Public Works Loans Act 1965

1965 CHAPTER 63

An Act to make further provision with respect to loans out of the Local Loans Fund; and for connected purposes. [5th August 1965]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Grants for public works.

(1) There may be issued by the National Debt Commissioners for the purposes of local loans by the Public Works Loan Commissioners (in this Act referred to as " the Loan Commissioners ") any sum or sums not exceeding in the whole the sum of £500 million.

(2) The sums so issued shall be issued during the period beginning with the passing of this Act and ending on the day on which a further Act granting money for the purposes of those loans comes into operation, and in accordance with the provisions of the National Debt and Local Loans Act 1887.

(3) The period aforesaid shall be an issue period for the purposes of section 2(1) of the Public Works Loans (No. 2) Act 1946 (power of the Loan Commissioners to undertake to grant loans which include loans falling to be advanced after the expiration of the current issue period), but the aggregate of—

(a) the commitments of the Loan Commissioners outstanding at any time during that period in respect of undertakings entered into by them (whether during or before the beginning of that period) to grant local loans; and

(b) the advances in respect of local loans made by the Loan Commissioners during that period up to that time,

shall not exceed the sum of £550 million.

2 New form of local loan and automatic charge for securing it.

(1) The Loan Commissioners may, without first taking security under section 12 of the Public Works Loans Act 1875, enter into an agreement for lending money to a relevant authority under section 9 of that Act; and in this section " relevant authority " means—

(a) in relation to England and Wales, any authority being, within the meaning of the Local Loans Act 1875, an authority having power to levy a rate;

(b) in relation to Scotland, any local authority within the meaning of the Local Government (Scotland) Act 1947, any other statutory authority or commissioners or trustees having power to levy a rate as defined by section 379 of that Act or to issue a requisition for payment of money to be raised out of such a rate, and any joint board or joint committee of such authorities, commissioners or trustees.

(2) A relevant authority who are authorised to borrow money under Part IX of the Local Government Act 1933 or Part XII of the Local Government (Scotland) Act 1947 may raise the money by means of an agreement to which this section applies in addition to any other means; and—

(a) section 197 of the said Act of 1933 or, as the case may be, section 261 of the said Act of 1947 (creation of an automatic charge to secure local authority borrowings and priority of charges) shall apply accordingly to any money so raised; and

(b) a reference in any enactment passed before this Act to Part IX or section 196 of the said Act of 1933 or to Part XII or section 260 of the said Act of 1947 shall include a reference to the foregoing provisions of this subsection.

(3) Where the Loan Commissioners make an agreement to which this section applies with a relevant authority other than one authorised to borrow money under Part IX of the said Act of 1933 or Part XII of the said Act of 1947, then, so long as any part of the principal of and interest on the loan remains outstanding, the loan shall be a charge on all the revenues of the authority (including any grants or contributions from the Exchequer which are receivable by the authority).

(4) A charge imposed on an authority's revenues by the last foregoing subsection shall, subject to any provision to the contrary applicable to the charge which has been made by or under any enactment, rank equally with any other charges on those revenues.

(5) The enactments specified in the Schedule to this Act shall have effect subject to the adaptations and modifications set out in that Schedule, being adaptations and modifications consequential on the foregoing provisions of this section; and in that Schedule " automatic charge" means a charge imposed, for securing a loan made in pursuance of an agreement to which this section applies, by section 197 of the Local Government Act 1933, by section 261 of the Local Government (Scotland) Act 1947 or by subsection (3) of this section.

3 Payments in lieu of stamp duty in connection with new form of loan.

(1) An agreement to which the last foregoing section applies shall not be chargeable with stamp duty, but the Loan Commissioners shall, at such times as may be agreed between them and the Commissioners of Inland Revenue, deliver to the Commissioners of Inland Revenue periodical accounts of the loans made in pursuance of such agreements and pay over the aggregate of the sums which would have been chargeable by way of stamp duty if each loan had been secured by mortgage by deed, being the only or principal or primary security for that loan.

(2) The Loan Commissioners may recover from any other party to an agreement to which the last foregoing section applies the amount for which those Commissioners are required under the foregoing subsection to account to the Commissioners of Inland Revenue in respect of the loan to which the agreement relates.

4 Short title, interpretation, extent and commencement.

(1) This Act may be cited as the Public Works Loans Act 1965.

(2) In this Act, except where the context otherwise requires, references to any enactment shall be construed as references to that enactment as amended, extended or applied by or under any other enactment, including this Act.

(3) This Act shall not extend to Northern Ireland.

(4) This Act, except section 1, shall come into operation on the expiration of the period of three months beginning with the passing thereof.

SCHEDULE

Section 2(5).

ADAPTATIONS AND MODIFICATIONS OF ENACTMENTS

COMMISSIONERS CLAUSES ACT 1847

(10 & 11 Vict. c. 16)

1 Sections 75 and 81, as incorporated with section 46 of the Land Drainage Act 1930 or with any other enactment applicable to a relevant authority within the meaning of section 2 of this Act, shall not apply to an automatic charge.

2 In section 82, as so incorporated, the reference to a mortgage deed shall be construed as including a reference to an agreement to which section 2 of this Act applies.

PUBLIC WORKS LOANS ACT 1875

(38 & 39 Vict. c. 89)

3 In the following provisions, that is to say, sections 8, 29 and 30, any reference to that Act shall include a reference to section 2 of this Act.

4 In section 11 the reference to such security as is required by that Act shall be construed as including a reference to any automatic charge.

5 Section 12 shall not apply to a loan secured by an automatic charge.

6 Section 19 shall, in relation to an automatic charge, have effect as if any reference to the date of the mortgage included a reference to the date of the making of the relevant agreement and as if any reference to interest mentioned in the mortgage included a reference to interest mentioned in the agreement.

7 In section 38 the reference to any security previously given to the Loan Commissioners, and in sections 46 and 50 any reference to a security made or granted under that Act, shall include a reference to an automatic charge in their favour.

LOCAL GOVERNMENT ACT 1933

(23 & 24 Geo. 5. c. 51)

8 In section 197(2) the reference to securities created by a local authority shall include a reference to any automatic charge on the revenues of such an authority.

9 In section 207—

(a) any reference to a mortgage or to a mortgage created under Part IX of that Act shall be construed as including a reference to an automatic charge;

(b) any reference to a deed of mortgage shall include a reference to an agreement to which section 2 of this Act applies;

(c) the reference in subsection (2) to the date of a mortgage shall be construed as including a reference to the date of any such agreement; and

(d) subsections (3) and (5) shall not apply in relation to any automatic charge.

LOCAL GOVERNMENT (SCOTLAND) ACT 1947

(10 & 11 GEO. 6. c. 43)

10 Section 268 shall apply to an automatic charge as it applies to a mortgage, but with the following modifications, that is to say:—

(a) in subsection (2), for the words " Before a mortgage is delivered to the mortgagee " there shall be substituted the words " Within fourteen days of the making of the agreement giving rise to the automatic charge ";

(b) the reference in paragraph (c) of that subsection to the date of the mortgage shall be construed as a reference to the date of the agreement giving rise to the automatic charge;

(c) so much of the said subsection as relates to the endorsation of any certificate or receipt on the deed of mortgage shall be omitted; and

(d) subsections (3) and (7) shall be omitted.