



New Towns and Urban Development Corporations Act 1985

1985 CHAPTER 5

Financial provisions

6 Grants to development corporations and Commission.

After section 58 of the ^{M1}New Towns Act 1981 there shall be inserted the following section—

“58A Grants to development corporations and Commission.

- (1) For the purpose of enabling a development corporation—
- (a) to meet expenditure properly chargeable to capital account and incurred or to be incurred in providing, or in making contributions towards the cost to others of providing, any of the facilities specified in subsection (2) below, or
 - (b) to make good to revenue account sums applied in meeting liabilities so chargeable and arising out of the provision of any of those facilities,
- the Secretary of State may, out of money provided by Parliament, make grants to the corporation of such amount as may be approved by the Treasury.

The facilities referred to in subsection (1) above are the following—

- (a) roads, paths, bridges and car parks;
 - (b) public open spaces, recreation grounds, playgrounds and landscaping;
 - (c) meeting halls and assembly rooms;
 - (d) any other facilities similar to those specified in paragraph (a), (b) or (c) above.
- (3) For the purpose of enabling a development corporation to meet expenditure properly chargeable to revenue account the Secretary of State may, out of money provided by Parliament, make grants to the corporation of such amount as may be approved by the Treasury.

Changes to legislation: There are currently no known outstanding effects for the New Towns and Urban Development Corporations Act 1985, Cross Heading: Financial provisions. (See end of Document for details)

- (4) For the purpose of enabling the Commission—
- (a) to meet expenditure, or liabilities in respect of expenditure, properly chargeable to capital account and incurred or to be incurred in providing, or in making contributions towards the cost to others of providing, any of the facilities specified in subsection (2) above, or
 - (b) to make good to revenue account sums applied in meeting liabilities so chargeable and arising out of the provision of any of those facilities,
- the Secretary of State may, out of money provided by Parliament, make grants to the Commission of such amount as may be approved by the Treasury.
- (5) For the purpose of enabling the Commission to meet any housing expenditure the Secretary of State may, out of money provided by Parliament, make grants to the Commission of such amount as may be approved by the Treasury.”

Marginal Citations

M1 1981 c. 64.

7 Limit on borrowing by development corporations and Commission.

- (1) Section 60 of the ^{M2}New Towns Act 1981 (limit on borrowing, now standing at £5,000 million) shall be amended as follows.
- (2) For the words before and after paragraphs (a) to (d) there shall be substituted respectively the following words, that is to say—
 - “(1) The aggregate of the amounts outstanding in respect of the principal of the following sums—”;

and—

 - “shall not at any time exceed the limit imposed by or under subsections (2) to (4) below.”
- (3) After subsection (1) there shall be inserted the following subsections—
 - “(2) The said limit, except during the period specified in subsection (4) below, is £4,600 million or such greater sum not exceeding £5,250 million as the Secretary of State may by order specify.
 - (3) No order shall be made under subsection (2) above unless a draft of the order has been laid before, and approved by resolution of, the House of Commons.
 - (4) During the period beginning with the commencement of the New Towns and Urban Development Corporations Act 1985 and ending with 30th September 1986 the said limit is £5,250 million.”

Marginal Citations

M2 1981 c. 64.

Changes to legislation: There are currently no known outstanding effects for the New Towns and Urban Development Corporations Act 1985, Cross Heading: Financial provisions. (See end of Document for details)

8 Powers to effect financial reconstruction.

(1) After section 62 of the New Towns Act 1981 there shall be inserted the following—

“ Financial reconstruction

62A Power to extinguish loan obligations of development corporations.

- (1) The Secretary of State may, with the Treasury’s consent, by order extinguish to such extent as may be specified in the order any liabilities of a development corporation in respect of advances made by him to the corporation under section 58(1) or the corresponding provisions of the 1946 Act or the 1965 Act.
- (2) The aggregate amount of liabilities extinguished by order under this section shall not exceed £1,750 million.
- (3) Where liabilities are extinguished under this section the assets of the National Loans Fund shall be reduced by amounts corresponding to the liabilities so extinguished.
- (4) No order shall be made under this section after 30th September 1986.
- (5) No order shall be made under this section unless a draft of the order has been laid before, and approved by a resolution of, the House of Commons.
- (6) In this section—
 - (a) “the 1946 Act” means the New Towns Act 1946 and the provision of it corresponding to section 58(1) is section 12(1); and
 - (b) “the 1965 Act” means the New Towns Act 1965 and the provision of it corresponding to section 58(1) is section 42(1).

62B Power to suspend loan obligations of development corporations and Commission.

- (1) The Secretary of State may, with the Treasury’s consent, by order specify any new town development loan as a loan the repayment of which to the Secretary of State (and subsequently into the National Loans Fund) is to be suspended by virtue of this section for such period (“the period of suspension”) as is specified in the order.
- (2) The power extends to new town development loans made to development corporations and to new town development loans made to the Commission.
- (3) Where a loan is specified by an order under subsection (1) above—
 - (a) the terms of the loan shall have effect as if any payment by way of repayment of or interest on the loan which (apart from this section) would fall due at any time within the unexpired period for repayment of the loan fell due instead at the corresponding time within the period of the same duration beginning at the end of the period of suspension;
 - (b) no interest shall accrue in respect of the loan during the period of suspension; and
 - (c) the borrower shall assume during the period of suspension such obligations as the Secretary of State may impose by directions under the order as regards the achieving of financial objectives, the

Changes to legislation: There are currently no known outstanding effects for the New Towns and Urban Development Corporations Act 1985, Cross Heading: Financial provisions. (See end of Document for details)

obtaining of his approval for proposed expenditure and the provision of information about the borrower's present or future financial position.

- (4) No order shall be made under subsection (1) above effecting a suspension of an outstanding loan of a development corporation if an order has been made under section 62A above extinguishing a liability of that development corporation.
- (5) The aggregate amount of new town development loans suspended by order under subsection (1) above shall not exceed £950 million or such greater sum, not exceeding £1,300 million, as the Secretary of State may by order specify.
- (6) No order shall be made under subsection (5) above unless a draft of it has been laid before, and approved by a resolution of, the House of Commons.
- (7) No order shall be made under this section after 31st March 1996.
- (8) In this section—
- (a) “new town development loan” means—
 - (i) as regards a development corporation, any sum advanced by the Secretary of State to the corporation under section 58(1) above or the corresponding provisions of the 1946 Act or the 1965 Act;
 - (ii) as regards the Commission, any sum advanced by the Secretary of State to the Commission under section 58(5) above or the corresponding provisions of the 1959 Act or the 1965 Act or any new town development loan transferred from a development corporation to the Commission under Schedule 10 to this Act; and
 - (b) “the unexpired period for repayment of the loan”, in relation to any loan specified by an order under this section, means the period beginning with the date specified in the order as the date of the beginning of the period of suspension and ending with the date which (apart from this section) would be the last date on which any payment by way of repayment of or interest on the loan would fall due under the terms of the loan.
- (9) For the purposes of subsection (8)(a) above—
- “the 1946 Act” means the New Towns Act 1946 and the provision of it corresponding to section 58(1) is section 12(1);
- “the 1959 Act” means the New Towns Act 1959 and the provision of it corresponding to section 58(5) is section 3(1); and
- “the 1965 Act” means the New Towns Act 1965 and the provisions of it corresponding to section 58(1) and section 58(5) are section 42(1) and section 42(4) respectively.”
- (2) In section 77 of that Act (regulations and orders)—
- (a) in subsection (3) (power to make orders under certain sections exercisable by statutory instrument etc.) for the words “and 60” in the first place where those words occur there shall be substituted the words “60, 62A and 62B”; and
 - (b) in subsection (4)(b) (statutory instruments under certain sections subject to negative procedure) for “or section 42” there shall be substituted “42 or 62B(1)”.

Changes to legislation: There are currently no known outstanding effects for the New Towns and Urban Development Corporations Act 1985, Cross Heading: Financial provisions. (See end of Document for details)

9 Accounts: contents and period of final financial year.

Section 67 of the ^{M3}New Towns Act 1981 (accounts of development corporations and Commission) shall be amended as follows—

- (a) in subsection (1) (form of accounts), for paragraph (b) there shall be substituted the following—
 - “(b) shall respectively prepare in respect of each financial year annual accounts in such form as the Secretary of State may with the Treasury’s approval direct, being, in the Commission’s case, in a form which will show their financial position generally and also, if so directed, their financial position in relation to such towns, such combinations of towns, or such other parts of their undertaking as are specified in the direction,” and
- (b) in subsection (2) (the financial year), for the words after “1st April” there shall be substituted the words “but, if the Secretary of State, with the approval of the Treasury, so directs in a case where a development corporation or the Commission is to be dissolved, the final financial year of the corporation or the Commission shall be such period as is specified in the direction, and references in this Act to a financial year in relation to a development corporation or the Commission shall be construed accordingly.”.

Marginal Citations

M3 1981 c. 64.

Changes to legislation:

There are currently no known outstanding effects for the New Towns and Urban Development Corporations Act 1985, Cross Heading: Financial provisions.