



Local Authorities (Land) Act 1963

1963 CHAPTER 29

3 Power of local authorities to make advances for erection of buildings on land sold or let by them.

- [^{F1}(1) Where a local authority are satisfied that it would be for the benefit or improvement of their area, they may, subject to the provisions of this section, advance money to any person for the purpose of enabling him—
- (a) to acquire land; or
 - (b) to erect any building or carry out any work on land.]
- (2) An advance made under this section, together with interest thereon, shall be secured by a mortgage of the land in respect of which the advance is made.
- [^{F2}(3) The amount of the principal of an advance made under subsection (1)(a) of this section shall not exceed nine-tenths of the value of the land
- (3A) The amount of the principal of an advance made under subsection (1)(b) of this section shall not exceed nine-tenths of the value which it is estimated the mortgaged security will bear upon the completion of the building or other works in respect of which the advance is made.]
- (4) An advance made under this section shall carry interest at a rate not less than one quarter per cent. greater than that fixed by the Treasury . . . ^{F3} in respect of loans to local authorities made on the date on which the terms of the advance are settled and for the same period as the advance, or at such other rate as the Minister may, in the case of the advance, fix.
- (5) The mortgage deed securing an advance made under this section shall provide—
- (a) for repayment's being made, subject to the provisions of paragraphs (c) and (d) of this subsection, within such period, not exceeding thirty years, as may be specified in the deed;
 - (b) for repayment's being made, subject to the two next following paragraphs, either by instalments of principal or by an annuity of principal and interest combined;

Changes to legislation: There are currently no known outstanding effects for the Local Authorities (Land) Act 1963, Section 3. (See end of Document for details)

- (c) that, in the event of any of the conditions subject to which the advance is made not being complied with, the balance for the time being unpaid shall become repayable on demand by the authority;
- (d) that the said balance, or such part thereof as may be provided for in the mortgage, may, in any event other than that specified in the last foregoing paragraph, be repaid on any such conditions as may be specified in the mortgage after one month's written notice of intention to repay has been given to the authority;
- (e) where repayment is to be made by an annuity of principal and interest combined, for determining the amount by which the annuity or the life of the annuity is to be reduced when a part of the advance is paid off otherwise than by way of an instalment of the annuity.

Textual Amendments

- F1** S. 3(1) substituted by [Local Government \(Miscellaneous Provisions\) Act 1982 \(c. 30, SIF 81:1\)](#), **s.43(a)**
- F2** S. 3 (3)(3A) substituted by [Local Government \(Miscellaneous Provisions\) Act 1982 \(c. 30, SIF 81:1\)](#), **s. 43(b)**
- F3** Words repealed with saving by [National Loans Act 1968 \(c. 13\)](#), s. 24(2), **Sch. 6 Pt. II**

Modifications etc. (not altering text)

- C1** S. 3 excluded (*retrospectively*) by [Local Authorities \(Expenditure Powers\) Act 1983 \(c. 52, SIF 81:1, 2\)](#), **s. 1(2)(a)(5)** ([Local Authorities \(Expenditure Powers\) Act 1983 \(c.52, SIF 81:1\)](#), repealed (prosp.) by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1, 2\)](#), ss. 194(4), 195(2), **Sch. 12 Pt. II**)
- C2** S. 3(4) amended by [National Loans Act 1968 \(c. 13\)](#), **s. 6**.

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