



Transport Act 1985

1985 CHAPTER 67

PART IV

LOCAL PASSENGER TRANSPORT SERVICES

Further provisions with respect to companies formed under Part IV

74 **Disabilities of directors of public transport companies.** **E**

- (1) A director of a public transport company who is paid for acting as such or is an employee of the public transport company or a subsidiary of the public transport company shall be disqualified for being elected or being a member—
 - (a) of any council who are that company's controlling authority; or
 - (b) where that company's controlling authority are a composite authority, of any of the component councils.
- (2) Where a public transport company's controlling authority are [^{F1}an Integrated Transport Authority for an integrated transport area] in England and Wales, a director of that company who is paid for acting as such or is an employee of that company or a subsidiary of that company shall be disqualified for being appointed or being a member of [^{F2}that Integrated Transport Authority].

^{F3}(3)

^{F3}(3A)

^{F3}(3B)

^{F3}(4)

^{F3}(5)

^{F3}(6)

^{F3}(7)

Status: Point in time view as at 09/02/2009. There are multiple versions of this provision on screen.

These apply to different geographical extents. This version of this provision has been superseded.

Changes to legislation: Transport Act 1985, Section 74 is up to date with all changes known to be in force on or before 27 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

F³(8)

F³(9)

F³(10)

F³(11)

F³(12)

- (13) The provisions of this section shall apply in relation to a director of a subsidiary of a public transport company as they apply in relation to a director of such a company.

Extent Information

- E1** This version of this provision extends to England only; a separate version has been created for Wales and Scotland only

Textual Amendments

- F1** Words in s. 74(2) substituted (E.W.) (9.2.2009) by [Local Transport Act 2008 \(c. 26\)](#), s. 134(4), [Sch. 4 para. 24\(a\)](#); S.I. 2009/107, art. 2(1), [Sch. 1 Pt. 1](#)
- F2** Words in s. 74(2) substituted (E.W.) (9.2.2009) by [Local Transport Act 2008 \(c. 26\)](#), s. 134(4), [Sch. 4 para. 24\(b\)](#); S.I. 2009/107, art. 2(1), [Sch. 1 Pt. 1](#)
- F3** s. 74(3)-(12) repealed (E.W.) (9.2.2009 for E.) by [Local Transport Act 2008 \(c. 26\)](#), s. 71(2), 134(4), [Sch. 7 Pt. 3](#); S.I. 2009/107, art. 2(2), [Sch. 2 Pt. 1](#) (with [Sch. 2 Pt. 2 para. 5](#))

Modifications etc. (not altering text)

- C2** S. 74 applied (with modifications) (E.W.) (1.2.2005) by [The Local Authorities' Plans and Strategies \(Disapplication\) \(England\) Order 2005 \(S.I. 2005/157\)](#), art. 7(2)(b), [Sch. 2 Pt. 2 para. 2](#) (with art. 7(4))

74 **Disabilities of directors of public transport companies.** S

- (1) A director of a public transport company who is paid for acting as such or is an employee of the public transport company or a subsidiary of the public transport company shall be disqualified for being elected or being a member—
- (a) of any council who are that company's controlling authority; or
 - (b) where that company's controlling authority are a composite authority, of any of the component councils.
- (2) Where a public transport company's controlling authority are a Passenger Transport Authority for a passenger transport area in England and Wales, a director of that company who is paid for acting as such or is an employee of that company or a subsidiary of that company shall be disqualified for being appointed or being a member of that Passenger Transport Authority.
- (3) Subject to the following provisions of this section, if a director of a public transport company is a member of any such council as is mentioned in subsection (1)(a) or (b) above or of any such Passenger Transport Authority as is mentioned in subsection (2) above he shall not at any meeting of that council or Authority—

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- (a) take part in the consideration or discussion of any contract or proposed contract with, or any other matter relating to the activities of, the public transport company or a subsidiary of that company; or
 - (b) vote on any question with respect to any such contract, proposed contract or other matter.
- (4) The Secretary of State may grant a written dispensation from subsection (3) above in the case of any individual member.
- (5) Any such dispensation—
 - (a) may extend both to the consideration or discussion of any such contract, proposed contract or other matter and to voting with respect to it, or to either alone;
 - (b) may relate to contracts, proposed contracts or other matters of all descriptions or of any particular description specified in the dispensation; and
 - (c) may be withdrawn or varied at any time by a notice in writing given by the Secretary of State to the member in question.
- (6) The Secretary of State may confer exemptions from subsection (3) above either generally or in the case of any class or description of members; and—
 - (a) subsection (5)(a) and (b) above shall apply in relation to any such exemption as they apply in relation to any dispensation that may be granted under subsection (4) above; and
 - (b) any such exemption may be withdrawn or varied at any time by the Secretary of State.
- (7) If any person fails to comply with subsection (3) above he shall for each offence be liable on summary conviction to a fine not exceeding level 4 on the standard scale, unless he proves that he did not know that a contract or proposed contract with, or any other matter relating to the activities of, the company concerned was the subject of consideration at the meeting in question.
- (8) A prosecution for an offence under this section shall not, in England and Wales, be instituted except by or on behalf of the Director of Public Prosecutions.
- (9) A council who are a public transport company's controlling authority or one of the component councils of such an authority, and any Passenger Transport Authority for a passenger transport area in England and Wales who are a public transport company's controlling authority, may by standing orders provide for the exclusion of a member of that council or authority who is a director of that company from a meeting of that council or Authority while any contract or proposed contract with, or any other matter relating to the activities of, the public transport company or a subsidiary of that company is under consideration.
- (10) Subsections (3) and (9) above shall apply as respects members of—
 - (a) a committee of any such council or Passenger Transport Authority as is mentioned in subsection (9) above; or
 - (b) a joint committee of two or more local authorities one or more of whom is such a council or Passenger Transport Authority; (including in either case a sub-committee), as they apply in respect of members of that council or Authority, but with the substitution of references to meetings of any such committee for references to meetings of that council or Authority.
- (11) In subsection (10)(b) above, "local authority"—

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- (a) as respects England and Wales, has the same meaning as in the 1972 Act, except that it includes also a metropolitan county passenger transport authority; and
 - (b) as respects Scotland, has the same meaning as in the ^{M1}Local Government (Scotland) Act 1973.
- (12) For the purposes of section 94 of the 1972 Act or section 38 of the Local Government (Scotland) Act 1973 (disability of members of authorities for voting on account of interest in contracts, etc.) a member of any such council or Passenger Transport Authority as is mentioned in subsection (9) above who is a director of the public transport company in question shall not be treated as having a pecuniary interest in any contract or proposed contract with, or in any other matter relating to the activities of, the public transport company or a subsidiary of that company by reason only of any interest of his in that company or in a subsidiary of that company.
- (13) The provisions of this section shall apply in relation to a director of a subsidiary of a public transport company as they apply in relation to a director of such a company.

Extent Information

E2 This version of this provision extends to Scotland only; separate versions have been created for England and Wales

Marginal Citations

M1 [1973 c. 65](#)

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