



Transport Act 1968

1968 CHAPTER 73

PART I

INTEGRATION OF FREIGHT TRANSPORT SERVICES

The National Freight Corporation

1 Establishment and general duty of Freight Corporation

- (1) There shall be constituted in accordance with the provisions of Schedule 1 to this Act a public authority to be called the National Freight Corporation (hereafter in this Act referred to as " the Freight Corporation "), and it shall be the duty of the Corporation—
- (a) so to exercise their powers under or by virtue of this Act as, in conjunction with the Railways Board—
 - (i) to provide, or secure or promote the provision of, properly integrated services for the carriage of goods within Great Britain by road and rail; and
 - (ii) to secure that, in the provision of those services, goods are carried by rail whenever such carriage is efficient and economic,and in discharging their duty under sub-paragraph (ii) of this paragraph, to have due regard to any indication of the needs of the person for whom the goods in question are to be carried and to the nature of the goods;
 - (b) in connection with those services, to provide such other services and facilities as appear to the Corporation to be expedient; and
 - (c) to have due regard, as respects all those transport and other services and facilities, to efficiency, economy and safety of operation.
- (2) The railway services which it is the duty of the Railways Board under section 3(1) of the Act of 1962 to provide shall cease to include any such services as are mentioned in subsection (1)(a) of this section which the Freight Corporation have power to provide; but the foregoing provisions of this subsection shall not affect the powers of the Board to provide such services and—

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- (a) it shall be the duty of the Corporation and the Board to co-operate with one another in the exercise and performance of their respective functions so as to secure the proper discharge of the Corporation's duty under the said subsection (1)(a); and
- (b) for the purposes of such co-operation, the Corporation and the Board shall have power to enter into such arrangements with one another with respect to the exercise and performance of their respective functions on such terms as may appear to them to be expedient;

and where, for the purposes of the implementation of any agreement between the Corporation or a subsidiary of theirs and any other person for the conveyance of goods wholly or partly by rail, anything is done or falls to be done by the Railways Board or a subsidiary of that Board, the Board or that subsidiary of the Board shall be deemed to be a party to the agreement and shall have the like rights and be subject to the like liabilities under the agreement as if the agreement had been made by the Corporation or that subsidiary of the Corporation and the Board or that subsidiary of the Board acting jointly.

- (3) Nothing in subsection (1) or in paragraph (a) of subsection (2) of this section shall be construed as imposing, either directly or indirectly, any form of duty or liability enforceable by proceedings before any court to which the Freight Corporation or, as the case may be, the Railways Board would not otherwise be subject.

2 General powers of Freight Corporation

- (1) Subject and without prejudice to the provisions of, or of any enactment applied by, sections 47 to 52 of this Act, the Freight Corporation shall have power—
 - (a) to carry goods by road, whether in or outside Great Britain;
 - (b) to enter into arrangements with the Railways Board for the conveyance of goods by the Board, whether as agents of the Corporation or otherwise, on such terms as may be provided for in the arrangements—
 - (i) by rail, whether in vehicles provided by the Corporation or by the Board or by some other person;
 - (ii) by means of any transport services provided by the Board in pursuance of their powers under section 5 of the Act of 1962;
 - (c) to act as agent for the Railways Board for the purposes of any services for the carriage of goods provided by the Board;
 - (d) to provide—
 - (i) the like transport services by sea as immediately before the appointed day for the purposes of section 4(1) of this Act were provided by any of the bodies to whose securities that section relates;
 - (ii) with the consent of the Minister, any other transport services by sea;
 - (e) with the consent of the Minister, to provide transport services by hovercraft;
 - (f) to consign goods on behalf of other persons from or to any place, whether in Great Britain or elsewhere ;
 - (g) to store goods which have been or are to be carried by the Corporation, the Railways Board or a subsidiary of the Corporation or that Board, and—
 - (i) so far as any premises provided by the Corporation for the purposes of that or any other part of their business are not required for those purposes, to use them to provide facilities for the storage of other goods;

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- (ii) with the consent of the Minister, to provide such facilities at any other premises ;
 - (h) to enter into and carry out agreements with any person engaged in the provision of services for the carriage of goods, by whatever form of transport, for co-ordinating the activities of that person with those of the Corporation, and in particular for the provision of combined services for the through carriage of goods, whether by the same or partly by one and partly by another form of transport, for the quoting of through rates, and for the pooling of receipts or expenses;
 - (j) to join with any person engaged as mentioned in paragraph (h) of this subsection in forming, promoting and assisting a company for carrying on any activities in connection with such combined services as are so mentioned which the Corporation or that person have power to carry on;
 - (k) either alone or together with any other person, to provide, maintain and operate depots for the sorting of goods, with facilities for the reception, storage, weighing and handling of goods and for compliance with the requirements of the enactments relating to customs and excise;
 - (l) to operate harbours;
 - (m) to let for hire any vehicle, vessel or other means of transport owned by them ;
 - (n) with the consent of the Minister, to carry on any activities which the Corporation would not apart from this paragraph have power to carry on but which a subsidiary of the Corporation was carrying on immediately before it became such a subsidiary.
- (2) The Freight Corporation shall not be regarded as common carriers in respect of any of their activities.

3 Financial provisions with respect to Freight Corporation

- (1) Subject and without prejudice to the provisions of section 41 of this Act, the following provisions of the Act of 1962, namely—
- (a) section 18 (financial duty of Boards);
 - (b) section 19 (borrowing powers of Boards);
 - (c) section 20 (loans out of National Loans Fund);
 - (d) section 21 (Treasury guarantees); and
 - (e) section 24 (accounts),
- shall apply to the Freight Corporation as they apply to the Boards.
- (2) The Freight Corporation shall assume a commencing capital debt in accordance with the provisions of Schedule 2 to this Act.
- (3) The aggregate amount outstanding in respect of—
- (a) the principal of any money borrowed by the Freight Corporation under section 19 of the Act of 1962, and
 - (b) the Corporation's commencing capital debt,
- shall not exceed £200 million or such greater sum not exceeding £300 million as the Minister may from time to time by order specify; but no order shall be made under this subsection unless a draft thereof has been approved by a resolution of the Commons House of Parliament.

Transfer of assets, etc

4 Transfer to Freight Corporation of certain securities, rights and liabilities

- (1) On the appointed day for the purposes of this subsection—
- (a) the securities of the bodies listed in Part I of Schedule 3 to this Act, so far as beneficially owned on that day by the Holding Company or by any wholly-owned subsidiary of that Company, and
 - (b) the securities of the bodies listed in Part II of that Schedule, so far as beneficially owned on that day by the Railways Board, and
 - (c) any rights or liabilities on that day of that Company or subsidiary or, as the case may be, of that Board regarding the securities of any of those bodies, and
 - (d) the right to any money owed on that day to that Company or subsidiary or, as the case may be, to that Board by any of those bodies, and
 - (e) the liability represented by any money owed on that day by that Company or subsidiary or, as the case may be, by that Board to any of those bodies, and
 - (f) any rights and liabilities of that Company on that day in connection with B.R.S. Federation Limited, and
 - (g) any rights and liabilities of the Holding Company by virtue of paragraph 5(a) or (d) of Schedule 5 to the Act of 1962,
- shall, subject to subsection (3) of this section, be transferred to, and by virtue of this Act vest in, the Freight Corporation.
- (2) The Minister may by order made not later than the appointed day aforesaid add to Part I or Part II of the said Schedule 3 any body not for the time being listed in that Part if the Minister is satisfied—
- (a) that the activities of the body are similar to those of the bodies for the time being listed in one or other of those Parts; and
 - (b) that the Holding Company or a wholly-owned subsidiary of that Company or, as the case may be, the Railways Board are for the time being the beneficial owners of any securities of that body.
- (3) Where any of the securities aforesaid are beneficially owned as mentioned in paragraph (a) or (b) of subsection (1) of this section but held by a nominee, that subsection shall operate only to transfer the beneficial interest in the securities; and paragraphs (d) and (e) of that subsection shall not apply to money owed in the ordinary course of trading.
- (4) The rights and liabilities of the Holding Company under such agreements for the rendering of personal services by persons who immediately before the appointed day aforesaid are employed by the Holding Company as may be determined in accordance with arrangements agreed between that Company and the Corporation before that day or, in default of such agreement, in accordance with such arrangements as the Minister may before that day direct, shall on that day be transferred to, and by virtue of this Act vest in, the Corporation.
- (5) Paragraph 2(3) and (4) of Schedule 4 to this Act shall apply to any transfer under subsection (4) of this section, and paragraphs 1 to 13 of that Schedule shall apply to any transfer under that subsection or subsection (1) of this section.

5 Formation by Railways Board of, and transfer to Freight Corporation of shares in, subsidiary companies

(1) The Railways Board shall take steps to the satisfaction of the Minister to effect, not later than two days before the appointed day for the purposes of the transfer referred to in subsection (3)(b) of this section, the separation from the remainder of their undertaking of those parts thereof concerned respectively with—

- (a) the carriage of freightliner containers and other high capacity containers (other than container traffic consigned from private railway sidings); and
- (b) the following activities, namely—
 - (i) the carriage of the freight traffic commonly known as rail sundries traffic; and

(ii) the collection and delivery of goods by road otherwise than by way of such carriage as is mentioned in paragraph (a) of this subsection, but excluding the provision of rail vehicles for, and the haulage by rail of, the containers referred to in paragraph (a) or, as the case may be, the traffic referred to in paragraph (b)(i) of this subsection; and the Board shall from time to time furnish the Minister with such information as he may require with respect to the property, rights and liabilities which the Board propose to treat as included in each respectively of those parts of their undertaking, and the Minister may give directions to the Board as to the property, rights and liabilities to be so treated.

(2) The Railways Board shall secure that, not later than two days before the appointed day aforesaid, two wholly-owned subsidiaries of the Board are formed of which—

- (a) one (hereafter in this section referred to as "the freight-liner company") shall be formed with the object of carrying on such activities as are mentioned in subsection (1)(a) of this section; and
- (b) the other (hereafter in this section referred to as "the freight sundries company") shall be formed with the object of carrying on such activities as are mentioned in subsection (1)(b) of this section;

and all securities of those companies shall be issued, as the Railways Board may direct (after consultation, in the case of fifty-one per cent. in nominal value of the securities of the freightliner company and in the case of all the securities of the freight sundries company, with the Freight Corporation), to the Board or to such other person or persons as the Board may nominate to hold them.

(3) Subject to subsection (4) of this section—

- (a) on the day before the appointed day aforesaid there shall be transferred to, and by virtue of this Act vest in, the freightliner company and the freight sundries company respectively all the property, rights and liabilities comprised in the part of the Railways Board's undertaking referred to in paragraph (a) or, as the case may be, paragraph (b) of subsection (1) of this section; and
- (b) on the appointed day there shall be transferred to, and by virtue of this Act vest in, the Freight Corporation the aforesaid fifty-one per cent. of the securities of the freightliner company and all the securities of the freight sundries company.

(4) Schedule 4 to this Act shall apply to any transfer under paragraph (a), and paragraphs 7 to 13 of that Schedule shall apply to any transfer under paragraph (b), of subsection (3) of this section, and the said paragraph (a) shall have effect subject to the provisions of that Schedule; and, in the case of any securities held by any person other than the Railways Board, the said paragraph (b) shall operate only to transfer the beneficial interest in those securities.

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- (5) For the period of five years beginning with the appointed day aforesaid the Minister may make to the Freight Corporation grants of such amount for each respectively of those years payable in such manner as the Minister may with the approval of the Treasury determine towards any loss which it is estimated will be incurred in that year by the Corporation or the freight sundries company in the carrying on of such activities as are referred to in subsection (1)(b) of this section; but the aggregate amount of those grants shall not exceed £60 million.

The Freight Integration Council

6 The Freight Integration Council

- (1) There shall be established in accordance with this section a Freight Integration Council, and, without prejudice to section 162(2) of this Act, it shall be the duty of the Council to consider any matter relating to the provision and operation by the relevant transport authorities (that is to say, the Freight Corporation, the Railways Board, the Docks Board, the Waterways Board, the Scottish Group, the British Overseas Airways Corporation, the British European Airways Corporation, the British Airports Authority and the Postmaster General) and by the subsidiaries of those authorities of an integrated freight transport service, being a matter—

- (a) which is referred to the Council for their consideration by the Minister or by any of the relevant transport authorities or, being a matter relating to the Scottish Group, by the Secretary of State; or
- (b) which appears to the Council without any such reference to be a matter which requires or may require consideration by the Minister or, being a matter relating to the Scottish Group, by the Secretary of State,

and, where it appears to the Council to be desirable, to make recommendations with respect to that matter to the Minister, and, where that matter relates to the Scottish Group, to the Secretary of State ; and—

- (i) the Minister may give to the Freight Corporation, the Railways Board, the Docks Board or the Waterways Board, and
- (ii) the Secretary of State may give to the Scottish Group,

such directions as appear to him to be requisite in consequence of any recommendation of the Council.

- (2) The Council shall consist of—

- (a) a chairman and not more than four other members appointed by the Minister from among persons appearing to him to have had wide experience of, and to have shown capacity in, industrial, commercial, financial or economic matters, applied science, or administration;
- (b) the chairman of the Freight Corporation;
- (c) the chairman of the Railways Board; and
- (d) two members who shall be appointed by the Minister—
 - (i) after consultation with such as appear to him to be appropriate of any organisations appearing to him to represent a substantial number of persons in relevant employment, that is to say, persons who are, or who are due on a transfer and vesting by virtue of this Act of any property, rights or liabilities to become, employed by, or by a subsidiary of, the Railways Board or the Freight Corporation; and

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- (ii) from among persons appearing to him to have had wide experience of, and to have shown capacity in, the organisation of persons in such employment;
- and if any matter affecting any other of the relevant transport authorities arises for consideration by the Council, the Council, except where that authority is the Postmaster General, may invite the chairman of that authority to act as a member of the Council in considering that matter or, where that authority is the Postmaster General, may invite him to appoint a representative so to act.
- (3) The Minister may, if he thinks fit, appoint any other person (who shall not be or act as a member of the Council) to assist the Council in their work.
- (4) The persons appointed under subsection (2)(a) or (d) of this section shall hold and vacate office in accordance with their terms of appointment and shall, on ceasing to hold office, be eligible for reappointment; but any such person may at any time by notice in writing to the Minister resign his office.
- (5) Any person whom the Minister proposes to appoint under subsection (2)(a) or (d) of this section shall, if requested by the Minister so to do, furnish to the Minister such information as the Minister may consider necessary for the purpose of satisfying himself that that person will have no such financial or other interest as is likely to affect prejudicially the discharge by that person of his functions as a member of the Council.
- (6) The Minister may pay to the persons appointed by him under subsection (2)(a) or (d) or subsection (3) of this section such remuneration and such travelling allowances and allowances in respect of out-of-pocket expenses as the Minister may with the approval of the Treasury determine; and the Minister shall provide the Council with such officers and servants, and such accommodation, as appear to him to be requisite for the proper discharge of the Council's functions.
- (7) The Council shall make an annual report to the Minister with respect to the discharge of their functions under this section, and the Minister shall lay a copy of any such report before each House of Parliament.
- (8) Section 55 of the Act of 1962 (which provides for the establishment of a Nationalised Transport Advisory Council) shall cease to have effect, and accordingly that Council shall cease to exist and any appointment of any person under that section shall terminate.

*Redistribution of activities between Freight
Corporation and Railways Board or Scottish Group*

7 Transfer schemes by authorities

- (1) Subject to subsection (4) of this section, the Railways Board, or the Freight Corporation, or that Board and Corporation acting jointly, may as occasion seems to them to require it make schemes—
- (a) for the reorganisation, amalgamation or dissolution of any of the wholly-owned subsidiaries of the authority, or, as the case may be, of either of the authorities, by whom the scheme is made;
- (b) for the transfer of any specified property, rights or liabilities, or of all property, rights and liabilities com-, prised in a specified part of their undertaking, from

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one to another of the following bodies, namely, the Board, the Corporation and any wholly-owned subsidiary of the Board or Corporation.

- (2) Subject to subsection (4) of this section, the Freight Corporation and the Scottish Group acting jointly may as occasion seems to them to require it make schemes for the transfer of any specified property, rights or liabilities, or all property, rights and liabilities comprised in a specified part of their undertaking, from one to another of the following bodies, namely, the Freight Corporation, the Scottish Group and any wholly-owned subsidiary of that Corporation or Group; and in relation to a scheme under this subsection any reference in subsection (4) or (5) of this section to the Minister shall be construed as a reference to the Minister and the Secretary of State acting jointly.
- (3) Any scheme under subsection (1) or (2) of this section may contain such supplementary, incidental and consequential provision as may appear to the authority or authorities making it to be necessary or expedient.
- (4) A scheme under this section shall not come into force unless it has been approved by the Minister or until such date as the Minister may in giving his approval specify; and the Minister may approve a scheme either without modification or with such modifications as, after consultation with the authority or authorities by whom the scheme was prepared, he thinks fit; but without prejudice to his powers under section 8 of this Act the Minister shall not approve any such scheme which makes provision—
 - (a) for a transfer of any property, rights or liabilities which it appears to him would materially prejudice the proper discharge by /the Railways Board or the Freight Corporation of their respective duties under the Act of 1962 or this Act; or
 - (b) for altering the proportion of the interests to which that Board and that Corporation respectively are entitled in the company formed by virtue of section 5(2)(a) of this Act.
- (5) Where in the case of a scheme made by virtue of subsection (1)(b) or subsection (2) of this section the Minister in approving the scheme under subsection (4) of this section certifies that the scheme is approved as giving effect to conclusions reported under section 45 of this Act or to a direction given under subsection (5) of that section or under section 6(1) of this Act, then, subject to subsection (7) of this section, the property, rights and liabilities in question shall on the date of the coming into force of the scheme be transferred, and by virtue of this Act vest, in accordance with the scheme.
- (6) Subject to subsection (7) of this section, in the case of any scheme made by virtue of subsection (1)(b) or subsection (2) of this section to which subsection (5) thereof does not apply, the property, rights and liabilities in question shall on the date of the coming into force of the scheme be transferred, and by virtue of the scheme vest, in accordance with the scheme.
- (7) Schedule 4 to this Act—
 - (a) shall apply to any transfer under subsection (5) of this section; and
 - (b) shall apply to any transfer under subsection (6) of this section subject to any reference in that Schedule to a vesting by virtue of this Act being construed as a reference to a vesting by virtue of the scheme in question;

and the said subsection (5) or (6) shall have effect subject to the provisions of that Schedule; and in the application of any provision of that Schedule to a transfer affecting the Scottish Group, any reference in that provision to the Minister shall be construed as a reference to the Minister and the Secretary of State acting jointly.

8 Transfer orders by Minister

- (1) Subject to subsection (6) of this section, the Minister may by order—
 - (a) transfer from one to the other any functions of the Freight Corporation or the Railways Board in connection with the carriage of goods, and for that purpose amend any of the enactments relating to those functions ;
 - (b) make any such provision with respect to, or to any wholly-owned subsidiary of, either of those authorities as is mentioned in paragraph (a) or (b) of subsection (1) or paragraph (b) of subsection (4) of section 7 of this Act.
- (2) Subject to subsection (6) of this section, the Minister and the Secretary of State acting jointly may by order make any such provision with respect to, or to any wholly-owned subsidiary of, the Freight Corporation or the Scottish Group as is mentioned in section 7(2) of this Act; and in relation to an order under this subsection any reference in subsection (3) or (6) of this section to the Minister shall be construed as a reference to the Minister and the Secretary of State acting jointly.
- (3) Any order under subsection (1) or (2) of this section may contain such supplementary, incidental and consequential provision as may appear to the Minister to be necessary or expedient.
- (4) Subject to subsection (5) of this section, in the case of an order under subsection (1) of this section making such provision as is mentioned in section 7(1)(b) of this Act, and in the case of an order under subsection (2) of this section, the property, rights and liabilities in question shall on such date as may be appointed for the purpose by the order be transferred, and by virtue of this Act vest, in accordance with the order.
- (5) Schedule 4 to this Act shall apply to any transfer under subsection (4) of this section and that subsection shall have effect subject to the provisions of that Schedule; and in the application of any provision of that Schedule to a transfer affecting the Scottish Group, any reference in that provision to the Minister shall be construed as a reference to the Minister and the Secretary of State acting jointly.
- (6) The power to make orders under this section shall not be exercisable so as to cause all or substantially all of the functions of the Freight Corporation in connection with the carriage of goods by land to become functions of the Railways Board or wholly-owned subsidiaries of that Board, or to cause all or substantially all of the functions of the Railways Board in connection with the carriage of goods by rail to become functions of the Freight Corporation or wholly-owned subsidiaries of that Corporation; and before making any order under this section the Minister shall—
 - (a) consult with the following persons, namely—
 - (i) the Freight Corporation ;
 - (ii) in the case of an order under subsection (1) of this section, the Railways Board ;
 - (iii) in the case of an order under subsection (2) of this section, the Scottish Group ;
 - (iv) the Freight Integration Council;
 - (v) such other persons, if any, as the Minister may think fit, and
 - (b) lay a draft of the proposed order before each House of Parliament, and the order shall not be made unless the draft thereof so laid has been approved by resolution of each House of Parliament.