CHAPTER 56

An Act to amend the provisions of the Transport Act, 1953, relating to the disposal by the British Transport Commission of the property held by them for the purposes of the existing road haulage undertaking (including the provisions as to the transport levy and the Transport Fund), to extend certain enactments relating to holding companies to the British Transport Commission, and for purposes connected with the matters aforesaid. [2nd August, 1956]

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:—

Disposal of property to companies remaining under Commission's control.

1. For subsection (1) of section four of the Transport Act, 1953 (which relates to transfers of property to companies under the control of the Commission, otherwise than with a view to the sale of their shares) there shall be substituted the following subsection:—

"(1) Subject to the provisions of this subsection, the Commission may make over to any company under their direct or indirect control any property held by them for the purposes of the existing road haulage undertaking and any of their rights and obligations, whether under contract or otherwise, being rights and obligations connected with the property transferred, and in that event subsections (4) and (5) of the last preceding section, section six of this Act, and the First Schedule to this Act shall have effect as if the transaction

had been a purchase resulting from an invitation under the last preceding section to tender for the purchase of that property on conditions providing for the purchaser taking over the connected rights and obligations, as if all such things had been done as would have fallen to be done if the transaction had been such a purchase and as if any vehicles specified by the Commission to the company as additional vehicles at the time when they are made over had been so specified under the said subsection (5), and, without prejudice to the generality of the preceding provisions of this subsection, references in the said provisions of this Act to transport units, to purchasers of transport units and to additional vehicles shall be construed accordingly:

Provided that—

(*a*) property other than vehicles shall only be made over under this subsection to a company to which vehicles are made over thereunder;

(*b*) the total number and the total weight unladen of the vehicles made over to companies under this subsection which belong to each of the three following categories, that is to say—

(i) vehicles (whether motor vehicles or trailers) specially constructed to carry abnormal indivisible loads;

(ii) motor vehicles (of whatever character) which in the opinion of the Minister ought to be regarded as special vehicles constructed for special purposes other than the carriage of abnormal indivisible loads; and

(iii) other motor vehicles,

shall not exceed, in the case of the first category, three hundred and twenty-five vehicles and two thousand seven hundred and fifty tons, in the case of the second category nine hundred and eighty-nine vehicles and three thousand three hundred and thirty tons, and in the case of the third category seven thousand seven hundred and fifty vehicles and thirty-six thousand tons, and, of the vehicles so made over which belong to the third category, not less than three-fortieths, in number, shall be specified as additional vehicles;

(*c*) the total number of trailers to which special A licences extend by virtue of this subsection, excluding trailers belonging to the first of the said categories, shall not exceed three thousand two hundred trailers;

(*d*) the property made over under this subsection to any company, other than vehicles belonging to the said categories, shall be only such property as may be specified in proposals submitted by the Commission to the Board and approved, as being appropriate in quantity, nature and (in the case of land) location, by the Minister after considering the recommendations of the Board."

Disposal of property through companies the securities of which are sold.

2.—(1) Section five of the Transport Act, 1953 (which relates to transfers of property to companies under the control of the Commission with a view to the sale of their shares) shall be amended as follows, that is to say—

(*a*) for the references in that section to the shares of the company there shall, subject to the provisions of paragraph (*e*) of this subsection, be substituted references to all the securities of the company;

(*b*) the said securities may be sold otherwise than in one parcel and tenders may be invited for the purchase thereof and offers made for the sale thereof otherwise than in one parcel;

(*c*) proviso (*b*) to subsection (3) of that section (which confers a limited power to sell otherwise than by tender) shall cease to have effect, and securities may be sold under that subsection otherwise than by tender in any case where the Board approves or, on a reference of the matter to the Minister under subsection (6) of that section, the Minister directs;

(*d*) the Commission may, in connection with any offer to the public of any of the said securities, pay commissions to persons who procure or undertake to procure persons to purchase all or any of the securities or who agree themselves to purchase all or any of the securities not otherwise sold as the result of the offer;

(*e*) for the references (however worded) in subsections (7) to (12) of that section to the date of the transfer of the shares of the company in pursuance of a sale under that section there shall be substituted references to the date on which the company ceases to be under the direct or indirect control of the Commission.

(2) Notwithstanding anything in subsection (3) of the said section five, the Commission may, with a view to obtaining a better price for all or any of the securities of any company to which property has been made over under that section, defer inviting tenders for the purchase of, or offering for sale, or selling, all or any of those securities:

Provided that the power conferred by this subsection shall not be exercised except with the consent of the Minister, and the Minister may at any time revoke his consent as respects all or any of the securities in question, and the Commission shall thereupon proceed as soon as is reasonably practicable to sell those securities in accordance with the said subsection (3) as modified by subsection (1) of this section.

The Commission shall include in their annual report under subsection (7) of section four of the Transport Act, 1947, particulars of any exercise by the Minister of his powers under the proviso to this subsection which takes place during the year.

(3) The provisions of the Schedule to this Act shall have effect for the purpose of facilitating the reorganisation of the capital of companies to which property has been made over under the said section five.

(4) As respects any vehicles which, immediately before the expiration of the five year period mentioned in Part II of the First Schedule to the Transport Act, 1953, are—

(*a*) owned by a company to which vehicles have been transferred under the said section five; and

(*b*) authorised to be used under a licence granted to the Commission under the said Part II,

the said licence shall be deemed to have been granted for a period expiring with the end of the said five year period or with the date when the company ceases to be under the direct or indirect control of the Commission, whichever last occurs:

Provided that if, after the expiration of the said five year period and before the company ceases to be under the direct or indirect control of the Commission, any of the vehicles authorised to be used under the licence are disposed of by the company to the Commission, the licence shall thereupon cease to have effect with respect to those vehicles.

(5) Subsection (2) of section four of the Transport Act, 1953 (which requires information as to the principal activities of certain companies to be included in the annual statements of the Commission under section ninety-four of the Transport Act, 1947), shall apply in relation to companies to which the Commission has made over property under section five of the Transport Act, 1953, as it applies in relation to the companies referred to in the said subsection (2).

(6) In subsection (2) of the said section five (which relates to the price at which property is to be made over under that section) the words from " and the references to values shown in the books of the Commission " to the end of the subsection (being words which relate to certain adjustments to be made by the Commission in the values shown in their books) are hereby repealed.

(7) Paragraphs (*e*) and (*f*) of subsection (4) of section two of the Transport Act, 1947 (which restrict the power of the Commission to trade in spare parts for, or accessories to, road vehicles, or in petrol or oil for road vehicles, or to engage in the maintenance or repair of road vehicles), shall not apply to dealings of the Commission with any company to which property has been made over under section five of the Transport Act, 1953, being dealings which take place not later than twelve months after the company has ceased to be under the direct or indirect control of the Commission.

Special provisions as to vehicles used exclusively for particular contracts.

3.—(1) Where—

(*a*) before the fifteenth day of December, nineteen hundred and fifty-five, a contract was in force between the Commission and a person carrying on a trade or business (not being the business of carrying or arranging for the carrying of goods); and

(*b*) that contract provided for the carriage of goods in vehicles of the Commission for or in connection with that trade or business during a continuous period of not less than one year; and

(*c*) whether before or after the passing of this Act, that contract comes to an end on or after the said fifteenth day of December,

the following provisions of this section shall apply, and shall, as from the said fifteenth day of December, be deemed always to have applied, to any vehicles forming part of the property held by the Commission for the purposes of the existing road haulage undertaking which, at the time of the coming to an end of that contract, are exclusively used for the purposes of that contract.

(2) If, whether before or after the passing of this Act and whether before or after the said fifteenth day of December, the Commission or a company under their direct or indirect control have entered into a further contract with the other party to the said contract, being a contract for the carriage of goods in vehicles of the Commission or the company for or in connection with his said trade or business during a continuous period of not less than one year beginning with the coming to an end of the said contract, the Commission may (notwithstanding anything in subsection (5) of section six of the Transport Act, 1953) dispose of all or any of the vehicles by making them over to a company under their direct or indirect control with a view to the use thereof exclusively for the purposes of the said further contract so long as that contract continues:

Provided that—

(*a*) not more vehicles shall be made over as aforesaid with a view to the use thereof for the purposes of the said further contract than are required for the purposes thereof; and

(*b*) where the Commission make over any vehicles as aforesaid, they shall give notice thereof to the Board at or before the time when the vehicles are so made over.

(3) Where vehicles theretofore used for the purposes of a contract are made over to a company under subsection (2) of this section, any A licence under which they were authorised to be used before the coming to an end of that contract shall cease to have effect so far as it relates to them, and the Commission shall give all such notices and make all such applications as are necessary to secure that the licences are revoked or that the vehicles are removed therefrom, as the case may require.

(4) Where any vehicles are made over to a company under subsection (2) of this section, the Commission may (notwithstanding anything in subsection (5) of section six of the Transport Act, 1953) dispose also of other property, not being vehicles, by making it over to that company:

Provided that the property made over under this subsection to any company shall be only such property as may be specified in proposals submitted by the Commission to the Board and approved, as being appropriate in quantity, nature and (in the case of land) location, by the Minister after considering the recommendations of the Board.

(5) The powers conferred on the Commission by this section shall be in addition to the powers conferred on them by sections four and five of the Transport Act, 1953, but subsection (2) of the said section four (which relates to the annual statement to be prepared by the Commission under section ninety-four of the Transport Act, 1947) and subsection (3) of the said section four and subsection (6) of section seven of the said Act (which relate to conditions of employment) shall apply in relation to any companies to which property is made over under this section as they apply in relation to companies to which property is made over under the said section four.

(6) Any vehicles to which this section applies which are not disposed of under subsection (2) of this section or under the next following section shall be dealt with as property which cannot be disposed of as or as part of a transport unit, and section six of the Transport Act, 1953 (which relates to the disposal of property otherwise than in transport units) shall have effect in relation to them accordingly.

Extra vehicles for companies to which s. 3 applies.

4.—(1) In addition to any vehicles made over to a company under the last preceding section, the Commission may, notwithstanding anything in subsection (5) of section six of the Transport Act, 1953, make over to that company such further vehicles as they may determine, so, however, that the total

number of vehicles made over to companies under this section shall not exceed such number as may be agreed between the Board and the Commission or in default of agreement determined by the Minister.

(2) Where any vehicles are made over to a company under this section, any A licence under which they were authorised to be used before they are so made over shall cease to have effect so far as it relates to them, and the Commission shall give all such notices and make all such applications as are necessary to secure that the licences are revoked or that the vehicles are removed therefrom, as the case may require.

Reduction of number of trailers covered by licences under Part II of First Schedule to Transport Act, 1953.

5.—(1) The maximum number of trailers authorised to be used under licences granted to the Commission under paragraph 1 of Part II of the First Schedule to the Transport Act, 1953, shall at no time exceed the total number of trailers authorised to be used under the licences granted under that paragraph on applications made within the time therein limited less the number of trailers (being trailers forming part of the property held by the Commission for the purposes of the existing road haulage undertaking) which, whether before or after the passing of this Act, either—

(*a*) are sold as part of a transport unit; or

(*b*) are made over under section four of that Act to a company; or

(*c*) are in the possession of a company to which property has been made over under section five of that Act at the time when that company ceases to be under the direct or indirect control of the Commission; or

(*d*) are disposed of under section six of that Act; or

(*e*) are made over to a company under either of the two last preceding sections,

or which, before the passing of this Act, have been destroyed, damaged beyond repair or sold or otherwise disposed of in the ordinary course of business without being replaced.

(2) The Commission shall give all such notices and make all such applications as are necessary to secure that the provisions of subsection (1) of this section are complied with.

Supervision and control of disposal of property, etc.

6.—(1) The Minister may give such directions as he thinks fit to the Commission as to the exercise by them of their powers under section three of this Act and of any power they may have to terminate such a contract as is mentioned in subsection (1) of the said section three.

(2) The Minister may give such directions as he thinks fit to the Commission as to the exercise by them of their powers (whether conferred by this Act or not) as holders of any of the securities of any company to which property has been made over by them under section five of the Transport Act, 1953, and of any powers conferred on them by name under the articles of association of any such company, being directions designed to procure either—

(*a*) a reorganisation or alteration of the securities of the company; or

(*b*) the inclusion on the board of the company of directors named by the Minister, not being a majority of the directors thereof.

(3) Where, under the proviso to subsection (1) of the said section five, the Board have approved the making over to a company of any property, rights or obligations, the Commission shall inform the Minister and shall not proceed further in the matter until the Minister has notified them that he is satisfied that the securities of the company are or will be suitable for the purposes of the said section five.

(4) If the Board is abolished before all the vehicles held by the Commission for the purposes of the existing road haulage undertaking (other than vehicles falling to be retained by the Commission) have been disposed of, the Minister may from time to time nominate one or more persons to make to him a report giving particulars, in such detail as he may require, of the vehicles forming part of the property held by the Commission for the purposes of the existing road haulage undertaking which had been disposed of up to a date specified by the Minister, of the manner in which those vehicles had been so disposed of, of the vehicles, if any, which remain to be disposed of at that date or fall to be retained by the Commission, and of such matters connected with the matters aforesaid as the Minister may require.

The Minister shall lay a copy of any report made to him under this subsection before each House of Parliament.

(5) It shall be the duty of the Commission, and of every company under the direct or indirect control of the Commission, to give to any person nominated to make a report under the last preceding subsection all such information, and to produce to him all such documents and permit him to enter on any such land in their possession and inspect any such vehicles or other property in their possession or under their control, as he may reasonably require for the purpose of satisfying himself as to any matter falling to be dealt with in the report.

Any question as to the reasonableness or otherwise of any requirement of any such person as aforesaid shall, on his application or on the application of the Commission, be determined by

the Minister, and the Minister's determination shall be binding on that person and on the Commission.

(6) For the avoidance of doubt it is hereby declared that if the Board is abolished before all the property held by the Commission for the purposes of the existing road haulage undertaking (other than property falling to be retained by the Commission) has been disposed of and all the securities of any company to which property has been made over under section five of that Act have been sold—

(*a*) any notice which, if the Board had not been abolished, would have fallen to be given to the Board shall be given to the Minister; and

(*b*) the Minister may give such directions as he thinks fit as to any matter which, if the Board had not been abolished, might, under subsection (8) of section three or subsection (6) of section five of that Act, have been referred by the Board to the Minister.

(7) Any directions given by the Minister under this section may be absolute or conditional, and the Commission shall comply with any such directions.

Exemptions from stamp duty.

7.—(1) Stamp duty shall not be payable on any conveyance, agreement, assignment or instrument certified by the Commission to the Commissioners of Inland Revenue to be made or executed solely for the purpose of making over, under section four or section five of the Transport Act, 1953, or subsection (2) or subsection (4) of section three of this Act, property, rights or obligations of the Commission to a company under their direct or indirect control:

Provided that no such conveyance, agreement, assignment or instrument shall be deemed to be duly stamped unless either it is stamped with the duty to which it would, but for this subsection, be liable or it has, in accordance with the provisions of section twelve of the Stamp Act, 1891, been stamped with a particular stamp denoting that it is not chargeable with any duty or that it is duly stamped.

(2) If the Commission certify to the Commissioners of Inland Revenue that a company to be formed by the Commission is one to which the Commission intend to make over property under the said section four, the said section five or the said subsection (2), stamp duty shall not be chargeable under section one hundred and twelve of the Stamp Act, 1891, in respect of the amount which is to form the nominal share capital of the company.

(3) Stamp duty shall not be chargeable—

(*a*) under section one hundred and twelve of the Stamp Act, 1891, in respect of any increase of the nominal share capital of a company; or

(*b*) under section eight of the Finance Act, 1899, in respect of any issue of loan capital by a company; or

(*c*) on any trust deed securing loan capital proposed to be issued by a company,

if the Commission certify to the Commissioners of Inland Revenue that the company is one to which property has been or is intended to be made over by them under the said section four, the said section five or the said subsection (2) and that, at the time when the increase or issue is made, the company will be under the direct or indirect control of the Commission:

Provided that no such trust deed shall be deemed to be duly stamped unless either it is stamped with the duty to which it would, but for this subsection, be liable or it has, in accordance with the provisions of section twelve of the Stamp Act, 1891, been stamped with a particular stamp denoting that it is not chargeable with any duty or that it is duly stamped.

(4) In this section "loan capital" has the meaning ascribed to it by section eight of the Finance Act, 1899, as amended by section twenty-nine of the Finance Act, 1934.

Abolition of transport levy and winding-up of Transport Fund.

8.—(1) The transport levy shall not be charged in respect of the use of any vehicle after the end of the year nineteen hundred and fifty-six and, so long as it remains chargeable, the unit charge for the purposes thereof shall remain at the sum of thirteen shillings and sixpence; and accordingly—

(*a*) in subsection (1) of section twelve of the Transport Act, 1953, after the words "on or after the first day of January, nineteen hundred and fifty-four" there shall be inserted the words "but before the end of the year nineteen hundred and fifty-six"; and

(*b*) in subsection (3) of that section, the words "until the end of the year nineteen hundred and fifty-five" and all the words after the words "thirteen shillings and sixpence" shall be repealed.

(2) As soon as may be after the passing of this Act and thereafter at such intervals as he may determine, the Minister shall pay over to the Commission the sums standing to the credit of the Transport Fund, except so much thereof as he may think it expedient to retain for the purpose of meeting liabilities of that Fund other than liabilities to the Commission.

(3) The payments falling to be made to the Commission under subsection (2) of this section shall be in lieu of any payments falling to be made to the Commission under sections thirteen to fifteen of the Transport Act, 1953, and—

(*a*) in subsection (1) of the said section thirteen the words from "and out of which there shall be made" to the end of that subsection; and

(*b*) subsections (2) to (4) of the said section thirteen, and the whole of sections fourteen and fifteen of the said Act and of the Third Schedule thereto,

are hereby repealed.

(4) On such date as the Minister may determine, being a date as soon as may be after the end of the year nineteen hundred and fifty-six, the Transport Fund shall be wound up, and thereafter—

(*a*) any sums payable in respect of the salaries, allowances and expenses of the Board shall be paid by the Commission; and

(*b*) any sums paid to the Minister under section twelve of the Transport Act, 1953, shall be paid over by him to the Commission,

and the account which, apart from this section, the Minister would have had to prepare under subsection (5) of section thirteen of the Transport Act, 1953, for the year nineteen hundred and fifty-six—

(i) shall instead be an account for the period beginning with the first day of January in that year and ending with the date on which the Transport Fund is wound up; and

(ii) may be transmitted to the Comptroller and Auditor-General at any time within six months from that date,

and the said subsection (5) shall have effect accordingly.

Application to Commission of enactments relating to holding companies.

9.—(1) For the purposes of the definition of the expression "holding company" in subsection (3) of section twelve of the Road and Rail Traffic Act, 1933, the Commission shall be deemed to be a company, and the said section twelve (both as originally enacted and as applied by any subsequent enactment, whether passed before or after the passing of this Act) shall have effect accordingly.

(2) Nothing in this section shall affect the provisions of subsection (7) of section five of the Transport Act, 1953 (which relates to the application of the said section twelve where property is made over to a company under that section).

Short title, interpretation and extent.

10.—(1) This Act may be cited as the Transport (Disposal of Road Haulage Property) Act, 1956.

(2) Except where the context otherwise requires, expressions used in this Act have the same meaning as in the Transport Act, 1953, and subsection (8) of section thirty-five of that Act shall apply in relation to this Act as it applies in relation to that Act.

(3) This Act shall not extend to Northern Ireland.

Section 2.

SCHEDULE

PROVISIONS FOR FACILITATING THE REORGANISATION OF THE CAPITAL OF CERTAIN COMPANIES

1. The power conferred by section sixty-six of the Companies Act, 1948, on a company to reduce its share capital may, in the case of a company to which property has been made over under section five of the Transport Act, 1953, being a company in the shares of which no person other than the Commission has any beneficial interest, be exercised by ordinary resolution, and any reduction so made shall not be subject to confirmation by the court, and in any such case—

(*a*) section sixty-nine of the Companies Act, 1948, shall apply with the modification that for any reference to an order of the court confirming the reduction of the share capital of a company there shall be substituted a reference to a copy of the resolution of the company for reducing its share capital and for the reference to a minute approved by the court showing the particulars mentioned in that section there shall be substituted a reference to a minute showing those particulars to the satisfaction of the registrar of companies;

(*b*) subsections (3) and (4) of the said section sixty-nine shall not apply, but notice of the registration of the resolution by the registrar of companies shall be published in the London and Edinburgh Gazettes, and the registrar shall certify under his hand the registration of the resolution and his certificate shall be conclusive evidence that the share capital of the company is such as is stated in the resolution; and

(*c*) sections sixty-seven, sixty-eight, seventy and seventy-one of the Companies Act, 1948, shall not apply.

2. If such a company as aforesaid exercises its right under paragraph 1 of this Schedule to reduce its share capital by ordinary resolution and without confirmation by the court, the Commission shall, as respects every debt due from the company at the date of the publication of the notice of the registration of the resolution under sub-paragraph (*b*) of the said paragraph 1, be under the like liability, and have the like rights, in relation to the creditor and the company, as if the Commission had guaranteed the payment of that debt by the company.

Table of Statutes referred to in this Act

Short Title	Session and Chapter
Stamp Act, 1891	54 & 55 Vict. c. 39.
Finance Act, 1899	62 & 63 Vict. c. 9.
Road and Rail Traffic Act, 1933	23 & 24 Geo. 5. c. 53.
Finance Act, 1934	24 & 25 Geo. 5. c. 32.
Transport Act, 1947	10 & 11 Geo. 6. c. 49.
Companies Act, 1948	11 & 12 Geo. 6. c. 38.
Transport Act, 1953	1 & 2 Eliz. 2. c. 13.

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