



Local Authorities (Land) Act 1963

1963 CHAPTER 29

4 Power of local authorities to make advances in pursuance of building agreements

- (1) Where a local authority enter into an agreement with a person (hereafter in this section referred to as " the builder ") whereby provision is made—
- (a) authorising the builder to enter on land belonging to the local authority for the purpose of his erecting a building thereon;
 - (b) for the sale of the land to the builder, if the building is erected to the satisfaction of the local authority, or, as the agreement may provide, for the grant of a lease to him if the building is so erected ;
 - (c) for the local authority to advance money to the builder for the purpose of enabling him to erect the building ;
 - (d) for securing that, on such a sale or, as the case may be, grant of a lease, any amount advanced as mentioned in the last foregoing paragraph will, together with the interest thereon, be secured by a mortgage of the land ;
- the local authority may, subject to the provisions of this section, advance money to that person for the purpose mentioned in paragraph (c) above.
- (2) The amount of the principal of an advance made under this section shall not exceed three quarters of the amount which it is estimated will be the value of the security for the mortgage for which the agreement provides.
- (3) Subsections (4) and (5) of section 3 of this Act shall apply to an advance made under this section as they apply to an advance made under that section.