



# British Telecommunications Act 1981

## 1981 CHAPTER 38

### PART II

#### THE POST OFFICE

##### *Powers and duties of the Post Office*

#### **58 Powers of the Post Office**

- (1) For paragraphs (a) to (d) of subsection (1) of section 7 of the 1969 Act (powers of the Post Office) there shall be substituted the following paragraphs—
- “(a) to provide postal services (including cash on delivery services) and telepost services;
  - (b) to provide banking services and such other services by means of which money may be remitted (whether by means of money orders, postal orders or otherwise) as it thinks fit;
  - (c) to perform services for British Telecommunications or any subsidiary of British Telecommunications;
  - (d) to perform services for Her Majesty's Government in the United Kingdom, Her Majesty's Government in Northern Ireland or the government of a country or territory outside the United Kingdom ;
  - (e) to perform services for local authorities or national health service authorities”.
- (2) At the end of that subsection there shall be inserted the words “and
- (f) with the consent of, or in accordance with the terms of a general authorisation given by, the Secretary of State, to perform, in such parts of post offices as are open to the public for the transaction of postal business, such services for such bodies falling within subsection (1A) below as it thinks fit.”
- (3) After that subsection there shall be inserted the following subsection—
- “(1A) The bodies referred to in subsection (1)(f) above are—

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- (a) any body corporate—
  - (i) which supplies goods or services by way of business;
  - (ii) the affairs of which are managed by its members; and
  - (iii) the members of which hold office as such by virtue of their appointment to that or another office by a Minister of the Crown under any enactment;
- (b) the London Transport Executive and any passenger transport executive established under section 9(1)(b) of the Transport Act 1968 ;
- (c) any statutory water undertaker within the meaning of the Water Act 1973 ;
- (d) the British Broadcasting Corporation ;
- (e) any body corporate with a statutory duty to promote and assist the maintenance and development of the efficient supply of any goods or services by a body falling within paragraphs (a) to (d) above; or
- (f) any wholly owned subsidiary of a body falling within paragraphs (a) to (e) above ;

but the Secretary of State may by order made by statutory instrument exclude from this subsection such bodies or bodies of such descriptions as may be specified in the order.”

- (4) At the end of section 86(1) of that Act (interpretation of Part III) there shall be inserted the following definitions—
  - “‘telecommunication system’ shall be construed in accordance with section 12(1) of the British Telecommunications Act 1981 ;
  - ‘telepost service’ means a service whereby the Post Office does all or any of the following things, namely—
    - (a) receives or collects in material form communications which are to be transmitted by means of a telecommunication system ;
    - (b) transmits by means of such a system communications which have been received or collected, or are to be delivered, in material form ; and
    - (c) delivers in material form communications which have been transmitted by means of such a system.”
- (5) Subsections (1) and (4) shall come into operation on the appointed day.

## **59 General duty of the Post Office**

- (1) It shall be the duty of the Post Office (consistently with any directions given to it under the provisions of Part III of the 1969 Act or this Part) so to exercise its powers as to provide throughout the United Kingdom (save in so far as they are provided by other persons or the provision thereof is, in its opinion, impracticable or not reasonably practicable) such services for the conveyance of letters as satisfy all reasonable demands for them.
- (2) It shall also be the duty of the Post Office, in exercising its powers, to have regard to—
  - (a) efficiency and economy;
  - (b) the social, industrial and commercial needs of the United Kingdom with respect to matters that are subserved by its powers;
  - (c) the desirability of improving and developing its operating systems; and

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- (d) developments in the fields of communications and banking.
- (3) Subsection (1) shall not be taken to preclude the Post Office from interrupting, suspending or restricting, in the case of emergency, any service provided by it.
- (4) Nothing in this section shall be construed as imposing upon the Post Office, either directly or indirectly, any form of duty or liability enforceable by proceedings before any court.
- (5) This section shall come into operation on the appointed day.

## **60 Redistribution of property, rights and liabilities among wholly owned subsidiaries**

- (1) Subject to subsection (5) the Post Office may make schemes—
  - (a) for the reorganisation, amalgamation or dissolution of any of its wholly owned subsidiaries;
  - (b) for the transfer, between the Post Office and any such subsidiary or between one such subsidiary and another, of any specified property, rights or liabilities, or of all property, rights and liabilities comprised in a specified part of the transferor's undertaking.
- (2) A scheme under subsection (1) may contain such supplementary, incidental and consequential provisions as may appear to the Post Office to be necessary or expedient.
- (3) Without prejudice to the generality of subsection (2), a scheme under subsection (1) (b) which transfers to a subsidiary property, rights and liabilities comprised in a part of the transferor's undertaking concerned with the provision of services which, by virtue of the provisions of this Part, the Post Office has the exclusive privilege of providing may provide that such enactments relating to the provision of those services as may be specified in the scheme shall apply in relation to the subsidiary (but only so long as it remains a wholly owned subsidiary of the Post Office) as they apply in relation to the Post Office.
- (4) Without prejudice to any power conferred on it by any other enactment, the Post Office may establish subsidiaries for the purposes of schemes under subsection (1)(b).
- (5) A scheme under subsection (1) shall not come into force unless it has been approved by the Secretary of State or until such date as the Secretary of State may in giving his approval specify; and the Secretary of State may approve a scheme either without modifications or with such modifications as, after consultation with the Post Office, he thinks fit.
- (6) Notice of the coming into force of a scheme under subsection (1)(b) which contains such provision as is mentioned in subsection (3) shall be published by the Post Office—
  - (a) if the scheme relates in whole or in part to England and Wales, in the London Gazette;
  - (b) if the scheme relates in whole or in part to Scotland, in the Edinburgh Gazette; and
  - (c) if the scheme relates in whole or in part to Northern Ireland, in the Belfast Gazette.
- (7) Subject to subsection (8), in the case of any scheme under subsection (1)(b) 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.

- (8) Schedule 2 shall apply to any transfer under subsection (7) subject to any reference in that Schedule to a transfer by or a vesting by virtue of this Act being construed as a reference to a transfer by or a vesting by virtue of the scheme in question, and that subsection shall have effect subject to the provisions of that Schedule.

## **61 Control of wholly owned subsidiaries**

- (1) As regards any wholly owned subsidiary of the Post Office, the Post Office shall so exercise the rights conferred on it by the holding of its interests therein as to secure that no person is elected chairman of the board of directors of the subsidiary except after consultation with the Secretary of State as to his suitability for election.
- (2) As regards any wholly owned subsidiary of the Post Office, the Post Office shall secure that, notwithstanding anything in the subsidiary's memorandum or articles of association, the subsidiary does not—
- (a) engage in any activity which the Post Office itself has no power to engage in or has power to engage in only with the consent of the Secretary of State ;
  - (b) issue any of its shares, stock or debentures to a person other than—
    - (i) the Post Office or another wholly owned subsidiary of the Post Office; or
    - (ii) a person who is to hold them as a nominee of the Post Office or of a wholly owned subsidiary of the Post Office ; or
  - (c) transfer any interest of the subsidiary in another wholly owned subsidiary of the Post Office to a person not within paragraph (b)(i) or (ii),
- except with the consent of, or in accordance with the terms of any general authority given by, the Secretary of State.
- (3) As regards any wholly owned subsidiary of the Post Office, the Post Office shall not transfer any of its interest therein to a person other than—
- (a) another wholly owned subsidiary of the Post Office; or
  - (b) a person who is to hold it as a nominee of the Post Office or of a wholly owned subsidiary of the Post Office,
- except with the consent of, or in accordance with a general authorisation given by, the Secretary of State.
- (4) As regards any wholly owned subsidiary of the Post Office, the Post Office shall secure that the subsidiary seeks consultation with any organisation appearing to the subsidiary to be appropriate with a view to the conclusion between it and that organisation of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance of machinery for—
- (a) the settlement of terms and conditions of employment of persons employed by the subsidiary ;
  - (b) the promotion and encouragement of measures affecting efficiency in the carrying on by the subsidiary of its activities, including, in particular, the promotion and encouragement of the training of persons employed by the subsidiary ; and
  - (c) the promotion and encouragement of measures affecting the safety, health and welfare of persons employed by the subsidiary.