

## ELIZABETH II



# Transport Holding Company Act 1972

## 1972 CHAPTER 14

An Act to make further provision with respect to the disposal of assets by, and the dissolution of, the Transport Holding Company, with respect to the making of grants to the company towards their expenses in disposing of assets or preparing for their dissolution, or towards discharging liabilities imposed on them under the provision so made, and with respect to pensions and compensation for loss of employment in respect of employees of bodies which cease to be subsidiaries of the company; and for purposes connected with those matters. [23rd March 1972]

**B**E 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:—

1.—(1) The Transport Holding Company (hereafter in this Act referred to as "the company") shall have power to sell or otherwise dispose of any property, rights or liabilities of the company with the object of preparing for the dissolution of the company, but shall not dispose of any securities in the exercise of that power except with the consent of the Secretary of State.

Disposal of assets by, dissolution of and grants to the Transport Holding Company etc.

(2) It shall be the duty of the company in exercising the power conferred on them by the preceding subsection to act in accordance with any directions given to them from time to time by the Secretary of State, and any such directions shall be set out in the annual report of the company.

(3) In paragraph (b) of subsection (1) of section 53 of the Transport Act 1968 (under which an order may transfer the residue of the property, rights and liabilities of the company to

1968 c. 73.

certain bodies specified in the order and may provide for the dissolution of the company) the words from "transfer" to "specified in the order and" shall cease to have effect; and accordingly—

(a) in subsections (1)(c) and (2) of that section the words "or (b)" shall be omitted;

(b) in subsection (3)(d) of that section the reference to the said Act of 1968 shall include a reference to this Act.

(4) The power exercisable by virtue of subsection (5)(a) of the said section 53 to vary the company's commencing capital debt shall include power to extinguish that debt; and the reference in subsection (5) of that section to any transfer of property, rights and liabilities from the company under subsection (1) of that section shall include a reference to any disposal by the company or by a subsidiary of the company of any property, rights or liabilities.

(5) The Secretary of State may with the approval of the Treasury make to the company grants out of money provided by Parliament towards expenses incurred by the company in disposing of assets or preparing for their dissolution, or towards discharging liabilities imposed on the company under section 2 of this Act.

1968 c. 73.

(6) An order under section 53 of the Transport Act 1968 transferring liabilities of the company to another person may include provision for the payment to that person out of money provided by Parliament of grants of such amounts as are determined by the Secretary of State with the approval of the Treasury to be appropriate for the purpose of enabling or assisting that person to discharge those liabilities.

1962 c. 46.

(7) There shall be paid into the Consolidated Fund any increase attributable to the provisions of this section in the sums payable into that Fund in pursuance of section 29(10) of the Transport Act 1962.

(8) In this section "securities" and "subsidiary" have the meanings assigned to them by section 92(1) of the Transport Act 1962.

Pensions, and  
compensation  
for loss of  
employment  
etc.

2.—(1) The Secretary of State may by order make provision—

(a) for authorising or facilitating the transfer from the company to another person of any functions of the company (whether in pursuance of a statutory provision or otherwise) in connection with a pension scheme conferring pension rights in respect of persons who consist of or include employees of a relevant subsidiary, or for terminating or altering any such functions;

- (b) for requiring the company to make or secure the making of such payments as are needed to make good the whole or part of any deficiencies in the funds which are and will be available for meeting the actual and potential liabilities of the persons administering a pension scheme appearing to the Secretary of State to be maintained for the purpose of conferring benefits on persons who consist of or include employees of a relevant subsidiary, being deficiencies determined in such manner as the Secretary of State thinks fit and so determined as at the subsidiary's transfer date ;
- (c) for securing that persons other than employees of relevant subsidiaries cease to be eligible to participate in pension schemes appearing to the Secretary of State to be maintained mainly for the purpose of conferring benefits in respect of employees and former employees of relevant subsidiaries and that employees of relevant subsidiaries cease to be eligible to participate in pension schemes appearing to the Secretary of State to be maintained mainly for the purpose of conferring benefits in respect of employees and former employees of public bodies engaged in the transport industry (other than the company) and their subsidiaries.

(2) The Secretary of State shall by order make provision for safeguarding, in such cases and such manner as may be determined by or under the order,—

- (a) the pension rights which immediately before a relevant subsidiary's transfer date are, by reference to that subsidiary or to bodies which include that subsidiary, conferred on any person by a pension scheme appearing to the Secretary of State to be maintained mainly for the purpose of conferring benefits in respect of employees and former employees of that subsidiary or of subsidiaries of the company which include that subsidiary ; and
- (b) any other pension rights which, immediately before a person ceases to be eligible to participate in a particular pension scheme by virtue of the fact that a body ceases to be a subsidiary of the company or by virtue of paragraph (c) of the preceding subsection, are conferred in respect of him by the scheme,

and an order containing provisions made by virtue of paragraph (a) or (b) of this subsection may also make provision—

- (i) for enabling such a person as is mentioned in the said paragraph (a) or (b) to elect that any pension rights falling to be safeguarded in pursuance of this subsection

(hereafter in this subsection referred to as "relevant pension rights") shall be safeguarded in a particular manner determined by or under the order,

- (ii) for requiring the company to establish pension schemes for the purpose of safeguarding any relevant pension rights,
- (iii) for requiring the company or the persons administering any pension scheme conferring relevant pension rights to make payments for the purpose of safeguarding relevant pension rights,
- (iv) for authorising payments falling to be made in pursuance of the preceding paragraph by the persons administering a pension scheme to be made out of the funds of that scheme and for authorising the persons administering any pension scheme by means of which it is proposed to safeguard any relevant pension rights to accept for the purposes of that scheme payments in respect of those rights.

(3) An order under this section—

- (a) may contain provisions for altering or winding up a pension scheme appearing to the Secretary of State to be maintained wholly or mainly for the purpose of conferring benefits in respect of employees and former employees of one or more relevant subsidiaries and to be affected by any provision made in pursuance of the preceding provisions of this section, or for dividing and disposing of the funds of such a scheme;
- (b) may, without prejudice to the provisions of the preceding paragraph, contain provisions for making such alterations of any pension scheme and of any statutory provision, trust deed, rules or other instrument as the Secretary of State considers appropriate for the purposes or in consequence of the order;
- (c) may make such supplemental or consequential provision as the Secretary of State considers appropriate for the purposes of the order including, without prejudice to the generality of the preceding provisions of this paragraph, provision with respect to the determination of questions arising under the order and for referring disputes arising under the order to a tribunal established under section 12 of the Industrial Training Act 1964;
- (d) may be made to have effect from a date before that on which it is made but not so as to place a person other than the company in a worse position than that

in which he would have been if the order had had effect only on and after that date ; and

(e) may be revoked or varied by a subsequent order under this section.

(4) The Secretary of State shall by regulations require the payment by the company, in such cases and to such extent as may be determined by or under the regulations, of compensation to or in respect of any person who—

(a) is or was, on or before the date when a body ceases to be a subsidiary of the company in consequence of the sale or other disposal of securities by the company or a subsidiary of the company after the passing of this Act, in such an employment as may be so determined ; and

(b) suffers any loss of employment or loss or diminution of emoluments or pension rights or worsening of his position which is properly attributable to the cesser ;

and subsections (2) to (4) of section 135 of the Transport Act 1968 c. 73. 1968 (which contain supplementary provisions with respect to regulations providing for compensation for loss of employment and other matters) shall apply with the necessary modifications to regulations made in pursuance of this subsection as they apply to regulations made in pursuance of that section.

(5) The powers to make orders and regulations conferred by this section shall be exercisable by statutory instrument ; and any statutory instrument made by virtue of this subsection shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(6) In this section—

“ relevant subsidiary ” means a body which after the passing of this Act ceased or is to cease to be a subsidiary of the company ; and

“ transfer date ”, in relation to a body which is a relevant subsidiary, means the date on which that body ceased or is to cease to be a subsidiary of the company ;

and in this section expressions to which meanings are assigned by section 92(1) of the Transport Act 1962 have those meanings ; 1962 c. 46. and the Secretary of State may by order provide that, as respects any period after the dissolution of the company, any reference to the company in subsections (1) to (4) of this section which is specified in the order shall be construed as a reference to such person as the Secretary of State may designate by the order as being in his opinion the person to whom any relevant property, right or liability of the company has been transferred in pursuance of section 53 of the Transport Act 1968.

1968 c. 73.  
1964 c. 16.

1964 c. 18  
(N.I.).

Short title  
and extent.

1920 c. 67.

(7) Any reference in this section, or in the provisions of the Transport Act 1968 as applied by this section, to a tribunal established under section 12 of the Industrial Training Act 1964 shall, in relation to Northern Ireland, be taken as a reference to a tribunal established under section 13 of the Industrial Training Act (Northern Ireland) 1964.

**3.—(1) This Act may be cited as the Transport Holding Company Act 1972.**

(2) This Act extends to Northern Ireland and for the purposes of section 6 of the Government of Ireland Act 1920 (which relates to the powers of the Parliament of Northern Ireland) this Act shall be deemed to be an Act passed before the appointed day.

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