



# Inner Urban Areas Act 1978

## 1978 CHAPTER 50

### *Designated districts*

#### **1 Designation of districts by Secretary of State.**

- (1) If the Secretary of State is satisfied—
- (a) that special social need exists in any inner urban area in Great Britain; and
  - (b) that the conditions which give rise to the existence of that need could be alleviated by the exercise of the powers conferred by this Act,
- he may by order specify any district [<sup>F1</sup>or Welsh county or county borough] which includes the whole or any part of that area as a designated district for the purposes of this Act.
- (2) In this Act “designated district authority”, in relation to a designated district, means the council of that district or the council of the county [<sup>F2</sup>or region] which includes that district [<sup>F3</sup>but, in relation to a designated district which is a Welsh county or county borough, means the council of that county or county borough].

#### **Textual Amendments**

- F1** Words in s. 1(1) inserted (1.4.1996) by 1994 c. 19, s. 66(6), **Sch. 16 para. 55(1)(a)** (with ss. 54(5)(7), 55(5), Sch. 17 paras. 22(1), 23(2)); S.I. 1996/396, art. 4, **Sch. 2**
- F2** Words in s. 1(2) repealed (S.) (1.4.1996) by 1994 c. 39, s. 180(1)(2), Sch. 13 para. 114(2), **Sch. 14**; S.I. 1996/323, art. 4(1)(b)(c)(d), **Sch. 2**
- F3** Words in s. 1(2) added (1.4.1996) by 1994 c. 19, s. 66(6), **Sch. 16 para. 55(1)(b)** (with ss. 54(5)(7), 55(5), Sch. 17 paras. 22(1), 23(2)); S.I. 1996/396, art. 4, **Sch. 2**

#### **2 Loans for acquisition of or works on land.**

- (1) Where a designated district authority are satisfied that—
- (a) the acquisition by any person of land situated within the designated district or [<sup>F4</sup>(except where the land is in Wales)] within the same county [<sup>F5</sup>or region] as the designated district; or

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*Changes to legislation: There are currently no known outstanding effects for the Inner Urban Areas Act 1978, Cross Heading: Designated districts. (See end of Document for details)*

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- (b) the carrying out by any person of any works on land so situated, would benefit the designated district, they may make a loan to that person for the purpose of enabling him to acquire that land or, as the case may be, carry out those works; but the council of a designated district shall not make a loan as respects land situated in the same county [<sup>F5</sup>or region] as that district without first consulting the council of the district in which the land is situated.
- (2) A loan under this section, together with interest thereon, shall be secured by a mortgage of the land or, in Scotland, by a standard security over the land.
- (3) The amount of the principal of a loan under this section shall not exceed—
- (a) in the case of a loan made for the purpose of enabling a person to acquire land, 90 per cent. of the value of the security;
  - (b) in the case of a loan made for the purpose of enabling a person to carry out works, 90 per cent. of the value which it is estimated the security will bear when the works have been carried out.
- (4) Subject to subsection (5) below, a loan under this section shall carry interest either—
- (a) at a rate not less than one quarter per cent. greater than the rate which, on the date of acceptance of the offer to make the loan, is the rate for the time being determined by the Treasury in accordance with section 5 of the <sup>M1</sup>National Loans Act 1968 in respect of local loans made on the security of local rates on that date and for the same period as the loan; or
  - (b) at such other rate as the Secretary of State may fix in the case of the loan.
- In this subsection “local loans” and “made on the security of local rates” have the same meanings as in section 6(2) of the said Act of 1968.
- (5) Where, on the date of acceptance of an offer to make a loan under this section, there are two or more rates of interest for the time being determined by the Treasury as mentioned in subsection (4) above, the reference in that subsection to the rate so determined shall be read as a reference to such one of those rates as may be specified in a direction given by the Treasury for the purposes of this section; and the Treasury shall cause any such direction to be published in the London and Edinburgh Gazettes as soon as may be after giving it.
- (6) A mortgage or standard security securing a loan under this section shall be taken at the time when the loan is made or, in the case of a loan made for the purpose of enabling a person to carry out works on land belonging to the authority in pursuance of an agreement whereby the land—
- (a) will be sold or leased to him; or
  - (b) in Scotland, will be sold, leased or feued to him,
- if the works are carried out to the authority’s satisfaction, at the time when the land is sold, leased or feued to him in pursuance of that agreement.
- (7) A mortgage or standard security securing a loan under this section shall include provision—
- (a) for repayment being made, subject to paragraphs (c) and (d) below, within such period, not exceeding thirty years, as may be specified in the mortgage or standard security;
  - (b) for repayment being made, subject to paragraphs (c) and (d) below, either by instalments of principal or by an annuity of principal and interest combined;

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- (c) that, in the event of any of the conditions subject to which the loan 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 or standard security, may, in any event other than that specified in paragraph (c) above, be repaid on any conditions as may be specified in the mortgage or standard security 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 loan is paid off otherwise than by way of an instalment of the annuity.

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**Textual Amendments**

- F4** Words in s. 2(1)(a) inserted (1.4.1996) by 1994 c. 19, s. 66(6), **Sch. 16 para. 55(2)** (with ss. 54(5)(7), 55(5), Sch. 17 paras. 22(1), 23(2)); S.I. 1996/396, art. 4, **Sch. 2**
- F5** Words in s. 2(1) repealed (S.) (1.4.1996) by 1994 c. 39, s. 180(1)(2), Sch. 13 para. 114(3), **Sch. 14**; S.I. 1996/323, art. 4(1)(b)(c)(d), **Sch. 2**

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**Marginal Citations**

- M1** 1968 c. 13.

### **3 Loans and grants for establishing common ownership and co-operative enterprises.**

- (1) Where a designated district authority are satisfied that the establishment by any persons of a body which is intended to meet the requirements of—
- (a) paragraphs (a) to (c) of subsection (1) of section 2 of the <sup>M2</sup>Industrial Common Ownership Act 1976 (common ownership enterprises); or
  - (b) paragraphs (a) and (b) of subsection (2) of that section (co-operative enterprises),
- would benefit the designated district, they may make a loan or a grant or both to those persons for the purpose of enabling them to establish that body.
- (2) The Secretary of State may, either generally or with respect to particular cases, give directions as to the making of loans and grants under this section and, in particular, as to the imposition of conditions.
- (3) Subject to subsection (2) above, a designated district authority, in making a loan or a grant under this section, may impose such conditions as they think fit and may, in particular, impose a condition requiring the repayment of all or any part of the loan or grant—
- (a) if any other condition is not complied with; or
  - (b) in such other circumstances as they may specify.

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**Marginal Citations**

- M2** 1976 c. 78.

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