

SCHEDULES

SCHEDULE 3

Section 4.

FURTHER AMENDMENTS RELATING TO BORROWING POWERS (NEW TOWNS)

PART I

ENGLAND AND WALES

- 1 In sections 4(1) and 37(1) of the New Towns Act 1965 (which provide that development corporations and the Commission for the New Towns shall not have power to borrow money except by way of Government advances), for the words " by way of advance from the Minister under" there shall be substituted the words " in accordance with sections 42 to 43 of ".
- 2 After section 42 of that Act there shall be inserted the following section:—
- “42A Other borrowing powers of development corporations and Commission.**
- (1) A development corporation or the Commission may borrow temporarily, by way of overdraft or otherwise, either—
- (a) in sterling from the Secretary of State, or
 - (b) with the consent of the Secretary of State and the approval of the Treasury, or in accordance with any general authority given by the Secretary of State with the approval of the Treasury, in any currency from any other person,
- such sums as the development corporation or the Commission (as the case may be) may require for meeting their obligations or performing their functions.
- (2) With the consent of the Secretary of State and the approval of the Treasury, a development corporation or the Commission may borrow, otherwise than by way of temporary loan,—
- (a) in any currency from the Commission of the European Communities or from the European Investment Bank, or
 - (b) in any currency other than sterling from any person, other than the Secretary of State and the bodies mentioned in the preceding paragraph,
- such sums as they may require for enabling them to meet expenditure properly chargeable to capital account (including the provision of working capital), or to make good to revenue account sums applied in meeting liabilities so chargeable.”
- 3 In section 43 of that Act, the word " and ", where it occurs at the end of paragraph (b), shall be omitted, and at the end of paragraph (c) there shall be inserted the words “and

- (d) the aggregate amount for the time being outstanding in respect of the principal of sums borrowed (whether by development corporations or by the Commission) under section 42A of this Act or under section 37A of the New Towns (Scotland) Act 1968.”

4 After section 44 of that Act there shall be inserted the following section:—

“44A Treasury guarantees.

- (1) The Treasury may guarantee, in such manner and on such conditions as they may think fit, the repayment of the principal of, and the payment of interest on, any sums which a development corporation or the Commission borrow under this Act from a person other than the Secretary of State.
- (2) Immediately after a guarantee is given under this section, the Treasury shall lay a statement of the guarantee before each House of Parliament; and where any sum is issued for fulfilling a guarantee so given the Treasury shall, as soon as possible after the end of each financial year, beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged, lay before each House of Parliament a statement relating to that sum.
- (3) Any sums required by the Treasury for fulfilling a guarantee under this section shall be charged on and issued out of the Consolidated Fund.
- (4) If any sums are issued in fulfilment of a guarantee given under this section in respect of money borrowed by a development corporation or by the Commission, the development corporation or the Commission (as the case may be) shall make to the Treasury, at such times and in such manner as the Treasury may from time to time direct, payments, of such amounts as the Treasury may so direct, in or towards repayment of the sums so issued and payments of interest on what is outstanding for the time being in respect of amounts so issued at such rate as the Treasury may so direct.
- (5) Any sums received under subsection (4) of this section by the Treasury shall be paid into the Consolidated Fund.”

PART II

SCOTLAND

5 In section 4(1) of the New Towns (Scotland) Act 1968 (which provides that a development corporation shall not have power to borrow money except by way of advance from the Secretary of State), for the words "by way of advance from the Secretary of State under " there shall be substituted the words " in accordance with sections 37 and 37A of ".

6 After section 37 of that Act there shall be inserted the following section:—

“37A Other borrowing powers of development corporations.

- (1) Subject to section 43 of the New Towns Act 1965, a development corporation may borrow temporarily, by way of overdraft or otherwise, either—

Status: This is the original version (as it was originally enacted).

- (a) in sterling from the Secretary of State, or
- (b) with the consent of the Secretary of State and the approval of the Treasury, or in accordance with any general authority given by the Secretary of State with the approval of the Treasury, in any currency from any other person,

such sums as the development corporation may require for meeting their obligations or performing their functions.

- (2) With the consent of the Secretary of State and the approval of the Treasury, a development corporation may, subject to section 43 of the New Towns Act 1965, borrow, otherwise than by way of temporary loan,—
 - (a) in any currency from the Commission of the European Communities or from the European Investment Bank, or
 - (b) in any currency other than sterling from any person, other than the Secretary of State and the bodies mentioned in the preceding paragraph,

such sums as they may require for enabling them to meet expenditure properly chargeable to capital account (including the provision of working capital), or to make good to revenue account sums applied in meeting liabilities so chargeable.”

7 After section 38 of that Act there shall be inserted the following section:—

“38A Treasury guarantees.

- (1) The Treasury may guarantee, in such manner and on such conditions as they may think fit, the repayment of the principal of, and the payment of interest on, any sums which a development corporation borrow under this Act from a person other than the Secretary of State.
- (2) Immediately after a guarantee is given under this section, the Treasury shall lay a statement of the guarantee before each House of Parliament; and where any sum is issued for fulfilling a guarantee so given the Treasury shall, as soon as possible after the end of each financial year, beginning with that in which the sum is issued, and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged, lay before each House of Parliament a statement relating to that sum.
- (3) Any sums required by the Treasury for fulfilling a guarantee under this section shall be charged on and issued out of the Consolidated Fund.
- (4) If any sums are issued in fulfilment of a guarantee given under this section in respect of money borrowed by a development corporation, the development corporation shall make to the Treasury, at such times and in such manner as the Treasury may from time to time direct, payments, of such amounts as the Treasury may so direct, in or towards repayment of the sums so issued and payments of interest on what is outstanding for the time being in respect of amounts so issued at such rate as the Treasury may so direct.
- (5) Any sums received under subsection (4) of this section by the Treasury shall be paid into the Consolidated Fund.”