



Railways Act 1993

1993 CHAPTER 43

PART I

THE PROVISION OF RAILWAY SERVICES

Franchising of passenger services

25 Public sector operators not to be franchisees.

- (1) The following bodies and persons (in this Part referred to as “public sector operators”) shall not be franchisees—
- (a) any Minister of the Crown, Government department or other emanation of the Crown;
 - (b) any local authority;
 - ^{F1}(bb) the Greater London Authority;
 - ^{F2}(bc) Transport for London;
 - (c) any metropolitan county passenger transport authority;
 - (d) any body corporate whose members are appointed by a Minister of the Crown, a Government department, a local authority ^{F3}, the Greater London Authority, Transport for London] or a metropolitan county passenger transport authority or by a body corporate whose members are so appointed;
 - (e) a company—
 - (i) a majority of whose issued shares are held by or on behalf of any of the bodies or persons falling within paragraphs (a) to (d) above;
 - (ii) in which the majority of the voting rights are held by or on behalf of any of those bodies or persons;
 - (iii) a majority of whose board of directors can be appointed or removed by any of those bodies or persons; or
 - (iv) in which the majority of the voting rights are controlled by any of those bodies or persons, pursuant to an agreement with other persons;
 - (f) a subsidiary of a company falling within paragraph (e) above.

Status: Point in time view as at 03/07/2000. This version of this provision has been superseded.

Changes to legislation: Railways Act 1993, Section 25 is up to date with all changes known to be in force on or before 30 July 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)

- (2) Expressions used in sub-paragraphs (i) to (iv) of subsection (1)(e) above and in section 736 of the ^{M1}Companies Act 1985 have the same meaning in those sub-paragraphs as they have in that section.
- (3) Subject to the following provisions of this section, subsection (1) above shall not prevent—
- (a) the British Railways Board (in this Act referred to as “the Board”), or
 - (b) a wholly owned subsidiary of the Board,
- from being a franchisee.
- (4) Subject to the following provisions of this section, whenever the Franchising Director proposes to issue invitations to tender under section 26 below in respect of any particular services for the carriage of passengers by railway, he may, after consultation with the Board and the Regulator, determine that neither the Board nor any wholly owned subsidiary of the Board shall be eligible for inclusion among the persons to whom the invitations are to be issued or who may be selected as the franchisee.
- (5) The Franchising Director shall not make a determination under subsection (4) above unless he considers that it is desirable to do so—
- (a) for the purpose of promoting competition for franchises;
 - (b) for the purpose of promoting the award of franchise agreements to companies in which qualifying railway employees have a substantial interest;
 - (c) for the purpose of encouraging new entry to the passenger railway industry; or
 - (d) for the purpose of preventing or reducing the dominance of any person or persons in the market for the provision in Great Britain, or in a part of Great Britain, of services for the carriage of passengers by railway.
- (6) The Franchising Director shall—
- (a) give notice of any determination under subsection (4) above to the Board; and
 - (b) publish notice of the determination in such manner as he thinks fit.
- (7) Nothing in subsection (5) above shall be taken to affect the matters which the Franchising Director may take into account in determining the other persons whom he invites to tender for franchise agreements or whom he selects as franchisees.
- (8) No objectives, instructions or guidance shall be given under section 5 above by the Secretary of State to the Franchising Director with respect to the exercise of his functions under this section.
- (9) In this section—
- “competition for franchises” means competition to become franchisees under franchise agreements;
- “encouraging new entry to the passenger railway industry” means encouraging private sector operators who do not currently provide services for the carriage of passengers by railway to commence doing so;
- “qualifying railway employees”, in the case of any franchise agreement, means persons who are or have been employed in an undertaking which provides or provided the services to which the franchise agreement relates at a time before those services begin to be provided under that franchise agreement.

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Textual Amendments

- F1** S. 25(1)(bb) inserted (3.7.2000) by 1999 c. 29, s. 202(2) (with Sch. 12 para. 9(1)); S.I. 2000/801, art. 3, Sch Pt. 3
- F2** S. 25(1)(bc) inserted (3.7.2000) by 1999 c. 29, s. 202(2) (with Sch. 12 para. 9(1)); S.I. 2000/801, art. 3, Sch Pt. 3
- F3** Words in s. 25(1)(d) inserted (3.7.2000) by 1999 c. 29, s. 202(3) (with Sch. 12 para. 9(1)); S.I. 2000/801, art. 3, Sch Pt. 3

Commencement Information

- I1** S. 25 wholly in force at 1.4.1994; s. 25 not in force at Royal Assent see s. 154(2); s. 25(1)(2) in force at 6.1.1994 for specified purposes by S.I. 1993/3237, art. 2(2); s. 25 in force at 1.4.1994 insofar as not already in force by S.I. 1994/571, art. 5

Marginal Citations

- M1** 1985 c. 6.

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