



New Towns Act 1981

1981 CHAPTER 64

PART II

[^{F1}TRANSFERS FROM AND DISSOLUTION OF DEVELOPMENT CORPORATIONS ETC.]

Textual Amendments

- F1** Heading to Pt. II substituted (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 2](#); S.I. 2009/803, art. 3(1)

[^{F2}Functions of Welsh Ministers in relation to certain transferred property]

Textual Amendments

- F2** S. 35 cross-heading substituted (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 3](#); S.I. 2009/803, art. 3(1)

^{F3}35 Establishment of Commission.

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Textual Amendments

- F3** S. 35 repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 4](#), [Sch. 16](#); S.I. 2009/803, arts. 3(1), 10

36 [^{F4}Functions of Welsh Ministers]

[^{F5}[^{F6}(1) The Welsh Ministers may—

- (a) take over and, with a view to its eventual disposal, hold, manage and turn to account—

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- (i) the property of the Commission for the New Towns transferred to them under a scheme made under section 51(1) of the Housing and Regeneration Act 2008;
 - (ii) the property of development corporations transferred to them under this Act; and
 - (iii) the property of urban development corporations transferred to them by order under section 165A of the Local Government, Planning and Land Act 1980; and
 - (b) as soon as they consider it expedient to do so, dispose of property so transferred or any other property arising out of such property.
- (1A) In exercising their functions under subsection (1), the Welsh Ministers must have regard to the considerations specified in subsection (2).]
- (2) Those considerations, in relation to any new town [F7or urban development area], are—
- (a) the convenience and welfare of persons residing, working or carrying on business there, and
 - (b) until disposal, the maintenance and enhancement of the value of the land held and the return obtained from it.]
- F8(3)
- F9(3A)
- (4) A transaction between a person and the [F10Welsh Ministers] shall not be invalidated by reason of any non-compliance by the [F10Welsh Ministers] with [F11the obligation to have regard to the considerations specified in subsection (2) above]F12...
- [F13(4A) In this section “urban development area” means land which is or was, or is or was part of, an urban development area (within the meaning of Part XVI of the Local Government, Planning and Land Act 1980) and—
- (a) any reference to property transferred to the [F14Welsh Ministers by order under section 165A] of that Act includes a reference to rights and liabilities so transferred; and
 - (b) in relation to liabilities so transferred, any reference to disposal includes a reference to extinguishment.]
- (5) F15

Textual Amendments	
F4	S. 36 heading substituted (1.12.2008) by Housing and Regeneration Act 2008 (c. 17), s. 325(1), Sch. 5 para. 5(2) ; S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
F5	S. 36(1)(2) substituted by New Towns and Urban Development Corporations Act 1985 (c. 5, SIF 123:3, 4), s. 1(2)
F6	S. 36(1)(1A) substituted for s. 36(1) (1.12.2008) by Housing and Regeneration Act 2008 (c. 17), s. 325(1), Sch. 5 para. 5(3) ; S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
F7	Words in s. 36(2) inserted (1.4.1998) by S.I. 1998/85, art. 3(2)
F8	S. 36(3) repealed (1.12.2008) by Housing and Regeneration Act 2008 (c. 17), s. 325(1), Sch. 5 para. 5(4), 16 ; S.I. 2008/3068, art. 2(1)(v)(2)5, Sch. (with arts. 6-13)
F9	S. 36(3A) repealed (1.12.2008) by Housing and Regeneration Act 2008 (c. 17), s. 325(1), Sch. 5 para. 5(4), 16 ; S.I. 2008/3068, art. 2(1)(v)(2)5, Sch. (with arts. 6-13)
F10	Words in s. 36(4) substituted (1.12.2008) by Housing and Regeneration Act 2008 (c. 17), s. 325(1), Sch. 5 para. 5(5)(a) ; S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)

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- F11** Words substituted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 14\(1\), Sch. 3 para. 4](#)
- F12** Words in s. 36(4) repealed (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 5\(5\)\(b\), 16; S.I. 2008/3068, art. 2\(1\)\(v\)\(2\)5, Sch. \(with arts. 6-13\)](#)
- F13** S. 36(4A) inserted (1.4.1998) by [S.I. 1998/85, art. 3\(6\)](#)
- F14** Words in s. 36(4A)(a) substituted (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 5\(6\); S.I. 2008/3068, art. 2\(1\)\(v\)\(2\) \(with arts. 6-13\)](#)
- F15** S. 36(5) repealed by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 14\(2\), Sch. 4](#)

^{F16}**37 Restrictions on functions of Commission.**

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Textual Amendments

- F16** S. 37 repealed (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 6, Sch. 16; S.I. 2008/3068, arts. 2\(1\)\(v\)\(2\), 5, Sch. \(with arts. 6-13\)](#)

^{F17}**38 Local authorities and work for Commission.**

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Textual Amendments

- F17** S. 38 repealed (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 6, Sch. 16; S.I. 2008/3068, arts. 2\(1\)\(v\)\(2\), 5, Sch. \(with arts. 6-13\)](#)

Transfer of property and undertakings of development corporations, and their dissolution

39 Power of development corporation to transfer undertakings.

- (1) Subject to the provisions of this section, a development corporation may, by an agreement made with any local authority or any statutory undertakers and approved by the [^{F18}appropriate national authority] with the concurrence of the Treasury—
- (a) transfer to that local authority any part of the undertaking of the corporation, or
 - (b) transfer to those statutory undertakers any part of the undertaking of the corporation which consists of a statutory undertaking,
- upon such terms as may be prescribed by the agreement.

The foregoing provision is without prejudice to the powers of development corporations under this Act to dispose of any of their property, including any trade or business carried on by them.

- (2) Before approving an agreement under this section the [^{F19}appropriate national authority] shall consult with the council of every county and of every district in which the whole or any part of the area of the new town is situated, except, in the case of an agreement made with such a council, the council with whom it is made.

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[^{F20}(2A) Subsection (2) above shall have effect [^{F21}in the case of a development corporation established by the Welsh Ministers] as if for “and of every district” there were substituted or county borough.]

(3) Before approving an agreement under this section for the transfer of a statutory undertaking, the [^{F22}appropriate national authority] shall publish in the London Gazette, and in one or more newspapers circulating in the area in which the new town is situated, a notice stating that the agreement has been submitted for approval, and describing the general effect of the agreement.

(4) [^{F23}In a case in which the appropriate national authority is the [^{F24}appropriate national authority],] if within 28 days from the publication of the notice in the London Gazette in accordance with subsection (3) above any objection to the agreement is made by any statutory undertakers—

- (a) who are carrying on, or are authorised to carry on, a statutory undertaking of a character similar to the statutory undertaking proposed to be transferred by the agreement, and
- (b) who do so within the area in which the new town is situated or any adjacent area,

subsection (1) above shall apply in relation to the agreement as if for the reference to the Secretary of State there were substituted a reference to the Secretary of State and the appropriate Minister.

(5) If the [^{F25}appropriate national authority] is satisfied that it is expedient, having regard to any agreement made or proposed to be made under this section, that the liability of the development corporation in respect of advances made to them under the following provisions of this Act should be reduced, [^{F25}the authority] may, [^{F26}with the Treasury’s consent, by order], reduce that liability to such extent as may be specified in the order.

[^{F27}(5A) No order shall be made under subsection (5) above—

- (a) by the Secretary of State unless a draft of the order has been laid before, and approved by a resolution of, the House of Commons;
- (b) by the Welsh Ministers unless a draft of the order has been laid before, and approved by a resolution of, the National Assembly for Wales.]

(6) The payment of any sums payable by a local authority for the purposes of an agreement under this section shall be a purpose for which that authority may borrow money.

[^{F28}(7) This section shall have effect as if references to statutory undertakers included references to the operator of [^{F29}an electronic communications code network] and as if for this purpose—

- (a) references to a statutory undertaking were references to [^{F30}the provision of such a network]; and
- (b) references to the appropriate Minister were references to the Secretary of State for Trade and Industry.]

Textual Amendments

F18 Words in s. 39(1) substituted (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 7\(2\)](#); S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)

F19 Words in s. 39(2) substituted (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 7\(3\)](#); S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)

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- F20** S. 39(2A) inserted (1.4.1996) by 1994 c. 19, s. 66(6), **Sch. 16 para. 63(6)** (with ss. 54(5)(7), 55(5), Sch. 17 paras. 22(1), 23(2)); S.I. 1996/396, art. 4, **Sch. 2**
- F21** Words in s. 39(2A) substituted (1.12.2008) by Housing and Regeneration Act 2008 (c. 17), s. 325(1), **Sch. 5 para. 7(4)**; S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
- F22** Words in s. 39(3) substituted (1.12.2008) by Housing and Regeneration Act 2008 (c. 17), s. 325(1), **Sch. 5 para. 7(5)**; S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
- F23** Words in s. 39(4) inserted (1.12.2008) by Housing and Regeneration Act 2008 (c. 17), s. 325(1), **Sch. 5 para. 7(6)**; S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
- F24** Words in s. 39(4) substituted (1.12.2008) by Housing and Regeneration Act 2008 (c. 17), s. 325(1), **Sch. 5 para. 7(6)**; S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
- F25** Words in s. 39(5) substituted (1.12.2008) by Housing and Regeneration Act 2008 (c. 17), s. 325(1), **Sch. 5 para. 7(7)**; S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
- F26** Words substituted by New Towns and Urban Development Corporations Act 1985 (c. 5, SIF 123:3, 4), s. 14(1), **Sch. 3 para. 6(a)**
- F27** S. 39(5A) substituted (1.12.2008) by Housing and Regeneration Act 2008 (c. 17), s. 325(1), **Sch. 5 para. 7(8)**; S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
- F28** S. 39(7) inserted by Telecommunications Act 1984 (c. 12, SIF 96), Sch. 4 para. 79(7), **Sch. 5 para. 45**
- F29** Words in s. 39(7) substituted (25.7.2003 for specified purposes, 29.12.2003 in so far as not already in force) by Communications Act 2003 (c. 21), s. 411(2), Sch. 17 para. 57(1)(e)(2)(b) (with Sch. 18); S.I. 2003/1900, arts. 1(2), 2(1), Sch. 1 (with art. 3) (as amended by S.I. 2003/3142, art. 1(3)); S.I. 2003/3142, art. 3(2) (with art. 11)
- F30** Words in s. 39(7) substituted (25.7.2003 for specified purposes, 29.12.2003 in so far as not already in force) by Communications Act 2003 (c. 21), s. 411(2), Sch. 17 para. 57(1)(e)(2)(e) (with Sch. 18); S.I. 2003/1900, arts. 1(2), 2(1), Sch. 1 (with art. 3) (as amended by S.I. 2003/3142, art. 1(3)); S.I. 2003/3142, art. 3(2) (with art. 11)

Modifications etc. (not altering text)

- C1** S. 39 extended by Water Act 1989 (c. 15, SIF 130), s. 190(1), **Sch. 25 para. 1(5)** (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)–(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58)
- C2** S. 39(1)–(3) functions made exercisable (E.) (24.7.2018) by The New Towns Act 1981 (Local Authority Oversight) Regulations 2018 (S.I. 2018/891), regs. 1, **4(1)** (with reg. 4(2))
- C3** S. 39(7)(b) transfer of functions (13.4.2011) by Transfer of Functions (Media and Telecommunications etc.) Order 2011 (S.I. 2011/741), arts. 1(2), 3, **Sch. 1** (with art. 5)

40 ^{F31}

Textual Amendments

- F31** S. 40 repealed by Water Act 1989 (c. 15, SIF 130), s. 190(3), **Sch. 27 Pt. I** (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)–(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 41(1), 57(6), 58)

41 Transfer of property ^{F32}... and dissolution of corporation.

- (1) Where, after consultation with the council of every county and of every district in which the whole or any part of the area of a new town is situated, the [^{F33}appropriate national authority] is satisfied that the purposes for which the development corporation is established under this Act have been substantially achieved, [^{F34}the authority] shall by order direct—

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- (a) that on such date as may be specified in the order the property of the corporation (other than property excepted under the following provisions of this Act) shall vest in the [^{F35}relevant transferee], and the corporation shall cease to act except for the purpose of taking such steps (if any) as may be authorised or required by the order to dispose of any property so excepted, to prepare its final accounts and report, or otherwise to wind up its affairs; and
- (b) that on that date or such later date as may be fixed by or under the order, the corporation shall be dissolved.

[^{F36}(1A) Subsection (1) above shall have effect [^{F37}in the case of a development corporation established by the Welsh Ministers] as if for “and of every district” there were substituted “or county borough”.]

(2) With respect to the transfer to the [^{F38}relevant transferee] by an order under this section of the property of a development corporation and with respect to matters arising out of the transfer or out of the dissolution of the corporation—

- (a) Schedule 10 to this Act has effect; and
- (b) the [^{F39}appropriate national authority] may by order under this section make such further incidental or supplementary provisions as appear to [^{F40}the authority] to be necessary or expedient in relation to any such matter.

(3) ^{F41}

(4) Where by virtue of an order under section 6 above a development corporation discharges functions in relation to more than one new town, the [^{F42}appropriate national authority] may make an order under subsection (1) above in relation—

- (a) to that corporation, and
- (b) to any of those towns without the other or others,

as if the corporation were not concerned with the other or others, but without providing for the dissolution of the corporation.

(5) In the case of any such order, Schedule 10 shall apply subject to such modifications as may be provided by the order for the purpose in particular of determining what part of the corporation’s property, rights, liabilities and obligations is to be transferred to the [^{F43}relevant transferee].

Textual Amendments

- F32** Words in s. 41 heading repealed (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 8\(2\)](#), **16**; S.I. 2008/3068, art. 2(1)(v)(2)5, [Sch.](#) (with arts. 6-13)
- F33** Words in s. 41(1) substituted (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 8\(3\)\(a\)](#); S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
- F34** Words in s. 41(1) substituted (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 8\(3\)\(b\)](#); S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
- F35** Words in s. 41(1)(a) substituted (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 8\(3\)\(c\)](#); S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
- F36** S. 41(1A) inserted (1.4.1996) by 1994 c. 19, s. 66(6), [Sch. 16 para. 63\(7\)](#) (with ss. 54(5)(7), 55(5), [Sch. 17](#), paras. 22(1), 23(2)); S.I. 1996/396, art. 4, [Sch. 2](#)
- F37** Words in s. 41(1A) substituted (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 8\(4\)](#); S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
- F38** Words in s. 41(2) substituted (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 8\(5\)\(a\)](#); S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)

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- F39** Words in s. 41(2)(b) substituted (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 8\(5\)\(b\)\(i\)](#); S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
- F40** Words in s. 41(2)(b) substituted (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 8\(5\)\(b\)\(ii\)](#); S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
- F41** S. 41(3) repealed by [Water Act 1989 \(c. 15, SIF 130\), s. 190\(3\), Sch. 27 Pt. I](#) (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)–(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 41(1), 57(6), 58)
- F42** Words in s. 41(4) substituted (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 8\(6\)](#); S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)
- F43** Words in s. 41(5) substituted (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 8\(7\)](#); S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)

[^{F44}41A Part 2: interpretation

In this Part—

“the appropriate national authority”—

- (a) in relation to a development corporation established by order made by the Secretary of State, means the Secretary of State; and
- (b) in relation to a development corporation established by order made by the Welsh Ministers, means the Welsh Ministers;

“the relevant transferee”—

- (a) in relation to an order made under section 41 by the Secretary of State, means the Homes and Communities Agency; and
- (b) in relation to an order made under section 41 by the Welsh Ministers, means the Welsh Ministers.]

Textual Amendments

- F44** S. 41A inserted (1.12.2008) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 9](#); S.I. 2008/3068, art. 2(1)(v)(2) (with arts. 6-13)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 1A(1) omitted by [2023 c. 55 Sch. 16 para. 7\(3\)](#)
- s. 1A(2) omitted by [2023 c. 55 Sch. 16 para. 7\(3\)](#)
- s. 1A(4) word inserted by [2023 c. 55 Sch. 16 para. 7\(4\)\(b\)](#)
- s. 1A(4) words substituted by [2023 c. 55 Sch. 16 para. 7\(4\)\(a\)](#)
- s. 1A(5)(a) words substituted by [2023 c. 55 Sch. 16 para. 7\(5\)\(a\)](#)
- s. 1ZA1ZB inserted by [2023 c. 55 s. 172\(2\)](#)
- s. 2(1A) inserted by [2023 c. 55 Sch. 16 para. 8](#)
- s. 3(2B)-(2D) inserted by [2023 c. 55 s. 172\(3\)\(c\)](#)
- s. 3(2ZA)(2ZB) inserted by [2023 c. 55 s. 178\(2\)\(b\)](#)
- s. 7A7B inserted by [2023 c. 55 s. 175\(2\)](#)
- s. 60(1A) inserted by [2023 c. 55 s. 179\(2\)\(b\)](#)
- s. 77(3E) inserted by [2023 c. 55 Sch. 17 para. 1\(3\)](#)
- Sch. 3 para. 10A10B and cross-heading inserted by [2023 c. 55 s. 175\(3\)](#)
- Sch. 4 para. 5A inserted by [2023 c. 55 s. 190\(3\)\(a\)](#)
- Sch. 5 para. 5A inserted by [2023 c. 55 s. 190\(3\)\(b\)](#)