by the parties under paragraph 9.
  - (2) The agreement or instrument is to bind all other persons even if it would (apart from this sub-paragraph) have required the consent or concurrence of any other person.

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- (3) If as a result of the agreement or instrument the rights or liabilities of a person who is not a party become enforceable as to part against or by one party and as to part against or by another party—
- (a) the parties must notify that person of the agreement or instrument;
  - (b) that person may within the period of 28 days (starting with the day he is notified) apply to the Secretary of State to give a direction to vary the agreement or instrument.
- (4) If the Secretary of State is satisfied that the agreement or instrument operated unfairly against that person, the Secretary of State may give a direction to the parties requiring them to vary the agreement or instrument in a way specified in the direction.
- 20 (1) For the purposes of this paragraph—
- (a) a party is a person who is a transferor or a transferee under the transfer scheme or schemes referred to in this paragraph;
  - (b) a third party is a person who is not a transferor or a transferee under the transfer scheme or schemes referred to in this paragraph.
- (2) This paragraph applies if—
- (a) a transfer scheme is made or transfer schemes are made,
  - (b) rights or liabilities of a third party are (apart from the scheme or schemes) enforceable against or by a transferor,
  - (c) in consequence of the scheme or schemes or of anything done under this Schedule the third party's rights or liabilities become enforceable as to different parts against or by different parties, and
  - (d) the value of any property or interest of the third party is diminished as a result.
- (3) Just compensation must be paid to the third party by one or more of these persons—
- (a) the parties against or by whom the third party's rights or liabilities become enforceable;
  - (b) the transferor concerned (if he does not fall within paragraph (a)).
- (4) If it appears to the transferor that a person is or may be entitled to compensation the transferor must—
- (a) notify the person that he is or may be entitled, and
  - (b) invite him to make representations to the transferor within the period of 14 days starting with the date the notification is made.
- (5) But if the transferor does not know the person's name and address he must instead publish (in a manner he thinks is appropriate) a notice which—
- (a) contains information about the property or interest affected, and
  - (b) invites any person who thinks he is or may be entitled to compensation to make representations to the transferor within the period specified in the notice (which must not be less than 28 days starting with the date of publication of the notice).
- (6) A dispute about whether (or how much) compensation is payable under this paragraph, or about who must pay or be paid it, must be referred to and determined by—
- (a) an arbitrator appointed by the President of the Royal Institution of Chartered Surveyors (if the proceedings are to be held in England and Wales),

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- (b) an arbiter appointed by the Chairman of the Royal Institution of Chartered Surveyors in Scotland (if the proceedings are to be held in Scotland), or
  - (c) an arbitrator appointed by the Lord Chancellor (if the proceedings are to be held in Northern Ireland).
- 21 (1) For the purposes of this paragraph—
- (a) a third party is a person who is not a transferor or a transferee under the transfer scheme or schemes referred to in this paragraph;
  - (b) a transferred item is any property, right, liability, undertaking or part of an undertaking which is the subject of a transfer (or transfers) under the transfer scheme or schemes referred to in this paragraph.
- (2) This paragraph applies if a transfer scheme is made (or transfer schemes are made) and there are court proceedings the parties to which are (or include) a third party and either—
- (a) the transferor of a transferred item, or
  - (b) any transferee or transferees of the item.
- (3) The third party may apply to the court at any stage in the proceedings on any of these grounds—
- (a) that the issues in the proceedings depend on the identification, with regard to the transferred item, of what has been transferred to whom and what (if anything) has been retained and that the identification has not yet been made;
  - (b) that the issues in the proceedings raise a question of construction on the provisions of this Chapter which would not arise if the transferor of the transferred item and the transferee (or transferees) of it constituted a single person.
- (4) If it appears to the court that such a ground is established it may hear and determine the proceedings on the first and second bases set out below.
- (5) If the transferor of the transferred item is a party to the proceedings, the first basis is that the transferor represents and is answerable for the transferee (or transferees) of the item.
- (6) If there is one transferee of the transferred item and he is a party to the proceedings, the first basis is that the transferee represents and is answerable for the transferor of the item.
- (7) If there are two or more transferees of the transferred item and they are parties to the proceedings, the first basis is that the transferees represent and are answerable for the transferor of the item.
- (8) If there are two or more transferees of the transferred item and one or more of them (but not both or all of them) are parties to the proceedings, the first basis is that—
- (a) the transferee who is a party represents and is answerable for the transferor of the item and for the transferee of it who is not (or the transferees of it who are not) parties, or
  - (b) the transferees who are parties represent and are answerable for the transferor of the item and for the transferee of it who is not (or the transferees of it who are not) parties.
- (9) The second basis is that the transferor of the transferred item and the transferee (or transferees) of it constitute a single person.



- (10) If the court determines the proceedings on the first and second bases any judgment or order of the court is to bind both the transferor and the transferee (or transferees) of the transferred item.
- 22 (1) For the purposes of this paragraph a relevant person is a person who satisfies these conditions—
- (a) he is a transferor or transferee under a transfer scheme or transfer schemes, and
  - (b) he might be prejudiced by paragraph 21 if there were court proceedings in which the scheme or schemes were an issue.
- (2) A relevant person must keep each other relevant person informed of any court proceedings in which the scheme or schemes may become an issue.
- 23 (1) This paragraph applies if a person falling within sub-paragraph (3) (the claimant) claims that—
- (a) he has been prejudiced by paragraph 21,
  - (b) another person or other persons falling within sub-paragraph (3) ought to indemnify him, and
  - (c) there has been an unreasonable failure by the person (or any of the persons) to indemnify him.
- (2) The claimant may refer the matter to the Secretary of State for determination by him; and a determination must be complied with.
- (3) A person falls within this sub-paragraph if he is a transferor or a transferee under the scheme or schemes concerned.

#### *General*

- 24 Paragraphs 11 to 18 and 20 apply whether or not property, rights or liabilities are (or are to be) transferred under the scheme or schemes as a constituent of an undertaking (or part of one).
- 25 (1) Paragraphs 12 to 18 and 20 to 24 have effect as if references to a transfer scheme or schemes included references to—
- (a) an agreement or agreements under paragraph 9 or 11;
  - (b) an instrument or instruments under paragraph 9;
  - (c) an agreement or agreements treated as made under paragraph 10.
- (2) Where paragraph 14 has effect in relation to an agreement under paragraph 11 by virtue of sub-paragraph (1), sub-paragraph (2)(b) of paragraph 14 shall be disregarded.
- (3) Paragraph 19 has effect in relation to an agreement under paragraph 11 as it has effect in relation to an agreement made under paragraph 5 or 9.
- (4) Where paragraphs 12 to 24 have effect in relation to—
- (a) an agreement under paragraph 9 or 11,
  - (b) an instrument under paragraph 9, or
  - (c) an agreement treated as made under paragraph 10,
- references to a transferor or a transferee have effect as references to a transferor or a transferee under the agreement or the instrument.

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## SCHEDULE 7

Section 64.

### TRANSFER SCHEMES: TAX

#### *Interpretation*

- 1        In this Schedule—
- “the 1988 Act” means the Income and Corporation Taxes Act 1988;
  - “the 1990 Act” means the Capital Allowances Act 1990;
  - “the 1992 Act” means the Taxation of Chargeable Gains Act 1992;
  - “relevant transfer” means a transfer of property, rights or liabilities under a transfer scheme;
  - “transferee” in relation to a relevant transfer means the person to whom the property, rights or liabilities are transferred;
  - “transferor” in relation to a relevant transfer means the person from whom the property, rights or liabilities are transferred.

#### *Chargeable gains: general*

- 2        (1) For the purposes of the 1992 Act a disposal constituted by a relevant transfer is to be taken (in relation to the transferee as well as the transferor) to be for a consideration such that no gain or loss accrues to the transferor.
- (2) Sub-paragraph (1) has effect subject to the following provisions of this Schedule.
- (3) In section 35(3)(d) of the 1992 Act (list of provisions for transfers treated as made without gain or loss) after sub-paragraph (xii) insert—
- “(xiii) paragraph 2(1) of Schedule 7 to the Transport Act 2000;”.
- (4) Section 171(1) of the 1992 Act (provision in relation to disposal of assets from one member of a group of companies to another member of the group) does not apply if the disposal in question is constituted by a relevant transfer.
- (5) Expressions used in this paragraph and in the 1992 Act have the same meanings in this paragraph as in that Act.

#### *Chargeable gains: securities*

- 3        (1) This paragraph applies if—
- (a) assets are transferred to a company under a transfer scheme,
  - (b) in consequence the Secretary of State gives a direction under section 49 above, and
  - (c) the company issues securities in accordance with the direction.
- (2) For the purposes of the 1992 Act the person to whom the securities are issued is to be treated as acquiring them for a consideration—
- (a) provided by him wholly and exclusively for the securities, and
  - (b) equal to the market value of the assets transferred to the company under the scheme.
- (3) This paragraph applies whether or not the person to whom the securities are issued is the person transferring the assets under the scheme.

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- (4) Expressions used in this paragraph and in the 1992 Act have the same meanings in this paragraph as in that Act.
- 4 (1) This paragraph applies if—
- (a) the Secretary of State gives a direction under section 57 above requiring the CAA to release a company from liability in respect of debts,
  - (b) in connection with the direction the Secretary of State gives a direction or directions under section 58 above, and
  - (c) securities are issued in accordance with the direction or directions under section 58.
- (2) Sub-paragraph (3) applies if the direction under section 58 requires securities to be issued to one person only or the directions under that section (taken together) require securities to be issued to one person only; and sub-paragraph (4) applies in any other case.
- (3) For the purposes of the 1992 Act the person to whom the securities are issued is to be treated as acquiring them for a consideration—
- (a) provided by him wholly and exclusively for the securities, and
  - (b) equal to the amount of the liability affected by the release required by the direction under section 57.
- (4) For the purposes of the 1992 Act a person to whom any of the securities are issued is to be treated as acquiring them for a consideration—
- (a) provided by him wholly and exclusively for the securities, and
  - (b) equal to such part as is just and reasonable of the amount of the liability affected by the release required by the direction under section 57.
- (5) This paragraph applies whether or not the person to whom the securities are issued, or any person to whom any of the securities are issued, is a person transferring anything under the transfer scheme in connection with which the direction under section 57 is given.
- (6) Expressions used in this paragraph and in the 1992 Act have the same meanings in this paragraph as in that Act.

*Chargeable gains: value shifting*

- 5 Nothing in this Chapter and nothing done under it is to be regarded as a scheme or arrangement for the purposes of section 30 of the 1992 Act (tax-free benefits).

*Chargeable gains: roll-over relief*

- 6 (1) This paragraph applies if—
- (a) but for section 154 of the 1992 Act (depreciating assets) a held-over gain would have been carried forward to a depreciating asset,
  - (b) the asset is the subject of a relevant transfer, and
  - (c) the Secretary of State is not the transferee under the relevant transfer.
- (2) Section 154 is to have effect as if the gain had accrued to, and the claim for it to be held over had been made by, the transferee and as if the transferor's acquisition of the depreciating asset had been the transferee's acquisition of it.

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- (3) Expressions used in this paragraph and in section 154 have the same meanings in this paragraph as in that section.

*Chargeable gains: restriction of losses*

- 7 (1) If there has been a relevant transfer of an asset section 174(1) of the 1992 Act (which applies section 41 to cases where assets have been acquired without gain or loss) is to have effect as if the asset had been transferred to the transferee, and acquired by him, in relevant circumstances.
- (2) This paragraph is not to prejudice paragraph 2.
- (3) Expressions used in this paragraph and in section 174(1) of the 1992 Act have the same meanings in this paragraph as in section 174(1).

*Chargeable gains: groups*

- 8 (1) Sub-paragraph (2) applies if a company (the degrouped company)—
- (a) acquired an asset from another company at any time when both were members of the same group of companies (the old group),
  - (b) ceases by virtue of a relevant transfer to be a member of the old group, and
  - (c) becomes by virtue of the transfer a member of another group of companies (the new group).
- (2) Section 179 of the 1992 Act (company ceasing to be member of group) is not to treat the degrouped company as having by virtue of the transfer sold and immediately reacquired the asset.
- (3) Sub-paragraph (4) applies if—
- (a) sub-paragraph (2) applies to an asset, and
  - (b) the degrouped company ceases to be a member of the new group.
- (4) On the company so ceasing section 179 of the 1992 Act is to have effect as if the degrouped company and the company from which it acquired the asset had been members of the new group at the time of acquisition.
- (5) But sub-paragraph (4) does not apply if—
- (a) at the time when the degrouped company ceases to be a member of the new group the company from which it acquired the asset also ceases to be a member of the new group,
  - (b) the companies are associated companies immediately before and immediately after that time, and
  - (c) the companies were associated companies at the time of acquisition.
- (6) Expressions used in this paragraph and in section 179 of the 1992 Act have the same meanings in this paragraph as in that section.
- 9 (1) Sub-paragraph (3) applies if—
- (a) a company (the degrouped company) ceases by virtue of a relevant transfer to be a member of a group of companies (the old group),
  - (b) it becomes by virtue of the transfer a member of another group of companies (the new group),
  - (c) it ceases to be a member of the new group, and

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- (d) the condition in sub-paragraph (2) is satisfied.
- (2) The condition is that—
  - (a) the degrouped company acquired an asset under a relevant transfer at a time falling before it ceases to be a member of the new group, and
  - (b) at the time of acquisition the degrouped company and the transferor were not members of the new group.
- (3) On the degrouped company ceasing to be a member of the new group section 179 of the 1992 Act is to have effect as if the degrouped company and the transferor had been members of the new group at the time of acquisition.
- (4) But sub-paragraph (3) does not apply if—
  - (a) at the time when the degrouped company ceases to be a member of the new group the transferor also ceases to be a member of the new group,
  - (b) the companies are associated companies immediately before and immediately after that time, and
  - (c) the companies were associated companies at the time of acquisition.
- (5) Paragraph 8(4) and sub-paragraph (3) above may apply on the same occasion; but if paragraph 8(4) applies to an asset on a given occasion sub-paragraph (3) above does not apply to that asset on that occasion.
- (6) Expressions used in this paragraph and in section 179 of the 1992 Act have the same meanings in this paragraph as in that section.
- 10 (1) Sub-paragraph (4) applies if—
  - (a) a company ceases by virtue of a relevant transfer to be a member of a group of companies (the old group),
  - (b) it becomes by virtue of the transfer a member of another group of companies (the new group),
  - (c) a company falling within sub-paragraph (2) (the degrouped company) ceases to be a member of the new group, and
  - (d) the condition in sub-paragraph (3) is satisfied.
- (2) A company falls within this sub-paragraph if immediately before it ceases to be a member of the new group it is a subsidiary of—
  - (a) the company referred to in sub-paragraph (1)(a), or
  - (b) the principal company of the new group (if that company differs from the company referred to in sub-paragraph (1)(a)).
- (3) The condition is that—
  - (a) the degrouped company acquired an asset under a relevant transfer at a time falling before it ceases to be a member of the new group, and
  - (b) at the time of acquisition the degrouped company and the transferor were not members of the new group.
- (4) On the degrouped company ceasing to be a member of the new group section 179 of the 1992 Act is to have effect as if the degrouped company and the transferor had been members of the new group at the time of acquisition.
- (5) But sub-paragraph (4) does not apply if—
  - (a) at the time when the degrouped company ceases to be a member of the new group the transferor also ceases to be a member of the new group,

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- (b) the companies are associated companies immediately before and immediately after that time, and
  - (c) the companies were associated companies at the time of acquisition.
- (6) Expressions used in this paragraph and in section 179 of the 1992 Act have the same meanings in this paragraph as in that section.

*Capital allowances*

- 11 (1) This paragraph applies if—
- (a) property which is plant or machinery is the subject of a relevant transfer,
  - (b) section 343 of the 1988 Act (company reconstructions without a change of ownership) does not apply in relation to the transfer, and
  - (c) the transfer scheme concerned contains provision for the disposal value of the property to be taken for the purposes of the Capital Allowances Acts to be of an amount specified in or determined in accordance with the scheme.
- (2) For the purposes of the Capital Allowances Acts—
- (a) the provision mentioned in sub-paragraph (1)(c) is to have effect (instead of section 26(1) or 59 of the 1990 Act) for determining an amount as the disposal value of the property or the price at which a fixture is to be treated as sold;
  - (b) the transferee is to be taken to have incurred expenditure of that amount on the provision of the property;
  - (c) in the case of a fixture, the expenditure which falls to be treated as incurred by the transferee is to be taken for the purposes of section 54 of the 1990 Act to be incurred by the giving of a consideration consisting in a capital sum of that amount.
- (3) A provision mentioned in sub-paragraph (1)(c) for the determination of an amount may include provision—
- (a) for a determination to be made by the Secretary of State in a manner described in the scheme;
  - (b) for a determination to be made by reference to factors so described or to the opinion of a person so described;
  - (c) for a determination to be capable of being modified (on one or more occasions) in a manner and in circumstances so described.
- (4) The Treasury’s consent is required for the making or modification of a determination under a provision mentioned in sub-paragraph (1)(c).
- (5) The transferee’s consent is also required for such a modification after the relevant transfer takes effect.
- (6) If there is a determination or a modification of a determination under a provision mentioned in sub-paragraph (1)(c) all necessary adjustments—
- (a) must be made by making assessments or by repayment or discharge of tax, and
  - (b) must be made notwithstanding any limitation on the time within which assessments may be made.
- (7) In this paragraph “the Capital Allowances Acts” has the same meaning as in the Tax Acts and “fixture” has the same meaning as in Chapter VI of Part II of the 1990 Act.

*Transfers of trading stock*

- 12 (1) This paragraph applies if—
- (a) under a relevant transfer trading stock of the transferor is transferred to the transferee, and
  - (b) the stock falls, immediately after the time when the transfer takes effect, to be treated as trading stock of the transferee.
- (2) Sub-paragraphs (3) and (4) have effect in computing the profits or gains of the relevant trades for the purposes of the Corporation Tax Acts; and the relevant trades are—
- (a) the trade in relation to which the stock is trading stock immediately before the time when the transfer takes effect, and
  - (b) the trade in relation to which it is trading stock after that time.
- (3) The stock must be taken—
- (a) to have been disposed of by the transferor in the course of the trade carried on by the transferor,
  - (b) to have been acquired by the transferee in the course of the trade carried on by the transferee, and
  - (c) subject to that, to have been disposed of and acquired at the time when the transfer takes effect.
- (4) The stock must be valued for the purposes of each of the relevant trades as if the disposal and acquisition had been for a consideration which in relation to the transferor would have resulted in neither a profit nor a loss being brought into account in respect of the disposal in the accounting period of the transferor which ends with, or is current at, the time when the transfer takes effect.
- (5) In this paragraph “trading stock” has the same meaning as in section 100 of the 1988 Act.

*Trading losses: transfer of trade*

- 13 (1) This paragraph applies if a transfer scheme provides for a relevant transfer as a result of which the transferor ceases to carry on a trade and the transferee begins to carry it on.
- (2) A transferor treated as ceasing to carry on a trade for the purposes of section 343 of the 1988 Act (company reconstructions without a change of ownership) is to be so treated for the purposes of this paragraph.
- (3) A transferee treated as beginning to carry on a trade for the purposes of that section is to be so treated for the purposes of this paragraph.
- (4) Sub-paragraph (5) applies if the transfer will result in the transferee being entitled to relief for an amount in respect of the trade under section 393(1) of the 1988 Act (trading losses) by virtue of section 343(3).
- (5) In such a case the scheme may provide that the amount is to be treated as such amount (the replacement amount) as is specified in or determined in accordance with the scheme.

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- (6) Sub-paragraph (7) applies if the trade concerned is in fact part of a trade of the transferor and the transferor is entitled to relief for an amount under section 393(1) in respect of the part retained.
- (7) In such a case the scheme may provide that the amount is to be treated as such amount (the replacement amount) as is specified in or determined in accordance with the scheme.
- (8) A provision under sub-paragraph (5) or (7) must be such that the replacement amount is not greater than the amount it replaces; and the replacement amount may be nil.
- (9) When the scheme comes into force a provision made under sub-paragraph (5) or (7) is to have effect for the purposes of arriving at the amount of relief concerned.

*Trading losses: change in ownership*

- 14 (1) This paragraph applies if under a relevant transfer all the issued share capital of a company (the transferred company) is transferred from the CAA to—
  - (a) the Secretary of State, or
  - (b) a company whose shares are all held by the Secretary of State when the transfer takes effect.
- (2) For the purposes of section 768 of the 1988 Act (disallowance of trading losses on change in company's ownership) the transfer is not to be taken to result in a change in the ownership of—
  - (a) the transferred company, or
  - (b) a company which is a wholly owned subsidiary of the transferred company when the transfer takes effect.

*Leased assets*

- 15 (1) This paragraph applies for the purposes of section 781 of the 1988 Act (assets leased to traders and others) if the interest of the lessor or the lessee under a lease, or any other interest in an asset, is transferred to a person under a relevant transfer.
- (2) The transfer is to be treated as made without any capital sum having been obtained in respect of the interest by the transferor or the transferee; and this is so notwithstanding section 783(4) of that Act.

*Securities*

- 16 (1) This paragraph applies if securities are issued by a company in pursuance of a direction of the Secretary of State under section 49 or 58 above.
- (2) A share issued by the company is to be treated for the purposes of the Corporation Tax Acts as if it had been issued wholly in consideration of a subscription paid to the company of an amount equal to the nominal value of the share.
- (3) A debenture issued by the company is to be treated for the purposes of the Corporation Tax Acts as if it had been issued—
  - (a) wholly in consideration of a loan made to the company of an amount equal to the principal sum payable under the debenture, and



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- (b) wholly and exclusively for the purposes of the trade carried on by the company.
  - (4) If a debenture issued by the company includes provision for the payment of a sum expressed as interest in respect of a period falling wholly or partly before the issue of the debenture, a payment made in pursuance of the provision in respect of the period is to be treated for the purposes of the Corporation Tax Acts as if the debenture had been issued at the commencement of the period and (accordingly) as interest on the principal sum payable under the debenture.
  - (5) This paragraph has effect subject to paragraphs 3, 4 and 17.
- 17 (1) This paragraph applies if—
- (a) securities are issued to a company in pursuance of a direction of the Secretary of State under section 49 or 58 above, and
  - (b) by virtue of any such security the company has a loan relationship for the purposes of the Corporation Tax Acts.
- (2) For the purposes of Chapter II of Part IV of the Finance Act 1996 (loan relationships) the company is to be taken to have acquired its rights under the security wholly in consideration of a loan made by it to the issuing company of an amount equal to the principal sum payable under the security.
- (3) Expressions used in this paragraph and in Chapter II of Part IV of the Finance Act 1996 have the same meanings in this paragraph as in that Chapter.

#### *Stamp duty*

- 18 (1) A relevant transfer is not to give rise to liability to stamp duty.
- (2) Stamp duty is not to be chargeable on a transfer scheme.
- (3) Stamp duty is not to be chargeable on an instrument which is certified to the Commissioners of Inland Revenue by the Secretary of State as having been made for the purposes of (or for purposes connected with) a transfer scheme.
- (4) But no instrument which is certified as mentioned in sub-paragraph (3) is to be taken to be duly stamped unless—
- (a) it is stamped with the duty to which it would be liable but for that sub-paragraph, or
  - (b) it has, in accordance with section 12 of the Stamp Act 1891, been stamped with a particular stamp denoting that it is not chargeable with that duty or that it is duly stamped.
- (5) Stamp duty is not to be chargeable on an instrument which is made under Schedule 6.

#### *Stamp duty reserve tax*

- 19 An agreement is not to give rise to a charge to stamp duty reserve tax if—
- (a) it is made for the purposes of (or for purposes connected with) a transfer scheme, or
  - (b) it is made under Schedule 6.

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### *Agreements*

- 20 (1) Sub-paragraph (2) applies if the effect of—
- (a) an agreement made under paragraph 9 or 11 of Schedule 6,
  - (b) an instrument executed under paragraph 9 of Schedule 6, or
  - (c) an agreement treated as made under paragraph 10 of Schedule 6,
- is to modify the effect of a transfer scheme.
- (2) This Schedule, the 1988 Act, the 1990 Act and the 1992 Act are to have effect as if—
- (a) the scheme had been made as modified, and
  - (b) anything done by or in relation to the preceding holder had (so far as relating to the property, rights or liabilities affected by the modification) been done by or in relation to the subsequent holder.
- (3) Sub-paragraph (4) applies to a disposal of an asset if the disposal—
- (a) is effected in pursuance of an agreement made or treated as made under paragraph 9 or 10 of Schedule 6 or is effected by an instrument executed under paragraph 9 of that Schedule, and
  - (b) is the grant of a lease of land or the creation of other rights and liabilities over land.
- (4) For the purposes of the 1992 Act the disposal is to be taken (in relation to the person to whom it is made as well as the person making it) to be for a consideration such that no gain or loss accrues to the person making it.
- (5) Section 171(1) of the 1992 Act (provision in relation to disposal of assets from one member of a group of companies to another member of the group) does not apply if sub-paragraph (4) applies to the disposal in question.
- (6) References in this paragraph to an agreement or instrument include references to the agreement or instrument as varied in accordance with a direction under paragraph 19(4) of Schedule 6.
- (7) For the purposes of sub-paragraph (2) the preceding holder is the person who without the modification—
- (a) became (under the transfer scheme concerned) entitled or subject to the property, rights or liabilities affected by the modification, or
  - (b) remained (despite the transfer scheme concerned) entitled or subject to the property, rights or liabilities affected by the modification,
- as the case may be.
- (8) For the purposes of sub-paragraph (2) the subsequent holder is the person who (in consequence of the modification) becomes, or resumes being, entitled or subject to the property, rights or liabilities affected by the modification.

## SCHEDULE 8

Section 97.

### AMENDMENTS ABOUT AIR TRAFFIC

#### PART I

##### LICENCES

###### *House of Commons Disqualification Act 1975 (c. 24)*

- 1 In the House of Commons Disqualification Act 1975, in Part III of Schedule 1, after the entry “Director of the Commonwealth Institute” there shall be inserted—
- “Director of any of the following—
- (a) a company which for the time being holds a licence under Chapter I of Part I of the Transport Act 2000 (a licence company);
  - (b) a company of which a licence company is a subsidiary (within the meaning given by section 736(1) of the Companies Act 1985 or Article 4(1) of the Companies (Northern Ireland) Order 1986);
  - (c) a company which is a subsidiary (within the meaning so given) of a licence company.”

###### *Northern Ireland Assembly Disqualification Act 1975 (c. 25)*

- 2 In the Northern Ireland Assembly Disqualification Act 1975, in Part III of Schedule 1, after the entry “Director of Cable and Wireless Limited nominated by a Minister of the Crown or government department” there shall be inserted—
- “Director of any of the following—
- (a) a company which for the time being holds a licence under Chapter I of Part I of the Transport Act 2000 (a licence company);
  - (b) a company of which a licence company is a subsidiary (within the meaning given by section 736(1) of the Companies Act 1985 or Article 4(1) of the Companies (Northern Ireland) Order 1986);
  - (c) a company which is a subsidiary (within the meaning so given) of a licence company.”

#### PART II

##### AIR NAVIGATION SERVICES

###### *Civil Aviation Act 1982 (c. 16)*

- 3 Section 72 of the Civil Aviation Act 1982 (CAA’s duty to provide air navigation services) shall cease to have effect.

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### PART III

#### CHARGES

##### *Civil Aviation Act 1982 (c. 16)*

- 4 Sections 73 and 74 of the Civil Aviation Act 1982 (charges for air navigation services etc) shall cease to have effect.
- 5 In section 86 of the Civil Aviation Act 1982 (mortgaging of aircraft) in subsection (2)(b) for “section 74(4) above” there shall be substituted “section 83 of the Transport Act 2000 (detention and sale of aircraft)”.
- 6 (1) Section 88 of the Civil Aviation Act 1982 (detention and sale of aircraft for unpaid airport charges) shall be amended as follows.
- (2) In subsection (6)(d) for “regulations under section 73 above” substitute “section 73 of the Transport Act 2000 (or, if more than one such charge is due, in payment of them in such order as the Secretary of State may specify by order)”.
- (3) In subsection (10) in the definition of “airport charges” for “regulations under section 73 above” substitute “section 73 of the Transport Act 2000”.
- 7 In section 90 of the Civil Aviation Act 1982 (Convention rights) in subsection (2) (b) for “section 74(4) above” there shall be substituted “section 83 of the Transport Act 2000 (detention and sale of aircraft)”.
- 8 (1) In Schedule 4 to the Civil Aviation Act 1982 (Eurocontrol) paragraph 1 shall be amended as follows.
- (2) In sub-paragraph (5) omit the definition of “record”.
- (3) After sub-paragraph (5) insert—
- “(6) For the purposes of this paragraph a record includes (in addition to a record in writing)—
- (a) a disc, tape, sound-track or other device in which sounds or signals are embodied so as to be capable of being reproduced from it (with or without the aid of some other instrument);
- (b) a film, tape or other device in which visual images are embodied so as to be capable of being reproduced from it (with or without the aid of some other instrument);
- (c) a photograph.”
- 9 In Schedule 13 to the Civil Aviation Act 1982 (subordinate instruments) in Part II after the entry relating to section 87 there shall be inserted—

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“Section 88(6)(d)	Priority of charges	Subject to the negative resolution procedure	—”.
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##### *Airports Act 1986 (c. 31)*

- 10 In section 36 of the Airports Act 1986 (interpretation) in subsection (1) in the definition of “airport charges” for “regulations under section 73 of the 1982 Act

(air navigation services etc))” there shall be substituted “section 73 of the Transport Act 2000 (charges for services))”.

## PART IV

### COMPETITION

#### *Fair Trading Act 1973 (c. 41)*

- 11 In section 133 of the Fair Trading Act 1973 (general restrictions on disclosure of information) at the end of subsection (2)(a) there shall be inserted “Part I of the Transport Act 2000 or”.

#### *Competition Act 1980 (c. 21)*

- 12 In section 19 of the Competition Act 1980 (restriction on disclosure of information) in subsection (3) after paragraph (r) there shall be inserted—  
“(s) Part I of the Transport Act 2000.”

#### *Civil Aviation Act 1982 (c. 16)*

- 13 In section 4 of the Civil Aviation Act 1982 (CAA’s general objectives) after subsection (2) there shall be inserted—  
“(3) The duty mentioned in subsection (1) above does not apply in relation to anything done by the CAA in the performance of functions mentioned in subsection (3) of section 86 of the Transport Act 2000 which, by virtue of that section, are concurrent functions of the CAA and the Director General of Fair Trading.  
(4) However, when performing such a function the CAA may have regard to any matter in respect of which a duty is imposed by subsection (1) above if it is a matter to which the Director General of Fair Trading could have regard when performing that function.”

#### *Competition Act 1998 (c. 41)*

- 14 (1) Section 54 of the Competition Act 1998 (regulators) shall be amended as follows.  
(2) In subsection (1) after “Schedule 10” insert “and the Civil Aviation Authority”.  
(3) In subsection (4) after “Schedule 10” insert “or by Chapter V of Part I of the Transport Act 2000”.
- 15 In Schedule 11 to the Competition Act 1998 (interpretation of provisions about disclosure of information) in paragraph 1 after sub-paragraph (p) there shall be inserted—  
“(q) Part I of the Transport Act 2000.”
- 16 (1) Schedule 13 to the Competition Act 1998 (transitionals and savings) shall be amended as follows.  
(2) In paragraph 1(1) in the definition of “regulator” after “Schedule 10” insert “and the Civil Aviation Authority”.

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- (3) In paragraph 35(2) after paragraph (g) insert—
- “(h) in the case of the Civil Aviation Authority, the supply of air traffic services within the meaning given by section 98 of the Transport Act 2000.”

## PART V

### HOSTILITIES ETC

#### *Civil Aviation Act 1982 (c. 16)*

- 17 (1) Section 6 of the Civil Aviation Act 1982 (directions in national interest etc) shall be amended as follows.
- (2) In each of subsections (1) and (2) omit the words from “and in so far” to the end.
- (3) After subsection (2) insert—
- “(3) In so far as any directions given under this section conflict with the requirements of section 93 of the Transport Act 2000 or of an order under section 94 of that Act, the directions shall be disregarded.
- (4) In so far as any directions given under this section conflict with the requirements of any enactment or instrument relating to the CAA (other than section 93 of the Transport Act 2000 or an order under section 94 of that Act) the requirements shall be disregarded.”
- 18 Sections 62 and 63 of the Civil Aviation Act 1982 (control in time of war or emergency) shall cease to have effect.

#### *Airports Act 1986 (c. 31)*

- 19 (1) Section 30 of the Airports Act 1986 (directions in interests of national security etc) shall be amended as follows.
- (2) After subsection (4) insert—
- “(4A) In so far as any direction applying to an airport operator by virtue of subsection (1), (2) or (3) conflicts with the requirements of section 93 of the Transport Act 2000 or of an order under section 94 of that Act, the direction shall be disregarded.”
- (3) In subsection (5) after “to him as an airport operator” insert “(other than section 93 of the Transport Act 2000 or an order under section 94 of that Act)”.

## SCHEDULE 9

Section 102.

### AIR TRAFFIC: INFORMATION

#### *Prohibition on disclosure*

- 1 (1) This Schedule applies to information if—

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- (a) it was obtained under or by virtue of this Part, and
  - (b) it relates to the affairs of an individual or to a particular business.
- (2) The information must not be disclosed during the lifetime of the individual or so long as the business is carried on, except as provided below.

*Disclosure with consent*

- 2 Paragraph 1(2) does not apply to a disclosure made with the consent of the individual or the person for the time being carrying on the business.

*Other permitted disclosures*

- 3 (1) Paragraph 1(2) does not apply to a disclosure made—
- (a) for the purpose of facilitating the carrying out by the Secretary of State, the CAA or the Competition Commission of any of his or their functions under this Part;
  - (b) for the purpose of facilitating the carrying out by a person or body mentioned in sub-paragraph (2) of any of his or its functions under an enactment or instrument specified in sub-paragraph (3);
  - (c) for the purpose of enabling or assisting the Secretary of State or the Treasury to exercise any powers conferred by the Financial Services Act 1986 or by the enactments relating to companies, insurance companies or insolvency;
  - (d) for the purpose of enabling or assisting an inspector appointed under the enactments relating to companies to carry out his functions;
  - (e) for the purpose of enabling or assisting an official receiver to carry out his functions under the enactments relating to insolvency or for the purpose of enabling or assisting a recognised professional body for the purposes of section 391 of the Insolvency Act 1986 or Article 350 of the Insolvency (Northern Ireland) Order 1989 to carry out its functions;
  - (f) for the purpose of facilitating the carrying out by the Health and Safety Commission or the Health and Safety Executive of any of its functions under any enactment or of facilitating the carrying out by any enforcing authority (within the meaning of Part I of the Health and Safety at Work etc. Act 1974) of any functions under a relevant statutory provision (within the meaning of that Act);
  - (g) for the purpose of facilitating the carrying out by the Comptroller and Auditor General of any of his functions under any enactment;
  - (h) in connection with the investigation of any criminal offence or for the purposes of any criminal proceedings;
  - (i) for the purposes of any civil proceedings brought under or by virtue of this Part or any enactment or instrument specified in sub-paragraph (3);
  - (j) in pursuance of a Community obligation;
  - (k) for the purpose of facilitating the performance of any function of the European Commission in respect of Community law about competition;
  - (l) by the Secretary of State, or with his consent, to an international organisation of which the United Kingdom is a member;
  - (m) in connection with negotiations conducted by officers of the Secretary of State with representatives of the government of a country or territory outside the United Kingdom;

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- (n) in connection with the discharge of an obligation of the United Kingdom under international arrangements;
- (o) to a person to whom the information in question is required to be disclosed by regulations made in pursuance of section 7(2) of the Civil Aviation Act 1982 (special provisions as respects certain functions);
- (p) for the purposes of an investigation undertaken in pursuance of regulations made under section 75 of the Civil Aviation Act 1982 (investigation of accidents).

(2) The persons and bodies are—

- (a) any Minister of the Crown;
- (b) the Director General of Fair Trading;
- (c) the Competition Commission;
- (d) the Director General of Telecommunications;
- (e) the Independent Television Commission;
- (f) the Director General of Gas Supply;
- (g) the Director General of Water Services;
- (h) the Director General of Electricity Supply;
- (i) the Coal Authority;
- (j) the CAA;
- (k) the Rail Regulator;
- (l) the Insolvency Practitioners Tribunal;
- (m) a local weights and measures authority in Great Britain.

(3) The enactments and instruments are—

- (a) the Trade Descriptions Act 1968;
- (b) the Fair Trading Act 1973;
- (c) the Consumer Credit Act 1974;
- (d) the Estate Agents Act 1979;
- (e) the Competition Act 1980;
- (f) the Telecommunications Act 1984;
- (g) the Airports Act 1986;
- (h) the Gas Act 1986;
- (i) the Insolvency Act 1986;
- (j) the Consumer Protection Act 1987;
- (k) the Electricity Act 1989;
- (l) the Broadcasting Act 1990;
- (m) the Property Misdescriptions Act 1991;
- (n) the Water Industry Act 1991;
- (o) the Water Resources Act 1991;
- (p) the Railways Act 1993;
- (q) the Coal Industry Act 1994;
- (r) the Competition Act 1998;
- (s) any subordinate legislation made for the purpose of securing compliance with Articles 84 and 85 of the Treaty establishing the European Community;
- (t) any subordinate legislation made for the purpose of securing compliance with the Directive of the Council of the European Communities dated



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10th September 1984 (No. 84/450/EEC) on the approximation of the laws, regulations and administrative provisions of the member States concerning misleading advertising;

- (u) any Air Navigation Order made under section 60 of the Civil Aviation Act 1982.

4 The Secretary of State may by order amend paragraph 3.

*Other exceptions*

- 5 (1) Paragraph 1(2) does not limit—
- (a) the information which may be included in a report of the Competition Commission on a reference under section 12;
  - (b) the information or advice which may be published by the CAA under section 90.
- (2) Paragraph 1(2) does not apply to—
- (a) information which has been published in a report published under section 13;
  - (b) information which has otherwise been made available to the public by being disclosed in circumstances in which, or for a purpose for which, disclosure is not precluded by this Schedule.
- (3) Information obtained by the CAA in exercising functions which are exercisable concurrently with Director General of Fair Trading under Part I of the Competition Act 1998 is subject to sections 55 and 56 of that Act (disclosure) and not to paragraph 1(2).

*Offence*

- 6 A person who discloses information in contravention of this Schedule is guilty of an offence and liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum;
  - (b) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or to both.

SCHEDULE 10

Section 153.

COMPETITION TEST FOR EXERCISE OF BUS FUNCTIONS

*Functions to which Schedule applies*

- 1 (1) The functions to which this Schedule applies are those of—
- (a) making and varying quality partnership schemes,
  - (b) making and varying ticketing schemes, and
  - (c) inviting and accepting tenders under section 89 or 91 of the Transport Act 1985 (subsidised services).
- (2) For the purposes of this Schedule an authority proposes (or authorities propose) to exercise a function to which this Schedule applies—

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- (a) in the case of the function of making or varying a quality partnership scheme, once notice of a proposal to make or vary it has been given under section 115(1),
- (b) in the case of the function of making or varying a ticketing scheme, once notice of a proposal to make or vary it has been given under section 136(1), and
- (c) in the case of the function of inviting or accepting tenders under section 89 or 91 of the Transport Act 1985, once it is proposed to invite tenders under section 89(2) or 91(3) of that Act or to accept or not to accept a tender under section 89 of that Act.

#### *Competition test*

- 2 (1) For the purposes of this Schedule the exercise or proposed exercise of a function to which this Schedule applies meets the competition test unless it—
  - (a) has or is likely to have a significantly adverse effect on competition, and
  - (b) is not justified by sub-paragraph (2).
- (2) The exercise or proposed exercise of a function is justified if—
  - (a) it is with a view to achieving one or more of the purposes specified in sub-paragraph (3), and
  - (b) its effect on competition is or is likely to be proportionate to the achievement of that purpose or any of those purposes.
- (3) The purposes referred to in sub-paragraph (2) are—
  - (a) securing improvements in the quality of vehicles or facilities used for or in connection with the provision of local services,
  - (b) securing other improvements in local services of substantial benefit to users of local services, and
  - (c) reducing or limiting traffic congestion, noise or air pollution.

#### *Applications to Director for decision*

- 3 (1) An application may be made to the Director General of Fair Trading (in this Schedule referred to as “the Director”) for him to decide whether the exercise or proposed exercise of a function to which this Schedule applies meets the competition test.
- (2) An application may be made under this paragraph by—
  - (a) the authority or authorities by whom the function has been exercised or is proposed to be exercised, or
  - (b) any operator of local services who is, or is likely to be, affected by the exercise of the function.
- 4 (1) If an application is made under paragraph 3 by the authority or authorities by whom a function has been exercised or is proposed to be exercised, it or they must inform any operators of local services who, in the opinion of the authority or authorities, are or are likely to be affected by the exercise of the function that the application has been made.
- (2) If an application is made under paragraph 3 by an operator of local services, he must inform the authority or authorities by whom the function has been exercised or is proposed to be exercised that the application has been made.

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- (3) The Director must arrange for an application made under paragraph 3 to be published in such a way as he thinks most suitable for bringing it to the attention of those likely to be affected by it, unless he is satisfied that it will be sufficient for him to seek information from one or more particular persons.
- (4) The Director may at any time decide not to consider, or further consider, an application made under paragraph 3 if—
  - (a) he is of the opinion that he has not been provided with sufficient information to do so by the person or persons by whom the application was made, or
  - (b) sub-paragraph (1) or (2) has not been complied with.
- (5) In determining an application made under paragraph 3, the Director must take into account any representations made to him about the application.

#### *Investigations by Director*

- 5 If at any time the Director considers that the exercise or proposed exercise of a function to which this Schedule applies may not meet the competition test, he may conduct an investigation.
- 6 (1) For the purposes of an investigation under paragraph 5 the Director may require any person—
  - (a) to produce to him or to a person appointed by him, at a specified time and place, any specified document, or
  - (b) to provide him or such a person, at such a time and place, any specified information,which he considers relates to any matter relevant to the investigation.
- (2) The power conferred by sub-paragraph (1) is to be exercised by a notice in writing indicating the subject matter and purpose of the investigation; and in this paragraph “specified” means—
  - (a) specified, or described, in the notice, or
  - (b) falling within a category which is specified, or described, in the notice.
- (3) Information required to be provided under sub-paragraph (1) shall be provided in the specified manner and form.
- (4) The power conferred by sub-paragraph (1) to require a person to produce a document includes power—
  - (a) to require him to provide an explanation of the document, or
  - (b) if the document is not produced, to require him to state, to the best of his knowledge and belief, where it is.
- (5) In this paragraph “information” includes estimates and forecasts.
- 7 (1) If a person refuses or fails to comply with a notice under paragraph 6, the Director may certify that fact in writing to the High Court which may enquire into the case.
- (2) If after hearing—
  - (a) any witness who may be produced against or on behalf of the person, and
  - (b) any statement which may be offered in defence,

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the High Court is satisfied that the person did not have a reasonable excuse for refusing or failing to comply with the notice, the High Court may punish him as if he had been guilty of contempt of court.

8 (1) A person shall not be required under paragraph 6 to produce or disclose a privileged communication.

(2) In sub-paragraph (1) “privileged communication” means a communication—

- (a) between a professional legal adviser and his client, or
- (b) made in connection with, or in contemplation of, legal proceedings and for the purposes of those proceedings,

which in proceedings in the High Court would be protected from disclosure on grounds of legal professional privilege.

9 Before the Director, as the result of an investigation under paragraph 5, makes a decision that the exercise or proposed exercise of a function does not meet the competition test, he must—

- (a) give written notice to the person or persons likely to be affected by the proposed decision, and
- (b) give that person or those persons an opportunity to make representations.

#### *Decisions*

10 When the Director makes a decision—

- (a) on an application under paragraph 3, or
- (b) after an investigation under paragraph 5,

he must publish his decision, together with his reasons for making it.

11 If the Director has determined an application under paragraph 3 by making a decision that the exercise or proposed exercise of a function to which this Schedule applies meets the competition test, he is to take no further action under this Schedule with respect to it unless—

- (a) he has reasonable grounds for believing that there has been a material change of circumstance since he made his decision, or
- (b) he has a reasonable suspicion that the information on which he based his decision was incomplete, false or misleading in a material particular.

#### *Enforcement of decisions*

12 (1) If the Director has made a decision that the exercise or proposed exercise of a function to which this Schedule applies does not meet the competition test, he may give to the authority or authorities by which it was or was to be exercised such directions as he considers appropriate.

(2) A direction under sub-paragraph (1) may (in particular)—

- (a) in the case of a proposal to exercise a function, include provision prohibiting the exercise of the function in the manner proposed,
- (b) in the case of the exercise of the function of making or varying a quality partnership scheme or a ticketing scheme, include provision requiring the variation or revocation of the scheme,

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- (c) in the case of the exercise of the function of inviting tenders under section 89(2) or 91(3) of the Transport Act 1985, include provision requiring the variation or withdrawal of the invitation, and
  - (d) in the case of the exercise of the function of accepting or not accepting a tender under section 89 or 91 of that Act, include provision requiring the variation or termination of any agreement entered into by accepting the tender or requiring the acceptance of any tender.
- (3) A direction under sub-paragraph (1) must be given in writing.
- (4) If an authority fails, without reasonable excuse, to comply with a direction under sub-paragraph (1), the Director may apply to the High Court for an order requiring the authority to comply with the direction within a time specified in the order.
- (5) An order under sub-paragraph (4) may provide for all of the costs of, or incidental to, the application for the order to be borne by the authority.

#### *Information*

- 13 (1) No information which—
- (a) has been obtained by the Director in connection with his functions under this Schedule, and
  - (b) relates to the affairs of any individual or to any particular business,
- is to be disclosed during the lifetime of that individual or while that business continues to be carried on, unless the condition mentioned in sub-paragraph (2) is satisfied.
- (2) The condition is that consent to the disclosure has been obtained from—
- (a) the person from whom the information was obtained, and
  - (b) if different, the individual to whose affairs the information relates or the person for the time being carrying on the business to which the information relates.
- (3) Sub-paragraph (1) does not apply to a disclosure of information—
- (a) made for the purpose of facilitating the performance of any function of the Director, a traffic commissioner or the Rail Regulator,
  - (b) made for the purpose of facilitating the performance of any function of the European Commission in respect of Community law about competition,
  - (c) made for the purpose of criminal proceedings in any part of the United Kingdom or in connection with the investigation of a criminal offence triable in any part of the United Kingdom, or
  - (d) made in compliance with the order of a court or tribunal.
- (4) If information is disclosed to the public in circumstances in which the disclosure does not contravene sub-paragraph (1), that sub-paragraph does not prevent its further disclosure by any person.
- (5) A person who contravenes this paragraph is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.
- 14 (1) If information is provided by a person to the Director in connection with his functions under this Schedule, the person is guilty of an offence if—
- (a) the information is false or misleading in a material particular, and

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(b) the person knows that it is or is reckless as to whether it is.

(2) If a person—

- (a) provides any information to another person, knowing the information to be false or misleading in a material particular, or
- (b) recklessly provides to another person any information which is false or misleading in a material particular,

knowing that the information is to be used for the purpose of providing information to the Director in connection with his functions under this Schedule, the person is guilty of an offence.

(3) A person guilty of an offence under this paragraph is liable on summary conviction to a fine not exceeding level 5 on the standard scale.

#### *Defamation*

15 For the purposes of the law relating to defamation, absolute privilege attaches to any decision made or notice given by the Director in the exercise of any of his functions under this Schedule.

#### *Fees*

- 16 (1) The Director may charge fees in connection with the exercise by him of any of his functions under this Schedule.
- (2) Different fees may be charged in connection with different functions and in different circumstances.
- (3) An application under paragraph 3 is not to be regarded as duly made unless any appropriate fee is paid.

### SCHEDULE 11

Section 161.

#### MINOR AND CONSEQUENTIAL AMENDMENTS ABOUT LOCAL TRANSPORT

#### *Finance Act 1965 (c. 25)*

- 1 In section 92(8) of the Finance Act 1965 (grants towards duty charged on bus fuel), in the definition of “bus service”—
- (a) in paragraph (a), after “Act” insert “or provided under a quality contract (within the meaning of Part II of the Transport Act 2000)”, and
  - (b) in paragraph (b), for “II of that Act” substitute “II of the Transport Act 1985”.

#### *Transport Act 1968 (c. 73)*

- 2 The Transport Act 1968 has effect subject to the following amendments.
- 3 (1) Section 9A (general functions of Passenger Transport Authorities and Executives) is amended as follows.
- (2) Omit subsections (1) and (2).

(3) For subsection (3) substitute—

“(3) It shall be the duty of the Executive for each passenger transport area in England to secure the provision of such public passenger transport services as the Authority for the area consider it appropriate for the Executive to secure for meeting any public transport requirements within the area which in the Authority’s view would not be met apart from any action taken by the Executive for that purpose.

(3A) The Authority shall seek and have regard to the advice of the Executive for their area in determining which services it would be appropriate for the Executive to secure under subsection (3) of this section.”

(4) In subsection (6), for the words following paragraph (b) substitute “to have regard to a combination of economy, efficiency and effectiveness.”

(5) In subsection (7), insert at the end “and to the bus strategy made jointly by the Authority and the councils for the metropolitan districts comprised in the area.”

4 Omit section 9B (consultation and publicity with respect to policies as to services).

*Local Government Act 1972 (c. 70)*

5 In section 97 of the Local Government Act 1972 (exceptions from prohibition on member of local authority discussing and voting on matters in which he has pecuniary interest), after subsection (6) insert—

“(7) Section 94 above shall not prohibit a director of a public transport company, or a subsidiary of such a company, who is neither—

(a) paid for acting as such; nor

(b) an employee of the public transport company or subsidiary,

from taking part in the consideration or discussion of, or from voting on any question with respect to, a local transport plan or bus strategy; and in this subsection “public transport company” and “subsidiary” have the same meanings as in Part IV of the Transport Act 1985.”

*Road Traffic Regulation Act 1984 (c. 27)*

6 The Road Traffic Regulation Act 1984 has effect subject to the following amendments.

7 In section 1 (traffic regulation orders), after subsection (3) insert—

“(3A) A local traffic authority may make a traffic regulation order in respect of a road in relation to which the Secretary of State or the National Assembly for Wales is the traffic authority if—

(a) the order is required for the provision of facilities pursuant to a quality partnership scheme under Part II of the Transport Act 2000, and

(b) the Secretary of State, or the National Assembly for Wales, consents.”

8 (1) Paragraph 27 of Schedule 9 (variation and revocation of orders) is amended as follows.

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(2) In sub-paragraph (1), for “sub-paragraph (2)” substitute “sub-paragraphs (2) and (3)”.

(3) After sub-paragraph (2) insert—

“(3) Where an order is required for the provision of facilities pursuant to a quality partnership scheme made under Part II of the Transport Act 2000 by more than one authority—

- (a) it may not be varied or revoked by virtue of this paragraph by the Secretary of State or the National Assembly for Wales unless he or it has consulted the other authority or authorities who made the scheme, and
- (b) it may not be varied or revoked by virtue of this paragraph by any other authority without the consent of that other authority or those other authorities.”

*Transport Act 1985 (c. 67)*

9           The Transport Act 1985 has effect subject to the following amendments.

10       (1) Section 26(1) (conditions attached to PSV operator’s licence) is amended as follows.

(2) In paragraph (b), after “section” insert “or section 118(4) or 129(1)(b) of the Transport Act 2000”.

(3) After that paragraph insert “; or

- (ba) the operator has failed to comply with section 138 or 140(3) of that Act;”.

11       (1) Section 63 (functions of local councils with respect to passenger transport in areas other than passenger transport areas) is amended as follows.

(2) In subsection (1), omit paragraph (b) and the word “and” before it.

(3) In subsection (3)—

- (a) omit “(1)(b) or” and “(1)(a) or”,
- (b) in paragraph (a), omit “as a local education authority or (as the case may be)”, and
- (c) in paragraph (b), omit “social services or (as the case may be)”.

(4) In subsection (7), for the words from “so to conduct” to the end substitute “to have regard to a combination of economy, efficiency and effectiveness.”

(5) In subsection (8), at end insert “and to the appropriate bus strategy.”

(6) After that subsection insert—

“(8A) In subsection (8) “the appropriate bus strategy” means—

- (a) in the case of a council which is a local transport authority (within the meaning of section 108(4) of the Transport Act 2000), their bus strategy;
- (b) in the case of a district council which is not such an authority, the bus strategy of the council for the county in which the district is situated.”



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- 12 (1) Section 64 (consultation and publicity with respect to policies as to services) is amended as follows.
- (2) In subsection (1)—
- (a) for “63(1)(b) or (2)(b)” substitute “63(2)(b)”,
  - (b) for “either of those provisions” substitute “that provision”, and
  - (c) omit the words following paragraph (b).
- (3) In subsection (2), omit “under section 63(1)(a) or (as the case may be)”.
- 13 In section 74 (directors of public transport companies), after subsection (3) insert—
- “(3A) Subsection (3) above shall not prohibit a person from taking part in the consideration or discussion of, or from voting on any question with respect to, a local transport plan or bus strategy.”
- 14 In section 82 (bus stations: restrictions on discriminatory practices), after subsection (4) insert—
- “(4A) Nothing done pursuant to a quality partnership scheme under Part II of the Transport Act 2000 by—
- (a) a Passenger Transport Executive,
  - (b) a local authority, or
  - (c) a person to whom subsection (3) above applies,
- shall be taken to be discrimination prohibited by subsection (1) or (3) above.”
- 15 In section 93(7) (persons eligible to receive travel concessions under local scheme), for paragraphs (d) and (e) substitute—
- “(d) persons who are blind;
  - (e) persons who are partially sighted;
  - (ea) persons who are deaf;
  - (eb) persons who are without speech;
  - (ec) persons who have a disability, or have suffered an injury, which has a substantial and long-term adverse effect on their ability to walk;
  - (ed) persons who do not have arms or have long-term loss of the use of both arms;
  - (ee) persons who have a learning disability, that is, a state of arrested or incomplete development of mind which includes significant impairment of intelligence and social functioning;
  - (ef) persons who, if they applied for the grant of a licence to drive a motor vehicle under Part III of the Road Traffic Act 1988, would have their applications refused pursuant to section 92 of that Act (physical fitness) otherwise than on the ground of persistent misuse of drugs or alcohol;
  - (eg) any person travelling as the companion of a person who—
    - (i) is eligible to receive travel concessions by virtue of any other paragraph of this subsection; and
    - (ii) requires the assistance of a companion in order to travel on journeys on public passenger transport services;”.
- 16 In section 94(4) (definition of eligible service), for the words from “a service is” to the end substitute

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““eligible service” means—

(a) until section 92 of the Finance Act 1965 (grants towards duty charged on bus fuel) ceases to have effect as a result of section 154(6) of the Transport Act 2000, a service qualifying for fuel duty grant, and

(b) after that time, a service using public service vehicles of a class specified in an order made by the Secretary of State (as respects England) or the National Assembly for Wales (as respects Wales).”

17 In section 103(3) (no subsidies for concessions available under a scheme), insert at the end “or under section 145(1) of the Transport Act 2000.”

18 (1) Section 104 (travel concessions on services provided by Passenger Transport Executives) is amended as follows.

(2) In subsection (1), for the words from “other than” to “that section” substitute “otherwise than in accordance with a scheme established under section 93 of this Act or in accordance with section 145(1) of the Transport Act 2000”.

(3) In subsection (2), after paragraph (a) insert—

“(aa) in accordance with section 145(1) of the Transport Act 2000; or”.

19 In section 105(1) (travel concessions on services provided by local authorities), for the words “of any description” onwards substitute “in accordance with a scheme established under section 93 of this Act or in accordance with section 145(1) of the Transport Act 2000.”

20 (1) Section 108 (grants for establishment of rural passenger services in Wales and Scotland) is amended as follows.

(2) In subsection (1), omit “Wales or”.

(3) In the sidenote, omit “Wales and”.

21 Omit section 109 (transitional rural bus grants).

22 (1) Section 111 (unregistered and unreliable local services: requirement to repay twenty per cent. of bus fuel duty grants) is amended as follows (until it ceases to have effect as a result of section 154(6)).

(2) For subsection (1) substitute—

“(1) Where the traffic commissioner for any traffic area is satisfied that the operator of a local service has, without reasonable excuse—

(a) failed to operate a local service registered under section 6 of this Act;

(b) operated a local service in contravention of that section or section 118(4) or 129(1)(b) of the Transport Act 2000; or

(c) failed to comply with section 138 or 140(3) of that Act;

he may make a determination to that effect.”

*Greater London Authority Act 1999 (c. 29)*

23 In section 420(8) of the Greater London Authority Act 1999 (orders subject to annulment in pursuance of a resolution of either House of Parliament), after “235(4);” insert—

“section 242(10);”.

## SCHEDULE 12

Section 191.

### ROAD USER CHARGING AND WORKPLACE PARKING LEVY: FINANCIAL PROVISIONS

#### *Introductory*

- 1 (1) In this Schedule “relevant scheme” means a charging scheme or licensing scheme under this Part.
- (2) In this Schedule—
- (a) “the relevant authority”, in relation to a relevant scheme made by one authority, means the authority by which the scheme is made, and
  - (b) “the relevant authorities”, in relation to a relevant scheme made jointly by more than one authority, means the authorities by which the scheme is made.

#### *Net proceeds*

- 2 (1) In this Schedule “net proceeds”, in relation to a relevant scheme and a financial year, means the amount (if any) by which—
- (a) the amounts received under or in connection with the scheme which are attributable to the financial year, exceed
  - (b) the expenses incurred for or in connection with the scheme which are so attributable.
- (2) For the purposes of this Schedule—
- (a) the amounts received under or in connection with a relevant scheme, and
  - (b) the expenses incurred for or in connection with a relevant scheme,
- and the extent to which they are attributable to any financial year, shall be determined in accordance with regulations made by the appropriate national authority.
- (3) Regulations under sub-paragraph (2) may, in particular, provide that—
- (a) any such costs of constructing, improving or maintaining roads in respect of which charges are imposed by trunk road charging schemes, and any such costs of managing traffic on those roads, as are specified by or determined in accordance with the regulations, or
  - (b) any such payments made for or in respect of the construction, improvement or maintenance of those roads, or the management of traffic on them, as are so specified or determined,
- are to be regarded, to the extent so specified or determined, as expenses incurred for or in connection with the trunk road charging schemes.
- (4) Where a trunk road charging scheme is made by virtue of section 167(2)(b), the relevant authority and the local traffic authority which requested the making of the scheme (or Transport for London, if it did) may agree that—
- (a) the expenses incurred for or in connection with the trunk road charging scheme shall be taken to include specified expenses incurred for or in connection with the charging scheme in connection with which the trunk road charging scheme was requested, and
  - (b) the expenses incurred for or in connection with that other charging scheme shall be taken to include specified expenses incurred for or in connection with the trunk road charging scheme.

### *Apportionment*

- 3 (1) A relevant scheme which is—
- (a) a joint local charging scheme or licensing scheme, or
  - (b) a joint local-London charging scheme or licensing scheme,
- shall provide for the net proceeds of the scheme to be apportioned between the relevant authorities.
- (2) Where a trunk road charging scheme is made by virtue of section 167(2)(b)—
- (a) the trunk road charging scheme, or
  - (b) the charging scheme in connection with which the trunk road charging scheme was requested,
- or both, may provide for the net proceeds of the scheme to be apportioned between the relevant authority and the local traffic authority which requested the making of the scheme (or Transport for London, if it did).
- 4 References in the following provisions of this Schedule to an authority's share of the net proceeds of a relevant scheme are—
- (a) where the net proceeds of the scheme are apportioned as provided by paragraph 3, to so much of the net proceeds of the scheme as are apportioned to the authority, and
  - (b) otherwise, to the net proceeds of the scheme.

### *Accounts and funds*

- 5 Regulations made by the appropriate national authority may make provision for—
- (a) the keeping of accounts relating to trunk road charging schemes, and
  - (b) the preparation and publication of statements of such accounts.
- 6 (1) An account relating to a relevant scheme which is not a trunk road charging scheme shall be kept for each financial year by the relevant authority or jointly by the relevant authorities.
- (2) A statement of every such account shall be prepared for each financial year by the relevant authority or authorities and published in the annual accounts of the relevant authority, or of each of the relevant authorities, for the financial year.
- (3) Regulations made by the appropriate national authority may make—
- (a) further provision relating to accounts required to be kept under this paragraph (including provision requiring or allowing the keeping of consolidated accounts relating to more than one relevant scheme), and
  - (b) further provision relating to the preparation and publication of statements of such accounts.
- 7 (1) At the end of each financial year any deficit in an account required to be kept under paragraph 6 shall be made good by the relevant authority or authorities.
- (2) Any surplus in such an account may (so far as not made available for any purpose in accordance with this Schedule) be applied by the relevant authority or authorities towards making good any amount used to make good a deficit in respect of the account in the ten years immediately preceding the financial year.
- (3) So much of any surplus as remains after the application of sub-paragraph (2) shall be carried forward in the account to the next financial year.

- (4) A relevant scheme made by more than one authority must make provision specifying or for determining—
  - (a) the proportion of any deficit which each authority shall make good, and
  - (b) the proportion of any surplus which each authority may apply in accordance with sub-paragraph (2).
- (5) Any deficit required to be made good shall be made good—
  - (a) in the case of a Welsh county council or county borough council, from its general account,
  - (b) in the case of Transport for London, from its gross income, and
  - (c) in the case of any other non-metropolitan local traffic authority or London traffic authority, from its general fund.

*Application of proceeds by non-metropolitan local traffic authorities*

- 8
- (1) This paragraph applies to a non-metropolitan local traffic authority's share of the net proceeds of any early relevant scheme during the initial period of the scheme.
  - (2) The share of the net proceeds is available only—
    - (a) for application by the authority for the purpose of directly or indirectly facilitating the achievement of policies in the authority's local transport plan, or
    - (b) for application by any authority falling within sub-paragraph (3) selected by the authority whose share it is in accordance with sub-paragraph (4).
  - (3) The authorities which fall within this sub-paragraph are—
    - (a) other non-metropolitan local traffic authorities and
    - (b) London traffic authorities and the Greater London Authority.
  - (4) A share of the net proceeds of a relevant scheme is applied in accordance with this sub-paragraph if it is applied—
    - (a) by a non-metropolitan local traffic authority for the purpose of directly or indirectly facilitating the achievement of any policies in its local transport plan, or
    - (b) by a London traffic authority or the Greater London Authority in accordance with the transport strategy prepared and published under section 142 of the Greater London Authority Act 1999,in a way which will benefit the whole or any part of the area of the non-metropolitan local traffic authority whose share it is.
  - (5) In this paragraph “early relevant scheme” means a relevant scheme which comes into force during the period of ten years beginning with the commencement of this Schedule.
  - (6) In this paragraph “the initial period”, in relation to an early relevant scheme, means—
    - (a) the period which begins with the date on which the relevant scheme comes into force and ends with the tenth financial year that commences on or after that date, or
    - (b) such longer period as may be specified in the case of the relevant scheme by the appropriate national authority.

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- (7) The appropriate national authority may by regulations make provision as to circumstances in which—
- (a) the same scheme is to be regarded as continuing in force in spite of a variation of the scheme or the revocation and replacement (with or without modifications) of the scheme, or
  - (b) a different scheme is, or is not, to be regarded as coming into force, for the purposes of determining when the initial period begins or expires in the case of a scheme.
- 9 (1) Except where paragraph 8 applies, a non-metropolitan local traffic authority's share of the net proceeds of a relevant scheme is available to be applied only as may be specified in, or determined in accordance with, regulations made by the appropriate national authority.
- (2) Regulations under sub-paragraph (1) may include provision conferring a discretion on any person.
- (3) The provision that may be made by regulations under sub-paragraph (1) includes provision for paragraph 8 to apply with the substitution for the number for the time being mentioned in sub-paragraph (5) of that paragraph of a number of years greater than ten.
- (4) A share of the net proceeds of a relevant scheme may only be applied in accordance with regulations under sub-paragraph (1) in ways which provide value for money.
- (5) Before making any regulations under sub-paragraph (1), the appropriate national authority shall make an assessment of—
- (a) the likely amounts of the non-metropolitan local traffic authorities' shares of net proceeds of relevant schemes, and
  - (b) the potential for applying them in accordance with paragraph 8 in ways which provide value for money.
- (6) The appropriate national authority may issue guidance with respect to the appraisal of whether any application by non-metropolitan local traffic authorities for any purpose of their shares of net proceeds of relevant schemes provides value for money; and non-metropolitan local traffic authorities shall, in determining how to apply such shares, have regard to any such guidance.
- 10 (1) A relevant scheme made by one or more non-metropolitan local traffic authorities must include—
- (a) a general plan relating to the application of their shares of the net proceeds of the relevant scheme during the opening ten year period, and
  - (b) a detailed programme for the application of their shares of the net proceeds of the relevant scheme during the opening transport plan period.
- (2) In this Schedule—
- (a) “the opening ten year period” means the period which begins with the date on which the relevant scheme comes into force and ends with the tenth financial year that commences on or after that date, and
  - (b) “the opening transport plan period” means the period which begins with that date and ends at the time by which local transport plans are next required to be replaced.

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- (3) The order making a scheme shall not come into force unless and until the general plan and detailed programme required by sub-paragraph (1) have been approved by the appropriate national authority.
- 11 (1) If a relevant scheme made by one or more non-metropolitan local traffic authorities remains in force after the end of the opening transport plan period, the authority or each of the authorities shall include in its local transport plan from the time when it is next replaced (for so long as the scheme remains in force) a detailed programme for the application of its share of the net proceeds of the scheme.
- (2) Any programme included in a local transport plan by virtue of sub-paragraph (1) in relation to a relevant scheme prevails over any conflicting provisions in the general plan included in the scheme pursuant to paragraph 10(1)(a).
- (3) Except with the consent of the appropriate national authority in any particular case, a non-metropolitan local traffic authority may not apply its share of the net proceeds of a scheme for any purpose (other than making good any amount to the general fund or general account of the relevant authority which made the scheme) in any financial year beginning after the end of the opening plan period unless it is complying with sub-paragraph (1).

*Application of proceeds by London traffic authorities*

- 12 (1) The share of the net proceeds of a relevant scheme of a London traffic authority is available only for application in accordance with regulations made by the Secretary of State.
- (2) Regulations under sub-paragraph (1) shall provide for—
- (a) paragraphs 16 to 24 of Schedule 23 to the Greater London Authority Act 1999, or
  - (b) paragraphs 22 to 30 of Schedule 24 to that Act,
- to apply in relation to a relevant scheme with any such modifications as the Secretary of State considers appropriate.
- (3) Before making regulations under sub-paragraph (1) the Secretary of State shall consult the Greater London Authority.

*Application of proceeds by Secretary of State and Assembly*

- 13 (1) In the case of a trunk road charging scheme—
- (a) which is made by virtue of paragraph (a) of subsection (2) of section 167, or
  - (b) which is made by virtue of paragraph (b) of that subsection and comes into force during the period of ten years beginning with the commencement of this Schedule,
- the relevant authority's share of the net proceeds is available only for application for the purpose of directly or indirectly facilitating the achievement of any policies or proposals relating to transport.
- (2) The appropriate national authority may by regulations make provision for sub-paragraph (1)(b) to apply with the substitution for the number of years for the time being mentioned in it of a number of years greater than ten.

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- (3) Sub-paragraph (1) applies during the period of ten years beginning with the coming into force of a scheme.
- (4) The appropriate national authority may by regulations make provision as to circumstances in which—
  - (a) the same scheme is to be regarded as continuing in force in spite of a variation of the scheme or the revocation and replacement (with or without modifications) of the scheme, or
  - (b) a different scheme is, or is not, to be regarded as coming into force,
 for the purposes of determining when the period specified in sub-paragraph (3) begins or expires in the case of a scheme.
- (5) Except where sub-paragraph (1) applies, the relevant authority's share of the net proceeds of a trunk road charging scheme is available to be applied only as may be specified in, or determined in accordance with, regulations made by the appropriate national authority.
- (6) The provision that may be made by regulations under sub-paragraph (5) includes provision for sub-paragraph (3) to apply with the substitution for the number of years for the time being mentioned in it of a number of years greater than ten.

## SCHEDULE 13

Section 199.

### AMENDMENTS OF SCHEDULES 23 AND 24 TO GREATER LONDON AUTHORITY ACT

#### *Road user charging*

- 1        Schedule 23 to the Greater London Authority Act 1999 (road user charging in Greater London) has effect subject to the following amendments.
- 2        (1) Paragraph 1 (interpretation) is amended as follows.
  - (2) In sub-paragraph (1), in the definition of “net proceeds”, for the words from “, means” to the end substitute “and a financial year, means the amount (if any) by which—
    - (a) the amounts received under or in connection with the scheme which are attributable to the financial year, exceed
    - (b) the expenses incurred for or in connection with the scheme which are so attributable;”.
  - (3) In that sub-paragraph, after the definition of “prescribed”, insert—
 

““registered keeper”, in relation to a charge imposed in respect of a motor vehicle, means the person in whose name the vehicle was registered under the Vehicle Excise and Registration Act 1994 at the time of the act, omission, event or circumstances in respect of which the charge is imposed;”.
  - (4) In that sub-paragraph, in the definition of “regulations”, after “means” insert “(except where otherwise provided)”.
  - (5) In that sub-paragraph, in the definition of “traffic sign”, for “same meaning as in the Road Traffic Regulation Act 1984 (see in particular section 64 of that Act)” substitute



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“meaning given by section 64 of the Road Traffic Regulation Act 1984 but also includes signposts and other signs and notices included in that term by section 71(2) of that Act”.

- (6) For sub-paragraph (2) substitute—
- “ (2) For the purposes of this Schedule—
- (a) the amounts received under or in connection with a charging scheme, and
- (b) the expenses incurred for or in connection with such a scheme, and the extent to which they are attributable to any financial year, shall be determined in accordance with regulations under this sub-paragraph.”
- 3 (1) Paragraph 4 (making of charging scheme) is amended as follows.
- (2) After paragraph (a) of sub-paragraph (3) insert—
- “(aa) require such an authority to publish its proposals for the scheme and to consider objections to the proposals;”.
- (3) After paragraph (d) of that sub-paragraph insert—
- “(da) require the authority by whom any such order is made to publish notice of the order and of its effect;”.
- (4) Omit paragraph (e) of that sub-paragraph.
- (5) After that sub-paragraph insert—
- “(4) Subsections (2) and (3) of section 250 of the Local Government Act 1972 (witnesses at local inquiries) apply in relation to any inquiry held by virtue of sub-paragraph (3)(b) above.
- (5) Where an inquiry is held by virtue of sub-paragraph (3)(b) above for the purposes of any order containing a charging scheme—
- (a) the costs of the inquiry shall be paid by the charging authority; and
- (b) the parties at the inquiry shall bear their own costs.
- (6) The charging authority may enter any land, and exercise any other powers which may be necessary, for placing and maintaining, or causing to be placed and maintained, traffic signs in connection with the charging scheme.”
- 4 In sub-paragraph (2) of paragraph 11 (exemptions, reduced rates etc.), after “above” insert “and to paragraphs 4 and 6 above”.
- 5 After that paragraph insert—

*“Documents and equipment*

- 11A A charging scheme may require—
- (a) documents to be displayed while a motor vehicle is on a road in respect of which charges are imposed; or
- (b) equipment to be carried in or fitted to a motor vehicle while it is on such a road.”
- 6 (1) Paragraph 12 (penalty charges) is amended as follows.

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- (2) In sub-paragraph (1), for “, notification, payment, adjudication or enforcement” substitute “and payment”.
- (3) After sub-paragraph (2) insert—
- “(3) The Lord Chancellor may make regulations about the notification, adjudication and enforcement of penalty charges.”
- 7 For paragraph 13 substitute—
- “13 Charges imposed in respect of any motor vehicle by a charging scheme (including penalty charges imposed in respect of any motor vehicle) shall be paid—
- (a) by the registered keeper of the motor vehicle; or
- (b) in prescribed circumstances, by such person as is prescribed.”
- 8 In paragraph 14 (installation of equipment), for the words from “install” to “used or” substitute—
- “(a) install and maintain, or authorise the installation and maintenance of, any equipment; or
- (b) construct and maintain, or authorise the construction and maintenance of, buildings or other structures,
- used or”.
- 9 (1) Paragraph 15 (accounts and funds) is amended as follows.
- (2) In sub-paragraphs (1) and (2), for “of their income and expenditure in respect of” substitute “relating to”.
- (3) In sub-paragraph (3)—
- (a) for the words from the beginning to “year, each” substitute “Each”, and
- (b) for “that year” substitute “each financial year”.
- (4) After sub-paragraph (4) insert—
- “(4A) Regulations may make further provision relating to—
- (a) accounts required to be kept under sub-paragraph (1) or (2) above (including provision requiring or allowing the keeping of consolidated accounts relating to more than one charging scheme); and
- (b) the preparation and publication of statements of such accounts.”
- (5) In sub-paragraph (5)(b), after “account” insert “(after the application of any of the net proceeds in accordance with the following provisions)”.
- 10 (1) Paragraph 25 (offences) is amended as follows.
- (2) In sub-paragraph (1)—
- (a) insert “or” at the end of paragraph (a), and
- (b) omit paragraph (c) and the word “or” before it.
- (3) After that sub-paragraph insert—

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“(1A) A person who makes or uses any false document with intent to avoid payment of, or being identified as having failed to pay, a charge imposed by a charging scheme or a penalty charge is guilty of an offence.”

(4) In sub-paragraph (2), after “sub-paragraph (1)” insert “or (1A)”.

(5) After that sub-paragraph insert—

“(3) A person is guilty of an offence if he removes a penalty charge notice which has been fixed to a motor vehicle in accordance with regulations under paragraph 12 above unless—

- (a) he is the registered keeper of the vehicle or a person using the vehicle with his authority; or
- (b) he does so under the authority of the registered keeper or such a person or of the charging authority.

(4) A person guilty of an offence under sub-paragraph (3) above shall be liable on summary conviction to a fine not exceeding level 2 on the standard scale.”

11 (1) Paragraph 26 (examination of motor vehicles etc.) is amended as follows.

(2) In sub-paragraph (1)(b)(iii), for “unlawfully” substitute “with intent to avoid payment of, or being identified as having failed to pay, a charge”.

(3) For sub-paragraph (2) substitute—

“(2) Regulations may make provision conferring power on any person authorised in writing by the charging authority to enter a motor vehicle where he has reasonable grounds for suspecting, in relation to a motor vehicle which is on a road, that—

- (a) any equipment required to be carried in or fitted to the motor vehicle while it is on a road in respect of which charges are imposed has been interfered with with intent to avoid payment of, or being identified as having failed to pay, a charge imposed by the charging scheme; or
- (b) there is in the motor vehicle a false document which has been made or used with intent to avoid payment of, or being identified as having failed to pay, such a charge.”

(4) After that sub-paragraph insert—

“(3) A person who intentionally obstructs a person exercising any power conferred on him by virtue of sub-paragraph (2) above is guilty of an offence.

(4) A person guilty of an offence under sub-paragraph (3) above shall be liable on summary conviction to—

- (a) a fine not exceeding level 5 on the standard scale, or
- (b) imprisonment for a term not exceeding six months,

or to both.

(5) Regulations may make provision conferring power on any person authorised in writing by the charging authority to seize anything (if

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- necessary by detaching it from a motor vehicle) and detain it as evidence of the commission of an offence under paragraph 25 above.”
- 12 (1) Paragraph 27 (removal or immobilisation of motor vehicles) shall be renumbered as sub-paragraph (1) of that paragraph and amended as follows.
- (2) After paragraph (a) insert—
- “(aa) the fixing of immobilisation notices to motor vehicles to which an immobilisation device has been fitted;”.
- (3) Insert at the end “; and
- (e) the sale or destruction of motor vehicles not released.
- (2) A person who removes or interferes with an immobilisation notice in contravention of provision made by virtue of sub-paragraph (1) above is guilty of an offence.
- (3) A person who removes or attempts to remove an immobilisation device fixed to a motor vehicle in accordance with provision made by virtue of sub-paragraph (1) above in contravention of such provision is guilty of an offence.
- (4) A person who intentionally obstructs a person exercising any power conferred on him by provision made by virtue of sub-paragraph (1) above is guilty of an offence.
- (5) A person guilty of an offence under sub-paragraph (2) above shall be liable on summary conviction to a fine not exceeding level 2 on the standard scale.
- (6) A person guilty of an offence under sub-paragraph (3) or (4) above shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.”
- 13 In paragraph 28 (determination of disputes and appeals), for “Regulations may” substitute “The Lord Chancellor may by regulations”.
- 14 In paragraph 29(6) (approval of equipment), for the words after “regulations” substitute “under section 176(2) of the Transport Act 2000.”
- 15 In paragraph 30 (evidence), for “Regulations may” substitute “The Lord Chancellor may by regulations”.
- 16 In paragraph 34 (guidance), insert at the end—
- “(3) Guidance issued under this paragraph shall be published in such manner as the Authority consider appropriate; and the Authority may at any time vary or revoke such guidance.”
- 17 After that paragraph insert—

*“Information*

- 34A (1) Information obtained by—
- (a) any Minister of the Crown or government department, or
- (b) any local authority or other statutory body,
- may be disclosed to a charging authority for or in connection with the exercise of any of their functions with respect to a charging scheme.

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- (2) Information obtained by a charging authority for or in connection with any of their functions other than their functions with respect to a charging scheme may be used by the authority for or in connection with the exercise of any of their functions with respect to a charging scheme.
- (3) Any information—
- (a) which has been or could be disclosed to a charging authority under sub-paragraph (1) above for or in connection with the exercise of any of their functions with respect to a charging scheme, or
  - (b) which has been or could be used by an authority by virtue of sub-paragraph (2) above for or in connection with the exercise of any of those functions,
- may be disclosed to any person with whom the authority has entered into arrangements under paragraph 32(b) above.
- (4) Information disclosed to a person under sub-paragraph (3) above—
- (a) may be disclosed to any other person for or in connection with the charging scheme; but
  - (b) may not be used (by him or any other person to whom it is disclosed under paragraph (a) above) otherwise than for or in connection with the charging scheme.”
- 18 In paragraph 38 (variation and revocation of charging schemes)—
- (a) omit “, exercisable in the same manner, and subject to the same conditions and limitations,”, and
  - (b) insert at the end “; and paragraph 4 above (apart from sub-paragraphs (3) (f) and (6)) applies in relation to the variation or revocation of a charging scheme as to the making of a charging scheme.”

#### *Workplace parking levy*

- 19 Schedule 24 to the Greater London Authority Act 1999 (workplace parking levy in Greater London) has effect subject to the following amendments.
- 20 (1) Paragraph 1 (interpretation) is amended as follows.
- (2) In sub-paragraph (1), in the definition of “licence”, omit “by the occupier of those premises”.
  - (3) In that sub-paragraph, in the definition of “net proceeds”, for the words from “, means” to the end substitute “and a financial year, means the amount (if any) by which—
    - (a) the amounts received under or in connection with the scheme which are attributable to the financial year, exceed
    - (b) the expenses incurred for or in connection with the scheme which are so attributable;”.
  - (4) In that sub-paragraph, omit the definition of “occupier”.
  - (5) In that sub-paragraph, in the definition of “regulations”, after “means” insert “(except where otherwise provided)”.
  - (6) For sub-paragraph (2) substitute—

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- “(2) For the purposes of this Schedule—
- (a) the amounts received under or in connection with a licensing scheme, and
  - (b) the expenses incurred for or in connection with such a scheme,
- and the extent to which they are attributable to any financial year, shall be determined in accordance with regulations under this sub-paragraph.”
- 21 In paragraph 3(1) (provision of workplace parking places)—
- (a) for the words from “the cases” to “time being” substitute “a workplace parking place is provided at any premises at any time if a parking place provided at the premises is at that time”, and
  - (b) for paragraph (d) substitute—
    - “(d) where a body whose affairs are controlled by its members is a relevant person, by a member of the body engaged in the carrying on of any business of the body.”.
- 22 (1) Paragraph 7 (making of licensing scheme) is amended as follows.
- (2) After paragraph (a) of sub-paragraph (3) insert—
- “(aa) require such an authority to publish its proposals for the scheme and to consider objections to the proposals;”.
- (3) After paragraph (d) of that sub-paragraph insert—
- “(da) require the authority by whom any such order is made to publish notice of the order and of its effect.”
- (4) Omit paragraph (e) of that sub-paragraph.
- (5) After that sub-paragraph insert—
- “(4) Subsections (2) and (3) of section 250 of the Local Government Act 1972 (witnesses at local inquiries) apply in relation to any inquiry held by virtue of sub-paragraph (3)(b) above.
  - (5) Where an inquiry is held by virtue of sub-paragraph (3)(b) above for the purposes of any order containing a licensing scheme—
    - (a) the costs of the inquiry shall be paid by the licensing authority; and
    - (b) the parties at the inquiry shall bear their own costs.”
- 23 For paragraph 15 substitute—
- “15 A licence may not be granted for a period of more than one year.”
- 24 Renumber paragraph 16 (licensing: procedure) as sub-paragraph (1) of that paragraph and after that sub-paragraph insert—
- “(2) A person who intentionally provides false or misleading information in or in connection with an application for a licence is guilty of an offence and liable—
    - (a) on summary conviction, to a fine not exceeding the statutory maximum; or
    - (b) on conviction on indictment, to a fine.”

- 25 In paragraph 17(3) and (4) (exemptions, reduced rates etc.), after “(2) above” insert  
“and to paragraphs 7 and 9 above”.
- 26 (1) Paragraph 18 (penalty charges) is amended as follows.
- (2) In sub-paragraph (1), for “, notification, payment, adjudication or enforcement”  
substitute “and payment”.
- (3) After sub-paragraph (2) insert—
- “*(3) The Lord Chancellor may make regulations about the notification,  
adjudication and enforcement of penalty charges.*”
- 27 For paragraph 19 substitute—
- “19 Charges imposed in respect of any premises by a licensing scheme  
(including penalty charges imposed in respect of any premises) shall be  
paid—
- (a) by the occupier of the premises; or
- (b) in prescribed circumstances, by such person as is prescribed.”
- 28 In paragraph 20 (determination of disputes and appeals), for “Regulations may”  
substitute “The Lord Chancellor may by regulations”.
- 29 (1) Paragraph 21 (accounts and funds) is amended as follows.
- (2) In sub-paragraphs (1) and (2), for “of their income and expenditure in respect of”  
substitute “relating to”.
- (3) In sub-paragraph (3)—
- (a) for the words from the beginning to “year, each” substitute “Each”, and
- (b) for “that year” substitute “each financial year”.
- (4) After sub-paragraph (4) insert—
- “*(4A) Regulations may make further provision relating to—*
- (a) accounts required to be kept under sub-paragraph (1) or (2)  
above (including provision requiring or allowing the keeping  
of consolidated accounts relating to more than one licensing  
scheme); and
- (b) the preparation and publication of statements of such accounts.”
- (5) In sub-paragraph (5)(b), after “account” insert “(after the application of any of the  
net proceeds in accordance with the following provisions)”.
- 30 In paragraph 31 (rights of entry)—
- (a) in sub-paragraph (4), for “wilfully” substitute “intentionally” and for “level  
5 on the standard scale” substitute “the statutory maximum”, and
- (b) in sub-paragraph (6), for “(7)” substitute “(5)”.
- 31 In paragraph 32 (evidence), for “Regulations may” substitute “The Lord Chancellor  
may by regulations”.
- 32 In paragraph 35 (guidance), insert at the end—
- “*(3) Guidance issued under this paragraph shall be published in such manner  
as the Authority consider appropriate; and the Authority may at any time  
vary or revoke such guidance.*”

33 After that paragraph insert—

*“Information*

- 35A (1) Information obtained by—
- (a) any Minister of the Crown or government department, or
  - (b) any local authority or other statutory body,
- may be disclosed to a licensing authority for or in connection with the exercise of any of their functions with respect to a licensing scheme.
- (2) Information obtained by a licensing authority for or in connection with any of their functions other than their functions with respect to a licensing scheme may be used by the authority for or in connection with the exercise of any of their functions with respect to a licensing scheme.
- (3) Any information—
- (a) which has been or could be disclosed to a licensing authority under sub-paragraph (1) above for or in connection with the exercise of any of their functions with respect to a licensing scheme, or
  - (b) which has been or could be used by an authority by virtue of sub-paragraph (2) above for or in connection with the exercise of any of those functions,
- may be disclosed to any person with whom the authority has entered into arrangements under paragraph 33(b) above.
- (4) Information disclosed to a person under sub-paragraph (3) above—
- (a) may be disclosed to any other person for or in connection with the licensing scheme; but
  - (b) may not be used (by him or any other person to whom it is disclosed under paragraph (a) above) otherwise than for or in connection with the licensing scheme.”

34 In paragraph 39 (variation and revocation of licensing schemes)—

- (a) omit “, exercisable in the same manner, and subject to the same conditions and limitations,”, and
- (b) insert at the end “; and paragraph 7 above applies in relation to the variation or revocation of a licensing scheme as to the making of a licensing scheme.”



SCHEDULE 14

Section 204.

STRATEGIC RAIL AUTHORITY

**PART I**

MEMBERS AND STAFF

*Tenure of members*

- 1
- (1) Subject to the following provisions of this paragraph, members of the Authority shall hold and vacate office as members in accordance with the terms of their appointments.
  - (2) A member of the Authority shall be eligible for re-appointment on ceasing to be a member.
  - (3) A member of the Authority may at any time resign from membership by giving notice to the Secretary of State.
  - (4) The Secretary of State may terminate the appointment of a person as a member of the Authority if satisfied—
    - (a) that the person has been absent from meetings of the Authority for a period of more than three months without the permission of the Authority,
    - (b) that the person has been adjudged bankrupt, that the person's estate has been sequestrated or that the person has made a composition or arrangement with, or granted a trust deed for, creditors, or
    - (c) that the person is unable or unfit to carry out the functions of a member.

*Member appointed to chair Authority and deputy*

- 2
- (1) Subject to the following provisions of this paragraph—
    - (a) the member appointed to chair the Authority, and
    - (b) any member appointed to act as deputy to that member,shall hold and vacate office as such in accordance with the terms of their appointments.
  - (2) A member appointed to chair the Authority, or to act as deputy to that member, shall be eligible for re-appointment on ceasing to hold office as such (if still a member of the Authority).
  - (3) A member so appointed may at any time resign from office as such by giving notice to the Secretary of State.
  - (4) A member so appointed shall vacate office as such on ceasing to be a member of the Authority.
  - (5) When a member—
    - (a) is appointed to chair the Authority or to act as deputy to that member, or
    - (b) ceases to hold office as such,the Secretary of State may vary the terms of the member's appointment as a member of the Authority so as to alter the date of cessation of membership.

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*Remuneration, pensions etc. for members*

- 3 (1) The Authority shall pay to its members—
- (a) any such remuneration, and
  - (b) any such travelling and other allowances,
- as may be determined by the Secretary of State.
- (2) The Authority shall, if required to do so by the Secretary of State—
- (a) pay such pension, allowances or gratuities as may be determined by the Secretary of State to or in respect of a person who is or has been a member of the Authority,
  - (b) make such payments as may be determined by the Secretary of State towards provision for the payment of a pension, allowances or gratuities to or in respect of a person who is or has been a member of the Authority, or
  - (c) provide and maintain such schemes (whether contributory or not) as may be determined by the Secretary of State for the payment of pensions, allowances or gratuities to or in respect of persons who are or have been members of the Authority.
- (3) If, when a person ceases to hold office as a member of the Authority, the Secretary of State determines that there are special circumstances which make it right that the person should receive compensation, the Authority shall pay such compensation as may be determined by the Secretary of State.

*Staff*

- 4 (1) The Authority may employ such persons (in addition to the chief executive) as it may determine.
- (2) The terms of employment of employees of the Authority shall be such as the Authority may determine.
- 5 (1) The Authority may, in particular—
- (a) pay such pensions, allowances or gratuities as it may determine to or in respect of persons who are or have been employees of the Authority,
  - (b) make such payments as it may determine towards provision for the payment of pensions, allowances or gratuities to or in respect of such persons, or
  - (c) provide and maintain such schemes (whether contributory or not) as it may determine for the payment of pensions, allowances or gratuities to or in respect of such persons.
- (2) References in sub-paragraph (1) to pensions, allowances or gratuities include pensions, allowances or gratuities by way of compensation in respect of loss of employment or loss or diminution of emoluments.
- 6 (1) The persons to whom section 1 of the Superannuation Act 1972 applies (persons to or in respect of whom benefits may be provided by schemes under that section) shall include employees of the Authority; and, accordingly, in Schedule 1 to that Act, at the appropriate point in the list of “Other Bodies”, insert—
- “The Strategic Rail Authority.”
- (2) If a person who is, by reference to employment by the Authority, a participant in a scheme under section 1 of the Superannuation Act 1972 becomes a member of the Authority, the Minister for the Civil Service may determine that the person’s term

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of office as such shall be treated for the purposes of the scheme as employment by the Authority.

- (3) The Authority shall pay to the Minister for the Civil Service, at such times as he may direct, such sums as he may determine in respect of any increase attributable to sub-paragraph (1) or (2) in the sums payable out of money provided by Parliament under the Superannuation Act 1972.
- (4) The Minister for the Civil Service may, to such extent and subject to such conditions as he thinks fit, delegate to the Authority the function of administering a scheme under section 1 of the Superannuation Act 1972, so far as relating to employees of the Authority.
- (5) If he does so, the Authority may, to such extent and subject to such conditions as it may determine, authorise the exercise of that function by, or by employees of, any person.
- (6) Where a person is authorised under sub-paragraph (5) to exercise that function, anything done or omitted to be done by or in relation to him (or an employee of his) in, or in connection with, the exercise or purported exercise of the function shall be treated for all purposes as done or omitted to be done by or in relation to the Authority.
- (7) Sub-paragraph (6) does not apply for the purposes of—
  - (a) any criminal proceedings against the authorised person (or an employee of his), or
  - (b) any contract between him and the Authority, so far as relating to the function.

## PART II

### FUNDING

#### *Government grants*

- 7       The Secretary of State may make to the Authority grants of such amounts, on such terms, as he may determine.

#### *Borrowing*

- 8       (1) The Authority is entitled to borrow in accordance with the following provisions of this paragraph, but not otherwise.
- (2) Subject to sub-paragraph (5), the Authority may borrow from the Secretary of State such sums in sterling as it may require for meeting its obligations and carrying out its functions.
- (3) Subject to sub-paragraphs (4) and (5), the Authority may borrow temporarily in sterling (by way of overdraft or otherwise) from persons other than the Secretary of State such sums as it may require for meeting its obligations and carrying out its functions.
- (4) Borrowing under sub-paragraph (3) requires the consent of the Secretary of State which will not be given without the approval of the Treasury.
- (5) The Authority may not borrow if the effect would be—

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- (a) to take the aggregate amount outstanding in respect of the principal of sums borrowed by it over its borrowing limit, or
  - (b) to increase the amount by which the aggregate amount so outstanding exceeds that limit.
- (6) The Authority's borrowing limit is—
- (a) £3 billion, or
  - (b) such greater sum as the Secretary of State may, with the approval of the Treasury, specify by order made by statutory instrument.
- (7) An order under sub-paragraph (6)(b) shall not be made unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, the House of Commons.

*Terms of government loans*

- 9 (1) The approval of the Treasury is needed for the making of any loan to the Authority by the Secretary of State.
- (2) Any loan made to the Authority by the Secretary of State shall be repaid to the Secretary of State at such times and by such methods, and interest on the loan shall be paid to him at such rates and at such times, as he may with the approval of the Treasury from time to time determine.
- (3) If in any financial year the Secretary of State makes a loan to the Authority, he shall—
- (a) prepare an account, and
  - (b) send that account to the Comptroller and Auditor General before the end of September in the following financial year.
- (4) The account shall show—
- (a) the amount outstanding at the end of the previous financial year in respect of the principal of sums lent by the Secretary of State to the Authority,
  - (b) the amount of the sums lent by the Secretary of State to the Authority in the current financial year,
  - (c) the amount of any loan repayments made to the Secretary of State by the Authority in that financial year, and
  - (d) the amount outstanding at the end of that financial year in respect of the principal of sums lent by the Secretary of State to the Authority;
- and the form of the account and the manner of preparing it shall be such as the Treasury may direct.
- (5) The Comptroller and Auditor General shall examine, certify and report on each account sent to him under this paragraph and shall lay copies of it and of his report before each House of Parliament.

*Government guarantees*

- 10 (1) The Secretary of State may, with the approval of the Treasury, guarantee, in such manner and on such conditions as he may consider appropriate—
- (a) the repayment of the principal of,
  - (b) the payment of interest on, and
  - (c) the discharge of any other financial obligation in connection with,

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any sum which the Authority borrows from any person other than the Secretary of State.

- (2) Where the Secretary of State gives a guarantee under this paragraph he shall, as soon after giving it as is reasonably practicable, lay a statement of the guarantee before each House of Parliament.
- (3) Where any sum is paid out for fulfilling a guarantee under this paragraph, the Secretary of State shall, as soon as reasonably practicable after the end of each financial year—
  - (a) beginning with that in which the sum is paid out, and
  - (b) ending with that in which all liability in respect of the principal of the sum and in respect of interest on it is finally discharged,lay before each House of Parliament a statement relating to that sum.
- (4) Where any sums are paid out for fulfilling a guarantee under this paragraph, the Authority shall make to the Secretary of State, at such times and in such manner as he may from time to time direct—
  - (a) payments of such amounts as he may so direct in or towards repayment of the sums so paid out, and
  - (b) payments of interest, at such rate as he may so direct, on what is outstanding for the time being in respect of sums so paid out.
- (5) The approval of the Treasury shall be required for the giving of a direction under sub-paragraph (4).

#### *Accounts and audit*

- 11 (1) The Authority shall—
  - (a) keep proper accounts and proper accounting records, and
  - (b) prepare in respect of each financial year a statement of accounts giving a true and fair view of the state of affairs and the income and expenditure of the Authority.
- (2) Every statement of accounts prepared under sub-paragraph (1)(b) shall comply with any requirement which the Secretary of State has, with the approval of the Treasury, notified in writing to the Authority and which relates to—
  - (a) the information to be contained in the statement,
  - (b) the manner in which that information is to be presented, or
  - (c) the methods and principles according to which the statement is to be prepared.
- 12 (1) The accounts of the Authority relating to each financial year shall be audited by the Comptroller and Auditor General who shall send a copy of his report on them to the Authority; and for this purpose “accounts” includes the statement of accounts prepared under paragraph 11(1)(b) in respect of the financial year.
- (2) The Authority shall send—
  - (a) a copy of the accounts audited under sub-paragraph (1), and
  - (b) the report made on them by the Comptroller and Auditor General,to the Secretary of State who shall lay a copy of each of them before each House of Parliament.

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*Direction requiring payment to Secretary of State*

- 13 (1) The Secretary of State may, after consultation with the Treasury, give a direction to the Authority requiring it to pay to him an amount equal to the whole or such part as may be specified in the direction of any sum, or any sum of a description, so specified which is or has been received by the Authority.
- (2) Where it appears to the Secretary of State that the Authority has a surplus, whether on capital or revenue account, he may, after consultation with the Treasury, direct the Authority to pay to him such amount not exceeding the amount of that surplus as may be specified in the direction.
- (3) The Secretary of State shall consult the Authority before giving a direction under this paragraph.

*Taxation*

- 14 (1) The Secretary of State may make regulations for the purpose of eliminating, or reducing to such extent as may be prescribed, the Authority's liability to tax in respect of—
- (a) income and chargeable gains, or
  - (b) any prescribed class of income or chargeable gains.
- (2) The regulations may, in particular, provide—
- (a) for any elimination or reduction of liability to tax conferred by virtue of sub-paragraph (1) to be subject to prescribed conditions (including conditions requiring prescribed activities of the Authority to be carried out by persons other than the Authority), and
  - (b) for transactions entered into by the Authority not to be invalidated merely by reason of a contravention of any such conditions.
- (3) The regulations may—
- (a) for purposes connected with any elimination or reduction of liability to tax conferred by virtue of sub-paragraph (1), apply or modify any provision made by or under the Corporation Tax Acts (including provision made by Schedule 26),
  - (b) make different provision for different cases, and
  - (c) include such incidental, consequential, supplementary and transitional provision and savings as the Secretary of State may consider appropriate.
- (4) Regulations under this paragraph—
- (a) shall be made by statutory instrument, and
  - (b) require the consent of the Treasury.
- (5) No regulations shall be made under this paragraph unless a draft of the statutory instrument containing the regulations has been laid before, and approved by a resolution of, the House of Commons.

*Interpretation*

- 15 In this Part—
- “accounting records” includes all books, papers and other records of the Authority relating to, or to matters dealt with in, the accounts required to be kept by the Authority, and

“financial year” means a period beginning with 1st April (or, in the case of the first financial year of the Authority, with the day on which the Authority is established) and ending with the next 31st March.

### **PART III**

#### FINANCIAL FRAMEWORK AND INFORMATION

##### *Financial framework*

- 16 (1) The Secretary of State shall prepare, and may from time to time revise, a document to be known as the Authority’s financial framework.
- (2) The Authority’s financial framework shall specify rules and principles according to which the Authority is to exercise its functions in relation to—
- (a) financial matters, and
  - (b) matters relating to its employees.
- (3) The Authority shall not exercise any of its functions in a manner which is inconsistent with the Authority’s financial framework.
- (4) A transaction entered into by the Authority is not invalidated merely by reason of a contravention by the Authority of sub-paragraph (3); and this sub-paragraph applies whether or not any person who entered into the transaction with the Authority enquired whether the Authority was acting in contravention of that sub-paragraph.

##### *Information*

- 17 The Authority shall give to the Secretary of State information, advice and assistance about any matter in respect of which any function of the Authority is exercisable if the Authority considers it appropriate, or is requested by the Secretary of State, to do so.

### **PART IV**

#### PROCEDURE

##### *Introductory*

- 18 Subject to the following provisions of this Part, the Authority may regulate its own procedure (including quorum).

##### *Committees and sub-committees*

- 19 (1) The Authority may establish committees and any committee of the Authority may establish sub-committees.
- (2) The members of committees and sub-committees may include persons who are not members of the Authority.

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*Delegation of functions*

- 20 (1) Anything authorised or required by or under any enactment to be done by the Authority may be done—
- (a) by any member or employee who has been authorised for the purpose, whether generally or specially, by the Authority,
  - (b) by any committee or sub-committee which has been so authorised, or
  - (c) by any wholly owned subsidiary of the Authority which has been so authorised.
- (2) A person may not act in relation to any matter delegated under sub-paragraph (1)(a) if in any way directly or indirectly interested in it.

*Members' interests*

- 21 (1) Where any matter brought up for consideration at a meeting of the Authority or a committee or sub-committee is one in which any person who is a member of it is in any way directly or indirectly interested, the person shall disclose the nature of the interest to the meeting; and where such a disclosure is made—
- (a) the disclosure shall be recorded in the minutes of the meeting, and
  - (b) the person shall not take any part in any deliberation or decision with respect to that matter.
- (2) Sub-paragraph (1) shall only apply to a person not present at a meeting if the person was aware that the matter would be brought up for consideration at the meeting.
- (3) For the purposes of sub-paragraph (1), a general notification given at a meeting of the Authority to the effect that a person—
- (a) has an interest in a specified company, firm or other organisation, and
  - (b) is to be regarded as interested in any matter involving that company, firm or other organisation,
- shall be regarded as a sufficient disclosure of the interest in relation to any such matter.
- (4) A person need not attend in person at a meeting in order to make a disclosure required under this paragraph if reasonable steps are taken to secure that the disclosure is made by a notice which is read and considered at the meeting.
- (5) The Secretary of State may remove a disability under this paragraph subject to appropriate conditions.
- (6) The power of the Secretary of State under sub-paragraph (5) includes power to remove, either indefinitely or for any period, a disability which would otherwise attach to any person, or persons of any description, by reason of such interests, and in respect of such matters, as may be specified or described by the Secretary of State.
- (7) Nothing in this paragraph precludes any person from taking part in the consideration or discussion of, or voting on, any question whether an application should be made to the Secretary of State for the exercise of the power conferred by sub-paragraph (5).



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*Vacancies and defective appointments*

- 22 The validity of any proceedings of the Authority, or of a committee or sub-committee, shall not be affected by a vacancy amongst the members or by a defect in the appointment of a member.

*Minutes*

- 23 (1) Minutes shall be kept of proceedings of the Authority and of committees and sub-committees.
- (2) Minutes of any such proceedings shall be evidence of those proceedings if they are signed by a person purporting to have chaired the proceedings to which the minutes relate or of any subsequent proceedings in the course of which the minutes were approved as a correct record.
- (3) Where minutes of any such proceedings have been signed as mentioned in sub-paragraph (2), those proceedings shall, unless the contrary is shown, be deemed to have been validly convened and constituted.

*Execution and proof of instruments*

- 24 (1) The application of the seal of the Authority shall be authenticated by the signature of any member or employee of the Authority who has been authorised for the purpose, whether generally or specially, by the Authority.
- (2) Any document which the Authority is authorised or required by or under any enactment to serve, make or issue may be signed on behalf of the Authority by any member or employee of the Authority who has been authorised for the purpose, whether generally or specially, by the Authority.
- (3) Every document purporting to be an instrument made or issued by or on behalf of the Authority and to be duly executed under the seal of the Authority, or to be signed or executed by a person authorised by the Authority for the purpose, shall be received in evidence and be treated, without further proof, as being so made or issued unless the contrary is shown.
- (4) In sub-paragraph (1) the reference to the signature of a person includes a reference to a facsimile of a signature reproduced by any process; and “signed” in sub-paragraphs (2) and (3) shall be construed accordingly.

**PART V**

CONSEQUENTIAL AMENDMENTS

*Documentary Evidence Act 1868 (c. 37)*

- 25 The Documentary Evidence Act 1868 shall have effect as if—
- (a) the Authority were mentioned in the first column of the Schedule to that Act,
  - (b) any member or employee of the Authority authorised to act on behalf of the Authority were specified in the second column of that Schedule in connection with the Authority, and

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- (c) the regulations referred to in that Act included any document issued by or under the authority of the Authority.

*Public Records Act 1958 (c. 51)*

- 26 In the First Schedule to the Public Records Act 1958 (definition of public records), in Part I of the Table at the end of paragraph 3, in the second column, after “Civil Aviation Authority.” insert—

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“Strategic Rail Authority.”

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*Parliamentary Commissioner Act 1967 (c. 13)*

- 27 In Schedule 2 to the Parliamentary Commissioner Act 1967 (which lists the bodies subject to the jurisdiction of the Parliamentary Commissioner), insert (at the appropriate place in alphabetical order)—

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“Strategic Rail Authority.”

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*House of Commons Disqualification Act 1975 (c. 24)*

- 28 In Part II of Schedule 1 to the House of Commons Disqualification Act 1975 (bodies of which all members are disqualified), insert (at the appropriate place in alphabetical order)—

“The Strategic Rail Authority.”

*Northern Ireland Assembly Disqualification Act 1975 (c. 25)*

- 29 In Part II of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975 (bodies of which all members are disqualified), insert (at the appropriate place in alphabetical order)—

“The Strategic Rail Authority.”

*Freedom of Information Act 2000 (c. 36)*

- 30 In Part VI of Schedule 1 to the Freedom of Information Act 2000 (public authorities), insert (at the appropriate place in alphabetical order)—

“The Strategic Rail Authority.”

SCHEDULE 15

Section 211.

FINANCIAL ASSISTANCE: TRANSFERS TO SRA

*Transfer schemes*

- 1 (1) The Secretary of State may make one or more schemes for the transfer to the Authority of such of the property, rights and liabilities of the Secretary of State (including any rights and liabilities relating to persons employed in the civil service

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of the state) as the Secretary of State considers appropriate in consequence of sections 137 and 139 of the Railways Act 1993 being superseded by section 211 of this Act.

(2) In this Schedule “transfer scheme” means a scheme under this paragraph.

#### *Contents of transfer scheme*

- 2 (1) The property, rights and liabilities which may be transferred by a transfer scheme include property, rights and liabilities that would not otherwise be capable of being transferred or assigned.
- (2) The transfers authorised by sub-paragraph (1) include transfers which are to take effect as if there were no such contravention, liability or interference with any interest or right as there would otherwise be by reason of any provision having effect (whether under any enactment or agreement or otherwise) in relation to the terms on which the transferor is entitled to the property or right, or subject to the liability, in question.
- 3 A transfer scheme may define the property, rights and liabilities to be transferred to the Authority by specifying them or describing them or by referring to all (or all except anything specified or described) of the property, rights and liabilities comprised in a specified part of the undertaking of the Secretary of State (or partly in one way and partly in the other).
- 4 A transfer scheme may also contain provision—
- (a) for the creation, in relation to property which the scheme transfers, of an interest in or right over the property in favour of the Secretary of State,
  - (b) for the creation in favour of the Authority of an interest in or right over, property retained by the Secretary of State,
  - (c) for the creation of rights and liabilities as between the Authority and the Secretary of State, or
  - (d) for any rights or liabilities specified or described in the scheme to be, or to be to any extent, enforceable by or against the Authority.
- 5 A transfer scheme may make such supplementary, incidental and consequential provision as the Secretary of State considers appropriate.

#### *Effect of transfer scheme*

- 6 On the date appointed by a transfer scheme, the property, rights and liabilities which are the subject of the scheme shall, by virtue of this paragraph, be transferred in accordance with the provisions of the scheme.
- 7 Nothing in this Schedule affects the validity of anything done by or in relation to the Secretary of State in connection with anything transferred by a transfer scheme.
- 8 There may be continued by or in relation to the Authority anything (including legal proceedings) relating to anything transferred by a transfer scheme which is in the process of being done by or in relation to the Secretary of State immediately before it is transferred.
- 9 Anything done by the Secretary of State for the purpose of or in connection with anything transferred by a transfer scheme which is in effect immediately before it is transferred shall be treated as if done by the Authority.

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- 10           The Authority shall be substituted for the Secretary of State in documents and legal proceedings relating to anything transferred by a transfer scheme.

*Transfer of employees*

- 11           (1) This paragraph applies where a person employed in the civil service of the state becomes an employee of the Authority under a transfer scheme.
- (2) For the purposes of the Employment Rights Act 1996—
- (a) his period of employment in the civil service of the state counts as a period of employment with the Authority, and
- (b) the change of employment does not break the continuity of the period of employment.

*Modification of transfer scheme*

- 12           (1) If at any time after a transfer scheme has come into force the Secretary of State considers it appropriate to do so, he may by order provide that the scheme shall for all purposes be deemed to have come into force with such modifications, other than modifications relating to the transfer of rights and liabilities under a contract of employment, as may be specified in the order.
- (2) An order under sub-paragraph (1) may make, with effect from the coming into force of the scheme, such provision as could have been made by the scheme, and in connection with giving effect to that provision from that time may contain such supplemental, consequential and transitional provision as the Secretary of State considers appropriate.
- (3) An order under sub-paragraph (1) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

*Consultation*

- 13           Before making a transfer scheme, or an order modifying such a scheme, the Secretary of State shall consult the Authority.

SCHEDULE 16

Section 215.

TRANSFER TO SRA OF FRANCHISING DIRECTOR’S FUNCTIONS

*Transport Act 1968 (c. 73)*

- 1           (1) Section 56 of the Transport Act 1968 (Ministerial grants and local authority payments towards capital expenditure incurred in provision, improvement or development of facilities for public passenger transport) is amended as follows.
- (2) In subsection (2A), for “Franchising Director under which the Franchising Director undertakes to exercise franchising functions of his” substitute “Strategic Rail Authority under which the Authority undertakes to exercise any of its franchising functions”.
- (3) In subsection (2B)—

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- (a) omit the definition of “the Franchising Director”, and
- (b) in the definition of “franchising functions”, for “Franchising Director” substitute “Strategic Rail Authority” and for “him” substitute “it”.

*Insolvency Act 1986 (c. 45)*

2 Sections 11 to 23 and 27 of the Insolvency Act 1986, as they apply by virtue of  
Schedule 6 to the Railways Act 1993 (with the modifications specified in that  
Schedule) where a railway administration order has been made, have effect subject  
to the following amendments.

3 In section 13(3) (appointment of administrator), as it has effect as substituted by  
paragraph 3 of Schedule 6, for “Director of Passenger Rail Franchising” substitute  
“Strategic Rail Authority”.

4 (1) Section 18 (discharge and variation of administration order), as it has effect as  
provided by paragraph 7 of Schedule 6, is amended as follows.

(2) In subsection (1), as substituted by sub-paragraph (2) of paragraph 7, for “Director  
of Passenger Rail Franchising” substitute “Strategic Rail Authority”.

(3) In subsection (4), in the words substituted by paragraphs (a) and (b) of sub-  
paragraph (4) of paragraph 7, for “Director of Passenger Rail Franchising” substitute  
“Strategic Rail Authority”.

5 In section 21(1) (notice of order to be given by administrator), as it has effect as  
provided by paragraph 8 of Schedule 6, in the words substituted by paragraphs (a)  
and (b) of that paragraph, for “Director of Passenger Rail Franchising” substitute  
“Strategic Rail Authority”.

6 In section 23 (statement of proposals), as it has effect as provided by paragraph  
9 of Schedule 6, in subsections (1) and (2A) as substituted by that paragraph, for  
“Director of Passenger Rail Franchising” substitute “Strategic Rail Authority”.

7 In section 27 (protection of interests of creditors and members), as it has effect as  
provided by paragraph 10 of Schedule 6, in—

(a) subsection (1A), as inserted by sub-paragraph (2) of that paragraph, and

(b) subsection (6) as substituted by sub-paragraph (5) of that paragraph,

for “Director of Passenger Rail Franchising” substitute “Strategic Rail Authority”.

*Railways Act 1993 (c. 43)*

8 The Railways Act 1993 has effect subject to the following amendments.

9 In section 4(5)(c) (Regulator to have regard to financial position of Franchising  
Director in discharging his functions), for “Franchising Director in discharging his”  
substitute “Authority in discharging its”.

10 In section 8(8) (duty to consult Franchising Director before making regulations  
about licence applications), for “Franchising Director” substitute “Authority”.

11 (1) Section 17 (access agreements: directions requiring facility owners to enter into  
contracts for use of their railway facilities) is amended as follows.

(2) In subsection (3), for “Franchising Director” (in each place) substitute “Authority”.

(3) In subsection (4)—

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- (a) for “Franchising Director” (in both places) substitute “Authority”, and
  - (b) for “him” (in both places) substitute “the Authority”.
- 12 In section 18 (access agreements: contracts requiring approval of Regulator), in subsection (4), for “Franchising Director” (in each place) substitute “Authority”.
- 13 (1) Section 19 (access agreements: contracts for use, on behalf of the Franchising Director, of installations comprised in network) is amended as follows.
- (2) In subsections (1) and (4), and in the sidenote, for “Franchising Director” substitute “Authority”.
  - (3) In subsection (7)—
    - (a) for “Franchising Director” (in both places) substitute “Authority”, and
    - (b) for “him” (in both places) substitute “the Authority”.
- 14 (1) Section 23 (passenger services to be subject to franchise agreements) is amended as follows.
- (2) In subsection (1), for “Franchising Director” substitute “Authority”.
  - (3) In subsection (2)—
    - (a) for “Franchising Director” substitute “Authority”, and
    - (b) for “his” substitute “its”.
  - (4) In subsection (3), in the definition of “franchise agreement”, for “Franchising Director” substitute “Authority”.
- 15 In section 24(3) (duty of Secretary of State to consult Franchising Director about exemptions from designation as franchise services), for “Franchising Director” substitute “Authority”.
- 16 (1) Section 26 (invitations to tender for franchises) is amended as follows.
- (2) In subsection (1), for “Franchising Director” substitute “Authority”.
  - (3) In subsections (2) and (3)—
    - (a) for “Franchising Director” substitute “Authority”, and
    - (b) for “he” substitute “it”.
- 17 (1) Section 27 (transfer of franchise assets and shares) is amended as follows.
- (2) In subsections (1) and (2)—
    - (a) for “Franchising Director” substitute “Authority”, and
    - (b) for “himself” substitute “itself”.
  - (3) In subsections (3), (4) and (8), for “Franchising Director” substitute “Authority”.
  - (4) In subsection (9)—
    - (a) for “Franchising Director” substitute “Authority”,
    - (b) for “his” substitute “its”, and
    - (c) for “himself” substitute “itself”.
  - (5) In subsection (10)—
    - (a) for “Franchising Director” (in each place) substitute “Authority”, and
    - (b) for “he” substitute “it”.

- 18 (1) Section 28 (fares and approved discount fare schemes) is amended as follows.
- (2) In subsection (2)—
- (a) for “Franchising Director” substitute “Authority”,
  - (b) for “he” (in both places) substitute “it”, and
  - (c) for “his” substitute “its”.
- (3) In subsection (4), for “Franchising Director” substitute “Authority”.
- 19 In section 29 (other terms and conditions of franchise agreements), in subsection (1) (in both places) and in subsection (5), for “Franchising Director” substitute “Authority”.
- 20 (1) Section 34 (Passenger Transport Authorities and Executives: franchising) is amended as follows.
- (2) In subsection (4)—
- (a) for “Franchising Director” substitute “Authority”, and
  - (b) for “him” substitute “the Authority”.
- (3) In subsection (5)—
- (a) for “Franchising Director” substitute “Authority”,
  - (b) for “his” (in both places) substitute “the Authority’s,” and
  - (c) for “him” substitute “the Authority”.
- (4) In subsection (6) and in subsection (7) (in both places), for “Franchising Director” substitute “Authority”.
- (5) In subsection (8)—
- (a) for “Franchising Director” (in both places) substitute “Authority”, and
  - (b) for “he” substitute “the Authority”.
- (6) In subsections (10) and (12) and in subsection (13) (in both places), for “Franchising Director” substitute “Authority”.
- (7) In subsection (14)—
- (a) for “Franchising Director” (in each place) substitute “Authority”,
  - (b) for “him” substitute “the Authority”, and
  - (c) for “he” (in both places) substitute “the Authority”.
- (8) In subsection (15), for “Franchising Director” substitute “Authority”.
- (9) In subsection (16)—
- (a) for “Franchising Director” (in both places) substitute “Authority”, and
  - (b) for “his” substitute “its”.
- (10) In subsection (17), for “Franchising Director” (in each place) substitute “Authority”.
- (11) In subsection (18)—
- (a) for “Franchising Director” (in both places) substitute “Authority”, and
  - (b) for “he may apply” substitute “the Authority may apply”.
- (12) In subsection (19), for “Franchising Director” substitute “Authority”.

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- 21 In section 35 (termination and variation of section 20(2) agreements by Franchising Director), for “Franchising Director” (in each place, including the sidenote) substitute “Authority”.
- 22 (1) Section 37 (proposals to discontinue non-franchised etc. passenger services) is amended as follows.
- (2) In subsection (1), for “Franchising Director” (in both places) substitute “Authority”.
- (3) In subsections (4) and (5)—
- (a) for “Franchising Director” substitute “Authority”, and
- (b) for “he” substitute “it”.
- (4) In subsection (6)—
- (a) for “Franchising Director” substitute “Authority”,
- (b) for “he” substitute “it”, and
- (c) for “him” (in both places) substitute “it”.
- (5) In subsection (7), for “Franchising Director's” substitute “Authority's”.
- (6) In subsection (8), for “Franchising Director” (in both places) substitute “Authority”.
- (7) In subsection (10)—
- (a) for “Franchising Director” substitute “Authority”, and
- (b) for “he” substitute “it”.
- 23 (1) Section 38 (proposals to discontinue franchised etc. passenger services) is amended as follows.
- (2) In subsection (1)—
- (a) for “Franchising Director” (in both places) substitute “Authority”, and
- (b) for “he” substitute “it”.
- (3) In subsection (2)—
- (a) for “Franchising Director” substitute “Authority”, and
- (b) for “him” substitute “it”.
- (4) In subsection (3)—
- (a) for “Franchising Director” (in both places) substitute “Authority”, and
- (b) for “he” substitute “it”.
- (5) In subsection (5)—
- (a) for “Franchising Director” substitute “Authority”, and
- (b) for “him” (in both places) substitute “it”.
- (6) In subsection (6), for “Franchising Director” (in both places) substitute “Authority”.
- (7) In subsection (8), for “Franchising Director” substitute “Authority”.
- 24 (1) Section 39 (notification of proposals to change operational passenger networks) is amended as follows.
- (2) In subsection (1), for “Franchising Director” (in both places) substitute “Authority”.
- (3) In subsections (5) and (6)—
- (a) for “Franchising Director” substitute “Authority”, and



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- (b) for “he” substitute “it”.
- (4) In subsection (7)—
  - (a) for “Franchising Director” substitute “Authority”,
  - (b) for “he” substitute “it”, and
  - (c) for “him” (in both places) substitute “it”.
- (5) In subsection (8), for “Franchising Director's” substitute “Authority's”.
- (6) In subsection (9), for “Franchising Director” (in both places) substitute “Authority”.
- (7) In subsection (11)—
  - (a) for “Franchising Director” substitute “Authority”, and
  - (b) for “he” (in both places) substitute “it”.
- 25 (1) Section 40 (proposals to close passenger networks operated on behalf of Franchising Director) is amended as follows.
  - (2) In subsection (1), for “Franchising Director” (in both places) substitute “Authority”.
  - (3) In subsection (2)—
    - (a) for “Franchising Director” substitute “Authority”, and
    - (b) for “him” substitute “the Authority”.
  - (4) In subsection (5)—
    - (a) for “Franchising Director” substitute “Authority”, and
    - (b) for “him” (in both places) substitute “it”.
  - (5) In subsection (6), for “Franchising Director” (in both places) substitute “Authority”.
  - (6) In subsection (8) and in the sidenote, for “Franchising Director” substitute “Authority”.
- 26 (1) Section 41 (notification of proposals to close railway facilities used in connection with passenger services) is amended as follows.
  - (2) In subsection (1), for “Franchising Director” (in both places) substitute “Authority”.
  - (3) In subsections (4) and (5)—
    - (a) for “Franchising Director” substitute “Authority”, and
    - (b) for “he” substitute “it”.
  - (4) In subsection (6)—
    - (a) for “Franchising Director” substitute “Authority”,
    - (b) for “he” substitute “it”, and
    - (c) for “him” (in both places) substitute “it”.
  - (5) In subsection (7), for “Franchising Director's” substitute “Authority's”.
  - (6) In subsection (8), for “Franchising Director” (in both places) substitute “Authority”.
  - (7) In subsection (10)—
    - (a) for “Franchising Director” substitute “Authority”, and
    - (b) for “he” (in both places) substitute “it”.

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- 27 (1) Section 42 (proposals to close passenger railway facilities operated on behalf of Franchising Director) is amended as follows.
- (2) In subsection (1), for “Franchising Director” (in both places) substitute “Authority”.
- (3) In subsection (2)—
- (a) for “Franchising Director” substitute “Authority”, and
- (b) for “him” substitute “the Authority”.
- (4) In subsection (4)—
- (a) for “Franchising Director” substitute “Authority”, and
- (b) for “him” (in both places) substitute “it”.
- (5) In subsection (5), for “Franchising Director” (in both places) substitute “Authority”.
- (6) In subsection (7) and in the sidenote, for “Franchising Director” substitute “Authority”.
- 28 (1) Section 43 (closures: notification to, and functions of, Regulator and consultative committees).
- (2) In subsection (1)—
- (a) for “Franchising Director” substitute “Authority”,
- (b) for “he” substitute “it”, and
- (c) for “his” substitute “its”.
- (3) In subsections (3), (12) and (13), for “Franchising Director” substitute “Authority”.
- 29 In section 45(2) (closure conditions), for “Franchising Director” (in both places) substitute “Authority”.
- 30 In subsections (2) and (4) of section 46 (variation of closure conditions), for “Franchising Director” substitute “Authority”.
- 31 For section 47 (which transfers to the Franchising Director, so as to make them exercisable concurrently with the Board, the functions of the Board under sections 119 to 124 of the Transport Act 1985) substitute—

**“47 Withdrawal of bus substitution service**

- (1) Where the Authority proposes to seek—
- (a) revocation of a condition requiring it to secure the provision of a bus substitution service, or
- (b) variation of such a condition so as to permit the Authority to withdraw such a service from any locality or point,
- it shall, not less than six weeks before the date proposed for the withdrawal of the service, publish in two successive weeks in two local newspapers circulating in the area affected, and in such other manner as appears to it appropriate, a notice complying with subsection (2) below.
- (2) The notice shall—
- (a) give particulars of the proposed withdrawal of service, of any alternative services which it appears to the Authority will be available and of any proposals of the Authority for securing or augmenting the provision of alternative services; and

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- (b) state that objections to the revocation or variation may be lodged with the appropriate Rail Passengers' Committee within six weeks of a date specified in the notice.
- (3) The date so specified shall be the date on which the notice is last published in a local newspaper as required by subsection (1) above.
- (4) Copies of the notice published under subsection (1) above shall be sent to—
  - (a) the Rail Passengers' Committee for the area in which any locality or point affected by the proposed withdrawal of service is situated; and
  - (b) the Passenger Transport Executive for any passenger transport area in which any such locality or point is situated.
- (5) Where the proposed withdrawal of service relates to a service which is subsidised by the Passenger Transport Executive for any passenger transport area under any agreement made with the Authority, the Authority shall not publish a notice with respect to the proposed withdrawal under subsection (1) above without the consent of—
  - (a) the Executive; or
  - (b) the Secretary of State, who shall not give his consent before affording a reasonable opportunity to the Executive to make representations.
- (6) References in this section and section 47A below to a Rail Passengers' Committee shall be construed, in relation to the Greater London area within the meaning of section 2 above, as references to the London Transport Users' Committee.

#### **47A Objections to withdrawal of bus substitution service**

- (1) Where a notice has been published by the Authority under section 47 above, any user of any service affected (and any body representing users of any such service) may within the period specified in the notice lodge an objection in writing with the Rail Passengers' Committee for the area in a locality or point affected by the proposed withdrawal of service is situated.
- (2) Where a Rail Passengers' Committee receives objections pursuant to a notice under section 47 above, it shall—
  - (a) immediately inform the Secretary of State and the Authority;
  - (b) consider the objection and any representations made by the Authority; and
  - (c) report to the Secretary of State as soon as possible on the hardship, if any, which they consider will be caused by the proposed withdrawal of service (and the report may contain proposals for alleviating that hardship).
- (3) Where objections with respect to any proposed withdrawal of service have been lodged with two or more Rail Passengers' Committees, they may—
  - (a) report to the Secretary of State jointly under this section; or
  - (b) agree that their functions under this sections shall be delegated to one any of them.

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- (4) The Secretary of State may require a further report from any committee making a report to him under subsection (1) above.
- (5) Copies of every report under subsection (1) or (2) above shall be sent to the Rail Passengers' Council and to the Authority.
- (6) Where the proposed withdrawal of service—
  - (a) relates to a service which is subsidised by the Passenger Transport Executive for a passenger transport area, or
  - (b) would affect a locality or point in the passenger transport area of a Passenger Transport Executive,
 the Executive may, within the period specified in the notice for objecting to the withdrawal, send the Secretary of State a statement in writing that they oppose the withdrawal and of their reasons for opposing it (even if they consented to the publication of the notice).
- (7) Where the Passenger Transport Executive for any passenger transport area send such a statement to the Secretary of State they shall send a copy of it to the Authority.

#### **47B Revocation or variation of bus substitution conditions**

- (1) Where an objection to a proposed withdrawal of service is lodged in accordance with subsection (1) of section 47A above, the Secretary of State may revoke or vary the condition in question—
  - (a) when he has received the report required by subsection (3) of that section and any further report required by him under subsection (4) of that section (unless he considers that any such report has been unreasonably delayed); and
  - (b) after considering any statement under subsection (4) of that section.
- (2) Where the Secretary of State revokes or varies a condition under subsection (1), he may—
  - (a) impose such conditions as he thinks fit, including a condition requiring the Authority to secure the provision of another bus substitution service; and
  - (b) from time to time give such directions to the Authority as he thinks fit in connection with the withdrawal of the bus substitution service required by that condition;
 and such a condition may be varied or revoked as if it had been made under section 43 above.
- (3) Where no objections are lodged in accordance with section 47A above, the Secretary of State shall revoke or vary the condition in question in accordance with the Authority’s proposals.”

- 32 (1) Section 48 (experimental services) is amended as follows.
- (2) In subsection (2)—
  - (a) for “Franchising Director” substitute “Authority”, and
  - (b) for “he” substitute “it”.
- (3) In subsection (4)—

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- (a) for “Franchising Director” substitute “Authority”,
  - (b) for “he” substitute “the Authority”, and
  - (c) for “him” substitute “the Authority”.
- (4) In subsection (6), for “Franchising Director” substitute “Authority”.
- (5) In subsection (7)—
  - (a) for “Franchising Director” substitute “Authority”, and
  - (b) for “he” substitute “it”.
- 33 In section 50(1) (exclusion of liability for breach of statutory duty), for “Franchising Director” substitute “Authority”.
- 34 (1) Section 54 (exercise of functions for purpose of encouraging investment in railways) is amended as follows.
  - (2) In subsection (1)—
    - (a) for “Franchising Director” substitute “Authority”, and
    - (b) for “his, or (as the case may be) their,” substitute “their”.
  - (3) In subsection (2)—
    - (a) for “Franchising Director” (in both places) substitute “Authority”, and
    - (b) for “franchising functions of his” substitute “any of its franchising functions”.
  - (4) In subsection (3)—
    - (a) for “Franchising Director” substitute “Authority”,
    - (b) for “functions of his under” substitute “of the Authority’s functions under”,
    - (c) for “him” substitute “the Authority”, and
    - (d) for “his which” substitute “the Authority which”.
- 35 (1) Section 55 (orders for securing compliance) is amended as follows.
  - (2) In subsections (1) to (7)—
    - (a) for “officer” (in each place) substitute “authority”, and
    - (b) for “he” and “him” (in each place) substitute “it”.
  - (3) In subsection (10)—
    - (a) for “officer” substitute “authority”, and
    - (b) for “Franchising Director” substitute “Authority”.
  - (4) In subsection (11), for “Franchising Director” substitute “Authority”.
  - (5) In the heading before section 55, for “*Franchising Director*” substitute “*Authority*”.
- 36 In section 56 (procedural requirements)—
  - (a) for “officer” (in each place) substitute “authority”,
  - (b) for “he” (in each place) substitute “it”, and
  - (c) for “his” (in each place) substitute “its”.
- 37 In section 57(7) (validity and effect of orders), for “officer” substitute “authority”.
- 38 (1) Section 58 (power to require information etc.) is amended as follows.
  - (2) In subsection (1)—
    - (a) for “officer” (in both places) substitute “authority”, and

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- (b) for “his” substitute “its”.
- (3) In subsection (2) (in each place) and in subsection (6), for “officer” substitute “authority”.
- 39 In section 60(1) (railway administration orders made on special petition), for “Franchising Director” substitute “Authority”.
- 40 In section 61 (restriction on making winding-up order in respect of protected railway company), for “Franchising Director” (in both places) substitute “Authority”.
- 41 In section 62 (restrictions on voluntary winding up and insolvency proceedings in case of protected railway companies), for “Franchising Director” (in each place) substitute “Authority”.
- 42 In section 69(4) (power of Regulator to provide Franchising Director with information relating to Franchising Director’s functions), for “Franchising Director” (in each place) substitute “Authority”.
- 43 In subsection (9) of section 72 (keeping of register by Regulator)—
- (a) for “Franchising Director” (in both places) substitute “Authority”, and
  - (b) for “him” substitute “it”,
- and in the heading preceding that section, for “Franchising Director” substitute “Authority”.
- 44 (1) Section 73 (keeping of register by Franchising Director) is amended as follows.
- (2) In subsection (1)—
- (a) for “Franchising Director” substitute “Authority”, and
  - (b) for “he” substitute “it”.
- (3) In subsection (2)—
- (a) for “Franchising Director” (in both places) substitute “Authority”, and
  - (b) for “he” (in both places) substitute “it”.
- (4) In subsection (3) (in both places), in subsection (4), in subsection (6) (in both places) and in subsection (7) (in both places), for “Franchising Director” substitute “Authority”.
- (5) In the sidenote, for “Franchising Director” substitute “Authority”.
- 45 (1) Section 75 (annual reports of Franchising Director) is amended as follows.
- (2) In subsection (1)—
- (a) for “Franchising Director” substitute “Authority”,
  - (b) for “the first relevant financial year, and of each subsequent financial year,” substitute “each financial year,”, and
  - (c) for “his” substitute “its”.
- (3) In subsections (2) and (2A), in subsection (3) (in both places) and in the sidenote, for “Franchising Director” substitute “Authority”.
- (4) In subsection (4), omit the definition of “first relevant financial year”.
- 46 In section 76 (general duties of Central Committee), in subsection (4)(b) (in both places) and in subsection (8), for “Franchising Director” substitute “Authority”.

- 47 In section 77 (general duties of consultative committees), in subsection (3)(b) (in both places), in subsection (8) (in both places) and in subsection (10), for “Franchising Director” substitute “Authority”.
- 48 (1) Section 80 (duty to furnish information to Franchising Director on request) is amended as follows.
- (2) In subsection (1)—
- (a) for “Franchising Director” (in both places) substitute “Authority”,
  - (b) for “he” (in both places) substitute “it”, and
  - (c) for “function of his” substitute “of its functions”.
- (3) In subsection (3), in subsection (4) (in each place), in subsection (8) and in the sidenote, for “Franchising Director” substitute “Authority”.
- 49 (1) Section 118 (control of railways in time of hostilities, severe international tension or great national emergency) is amended as follows.
- (2) In subsection (1), for “Franchising Director” substitute “Authority”.
- (3) In subsection (3)—
- (a) for “Franchising Director” substitute “Authority”, and
  - (b) for “him to carry out his” substitute “the carrying out of”.
- (4) In subsection (5)—
- (a) for “Franchising Director” substitute “Authority”, and
  - (b) omit “given to him” and “relating to him”.
- (5) In subsection (9), for “Franchising Director” substitute “Authority”.
- 50 (1) Section 135 (concessionary travel for railway staff etc.) is amended as follows.
- (2) In subsections (2) and (3), for “Franchising Director” substitute “Authority”.
- (3) In subsection (6)—
- (a) for “Franchising Director” substitute “Authority”, and
  - (b) for “his” substitute “its”.
- (4) In subsection (7), for “Franchising Director” substitute “Authority”.
- 51 (1) Section 136 (grants and subsidies) is amended as follows.
- (2) In subsections (3) and (4), for “Franchising Director” substitute “Authority”.
- (3) In subsection (6), for “Franchising Director may each, in his capacity” substitute “Authority may each,”.
- (4) In subsection (7), for “Franchising Director” (in both places) substitute “Authority”.
- (5) In subsection (10), for “Franchising Director” substitute “Authority”.
- 52 In section 145 (restriction on disclosure of information not to apply to disclosure for facilitating carrying out of certain functions), for “Franchising Director” (in both places) substitute “Authority”.
- 53 In section 151 (interpretation), in subsection (2) (in both places) and in subsection (3) (in each place), for “Franchising Director” substitute “Authority”.

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- 54 (1) Paragraph 2 of Schedule 7 (transfer schemes in connection with railway administration orders) is amended as follows.
- (2) In sub-paragraph (2), for “Franchising Director” substitute “Authority”.
- (3) In sub-paragraph (3), for “Franchising Director, for his approval, he” substitute “Authority for approval, the Secretary of State or Authority”.
- (4) In sub-paragraph (6)—
- (a) for “Franchising Director” substitute “Authority”, and
  - (b) for “him” substitute “the Secretary of State or Authority”.
- (5) In sub-paragraph (7)—
- (a) for “Franchising Director” substitute “Authority”,
  - (b) for “he” substitute “the Secretary of State or Authority”, and
  - (c) omit “on him”.

*Railway Heritage Act 1996 (c. 42)*

- 55 (1) Section 1 of the Railway Heritage Act 1996 (bodies to which Act applies) is amended as follows.
- (2) For paragraph (f) substitute—
- “(f) the Strategic Rail Authority (“the Authority”);”.
- (3) In paragraph (g), for “that Director” substitute “the Authority”.

*Channel Tunnel Rail Link Act 1996 (c. 61)*

- 56 (1) Section 19 of the Channel Tunnel Rail Link Act 1996 (railway administration orders) is amended as follows.
- (2) In subsections (2) and (5), for “Director of Passenger Rail Franchising” substitute “Strategic Rail Authority”.
- (3) In subsection (6)—
- (a) for ““Franchising Director” (in both places) substitute “Authority””, and
  - (b) for ““Director”” substitute ““Authority””.

*Competition Act 1998 (c. 41)*

- 57 In paragraph 2 of Schedule 11 to the Competition Act 1998 (meaning of “designated person” in provisions about disclosure of information), for paragraph (k) substitute—
- “(k) the Strategic Rail Authority;”.

*Greater London Authority Act 1999 (c. 29)*

- 58 The Greater London Authority Act 1999 has effect subject to the following amendments.
- 59 (1) Section 175 (co-operation between Transport for London and Franchising Director) is amended as follows.



- (2) In subsection (1) (in both places), in subsection (2) and in the sidenote, for “Franchising Director” substitute “Strategic Rail Authority”.
- (3) In subsection (3)—
- (a) for “Franchising Director” substitute “Strategic Rail Authority”,
  - (b) for “his” substitute “its”, and
  - (c) for “him” substitute “it”.
- (4) Omit subsection (4).
- 60 In section 177 (provision of extra passenger transport services and facilities), for “Franchising Director” (in both places) substitute “Strategic Rail Authority”.
- 61 For section 196 (power of Greater London Authority to give instructions or guidance to Franchising Director) and the heading before it substitute—

*“The Authority and the Strategic Rail Authority*

**196 Power of Authority to give directions and guidance to Strategic Rail Authority**

- (1) The Authority may give directions and guidance to the Strategic Rail Authority in relation to the provision of railway services in Greater London.
- (2) It is immaterial for the purpose of giving directions and guidance under subsection (1) above whether implementation of the directions and guidance affects railway services outside Greater London.
- (3) The Strategic Rail Authority shall exercise its functions in the manner best calculated to implement any directions and guidance given to it by the Authority (but subject to subsections (4) and (5) below).
- (4) The Strategic Rail Authority shall not implement any directions or guidance given to it by the Authority if or to the extent that to do so would prevent or seriously hinder the Strategic Rail Authority—
  - (a) from complying with any directions given to it by the Secretary of State under section 207(5) of the Transport Act 2000 or from having regard to any guidance so given; or
  - (b) from exercising any of its functions in a manner which is consistent with its financial framework.
- (5) The Strategic Rail Authority need not implement any directions or guidance given to it by the Authority if or to the extent that to do so would—
  - (a) have an adverse effect on the provision of services for the carriage of passengers or goods by railway outside Greater London; or
  - (b) increase the amount of any expenditure of the Strategic Rail Authority under agreements or other arrangements entered into (in accordance with a franchise agreement) with the franchise operator, the franchisee or any servant, agent or independent contractor of the franchise operator or franchisee.
- (6) If the Strategic Rail Authority decides not to implement any directions or guidance given to it by the Authority, whether generally or in a particular

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case, it shall give the Authority notification of the decision and its reasons for it.

- (7) The directions and guidance which may be given under this section are—
- (a) directions and guidance as to the manner in which the Strategic Rail Authority is to exercise its functions in order to comply with section 207(1) to (3) of the Transport Act 2000, and
  - (b) directions to the Strategic Rail Authority not to exercise any of its functions in a particular manner (or not to do so without consulting, or obtaining the consent of, the Authority),
- in relation to the provision of services for the carriage of passengers by railway or the operation of additional railway assets under or by virtue of any franchise agreement or any provision of sections 30 and 37 to 49 of the Railways Act 1993.
- (8) The functions of the Authority under this section shall be exercisable by the Mayor acting on behalf of the Authority.
- (9) Expressions used in this section and in Part I of the Railways Act 1993 have the same meaning in this section as in that Part.”

- 62 In section 197 (Franchising Director to consult Mayor of London as to fares, services etc.), for “Franchising Director” (in each place, including the sidenote) substitute “Strategic Rail Authority”.
- 63 In section 199(1) (licence exemptions and facility exemptions), for “Franchising Director” substitute “Strategic Rail Authority”.
- 64 In section 201(3)(c) (agreements requiring passenger licence not to be made by Transport for London: excepted agreements), for “Franchising Director” substitute “Strategic Rail Authority”.
- 65 In section 203 (closures: copy documents to Mayor of London), for “Franchising Director” (in both places, including the sidenote) substitute “Strategic Rail Authority”.
- 66 (1) Section 235 (disclosure of information) is amended as follows.
- (2) In subsection (2)(b), for “Franchising Director” substitute “Strategic Rail Authority”.
  - (3) Omit subsection (6).
- 67 (1) Section 240 (travel concessions on journeys in and around Greater London) is amended as follows.
- (2) In subsection (2) (in both places), and in subsection (7), for “Franchising Director” substitute “Strategic Rail Authority”.
  - (3) In subsection (8), omit the definition of “the Franchising Director”.

## SCHEDULE 17

Section 216.

### TRANSFERS TO SRA FROM RAIL REGULATOR

#### PART I

##### FUNCTIONS RELATING TO LICENCES

###### *Introductory*

1 The Railways Act 1993 has effect subject to the following amendments.

###### *Exemptions*

2 (1) Section 7 (exemptions from requirement for operator of railway asset to be authorised by licence) is amended as follows.

(2) In subsection (1) (power of Secretary of State to grant exemption after consultation with Regulator), after “Regulator” insert “and the Authority”.

(3) In subsection (3) (power of Regulator to grant exemption after consultation with Secretary of State), after “Secretary of State” insert “and the Authority”.

(4) After subsection (5) insert—

“(5A) The Regulator shall obtain the approval of the Authority to any condition of a licence exemption which relates to consumer protection; but a failure to comply with this subsection shall not affect the validity of the licence exemption.”

(5) After subsection (6) insert—

“(6A) If the broken condition relates to consumer protection, the Authority may require the Regulator to give to any relevant person specified by the Authority a direction declaring that the licence exemption is revoked, so far as relating to that person, to such extent and from such date as is specified by the Authority.”

(6) In subsection (7), for “subsection (6) above” substitute “this section”.

(7) After subsection (8) insert—

“(8A) The Authority may require the Regulator, when he gives a direction to any person in compliance with a requirement under subsection (6A) above, also to direct that person to refrain from being the operator of any railway assets, any railway assets specified by the Authority or any railway assets of a class or description so specified.”

(8) In subsection (9), for “subsection (6)” substitute “subsections (6) and (6A)”.

###### *Consumer protection conditions*

3 After section 7 insert—

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### **“7A Consumer protection conditions**

- (1) For the purposes of this Part conditions of a licence or licence exemption relate to consumer protection if they are—
  - (a) conditions about fares, other than conditions about predatory fare pricing;
  - (b) conditions about complaints against the operator by members of the public or liabilities of the operator to members of the public;
  - (c) conditions about insurance;
  - (d) conditions about policing or security;
  - (e) conditions for facilitating the use of railway services by members of the public (for instance, conditions about timetable information, enquiries, sale of tickets, through ticketing and conditions of carriage);
  - (f) conditions about liaison with the Rail Passengers' Council or Rail Passengers' Committees; or
  - (g) conditions for protecting the interests of persons who are disabled.
- (2) The Secretary of State may make regulations providing that for the purposes of this Part—
  - (a) further prescribed descriptions of conditions of licences or licence exemptions are conditions which relate to consumer protection; or
  - (b) conditions of any description within subsection (1) above are not conditions which so relate.
- (3) Only conditions for protecting the interests of the public may be prescribed under subsection (2)(a) above and conditions of the following descriptions may not be so prescribed—
  - (a) conditions about technical standards or procedures (including safety standards or procedures);
  - (b) conditions about the protection of the environment;
  - (c) conditions about responsibility for, or access to, the railway assets to which the licence or licence exemption relates;
  - (d) conditions relating to the development, improvement or maintenance of the network; and
  - (e) conditions about anti-competitive practices (including predatory fare pricing and cross-subsidy), investment, financial standards or auditing (including efficiency audits).
- (4) The Secretary of State may make in relation to any licence or licence exemption granted before the coming into force of regulations under subsection (2) above a scheme making such provision as appears to him to be appropriate in consequence of the provision made by the regulations.
- (5) A scheme under subsection (4) above may include modifications of—
  - (a) the licence or licence exemption, and
  - (b) any agreements or other arrangements or other documents relating to the person (or any of the persons) to whom it was granted,

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(in particular so that references to the Regulator have effect as references to the Authority or that references to the Authority have effect as references to the Regulator).

- (6) The scheme may include provision—
- (a) for things done by the Regulator before the time when the scheme comes into force to be treated after that time as if done by the Authority; or
  - (b) for things done by the Authority before the time when the scheme comes into force to be treated after that time as if done by the Regulator.
- (7) Before making a scheme under subsection (4) above the Secretary of State must consult—
- (a) the Authority;
  - (b) the Regulator;
  - (c) the person or persons to whom the licence or licence exemption was granted; and
  - (d) any such other persons as the Secretary of State considers appropriate.
- (8) The provision made by regulations under subsection (2) above applies in relation to any licence or licence exemption granted before the coming into force of the regulations only from the coming into force of a scheme made under subsection (4) above in relation to the licence or licence exemption.
- (9) In the case of the exercise by the Authority of any function in relation to conditions of a licence or licence exemption which relate to consumer protection—
- (a) section 207 of the Transport Act 2000 shall not apply; but
  - (b) section 4 above shall apply (as if the Authority were the Regulator)."

#### *Grant*

- 4 (1) Section 8 (licences) is amended as follows.
- (2) In subsection (1)—
- (a) in paragraph (a) (grant by Secretary of State after consultation with Regulator), after "Regulator" insert "and the Authority", and
  - (b) in paragraph (b) (grant by Regulator with consent of, or in accordance with general authority given by, Secretary of State), for the words after "consent" substitute " , or in accordance with a general authority, of the Secretary of State given after consultation with the Authority,".
- (3) In subsection (2) (general authority may require Regulator to consult, or obtain approval of, Secretary of State), for the words after "above" substitute—
- "(a) shall include a requirement for the Regulator before granting a licence to consult the Authority about, or a requirement for him before doing so to obtain the approval of the Authority to, any conditions to be included in the licence which relate to consumer protection; and

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- (b) may include a requirement for the Regulator either to consult the Secretary of State, or a requirement to obtain his approval before granting a licence;

but a failure to comply with such a requirement shall not affect the validity of the licence.”

- (4) In subsection (6) (certain licences not capable of being surrendered without consent of Regulator), for “without the consent of the Regulator” substitute “unless the Regulator and the Authority consent to the surrender”.
- (5) In subsection (7) (grantor of licence to give copies)—
  - (a) in paragraph (a), after “Regulator” insert “, to the Authority”, and
  - (b) in paragraph (b), after “Regulator,” insert “to the Authority and”.

#### *Assignment*

- 5 (1) Section 11 (assignment of licences) is amended as follows.
- (2) In subsection (2) (requirement of consent of whichever of the relevant authorities is specified), for the words after “consent of” substitute—
  - “(a) the Secretary of State, if he is specified for the purpose in the licence;  
or
  - (b) the Regulator and the Authority, in any other case.”
- (3) Omit subsection (3) (definition of “relevant authorities”).
- (4) In subsection (4) (consent may be given subject to conditions imposed by person giving consent), for “the person giving the consent thinks fit to impose” substitute “are imposed by the person or persons giving the consent”.

#### *Modification*

- 6 (1) Section 12 (modification by agreement) is amended as follows.
- (2) After subsection (1) insert—
  - “(1A) The Regulator may not modify the conditions of a licence which relate to consumer protection unless the Authority also consents to the modifications.
  - (1B) Where the Authority proposes to consent to modifications of such conditions, it shall give notice—
    - (a) stating that it proposes to consent to the modifications and setting out their effect,
    - (b) stating the reasons why it proposes to consent to the modifications, and
    - (c) specifying the period (not being less than 28 days from the date of publication of the notice) within which representations or objections with respect to the proposed modifications may be made,
 and shall, before giving consent, consider any representations or objections which are duly made and not withdrawn.

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- (1C) If the Authority consents to the modifications, it shall give a copy of any such representations or objections to the Regulator; and the Regulator shall consider them before making the modifications.”
- (3) In subsection (2) (notice by Regulator)—
- (a) for “under this section” substitute “of any conditions of a licence which do not relate to consumer protection”, and
  - (b) after “and shall” insert “, before making the modifications,”.
- (4) In subsection (3) (giving of notice)—
- (a) after “subsection” insert “(1B) or”, and
  - (b) for “the Regulator” substitute “the Authority, or the Regulator,”.
- (5) In subsection (4) (Regulator to send copy of modifications to Health and Safety Executive), after “to” insert “the Authority and”.
- 7 (1) Section 13 (modification references to Competition Commission) is amended as follows.
- (2) In subsection (1) (making of reference), for “Regulator” substitute “appropriate authority”.
- (3) After that subsection insert—
- “(1A) In this section and section 14 below “the appropriate authority” means—
- (a) where conditions of the licence addressing the matters specified in the reference would all inevitably be conditions relating to consumer protection, the Authority; and
  - (b) in any other case, the Regulator.
- (1B) Before the Authority makes a reference under this section—
- (a) where the licence authorises the operation of trains for the purpose of carrying passengers or goods by railway for hire or reward, it shall obtain the consent of the Regulator; and
  - (b) in any other case, it shall consult the Regulator.
- (1C) Before the Regulator makes a reference under this section—
- (a) where any condition of the licence addressing the matters specified in the reference would or may be conditions relating to consumer protection, he shall obtain the consent of the Authority; and
  - (b) in any other case, he shall consult the Authority.”
- (4) In subsection (2) (variation of reference), for “Regulator” substitute “appropriate authority”.
- (5) In subsection (3) (matters which may be specified in reference or variation)—
- (a) for “Regulator” substitute “appropriate authority”, and
  - (b) for “his” (in both places) substitute “its”.
- (6) In subsection (4) (notice of reference or variation)—
- (a) for “Regulator” substitute “appropriate authority”, and
  - (b) for “he” substitute “it”.

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- (7) In subsection (5) (copy to Secretary of State), for “Regulator” substitute “appropriate authority”.
- (8) In subsection (6) (assistance to Commission)—
- (a) for “Regulator” substitute “appropriate authority”,
  - (b) for “his possession” substitute “the possession of the appropriate authority”,
  - (c) for “his opinion” substitute “the opinion of the appropriate authority”, and
  - (d) for “his power” substitute “the power of the appropriate authority”.
- 8 (1) Section 14 (reports on modification references) is amended as follows.
- (2) In subsection (4) (report to Regulator), for “Regulator” substitute “appropriate authority”.
- (3) In subsection (5) (publication by Regulator)—
- (a) for “Regulator” substitute “appropriate authority”, and
  - (b) for “he” substitute “it”.
- (4) After that subsection insert—
- “(5A) When the Authority receives such a report it shall send a copy of it to the Regulator; and when the Regulator receives such a report he shall send a copy of it to the Authority.”
- (5) In subsection (6) (direction to Regulator to exclude matters against public or commercial interests), for “Regulator” substitute “appropriate authority”.
- 9 (1) Section 15 (modification following report) is amended as follows.
- (2) In subsection (1) (duty of Regulator to modify)—
- (a) for “Where” substitute “This section applies where”, and
  - (b) omit the words following paragraph (d).
- (3) After that subsection insert—
- “(1A) Where the report is made to the Regulator he shall, subject to the following provisions of this section and to section 15A below, make such modifications of the conditions of the licence as appear to him requisite for the purpose of remedying or preventing the adverse effects specified in the report.
- (1B) Where the report is made to the Authority it shall, subject to the following provisions of this section and to section 15A below, require the Regulator to make such modifications of the conditions of the licence as appear to it requisite for the purpose of remedying or preventing the adverse effects specified in the report.”
- (4) In subsection (2) (Regulator to have regard to modifications specified in report)—
- (a) after “making” insert “, or requiring the making of”, and
  - (b) after “Regulator” insert “, or Authority,”.
- (5) In subsection (3) (notice by Regulator), for “this section” substitute “subsection (1A) above”.
- (6) After that subsection insert—



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“(3A) Before requiring the Regulator to make modifications under subsection (1B) above, the Authority shall give notice—

- (a) stating that it proposes to require the making of the modifications and setting out their effect,
- (b) stating the reasons why it proposes to require the making of the modifications, and
- (c) specifying the period (not being less than 28 days from the date of publication of the notice) within which representations or objections with respect to the proposed modifications may be made,

and shall consider any representations or objections which are duly made and not withdrawn.”

(7) In subsection (4) (giving of notice)—

- (a) after “(3)” insert “or (3A)”, and
- (b) after “the Regulator” insert “, or the Authority”.

(8) In subsection (5) (Regulator to send copy of modifications to Health and Safety Executive), after “to” insert “the Authority and”.

10 In section 16(3) (Secretary of State to give copies of modifications under section 16), after “Regulator” insert “, to the Authority”.

#### *Enforcement*

11 (1) Section 55 (orders for securing compliance) is amended as follows.

(2) After subsection (5) insert—

“(5ZA) The Authority shall not make a final order, or make or confirm a provisional order, in relation to a licence holder or person under closure restrictions unless—

- (a) it has given notice to the Regulator specifying a period within which he may give notice to it if he considers that the most appropriate way of proceeding is under the Competition Act 1998;
- (b) that period has expired; and
- (c) the Regulator has not given notice to the Authority within that period that he so considers (or, if he has, he has withdrawn it).”

(3) In subsection (10), in the definition of “the appropriate officer”—

- (a) in paragraph (a), after “holder” insert “, apart from a condition which relates to consumer protection,”, and
- (b) in paragraph (b), after “to” insert “any condition relating to consumer protection in the case of a licence holder or to”.

(4) In subsection (11), for “(5A)” substitute “(5ZA)”.

12 In section 56 (procedural requirements), after subsection (2) insert—

“(2A) Where the Regulator serves a copy of a notice under subsection (1) above on a licence holder, he shall also serve a copy on the Authority; and where the Authority so serves a copy of such a notice, it shall also serve a copy on the Regulator.”

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### *Investigation*

- 13 In section 68(1)(a) (investigation by Regulator of contravention of licence condition), after “licence” insert “which does not relate to consumer protection”.
- 14 After section 71 insert—

### *“Other functions of the Authority*

#### **71A Investigatory functions**

- (1) Subject to subsection (2) below, it shall be the duty of the Authority to investigate any alleged or apprehended contravention of a condition of a licence which relates to consumer protection if the alleged or apprehended contravention is the subject of a representation made to the Authority by or on behalf of a person who appears to the Authority to have an interest in the matter (other than one appearing to the Authority to be frivolous or vexatious).
- (2) The Authority may, if it thinks fit, require a Rail Passengers' Committee to investigate and report to it on any matter falling within subsection (1) above which relates to—
- (a) the provision of services for the carriage of passengers by railway, or
  - (b) the provision of station services,
- and which it would otherwise have been the Authority’s duty to investigate.”

### *Registers*

- 15 In section 72(2)(a) (matters about licences to be entered in register maintained by Regulator)—
- (a) in sub-paragraph (iii) (modifications and revocations of licences), insert at the end “and every requirement to modify conditions of a licence imposed on the Regulator by the Authority”,
  - (b) in sub-paragraph (iv) (revocation of licence exemptions), insert at the end “and every requirement to revoke a licence exemption imposed on the Regulator by the Authority”,
  - (c) in sub-paragraph (vii) (enforcement orders etc.), for “which relates” substitute “made by the Regulator in relation”, and
  - (d) after that sub-paragraph insert—
    - “(viii) every scheme made by the Secretary of State under section 7A(4) above or paragraph 2 of Schedule 28 to the Transport Act 2000;”.
- 16 In section 73(2) (matters which Authority is to enter in register maintained by it)—
- (a) in paragraph (e) (provisions of enforcement orders etc.), for “which relates to” substitute “made by the Authority in relation to a licence or”, and
  - (b) at the end insert—
    - “(h) every licence with conditions relating to consumer protection, every licence exemption with such conditions and every approval given by the Authority to such conditions of a licence or licence exemption;

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- (i) every assignment of a licence to which the Authority has consented;
- (j) every requirement to modify conditions of a licence imposed by the Authority on the Regulator;
- (k) every requirement to revoke a licence exemption imposed by the Authority on the Regulator;
- (l) every requirement imposed, or consent or approval given, by the Authority under a licence;
- (m) every scheme made by the Secretary of State under section 7A(4) above or paragraph 2 of Schedule 28 to the Transport Act 2000;”.

## PART II

### OTHER FUNCTIONS

#### *Introductory*

17 The Railways Act 1993 has effect subject to the following further amendments.

#### *Rail users' consultative committees*

- 18 (1) Section 2 (Rail Users' Consultative Committees) is amended as follows.
- (2) In subsection (2), for “Regulator” substitute “Strategic Rail Authority (in this Act referred to as “the Authority”)”.
- (3) In subsections (5), (6), (6A) and (9), for “Regulator” (in each place) substitute “Authority”.
- 19 In section 3(3) (Central Rail Users' Consultative Committee), for “Regulator” (in both places) substitute “Authority”.
- 20 (1) Section 76 (general duties of Central Committee) is amended as follows.
- (2) In subsection (2)(b), for “Regulator” substitute “Authority”.
- (3) In subsection (5), for the words from “refer the matter” to the end substitute “, unless representations about the matter have been made to the Authority by the Rail Passengers' Council, refer it to the Authority with a view to the Authority exercising such of its powers as it considers appropriate in the circumstances of the case.”
- (4) After that subsection insert—
- “(5A) But if the Authority considers that it would be more appropriate for a matter referred to it by the Rail Passengers' Council to be considered by the Regulator, the Authority shall refer it to him, with a view to his exercising such of his powers as he considers appropriate in the circumstances of the case.”
- (5) In subsection (6) (in both places) and in subsection (7), for “Regulator” substitute “Authority”.
- 21 (1) Section 77 (general duties of consultative committees) is amended as follows.

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- (2) In subsection (2)(b), for “Regulator under section 68(2)(b) above” substitute “Authority”.
- (3) In subsection (4), for the words from “refer the matter” to the end substitute “, unless representations about the matter have been made to the Authority by the Rail Passengers' Committee, refer it (or, if it was referred to the Rail Passengers' Committee by the Authority, refer it back) to the Authority with a view to the Authority exercising such of its powers as it considers appropriate in the circumstances of the case.”
- (4) After that subsection insert—
- “(4A) But if the Authority considers that it would be more appropriate for a matter referred to it by a Rail Passengers' Committee to be considered by the Regulator, the Authority shall refer it (or, if it was referred to the Rail Passengers Committee by the Regulator, refer it back) to him, with a view to his exercising such of his powers as he considers appropriate in the circumstances of the case.”
- (5) In subsection (5), for “Regulator” substitute “Authority”.
- (6) In subsection (6)—
- (a) for “Regulator” substitute “Authority”, and
- (b) for “him” substitute “it”.
- (7) In subsection (7)—
- (a) for “Regulator” substitute “Authority”, and
- (b) for “he” substitute “it”.
- (8) In subsection (8), omit “, after consultation with the Regulator,”.
- (9) In subsection (9), for “to the Regulator under subsection (4)(a)” substitute “under subsection (4) or (4A)”.
- 22 In section 79(1)(a) (annual report to Regulator by Central Committee and each consultative committee), for “Regulator” substitute “Authority”.
- 23 (1) Schedule 2 (Rail Users' Consultative Committees) is amended as follows.
- (2) In paragraphs 2, 4 and 5(4), for “Regulator” substitute “Authority”.
- (3) In paragraph 8(1), for “Regulator out of money provided by Parliament” substitute “Authority”.
- 24 (1) Schedule 3 (Central Rail Users' Consultative Committee) is amended as follows.
- (2) In paragraphs 2, 4 and 5(4), for “Regulator” substitute “Authority”.
- (3) In paragraph 8(1), for “Regulator out of money provided by Parliament” substitute “Authority”.

#### *Closures*

- 25 (1) In sections 37(1), 38(2), 39(1), 40(2), 41(1) and 42(2) (provisions about closures with exceptions for closures certified by Regulator as minor closures), for “certified by the Regulator as being” substitute “determined by the Authority to be”.

- (2) In the definition of “minor closure” in section 37(9), and in both places in that definition in sections 39(10) and 41(9), omit “, in the opinion of the Regulator.”.
- (3) Before section 47 insert—

**“46B Notification of minor closures to Regulator**

The Authority shall notify the Regulator of every determination under section 37(1), 38(2), 39(1), 40(2), 41(1) or 42(2) above that a closure is a minor closure.”

- 26 In section 55(10) (orders for securing compliance), in the definition of “the appropriate officer”—
  - (a) in paragraph (a), omit “or a person under closure restrictions,”, and
  - (b) in paragraph (b), for “or a franchise operator” substitute “, a franchise operator, a person under closure restrictions or a person (other than the Authority) who is required to comply with closure conditions or has agreed to comply with conditions under section 37(1), 39(1) or 41(1) above”.
- 27 (1) In section 73(2) (matters which Authority must cause to be entered in register)—
  - (a) after paragraph (d) insert—
    - “(da) every closure consent and closure condition, every determination under section 37(1), 38(2), 39(1), 40(2), 41(1) or 42(2) above that a closure is a minor closure, every condition imposed under section 37(1), 39(1) or 41(1) above, every general determination under section 46A above and every revocation of a general determination under that section;”, and
    - (b) in paragraph (e) (orders relating to franchise agreements), after “agreement” insert “or to any closure or proposed closure or to any closure consent or closure condition”.
- (2) In section 72(2), omit paragraph (c) (existing obligation of Regulator to keep information about closures).

*Code for protection of disabled rail users*

- 28 (1) After section 71A insert—

**“71B Code of practice for protection of interests of rail users who are disabled**

- (1) The Authority shall—
    - (a) prepare and from time to time revise, and
    - (b) publish and otherwise promote the adoption and implementation of, a code of practice for protecting the interests of users of railway passenger services or station services who are disabled
  - (2) In preparing or revising the code of practice, the Authority shall consult the Disabled Persons Transport Advisory Committee established under section 125 of the Transport Act 1985.”
- (2) Omit section 70 (existing obligation of Regulator in relation to code).

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*Annual reports*

- 29 (1) In section 75 (annual report of Authority), after subsection (1) insert—
- “(1A) Every such report shall include—
- (a) general surveys of any developments during that year which relate to—
- (i) the provision of railway passenger services or station services for, or the use of such services by, persons who are disabled; or
- (ii) the employment by licence holders of persons who are disabled; and
- (b) a general survey of the activities during that year of the Rail Passengers' Council and the Rail Passengers' Committees and a summary of any reports made to the Authority by the Rail Passengers' Council or any Rail Passengers' Committee.”
- (2) In section 74(2) (matters to be included in annual report of Regulator), omit paragraphs (b) and (d) (the matters which are now to be included in the annual report of the Authority by virtue of section 75(1A)(b) and (c)).

*Penalty fares*

- 30 In section 130 (penalty fares), for “Regulator” (in each place) substitute “Authority”.

**PART III**

ASSOCIATED PROPERTY, RIGHTS AND LIABILITIES

*Transfer schemes*

- 31 (1) The Secretary of State may make one or more schemes for the transfer to the Authority of such of the property, rights and liabilities of the Regulator (including any rights and liabilities relating to staff appointed by him) as the Secretary of State considers appropriate in consequence of the transfers of functions effected by Parts I and II of this Schedule.
- (2) In this Part of this Schedule “transfer scheme” means a scheme under this paragraph.

*Contents of transfer scheme*

- 32 (1) The property, rights and liabilities which may be transferred by a transfer scheme include property, rights and liabilities that would not otherwise be capable of being transferred or assigned.
- (2) The transfers authorised by sub-paragraph (1) include transfers which are to take effect as if there were no such contravention, liability or interference with any interest or right as there would otherwise be by reason of any provision having effect (whether under any enactment or agreement or otherwise) in relation to the terms on which the transferor is entitled to the property or right, or subject to the liability, in question.

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*Status: This is the original version (as it was originally enacted).*

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- 33 A transfer scheme may define the property, rights and liabilities to be transferred to the Authority by specifying them or describing them or by referring to all (or all except anything specified or described) of the property, rights and liabilities comprised in a specified part of the undertaking of the Regulator (or partly in one way and partly in the other).
- 34 A transfer scheme may contain provision—
- (a) for the creation, in relation to property which the scheme transfers, of an interest in or right over the property in favour of the Regulator,
  - (b) for the creation in favour of the Authority of an interest in or right over, property retained by the Regulator,
  - (c) for the creation of rights and liabilities as between the Authority and the Regulator, or
  - (d) for any rights or liabilities specified or described in the scheme to be, or to be to any extent, enforceable by or against the Authority.
- 35 A transfer scheme may make such supplementary, incidental and consequential provision as the Secretary of State considers appropriate.

#### *Effect of transfer scheme*

- 36 On the date appointed by a transfer scheme, the property, rights and liabilities which are the subject of the scheme shall, by virtue of this paragraph, be transferred in accordance with the provisions of the scheme.
- 37 Nothing in this Part affects the validity of anything done by or in relation to the Regulator in connection with anything transferred under a transfer scheme.
- 38 There may be continued by or in relation to the Authority anything (including legal proceedings) relating to anything transferred by a transfer scheme which is in the process of being done by or in relation to the Regulator immediately before it is transferred.
- 39 Anything done by the Regulator for the purpose of or in connection with anything transferred by a transfer scheme which is in effect immediately before it is transferred shall be treated as if done by the Authority.
- 40 The Authority shall be substituted for the Regulator in documents and legal proceedings relating to anything transferred by a transfer scheme.

#### *Transfer of employees*

- 41 (1) This paragraph applies where a person employed in the civil service of the state becomes an employee of the Authority under a transfer scheme.
- (2) For the purposes of the Employment Rights Act 1996—
- (a) his period of employment in the civil service of the state counts as a period of employment with the Authority, and
  - (b) the change of employment does not break the continuity of the period of employment.

#### *Modification of transfer scheme*

- 42 (1) If at any time after a transfer scheme has come into force the Secretary of State considers it appropriate to do so, he may by order provide that the scheme shall

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*Status: This is the original version (as it was originally enacted).*

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for all purposes be deemed to have come into force with such modifications, other than modifications relating to the transfer of rights and liabilities under a contract of employment, as may be specified in the order.

- (2) An order under sub-paragraph (1) may make, with effect from the coming into force of the scheme, such provision as could have been made by the scheme, and in connection with giving effect to that provision from that time may contain such supplemental, consequential and transitional provision as the Secretary of State considers appropriate.
- (3) An order under sub-paragraph (1) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

*Provision of information to Secretary of State*

- 43 The Regulator shall provide the Secretary of State with all such information and other assistance as he may reasonably require for the purposes of or in connection with the exercise of any of the powers conferred on him by this Part of this Schedule.

*Consultation*

- 44 Before making a transfer scheme, or an order modifying such a scheme, the Secretary of State shall consult the Regulator and the Authority.

SCHEDULE 18

Section 217.

TRANSFER TO SRA OF BR’S FUNCTIONS RELATING TO TRANSPORT POLICE

**PART I**

FUNCTIONS

*British Transport Commission Act 1949 (c.xxix)*

- 1 The British Transport Commission Act 1949 has effect subject to the following amendments.
- 2 (1) Section 53 (transport police), in its application to England and Wales, is amended as follows.
- (2) In subsection (1)—
- (a) for “British Railways Board” substitute “Strategic Rail Authority”, and
- (b) for “that Board” substitute “that Authority”.
- (3) In subsection (1A)—
- (a) for “British Railways Board” substitute “Strategic Rail Authority”, and
- (b) for “that Board” substitute “that Authority”.
- (4) In subsection (2) (as substituted by section 25(2) of the British Railways Act 1978)—
- (a) in paragraph (c), for “Commission” substitute “Authority”, and



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*Status: This is the original version (as it was originally enacted).*

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- (b) in paragraph (e), for the words from “which authority” to “is hereby” substitute “which authority any justice or the Chief Constable of the British Transport Police Force is hereby”.
- (5) In subsection (3)—
  - (a) for “British Railways Board” (in each place) substitute “Strategic Rail Authority”, and
  - (b) for “that Board” (in both places) substitute “that Authority”.
- 3 (1) Section 53, in its application to Scotland, is amended as follows.
  - (2) In subsection (1)—
    - (a) after the definition of “the approved scheme” insert—

““the Authority” means the Strategic Rail Authority;”, and
    - (b) in the definition of “the Boards” omit “the British Railways Board”.
  - (3) In subsection (2)—
    - (a) for “any one or more” insert “the Authority or either or both”, and
    - (b) after “recommended to him” insert “by the Authority or”.
  - (4) In subsection (4)(a)—
    - (a) in sub-paragraph (i), for “any” substitute “the Authority or either”, and
    - (b) in sub-paragraph (ii), for “British Railways Board” substitute “the Authority”.
  - (5) In subsection (5)—
    - (a) for “Any one or more” substitute “The Authority or either or both”,
    - (b) after the first “except with the consent of” insert “the Authority or, as the case may be,”, and
    - (c) for “British Railways Board” substitute “the Authority”.

*British Transport Commission Act 1962 (c.xlii)*

- 4 (1) Section 43 of the British Transport Commission Act 1962 (constables) is amended as follows.
  - (2) Omit subsection (1).
  - (3) In subsection (2), for “the said section 53” substitute “section 53 (constables) of the Act of 1949”.

*Police and Criminal Evidence Act 1984 (c. 60)*

- 5 In section 6 of the Police and Criminal Evidence Act 1984 (stop and search powers: statutory undertakers etc.), in subsection (1A) (transport police), for “by the British Railways Board” substitute “by the Strategic Rail Authority”.

*Channel Tunnel Act 1987 (c. 53)*

- 6 (1) Section 14 of the Channel Tunnel Act 1987 (arrangements for policing of tunnel system) is amended as follows.

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- (2) In subsection (2) (power of Board to provide constables or other assistance), for “Railways Board” substitute “Strategic Rail Authority”.
- (3) In subsection (5) (payments by Kent police authority)—
- (a) for “Railways Board” substitute “Strategic Rail Authority”, and
  - (b) for “Board” substitute “Authority”.

*Railways Act 1993 (c. 43)*

- 7 The Railways Act 1993 has effect subject to the following amendments.
- 8 In section 132 (scheme for organisation etc. of transport police), in subsection (1), in subsection (2) (in both places) and in subsections (3) and (4), for “Board” substitute “Authority”.
- 9 In section 133(1) (terms and conditions of employment of transport police)—
- (a) omit “continue to”, and
  - (b) for “Board” substitute “Authority”.
- 10 In paragraph 3(2) of Schedule 10 (power of Secretary of State, after consultation with Board and others, to amend existing scheme for organisation of transport police), for “Board” (in both places) substitute “Authority”.

**PART II**

ASSOCIATED PROPERTY, RIGHTS AND LIABILITIES

- 11 All the property, rights and liabilities of the Board relating to the transport police force are by virtue of this paragraph transferred to the Authority.
- 12 Nothing in this Part affects the validity of anything done by or in relation to the Board in connection with the transport police force.
- 13 There may be continued by or in relation to the Authority anything (including legal proceedings) relating to the transport police force which is in the process of being done by or in relation to the Board when this Schedule comes into force.
- 14 Anything done by the Board for the purpose of or in connection with the transport police force which is in effect immediately before the property, rights and liabilities of the Board relating to the transport police force are transferred to the Authority shall be treated as if done by the Authority.
- 15 The Authority shall be substituted for the Board in private Acts, instruments made under Acts, other documents and legal proceedings relating to the transport police force.
- 16 Where a transport police officer or other person employed by the Board for the purposes of the transport police force becomes an employee of the Authority by virtue of this section—
- (a) for the purposes of Part XI of the Employment Rights Act 1996, he shall not be regarded as having been dismissed by virtue of the transfer, and
  - (b) for the purposes of that Act, his period of employment with the Board counts as a period of employment with the Authority and the change of employment does not break the continuity of the period of employment.

- 17 In this Part of this Schedule—
- “the property, rights and liabilities relating to the transport police force” means the property, rights and liabilities comprised in the part of the Board’s undertaking which constitutes the transport police force (including, in particular, rights and liabilities relating to transport police officers and other persons employed by the Board for the purposes of the transport police force),
- “the transport police force” means the British Transport Police Force, and
- “transport police officers” means the constables appointed under section 53 of the British Transport Commission Act 1949.

## SCHEDULE 19

Section 218.

### TRANSFER TO SRA OF BR’S PROPERTY ETC

#### *Transfer schemes*

- 1 (1) The Secretary of State may make one or more schemes for the transfer to the Authority of any property, rights and liabilities of the Board, other than the property, rights and liabilities relating to the transport police transferred under Schedule 18.
- (2) In this Schedule “transfer scheme” means a scheme under this paragraph.

#### *Contents of transfer scheme*

- 2 (1) The property, rights and liabilities which may be transferred by a transfer scheme include property, rights and liabilities that would not otherwise be capable of being transferred or assigned.
- (2) The transfers authorised by sub-paragraph (1) include transfers which are to take effect as if there were no such contravention, liability or interference with any interest or right as there would otherwise be by reason of any provision having effect (whether under any enactment or agreement or otherwise) in relation to the terms on which the transferor is entitled to the property or right, or subject to the liability, in question.
- 3 A transfer scheme may define the property, rights and liabilities to be transferred to the Authority by specifying them or describing them or by referring to all (or all except anything specified or described) of the property, rights and liabilities comprised in a specified part of the undertaking of the Board (or partly in one way and partly in the other).
- 4 A transfer scheme may contain provision—
- (a) for the creation, in relation to property which the scheme transfers, of an interest in or right over the property in favour of the Board,
  - (b) for the creation in favour of the Authority of an interest in or right over, property retained by the Board,
  - (c) for the creation of rights and liabilities as between the Authority and the Board, or
  - (d) for any rights or liabilities specified or described in the scheme to be, or to be to any extent, enforceable by or against the Authority.

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*Status: This is the original version (as it was originally enacted).*

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- 5           A transfer scheme may make such supplementary, incidental and consequential provision as the Secretary of State considers appropriate.

*Functions under legislation*

- 6           (1) A transfer scheme may provide that any functions of the Board under a statutory provision shall be transferred to the Authority.
- (2) Sub-paragraph (1) applies in relation to any function under a statutory provision if and to the extent that the statutory provision—
- (a) relates to any property which is to be transferred by the scheme, or
- (b) authorises the carrying out of works designed to be used in connection with any such property or the acquisition of land for the purpose of carrying out any such works.
- (3) In this paragraph “statutory provision” means a provision whether of a general or of a special nature contained in, or in any document made or issued under, any Act (whether of a general or a special nature) other than the Railways Act 1993 or this Part.

*Effect of transfer scheme*

- 7           On the date appointed by a transfer scheme, the property, rights and liabilities which are the subject of the scheme shall, by virtue of this paragraph, be transferred in accordance with the provisions of the scheme.
- 8           Nothing in this Part affects the validity of anything done by or in relation to the Board in connection with anything transferred by a transfer scheme.
- 9           There may be continued by or in relation to the Authority anything (including legal proceedings) relating to anything transferred by a transfer scheme which is in the process of being done by or in relation to the Board immediately before it is transferred.
- 10          Anything done by the Board for the purpose of or in connection with anything transferred by a transfer scheme which is in effect immediately before it is transferred shall be treated as if done by the Authority.
- 11          The Authority shall be substituted for the Board in documents and legal proceedings relating to anything transferred by a transfer scheme.

*Transfer of employees*

- 12          Where a person employed by the Board becomes an employee of the Authority by virtue of a transfer scheme—
- (a) for the purposes of Part XI of the Employment Rights Act 1996, he shall not be regarded as having been dismissed by virtue of the transfer, and
- (b) for the purposes of that Act, his period of employment with the Board counts as a period of employment with the Authority and the change of employment does not break the continuity of the period of employment.

*Foreign property, rights and liabilities*

- 13          (1) This paragraph applies where a transfer scheme provides for the transfer of any foreign property, rights or liabilities.

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*Status: This is the original version (as it was originally enacted).*

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- (2) Both the Board and the Authority shall take, as and when the Authority considers appropriate, the steps required to secure that the vesting in the Authority by virtue of the transfer scheme of the foreign property, rights or liabilities for the transfer of which the scheme provides is effective under the relevant foreign law.
- (3) Until the vesting in the Authority by virtue of the transfer scheme of the foreign property, rights or liabilities is effective under the relevant foreign law, the Board shall hold the property or rights for the benefit of, or discharge the liabilities on behalf of, the Authority.
- (4) Nothing in sub-paragraph (2) or (3) limits the effect under the law of any part of the United Kingdom of the vesting of the foreign property, rights or liabilities in the Authority by virtue of the transfer scheme.
- (5) For the purposes of this paragraph—
  - (a) property, rights or liabilities are foreign property, rights or liabilities if any issue arising in relation to them in any proceedings would be determined (in accordance with the rules of private international law) by reference to the law of a country or territory outside the United Kingdom, and
  - (b) the law of that country or territory is the relevant foreign law in relation to them.

#### *Modification of transfer scheme*

- 14 (1) If at any time after a transfer scheme has come into force the Secretary of State considers it appropriate to do so, he may by order provide that the scheme shall for all purposes be deemed to have come into force with such modifications, other than modifications relating to the transfer of rights and liabilities under a contract of employment, as may be specified in the order.
- (2) An order under sub-paragraph (1) may make, with effect from the coming into force of the scheme, such provision as could have been made by the scheme, and in connection with giving effect to that provision from that time may contain such supplemental, consequential and transitional provision as the Secretary of State considers appropriate.
- (3) An order under sub-paragraph (1) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

#### *Provision of information to Secretary of State*

- 15 The Board shall provide the Secretary of State with all such information and other assistance as he may reasonably require for the purposes of or in connection with the exercise of any of the powers conferred on him by this Part of this Schedule.

#### *Consultation*

- 16 Before making a transfer scheme, or an order modifying such a scheme, the Secretary of State shall consult the Board and the Authority.

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*Status: This is the original version (as it was originally enacted).*

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## SCHEDULE 20

Section 219.

### SRA BYE-LAWS

#### *Introductory*

1           In this Schedule “bye-laws” means bye-laws under section 219.

#### *Penalties*

2           Bye-laws may provide that any person contravening them is guilty of an offence and liable on summary conviction to a fine of an amount not exceeding—

(a) level 3 on the standard scale, or

(b) such lower amount as is specified in the bye-laws,

for each offence.

#### *Confirmation*

3           Bye-laws shall not come into operation until they have been confirmed by the Secretary of State.

4           (1) Before making an application for the confirmation of any bye-laws the Authority shall consult the operators of the railway assets to which the bye-laws relate.

(2) At least 28 days before making an application for the confirmation of any bye-laws the Authority shall publish in a manner approved by the Secretary of State a notice of—

- (a) its intention to apply for confirmation, and
- (b) the place at which, and time during which, a copy of the bye-laws will be open to public inspection.

(3) Any person affected by any of the bye-laws is entitled to make representations about them to the Secretary of State within a period of not less than 28 days specified in the notice.

(4) For at least 24 days before an application for confirmation of any bye-laws is made a copy of the bye-laws shall be kept—

- (a) at the principal office of the Authority,
- (b) at such of the stations designated for the purposes of this Schedule by the Authority as are affected by the bye-laws, and
- (c) at the principal offices of the operators of the railway assets to which the bye-laws relate.

(5) The Authority shall supply (free of charge) one copy of the bye-laws to any person who applies for a copy or copies of them.

5           (1) The Secretary of State may confirm with or without modification, or may refuse to confirm, any bye-laws submitted for confirmation.

(2) The Secretary of State may fix a date for the coming into operation of any byelaws confirmed by him; but if he does not do so, they shall come into operation at the end of the period of 28 days beginning with the day after that on which they are confirmed.

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*Status: This is the original version (as it was originally enacted).*

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- 6 (1) Copies of bye-laws which have been confirmed shall be printed and a copy shall be kept—
- (a) at the principal office of the Authority,
  - (b) at such of the stations designated for the purposes of this Schedule by the Authority as are affected by the bye-laws, and
  - (c) at the principal offices of the operators of the railway assets to which the bye-laws relate.
- (2) The Authority shall supply (free of charge) one copy of the bye-laws to any person who applies for a copy or copies of them.

#### *Evidence*

- 7 The production of a printed copy of bye-laws which have been confirmed and on which there is indorsed a certificate purporting to be signed by the chief executive of the Authority, or a person authorised by the Authority to act for him, stating—
- (a) that the bye-laws were made by the Authority,
  - (b) that the copy is a true copy of the bye-laws,
  - (c) that on a specified day the bye-laws were confirmed by the Secretary of State, and
  - (d) the date when the bye-laws came into operation,
- shall be prima facie evidence of the facts stated in the certificate.

#### *Varying and revoking*

- 8 The power to make bye-laws includes power to vary or revoke bye-laws.

#### *Stations*

- 9 Before designating a station for the purposes of this Schedule the Authority shall consult the operator of the station and the operators of trains which stop at the station.
- 10 For the purposes of this Schedule a station is affected by any bye-laws if—
- (a) the bye-laws apply to the station,
  - (b) the station serves any network to which they apply, or
  - (c) trains to which they apply stop at the station.

## SCHEDULE 21

Section 220.

### TRANSFER SCHEMES BY SRA

#### *Transfers from Authority and its subsidiaries*

- 1 (1) The Authority may, with the consent of the Secretary of State, make schemes for the transfer of property, rights and liabilities (including rights and liabilities relating to contracts of employment) from the Authority or a company which is wholly owned by the Authority to any other person or persons specified in sub-paragraph (2).
- (2) The persons referred to in sub-paragraph (1) are—

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- (a) the Authority,
- (b) a company which is wholly owned by the Authority,
- (c) the Secretary of State, and
- (d) a franchise company.

*Transfers of franchise assets*

- 2 (1) The Authority may make schemes for the transfer, at or after the end of a franchise period relating to a franchise agreement, to any person or persons specified in sub-paragraph (2) of property, rights and liabilities which, immediately before the end of that period, are for the time being designated as franchise assets for the purposes of the franchise agreement.
- (2) The persons referred to in sub-paragraph (1) are—
- (a) the Authority,
  - (b) a company which is wholly owned by the Authority, and
  - (c) a franchise company.
- (3) On the day on which such a scheme comes into force the transferee shall pay the transferor (or vice versa) such sums as may be specified in, or determined in accordance with, the relevant franchise agreement (but subject to any other agreement made between the transferor and the transferee).

*Contents of transfer scheme*

- 3 (1) The property, rights and liabilities which may be transferred by a transfer scheme include property, rights and liabilities that would not otherwise be capable of being transferred or assigned.
- (2) The transfers authorised by sub-paragraph (1) include transfers which are to take effect as if there were no such contravention, liability or interference with any interest or right as there would otherwise be by reason of any provision having effect (whether under any enactment or agreement or otherwise) in relation to the terms on which the transferor is entitled to the property or right, or subject to the liability, in question.
- 4 A transfer scheme may define the property, rights and liabilities to be transferred by specifying them or describing them or by referring to all (or all except anything specified or described) of the property, rights and liabilities comprised in a specified part of the undertaking of the transferor (or partly in one way and partly in the other).
- 5 A transfer scheme may contain provision—
- (a) for the creation, in relation to property which the scheme transfers, of an interest in or right over the property in favour of the transferor,
  - (b) for the creation in favour of the transferee of an interest in or right over property retained by the transferor,
  - (c) for the creation of rights and liabilities as between the transferor and transferee,
  - (d) for any rights or liabilities specified or described in the scheme to be, or to be to any extent, enforceable by or against the transferor or transferee (or both), and
  - (e) for imposing on the transferor or transferee an obligation to enter into such written agreements with, or execute such other instruments in favour of,



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the transferor or transferee or such other person as may be specified in the scheme.

- 6 A transfer scheme may make such supplementary, incidental, transitional and consequential provision as the Authority considers appropriate.

#### *Functions under legislation*

- 7 (1) A transfer scheme may provide that any functions of the transferor under a statutory provision—
- (a) shall be transferred to the transferee,
  - (b) shall be concurrently exercisable by two or more transferees, or
  - (c) shall be concurrently exercisable by the transferor and one or more transferees.
- (2) Sub-paragraph (1) applies in relation to any function under a statutory provision if and to the extent that the statutory provision—
- (a) relates to any property which is to be transferred by the scheme, or
  - (b) authorises the carrying out of works designed to be used in connection with any such property or the acquisition of land for the purpose of carrying out any such works.
- (3) In this paragraph “statutory provision” means a provision whether of a general or of a special nature contained in, or in any document made or issued under, any Act (whether of a general or a special nature) other than the Railways Act 1993 or this Part.

#### *Effect of transfer scheme*

- 8 On the date appointed by a transfer scheme, the property, rights and liabilities which are the subject of the scheme shall, by virtue of this paragraph, be transferred in accordance with the provisions of the scheme.
- 9 Nothing in this Part affects the validity of anything done by or in relation to the transferor in connection with anything transferred by a transfer scheme.
- 10 There may be continued by or in relation to the transferee anything (including legal proceedings) relating to anything transferred by a transfer scheme which is in the process of being done by or in relation to the transferor immediately before it is transferred.
- 11 Anything done by the transferor for the purpose of or in connection with anything transferred by a transfer scheme which is in effect immediately before it is transferred shall be treated as if done by the transferee.
- 12 The transferee shall be substituted for the transferor in documents and legal proceedings relating to anything transferred by a transfer scheme.

#### *Transfer of employees*

- 13 Where a person employed by the transferor becomes an employee of the transferee by virtue of a scheme under paragraph 1—
- (a) for the purposes of Part XI of the Employment Rights Act 1996, he shall not be regarded as having been dismissed by virtue of the transfer, and

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- (b) for the purposes of that Act, his period of employment with the transferor counts as a period of employment with the transferee and the change of employment does not break the continuity of the period of employment.

*Provision of information to Authority*

- 14 (1) Where the Authority proposes to make a transfer scheme, it may direct any person to whom or from whom property is to be transferred under the scheme to provide the Authority with such information as the Authority considers necessary to enable it to make the scheme within such time (being not less than 28 days from the giving of the direction) as may be specified in the direction.
- (2) If a person fails to comply with a direction under sub-paragraph (1), the Authority may serve a notice on him requiring him—
- (a) to produce to the Authority, at a time and place specified in the notice, any documents which are specified or described in the notice and are in his custody or under his control, or
  - (b) to provide to the Authority, at a time and place and in the form and manner specified in the notice, such information as may be specified or described in the notice.
- (3) No person shall be required under this paragraph to produce any documents which he could not be compelled to produce in civil proceedings in the court or, in complying with any requirement for the provision of information, to provide any information which he could not be compelled to give in evidence in any such proceedings.
- (4) A person who intentionally alters, suppresses or destroys any document which he has been required to produce by a notice under sub-paragraph (2) is guilty of an offence and liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum,
  - (b) on conviction on indictment, to a fine.
- (5) If a person fails to comply with a notice under sub-paragraph (2), the court may, on the application of the Authority, make such order as the court thinks fit for requiring the failure to be made good; and any such order may provide that all the costs or expenses of and incidental to the application shall be borne by the person in default or by any officers of a company or other association who are responsible for its default.
- (6) Any reference in this paragraph to the production of a document includes a reference to the production of a legible and intelligible copy of information recorded otherwise than in legible form; and the reference to suppressing a document includes a reference to destroying the means of reproducing information recorded otherwise than in legible form.
- (7) In this paragraph “the court” means the High Court, in relation to England and Wales, and the Court of Session, in relation to Scotland.

*Modification of transfer scheme*

- 15 (1) If at any time after a transfer scheme has come into force the transferor and transferee so agree in writing, the scheme shall for all purposes be deemed to have come into force with such modifications as may be agreed.

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- (2) Sub-paragraph (1) does not apply in relation to modifications relating to the transfer of rights and liabilities under a contract of employment, unless the employee concerned is a party to the agreement.
- (3) An agreement under sub-paragraph (1) may make, with effect from the coming into force of the scheme, such provision as could have been made by the scheme, and in connection with giving effect to that provision from that time may contain incidental, supplemental, consequential and transitional provision.

### *Interpretation*

16 In this Schedule—

- “franchise company” means any body corporate which is, or is to be, the franchisee or the franchise operator under a franchise agreement,
- “transfer scheme” means a scheme under paragraph 1 or 2,
- “transferor” means the person from whom property, rights or liabilities are transferred by a transfer scheme, and
- “transferee” means the person to whom any such property, rights or liabilities are so transferred.

## SCHEDULE 22

Section 227.

### RENAMING OF RAIL USERS' CONSULTATIVE COMMITTEES

#### **PART I**

##### AMENDMENTS OF RAILWAYS ACT 1993

1 The Railways Act 1993 has effect subject to the following amendments.

- 2 (1) Section 2 (Rail Users' Consultative Committees) is amended as follows.
  - (2) In subsection (2), for “Users' Consultative Committees (in this Part referred to as “consultative committees”)” substitute “Passengers' Committees”.
  - (3) In subsection (3), for “consultative committee” substitute “Rail Passengers' Committee”.
  - (4) In subsection (4)—
    - (a) for “consultative committees” substitute “Rail Passengers' Committees”, and
    - (b) for “consultative committee” (in both places) substitute “Rail Passengers' Committee”.
  - (5) In subsection (5)—
    - (a) for “consultative committee” (in both places) substitute “Rail Passengers' Committee”, and
    - (b) for “consultative committees” (in both places) substitute “Rail Passengers' Committees”.
  - (6) In subsection (6)—
    - (a) for “consultative committee” substitute “Rail Passengers' Committee”, and

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- (b) for “the committee” substitute “the Rail Passengers' Committee”.
- (7) In subsections (6A) and (7), for “consultative committee” substitute “Rail Passengers' Committee”.
- (8) In subsection (8), for “consultative committees” substitute “Rail Passengers' Committees”.
- (9) In the sidenote, for “users' consultative committees” substitute “Passengers' Committees”.
- 3 (1) Section 3 (Central Rail Users' Consultative Committee) is amended as follows.
  - (2) For subsection (2) substitute—
    - “(2) There shall be a council to be known as the Rail Passengers' Council.”
  - (3) In subsection (3)—
    - (a) for “Central Committee” substitute “Rail Passengers' Council”, and
    - (b) for “consultative committee” substitute “Rail Passengers' Committee”.
  - (4) In subsections (4) and (5), for “Central Committee” substitute “Rail Passengers' Council”.
  - (5) In the sidenote, for “Central Rail Users' Consultative Committee” substitute “Rail Passengers' Council”.
- 4 (1) Section 43 (closures: notification to and functions of consultative committees) is amended as follows.
  - (2) In subsections (1) and (2), for “consultative committee” substitute “Rail Passengers' Committee”.
  - (3) In subsection (3), for—
    - (a) “consultative committee” (in both places), and
    - (b) “committee”,
 substitute “Rail Passengers' Committee”.
  - (4) In subsection (4)—
    - (a) for “consultative committee” substitute “Rail Passengers' Committee”, and
    - (b) for “Central Committee” substitute “Rail Passengers' Council”.
  - (5) In subsections (5), (6), (8), (10) and (12), for “consultative committee” substitute “Rail Passengers' Committee”.
  - (6) In the sidenote, for “consultative committees” substitute “Rail Passengers' Committees”.
- 5 In section 46(2) (variation of closure conditions), for “consultative committee” substitute “Rail Passengers' Committee”.
- 6 In section 48 (experimental railway passenger services)—
  - (a) in subsection (4) (in both places), and
  - (b) in subsection (7),
 for “consultative committee” substitute “Rail Passengers' Committee”.
- 7 In section 68(2) (requirement by Regulator to investigate and report), for “consultative committee” substitute “Rail Passengers' Committee”.

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- 8 (1) Section 76 (general duties of Central Committee) is amended as follows.
- (2) In subsection (1), for “Central Committee” substitute “Rail Passengers' Council”.
- (3) In subsection (2), for “Committee” (in each place) substitute “Rail Passengers' Council”.
- (4) In subsection (3)—
- (a) for “Central Committee” substitute “Rail Passengers' Council”,
  - (b) for “consultative committee” (in both places) substitute “Rail Passengers' Committee”, and
  - (c) for “the Committee” substitute “the Rail Passengers' Council”.
- (5) In subsection (4)—
- (a) for “Central Committee” substitute “Rail Passengers' Council”, and
  - (b) for “the Committee” (in both places) substitute “the Rail Passengers' Council”.
- (6) In subsection (5), for—
- (a) “the Central Committee” and
  - (b) “the Committee”,
- substitute “the Rail Passengers' Council”.
- (7) In subsection (6), for “Central Committee” (in both places) substitute “Rail Passengers' Council”.
- (8) In subsection (7)—
- (a) for “Central Committee” substitute “Rail Passengers' Council”, and
  - (b) for “the Committee” (in both places) substitute “the Rail Passengers' Council”.
- (9) In the sidenote, for “Central Committee” substitute “Rail Passengers' Council”.
- (10) In the heading before section 76, for “*Central Committee and the consultative committees*” substitute “*Rail Passengers' Council and Rail Passengers' Committees*”.
- 9 (1) Section 77 (general duties of consultative committees) is amended as follows.
- (2) In subsection (1), for “consultative committee” substitute “Rail Passengers' Committee”.
- (3) In subsection (2)—
- (a) for “the committee” (in each place) substitute “the Rail Passengers' Committee”, and
  - (b) for “Central Committee” substitute “Rail Passengers' Council”.
- (4) In subsection (3)—
- (a) for “consultative committee” substitute “Rail Passengers' Committee”, and
  - (b) for “the committee” (in both places) substitute “the Rail Passengers' Committee”.
- (5) In subsection (4)—
- (a) for “consultative committee” substitute “Rail Passengers' Committee”, and
  - (b) for “the committee” substitute “the Rail Passengers' Committee”.

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- (6) In subsection (5)—
    - (a) for “consultative committee” (in both places) substitute “Rail Passengers' Committee”, and
    - (b) for “Central Committee” substitute “Rail Passengers' Council”.
  - (7) In subsection (6)—
    - (a) for “consultative committee” substitute “Rail Passengers' Committee”, and
    - (b) for “committee's” substitute “Rail Passengers' Committee's”.
  - (8) In subsection (8), for “consultative committee” substitute “Rail Passengers' Committee”.
  - (9) In subsection (9)—
    - (a) for “consultative committee” substitute “Rail Passengers' Committee”, and
    - (b) for “the committee” (in both places) substitute “the Rail Passengers' Committee”.
  - (10) In the sidenote, for “consultative committees” substitute “Rail Passengers' Committees”.
- 10 (1) Section 79 (annual report by Central Committee and each consultative committee) is amended as follows.
- (2) In subsection (1)—
    - (a) for “Each committee” substitute “The Rail Passengers' Council and each of the Rail Passengers' Committees”,
    - (b) for “the committee's” substitute “its”, and
    - (c) for “Central Committee and the consultative committees” substitute “Rail Passengers' Council and the Rail Passengers' Committees”.
  - (3) In subsection (1A), for “consultative committee” substitute “Rail Passengers' Committee”.
  - (4) In subsection (2)—
    - (a) for “Each committee” substitute “The Rail Passengers' Council and each of the Rail Passengers' Committees”, and
    - (b) for “the committee” substitute “it”.
  - (5) In subsection (3)—
    - (a) for “under this section, a committee” substitute “made by it under this section, the Rail Passengers' Council or a Rail Passengers' Committee”, and
    - (b) for “the committee” substitute “the Rail Passengers' Council or the Rail Passengers' Committee”.
  - (6) In subsection (4)—
    - (a) omit the definition of “committee”, and
    - (b) in the definition of “first relevant financial year”, for the words after “to” substitute “the Rail Passengers' Council or any Rail Passengers' Committee, means the financial year in which it is established.”
  - (7) In the sidenote, for “Central Committee and the consultative committees” substitute “Rail Passengers' Council and the Rail Passengers' Committees”.

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- 11 (1) Section 145 (restriction on disclosure of information not to apply to disclosure for facilitating carrying out of certain functions) is amended as follows.
- (2) In subsection (5), for “Central Committee or a consultative committee” substitute “Rail Passengers' Council or a Rail Passengers' Committee”.
- (3) For subsection (7) substitute—
- “(7) The references in subsection (5) above to a Rail Passengers' Committee includes the London Transport Users' Committee.”
- 12 (1) Schedule 2 (Rail Users' Consultative Committees) is amended as follows.
- (2) Omit paragraph 1.
- (3) In paragraphs 2 and 4, for “the committee” substitute “a Rail Passengers' Committee”.
- (4) In paragraph 5—
- (a) for “the committee” (in each place) substitute “a Rail Passengers' Committee”,
- (b) for “The committee” (in both places) substitute “A Rail Passengers' Committee”,
- (c) for “Central Committee” (in both places) substitute “Rail Passengers' Council”, and
- (d) for “consultative committees” substitute “Rail Passengers' Committees”.
- (5) In paragraph 6—
- (a) for “the committee” (in each place) substitute “a Rail Passengers' Committee”, and
- (b) for “The committee” substitute “A Rail Passengers' Committee”.
- (6) In paragraph 7—
- (a) for “The committee” substitute “A Rail Passengers' Committee”, and
- (b) for “the committee” (in each place) substitute “a Rail Passengers' Committee”.
- (7) Omit paragraphs 9 and 10.
- (8) In the heading, for “USERS' CONSULTATIVE” substitute “PASSENGERS”.
- 13 (1) Schedule 3 (Central Rail Users' Consultative Committee) is amended as follows.
- (2) Omit paragraph 1.
- (3) In paragraphs 2 and 4, for “committee” substitute “Rail Passengers' Council”.
- (4) In paragraph 5—
- (a) for “consultative committee” (in both places) substitute “Rail Passengers' Committee”, and
- (b) for “committee” (in each other place) substitute “Rail Passengers' Council”.
- (5) In paragraph 6, for “committee” (in each place) substitute “Rail Passengers' Council”.
- (6) In paragraph 7, for “committee” (in each place) substitute “Rail Passengers' Council”.

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- (7) Omit paragraph 9.
  - (8) In the heading, for “CENTRAL RAIL USERS' CONSULTATIVE COMMITTEE” substitute “RAIL PASSENGERS' COUNCIL”.
- 14 In Schedule 5 (alternative closure procedure)—
- (a) for “consultative committee” (in each place) substitute “Rail Passengers' Committee”,
  - (b) for “the committee” (in each place) substitute “the Rail Passengers' Committee”,
  - (c) for “committees” (in both places) substitute “Rail Passengers' Committees”, and
  - (d) for “Central Committee” substitute “Rail Passengers' Council”.

## PART II

### AMENDMENTS OF OTHER ENACTMENTS

#### *Transport Act 1962 (c. 46)*

- 15 (1) Section 56 of the Transport Act 1962 (functions of Central Committee and consultative committees) is amended as follows.
- (2) In subsection (4)—
- (a) for the words from “duty” to “consider” substitute “duty of the Rail Passengers' Council and each Rail Passengers' Committee to consider”,
  - (b) for “the committee” (in each place) substitute “the Rail Passengers' Council or Rail Passengers' Committee”,
  - (c) for “each committee” substitute “each Rail Passengers' Committee”,
  - (d) for “any consultative committee, to the Central Committee” substitute “any Rail Passengers' Committee, to the Rail Passengers' Council”, and
  - (e) for “Central Committee and the consultative committees for Scotland and for Wales and Monmouthshire” substitute “Rail Passengers' Council and the Rail Passengers' Committees for Scotland and for Wales”.
- (3) In subsection (5)—
- (a) for “Central Committee” substitute “Rail Passengers' Council”, and
  - (b) for the words after “consideration by” substitute “a Rail Passengers' Committee or which has been previously considered by a Rail Passengers' Committee.”
- (4) In subsection (6ZA)—
- (a) for “consultative committee” substitute “Rail Passengers' Committee”, and
  - (b) for “that committee and the Central Committee” substitute “that Rail Passengers' Committee and the Rail Passengers' Council”.
- (5) In subsection (6A), for “A consultative committee” substitute “A Rail Passengers' Committee”.
- (6) For subsection (20) substitute—



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“(20) References in this section to a Rail Passengers' Committee shall be construed, in relation to the Greater London area within the meaning of section 2 of the Railways Act 1993, as references to the London Transport Users' Committee.”

*Parliamentary Commissioner Act 1967 (c. 13)*

16 In Schedule 2 to the Parliamentary Commissioner Act 1967 (which lists the bodies subject to the jurisdiction of the Parliamentary Commissioner), insert (at the appropriate places in alphabetical order)—

“Rail Passengers' Committees.

Rail Passengers' Council.”

*Transport Act 1968 (c. 73)*

17 In section 55(1) of the Transport Act 1968 (exclusion of Waterways Board), for “the Central Committee and the consultative committees, within the meaning of that section,” substitute “the Rail Passengers' Council and the Rail Passengers' Committees”.

*Chronically Sick and Disabled Persons Act 1970 (c. 44)*

18 In section 14(1) of the Chronically Sick and Disabled Persons Act 1970 (appointments to advisory committees), for “the Rail Users' Consultative Committees,” substitute “Rail Passengers' Committees.”

*House of Commons Disqualification Act 1975 (c. 24)*

19 In Part III of Schedule 1 to the House of Commons Disqualification Act 1975 (other disqualifying offices), insert (at the appropriate places in alphabetical order)—

“Member of a Rail Passengers' Committee in receipt of remuneration.

Member of the Rail Passengers' Council in receipt of remuneration.”

*Channel Tunnel Act 1987 (c. 53)*

20 In section 41(1) of the Channel Tunnel Act 1987 (consultative committees), for the words from “Central” to “Users Consultative” substitute “Rail Passengers' Council and each of the Rail Passengers' ”.

*Greater London Authority Act 1999 (c. 29)*

21 The Greater London Authority Act 1999 has effect subject to the following amendments.

22 In section 247(3)(b) (London Transport Users' Committee), for “Rail Users' Consultative Committee” substitute “Rail Passengers' Committee”.

23 In section 252 (London Transport Users' Committee as Rail Users' Consultative Committee)—

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- (a) in subsection (1), for “Rail Users' Consultative Committee” substitute “Rail Passengers' Committee”, and
  - (b) in the sidenote, for “rail users' consultative committee” substitute “Rail Passengers' Committee”.
- 24 In paragraph 11(3) of Schedule 18 (minutes of London Transport Users' Committee meetings), for “Central Rail Users' Consultative Committee” substitute “Rail Passengers' Council”.

## SCHEDULE 23

Section 229.

### FINANCES AND PROCEDURES OF RAIL USERS' CONSULTATIVE COMMITTEES

#### *Introductory*

- 1 Schedules 2 and 3 to the Railways Act 1993 (consultative committees and Central Committee) have effect subject to the following amendments.

#### *Remuneration of members*

- 2 (1) In paragraph 2 of Schedule 2 (remuneration of, and allowances for, chairman of consultative committees), after “chairman” insert “and other members”.
- (2) In the heading before that paragraph for “*the chairman*” substitute “*members*”.
- (3) After that paragraph insert—
- “2A If a person ceases to hold office as chairman or another member of a Rail Passengers' Committee by reason of the abolition of the Committee before his term of office would otherwise have expired, the Authority may, if it determines that there are special circumstances which make it right that he should receive compensation, pay to him such compensation as may be determined by the Authority.”
- (4) Omit paragraph 3 of that Schedule (allowances for other members).
- 3 (1) In paragraph 2 of Schedule 3 (remuneration of, and allowances for, chairman of Central Committee), after “chairman” insert “and other members”.
- (2) In the heading before that paragraph for “*the chairman*” substitute “*members*”.
- (3) Omit paragraph 3 of that Schedule (allowances for other members).

#### *Financial duties*

- 4 (1) Paragraph 8 of Schedule 2 (financial provisions relating to consultative committees) is amended as follows.
- (2) In sub-paragraph (1)(b), for “the committee in accordance with any statement approved under sub-paragraph (3) below” substitute “a Rail Passengers' Committee (provided that the Rail Passengers' Committee complied with their financial duties in incurring them)”.
- (3) For sub-paragraphs (2) and (3) substitute—

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- “(2) The Authority may determine the financial duties of Rail Passengers' Committees; and different determinations may be made for different functions of Rail Passengers' Committees.
- (3) The Authority shall give a Rail Passengers' Committee notice of every determination of their financial duties; and such a determination may—
- (a) relate to a period beginning before, on or after the date on which it is made;
  - (b) contain supplementary provisions; and
  - (c) be varied by a subsequent determination.”
- 5 (1) Paragraph 8 of Schedule 3 (financial provisions relating to Central Committee) is amended as follows.
- (2) In sub-paragraph (1)(b), for “committee in accordance with any statement approved under sub-paragraph (3) below” substitute “Rail Passengers' Council (provided that the Rail Passengers' Council complied with their financial duties in incurring them)”.
- (3) For sub-paragraphs (2) and (3) substitute—
- “(2) The Authority may determine the financial duties of the Rail Passengers' Council; and different determinations may be made for different functions of the Rail Passengers' Council.
- (3) The Authority shall give the Rail Passengers' Council notice of every determination of its financial duties; and such a determination may—
- (a) relate to a period beginning before, on or after the date on which it is made;
  - (b) contain supplementary provisions; and
  - (c) be varied by a subsequent determination.”

#### *Procedures*

- 6 In paragraph 6(2) of Schedule 2 (admission of public to meetings: items of business from which public are excluded), insert at the end “or
- (d) the circumstances are such as are specified in, or determined by resolution of a Rail Passengers' Committee in accordance with, an order made by the Secretary of State.”
- 7 In paragraph 6(2) of Schedule 3 (admission of public to meetings: items of business from which public are excluded), insert at the end “or
- (d) the circumstances are such as are specified in, or determined by a resolution of the Rail Passengers' Council in accordance with, an order made by the Secretary of State.”

#### *Sub-committees and committees*

- 8 In paragraph 7(1) of Schedule 2 (sub-committees of consultative committees), omit “, with the approval of the Regulator”.
- 9 In paragraph 7(1) of Schedule 3 (sub-committees of Central Committee)—
- (a) omit “, with the approval of the Regulator”,
  - (b) for “sub-committees” substitute “committees”, and

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- (c) for “sub-committee” (in both places) substitute “committee”.

*Public records*

- 10 In the First Schedule to the Public Records Act 1958 (definition of public records), in Part II of the Table at the end of paragraph 3, insert (at the appropriate place in alphabetical order)—

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“Rail Passengers' Committees.  
 Rail Passengers' Council.”

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SCHEDULE 24

Section 231.

REVIEW OF ACCESS CHARGES BY REGULATOR

The Schedule to be inserted after Schedule 4 to the Railways Act 1993 is as follows—

“SCHEDULE 4A

REVIEW OF ACCESS CHARGES BY REGULATOR

*Introductory*

- 1 (1) For the purposes of this Schedule an access charges review is a review by the Regulator of the terms of an access agreement, or of the terms of an access agreement and the conditions of any linked licence, as to—
- (a) the amounts payable under the access agreement by one of the parties to the other; and
  - (b) the times at which, and manner in which, those amounts are payable.
- (2) In this Schedule “linked licence”, in relation to an access agreement, means a licence of which the holder is—
- (a) the facility owner, or installation owner, who is a party to the access agreement; or
  - (b) any other person who has an estate or interest in, or right over, the railway facility or network installation to which the access agreement relates.

*Main provisions*

- 2 (1) The procedure for the implementation of an access charges review shall be as provided for by paragraphs 4 to 16 of this Schedule.
- (2) And any procedure relating to the implementation of an access charges review for which the access agreement or any linked licence makes provision shall not apply.
- 3 An access charges review may include a consideration of—
- (a) the time at which the next access charges review in relation to the access agreement may be undertaken; and
  - (b) circumstances in which an access charges review in relation to the access agreement may be undertaken before that time.

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*Review notice*

- 4 (1) The implementation of an access charges review shall be initiated by the Regulator giving notice (a “review notice”)—
- (a) stating his conclusions on the access charges review and the reasons why he reached those conclusions;
  - (b) specifying the relevant changes which he proposes to make for or in connection with giving effect to those conclusions;
  - (c) stating, in relation to each of the proposed relevant changes, the date on which he proposes that it should come into operation; and
  - (d) specifying the period (not being less than six weeks from the date of publication of the notice) within which objections with respect to any of the proposed relevant changes, or the date on which it is proposed that it should come into operation, may be made by a person within sub-paragraph (4) (a) or (b) below.
- (2) In this Schedule “relevant changes”, in relation to an access agreement, means—
- (a) amendments of the access agreement;
  - (b) modifications of the conditions of any linked licence; or
  - (c) both such amendments and such modifications;
- and references to the making of relevant changes are, in the case of amendments of the access agreement, references to directing the parties to the access agreement to make the amendments to the access agreement.
- (3) The review notice shall be given—
- (a) by publishing it in such manner as the Regulator considers appropriate for the purpose of bringing it to the attention of persons likely to be affected by the proposed relevant changes; and
  - (b) by serving a copy on the persons specified in sub-paragraph (4) below.
- (4) The persons referred to in sub-paragraph (3)(b) above are—
- (a) the facility owner, or installation owner, who is a party to the access agreement;
  - (b) any other person who has an estate or interest in, or right over, the railway facility or network installation to which the access agreement relates and who the Regulator considers ought to be given a copy; and
  - (c) the beneficiary.
- (5) In this Schedule “the beneficiary”—
- (a) in relation to an access contract, has the meaning given by section 17(7) of this Act; and
  - (b) in relation to an installation access contract, has the meaning given by section 19(10) of this Act.

*Notice of agreement*

- 5 (1) If no objections are duly made by a person within paragraph 4(4)(a) or (b) above (or any that are so made are withdrawn), the Regulator shall give notice (a “notice of agreement”) stating that fact.
- (2) The notice of agreement shall be given—

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- (a) by publishing it in such manner as the Regulator considers appropriate for the purpose of bringing it to the attention of persons likely to be affected by the proposed relevant changes; and
- (b) by serving a copy on the beneficiary.

*Termination notice*

- 6
- (1) After a copy of a notice of agreement is served on the beneficiary, he may give notice (a “termination notice”) terminating the access agreement.
  - (2) The termination notice shall specify the date on which the access agreement is to terminate.
  - (3) The termination notice shall be given by serving a copy on—
    - (a) the facility owner or installation owner;
    - (b) any other person who has an estate or interest in, or right over, the railway facility or network installation and who received a copy of the review notice; and
    - (c) the Regulator.
  - (4) The date specified by the termination notice as that on which the access agreement is to terminate shall be neither—
    - (a) less than six months, nor
    - (b) more than one year,
 after the copy of the termination notice is served on the facility owner or installation owner.
  - (5) The termination notice may not be given after the end of the period of 28 days beginning with the day on which the copy of the notice of agreement is served on the beneficiary.

*Review implementation notice*

- 7
- (1) After a copy of a notice of agreement is served on the beneficiary and the time within which a termination notice may be given by him has expired—
    - (a) if he has not given a termination notice (or has withdrawn any notice which he has given), the Regulator shall (unless he acts under paragraph 8(2) below) give a review implementation notice; or
    - (b) if he has given (and not withdrawn) a termination notice, the Regulator may give such a notice.
  - (2) A review implementation notice is a notice stating that the Regulator’s conclusions on the access charges review are to be implemented as proposed in the review notice.
  - (3) The review implementation notice shall—
    - (a) specify the relevant changes which the Regulator is making; and
    - (b) state, in relation to each of the relevant changes, the date on which it comes into operation.
  - (4) The review implementation notice shall be given—

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- (a) by publishing it in such manner as the Regulator considers appropriate for the purpose of bringing it to the attention of persons likely to be affected by the relevant changes; and
- (b) by serving a copy on the persons on whom a copy of the review notice was served, the Authority and the Health and Safety Executive.

*New review notice or Competition Commission reference*

- 8
- (1) This paragraph applies if—
    - (a) objections are duly made by a person within paragraph 4(4)(a) or (b) above (and not withdrawn); or
    - (b) although no objections are duly made by a person within paragraph 4(4)(a) or (b) above (or any that are so made are withdrawn), relevant objections are duly made (and not withdrawn) in relation to a similar review notice relating to another access agreement.
  - (2) The Regulator may—
    - (a) give a new review notice under paragraph 4 above; or
    - (b) make a reference to the Competition Commission under paragraph 9 below.
  - (3) For the purposes of sub-paragraph (1) above—
    - (a) “relevant objections”, in relation to another access agreement, means objections by a person who is within paragraph 4(4)(a) or (b) above in relation to that other access agreement; and
    - (b) one review notice is similar to another if they make provision which, in the opinion of the Regulator, is to broadly the same effect.
  - (4) Before acting under sub-paragraph (1) above, the Regulator shall consider the objections referred to in that sub-paragraph.
  - (5) If the Regulator gives a new review notice under paragraph 4 above by virtue of sub-paragraph (2)(a) above, the references in that paragraph and paragraph 7(2) above to his conclusions on the access charges review shall be read in relation to the new notice as references to those conclusions as modified since the previous review notice (in particular as the result of any objections or representations made in relation to it).

*Reference to Competition Commission*

- 9
- (1) A reference to the Competition Commission under this paragraph shall be so framed as to require them to investigate and report on the questions specified in sub-paragraph (2) below.
  - (2) Those questions are—
    - (a) whether the matters considered on the access charges review which are specified in the reference operate, or may be expected to operate, against the public interest; and
    - (b) if so, whether the effects adverse to the public interest which those matters have or may be expected to have could be remedied or prevented by the making of relevant changes.
  - (3) The Regulator may, at any time, by notice given to the Competition Commission vary a reference under this paragraph—

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- (a) by adding to the matters specified in the reference; or
  - (b) by excluding from the reference some or all of the matters so specified.
- (4) On receipt of such a notice the Competition Commission shall give effect to the variation.
- (5) The Regulator may specify in a reference under this paragraph, or a variation of such a reference, for the purpose of assisting the Competition Commission in carrying out the investigation on the reference—
- (a) any effects adverse to the public interest which, in his opinion, the matters specified in the reference or variation have or may be expected to have; and
  - (b) any relevant changes by which, in his opinion, those effects could be remedied or prevented.
- (6) As soon as practicable after making a reference under this paragraph, or a variation of such a reference, the Regulator—
- (a) shall serve a copy of the reference or variation on the persons on whom a copy of the review notice was served; and
  - (b) shall publish particulars of the reference or variation in such manner as he considers appropriate for the purpose of bringing the reference or variation to the attention of persons likely to be affected by it.
- (7) For the purpose of assisting the Competition Commission in carrying out an investigation on a reference under this paragraph, the Regulator shall give to the Competition Commission any information in his possession which relates to matters falling within the scope of the investigation and—
- (a) is requested by the Competition Commission for that purpose; or
  - (b) is information which, in his opinion, it would be appropriate for that purpose to give to the Competition Commission without any such request; and any other assistance which the Competition Commission may require, and which it is within his power to give, in relation to any such matters.
- (8) For the purpose of carrying out such an investigation, the Competition Commission shall take account of any information given to them for that purpose under sub-paragraph (7) above.
- (9) In determining for the purposes of this paragraph whether any particular matter operates, or may be expected to operate, against the public interest, the Competition Commission shall have regard to the matters as respects which duties are imposed on the Regulator by section 4 of this Act.
- 10 (1) The provisions mentioned in sub-paragraph (2) below are to apply in relation to references under paragraph 9 above as if—
- (a) the functions of the Competition Commission in relation to those references were functions under the 1973 Act;
  - (b) the expression “merger reference” included a reference under that paragraph; and
  - (c) in section 70 of the 1973 Act references to the Secretary of State were references to the Regulator and the reference to three months were a reference to six months.
- (2) The provisions are—



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- (a) sections 70 (time limit for report on merger), 85 (attendance of witnesses and production of documents) and 93B (false or misleading information) of the 1973 Act;
- (b) Part II of Schedule 7 to the Competition Act 1998 (performance of the Competition Commission's general functions); and
- (c) section 24 of the 1980 Act (modification of provisions about performance of such functions).

*Report on reference*

- 11 (1) In making a report on a reference under paragraph 9 above, the Competition Commission shall include in the report—
- (a) definite conclusions on the questions comprised in the reference; and
  - (b) such an account of their reasons for those conclusions as in their opinion is expedient for facilitating a proper understanding of those questions and of their conclusions.
- (2) Where they conclude that any of the matters specified in the reference operate, or may be expected to operate, against the public interest, they shall specify in the report the effects adverse to the public interest which those matters have or may be expected to have.
- (3) Where they conclude that any adverse effects so specified could be remedied or prevented by the making of relevant changes, they shall in the report—
- (a) specify the relevant changes by which those effects could be remedied or prevented; and
  - (b) state, in relation to each of the relevant changes, the date on which it should come into operation.
- (4) A date stated in the report as that on which a relevant change should come into operation may be a date before the report is made, provided that it is not before the earliest date specified in the review notice for the coming into operation of a relevant change proposed in it.
- (5) Section 82 of the 1973 Act (general provisions as to reports) shall apply in relation to reports of the Competition Commission on references under paragraph 9 above as it applies to reports of the Competition Commission under that Act.
- (6) A report of the Competition Commission on a reference under paragraph 9 above shall be made to the Regulator.
- (7) The Regulator shall, on receiving such a report, send a copy of it to the Secretary of State and the Authority.
- (8) Not less than 14 days after that copy is received by the Secretary of State, the Regulator shall send a copy to each of the persons on whom a copy of the review notice was served.
- (9) Not less than 24 hours after complying with sub-paragraph (8) above, the Regulator shall publish the report in such manner as he considers appropriate for bringing the report to the attention of persons likely to be affected by it.
- (10) If it appears to the Secretary of State that the publication of any matter in the report would be against the public interest or the commercial interests of any person, he

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may, before the end of the period of 14 days after he receives his copy of the report, direct the Regulator to exclude that matter from—

- (a) every copy of the report sent under sub-paragraph (8) above, and
- (b) the version of the report published under sub-paragraph (9) above.

*Changes following report*

12 (1) Where a report of the Competition Commission on a reference under paragraph 9 above—

- (a) includes conclusions to the effect that any of the matters specified in the reference operate, or may be expected to operate, against the public interest,
- (b) specifies effects adverse to the public interest which those matters have or may be expected to have,
- (c) includes conclusions to the effect that those effects could be remedied or prevented by the making of relevant changes, and
- (d) specifies relevant changes by which those effects could be remedied or prevented,

the Regulator shall, subject to the following provisions of this paragraph and paragraph 13 below, make such relevant changes as appear to him requisite for the purpose of remedying or preventing the adverse effects specified in the report.

(2) Before making relevant changes under this paragraph, the Regulator shall have regard to the relevant changes specified in the report.

(3) Before making relevant changes under this paragraph, the Regulator shall give notice—

- (a) stating that he proposes to make the relevant changes and setting out their effect,
- (b) stating the reasons why he proposes to make the relevant changes,
- (c) stating, in relation to each of the proposed relevant changes, the date on which he proposes that it should come into operation, and
- (d) specifying the period (not being less than 28 days from the date of publication of the notice) within which representations or objections with respect to the proposed relevant changes may be made,

and shall consider any representations or objections which are duly made and not withdrawn.

(4) A notice under sub-paragraph (3) above shall be given—

- (a) by publishing the notice in such manner as the Regulator considers appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by the making of the relevant changes; and
- (b) by serving a copy of the notice on the persons on whom a copy of the review notice was served.

(5) Where (after considering any representations or objections which are duly made and not withdrawn) the Regulator proposes to make relevant changes under this paragraph, he shall give notice to the Competition Commission—

- (a) setting out the relevant changes he proposes to make;
- (b) stating the reasons why he proposes to make the relevant changes; and

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- (c) stating, in relation to each of the proposed relevant changes, the date on which he proposes that it should come into operation.
- (6) The Regulator shall include with the notice under sub-paragraph (5) above a copy of any representations and objections which have been considered.
- (7) A date stated in a notice under sub-paragraph (3) or (5) above as that on which a relevant change should come into operation may be a date before the notice is given, provided that it is not before the earliest date specified in the review notice for the coming into operation of a relevant change proposed in it.
- (8) If the period within which a direction may be given by the Competition Commission under paragraph 13 below expires without such a direction being given, the Regulator shall make the relevant changes set out in the notice under sub-paragraph (5) above.
- (9) If a direction is given by the Competition Commission under paragraph 13(1)(b) below, the Regulator shall make such of those relevant changes as are not specified in the direction.
- (10) As soon as practicable after making relevant changes under this paragraph, the Regulator shall send a copy of the relevant changes to the Authority and the Health and Safety Executive.

*Competition Commission's power to veto changes*

- 13
- (1) The Competition Commission may, within the period of four weeks beginning with the day on which they are given notice under paragraph 12(5) above, give a direction to the Regulator—
    - (a) not to make the relevant changes set out in the notice; or
    - (b) not to make such of those relevant changes as are specified in the direction.
  - (2) The Secretary of State may, if an application is made to him by the Competition Commission within that period of four weeks, extend the period within which a direction may be given under this paragraph to one of six weeks beginning with the day on which the Competition Commission are given notice under paragraph 12(5) above.
  - (3) The Competition Commission may give a direction under this paragraph only if the relevant changes to which it relates do not appear to them requisite for the purpose of remedying or preventing the adverse effects specified in their report on the reference under paragraph 9 above.
  - (4) If the Competition Commission give a direction under this paragraph, they shall give notice—
    - (a) setting out the relevant changes contained in the notice given under paragraph 12(5) above;
    - (b) setting out the direction; and
    - (c) stating the reasons why they are giving the direction.
  - (5) A notice under sub-paragraph (4) above shall be given—
    - (a) by publishing the notice in such manner as the Competition Commission consider appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by the direction; and

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- (b) by serving a copy of the notice on the persons on whom a copy of the review notice was served.

*Making of changes by Competition Commission*

- 14 (1) If the Competition Commission give a direction under paragraph 13 above, they shall themselves make such relevant changes as appear to them requisite for the purpose of remedying or preventing—
- (a) the adverse effects specified in their report on the reference under paragraph 9 above; or
  - (b) such of those adverse effects as would not be remedied or prevented by the relevant changes made by the Regulator under paragraph 12(9) above.
- (2) In exercising the function conferred by sub-paragraph (1) above, the Competition Commission shall have regard to the matters as respects which duties are imposed on the Regulator by section 4 of this Act.
- (3) Before making relevant changes under this paragraph, the Competition Commission shall give notice—
- (a) stating that they propose to make the relevant changes and setting out their effect,
  - (b) stating the reasons why they propose to make the relevant changes,
  - (c) stating, in relation to each of the proposed relevant changes, the date on which they propose that it should come into operation, and
  - (d) specifying the period (not being less than 28 days from the date of publication of the notice) within which representations or objections may be made,
- and shall consider any representations or objections which are duly made and not withdrawn.
- (4) A date stated in a notice under sub-paragraph (3) above as that on which a relevant change should come into operation may be a date before the notice is given, provided that it is not before the earliest date specified in the review notice for the coming into operation of a relevant change proposed in it.
- (5) A notice under sub-paragraph (3) above shall be given—
- (a) by publishing the notice in such manner as the Competition Commission consider appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by the making of the relevant changes; and
  - (b) by serving a copy of the notice on the persons on whom a copy of the review notice was served.
- (5) As soon as practicable after making any relevant changes under this paragraph, the Competition Commission shall send a copy of those relevant changes to the Regulator, the Authority and the Health and Safety Executive.

*Paragraphs 13 and 14: supplementary*

- 15 (1) The provisions mentioned in sub-paragraph (2) below are to apply in relation to the exercise by the Competition Commission of their functions under paragraphs 13 and 14 above as if—

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- (a) in section 82(1) and (2) of the 1973 Act references to a report of the Competition Commission under that Act were references to a notice under paragraph 13(4) or 14(3) above;
  - (b) in section 85 of that Act references to an investigation on a reference made to the Competition Commission were references to an investigation by the Competition Commission for the purposes of the exercise of their functions under those paragraphs; and
  - (c) in section 93B of that Act references to the functions of the Competition Commission under that Act were references to their functions under those paragraphs.
- (2) The provisions are—
- (a) sections 82(1) and (2) (general provisions as to reports), 85 (attendance of witnesses and production of documents) and 93B (false or misleading information) of the 1973 Act;
  - (b) Part II of Schedule 7 to the Competition Act 1998 (performance of the Competition Commission’s general functions); and
  - (c) section 24 of the 1980 Act (modification of provisions about performance of such functions).
- (3) For the purpose of assisting the Competition Commission in exercising their functions under paragraphs 13 and 14 above, the Regulator shall give to the Competition Commission any information in his possession which relates to matters relevant to the exercise of those functions and—
- (a) is requested by the Competition Commission for that purpose; or
  - (b) is information which, in his opinion, it would be appropriate for that purpose to give to the Competition Commission without any such request;
- and any other assistance which the Competition Commission may require, and which it is within his power to give, in relation to any such matters.
- (4) For the purpose of exercising those functions, the Competition Commission shall take account of any information given to them for that purpose under subparagraph (3) above.

*Termination notice in response to proposals after reference*

- 16
- (1) Where a notice is served on the beneficiary under paragraph 12(3) or 14(3) above, he may give notice (a “post-reference termination notice”) terminating the access agreement.
  - (2) The post-reference termination notice shall specify the date on which the access agreement is to terminate.
  - (3) The post-reference termination notice shall be given by serving a copy on—
    - (a) the facility owner or installation owner;
    - (b) any other person who has an estate or interest in, or right over, the railway facility or network installation and who received a copy of the review notice; and
    - (c) the Regulator.
  - (4) The date specified by the post-reference termination notice as that on which the access agreement is to terminate shall be neither—
    - (a) less than six months, nor

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(b) more than one year,  
 after the copy of the post-reference termination notice is served on the facility owner or installation owner.

(5) The post-reference termination notice may not be given after the end of the period of 28 days beginning with the day on which the copy of the notice under paragraph 12(3) or 14(3) above is served on the beneficiary.”

## SCHEDULE 25

Section 240.

### TRANSFER OF BR’S PROPERTY ETC. TO SECRETARY OF STATE

#### *Transfer schemes*

- 1 (1) The Secretary of State may make one or more schemes for the transfer to him of any property, rights and liabilities of the Board, other than the property, rights and liabilities relating to the transport police transferred under Schedule 18.
- (2) In this Schedule “transfer scheme” means a scheme under this paragraph.

#### *Contents of transfer scheme*

- 2 (1) The property, rights and liabilities which may be transferred by a transfer scheme include property, rights and liabilities that would not otherwise be capable of being transferred or assigned.
- (2) The transfers authorised by sub-paragraph (1) include transfers which are to take effect as if there were no such contravention, liability or interference with any interest or right as there would otherwise be by reason of any provision having effect (whether under any enactment or agreement or otherwise) in relation to the terms on which the transferor is entitled to the property or right, or subject to the liability, in question.
- 3 A transfer scheme may define the property, rights and liabilities to be transferred to the Secretary of State by specifying them or describing them or by referring to all (or all except anything specified or described) of the property, rights and liabilities comprised in a specified part of the undertaking of the Board (or partly in one way and partly in the other).
- 4 A transfer scheme may contain provision—
- (a) for the creation, in relation to property which the scheme transfers, of an interest in or right over the property in favour of the Board,
  - (b) for the creation in favour of the Secretary of State of an interest in or right over, property retained by the Board,
  - (c) for the creation of rights and liabilities as between the Secretary of State and the Board, or
  - (d) for any rights or liabilities specified or described in the scheme to be, or to be to any extent, enforceable by or against the Secretary of State.
- 5 A transfer scheme may make such supplementary, incidental and consequential provision as the Secretary of State considers appropriate.

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### *Functions under legislation*

- 6 (1) A transfer scheme may provide that any functions of the Board under a statutory provision shall be transferred to the Secretary of State.
- (2) Sub-paragraph (1) applies in relation to any function under a statutory provision if and to the extent that the statutory provision—
- (a) relates to any property which is to be transferred by the scheme, or
  - (b) authorises the carrying out of works designed to be used in connection with any such property or the acquisition of land for the purpose of carrying out any such works.
- (3) In this paragraph “statutory provision” means a provision whether of a general or of a special nature contained in, or in any document made or issued under, any Act (whether of a general or a special nature) other than the Railways Act 1993 or this Part.

### *Effect of transfer scheme*

- 7 On the date appointed by a transfer scheme, the property, rights and liabilities which are the subject of the scheme shall, by virtue of this paragraph, be transferred in accordance with the provisions of the scheme.
- 8 Nothing in this Act affects the validity of anything done by or in relation to the Board in connection with anything transferred by a transfer scheme.
- 9 There may be continued by or in relation to the Secretary of State anything (including legal proceedings) relating to anything transferred by a transfer scheme which is in the process of being done by or in relation to the Board immediately before it is transferred.
- 10 Anything done by the Board for the purpose of or in connection with anything transferred by a transfer scheme which is in effect immediately before it is transferred shall be treated as if done by the Secretary of State.
- 11 The Secretary of State shall be substituted for the Board in documents and legal proceedings relating to anything transferred by a transfer scheme.

### *Transfer of employees*

- 12 Where a person employed by the Board becomes employed in the civil service of the state by virtue of a transfer scheme—
- (a) for the purposes of Part XI of the Employment Rights Act 1996, he shall not be regarded as having been dismissed by virtue of the transfer, and
  - (b) for the purposes of that Act, his period of employment with the Board counts as a period of employment in the civil service of the state and the change of employment does not break the continuity of the period of employment.

### *Modification of transfer scheme*

- 13 (1) If at any time after a transfer scheme has come into force the Secretary of State considers it appropriate to do so, he may by order provide that the scheme shall for all purposes be deemed to have come into force with such modifications, other

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than modifications relating to the transfer of rights and liabilities under a contract of employment, as may be specified in the order.

- (2) An order under sub-paragraph (1) may make, with effect from the coming into force of the scheme, such provision as could have been made by the scheme, and in connection with giving effect to that provision from that time may contain such supplemental, consequential and transitional provision as the Secretary of State considers appropriate.
- (3) An order under sub-paragraph (1) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

*Provision of information to Secretary of State*

- 14      The Board shall provide the Secretary of State with all such information and other assistance as he may reasonably require for the purposes of or in connection with the exercise of any of the powers conferred on him by this Part of this Schedule.

*Consultation*

- 15      Before making a transfer scheme, or an order modifying such a scheme, the Secretary of State shall consult the Board and the Authority.

SCHEDULE 26

Section 250.

TRANSFERS: TAX

**PART I**

INTERPRETATION

- 1      (1) In this Schedule—  
         “the 1988 Act” means the Income and Corporation Taxes Act 1988,  
         “the 1990 Act” means the Capital Allowances Act 1990,  
         “the 1992 Act” means the Taxation of Chargeable Gains Act 1992,  
         “the Capital Allowances Acts” has the same meaning as in the Tax Acts,  
         “fixture” has the same meaning as in Chapter VI of Part II of the 1990 Act,  
         “franchise company” means any body corporate which is, or is to be, the franchisee or the franchise operator under a franchise agreement, and  
         “qualifying transfer” means a transfer which is a relevant transfer for the purposes of any of Parts II to VI of this Schedule.
- (2) So far as it relates to corporation tax, this Schedule is to be construed as one with the Corporation Tax Acts.
- (3) So far as it relates to capital allowances, this Schedule is to be construed as one with the Capital Allowances Acts.



## PART II

### TRANSFERS TO SRA FROM FRANCHISING DIRECTOR, SECRETARY OF STATE AND REGULATOR

#### *Interpretation*

- 2 In this Part of this Schedule—
- “relevant transfer” means a transfer of property, rights or liabilities by virtue of—
- (a) section 215,
  - (b) a scheme under paragraph 1 of Schedule 15, or
  - (c) a scheme under paragraph 31 of Schedule 17,
- “transferee”, in relation to a relevant transfer, means the Authority, and
- “transferor”, in relation to a relevant transfer, means the person from whom the property, rights or liabilities are transferred.

#### *Chargeable gains: no gain no loss*

- 3 For the purposes of the 1992 Act a disposal by virtue of provision made under paragraph 34(a) of Schedule 17 is to be taken to be for a consideration such that no gain or loss accrues to the person making the disposal.

#### *Chargeable gains: disposal of debts*

- 4 (1) Sub-paragraph (2) applies if in the case of a relevant transfer—
- (a) a debt owed to the transferor is transferred to the transferee, and
  - (b) the transferor would, apart from this paragraph, be the original creditor in relation to that debt for the purposes of section 251 of the 1992 Act (disposal of debts).
- (2) The 1992 Act is to have effect as if the transferee (and not the transferor) were the original creditor for those purposes.

#### *Capital allowances for plant and machinery*

- 5 (1) This paragraph applies in relation to property if—
- (a) the property is plant or machinery to which a relevant transfer relates,
  - (b) the property would have been treated for the purposes of the Capital Allowances Acts (had the transferor incurred expenditure qualifying for allowances under Part II of the 1990 Act on the provision of the property) as disposed of by the transferor to the transferee on the transfer taking effect, and
  - (c) the relevant order or scheme contains provision for the transferee to be taken for the purposes of those Acts to have incurred capital expenditure of an amount specified in or determined in accordance with the order or scheme on the provision of the property.
- (2) For the purposes of those Acts—
- (a) the transferee is to be taken to have incurred capital expenditure of that amount on the provision of the property for the purposes for which it is used by the transferee on and after the taking effect of the transfer,

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- (b) the property is to be taken as belonging to the transferee in consequence of the transferee having incurred that expenditure, and
  - (c) in the case of a fixture, the expenditure which falls to be treated as incurred by the transferee is to be taken for the purposes of section 54 of the 1990 Act to be incurred by the giving of a consideration consisting in a capital sum of that amount.
- (3) In sub-paragraph (1)(c) “the relevant order or scheme” means—
- (a) in the case of a transfer by virtue of section 215, an order made by the Secretary of State by statutory instrument, or
  - (b) in the case of a transfer by virtue of a scheme under paragraph 1 of Schedule 15 or paragraph 31 of Schedule 17, the scheme concerned.
- (4) A provision mentioned in sub-paragraph (1)(c) for the determination of an amount may include provision—
- (a) for a determination to be made by the Secretary of State in a manner described in the order or scheme,
  - (b) for a determination to be made by reference to factors so described or to the opinion of a person so described, and
  - (c) for a determination to be capable of being modified (on one or more occasions) in a manner and in circumstances so described.
- (5) The Treasury’s consent is required for the making or modification of a determination under a provision mentioned in sub-paragraph (1)(c).
- (6) The transferee’s consent is also required for such a modification after the relevant transfer takes effect.
- (7) If there is a determination or a modification of a determination under a provision mentioned in sub-paragraph (1)(c) all necessary adjustments—
- (a) must be made by making assessments or by repayment or discharge of tax, and
  - (b) must be made despite any limitation on the time within which assessments may be made.

*Capital allowances for plant and machinery: connected persons*

- 6 For the purposes of Part II of the 1990 Act references in that Part to a transaction (however described) between connected persons within the meaning of section 839 of the 1988 Act are not to include references to a relevant transfer.

*Loan relationships*

- 7 (1) Sub-paragraph (2) applies if as a result of a relevant transfer the transferee replaces, or (if the transferor had been a company) would have replaced, the transferor as a party to a loan relationship.
- (2) Chapter II of Part IV of the Finance Act 1996 is to have effect in relation to the time when the relevant transfer takes effect and any later time as if—
- (a) the transferee had been a party to the loan relationship at the time the transferor became, or (if the transferor had been a company) would have become, a party to the loan relationship and at all times since that time, and

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- (b) the loan relationship to which the transferee is a party after the time the transfer takes effect is the same loan relationship as that to which, by virtue of paragraph (a), it is treated as having been a party before that time.
- (3) For the purposes of sub-paragraph (2) the transferor (and accordingly the transferee) is to be taken to have accounted for the loan relationship in accordance with an authorised accounting method corresponding to that in accordance with which the transferee accounts for the loan relationship in the accounting period in which the transfer takes effect.
- (4) Expressions used in this paragraph and in Chapter II of Part IV of the Finance Act 1996 have the same meanings in this paragraph as in that Chapter.

### PART III

#### TRANSFERS FROM BR TO SRA

##### *Interpretation*

- 8 In this Part of this Schedule—
- “relevant transfer” means a transfer of property, rights or liabilities by virtue of—
    - (a) paragraph 11 of Schedule 18, or
    - (b) a scheme under paragraph 1 of Schedule 19,
  - “transferee”, in relation to a relevant transfer, means the Authority, and
  - “transferor”, in relation to a relevant transfer, means the Board.

##### *Chargeable gains: general*

- 9 For the purposes of the 1992 Act a disposal—
- (a) constituted by a relevant transfer, or
  - (b) by virtue of provision made under paragraph 4 of Schedule 19,
- is to be taken (in relation to the person to whom the disposal is made as well as the person making the disposal) to be for a consideration such that no gain or loss accrues to the person making the disposal.

##### *Chargeable gains: restriction of losses*

- 10 (1) If there has been a disposal of an asset—
- (a) constituted by a relevant transfer, or
  - (b) by virtue of provision made under paragraph 4 of Schedule 19,
- subsection (8) of section 41 of the 1992 Act (which applies that section to cases where assets have been acquired without gain or loss) is to have effect as if the asset had been disposed of and acquired in circumstances mentioned in that subsection.
- (2) This paragraph is not to prejudice paragraph 9.

##### *Chargeable gains: groups*

- 11 (1) Sub-paragraph (2) applies if a company (“the degrouped company”)—

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- (a) acquired an asset from another company at any time when both were members of the same group of companies (“the old group”), and
  - (b) ceases by virtue of a relevant transfer to be a member of the old group.
- (2) Section 179 of the 1992 Act (company ceasing to be member of group) is not to treat the degrouped company as having by virtue of the transfer sold and immediately reacquired the asset.
- (3) If sub-paragraph (2) applies to an asset, that section is to have effect on and after the first subsequent occasion on which the degrouped company ceases to be a member of a group of companies (“the new group”), otherwise than by virtue of a qualifying transfer, as if the degrouped company and the company from which it acquired the asset had been members of the new group at the time of acquisition.
- (4) If, disregarding any preparatory transactions, a company would be regarded for the purposes of section 179 of the 1992 Act (and, accordingly, of this paragraph) as ceasing to be a member of a group of companies by virtue of a qualifying transfer, it is to be regarded for those purposes as so doing by virtue of the qualifying transfer and not by virtue of any preparatory transactions.
- (5) In this paragraph “preparatory transaction” means anything done under or by virtue of this Part of this Act for the purpose of initiating, advancing or facilitating the qualifying transfer in question.
- (6) Expressions used in this paragraph and in section 179 of the 1992 Act have the same meanings in this paragraph as in that section.

*Chargeable gains: disposal of debts*

- 12 (1) Sub-paragraph (2) applies if in the case of a relevant transfer—
- (a) a debt owed to the transferor is transferred to the transferee, and
  - (b) the transferor would, apart from this paragraph, be the original creditor in relation to that debt for the purposes of section 251 of the 1992 Act (disposal of debts).
- (2) The 1992 Act is to have effect as if the transferee (and not the transferor) were the original creditor for those purposes.

*Continuity in relation to capital allowances etc. where trade transferred*

- 13 (1) If, apart from this paragraph—
- (a) the transferor would be treated for the purposes of the Corporation Tax Acts as having ceased, by virtue of a relevant transfer taking effect, to carry on any trade, and
  - (b) the transferee would be treated as having begun, on that transfer taking effect, to carry it on,
- the trade is not to be treated as permanently discontinued, nor a new trade as set up, for the purposes of the allowances and charges provided for by the Capital Allowances Acts, but sub-paragraphs (2) to (4) are to apply.
- (2) Subject to sub-paragraphs (3) and (4), in a case falling within sub-paragraph (1)—
- (a) there are to be made to or on the transferee in accordance with the Capital Allowances Acts all such allowances and charges as would, if the transferor

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- had continued to carry on the trade, have fallen to be made to or on the transferor, and
- (b) the amount of any such allowance or charge is to be computed as if—
- (i) the transferee had been carrying on the trade since the transferor began to do so, and
  - (ii) everything done to or by the transferor had been done to or by the transferee (but so that the relevant transfer itself, so far as it relates to any assets in use for the purpose of the trade, shall not be treated as giving rise to any such allowance or charge).
- (3) For the purposes of the Corporation Tax Acts, only such amounts (if any) as may be specified in or determined in accordance with an order made by the Secretary of State by statutory instrument are to be allocated to the transferee in respect of expenditure by reference to which capital allowances may be made by virtue of sub-paragraph (2) in relation to anything to which the transfer relates.
- (4) Sub-paragraph (2) is to affect the amounts falling to be taken into account in relation to the transferor as expenditure by reference to which capital allowances may be made only so far as necessary to give effect to a reduction of any such amount by a sum equal to so much of that amount as is allocated to the transferee as mentioned in sub-paragraph (3).
- (5) An order under sub-paragraph (3) may include provision—
- (a) for a determination to be made by the Secretary of State in a manner described in the order,
  - (b) for a determination to be made by reference to factors so described or to the opinion of a person so described, and
  - (c) for a determination to be capable of being modified (on one or more occasions) in a manner and in circumstances so described.
- (6) The Treasury's consent is required for the making or modification of a determination of any such amount as is mentioned in sub-paragraph (3).
- (7) The transferee's consent is also required for such a modification after the relevant transfer takes effect.
- (8) In determining whether sub-paragraph (1) has effect in relation to a relevant transfer in a case where—
- (a) the transferor continues to carry on any trade or part of a trade after the transfer takes effect, or
  - (b) the transferee was carrying on any trade before the transfer takes effect,
- the trade or part of a trade which is continued, or was being carried on, shall for the purposes of that sub-paragraph be treated in relation to any trade or part of a trade which is transferred by virtue of the transfer as a separate trade and shall accordingly be disregarded.
- (9) If there is a determination or a modification of a determination for any purposes of this paragraph, all necessary adjustments—
- (a) must be made by making assessments or by repayment or discharge of tax, and
  - (b) must be made despite any limitation on the time within which assessments may be made.

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*Capital allowances for plant and machinery*

- 14 (1) This paragraph applies in relation to property if—
- (a) the property is plant or machinery to which a relevant transfer relates,
  - (b) paragraph 13 does not apply in relation to the transfer of the property to the transferee,
  - (c) the property would be treated for the purposes of the Capital Allowances Acts as disposed of by the transferor to the transferee on the transfer taking effect, and
  - (d) the scheme concerned contains provision for the disposal value of the property to be taken for the purposes of those Acts to be of an amount specified in or determined in accordance with the scheme.
- (2) For the purposes of those Acts—
- (a) the provision mentioned in sub-paragraph (1)(d) is to have effect (instead of section 26(1) or 59 of the 1990 Act) for determining an amount as the disposal value of the property or the price at which a fixture is to be treated as sold,
  - (b) the transferee is to be taken to have incurred capital expenditure of that amount on the provision of the property for the purposes for which it is used by the transferee on and after the taking effect of the transfer,
  - (c) the property is to be taken as belonging to the transferee in consequence of the transferee having incurred that expenditure, and
  - (d) in the case of a fixture, the expenditure which falls to be treated as incurred by the transferee is to be taken for the purposes of section 54 of the 1990 Act to be incurred by the giving of a consideration consisting in a capital sum of that amount.
- (3) A provision mentioned in sub-paragraph (1)(d) for the determination of an amount may include provision—
- (a) for a determination to be made by the Secretary of State in a manner described in the scheme,
  - (b) for a determination to be made by reference to factors so described or to the opinion of a person so described, and
  - (c) for a determination to be capable of being modified (on one or more occasions) in a manner and in circumstances so described.
- (4) The Treasury's consent is required for the making or modification of a determination under a provision mentioned in sub-paragraph (1)(d).
- (5) The transferee's consent is also required for such a modification after the relevant transfer takes effect.
- (6) If there is a determination or a modification of a determination under a provision mentioned in sub-paragraph (1)(d) all necessary adjustments—
- (a) must be made by making assessments or by repayment or discharge of tax, and
  - (b) must be made despite any limitation on the time within which assessments may be made.

*Capital allowances for plant and machinery: connected persons*

- 15 For the purposes of Part II of the 1990 Act references in that Part to a transaction (however described) between connected persons within the meaning of section 839 of the 1988 Act are not to include references to a relevant transfer.

*Leased assets*

- 16 (1) Sub-paragraphs (2) and (3) apply for the purposes of section 781 of the 1988 Act (assets leased to traders and others) if the interest of the lessor or the lessee under a lease, or any other interest in an asset, is transferred to a person under a relevant transfer.
- (2) The transfer is to be treated as made without any capital sum having been obtained in respect of the interest by the transferor; and this is so despite section 783(4) of that Act.
- (3) If the interest is an interest under a lease, payments made by the transferor under the lease before the transfer takes effect are to be treated as if they had been made under that lease by the transferee.
- (4) Sub-paragraph (5) applies for the purposes of section 781 of the 1988 Act if a lease, or any other interest in an asset, is granted by virtue of provision made under paragraph 4 of Schedule 19.
- (5) The grant is to be treated as made without any capital sum having been obtained in respect of the lease, or interest, by the grantor; and this is so despite section 783(4) of that Act.
- (6) No charge is to arise under section 781(1) of the 1988 Act by virtue of section 783(2) of that Act in a case where the capital sum mentioned in section 781(1)(b)(i) or (ii) of that Act is or forms part of the consideration obtained (or treated by section 783(4) of that Act as obtained) by the transferor on a disposal by virtue of a relevant transfer of securities of a subsidiary of the transferor.
- (7) Expressions used in this paragraph and in sections 781 to 785 of the 1988 Act have the same meanings in this paragraph as in those sections.

*Loan relationships*

- 17 (1) Sub-paragraph (2) applies if, as a result of a relevant transfer, the transferee replaces the transferor as a party to a loan relationship.
- (2) Chapter II of Part IV of the Finance Act 1996 is to have effect in relation to the time when the relevant transfer takes effect and any later time as if—
- (a) the transferee had been a party to the loan relationship at the time the transferor became a party to the loan relationship and at all times since that time, and
- (b) the loan relationship to which the transferee is a party after the time the transfer takes effect is the same loan relationship as that to which, by virtue of paragraph (a), it is treated as having been a party before that time.
- (3) Expressions used in this paragraph and in Chapter II of Part IV of the Finance Act 1996 have the same meanings in this paragraph as in that Chapter.

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*Charge to tax under Case I of Schedule D*

- 18 (1) This paragraph applies for the purpose of computing the profits or losses of the transferor and the transferee under Case I of Schedule D in respect of any trade or part of a trade transferred by a relevant transfer in relation to the time when the transfer takes effect and any later time.
- (2) The trade or part of a trade transferred is to be treated as having been, at the time of its commencement and at all times since that time, a separate trade carried on by the transferee.
- (3) The trade carried on by the transferee after the time the transfer takes effect is to be treated as the same trade as that which, by virtue of sub-paragraph (2), it is treated as having carried on before that time.
- (4) This paragraph is subject to paragraphs 13 and 17.

**PART IV**

TRANSFERS TO SECRETARY OF STATE FROM SRA AND BR

*Interpretation*

- 19 In this Part of this Schedule—
- “relevant transfer” means a transfer of property, rights or liabilities by virtue of—
- (a) a scheme under paragraph 1 of Schedule 21 under which the property, rights or liabilities are transferred to the Secretary of State, or
- (b) a scheme under paragraph 1 of Schedule 25,
- “transferee”, in relation to a relevant transfer, means the Secretary of State, and
- “transferor”, in relation to a relevant transfer, means the person from whom the property, rights or liabilities are transferred.

*Chargeable gains: groups*

- 20 (1) Sub-paragraph (2) applies if a company (“the degrouped company”)—
- (a) acquired an asset from another company at any time when both were members of the same group of companies (“the old group”), and
- (b) ceases by virtue of a relevant transfer to be a member of the old group.
- (2) Section 179 of the 1992 Act (company ceasing to be member of group) is not to treat the degrouped company as having by virtue of the transfer sold and immediately reacquired the asset.
- (3) If, disregarding any preparatory transactions, a company would be regarded for the purposes of section 179 of the 1992 Act (and, accordingly, of this paragraph) as ceasing to be a member of a group of companies by virtue of a relevant transfer, it is to be regarded for those purposes as so doing by virtue of the relevant transfer and not by virtue of any preparatory transactions.



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- (4) In this paragraph “preparatory transaction” means anything done under or by virtue of this Part of this Act for the purpose of initiating, advancing or facilitating the relevant transfer in question.
- (5) Expressions used in this paragraph and in section 179 of the 1992 Act have the same meanings in this paragraph as in that section.

*Capital allowances: actual consideration to be the disposal value*

- 21
- (1) Sub-paragraphs (2) to (4) apply for the purposes of Part I of the 1990 Act, and the other provisions of that Act which are relevant to that Part, if there is a disposal by virtue of a relevant transfer of the relevant interest in—
    - (a) an industrial building or structure, or
    - (b) a qualifying hotel or a commercial building or structure.
  - (2) The disposal is to be treated as a sale of that relevant interest.
  - (3) The sale moneys in respect of that sale are to be taken—
    - (a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that capital sum, or
    - (b) if no such capital sum is received, to be nil.
  - (4) Sections 157 and 158 of that Act (sales between connected persons or without change of control) are not to have effect in relation to that sale.
  - (5) Sub-paragraph (6) applies for determining, in the case of machinery or plant which is treated for the purposes of the Capital Allowances Acts as disposed of by virtue of a relevant transfer, the amount which (in consequence of that disposal) is to be brought into account as the disposal value of that machinery or plant for the purposes of section 24 of the 1990 Act (balancing adjustments).
  - (6) The amount is, subject to section 26(2) and (3) of that Act (disposal value of machinery or plant not to exceed capital expenditure incurred on its provision) to be taken—
    - (a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that capital sum, or
    - (b) if no such capital sum is received, to be nil.
  - (7) Sub-paragraph (8) applies if, in consequence of a disposal by virtue of a relevant transfer, a fixture is treated by section 57(2) of the 1990 Act as ceasing to belong to a person at any time.
  - (8) The amount which, in consequence of that disposal, is to be brought into account as the disposal value of the fixture for the purposes of section 24 of that Act is, subject to section 26(2) and (3) of that Act, to be taken—
    - (a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that portion of that capital sum which falls (or, if the person to whom the disposal is made were entitled to an allowance, would fall) to be treated for the purposes of Part II of that Act as expenditure incurred by that person on the provision of the fixture, or

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- (b) if no such capital sum is received, to be nil.
- (9) Sub-paragraphs (3), (6) and (8) have effect despite any other provision of the Capital Allowances Acts.

*Leased assets*

- 22 (1) Sub-paragraphs (2) and (3) apply for the purposes of section 781 of the 1988 Act (assets leased to traders and others) if the interest of the lessor or the lessee under a lease, or any other interest in an asset, is transferred to a person under a relevant transfer.
- (2) The transfer is to be treated as made without any capital sum having been obtained in respect of the interest by the transferor; and this is so despite section 783(4) of that Act.
- (3) If the interest is an interest under a lease, payments made by the transferor under the lease before the transfer takes effect are to be treated as if they had been made under that lease by the transferee.
- (4) Sub-paragraph (5) applies for the purposes of section 781 of the 1988 Act if a lease, or any other interest in an asset, is granted by the transferor by virtue of provision made under paragraph 5 of Schedule 21 or paragraph 4 of Schedule 25.
- (5) The grant is to be treated as made without any capital sum having been obtained in respect of the lease, or interest, by the transferor; and this is so despite section 783(4) of that Act.
- (6) No charge is to arise under section 781(1) of the 1988 Act by virtue of section 783(2) of that Act in a case where the capital sum mentioned in section 781(1)(b)(i) or (ii) of that Act is or forms part of the consideration obtained (or treated by section 783(4) of that Act as obtained) by the transferor on a disposal by virtue of a relevant transfer of securities of a subsidiary of the transferor.
- (7) Expressions used in this paragraph and in sections 781 to 785 of the 1988 Act have the same meanings in this paragraph as in those sections.

**PART V**

TRANSFERS FROM SRA TO FRANCHISE COMPANY

*Interpretation*

- 23 In this Part of this Schedule—
- “relevant transfer” means a transfer of property, rights or liabilities by virtue of a scheme under paragraph 1 of Schedule 21 under which the property, rights or liabilities are transferred to a franchise company,
- “transferee”, in relation to a relevant transfer, means the franchise company to whom the property, rights or liabilities are transferred, and
- “transferor”, in relation to a relevant transfer, means the person from whom the property, rights or liabilities are transferred.

*Chargeable gains: disposals not to be treated as made at market value*

- 24 (1) Section 17 of the 1992 Act (disposals and acquisitions treated as made at market value) is not to have effect in relation to—
- (a) a disposal constituted by a relevant transfer or a disposal by virtue of provision made under paragraph 5 of Schedule 21, or
  - (b) the acquisition made by the person to whom the disposal is made.
- (2) But sub-paragraph (1) does not apply—
- (a) if the person making the disposal is connected with the person making the acquisition, or
  - (b) in the case of a disposal by virtue of provision made under paragraph 5 of Schedule 21, if the disposal is made by or to a person other than the transferor or the transferee.
- (3) If sub-paragraph (1) applies to the disposal of an asset, the disposal is to be taken (in relation to the person making the acquisition as well as the person making the disposal) to be—
- (a) in a case where consideration in money or money’s worth is given by the person making the acquisition or on his behalf in respect of the vesting of the asset in him, for a consideration equal to the amount or value of that consideration, or
  - (b) in a case where no such consideration is given, for a consideration of nil.

*Chargeable gains: groups*

- 25 (1) Sub-paragraph (2) applies if a company (“the degrouped company”)—
- (a) acquired an asset from another company at any time when both were members of the same group of companies (“the old group”), and
  - (b) ceases by virtue of a relevant transfer to be a member of the old group.
- (2) Section 179 of the 1992 Act (company ceasing to be member of group) is not to treat the degrouped company as having by virtue of the transfer sold and immediately reacquired the asset.
- (3) If sub-paragraph (2) applies to an asset, that section is to have effect on and after the first subsequent occasion on which the degrouped company ceases to be a member of a group of companies (“the new group”), otherwise than by virtue of a qualifying transfer, as if the degrouped company and the company from which it acquired the asset had been members of the new group at the time of acquisition.
- (4) If, disregarding any preparatory transactions, a company would be regarded for the purposes of section 179 of the 1992 Act (and, accordingly, of this paragraph) as ceasing to be a member of a group of companies by virtue of a qualifying transfer, it is to be regarded for those purposes as so doing by virtue of the qualifying transfer and not by virtue of any preparatory transactions.
- (5) In this paragraph “preparatory transaction” means anything done under or by virtue of this Part of this Act for the purpose of initiating, advancing or facilitating the qualifying transfer in question.
- (6) Expressions used in this paragraph and in section 179 of the 1992 Act have the same meanings in this paragraph as in that section.

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*Status: This is the original version (as it was originally enacted).*

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*Chargeable gains: disposal of debts*

- 26 (1) Sub-paragraph (2) applies if in the case of a relevant transfer—
- (a) a debt owed to the transferor is transferred to the transferee, and
  - (b) the transferor would, apart from this paragraph, be the original creditor in relation to that debt for the purposes of section 251 of the 1992 Act (disposal of debts).
- (2) The 1992 Act is to have effect as if the transferee (and not the transferor) were the original creditor for those purposes.

*Capital allowances: actual consideration to be the disposal value*

- 27 (1) Sub-paragraphs (2) to (4) apply for the purposes of Part I of the 1990 Act, and the other provisions of that Act which are relevant to that Part, if there is a disposal by virtue of a relevant transfer of the relevant interest in—
- (a) an industrial building or structure, or
  - (b) a qualifying hotel or a commercial building or structure.
- (2) The disposal is to be treated as a sale of that relevant interest.
- (3) The sale moneys in respect of that sale are to be taken—
- (a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that capital sum, or
  - (b) if no such capital sum is received, to be nil.
- (4) Sections 157 and 158 of that Act (sales between connected persons or without change of control) are not to have effect in relation to that sale.
- (5) Sub-paragraph (6) applies for determining, in the case of machinery or plant which is treated for the purposes of the Capital Allowances Acts as disposed of by virtue of a relevant transfer, the amount which (in consequence of that disposal) is to be brought into account as the disposal value of that machinery or plant for the purposes of section 24 of the 1990 Act (balancing adjustments).
- (6) The amount is, subject to section 26(2) and (3) of that Act (disposal value of machinery or plant not to exceed capital expenditure incurred on its provision) to be taken—
- (a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that capital sum, or
  - (b) if no such capital sum is received, to be nil.
- (7) Sub-paragraph (8) applies if, in consequence of a disposal by virtue of a relevant transfer, a fixture is treated by section 57(2) of the 1990 Act as ceasing to belong to a person at any time.
- (8) The amount which, in consequence of that disposal, is to be brought into account as the disposal value of the fixture for the purposes of section 24 of that Act is, subject to section 26(2) and (3) of that Act, to be taken—
- (a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that portion of that capital sum which falls

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(or, if the person to whom the disposal is made were entitled to an allowance, would fall) to be treated for the purposes of Part II of that Act as expenditure incurred by that person on the provision of the fixture, or

(b) if no such capital sum is received, to be nil.

- (9) Sub-paragraphs (3), (6) and (8) have effect despite any other provision of the Capital Allowances Acts.

#### *Leased assets*

- 28 (1) Sub-paragraphs (2) and (3) apply for the purposes of section 781 of the 1988 Act (assets leased to traders and others) if the interest of the lessor or the lessee under a lease, or any other interest in an asset, is transferred to a person under a relevant transfer.
- (2) The transfer is to be treated as made without any capital sum having been obtained in respect of the interest by the transferor; and this is so despite section 783(4) of that Act.
- (3) If the interest is an interest under a lease, payments made by the transferor under the lease before the transfer takes effect are to be treated as if they had been made under that lease by the transferee.
- (4) Sub-paragraph (5) applies for the purposes of section 781 of the 1988 Act if a lease, or any other interest in an asset, is granted by the transferor by virtue of provision made under paragraph 5 of Schedule 21.
- (5) The grant is to be treated as made without any capital sum having been obtained in respect of the lease, or interest, by the transferor; and this is so despite section 783(4) of that Act.
- (6) No charge is to arise under section 781(1) of the 1988 Act by virtue of section 783(2) of that Act in a case where the capital sum mentioned in section 781(1)(b)(i) or (ii) of that Act is or forms part of the consideration obtained (or treated by section 783(4) of that Act as obtained) by the transferor on a disposal by virtue of a relevant transfer of securities of a subsidiary of the transferor.
- (7) Expressions used in this paragraph and in sections 781 to 785 of the 1988 Act have the same meanings in this paragraph as in those sections.

#### *Loan relationships*

- 29 (1) Sub-paragraph (2) applies if, as a result of a relevant transfer, the transferee replaces the transferor as a party to a loan relationship.
- (2) Chapter II of Part IV of the Finance Act 1996 is to have effect in relation to the time when the relevant transfer takes effect and any later time as if—
- (a) the transferee had been a party to the loan relationship at the time the transferor became a party to the loan relationship and at all times since that time, and
- (b) the loan relationship to which the transferee is a party after the time the transfer takes effect is the same loan relationship as that to which, by virtue of paragraph (a), it is treated as having been a party before that time.

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*Status: This is the original version (as it was originally enacted).*

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- (3) Expressions used in this paragraph and in Chapter II of Part IV of the Finance Act 1996 have the same meanings in this paragraph as in that Chapter.

## PART VI

### TRANSFERS OF FRANCHISE ASSETS

#### *Interpretation*

- 30 In this Part of this Schedule—
- “relevant transfer” means a transfer of property, rights or liabilities by virtue of a scheme under paragraph 2 of Schedule 21 under which the property, rights or liabilities are transferred from a person which is, or has been, a franchise company,
- “transferee”, in relation to a relevant transfer, means the person to whom the property, rights or liabilities are transferred, and
- “transferor”, in relation to a relevant transfer, means the person from whom the property, rights or liabilities are transferred.

#### *Chargeable gains: disposals not to be treated as made at market value*

- 31 (1) Section 17 of the 1992 Act (disposals and acquisitions treated as made at market value) is not to have effect in relation to—
- (a) a disposal constituted by a relevant transfer or a disposal by virtue of provision made under paragraph 5 of Schedule 21, or
  - (b) the acquisition made by the person to whom the disposal is made.
- (2) But sub-paragraph (1) does not apply—
- (a) if the person making the disposal is connected with the person making the acquisition, or
  - (b) in the case of a disposal by virtue of provision made under paragraph 5 of Schedule 21, if the disposal is made by or to a person other than the transferor or the transferee.
- (3) If sub-paragraph (1) applies to the disposal of an asset, the disposal is to be taken (in relation to the person making the acquisition as well as the person making the disposal) to be—
- (a) in a case where consideration in money or money’s worth is given by the person making the acquisition or on his behalf in respect of the vesting of the asset in him, for a consideration equal to the amount or value of that consideration, or
  - (b) in a case where no such consideration is given, for a consideration of nil.

#### *Chargeable gains: groups*

- 32 (1) Sub-paragraph (2) applies if a company (“the degrouped company”)—
- (a) acquired an asset from another company at any time when both were members of the same group of companies (“the old group”), and
  - (b) ceases by virtue of a relevant transfer to be a member of the old group.

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- (2) Section 179 of the 1992 Act (company ceasing to be member of group) is not to treat the degrouped company as having by virtue of the transfer sold and immediately reacquired the asset.
- (3) If sub-paragraph (2) applies to an asset, that section is to have effect on and after the first subsequent occasion on which the degrouped company ceases to be a member of a group of companies (“the new group”), otherwise than by virtue of a qualifying transfer, as if the degrouped company and the company from which it acquired the asset had been members of the new group at the time of acquisition.
- (4) If, disregarding any preparatory transactions, a company would be regarded for the purposes of section 179 of the 1992 Act (and, accordingly, of this paragraph) as ceasing to be a member of a group of companies by virtue of a qualifying transfer, it is to be regarded for those purposes as so doing by virtue of the qualifying transfer and not by virtue of any preparatory transactions.
- (5) In this paragraph “preparatory transaction” means anything done under or by virtue of this Part of this Act for the purpose of initiating, advancing or facilitating the qualifying transfer in question.
- (6) Expressions used in this paragraph and in section 179 of the 1992 Act have the same meanings in this paragraph as in that section.

*Chargeable gains: disposal of debts*

- 33
- (1) Sub-paragraph (2) applies if in the case of a relevant transfer—
    - (a) a debt owed to the transferor is transferred to the transferee, and
    - (b) the transferor would, apart from this paragraph, be the original creditor in relation to that debt for the purposes of section 251 of the 1992 Act (disposal of debts).
  - (2) The 1992 Act is to have effect as if the transferee (and not the transferor) were the original creditor for those purposes.

*Capital allowances: actual consideration to be the disposal value*

- 34
- (1) Sub-paragraphs (2) to (5) apply for the purposes of Part I of the 1990 Act, and the other provisions of that Act which are relevant to that Part, if there is a disposal by virtue of a relevant transfer of the relevant interest in—
    - (a) an industrial building or structure, or
    - (b) a qualifying hotel or a commercial building or structure.
  - (2) The disposal is to be treated as a sale of that relevant interest.
  - (3) The sale moneys in respect of that sale are to be taken—
    - (a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that capital sum, or
    - (b) if no such capital sum is received, to be nil.
  - (4) The sale moneys in respect of that sale are to be taken, as respects the transferee only, to include in addition an amount equal to any capital sum received by a person other than the transferor or a person connected with the transferor by way of consideration or compensation in respect of the acquisition of the relevant interest by the transferee.

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*Status: This is the original version (as it was originally enacted).*

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- (5) Sections 157 and 158 of that Act (sales between connected persons or without change of control) are not to have effect in relation to that sale.
- (6) Sub-paragraph (7) applies for determining, in the case of machinery or plant which is treated for the purposes of the Capital Allowances Acts as disposed of by virtue of a relevant transfer, the amount which (in consequence of that disposal) is to be brought into account as the disposal value of that machinery or plant for the purposes of section 24 of the 1990 Act (balancing adjustments).
- (7) The amount is, subject to section 26(2) and (3) of that Act (disposal value of machinery or plant not to exceed capital expenditure incurred on its provision) to be taken—
  - (a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that capital sum, or
  - (b) if no such capital sum is received, to be nil.
- (8) Sub-paragraph (9) applies if, in consequence of a disposal by virtue of a relevant transfer, a fixture is treated by section 57(2) of the 1990 Act as ceasing to belong to a person at any time.
- (9) The amount which, in consequence of that disposal, is to be brought into account as the disposal value of the fixture for the purposes of section 24 of that Act is, subject to section 26(2) and (3) of that Act, to be taken—
  - (a) if a capital sum is received by the transferor or a person connected with the transferor by way of consideration or compensation in respect of the disposal, to be an amount equal to that portion of that capital sum which falls (or, if the person to whom the disposal is made were entitled to an allowance, would fall) to be treated for the purposes of Part II of that Act as expenditure incurred by that person on the provision of the fixture, or
  - (b) if no such capital sum is received, to be nil.
- (10) Sub-paragraphs (3), (4), (7) and (9) have effect despite any other provision of the Capital Allowances Acts.

#### *Loan relationships*

- 35 (1) Paragraph 11 of Schedule 9 to the Finance Act 1996 is not to have effect in a case where, as a result of a relevant transfer, the transferee replaces the transferor as a party to a loan relationship.
- (2) Expressions used in this paragraph and in Chapter II of Part IV of the Finance Act 1996 have the same meanings in this paragraph as in that Chapter.



## PART VII

### OTHER PROVISIONS CONCERNING TRANSFERS

#### *Chargeable gains: value shifting*

- 36 Nothing in this Part of this Act and nothing done under it is to be regarded as a scheme or arrangement for the purposes of section 30 of the 1992 Act (tax-free benefits).

#### *Chargeable gains: consequential amendment*

- 37 In section 35(3)(d) of the 1992 Act (list of provisions for transfers treated as made without gain or loss), after sub-paragraph (xiii) (inserted by paragraph 2(3) of Schedule 7 to this Act) insert—  
“(xiv) paragraphs 3 and 9 of Schedule 26 to the Transport Act 2000;”.

#### *Group relief*

- 38 The existence of the powers of the Secretary of State or the Authority under this Part of this Act is not to be regarded (and nothing else in that Part is to be regarded) as—  
(a) constituting arrangements falling within section 410(1) or (2) of the 1988 Act (arrangements for transfer of company to another group or consortium),  
or  
(b) constituting option arrangements for the purposes of paragraph 5B of Schedule 18 to the 1988 Act.

#### *Modifications of transfer schemes*

- 39 (1) Sub-paragraph (2) applies if—  
(a) the effect of a scheme under paragraph 1 of Schedule 15, paragraph 31 of Schedule 17, paragraph 1 of Schedule 19 or paragraph 1 of Schedule 25 is modified by an order made by the Secretary of State, or  
(b) the effect of a scheme under paragraph 1 of Schedule 21 under which the property, rights or liabilities are transferred to the Secretary of State or a franchise company is modified by an agreement made under paragraph 15 of that Schedule.
- (2) The Corporation Tax Acts (including this Schedule) are to have effect as if—  
(a) the scheme had been made as modified, and  
(b) anything done by or in relation to the preceding holder had (so far as relating to the property, rights or liabilities affected by the modification) been done by or in relation to the subsequent holder.
- (3) For the purposes of sub-paragraph (2) the preceding holder is the person who without the modification—  
(a) became (under the scheme concerned) entitled or subject to the property, rights or liabilities affected by the modification, or  
(b) remained (despite the scheme concerned) entitled or subject to the property, rights or liabilities affected by the modification,  
as the case may be.

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- (4) For the purposes of sub-paragraph (2) the subsequent holder is the person who (in consequence of the modification) becomes, or resumes being, entitled or subject to the property, rights or liabilities affected by the modification.

*Stamp duty and stamp duty reserve tax*

- 40 (1) Stamp duty is not to be chargeable on—
- (a) a scheme under paragraph 1 of Schedule 15, paragraph 31 of Schedule 17 or paragraph 1 of Schedule 19, 21 or 25, or
  - (b) an instrument or agreement which is certified to the Commissioners of Inland Revenue by the Secretary of State as made in pursuance of such a scheme.
- (2) No such scheme, and no instrument or agreement which is certified as mentioned in sub-paragraph (1)(b), is to be taken to be duly stamped unless—
- (a) it has, in accordance with section 12 of the Stamp Act 1891, been stamped with a particular stamp denoting that it is not chargeable with that duty or that it is duly stamped, or
  - (b) it is stamped with the duty to which it would be liable, apart from this paragraph.
- (3) Section 12 of the Finance Act 1895 is not to operate to require—
- (a) the delivery to the Inland Revenue of a copy of this Act, or
  - (b) the payment of stamp duty under that section on any copy of this Act,
- and is not to apply in relation to an instrument on which, by virtue of sub-paragraph (1), stamp duty is not chargeable.
- (4) An agreement to transfer chargeable securities, as defined in section 99 of the Finance Act 1986, to a person specified in sub-paragraph (2)(a) to (c) of paragraph 1 of Schedule 21 is not to give rise to a charge to stamp duty reserve tax if the agreement is made for the purposes of, or for purposes connected with, a scheme under that paragraph.

SCHEDULE 27

Section 252.

MINOR AND CONSEQUENTIAL AMENDMENTS ABOUT RAILWAYS

*Transport Act 1962 (c. 46)*

- 1 (1) Section 43 of the Transport Act 1962 (charges and facilities) is amended as follows.
- (2) In subsections (1) and (2), for “Boards” substitute “British Waterways Board or the Strategic Rail Authority”.
  - (3) In subsection (3), for “Boards” substitute “British Waterways Board and the Strategic Rail Authority”.
  - (4) In subsection (4), for “The Boards shall not” substitute “Neither the British Waterways Board nor the Strategic Rail Authority shall”.
  - (5) In subsection (5), insert at the end “or the Strategic Rail Authority”.

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- (6) In subsection (6), for “None of the Boards” substitute “Neither the British Waterways Board nor the Strategic Rail Authority”.

*Transport Act 1968 (c. 73)*

- 2 The Transport Act 1968 has effect subject to the following amendments.
- 3 (1) Section 10(1) (general powers of Passenger Transport Executives) is amended as follows.
- (2) In paragraph (vi), for the words from “the Railways Board” to “may be)” substitute “the Strategic Rail Authority or any wholly-owned subsidiary of the Strategic Rail Authority in respect of railway passenger services provided”.
- (3) After that paragraph insert—
- “(viza) to enter into agreements with the Strategic Rail Authority under which the Executive make payments to the Strategic Rail Authority in respect of the cost incurred by it in securing the provision of a bus substitution service (within the meaning of the Railways Act 1993) between places in that area or between such places and places outside that area but within the permitted distance for the purposes of paragraph (ii) of this subsection;”.
- 4 In section 15(1)(d) (approval of agreements), for the words from “the Railways Board” to “the wholly-owned subsidiary” substitute “the Strategic Rail Authority or a wholly-owned subsidiary of the Strategic Rail Authority for the provision”.
- 5 (1) Section 20 (securing provision of railway services for passenger transport area) is amended as follows.
- (2) In subsection (2), for the words from “and subject” to “services as the Authority” substitute “, to enter into such agreements with the Strategic Rail Authority or any wholly-owned subsidiary of the Strategic Rail Authority as the Passenger Transport Authority for that area may approve for securing the provision of such railway passenger services as the Passenger Transport Authority”.
- (3) In subsection (3), for “The Railways Board” substitute “The Strategic Rail Authority”.
- (4) In subsection (4), for the words from “the Railways Board” to “the subsidiary” substitute “the Strategic Rail Authority or a wholly-owned subsidiary of the Strategic Rail Authority in respect of the railway passenger services provided”.
- (5) In subsection (6)—
- (a) for the words from “the Railways Board” to “that Board” substitute “the Strategic Rail Authority or any wholly-owned subsidiary of the Strategic Rail Authority”, and
- (b) for “the Board or the subsidiary” substitute “the Strategic Rail Authority or the subsidiary”.

*British Railways Act 1969 (c.xliii)*

- 6 In section 22 of the British Railways Act 1969 (misuse of telephones at level crossings)—

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- (a) for “Board” substitute “a successor of the Board”, and
- (b) insert at the end “; and in this section “successor of the Board” has the same meaning as “successor of the British Railways Board” has in the Railways Act 1993 (Consequential Modifications) (No.2) Order 1999.”

*House of Commons Disqualification Act 1975 (c. 24)*

- 7 In Part III of Schedule 1 to the House of Commons Disqualification Act 1975 (other disqualifying offices), insert (at the appropriate place in alphabetical order)—
- “Member of the London Transport Users' Committee in receipt of remuneration.”

*British Railways Act 1977 (c.xvii)*

- 8 (1) Section 13 of the British Railways Act 1977 (fines and penalties) is amended as follows.
- (2) In subsection (1), for “the Board, to any railway of the Board” substitute “a successor of the Board, to any railway of a successor of the Board”.
- (3) After that subsection insert—
- “(1A) In subsection (1) of this section “successor of the Board” has the same meaning as “successor of the British Railways Board” has in the Railways Act 1993 (Consequential Modifications) (No.2) Order 1999.”

*Transport Act 1980 (c. 34)*

- 9 Part III of the Transport Act 1980 (railway pensions) has effect subject to the following amendments.
- 10 In section 52A(13) (provisions for final discharge of Secretary of State not to affect liability of Board in respect of relevant pension obligations), for “Board” substitute “Authority”.
- 11 In section 52B(10) (provisions for substitution order not to affect liability of Board in respect of relevant pension obligations), for “Board” substitute “Authority”.
- 12 (1) Section 53 (meaning of “relevant pension obligations”) is amended as follows.
- (2) In subsection (1)—
- (a) for “Board which were owed” substitute “Authority which were owed by the Board”, and
  - (b) for “Board arising after the operative date” (in both places) substitute “Authority which arose as an obligation of the Board after the operative date or was never an obligation of the Board”.
- (3) In subsection (4), for “Board” (in each place) substitute “Authority”.
- 13 In section 60(1) (interpretation), before the definition of “the Board” insert—
- ““the Authority” means the Strategic Rail Authority;”.

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*Transport Act 1985 (c. 67)*

- 14 In section 6(1) of the Transport Act 1985 (registration of local services), for “Railways Board or the Director of Passenger Rail Franchising (under section 4A of the 1962 Act)” substitute “Strategic Rail Authority (under section 214 of the Transport Act 2000)”.

*Channel Tunnel Act 1987 (c. 53)*

- 15 In paragraph 5 of Schedule 6 to the Channel Tunnel Act 1987 (application of offence provisions), for “the Railways Board” substitute “a successor of the British Railways Board within the meaning of the Railways Act 1993 (Consequential Modifications) (No.2) Order 1999”.

*Heathrow Express Railway Act 1991 (c.vii)*

- 16 In section 41(1) of the Heathrow Express Railway Act 1991 (provisions which do not apply to services and facilities provided on Heathrow Express lines or at Heathrow Express stations), after “1968” insert “and sections 76 and 77 of the Railways Act 1993”.

*Railways Act 1993 (c. 43)*

- 17 The Railways Act 1993 has effect subject to the following amendments.
- 18 In section 7 (licence exemptions), omit subsection (10) (limit on grant of licence exemption by Secretary of State).
- 19 In section 9 (licence conditions), after subsection (3) insert—
- “(3A) Conditions included in a licence by virtue of subsection (1)(a) above may include provision about any matter which is dealt with (whether in the same or a different manner) by an access agreement.”
- 20 (1) Section 13 (modification references to Competition Commission) is amended as follows.
- (2) In subsection (8)(c)(i), for “Director” substitute “Regulator”.
- (3) In subsection (8A)(a)—
- (a) for “and 85” substitute “, 85”, and
- (b) after “documents” insert “and 93B (false or misleading information)”.
- 21 In section 17 (directions requiring facility owners to enter into contracts for use of their railway facilities), after subsection (7) insert—
- “(7A) Any reference in this section to obtaining permission to use a railway facility includes, where the facility is track, permission to connect other track to it.”
- 22 In section 18(9) (access contracts requiring approval of Regulator), after paragraph (a) insert—
- “(aa) subsection (7A),”.
- 23 (1) Section 20 (exemption of railway facilities from sections 17 and 18) is amended as follows.
- (2) In subsections (1), (3) and (13), after “above” insert “and section 22A below”.

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- (3) In subsection (2), omit the words following paragraph (b).
- (4) In the sidenote, for “and 18” substitute “, 18 and 22A”.
- 24 (1) Section 27 (transfer of franchise assets and shares) is amended as follows.
- (2) In subsection (8), for “transfer scheme” substitute “a scheme under Schedule 21 to the Transport Act 2000”.
- (3) In subsection (9), for “Part II below” substitute “Schedule 21 to the Transport Act 2000”.
- 25 (1) Section 34 (Passenger Transport Authorities and Executives: franchising) is amended as follows.
- (2) In subsections (1) and (3), for “Board” (in both places) substitute “Authority”.
- (3) In subsection (22), in the definition of “section 20(2) agreement”, for the words from “has” to the end substitute “means an agreement made between the Authority and a Passenger Transport Executive pursuant to section 20(2)(b) of the Transport Act 1968.”
- 26 (1) Section 35 (termination and variation of section 20(2) agreements) is amended as follows.
- (2) In subsection (1), for “Board” (in both places) substitute “Authority”.
- (3) In subsection (10), for “section 33” substitute “section 34”.
- 27 In section 45(2)(b) (closure conditions: general), for the words from “a bus substitution service” to the end substitute “an alternative service for the carriage of passengers by road (in this Part referred to as a “bus substitution service”)”.
- 28 (1) Section 46 (variation of closure conditions) is amended as follows.
- (2) In subsection (1)—
- (a) after “may” insert “, subject to subsection (1A),”, and
- (b) omit the words from “other than” to “1985”.
- (3) After that subsection insert—
- “(1A) The Secretary of State may not vary or revoke a condition imposed under Schedule 5 to this Act.
- (1B) The Secretary of State may only—
- (a) revoke a condition requiring the Authority to secure the provision of a bus substitution service, or
- (b) vary such a condition so as to permit the Authority to withdraw the service from any locality or point,
- in accordance with section 47B below.”
- 29 In section 54(3) (exercise of franchising functions for encouraging investment), in paragraph (b) of the definition of “franchising functions”, for the words from “Part II” to “those sections” substitute “Schedule 21 to the Transport Act 2000”.
- 30 (1) Section 55 (orders for securing compliance) is amended as follows.
- (2) In subsection (1), for “(5)” substitute “(5B)”.

- (3) In subsections (2) and (4), for “subsection (5)” substitute “subsections (5) to (5B)”.
- (4) In subsection (5)(a), for “or, as the case may be, section 5 above” substitute “above or, as the case may be, section 207 of the Transport Act 2000”.
- (5) Omit subsection (12).
- 31 In the sidenote for section 56 insert at the end “for section 55 orders”.
- 32 (1) In section 57 (validity and effect of orders) is amended as follows.
- (2) In subsection (2), omit paragraph (b).
- (3) After that subsection insert—
- “(2A) If such an application is made in relation to a provision of an order requiring the payment of a sum in the event of a contravention and the sum would be payable before the time when the application is determined, it need not be paid until that time.
- (2B) Where such an application is so made the court, if satisfied as mentioned in subsection (2) above, may (instead of quashing the order or the provision of the order) make provision under either or both of paragraphs (a) and (b) of subsection (2C) below.
- (2C) The provision referred to in subsection (2B) above is—
- (a) provision substituting for the sum, or provision for determining a sum, specified in the order such lesser sum, or such other provision for determining a sum, as the court considers appropriate in all the circumstances of the case; and
- (b) provision substituting for the date by which the sum is to be paid specified in or determined in accordance with the order such later date as the court considers appropriate in all the circumstances of the case.
- (2D) Where the court substitutes a lesser sum, or different provision for determining a sum, it may require the payment of interest on the new sum at such rate, and from such date, as it determines; and where it specifies as the date by which the sum is to be paid a date before the determination of the application it may require the payment of interest on the sum from that date at such rate as it determines.”
- (4) In subsection (9), for “section 58” substitute “sections 57F and 58”.
- (5) In the sidenote, after “of” insert “section 55”.
- 33 (1) Section 58 (power to require information) is amended as follows.
- (2) In subsection (1)—
- (a) for the words from “may be” to “requirement, the” substitute “may have contravened or be contravening—
- (a) a relevant condition or requirement, or
- (b) a final or provisional order made by the appropriate authority,
- the”, and

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- (b) after “55” insert “or 57A”.
- (3) In the sidenote insert at the end “for purposes of sections 55 and 57A”.
- 34 In section 60(5)(c) (effect of petition for railway administration order), after “55” insert “or 57A”.
- 35 In section 67(6)(b) (references made to the Competition Commission), for “Board” (in both places) substitute “Authority”.
- 36 (1) Section 72(2) (matters to be entered in register maintained by Regulator) is amended as follows.
- (2) In paragraph (a) (provisions about licences), after sub-paragraph (viii) (inserted by Schedule 17) insert—
- “(ix) every penalty imposed by the Regulator under section 57A above;
- (x) every statement of policy published by the Regulator under that section;”.
- (3) In paragraph (b) (provisions about access agreements), after sub-paragraph (v) insert—
- “(va) every direction under section 22A above;
- (vb) every notice given by or to the Regulator or the Competition Commission under Schedule 4A to this Act;”.
- 37 (1) Section 73(2) (matters to be entered in register by Authority) is amended as follows.
- (2) In paragraph (d) (amendments of franchise agreements), insert at the end “other than any which are not likely to have a material effect on the provision of services under the agreement or on any sums payable under the agreement.”
- (3) After paragraph (e) insert—
- “(f) every penalty imposed by the Authority under section 57A above;
- (g) every statement of policy published by the Authority under that section;”.
- 38 In section 80 (furnishing of information to Authority)—
- (a) in subsection (1), for the words from the beginning to the end of paragraph (c) substitute “Licence holders” and insert at the end “or the Transport Act 2000”, and
- (b) omit subsection (6).
- 39 (1) Section 83 (interpretation) is amended as follows.
- (2) For the definition of “appropriate officer” in subsection (1) substitute—
- ““appropriate authority” has the meaning given by section 55(10) above;”.
- (3) After that definition insert—
- ““bus substitution service” has the meaning given by section 45(2)(b) above;”.
- (4) After the definition of “station services” in that subsection insert—
- ““through ticket” means—



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- (a) a ticket which is valid for a journey which involves use of the services of more than one passenger service operator; or
- (b) a combination of two or more tickets issued at the same time which are between them valid for such a journey;
- and “through ticketing” shall be construed accordingly;”.
- (5) After subsection (2) insert—
- “(3) For the purposes of this Part, references to a condition of a licence or licence exemption which relates, or does not relate, to consumer protection shall be construed in accordance with section 7A above.”
- 40 (1) Section 135 (concessionary travel) is amended as follows.
- (2) In subsection (6)(a), for “(5)” substitute “(4)”.
- (3) In subsection (9), for “subsections (4) and (5) above are” substitute “subsection (4) above is”.
- 41 (1) Section 145 (restrictions on disclosure of information) is amended as follows.
- (2) In subsection (2)(a), insert at the end “or the Transport Act 2000”.
- (3) After subsection (5) insert—
- “(5A) Subsection (1) above does not prevent the transfer of records in accordance with section 3(4) of the Public Records Act 1958.”
- 42 (1) Section 150(1) (Crown application) is amended as follows.
- (2) In paragraph (a), for “22” substitute “22C”.
- (3) In paragraph (b), for “55 to 58, except sections 55(8) and 58(4) and (5);” substitute “55(1) to (7) and (9) to (11), sections 56 and 57 and section 58(1) to (3), (6) and (7);”.
- 43 In section 151(1) (interpretation), insert at the appropriate place—
- ““the Authority” means the Strategic Rail Authority;”.
- 44 (1) Section 154(3) (extent) is amended as follows.
- (2) For paragraph (a) substitute—
- “(a) section 36(1), (4) and (5);”.
- (3) For paragraph (c) substitute—
- “(c) sections 124 and 129(3);”.
- 45 In paragraph 4 of Schedule 1 (official seal), for “their respective” substitute “his”.
- 46 In paragraph 6(2)(a) of Schedule 2 (information disclosed in confidence by Franchising Director to rail users' consultative committee), for “Franchising Director” substitute “Authority”.
- 47 In paragraph 6(2)(a) of Schedule 3 (information disclosed in confidence by Franchising Director to Central Rail Users' Consultative Committee), for “Franchising Director” substitute “Authority”.
- 48 In paragraph 2 of Schedule 6 (effect of administration order), after “55” insert “or 57A”.
- 49 (1) Schedule 11 (pensions) is amended as follows.

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- (2) In paragraph 1(1) (interpretation), in paragraph (a) of the definition of “eligible persons”—
- (a) after “of the Board,” insert—
- “(ia) the Authority or any subsidiary of the Authority,”  
and
- (b) for “franchise company” substitute “body corporate which is, or is to be, the franchisee or the franchise operator under a franchise agreement”.
- (3) In paragraphs 3(4) and 4(5), for “after consultation with” substitute “with the consent of”.
- (4) In paragraph 10(15), for “Board” (in both places) substitute “Authority”.
- (5) In paragraph 11(10), in the definition of “relevant employer” insert at the end—
- “(d) the Authority; or  
(e) a wholly owned subsidiary of the Authority.”

*Finance Act 1994 (c. 9)*

- 50 (1) Schedule 24 to the Finance Act 1994 is amended as follows.
- (2) In paragraph 15(11) (trading losses), after paragraph (b) insert—
- “(ba) a wholly owned subsidiary of the Strategic Rail Authority;”.
- (3) In paragraph 19(5) (leased assets: special cases), after paragraph (b) insert—
- “(ba) the Strategic Rail Authority,  
(bb) a wholly owned subsidiary of the Strategic Rail Authority;”.

*Railway Heritage Act 1996 (c. 42)*

- 51 The Railway Heritage Act 1996 has effect subject to the following amendments.
- 52 In section 2 (establishment of committee), for “Board” (in each place) substitute “Authority”.
- 53 In section 4(6)(b) (notice of proposed disposal), for “Part II of the Railways Act 1993” substitute “the Transport Act 2000”.

*Channel Tunnel Rail Link Act 1996 (c. 61)*

- 54 The Channel Tunnel Rail Link Act 1996 has effect subject to the following amendments.
- 55 After section 42 insert—

**“42A Strategic Rail Authority as agent of Secretary of State**

- (1) The Strategic Rail Authority may do anything which it arranges with the Secretary of State to do on his behalf in connection with any agreement or other arrangement made by him for the purpose of securing the design, construction, financing, maintenance or operation of the rail link or any of the other works authorised by this Part of this Act.
- (2) Subsection (1) above—

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- (a) does not authorise the Strategic Rail Authority to exercise any function conferred or imposed by or by virtue of any enactment, and
  - (b) is subject to the terms of the agreement or other arrangement.
- (3) Sections 207 and 208 of the Transport Act 2000 do not apply to the power conferred by this section.”
- 56 (1) Paragraph 7 of Schedule 9 (application of offence provisions) is amended as follows.
  - (2) In sub-paragraphs (2) and (3), for “the British Railways Board” substitute “a successor of the British Railways Board”.
  - (3) At the end insert—
    - “(4) In this paragraph “successor of the British Railways Board” has the same meaning as in the Railways Act 1993 (Consequential Modifications) (No.2) Order 1999.”

*Greater London Authority Act 1999 (c. 29)*

- 57 The Greater London Authority Act 1999 has effect subject to the following amendments.
- 58 In section 179(3) (service provided in pursuance of agreement under section 4A of the Transport Act 1962 not a London local service), for the words from “Railways Board” to “1962” substitute “Strategic Rail Authority, entered into under section 214 of the Transport Act 2000”.
- 59 In section 209(1) (amendments about the Croydon Tramlink), for “(9)” substitute “(10)”.
- 60 In section 247(2) (consultation with Regulator about appointments to London Transport Users' Committee), for “Rail Regulator” substitute “Strategic Rail Authority”.
- 61 In section 250(2) (annual report of London Transport Users' Committee to Assembly and Rail Regulator), for “Rail Regulator” substitute “Strategic Rail Authority”.
- 62 (1) Schedule 18 (London Transport Users' Committee) is amended as follows.
  - (2) In paragraph 1, after “chairman” insert “and other members” and, in the heading preceding that paragraph, after “*Chairman*” insert “*and other members*”.
  - (3) In paragraph 2, for “above,” substitute “above as chairman,”.
  - (4) In paragraph 3, after “chairman” insert “or another member”.
  - (5) In paragraphs 9 and 11(3), for “Rail Regulator” substitute “Strategic Rail Authority”.
  - (6) In paragraph 15(2)(a), for “Franchising Director” substitute “Strategic Rail Authority”.
  - (7) Omit paragraph 17.

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*Status: This is the original version (as it was originally enacted).*

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*Railways Act 1993 (Consequential Modifications) (No.2) Order 1999 (S.I.1999/1998)*

- 63      In article 3(1) of the Railways Act 1993 (Consequential Modifications) (No.2) Order 1999 (amendment of British Transport Commission Act 1949), for “include” substitute “have effect as”.

SCHEDULE 28

Section 253.

TRANSITIONALS AND SAVINGS ABOUT RAILWAYS

*First appointments to Authority*

- 1      (1) The Secretary of State shall offer to the person who immediately before the coming into force of section 201 is the chairman of the Board appointment under section 202 as the member of the Authority who is to chair it from the time when the Authority is established.
- (2) The Secretary of State shall offer to the other persons who immediately before the coming into force of section 201 are members of the Board appointment under section 202 as members of the Authority from the time when the Authority is established.
- (3) The Secretary of State shall (in spite of section 203(2)) offer to the person who immediately before the coming into force of section 201 is the Franchising Director appointment as the chief executive of the Authority from the time when the Authority is established; and, if appointed, the terms of his appointment shall (in spite of paragraph 4(2) of Schedule 14) be such as may be determined by the Secretary of State.
- (4) Unless any person to whom an appointment is offered under sub-paragraph (1), (2) or (3) refuses to accept it, he shall be appointed pursuant to the offer.
- (5) A person may be both a member of the Board and a member of the Authority.
- (6) For so long as there is a member of the Authority who was appointed to the Board after consultation with the Scottish Ministers, or the National Assembly for Wales, paragraph (a), or paragraph (b), of section 202(3) shall be deemed to be complied with.

*Consumer protection conditions*

- 2      (1) The Secretary of State may make in relation to a licence or licence exemption granted before the coming into force of Part I of Schedule 17 a scheme making such provision as appears to him to be appropriate in consequence of the amendments made by that Part of that Schedule.
- (2) The scheme may include modifications of—
- (a) the licence or licence exemption, and
- (b) any agreements or other arrangements or other documents relating to the person (or any of the persons) to whom it was granted,
- (in particular so that references to the Regulator have effect as references to the Authority).

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*Status: This is the original version (as it was originally enacted).*

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- (3) The scheme may include provision for things done by the Regulator before the time when the scheme comes into force to be treated after that time as if done by the Authority.
- (4) Before making a scheme under this paragraph the Secretary of State must consult—
  - (a) the Authority,
  - (b) the Regulator,
  - (c) the person or persons to whom the licence or licence exemption was granted, and
  - (d) any such other persons as the Secretary of State considers appropriate.
- (5) The amendments made by Part I of Schedule 17 apply in relation to any licence or licence exemption granted before the coming into force of that Part of that Schedule only from the coming into force of a scheme made under this paragraph in relation to the licence or licence exemption.

#### *Franchising*

- 3 (1) Any services which, immediately before the coming into force of section 212, are being provided under a franchise agreement shall be treated as having been designated under subsection (1) of section 23 of the Railways Act 1993 (as amended by subsection (1) of section 212) on the coming into force of section 212.
- (2) The designation treated as made by sub-paragraph (1) may be varied or revoked as provided by subsection (2A) of section 23 (as inserted by subsection (2) of section 212) but is not required to be published by subsection (2B) of section 23 (as so inserted).
- 4 The fact that a statement of policy has not been published by the Secretary of State under section 26(5) of the Railways Act 1993, as inserted by section 212, does not affect the validity of any direction given under section 26(1) of that Act.

#### *Bye-laws*

- 5 (1) The repeal of section 67 of the Transport Act 1962 does not affect that section, or any provision of that section, as applied by any other enactment.
- (2) Any bye-laws made (or having effect as if made) under—
  - (a) section 67 of the Transport Act 1962, or
  - (b) section 129 of the Railways Act 1993,which are in force immediately before the coming into force of the repeals of those sections shall continue in force; but the Authority may vary or revoke any bye-laws continued in force by this sub-paragraph.

#### *Penalties*

- 6 (1) The amendments made by section 225 do not have effect in relation to contraventions occurring before the coming into force of that section.
- (2) In its continued application (in relation to such contraventions) after that section comes into force, section 55(8) of the Railways Act 1993 shall have effect to authorise the imposition of a requirement to pay a monetary penalty to the Authority (rather than to the appropriate authority).

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*Status: This is the original version (as it was originally enacted).*

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- (3) Any requirement to pay a monetary penalty imposed by a final order made before the date on which section 225 comes into force shall, so far as not complied with before that date, have effect on and after that date as a requirement to pay the penalty to the Authority (rather than to the appropriate authority).
- 7 (1) The fact that no order has been made under section 57A(3) of the Railways Act 1993, as inserted by section 225(1), does not affect the validity of any determination of the amount of a penalty under section 57A.
- (2) The fact that no order has been made under section 55(7B) of the Railways Act 1993, as inserted by section 225(2), does not affect the validity of any determination of the amount of any sum payable in accordance with a final or provisional order.
- 8 The fact that a statement of policy has not been published by the Authority or Regulator under section 57B of the Railways Act 1993, as inserted by section 225, does not affect—
- (a) the validity of any decision to impose a penalty, or any determination of the amount of a penalty, under section 57A, or
  - (b) the inclusion in a final or provisional order of any requirement to pay a sum or any determination of the amount of any sum payable in accordance with such an order.

#### *Compliance orders*

- 9 The amendments made by section 226 do not apply in a case in which—
- (a) a provisional order has been made, or
  - (b) any steps towards the making of a final order have been taken, before the coming into force of that section.

#### *Section 56 of the Transport Act 1962*

- 10 Where provision is made for subsections (4) to (6) of section 56 of the Transport Act 1962 (functions of Rail Passengers' Council and Rail Passengers' Committees) to apply in relation to any services or any facilities connected with any services—
- (a) sections 76 and 77 of the Railways Act 1993 shall not apply in relation to them unless the services are being provided under a franchise agreement, but
  - (b) those subsections shall not apply in relation to them if the services are being so provided.

#### *Review of access charges*

- 11 (1) This paragraph applies if, before this Act is passed, notice has been given by the Regulator of his conclusions on an access charges review (within the meaning of Schedule 4A to the Railways Act 1993, as inserted by Schedule 24 to this Act) but the conclusions have not been implemented.
- (2) The conclusions may be implemented after the time by which they are to be implemented in accordance with the access agreement.
- (3) The procedure for the implementation of the conclusions shall be as provided for by paragraphs 4 to 16 of Schedule 4A to the Railways Act 1993 (and not as provided for by the access agreement).

### *Closures*

- 12 Where the Regulator has not made his decision with respect to a proposed closure before the time when section 234 comes into force, anything done by or in relation to him before that time in connection with any of the functions transferred from him to the Secretary of State by that section shall be treated after that time as if done by or in relation to the Secretary of State.
- 13 Section 239 does not apply in the case of a proposed closure of which notice has been given before that section comes into force.

### *Register*

- 14 (1) The Regulator shall give to the Authority details of the provision which he has caused to be entered in the register maintained by him under section 72 of the Railways Act 1993 by virtue of paragraph (c) of subsection (2) of that section before the coming into force of the repeal of that paragraph by this Act.
- (2) The Authority shall cause to be entered in the Register maintained by it under section 73 of that Act any details given to it under sub-paragraph (1).

### *Code for protection of disabled rail users*

- 15 (1) The code of practice under section 70 of the Railways Act 1993 which is current at the time when the repeal by this Act of that section comes into force shall be taken to have been prepared and published by the Authority under section 71B of that Act.
- (2) The Regulator shall give to the Authority details of any consultation undertaken by him under section 70(2) of that Act before that time in relation to future revisions of that code; and that consultation shall be taken to have been undertaken by the Authority under section 71B(2) of that Act.

### *Penalty fares*

- 16 (1) Any functions conferred on the Regulator by regulations under section 130 of the Railways Act 1993 which are in force immediately before the coming into force of paragraph 30 of Schedule 17 shall be treated after that paragraph comes into force as if conferred on the Authority.
- (2) Any rules made by the Regulator under or by virtue of that section which have effect immediately before the coming into force of that paragraph have effect after that paragraph comes into force as if made by the Authority.

### *Supplementary*

- 17 (1) Nothing in this Schedule limits section 276.
- (2) Nothing in this Schedule limits the operation of sections 16 and 17 of the Interpretation Act 1978 (effect of repeals).

SCHEDULE 29

Section 260.

DRIVER TRAINING AND DRIVING INSTRUCTORS: MINOR AND CONSEQUENTIAL AMENDMENTS

*Introductory*

1           The Road Traffic Act 1988 has effect subject to the following amendments.

*Consequential amendments about driver training*

2           In section 89(6) (vehicles which may be driven by virtue of licence authorised by passing of test), for “For” substitute “Subject to regulations under section 99ZA of this Act, for”.

3           In section 97(1) (grant of licences), for “the following provisions of this section and section 92 of this Act” substitute “subsection (2) below, section 92 of this Act and regulations under section 99ZA of this Act”.

4           In section 98(2) (effect of full licence), after “below” insert “and to regulations under section 99ZA of this Act”.

5           (1) Section 164 (power of constables to require production of evidence) is amended as follows.

          (2) For subsection (4A) substitute—

“(4A) If regulations make provision for the evidencing of the successful completion of driver training courses or of a person’s being within the exemption specified in subsection (2), or any exemption provided by virtue of subsection (3), of section 99ZA of this Act, a person driving on a road a motor vehicle which he—

(a) is not authorised so to drive without having successfully completed such a course, or

(b) would not be authorised so to drive apart from the exemption, may be required by a constable to produce prescribed evidence of the successful completion by him of such a course or of his being within the exemption.”

(3) In subsection (6), for “his certificate of completion of a training course for motor cyclists” substitute “prescribed evidence of the successful completion by him of a driver training course or of his being within an exemption”.

(4) In subsection (8A), for “a certificate of completion of a training course for motor cyclists” substitute “prescribed evidence of the successful completion of a driver training course or of being within an exemption”.

(5) In subsection (11), for the words from ““counterpart,” to “completion”” substitute ““counterpart” and “provisional licence””.

6           In section 194 (index of expressions) insert at the appropriate place—

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“Driver training course

Section 99ZA”.

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*Tests of continued ability and fitness to give driving instruction*

- 7 In section 125(5) (continuing registration conditional on undergoing tests of continued ability and fitness to give instruction), for the words from “undergo” to the end substitute “submit himself for such test of continued ability and fitness to give instruction in the driving of motor cars (which may consist of practical and other means of assessment) as may be prescribed by regulations.”
- 8 In section 125B(6)(b) (similar provision in relation to disabled instructors), after “cars” insert “(which may consist of practical and other means of assessment)”.
- 9 (1) Section 132 (regulations about examinations and tests) is amended as follows.
- (2) In subsection (1), for “such instruction” substitute “instruction in the driving of motor cars (or appropriate motor cars)”.
- (3) In subsection (2)—
- (a) in paragraph (a) (obligation to provide vehicle)—
- (i) for “to any” substitute “for any”,
- (ii) for “such a test of continued ability and fitness” substitute “any part of such a test of continued ability and fitness which consists of practical assessment”, and
- (iii) for “the test” substitute “the practical test or assessment”,
- (b) in paragraph (b) (fees)—
- (i) after “examination” insert “, or required to submit himself for such a test,”, and
- (ii) after “that part” insert “or such tests,”, and
- (c) in paragraph (c) (particulars), after “examination” insert “, or is required to submit himself for such a test”.

*Disabled instructors: emergency control assessments*

- 10 In section 133A (assessments of disabled person’s ability to control a motor car in an emergency), after subsection (4) insert—
- “(4A) Regulations may require a person who applies to undergo an emergency control assessment (or a part of such an assessment), or is required to submit himself for such an assessment, to pay a fee to the Secretary of State.”

*Review by magistrates’ court of examinations of instructors*

- 11 (1) Section 133 (review of examinations) is amended as follows.
- (2) In subsection (1) (application to magistrates’ court)—
- (a) for “submitted himself for any part of an examination of ability to give instruction in the driving of motor cars” substitute “undergone a relevant examination, or a part of such an examination”, and
- (b) for “that part of the examination was properly conducted in accordance with regulations” substitute “the examination or part was properly conducted”.
- (3) In subsection (2) (order for repayment of fees etc.)—
- (a) for “that part of the examination was not so” substitute “the examination or part was not properly”, and
- (b) for “that part” substitute “the examination or part”.

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(4) After subsection (3) insert—

“(4) In this section “a relevant examination” means—

- (a) an examination of ability to give instruction in the driving of motor cars,
- (b) a test of continued ability and fitness to give instruction in the driving of motor cars (or appropriate motor cars), or
- (c) an emergency control assessment.”

*Respondent in appeals about instructors*

12 In section 131 (appeals against decisions of registrar), insert at the end—

“(4G) On an appeal under this section the respondent is the Registrar.”

SCHEDULE 30

Section 262.

DETENTION OF VEHICLES USED WITHOUT OPERATOR’S LICENCE

The Schedule to be inserted after Schedule 1 to the Goods Vehicles (Licensing of Operators) Act 1995 is as follows—

“SCHEDULE 1A

DETENTION OF VEHICLES USED WITHOUT OPERATOR’S LICENCE

*Interpretation*

1 (1) In this Schedule—

“authorised person” means—

- (a) an examiner appointed by the Secretary of State under section 66A of the Road Traffic Act 1988, or
- (b) a person acting under the direction of such an examiner;

“contents”, in relation to a goods vehicle, means any goods carried by that vehicle;

“immobilisation device” means any device or appliance which is an immobilisation device for the purposes of section 104 of the Road Traffic Regulation Act 1984.

(2) Regulations may, for the purposes of regulations made by virtue of this Schedule, make provision as to the meaning of “owner” as regards a goods vehicle.

(3) Regulations made by virtue of sub-paragraph (2) may, in particular, provide that the owner of a motor vehicle at a particular time shall be taken to be—

- (a) any person in whose name it is then registered by virtue of the Vehicle Excise and Registration Act 1994, or
- (b) any person in whose operator’s licence it is then specified.

*Detention of property*

- 2 (1) Regulations may provide that where an authorised person has reason to believe that a goods vehicle is being, or has been, used on a road in contravention of section 2, he may detain the vehicle and its contents.
- (2) Regulations made by virtue of sub-paragraph (1) may not authorise a person other than a constable in uniform to stop a vehicle on any road.
- 3 Regulations may make provision with respect to property detained by virtue of paragraph 2.

*Immobilisation and removal*

- 4 (1) Regulations may provide that an authorised person may, before a goods vehicle is removed by virtue of paragraph 6—
- (a) fix an immobilisation device to the vehicle in the place where the vehicle has been detained, or
  - (b) move the vehicle, or require it to be moved, to a more convenient place and fix an immobilisation device to the vehicle in that other place.
- (2) Regulations may also provide—
- (a) that, on any occasion when an immobilisation device is fixed to a vehicle, the person fixing the device shall also fix to the vehicle a notice indicating that the device has been fixed to the vehicle and warning that no attempt should be made to drive it or otherwise put it in motion and giving such other information as may be prescribed,
  - (b) that a vehicle to which an immobilisation device has been fixed may only be released from the device by or under the direction of an authorised person, and
  - (c) that an immobilisation notice shall not be removed or interfered with except by or on the authority of an authorised person.
- 5 (1) Regulations may provide that a person who, without being authorised to do so in accordance with paragraph 4(2)(b), removes or attempts to remove an immobilisation device fixed to a goods vehicle under regulations made by virtue of paragraph 4(1) is guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (2) Regulations may provide that a person who removes or interferes with an immobilisation notice in contravention of regulations made by virtue of paragraph 4(2)(c) is guilty of an offence and liable on summary conviction to a fine not exceeding level 2 on the standard scale.
- 6 (1) Regulations may make provision for an authorised person to direct that any property detained by virtue of paragraph 2 be removed and delivered into the custody of a person specified in the direction.
- (2) Regulations may provide that a person may be specified in a direction only if—
- (a) he is a person identified in accordance with prescribed rules, and
  - (b) he has made arrangements with the Secretary of State and agreed to accept delivery of the property in accordance with those arrangements;
- and the arrangements may include the payment of a sum to a person into whose custody any property is delivered.

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- (3) Regulations may also provide that, where an authorised person has given a direction by virtue of sub-paragraph (1) in respect of a goods vehicle, he may allow the driver of the vehicle to deliver its contents to their destination or some other suitable place before delivering the vehicle into the custody of the person specified in the direction.
- 7 (1) Regulations may make provision for informing persons who may be entitled to the property that it has been detained.
- (2) Provision made by virtue of sub-paragraph (1) may, in particular, include provision requiring—
- (a) the publication by an authorised person of such notices as may be prescribed, and
  - (b) the giving of notice by an authorised person to such persons as may be prescribed.

*Return or disposal of vehicle*

- 8 Regulations may make provision for a goods vehicle detained by virtue of paragraph 2 to be returned to the owner.
- 9 (1) Regulations shall make provision enabling the owner of a goods vehicle detained by virtue of paragraph 2 to apply to the traffic commissioner for the area in which the vehicle was detained for the return of the vehicle.
- (2) Regulations may, in particular—
- (a) require notice of an application to be given to the traffic commissioner within such period as may be determined in accordance with the regulations, and
  - (b) require notice of an application to be made in such form as may be prescribed.
- (3) Regulations shall make provision as to the grounds upon which the owner may apply for the return of the vehicle.
- (4) Those grounds may include the following grounds—
- (a) that at the time the vehicle was detained the person using the vehicle held an operator’s licence (whether or not authorising the use of the vehicle),
  - (b) that at the time the vehicle was detained the vehicle was not being, and had not been, used in contravention of section 2, or
  - (c) that, although at the time the vehicle was detained it was being, or had been, used in contravention of section 2, the owner did not know that it was being, or had been, so used.
- 10 (1) Regulations shall make provision—
- (a) enabling the traffic commissioner to hold a hearing before determining an application by virtue of paragraph 9,
  - (b) requiring him to hold a hearing if requested by a person who claims to be the owner,
  - (c) as to the time within which the hearing must be held, and
  - (d) subject to such provision as may be made by the regulations, for the hearing to be held in public.

- (2) Regulations shall also provide that, if no hearing is held, the traffic commissioner must determine the application within a prescribed time after receiving notice of the application.
  - (3) Regulations shall provide that—
    - (a) if the traffic commissioner determines that one of the grounds prescribed by virtue of paragraph 9(3) is made out, he must order the person specified in a direction by virtue of paragraph 6(1) to return the goods vehicle to the owner;
    - (b) if the traffic commissioner determines that none of those grounds is made out, the vehicle may be sold or destroyed by the person specified, in such manner as may be prescribed.
- 11 (1) Regulations shall provide for an appeal to the Transport Tribunal against the determination of the traffic commissioner.
- (2) Regulations—
    - (a) may prescribe the period within which an appeal must be made, and
    - (b) may make provision for notice of the appeal to be given to the Transport Tribunal, the traffic commissioner and such other persons as may be prescribed.
- 12 Regulations may provide that, if no application is made to the traffic commissioner in accordance with regulations made by virtue of paragraph 9, any goods vehicle detained by virtue of paragraph 2 may be sold or destroyed in such manner as may be prescribed.

*Return or disposal of contents of vehicle*

- 13 (1) Regulations may provide that the person specified in a direction by virtue of paragraph 6(1) may retain custody of the contents of a goods vehicle until—
- (a) the contents are returned, in accordance with the regulations, to a person who establishes that he is entitled to them, or
  - (b) the contents are sold or destroyed by the person specified in such manner as may be prescribed.
- (2) Regulations may also make provision as to—
- (a) the period within which a person who claims to be entitled to the contents may make a claim for their return,
  - (b) the requirements to be satisfied by a person who claims to be entitled to the contents (including requirements as to his entitlement), and
  - (c) the manner in which entitlement to such contents is to be determined where there is more than one claim to them.
- (3) The person specified in a direction by virtue of paragraph 6(1) may not sell or destroy the contents unless—
- (a) such steps as may be required by regulations made by virtue of paragraph 7(1) have been taken and no person has, before the expiry of the period referred to in sub-paragraph (2)(a), established an entitlement to the contents, or
  - (b) the condition of the contents requires them to be disposed of without delay.

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*Custody of property*

- 14 Regulations shall provide that, subject to the powers of a person specified in a direction by virtue of paragraph 6(1) to sell or destroy any property by virtue of this Schedule, it shall be the duty of that person while any property is in his custody to take such steps as are necessary for the safe custody of that property.

*Proceeds of sale*

- 15 (1) Regulations shall provide for the proceeds of sale of any property sold under regulations made by virtue of paragraph 10(3)(b), 12 or 13(1)(b)—
- (a) to be applied towards meeting expenses incurred by any authorised person in exercising his functions by virtue of this Schedule, and
  - (b) in so far as they are not so applied, to be applied in such other manner as may be prescribed.
- (2) Regulations may in particular provide for a sum determined in accordance with the regulations to be paid to a person if—
- (a) he claims after the sale of property under regulations made by virtue of paragraph 10(3)(b), 12 or 13(1)(b) to be or to have been its owner,
  - (b) the claim is made within a prescribed time of the sale, and
  - (c) any other prescribed conditions are fulfilled.

*Disputes*

- 16 (1) Regulations may make provision about the proceedings to be followed where a dispute occurs as a result of regulations made by virtue of paragraph 13 or 15.
- (2) Provision made by virtue of sub-paragraph (1) may in particular provide—
- (a) for an application to be made to a magistrates' court or (in the case of an application made in Scotland) the sheriff;
  - (b) for a court or the sheriff to order a sum to be paid by the Secretary of State.
- (3) Any application made to the sheriff in accordance with regulations made by virtue of sub-paragraph (2)(a) shall be made by way of summary application.

*Obstruction of authorised person*

- 17 Regulations may provide that a person who intentionally obstructs an authorised person in the exercise of his powers under regulations made by virtue of paragraph 2 or 6 is guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

*Offences as to securing possession of property*

- 18 (1) Regulations may provide that where—
- (a) a person makes a declaration with a view to securing the return of a goods vehicle under regulations made by virtue of paragraph 10,
  - (b) the declaration is that the vehicle was not being, or had not been, used in contravention of section 2, and
  - (c) the declaration is to the person’s knowledge either false or in any material respect misleading,

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he is guilty of an offence.

- (2) Regulations may provide that a person guilty of such an offence is liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum, and
  - (b) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or to both.”

## SCHEDULE 31

Section 274.

### REPEALS AND REVOCATIONS

#### PART I

##### AIR TRAFFIC

(1)

##### AIR NAVIGATION SERVICES

<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
1982 c. 16.	Civil Aviation Act 1982.	Section 72.

(2)

##### CHARGES

<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
1982 c. 16.	Civil Aviation Act 1982.	Sections 73 and 74. In Schedule 4, in paragraph 1(5) the definition of “record”. In Schedule 13, in Part II the entry relating to section 73.
1983 c. 11.	Civil Aviation (Eurocontrol) Act 1983.	Section 3(2).
1989 c. 9.	Civil Aviation (Air Navigation Charges) Act 1989.	The whole Act.

The repeal of section 3(2) of the Civil Aviation (Eurocontrol) Act 1983 does not affect the operation of the words in it from “and that subsection” onwards in relation to any time before the coming into force of the repeal.

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*Status: This is the original version (as it was originally enacted).*

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(3)

HOSTILITIES ETC

<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
1982 c. 16.	Civil Aviation Act 1982.	In section 6, in subsections (1) and (2), the words from “and in so far” to the end.  Sections 62 and 63.

(4)

LAND

<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
1982 c. 16.	Civil Aviation Act 1982.	In section 43(1) the word “or” after paragraph (a).  In section 44, in subsection (6) the word “and” after paragraph (a) and in subsection (12) the word “and” after paragraph (b).  In section 46(10) the word “and” after paragraph (c).  In section 55(7), in paragraph (a) the word “and” after sub-paragraph (i).  In Schedule 7, in paragraph 5(2) the word “and” after paragraph (a).

(5)

MISCELLANEOUS

<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
1982 c. 16.	Civil Aviation Act 1982.	In section 21(2)(a) the words “, 63(3) or 72(2)”.



*Status: This is the original version (as it was originally enacted).*

## PART II

### LOCAL TRANSPORT

<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
1965 c. 25.	Finance Act 1965.	Section 92.
1968 c. 73.	Transport Act 1968.	Section 9A(1) and (2). Section 9B. Section 33.
1974 c. 30.	Finance Act 1974.	Section 54.
1979 c. 8.	Excise Duties (Surcharges or Rebates) Act 1979.	In Schedule 1, paragraph 2.
1980 c. 43.	Magistrates' Courts Act 1980.	In Schedule 7, paragraph 53.
1981 c. 35.	Finance Act 1981.	In section 4(2)(b), the words “section 92(2) of the Finance Act 1965 and”.
1983 c. 10.	Transport Act 1983.	In section 2— in subsection (3), the words “in a plan prepared by them under section 3 below” and the words “under section 4 below”, and in subsection (4), the words between “functions” and “shall”. Sections 3 to 5. Section 6(1), (2), (5) and (6). In section 10— in subsection (1), paragraphs (b) and (c) and, in the words following those paragraphs, the words “to (c)”, and subsection (3).
1985 c. 51.	Local Government Act 1985.	In Schedule 12, in paragraph 5, sub-paragraphs (3) and (4) and, in sub-paragraph (5), the words from “except that” to the end.
1985 c. 67.	Transport Act 1985.	In section 7(4), the word “or” at the end of paragraph (a). Section 58(3).

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*Status: This is the original version (as it was originally enacted).*

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<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		<p>In section 63—</p> <p style="padding-left: 2em;">in subsection (1), paragraph (b) and the word “and” before it, and</p> <p style="padding-left: 2em;">in subsection (3), the words “(1)(b) or” and the words “(1)(a) or”, in paragraph (a), the words “as a local education authority or (as the case may be)” and, in paragraph (b), the words “social services or (as the case may be)”.</p> <p>In section 64—</p> <p style="padding-left: 2em;">in subsection (1), the words following paragraph (b), and</p> <p style="padding-left: 2em;">in subsection (2), the words “under section 63(1)(a) or (as the case may be)”.</p> <p>Section 89(3).</p> <p>In section 94(4), paragraph (a) and in paragraph (b) the words “after that time,”.</p> <p>Section 102.</p> <p>In section 104(2), the word “or” at the end of paragraph (a).</p> <p>In section 108(1), the words “Wales or”.</p> <p>Section 109.</p> <p>Section 110.</p> <p>Section 111.</p> <p>Section 112(2).</p> <p>In Schedule 3, paragraph 31.</p>
S.I. 1986/1385.	Transport Act 1985 (Extension of Eligibility for Travel Concessions) Order 1986.	<p>In article 1, the definitions of “mental handicap” and “severe mental handicap”.</p> <p>Article 3.</p>

*Status: This is the original version (as it was originally enacted).*

<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
<a href="#">S.I. 1989/2293.</a>	Transport Act 1985 (Extension of Eligibility for Travel Concessions) (Amendment) Order 1989.	Article 4.
<a href="#">1996 c. ix.</a>	London Local Authorities Act 1996.	Part II.
<a href="#">1999 c. 29.</a>	Greater London Authority Act 1999.	In Schedule 16— in paragraph 2(1), the words “(persons who have attained pensionable age or whose ability to walk is seriously impaired)”, and paragraph 7.
<a href="#">2000 c. 00.</a>	Transport Act 2000.	In section 146(1), in the definition of “eligible service”, paragraph (a) and in paragraph (b) the words “after that time,”.  Section 158.  In Schedule 11, paragraphs 1 and 22.
<a href="#">2000 c. vii.</a>	London Local Authorities Act 2000.	Section 48. Schedule 2.

### PART III

#### ROAD USER CHARGING AND WORKPLACE PARKING LEVY

<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
<a href="#">1999 c. 29.</a>	Greater London Authority Act 1999.	In Schedule 23— paragraph 4(3)(e), in paragraph 25(1), paragraph (c) and the word “or” before it, and in paragraph 38, the words “, exercisable in the same manner, and subject to the same conditions and limitations,”.  In Schedule 24—

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<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
		in paragraph 1(1), in the definition of “licence”, the words “by the occupier of those premises” and the definition of “occupier”, paragraph 7(3)(e), and in paragraph 39, the words “, exercisable in the same manner, and subject to the same conditions and limitations,”.

#### PART IV

#### RAILWAYS

<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
<a href="#">12, 13 &amp; 14 Geo.6 c. xxix.</a>	British Transport Commission Act 1949.	In section 53(1), in its application to Scotland, in the definition of “the Boards”, the words “the British Railways Board”.
<a href="#">10 &amp; 11 Eliz.2 c. 46.</a>	Transport Act 1962.	<p>In section 1, in subsection (1), the words “the British Railways Board (in this Act referred to as the “Railways Board”);” and subsection (3).</p> <p>Sections 3 to 4A.</p> <p>In section 12(1), the words “, other than the Railways Board,”.</p> <p>In section 13, subsection (1A) and subsections (9) to (12).</p> <p>In section 14(4), the words “, except the Railways Board,”.</p> <p>In section 18(6), the words “the Railways Board and”.</p> <p>In section 19(6), the words “the Railways Board and”.</p> <p>Section 21A.</p>

*Status: This is the original version (as it was originally enacted).*

<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		Section 22. In section 27, in subsections (2) and (7), the words “(other than the Railways Board)” and, in subsection (8), the words “(other than the Railways Board)” and the words “or section 3 of the Transport Act 1982”. In section 31, subsection (2) and, in subsection (6), the words “the Railways Board.”. Section 32(6). In section 52(2), the words “, as those subsections apply to the Boards”. In section 54(1), the words “the Railways Board or” (in both places) and the words “, as the case may be.”. In section 65, in subsection (1), in the definition of “the appropriate Board”, paragraph (b) and, in subsection (4), paragraph (b) and the words “the Railways Board or”. Section 67. In the First Schedule, in paragraph 3, the words from “Railways” to “other”. In the Sixth Schedule, paragraph 1(5). In the Seventh Schedule, paragraphs 23 and 24.
10 & 11 Eliz.2 c. xlii.	British Transport Commission Act 1962.	Section 43(1).
1964 c. 40.	Harbours Act 1964.	In section 30(1)(b), the words “, the British Railways Board or”. In section 36(a), the words “, the British Railways Board or”.

*Status: This is the original version (as it was originally enacted).*

<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		In section 57(1), in the definition of “the Boards”, the words “the British Railways Board and”.
1966 c. 28.	Docks and Harbours Act 1966.	Section 47.
1967 c. 13.	Parliamentary Commissioner Act 1967.	In Schedule 2, the entries relating to— >the Central Rail Users' Consultative Committee, the Director of Passenger Rail Franchising, the Rail Users' Consultative Committee for Eastern England, the Rail Users' Consultative Committee for North Eastern England, the Rail Users' Consultative Committee for North Western England, the Rail Users' Consultative Committee for Scotland, the Rail Users' Consultative Committee for Southern England, the Rail Users' Consultative Committee for the Midlands, the Rail Users' Consultative Committee for Wales, and the Rail Users' Consultative Committee for Western England.
1968 c. 73.	Transport Act 1968.	Section 38. Section 42. In section 44(1)(b)(iv), the words “the Railways Board or”. In section 49(4), the words “the Railways Board and”, the word

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<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		<p>“each”, paragraph (a), in paragraph (b), the words “in the case of the Waterways Board”, the words “will be so connected by rail or so situated in relation to a railway line or, as the case may be,” and the words “the rail services of the Railways Board can be directly used or, as the case may be,”.</p> <p>In section 50(1), the words “3(3)(e), 9(2)(c) or”, the words “Railways Board, and”, the word “each” and the words from “; and the said” to the end.</p> <p>In section 56(2B), the definition of “the Franchising Director”.</p> <p>In section 135(1)(b), the words “the Railways Board or”.</p> <p>In section 137(8), the words “the Railways Board,”.</p> <p>In section 159(1), in the definition of “the Boards”, the words “the British Railways Board,”.</p>
1969 c. 48.	Post Office Act 1969.	In section 20(1)(c), the words “the British Railways Board and” and the word “other”.
1972 c. 15.	Transport (Grants) Act 1972.	The whole Act.
1974 c. 48.	Railways Act 1974.	The whole Act.
1975 c. 24.	House of Commons Disqualification Act 1975.	In Schedule 1— in Part II, the entry relating to the British Railways Board, and in Part III, the entries relating to the Chairman of the Central Rail Users' Consultative Committee appointed under section 3 of the Railways Act 1993, the Chairman in receipt

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<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		of remuneration of the London Transport Users' Committee, the Chairman of a rail users' consultative committee appointed under section 2 of that Act and the Director of Passenger Rail Franchising.
1975 c. 25.	Northern Ireland Assembly Disqualification Act 1975.	In Schedule 1, in Part II, the entry relating to the British Railways Board.
1978 c. 55.	Transport Act 1978.	Section 15(6) and (7). In section 21, the words “the British Railways Board and”. In section 24(2), the definition of “BR”.
1980 c. 34.	Transport Act 1980.	In Schedule 6, paragraph 10.
1981 c. 56.	Transport Act 1981.	In Schedule 3, in paragraph 31(4), the words “the British Railways Board,”. In Schedule 4, paragraph 1(3).
1982 c. 6.	Transport (Finance) Act 1982.	The whole Act.
1983 c. 44.	National Audit Act 1983.	In Part I of Schedule 4, the entry relating to the British Railways Board.
1985 c. 67.	Transport Act 1985.	Sections 118 to 124. In Schedule 7, paragraph 6.
1987 c. 53.	Channel Tunnel Act 1987.	Section 22. Section 39. Section 40. In section 41— in subsection (1), the words from “as it applies” to the end, in subsection (2), the words “or the Railways Board or any subsidiary of theirs”, and subsection (4).



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<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		Section 42.
		In Schedule 6, in paragraph 6, the words “or the Railways Board”.
1991 c. 63.	British Railways Board (Finance) Act 1991.	The whole Act.
1991 c. vii.	Heathrow Express Railway Act 1991.	In section 41(2), the words “or the Board” and the words “and the Board”.
1992 c. 42.	Transport and Works Act 1992.	Section 20(3)(a).
1993 c. 43.	Railways Act 1993.	In section 1— in subsection (1), paragraph (b) and the word “and” before it and the words “, or (as the case may be) the Franchising Director,”, in subsection (2), the words “or the Franchising Director”, the words “to either of those offices” and the words “(or for appointment to the other of them)”, in subsections (3) and (4), the words “or the Franchising Director”, subsection (5), in subsection (6), the words “and the Franchising Director”, and in the sidenote, the words “and the Director of Passenger Rail Franchising”.
		In section 4, in subsection (2) the words “the Secretary of State or, as the case may be,” and, in subsection (9), the definition of “through ticket”.
		Section 5.
		Section 7(10).

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*Status: This is the original version (as it was originally enacted).*

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<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		Section 8(10).
		Section 11(3).
		In section 13(7), the words “the Secretary of State and”.
		In section 15(1), the words following paragraph (d).
		Section 17(11).
		In section 18, in subsection (1), the word “or” at the end of paragraph (a) and subsection (11).
		In section 19, in subsection (3), the word “or” at the end of paragraph (a) and subsection (13).
		In section 20, in subsection (2), the words following paragraph (b) and subsections (9) and (12).
		Section 22(6).
		Section 25(3) to (9).
		Section 27(14) and (15).
		In section 29— in subsection (1), paragraph (b) and the preceding “or”, and subsections (6) and (7).
		Section 32.
		Section 33.
		In section 34— in subsection (1), the words “as eligible for provision under a franchise agreement”, in subsection (12), the words “as eligible for provision under franchise agreements”, in subsection (14), the words “, or is empowered to secure the operation of any additional

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<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		railway assets,” in paragraph (a)(ii), the words “of the” and “in question”, in paragraph (b)(ii), the words “of the” and “in question” and paragraph (c) and the word “but” before it, in subsection (16), the words “pursuant to his power under that section”, and subsection (23).
		In section 35(1), the words “as eligible for provision under a franchise agreement”.
		In section 37— in subsection (9), in the definition of “minor closure”, the words “, in the opinion of the Regulator,”, in subsection (10), the words “or 44(2)”, and subsection (11).
		Section 38(9).
		In section 39— in subsection (10), in the definition of “minor closure” the words “, in the opinion of the Regulator,” (in both places) and the word “or” at the end of paragraph (a), in subsection (11), the words “or 44(2)” and the words “in pursuance of his power under section 30 above”, and subsection (12).
		Section 40(9).
		In section 41— in subsection (9), in the definition of “minor closure”, the words “,

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*Status: This is the original version (as it was originally enacted).*

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<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		<p>in the opinion of the Regulator,” (in both places),</p> <p>in subsection (10), the words “or 44(2)” and the words “in pursuance of his power under section 30 above”, and subsection (11).</p> <p>Section 42(8).</p> <p>In section 43, subsection (11) and, in subsection (12), the words following paragraph (d).</p> <p>Section 44.</p> <p>In section 46, in subsection (1), the words from “, other than” to the end and subsection (3).</p> <p>Section 50(1)(b).</p> <p>Sections 51 to 53.</p> <p>In section 54(3), in the definition of “franchising functions”, in paragraph (a), the words “, 52 and 53(3)”.</p> <p>In section 55—</p> <p style="padding-left: 2em;">subsection (5)(b) and (c),</p> <p style="padding-left: 2em;">in subsection (5A), the words “in relation to a licence holder or person under closure restrictions”,</p> <p style="padding-left: 2em;">in subsection (10), in paragraph (a) of the definition of “the appropriate officer”, the words “or a person under closure restrictions,”, and subsection (12).</p> <p>In section 57(2), paragraph (b) and the word “or” before it.</p>

*Status: This is the original version (as it was originally enacted).*

<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		In section 68(1), paragraph (b) and the word “or” before it.
		Section 70.
		Section 72(2)(c).
		Section 73(2)(c) and (8).
		In section 74(2), paragraph (b) and paragraph (d) and the word “and” before it.
		In section 75(4), the definition of “first relevant financial year” and the word “and” before it.
		In section 76(9), the words from “and in this” to the end.
		In section 77, in subsection (8), the words “, after consultation with the Regulator,” and, in subsection (11), the words from “and in this” to the end.
		Section 78(1) to (4), (6) and (7).
		In section 79(4), the definition of “committee”.
		Section 80(6).
		In section 83(1)— the definitions of “the Central Committee” and “consultative committee”, and in the definition of “closure consent”, the words “or 44”.
		Sections 84 to 116.
		In section 118— in subsection (5), the words “given to him” and the words “relating to him”, in subsection (11), the words “or II”, and

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<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		subsection (12).
		Sections 126 to 129.
		In section 133(1), the words “continue to”.
		In section 135— subsection (5), in subsection (6), the words from “and subsections (2) and (3)” to the end, in subsection (8), paragraph (b) and the word “and” before it, in subsection (9)(b), the words “or in agreements or other arrangements under section 51 or 52 above”, and subsections (10) and (11).
		Section 137.
		Section 139.
		Section 141.
		In section 144(1), the words from “and, without” to “member of the subsidiary;” and the words “33 or”.
		Section 150, in subsection (1), paragraphs (d) and (n) and subsection (4).
		In section 151(1), the definitions of “the Franchising Director” and “transfer scheme”.
		Section 152(2).
		In Schedule 1— the words “or the Franchising Director” (in each place), the words “and the Franchising Director” (in each place, including the heading), paragraph 1(4),

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<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		in paragraph 2(1), the word “each” and the words “, or (as the case may be) the Franchising Director,”, in the heading before paragraph 3, the words “, <i>the Franchising Director</i> ” and the word “ <i>their</i> ”, in paragraph 4, the word “each”, in paragraph 5, the words “or, as the case may be, the Franchising Director” (in both places), in paragraph 6, the word “each” and the words “, the Franchising Director” (in both places), paragraph 7(a), and paragraph 8(a).
		In Schedule 2— paragraph 1, in paragraph 2, the words “, with the approval of the Treasury,”, paragraph 3, in paragraph 7(1), the words “, with the approval of the Regulator”, in paragraph 8(1), the word “, 3”, and paragraphs 9 and 10.
		In Schedule 3— paragraph 1, in paragraph 2, the words “, with the approval of the Treasury,”, paragraph 3, in paragraph 7(1), the words “, with the approval of the Regulator”,

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<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		<p>in paragraph 8(1), the word “, 3”, and paragraph 9.</p> <p>In Schedule 4, paragraph 7.</p> <p>In Schedule 7, in paragraph 2(7), the words “on him” and, in paragraph 7, sub-paragraph (3) and, in sub-paragraph (4), the words “(except those specified in sub-paragraph (3) above)”.</p> <p>Schedule 8.</p> <p>Schedule 9.</p> <p>In Schedule 11—</p> <p style="padding-left: 2em;">in paragraph 1(4), the words “or II”,</p> <p style="padding-left: 2em;">in paragraph 10(6) (b), the words “of the Board” (in both places), and</p> <p style="padding-left: 2em;">in paragraph 11(10), in the definition of “relevant employer”, the word “or” at the end of paragraph (b) and, in paragraph (c), the words “, other than a company which is wholly owned by the Franchising Director”.</p> <p>In Schedule 12, paragraphs 5, 6(2) to (5), (6)(a) and (7) and 32.</p> <p>Schedule 13.</p>
<a href="#">S.I. 1994/1432.</a>	Railway Pensions (Protection and Designation of Schemes) Order 1994.	<p>In article 9(2), the words “, except to the extent specified in paragraph (3),” and the word “relevant” (in both places).</p> <p>Article 13.</p> <p>Article 14.</p>
<a href="#">S.I. 1994/1649.</a>	Railways Act 1993 (Consequential Modifications) (No.2) Order 1994.	The whole order.



*Status: This is the original version (as it was originally enacted).*

<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
1996 c. 18.	Employment Rights Act 1996.	In Schedule 1, paragraph 60(2).
1996 c. 42.	Railway Heritage Act 1996.	Section 1(a) to (c).
1998 c. 41.	Competition Act 1998.	In Schedule 10, paragraph 15(7)(a).
1999 c. 29.	Greater London Authority Act 1999.	Section 175(4). In section 199(1), the words “, notwithstanding anything in subsection (10) of that section” and the words “, notwithstanding anything in subsection (9) of that section”. Section 235(6). In section 240(8), the definition of “the Franchising Director”. In Schedule 18, paragraph 17. In Schedule 19, paragraphs 1, 3, 4 and 5(5) and (6).
S.I. 1999/277.	Parliamentary Commissioner Order 1999.	In Article 2, the entries relating to— the Central Rail Users' Consultative Committee, the Rail Users' Consultative Committee for Eastern England, the Rail Users' Consultative Committee for North Eastern England, the Rail Users' Consultative Committee for North Western England, the Rail Users' Consultative Committee for Scotland, the Rail Users' Consultative Committee for Southern England, the Rail Users' Consultative Committee for the Midlands,

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<i>Reference</i>	<i>Short title or title</i>	<i>Extent of repeal or revocation</i>
		the Rail Users' Consultative Committee for Wales, and the Rail Users' Consultative Committee for Western England.
<a href="#">S.I. 1999/1750.</a>	Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 1999.	In Schedule 2, in the entry relating to the Railways Act 1993, paragraphs (b) and (c).
<a href="#">2000 c. 00.</a>	Freedom of Information Act 2000.	In Schedule 1, in Part VI, the entry relating to the British Railways Board.

## PART V

### MISCELLANEOUS

(1)

#### DRIVER TRAINING AND DRIVING INSTRUCTORS

<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
<a href="#">1988 c. 52.</a>	Road Traffic Act 1988.	<p>Section 89(2A) and (5A).</p> <p>In section 97—  in subsection (3), paragraph (e) and the word “and” before it, and subsections (3A) and (3B).</p> <p>In section 98(3), paragraph (c) and the word “or” before it.</p> <p>In section 108(1), the definitions of “approved training course for motor cyclists” and “prescribed certificate of completion”.</p> <p>In section 130—  in subsection (3), the words “under this section”, and in subsection (5), the words “granted under this section”.</p>

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<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
1989 c. 22.	Road Traffic (Driver Licensing and Information Systems) Act 1989.	Section 131(5). Schedule 3. Section 6. In Schedule 3— in paragraph 11(c), subparagraph (ii) and the word “and” before it, in paragraph 15, subparagraph (g) and the word “and” before it, and in paragraph 18, subparagraphs (b) and (d).

(2)

#### OTHER PROVISIONS

<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
1984 c. 27.	Road Traffic Regulation Act 1984.	In section 26(1), the words “during periods between the hours of eight in the morning and half-past five in the afternoon when children are so on their way,”. In section 28— in subsection (1), the words “between the hours of eight in the morning and half-past five in the afternoon”, and in subsection (5), paragraph (c) and the word “and” before it.
1985 c. 67.	Transport Act 1985.	In Schedule 7, paragraph 21(10).
1991 c. 22.	New Roads and Street Works Act 1991.	In section 74(4), the words “if he does so”.
1993 c. 43.	Railways Act 1993.	Section 140.