



Transport Act 1983

1983 CHAPTER 10

An Act to make further provision with respect to the finances and management of certain Transport Executives; and to reduce the indebtedness of the National Dock Labour Board in respect of money borrowed from the Secretary of State for financing severance payments to registered dock workers. [28th March 1983]

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

TRANSPORT EXECUTIVES

Preliminary

1 Interpretation of Part I

In this Part of this Act—

- " the Act of 1968 " means the Transport Act 1968 ;
- "the Act of 1969" means the Transport (London) Act 1969;
- " Executive " means—
 - (a) the Passenger Transport Executive for an area which is coterminous with a metropolitan county; and
 - (b) the London Transport Executive;
- " Authority " means—
 - (a) in relation to any such Passenger Transport Executive, the county council which is the Passenger Transport Authority for the Executive's area ; and
 - (b) in relation to the London Transport Executive, the Greater London Council;

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"revenue grants" means grants under section 13 of the Act of 1968 or section 3(1)(a) of the Act of 1969 in aid of the revenues of an Executive (including grants made under those provisions in respect of reductions in fares for children) and accordingly references to the revenues of an Executive include references to sums received by way of revenue grants ;

" year " means a period of twelve months beginning with 1st April.

Financial provisions

2 Financial duty of Executives

- (1) An Executive shall so perform their functions as to ensure so far as practicable that the combined revenues of the Executive and any subsidiaries of theirs for any accounting period are not less than sufficient to meet their combined charges properly chargeable to revenue account in that period.
- (2) If in the case of any accounting period it is not practicable for an Executive to ensure that those revenues are sufficient to meet those charges, subsection (1) above shall have effect in relation to the next following accounting period as if the combined charges there referred to included an amount equal to the amount of the deficit.
- (3) For the purposes of this section there shall be disregarded any deficit or potential deficit in an accounting period to the extent to which it is or is to be covered by the appropriation of any reserves of the Executive available for the purpose if the appropriation of those reserves for that purpose has been proposed by the Executive in a plan prepared by them under section 3 below and approved by the Authority under section 4 below.
- (4) An Authority in exercising or performing any of their functions under this Part of this Act, under Part II of the Act of 1968 or under the Act of 1969 shall have regard to the duty imposed on an Executive by this section.
- (5) In this section " subsidiary " has the meaning given by section 92(1) of the Transport Act 1962, and the provisions of section 51(5) of the Act of 1968 (joint subsidiaries) so far as applying to the London Transport Executive shall accordingly be disregarded.

3 Preparation and submission of financial plans

- (1) It shall be the duty of an Executive in each year to prepare in accordance with this section and submit to the Authority a plan containing their proposals for the next three years (" the relevant period ") with respect to—
 - (a) the general level of transport services and facilities to be provided by them or, by agreement with them, by other persons; and
 - (b) the general level and structure of the fares to be charged for those services, and the general level of charges to be made for those facilities, so far as they are to be charged, made or otherwise determined by the Executive.
- (2) The proposals shall be such as to enable the Executive to discharge their duty under section 2 above in the relevant period ; and the plan shall contain particulars of the Executive's financial position and their financial prospects for that period together with an estimate of what would be their annual revenue and expenditure if the proposals were implemented.

- (3) To the extent to which the Executive consider it necessary for the discharge of their general duty under section 9(3) of the Act of 1968 or section 5(1) of the Act of 1969, the plan may be formulated on the assumption that the Authority will in the relevant period make revenue grants of such amounts as the Executive may determine ; but if the plan is formulated on that assumption it shall be accompanied by particulars showing the benefits expected to accrue from the grants.
- (4) The plan shall be accompanied by estimates of—
 - (a) the cost to the Executive of providing, or arranging the provision of, the services and facilities described in the proposals;
 - (b) the level of demand for those services and facilities; and
 - (c) the benefits to potential users of those services and facilities.
- (5) In preparing the plan the Executive shall take into account any advice given by the Secretary of State as to the amounts that it would be appropriate for the Executive to determine under subsection (3) above and the method of determining the benefits referred to in that subsection, and generally as to the form and contents of the plan; and in preparing the estimates referred to in subsection (4) above the Executive shall take into account any advice given by him as to the method of determining the matters referred to in paragraphs (a) to (c) of that subsection.

4 Approval of financial plans and determination of revenue grants

- (1) An Authority shall in each year approve with or without modification the plan submitted to them in that year under section 3 above and, in the light of the provisions of the plan as so approved, determine the amount of the revenue grants, if any, to be made by them to the Executive in the first year of the relevant period.
- (2) For the purposes of this section the Authority may require the Executive to supply them with—
 - (a) alternative proposals based on different levels of services, facilities, fares or other charges, or on the assumption that the Authority will in the relevant period make revenue grants of such amounts as the Authority may specify;
 - (b) estimates of the extent to which particular benefits, specified by the Authority, would accrue to the public at large, or to any section of the public so specified, as a result of the making of any such grants as are mentioned in section 3(3) or (as the case may be) paragraph (a) above; and
 - (c) such other information as the Authority may specify, including information as to the cost of providing, or arranging the provision by other persons of, services and facilities additional to those proposed in the plan.
- (3) In determining whether to approve a plan in a form which would involve the making by the Authority of revenue grants in the relevant period the Authority shall have particular regard to—
 - (a) the matters referred to in paragraphs (a) to (c) of subsection (4) of section 3 above ;
 - (b) any advice given by the Secretary of State under subsection (5) of that section ; and
 - (c) the need to achieve a proper balance between the interests of the ratepayers in their area and the interests of transport users.

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- (4) Before approving a plan in such a form and making any such determination as is mentioned in subsection (1) above the Authority shall—
 - (a) submit the plan and a statement of their proposed determination to the Secretary of State ; and
 - (b) take into account the guidance given by him under subsection (5) below.
- (5) Where a plan is submitted to the Secretary of State under subsection (4) above he shall give the Authority guidance as to the maximum amount of the revenue grants, if any, which it would in his opinion be appropriate for the Authority to make in the year in question and, if the amount proposed by them would be greater than that amount, he may indicate to the Authority the respects in which the plan or any modification proposed by them would need to be altered to take account of his guidance.
- (6) The matters by reference to which the guidance of the Secretary of State under subsection (5) above may be given shall include—
 - (a) what appears to him to be the appropriate national level of expenditure by Authorities on revenue grants ;
 - (b) the benefits which would result from the making of such grants; and
 - (c) the levels of present and past expenditure by the Authority on such grants;
 and in giving the guidance the Secretary of State shall have regard to the general duty of the Authority and the Executive under section 9(3) of the Act of 1968 or sections 1 and 5(1) of the Act of 1969, as the case may be.

5 Payment of revenue grants

- (1) An Authority shall not in any year make any revenue grant to an Executive except in accordance with a determination made by the Authority under section 4(1) above.
- (2) To the extent to which the amount of the revenue grants made in any year by an Authority in accordance with any such determination does not exceed the amount specified in guidance given by the Secretary of State under section 4(5) above in relation to that determination, the making of those grants shall, without prejudice to any other proper exercise of the power of the Authority to make revenue grants, be regarded for all purposes as a proper exercise of that power.

6 Supplementary provisions

- (1) An Executive shall supply the Secretary of State with such information as he may require for the purpose of giving advice under subsection (5) of section 3 above and shall, before preparing any plan under that section, consult the Authority.
- (2) An Executive shall, when submitting any plan or supplying any information to an Authority under that section or section 4 above, send a copy of the plan or information to the Secretary of State.
- (3) Where the Secretary of State gives an Executive any advice under section 3(5) above he shall communicate that advice to the Authority.
- (4) An Authority shall supply the Secretary of State with such information as he may require for the purpose of giving guidance under section 4(5) above.
- (5) Where an Executive's plan is approved by an Authority under section 4 above the Authority shall inform the Executive in writing—

- (a) of their approval and of any modifications made by them in the plan as approved ; and
 - (b) of any determination made by them under subsection (1) of that section.
- (6) The general level and structure of fares and the general level of charges specified in a plan approved by an Authority under section 4 above shall be treated—
- (a) for the purposes of section 15 (2) (a) of the Act of 1968 ; and
 - (b) except as respects fares for such journeys as are mentioned in subsection (5) of section 11 of the Act of 1969, for the purposes of subsection (2)(d) of that section,
- as having been approved by the Authority under that provision.
- (7) Before giving or withholding any approval required by section 15(2)(a) of the Act of 1968 or section 11(2)(d) of the Act of 1969 the Authority shall have regard in particular to the extent to which their decision will affect the amount of revenue grants that will be needed to enable the Executive to comply with their duty under section 2 above and to the need to achieve a proper balance between the interests of the ratepayers in their area and the interests of transport users.

Management

7 Review of managerial organisation

- (1) An Authority shall, whenever the Secretary of State so requires, cause a review to be made of the organisation of the Executive for the purpose of determining whether, in the interests of managing the activities of the Executive in the most efficient manner, any particular activities of the Executive should be managed as separate units with separate accounts.
- (2) The Authority shall inform the Executive in writing of the results of any such review and of the Authority's conclusions arising from it; and the report under section 16 of the Act of 1968 or section 15 of the Act of 1969 for the accounting period of the Executive in which they are so informed shall contain a statement showing the steps they have taken or propose to take in the light of the Authority's conclusions.
- (3) Nothing in this section affects the power of an Authority to cause reviews to be made of the organisation of an Executive under section 15A(3) of the Act of 1968 or section 11(6) of the Act of 1969.

8 Tenders for carrying on activities of Executives

- (1) An Executive shall, in the case of such activities carried on by the Executive as they may determine to be appropriate, invite other persons to submit tenders to carry on those activities for such period and on such basis as the Executive may specify in the invitation to tender.
- (2) If the Authority so direct, the Executive shall invite tenders to carry on, for such period and on such basis as may be specified in the direction, such activities or descriptions of activities carried on by the Executive as may be so specified.
- (3) An Executive shall accept a tender invited pursuant to this section if it appears to them that to do so would result in the relevant activities being carried on in a satisfactory

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manner and at less cost to them than if they were to continue to carry on those activities themselves.

- (4) Any direction under subsection (2) above shall be in writing and it shall be the duty of the Executive to give effect to it.
- (5) Every report under section 16 of the Act of 1968 or section 15 of the Act of 1969 for an accounting period of an Executive shall contain a statement showing the steps which the Executive have taken in that period to comply with the requirements of subsections (1) and (2) above.
- (6) For the purposes of this section the London Transport Executive shall, in connection with the acceptance of any tender submitted to them pursuant to this section, have the same powers as are conferred on a Passenger Transport Executive by section 10(1)(xv) and (xvi) of the Act of 1968 (powers in connection with agreements for the carrying on of activities by other persons), the reference to the approval of a Passenger Transport Authority being construed as a reference to the written approval of the Greater London Council.

Supplementary

9 Repeals and minor amendments

- (1) The enactments mentioned in the Schedule to this Act are hereby repealed to the extent specified in the third column of that Schedule.
- (2) In relation to a passenger transport area which is coterminous with a metropolitan county, Part II of the Act of 1968 shall have effect with the omission of the following provisions, namely—
 - (a) in section 11, subsection (1);
 - (b) in section 13, subsection (3); and
 - (c) in section 15, in subsection (2) the words following paragraph (b), and subsections (3) and (4).
- (3) In section 15(5) of the Act of 1968 (expenditure by an Authority in performing their functions) the reference to Part II of that Act shall include a reference to this Part of this Act.
- (4) In section 7(2) of the Act of 1969 (duty to establish general reserve) for the words " shall establish " there shall be substituted the words " may establish " .
- (5) In section 14(3) of the Act of 1969 for the words " section 7(6) of this Act " there shall be substituted the words " section 2(4) of the Transport Act 1983 " .

10 Commencement of Part I and transitional provisions

- (1) In this Part of this Act—
 - (a) the following provisions shall have effect in relation to any accounting period of an Executive ending after 31st March 1983, namely—
 - sections 2 and 6(7);
 - section 9(1) and the Schedule so far as they relate to sections 5 and 7 of the Act of 1969 ;

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- section 9(2) except so far as it relates to sections 13(3) and 15(3) of the Act of 1968 ;
section 9(3) to (5);
- (b) the following provisions shall come into force on 1st April 1983, namely—
sections 3 and 4 ; section 6(1) to (6);
section 9(1) and the Schedule so far as they relate to section 11 of the Act of 1969 ; and
- (c) the following provisions shall have effect in relation to any year beginning on or after 1st April 1984, namely—
section 5 ;
section 9(2) so far as it relates to sections 13(3) and 15(3) of the Act of 1968 ;

but subject to paragraphs (a) to (c) above this Part shall come into force on the passing of this Act.

- (2) An Authority shall not make any revenue grant in the year beginning on 1st April 1983 except in accordance with a determination made by them after the passing of this Act as to the amount of the revenue grants to be made by them in that year; and no such determination shall be made by an Authority unless they have been given guidance by the Secretary of State in relation to the determination and that guidance is taken into account by them in making the determination.
- (3) Sections 4(6) and 5(2) above shall apply in relation to any such guidance and determination as are referred to in subsection (2) above as they apply in relation to any such guidance and determination as are referred to in those provisions.
- (4) For the purposes of section 2 above in its application to an accounting period of an Executive ending before 1st April 1984 there shall be disregarded any deficit or potential deficit to the extent to which it is or is to be covered by the appropriation of any reserves of the Executive available for the purpose if, at any time before or after the passing of this Act but before the Secretary of State gives his guidance to the Authority under subsection (2) above, the Executive have notified the Secretary of State of their intention to appropriate those reserves for that purpose.

PART II

NATIONAL DOCK LABOUR BOARD

11 Reduction of indebtedness of National Dock Labour Board

- (1) The National Dock Labour Board shall not be liable to repay £23.8 million of the money borrowed by them from the Secretary of State and forming part of the Consolidated Loan of 1st April 1982.
- (2) The amount mentioned in subsection (1) above (which was used for financing severance payments to registered dock workers in the ports of London and Liverpool in 1981) shall be taken into account for the purposes of subsection (3) of section 1 of the Ports (Financial Assistance) Act 1981 (overall limit on financial assistance for those ports) as if it were a grant made under subsection (1) of that section and not repaid.

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PART III

GENERAL

12 Short title and extent

- (1) This Act may be cited as the Transport Act 1983.
- (2) This Act extends to England and Wales only.

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SCHEDULE

Section 9(1).

REPEALS

Chapter	Short Title	Extent of Repeal
1969 c. 35.	The Transport (London) Act 1969.	<p>In section 5(1) the words " Subject always to the requirements of section 7(3) of this Act".</p> <p>In section 7, subsections (3) and (6) and in subsection (7) the words " and (3)".</p> <p>In section 11, in subsection (3) the words following the semicolon and in subsection (5) the words " and (3)".</p>