



CHAPTER xxxix

An Act to constitute the Letchworth Garden City Corporation, to transfer to that Corporation the undertaking of First Garden City Limited, to confer powers upon the Corporation; and for other purposes.
[1st August, 1962.]

WHEREAS—

(1) First Garden City Limited (hereinafter referred to as “the company”) is a company within the meaning of the Companies Act, 1948, and is a company limited by shares:

(2) The company was incorporated on the first day of September, nineteen hundred and three:

(3) The objects for which the company was established, as set out in the memorandum of association of the company dated the twenty-seventh day of August, nineteen hundred and three included the following:—

“ 3. (A) To promote and further the distribution of the industrial population upon the land upon the lines suggested in Mr. Ebenezer Howard’s book entitled ‘Garden Cities of To-morrow’ (published by Swan Sonnenschein & Co., Limited, in 1902) and to form a Garden City (that is to say) a Town or Settlement for agricultural, industrial, commercial and residential purposes or any of them in accordance with Mr. Howard’s scheme or any modification thereof.

* * * * *

3. (c) To found, lay out, construct, manage and carry on any such Garden City as aforesaid, or any section or portion thereof.
3. (d) To pay upon the Ordinary Shares or Stock of the Company a cumulative dividend not exceeding 5 per centum per annum, and to apply any balance of profit after such payment as aforesaid to any purpose which the Company or its Directors may deem for the benefit directly or indirectly of the town or its inhabitants.

* * * * *

3. (o) Upon any winding up and distribution of the assets of the Company, except for the purpose of reconstruction, to apply for the benefit of the town or its inhabitants any balance remaining after—

(1) Repayment of the paid-up capital of the Company;

(2) Any sums required to make up a cumulative dividend of 5 per centum per annum thereon;

(3) A bonus not exceeding 10 per centum upon the amount paid up on the Ordinary Shares ”:

(4) The company purchased land and property in areas which now form the urban district of Letchworth and parts of neighbouring districts and from time to time granted leases of plots thereof to persons to develop the same for housing and other purposes:

(5) In nineteen hundred and forty-eight the Letchworth Urban District Council (hereinafter referred to as “ the district council ”) requested the Minister of Town and Country Planning to appoint a development corporation under the New Towns Act, 1946, for the purpose of completing the development of Letchworth. Following discussions with the company the Minister of Town and Country Planning indicated that as a result of assurances given by the company he had decided not to accede to the request of the district council:

(6) At an extraordinary general meeting of the company held on the fifteenth day of September nineteen hundred and forty-nine, the following resolutions were passed by the company:—

- “ 1. That the Stockholders record their desire and willingness that the Company should, in promoting the further development of Letchworth play its proper part in the successful implementation of the Greater London Plan, and in pursuance thereof agree that the Company should co-operate with the Ministry of Town and Country Planning and other appropriate Government Departments.

2. That in recognition of the desirability for such co-operation, the Directors be requested to exercise the power conferred on them by Article 94, and to appoint two additional Directors from a list of suitably qualified persons to be submitted to them by the Minister of Town and Country Planning.
3. That the Stockholders approve in principle the ultimate transfer, when the development of Letchworth is substantially completed, of the Company's undertaking to the local authority or other suitable public body, subject to satisfactory terms being then agreed."

(7) At the same meeting the following resolution, which was passed as a special resolution, was submitted by the board of directors of the company on the grounds that "Development value has now been vested in the State (i.e. the provisions of the Town and Country Planning Act, 1947) and the Town cannot benefit from its increase"—

"That the object comprised in Clause 3 (o) of the Memorandum be cancelled and a new sub-clause (o) substituted under which on a winding up the surplus assets should be distributed among the shareholders in accordance with their respective rights and interests."

(8) At an extraordinary general meeting of the company held on the fifth day of April nineteen hundred and fifty-six, the following resolution was passed as a special resolution:—

"The dividends upon the Ordinary Shares in the Company shall no longer be subject to the restriction contained in the Articles of Association of the Company that such dividends for any year shall not exceed the aggregate rate of 5 per centum per annum."

(9) Recently the Hotel York Limited have acquired control of the company and it is apprehended that such acquisition will be prejudicial to the fulfilment of the earlier intentions of the company and to the interests of the town of Letchworth and its inhabitants:

(10) In these circumstances the district council on the twentieth day of July nineteen hundred and sixty-one, caused the following notice to be published and sent a copy of the notice to the company:—

"The Letchworth Urban District Council hereby give public notice that it is their intention to promote in the next Session of Parliament a Private Bill for the purpose of

establishing a Corporation which in return for appropriate compensation will acquire the undertaking of the First Garden City Limited.

This step is being taken because it is the considered view of the council that the announced intentions of the board of First Garden City Limited in relation to the Garden City of Letchworth are neither in accordance with the original ideas of the founders of that company nor in accordance with the best interests of the inhabitants of Letchworth.

With a view to ensuring that if the said Bill becomes law its object and purpose will not be impaired by dispositions of or dealings with any part of the company's undertaking which may be made by First Garden City Limited between the date of this notice and the date of the said Bill becoming law and taking effect, the said Bill would provide for the acquisition by the new Corporation of all interests held by First Garden City Limited at the date of this notice.

Consequently any land sold by First Garden City Limited after the date of this notice and any interest created or disposed of by that company after that date otherwise than in the normal course of the company's business as it was conducted down to the end of the year 1960 will be acquired by the new Corporation subject to the payment of compensation.”:

(11) It would be of public and local advantage to constitute a Corporation as in this Act provided and to transfer to that Corporation the undertaking of the company:

(12) It is expedient to confer upon the said Corporation such powers as are in this Act contained:

(13) It is expedient that the other provisions contained in this Act be enacted:

(14) The purposes of this Act cannot be effected without the authority of Parliament:

(15) In relation to the promotion of the Bill for this Act the requirements of Part XIII of the Local Government Act, 1933, have been observed by the district council:

(16) Plans showing the lands and buildings comprised in the part of the undertaking of the company to be transferred to and vested in the Corporation by this Act and showing also the lands and buildings comprised in the included interests referred to in this Act and a book of reference containing the names of the

owners and lessees or reputed owners and lessees and of the occupiers of those lands were duly deposited in the office of the Clerk of the Parliaments and in the Private Bill Office of the House of Commons and with the respective clerks of the county councils of the administrative counties of Hertford and Bedford which plans and book of reference are in this Act respectively referred to as the deposited plans and the deposited book of reference.

May it therefore please Your Majesty that it may be enacted, and 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, that is to say:—

PART I

PRELIMINARY

1. This Act may be cited as the Letchworth Garden City Short title. Corporation Act, 1962.

2. This Act is divided into Parts as follows:—

Part I.—Preliminary.

Part II.—Establishment and constitution of Corporation.

Part III.—Transfer of undertaking.

Part IV.—Finance.

Part V.—General.

Division of
Act into
Parts.

3. The Lands Clauses Acts (so far as the same are applicable for the purposes and are not inconsistent with the provisions of this Act), except sections 127 to 132 and 150 and 151 of the Lands Clauses Consolidation Act, 1845, are hereby incorporated with, and form part of, this Act. Incorporation
of Lands
Clauses Acts.

4.—(1) In this Act unless the subject or context otherwise requires— Interpretation.

“the Act of 1933” means the Local Government Act, 1933;

“authorised security” means any mortgage, stock, bond or other security which the Corporation are for the time being authorised to grant, create or issue, or upon, or by means of, which the Corporation are for the time being authorised to raise money;

PART I
—cont.

- “ the company ” means First Garden City Limited;
- “ the Corporation ” means the Letchworth Garden City Corporation established by this Act;
- “ the county council ” means the county council of the administrative county of Hertford;
- “ the day of transfer ” means the first day of January, nineteen hundred and sixty-three;
- “ the district council ” means the Letchworth Urban District Council;
- “ enactment ” includes an enactment in this Act or in any general or local Act or any order or other instrument having the force of an Act;
- “ the included interests ” means (a) the freehold of any property shown on the deposited plans and described in the deposited book of reference and forming part of the company’s undertaking on the twentieth day of July, nineteen hundred and sixty-one, but not included therein on the day of transfer and (b) all interests in any property forming part of the company’s undertaking or of the undertaking of a subsidiary on the twentieth day of July, nineteen hundred and sixty-one (other than any interests in any lands or buildings not shown on the deposited plans or included in the deposited book of reference), created or disposed of by the company or a subsidiary after that date otherwise than in the normal course of the business of the company or the subsidiary as it was conducted down to the end of the year nineteen hundred and sixty and (c) all investments held by or on behalf of the company in a subsidiary and forming part of the company’s undertaking on or after the twentieth day of July, nineteen hundred and sixty-one, but not included therein on the day of transfer;
- “ the Lands Clauses Acts ” means the Lands Clauses Acts as modified by the Land Compensation Act, 1961;
- “ the Minister ” means the Minister of Housing and Local Government;
- “ the post-deposit included interests ” means the included interests which became such by reason of being disposed of, created or otherwise dealt with by the company or a subsidiary on or after the twenty-seventh day of November, nineteen hundred and sixty-one;
- “ statutory borrowing power ” means any power, whether or not coupled with a duty, of borrowing, or continuing

on loan, or reborrowing money, or of redeeming or paying off or creating or continuing payment of, or in respect of, any annuity, rentcharge, rent or other security representing, or granted in place of, consideration money, for the time being existing under any enactment;

“ subsidiary ” means a body corporate which is a subsidiary of the company for the purposes of section 154 of the Companies Act, 1948;

“ the undertaking ” means the undertaking of the company described in the First Schedule to this Act, as existing on the day of transfer;

“ the undertaking of the Corporation ” means the undertaking for the time being of the Corporation.

(2) For the purposes of the definition of “ the included interests ” in subsection (1) of this section any creation or disposition by the company or a subsidiary of a leasehold interest otherwise than at a rent appropriate to the property and the term of years without taking a premium or other capital payment shall be deemed to have been effected otherwise than in the normal course of the business of the company or subsidiary as it was conducted down to the end of the year nineteen hundred and sixty.

(3) Any reference in this Act to any enactment shall be construed as a reference to that enactment as applied, extended, amended or varied by or by virtue of any subsequent enactment including this Act.

PART II

ESTABLISHMENT AND CONSTITUTION OF CORPORATION

5.—(1) For the purpose of carrying this Act into execution there shall be a Corporation which shall be a public authority constituted and appointed as by this Act provided.

Establishment
of
Corporation.

(2) The Corporation shall be a body corporate under the name and style of “ the Letchworth Garden City Corporation ” with perpetual succession and a common seal.

6. The Corporation shall consist of a chairman and five other members to be appointed as follows:—

Constitution
of
Corporation.

(1) the chairman and three other members to be appointed by the Minister;

PART II
—cont.

- (2) one member to be appointed by the county council;
- (3) one member to be appointed by the district council.

Appointment
of members
of
Corporation.

7.—(1) The first appointment of members of the Corporation by the Minister and by the county council and the district council shall be made as soon as practicable and before the day of transfer and each member so appointed shall, subject to the provisions of this Act, continue in office for the following period commencing with the date of his appointment, that is to say:—

- (a) in the case of an appointment by the Minister for such period not exceeding five years as the Minister may in making the appointment specify;
- (b) in the case of an appointment by the county council or the district council five years.

(2) The Minister and the county council and the district council shall from time to time appoint such members as may be necessary in order to bring the number of members appointed by them up to the number of members of the Corporation they are respectively by this Act authorised to appoint, to hold office for such period, not being more than five years, as they may respectively determine.

(3) A vacating member shall, subject to the provisions of this Act, be eligible for reappointment.

Provision
where failure
to appoint
members.

8. If the Minister or the county council or the district council fail to appoint first members or a first member of the Corporation it shall be competent for the other members of the Corporation to carry this Act into execution and if the Minister or the county council or the district council fail subsequently to appoint members or a member of the Corporation at a proper time for their appointment the then existing members or member (if any) of the Corporation appointed by the Minister or the county council or the district council, as the case may be, and qualified to be members or a member of the Corporation shall continue in office until their or his successors or successor are or is appointed.

Disqualifica-
tion for
membership of
Corporation.

9.—(1) A person shall be disqualified for being appointed or being a member of the Corporation if he is a person who—

- (a) has been adjudged bankrupt, or has made a composition or arrangement with his creditors; or
- (b) has been absent from meetings of the Corporation for a period longer than six consecutive months without the permission of the Corporation; or

(c) has been sentenced to a term of imprisonment for a period of not less than three months without the option of a fine.

(2) Nothing in section 122 of the Act of 1933 shall disqualify any member of the county council or the district council for being appointed a member of the Corporation.

10. A member of the Corporation may at any time while he is in office, by notice in writing to the Corporation and to the person or council by whom he was appointed, resign his membership. Resignation.

11. The objects of the Corporation are to manage, turn to account, carry on, develop and extend the undertaking of the Corporation as a public service and for that purpose the Corporation shall have power to acquire, hold, manage and dispose of land and other property, to carry out building and other operations, to carry on any business or undertaking necessary or expedient for the purposes thereof or any purposes incidental thereto: Objects of Corporation.

Provided that in carrying out the said objects the Corporation shall have regard to the maintenance of the undertaking of the Corporation as an entity in accordance with the principles upon which the Letchworth Garden City was founded and has been managed until the end of the year nineteen hundred and sixty and, in particular, in the extension or renewal of ground leases, shall have regard only to the increased value of the land clear of the buildings (if any) situated on the land and of any improvements to the surface made by the lessee.

12. The Corporation shall have power to promote or oppose Bills in Parliament. Power to promote and oppose Bills.

13. The provisions of the Second Schedule to this Act shall have effect with respect to the Corporation. Officers, procedure, etc., of Corporation.

PART III

TRANSFER OF UNDERTAKING

14. On the day of transfer—

Transfer of undertaking.

(1) the undertaking (except so far as it consists of chattels capable of passing by delivery) and the post-deposit included interests shall by virtue of this Act be transferred to and vest in the Corporation; and

PART III
—cont.

- (2) the company shall deliver to the Corporation all chattels which form part of the undertaking and are capable of passing by delivery :

Provided that no part of the undertaking which comprises either lands or buildings which are not shown on the deposited plans and described in the deposited book of reference or of any such of the matters referred to in the First Schedule to this Act as relate solely or mainly to, or are used solely or mainly for, such lands or buildings shall be transferred to or vest in the Corporation except with the agreement in writing of the company.

Consideration
for transfer
of under-
taking.

15. In consideration of the transfer and delivery to and vesting in the Corporation of the undertaking and the post-deposit included interests the Corporation shall on the day of transfer, or when the amount to be paid has been ascertained, or as soon thereafter as possible, pay to the company such sum as may be agreed between the Corporation and the company or, as failing agreement, shall be determined by the Lands Tribunal to be the amount which the undertaking and the post-deposit included interests might have been expected to realise if they were sold as a going concern on the day of transfer in the open market by a willing seller to a willing buyer, on the assumption that the undertaking and the post-deposit included interests are to be maintained as an entity pursuant to the principles upon which the Letchworth Garden City was founded and has been managed until the end of the year nineteen hundred and sixty and on the assumption that Letchworth Cottages and Buildings Limited is a housing association (within the meaning of the Housing Act, 1957) registered under the Industrial and Provident Societies Act, 1893:

Provided that no amount shall be included in respect of the value of any parts of the undertaking excluded from transfer to the Corporation by virtue of the proviso to section 14 (Transfer of undertaking) of this Act.

Acquisition of
included
interests.

16.—(1) Within twelve months after the day of transfer the Corporation shall acquire compulsorily the included interests, and the interests derived out of any of the included interests, except any of the included interests or of the interests derived as aforesaid which the Corporation and the owner thereof agree in writing shall not be so acquired:

Provided that this subsection shall not apply to the post-deposit included interests or the interests derived out of any of the post-deposit included interests.

(2) The amount of the compensation to be paid by the Corporation to the owners of any interests acquired under the powers of

subsection (1) of this section shall be determined in case of dispute in accordance with the Land Compensation Act, 1961.

PART III
—cont.

(3) Where any post-deposit included interest has been transferred to and vested in the Corporation by virtue of section 14 (Transfer of undertaking) of this Act, any person who acquired that interest between the twenty-seventh day of November, nineteen hundred and sixty-one, and the day of transfer shall be entitled to recover from the person from whom he acquired it the amount paid by him in respect of the acquisition of that interest, but shall not be entitled to any payment from the Corporation.

17. The sum to be paid by the Corporation in pursuance of this Act for the transfer of the undertaking and the post-deposit included interests shall unless otherwise agreed between the Corporation and the company bear interest (less income tax) from the day of transfer until such time as the consideration has been satisfied by payment at a rate per annum equivalent to one per centum over the bank rate prevailing from time to time with a minimum of five per centum per annum. Payment of interest.

18. The receipt in writing of two directors of the company for the amount of any consideration paid to those directors on behalf of the company shall effectually discharge the Corporation from the amount acknowledged in the receipt to have been received and from being bound to see to the application thereof and from being answerable or accountable for the loss, misapplication or non-application thereof and, if from any cause the Corporation are unable to obtain any such receipt, they may lodge the certificate and any sum of cash in the Supreme Court in accordance with rules made under section 146 of the Supreme Court of Judicature (Consolidation) Act, 1925, and a certificate given in accordance with those rules stating that the certificate and, when payable, any sum of cash, has been so lodged, shall have the same effect for the purposes of this section as a receipt of two directors of the company. Receipt for consideration.

19. The production of a copy of this Act printed by the Queen's Printer together with a receipt for the price or consideration for the purchase of the undertaking and the post-deposit included interests purporting to be signed by two directors of the company shall (unless it be proved that the price or consideration has not been paid) be conclusive evidence in all courts and proceedings of the transfer of the undertaking and the post-deposit included interests to the Corporation and its and their vesting in them. Evidence of transfer.

PART III

—cont.

Disputes as
to transfer
of under-
taking.

As to
carrying on
of under-
taking.

Actions, etc.,
not to abate.

Saving of
contracts.

Books, etc.,
to remain
evidence.

20. If any question arises between the Corporation and any person as to whether any property is transferred to the Corporation under this Act, the matter in dispute shall be determined by arbitration.

21. Between the passing of this Act and the day of transfer the undertaking shall be carried on by the company with due regard to the interests of the Corporation as prospective owners of the undertaking.

22. Any action, arbitration or proceeding, and any cause of action, arbitration or proceeding which shall at the day of transfer be pending or existing by or against or in favour of the company with respect to any part of the undertaking transferred by this Act or the owner of any included interest acquired by the Corporation pursuant to this Act in respect of such interest, shall not abate or be discontinued or be in any wise prejudicially affected by reason of the transfer to and vesting in the Corporation of the undertaking or the included interests or of anything in this Act, but may be continued, prosecuted and enforced by or against or in favour of the Corporation as and when it might have been continued, prosecuted and enforced by, against or in favour of the company or such owner as aforesaid, as the case may be, if this Act had not been passed but not further or otherwise.

23. Subject to the provisions of this Act all contracts, agreements, conveyances, deeds, leases, licences and other instruments affecting the company (so far as they relate to any part of the undertaking transferred by this Act) and in force at the day of transfer shall as from that day be binding and of full force and effect against or in favour of the Corporation as fully and effectually as if instead of the company the Corporation had been a party thereto or bound thereby or entitled to the benefit thereof but nothing in this Act or done thereunder shall prejudice or affect the right of the Corporation to terminate any such contract or agreement at such time and in such manner as it might have been terminated if this Act had not been passed.

24.—(1) All books and documents which if this Act had not been passed would have been evidence in respect of any matter for or against the company in respect of the undertaking shall on and after the day of transfer be admitted in evidence in respect of the same or like matter for or against the Corporation.

(2) All officers and persons who at the day of transfer have in their possession or under their control any books, documents,

papers, money or effects forming part of the undertaking or relating exclusively thereto, or to which the company would but for the transfer of the undertaking to the Corporation have been entitled, shall be liable to account for and deliver them up to the Corporation or to such person as the Corporation may appoint to receive them, and shall be subject to the same consequences on refusal or neglect as if they had been appointed by and become possessed thereof for the Corporation.

(3) The Corporation shall be entitled at any time and from time to time free of charge to have access to and take copies of all books, documents and papers relating partly to the undertaking which after the day of transfer are retained by the company.

25.—(1) All persons who immediately before the day of transfer are in the employment of the company except those persons who also hold or have held office as a director of the company shall on the day of transfer and if willing to enter the service of the Corporation be taken by the Corporation into their service at rates of salary or wages and emoluments and on terms (including superannuation or pension rights) not less favourable than those which immediately before the day of transfer governed their employment by the company.

Officers and
servants to
be taken
over by
Corporation.

(2) Every existing employee of the company who suffers loss of employment or diminution of emoluments which is attributable to the transfer of the undertaking to the Corporation shall be entitled to have his case considered for the payment of compensation by the compensating authority in accordance with the provisions of the Local Government (Compensation) Regulations, 1948, and, subject to the provisions of this section, those regulations shall apply accordingly.

(3) For the purpose of this section and the said regulations as applied thereby—

(a) the expression “compensating authority” means the Corporation:

(b) the expression “existing employee” or “existing officer” means a person who immediately before the day of transfer devoted the whole of his time and had devoted the whole of his time for a period of not less than eight years previously after attaining the age of eighteen years without a break of more than twelve months at any one time either—

(i) to any of the following employments or to two or more or to any combination of such employments, namely—

(A) employment under the Crown or in the local government service; or

PART III
—cont.

(B) employment by the company; or

(c) employment under any employee engaged in any such employment as aforesaid for the purpose of the functions of the employing authority; or

(ii) partly to any such employment as aforesaid or to two or more or to any combination of such employments and partly to war service as defined by the said regulations undertaken on ceasing to follow any of the employments mentioned in subparagraph (i) of this paragraph or any combination thereof;

(c) the expression “local authority” includes the Corporation;

(d) the expression “material date” means the day of transfer; and

(e) the expression “service” includes service with the company and such war service as aforesaid.

(4) For the purposes of regulation 5 of the said regulations the expression “local government service” shall include service with the Corporation.

PART IV

FINANCE

Power to
borrow.

26.—(1) The Corporation may borrow—

(a) such sums as may be necessary for any of the purposes of this Act;

(b) without the consent of any sanctioning authority for any of the purposes specified in the first column of the following table the sums specified in relation thereto in the second column of that table.

(2) The period from the date of borrowing for the repayment of a sum borrowed under paragraph (b) of the preceding subsection shall not exceed the period specified in relation thereto in the third column of the said table.

(3) It shall not be lawful to exercise the powers of borrowing conferred by this section except in compliance with any order for the time being in force under section 1 of the Borrowing (Control and Guarantees) Act, 1946.

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PART IV
—cont.

Purpose	Amount	Period for repayment calculated from the date or dates of borrowing
(a) The payment under section 15 (Consideration for transfer of undertaking) of this Act and expenses incidental thereto	The sum requisite	Sixty years.
(b) The payment of compensation under subsection (2) of section 16 (Acquisition of included interests) of this Act and expenses incidental thereto	The sum requisite	Sixty years.

27. The provisions of Part IX of the Act of 1933 and of the regulations made thereunder or under section 125 of the Local Government Act, 1948, so far as they are not inconsistent with the provisions of this Act shall extend and apply to the Corporation and to money borrowed by the Corporation as if—

Application of enactments to borrowing of money by Corporation.

- (a) the Corporation were a local authority within the meaning of the Act of 1933;
- (b) the money so borrowed were borrowed under the said Part IX; and
- (c) the revenues of the Corporation were the general rate fund or the revenues of the local authority;

and subject to any other modifications which may be necessary to adapt the said Part IX and regulations for the purpose of this section.

28. Notwithstanding anything contained in any enactment it shall be lawful for the sums to be provided for the redemption of borrowed moneys for or in respect of the purposes referred to in the table set out in section 26 (Power to borrow) of this Act to be suspended until the expiration of ten years from the date of borrowing.

Suspension of payments into sinking fund.

29.—(1) The district council may lend to the Corporation any sum or sums which the Corporation are empowered to borrow on such terms and conditions and in such form as may be agreed between the Corporation and the district council and any money so lent shall be repaid to the district council by the Corporation within the period prescribed by this Act or by the sanctioning authority (as the case may be) for the repayment thereof.

Power for district council to lend to Corporation and to borrow.

PART IV
—cont.

(2) (a) The district council shall be empowered without the consent of any sanctioning authority to borrow at interest such sums as may be requisite for the purpose of providing any sum or sums which the district council may lend to the Corporation under the provisions of subsection (1) of this section.

(b) Every sum borrowed by the district council under this subsection shall be repaid within a period to expire not more than one year after that for which the same was lent by them to the Corporation.

(3) (a) The district council may borrow without the consent of any sanctioning authority such sums as may be necessary for paying the costs, charges and expenses of this Act.

(b) The district council shall repay sums borrowed under paragraph (a) of this subsection within five years from the date of borrowing.

(4) It shall not be lawful to exercise the powers of borrowing conferred by subsection (2) of this section except in compliance with any order for the time being in force under section 1 of the Borrowing (Control and Guarantees) Act, 1946.

(5) The provisions of Part IX of the Act of 1933 so far as they are not inconsistent with this Part of this Act shall extend and apply to money borrowed under this section as if it were borrowed under Part IX of that Act.

Consolidated
loans fund.

30.—(1) The Corporation may establish and maintain a fund, to be called “the consolidated loans fund”, to which (except so far as may be provided by the scheme hereinafter mentioned) shall be paid—

- (a) all moneys borrowed by the Corporation by the issue of authorised securities, together with any moneys borrowed without security in connection with the exercise of any statutory borrowing power;
- (b) all moneys of a capital nature received by the Corporation from the sale of capital assets or otherwise, except such as are applied by the Corporation, with due authority, to another capital purpose; and
- (c) other appropriate sums provided in each year out of other funds of the Corporation to comply with the terms and conditions as to repayment attaching to their several borrowing powers, or otherwise provided for the repayment of debt.

(2) The unapplied balances of all moneys so borrowed or received, and of all sums provided by the Corporation as aforesaid, before the date on which the consolidated loans fund is established shall be carried to the credit of that fund.

(3) The moneys of the consolidated loans fund shall be used or applied by the Corporation—

PART IV
—cont.

- (a) in the redemption of authorised securities, the purchase of stock for extinction, or the repayment of any moneys borrowed by the Corporation; and
- (b) in the exercise of any statutory borrowing power, by the transfer of the required amount to the appropriate fund and account of the Corporation:

And the moneys of the consolidated loans fund which are not used or applied in those ways, or intended to be so used or applied within a reasonable period, shall be invested in any securities in which trustees are for the time being authorised by law to invest trust funds, and any sums realised by the sale of such securities shall be repaid on receipt to the consolidated loans fund, and the moneys of the consolidated loans fund shall not, except with the consent of the Minister, be used or applied otherwise than as provided by this section.

(4) There shall also be transferred to the consolidated loans fund such sums as are necessary to meet interest charges and the financing and other revenue expenses connected with the management of that fund, and separate accounts shall be kept of the said sums and their application.

(5) The Corporation may pay into the consolidated loans fund any moneys forming part of any fund established for the repayment of debt or of any reserve, depreciation, contingency, insurance, superannuation or other similar fund (any of which funds is hereinafter referred to as “the lending fund”), and not for the time being required for the purposes of the lending fund, and any such moneys shall be deemed to be moneys borrowed by the Corporation within the meaning of subsection (1) of this section and shall be used accordingly, subject to the following conditions:—

- (a) The moneys so used shall be repaid to the lending fund as and when required for the purposes of the lending fund; and
- (b) There shall be paid out of the consolidated loans fund to the common fund of the Corporation an amount equal to the interest on any moneys so used and for the time being not repaid to the lending fund, at such rate per centum per annum as may be determined by the Corporation to be equal, as nearly as may be, to the average rate of interest payable by the Corporation on their current borrowings, and in the accounts of the common fund of the Corporation the like amount (subject to any prescribed limit on the amount of the lending fund) shall be credited to that lending fund.

PART IV
—cont.

(6) The powers conferred by this section shall not be exercised by the Corporation except in accordance with a scheme approved by the Minister, and any such scheme may make provision for any matters incidental to the establishment and administration of the consolidated loans fund.

(7) Any scheme approved by the Minister under this section may be altered, extended, amended or annulled by a scheme approved in like manner as the original scheme.

Reserve fund.

31.—(1) The Corporation may, subject to the provisions of this section, by setting apart in any year out of revenue such sums as they think fit, form and maintain a reserve fund for the purpose of making good in whole or in part any deficiency in the revenue of the Corporation or meeting any extraordinary claim or demand which may at any time be made upon them or otherwise for the benefit of the Corporation's undertaking.

(2) Any sum so set apart for the formation or maintenance of a reserve fund may (unless applied in any other manner authorised by any enactment) from time to time be invested in any securities in which trustees are for the time being authorised by law to invest trust moneys.

(3) Whenever and so long as the amount standing to the credit of the reserve fund amounts to fifty thousand pounds, no contributions from the revenue of the Corporation shall be made to the fund.

Application
of revenue.

32. All moneys in the nature of revenue received by the Corporation shall be applied by them for the purposes and in the order following, that is to say:—

- (1) in payment of any working, establishment or maintenance expenses properly chargeable to revenue incurred by the Corporation in the execution of this Act;
 - (2) in payment year by year of the interest accruing on any moneys borrowed by the Corporation;
 - (3) in making the provision required by this Act for the repayment of moneys so borrowed;
 - (4) in repayment of any sum or sums contributed or paid by the district council under section 33 (Deficiencies) of this Act together with interest thereon;
 - (5) in providing working capital, if the Corporation shall so determine;
 - (6) in providing a reserve fund under section 31 (Reserve fund) of this Act, if the Corporation shall so determine;
- and any balance may in whole or in part be devoted to the provision of traffic facilities, lighting, drainage, markets, libraries, baths or otherwise for the embellishment of the undertaking of the Corporation, the provision of means of education, recreation

or amusement for the people or for any other purpose which the Corporation may deem to be a requisite public service.

PART IV
—cont.

33.—(1) In this section—

Deficiencies.

(a) the expression “defined expenditure” means any expenditure incurred and to be incurred by the Corporation for the purposes mentioned in paragraph (1), paragraph (2) or paragraph (3) of section 32 (Application of revenue) of this Act;

(b) the expression “year” means a period of twelve months ending on the thirty-first day of March.

(2) The district council may from time to time contribute such sums as they may think fit to meet any deficiency in the revenue of the Corporation.

(3) If in respect of any year the defined expenditure exceeds the revenue of the Corporation after taking into account any contributions under subsection (2) of this section, the Corporation may issue a precept to the district council for a sum equal to the amount required to meet the deficiency.

(4) Unless otherwise agreed in writing between the Corporation and the district council, the following provisions of this subsection shall have effect:—

(a) The Corporation shall as soon as may be make or cause to be made estimates of their probable revenue and defined expenditure for the remainder of the year current at the day of transfer:

(b) Before the commencement of any subsequent year the Corporation shall make or cause to be made estimates of their probable revenue and defined expenditure during that year, making allowances for any estimated credit or debit balance to be brought forward from any previous year:

(c) If the estimates made under paragraph (a) or paragraph (b) of this subsection show that the defined expenditure will exceed revenue, after taking into account any contributions under subsection (2) of this section, the Corporation shall as soon as may be in respect of the remainder of the year current at the day of transfer and before the first day of February in the year immediately preceding any year thereafter in respect of which it is estimated that a deficiency in revenue will occur, issue a precept to the district council for a sum equal to the amount required to meet the deficiency:

(d) A precept issued under paragraph (c) of this subsection may require payment thereof by such instalments payable on such dates as may be specified therein:

PART IV
—cont.

- (e) (i) The Corporation shall as soon as may be after the end of each year in respect of which they have issued a precept under this section calculate the difference between the actual revenue and the actual defined expenditure in respect of that year;
- (ii) If the calculation made under sub-paragraph (i) of this paragraph shows that the actual deficiency in respect of a year is greater than the sum stated in the precept for that year the district council shall pay to the Corporation a sum equal to the difference;
- (iii) If the calculation made under sub-paragraph (i) of this paragraph shows that the actual deficiency in respect of a year is less than the sum stated in the precept for that year or that there is no deficiency in respect of that year the Corporation shall pay to the district council a sum equal to the difference or (as the case may require) a sum equal to the whole of the sum stated in the precept.

(5) Any sum stated in a precept issued under this section and any sum payable by or to the district council under paragraph (e) of subsection (4) of this section shall be a debt due from the district council or from the Corporation (as the case may be) and may be recovered accordingly.

(6) The Corporation shall, whenever required by the district council and in any case before issuing a precept under this section, consult with the district council for the purpose of deciding upon the action to be taken by the Corporation to avoid or minimise any such deficiency and the Corporation shall at all times use their best endeavours to turn to account the undertaking of the Corporation with the object of avoiding any such deficiency.

(7) The Corporation shall repay to the district council the sums contributed or paid by them under this section together with interest thereon at a rate equivalent to the bank rate prevailing from time to time.

Application of
capital money.

34. Any capital money received by the Corporation on the sale or exchange or leasing of any land or otherwise may be applied by them in or towards the extinguishment of any loan raised by the Corporation or otherwise for any purpose for which capital money may be applied.

Accounts and
audit.

35.—(1) The Corporation shall keep proper accounts, and proper records in relation to those accounts, and shall prepare proper statements of account in respect of each financial year of the Corporation; and the accounts of the Corporation for each such year shall be audited by auditors appointed by the Corporation for that year.

(2) No person shall be qualified to be so appointed auditor unless he is a member of one or more of the following bodies, that is to say:—

PART IV
—cont.

- (a) the Institute of Chartered Accountants in England and Wales;
- (b) the Institute of Chartered Accountants of Scotland;
- (c) the Association of Certified and Corporate Accountants;
- (d) the Institute of Chartered Accountants in Ireland;
- (e) the Institute of Municipal Treasurers and Accountants;
- (f) any body of accountants established in the United Kingdom and for the time being recognised for the purposes of paragraph (a) of subsection (1) of section 161 of the Companies Act, 1948, by the Board of Trade.

(3) As soon as the accounts of the Corporation for any financial year of the Corporation have been audited, the Corporation shall transmit to the district council copies of their statements of account and the auditors' report for that year; and further copies shall be made and kept available at the offices of the Corporation for inspection by the public without charge during reasonable hours and for supply on demand to any person upon payment of such reasonable charge in respect of each copy as the Corporation may determine.

PART V

GENERAL

36.—(1) If the deposited plans or the deposited book of reference are inaccurate in their description of any land, or in their statement or description of the ownership or occupation of any land, the Corporation, after giving not less than ten days' notice to the owner, lessee and occupier of the land in question, may apply to two justices having jurisdiction in the place where the land is situated for the correction thereof.

Correction
of errors in
deposited
plans and
book of
reference.

(2) If on any such application it appears to the justices that the misstatement or wrong description arose from mistake or from wrong information given to the district council, the justices shall certify the fact accordingly and shall in their certificate state in what respect any matter is misstated or wrongly described.

(3) The certificate shall be deposited in the office of the Clerk of the Parliaments, and a copy thereof in the Private Bill Office, House of Commons, and with the clerk of the county council of the administrative county in which the land to which the certificate relates is situated and with every clerk of a local authority and chairman of a parish council with whom a copy of the deposited plans, or of so much thereof as includes the land to which the certificate relates, has been deposited in accordance with the standing orders of the Houses of Parliament,

PART V
—cont.

or who has the custody of any such copy so deposited; and thereupon the deposited plans and the deposited book of reference shall be deemed to be corrected according to the certificate.

(4) A person with whom a copy of a certificate is deposited under this section shall keep it with the other documents to which it relates.

Arbitration.

37. In arbitrations under this Act the reference shall be to a single arbitrator to be appointed by agreement between the parties or, in default of agreement, by the President of the Law Society on the application of either party after giving notice in writing to the other party.

Application of
Local
Government
Superannua-
tion Act,
1953.

38. For the purposes of section 15 of the Local Government Superannuation Act, 1953, the Corporation shall be deemed to be undertakers exercising powers within the urban districts of Baldock, Hitchin and Letchworth and the rural district of Biggleswade.

Exemption
from stamp
duty on
vesting of
undertaking.

39. Stamp duty shall not be chargeable under section 12 of the Finance Act, 1895 (which relates to the stamp duty payable in connection with certain statutory conveyancing), on any copy of this Act or on any instrument relating to the vesting of the undertaking and the post-deposit included interests in the Corporation.

Application
of enactments.

40. For the purposes of this Act the Corporation may exercise and perform and shall be subject to all the powers, duties and liabilities of a local authority under the enactments mentioned in the Third Schedule to this Act and those enactments shall with the necessary modifications extend to the Corporation as if they were re-enacted herein and in terms made applicable to this Act and to the Corporation.

For
protection
of
Laing
Housing
Company
Limited.

41. Notwithstanding anything contained in this Act and unless otherwise agreed in writing between the Corporation and the Laing Housing Company Limited (in this section referred to as "the housing company") the Corporation shall not under the powers of section 16 (Acquisition of included interests) of this Act acquire the lands, comprising ten acres or thereabouts, at Howard Drive, in the urban district of Letchworth, purchased by the housing company from the company on the twenty-fifth day of July, nineteen hundred and sixty-one, or any interest therein except upon the terms and subject to the provisions of an agreement dated the twenty-ninth day of June, nineteen hundred and sixty-two, and made between the district council of the one part and the housing company of the other part.

42. This Act shall be deemed to be an enactment passed before and in force at the passing of the Town and Country Planning Act, 1947, for the purposes of subsection (4) of section 13 and subsection (1) of section 118 of that Act.

PART V
—cont.
Saving for
town and
country
planning.

43. The provisions of section 196 of the Law of Property Act, 1925, shall apply to any notice authorised to be given under this Act.

Service of
notices.

44. All the costs, charges and expenses preliminary to and of and incidental to the preparing, applying for, obtaining and passing of this Act or otherwise in relation thereto as taxed by the taxing officer of the House of Lords or of the House of Commons shall be paid by the district council.

Costs of Act.

SCHEDULES

FIRST SCHEDULE

DESCRIPTION OF THE UNDERTAKING

Sections 4
and 14

The undertaking includes the whole of the assets and liabilities of the company (save as expressly hereinafter mentioned) and, without prejudice to the generality of the foregoing, comprises—

- (1) all the lands and buildings of the company wherever situate together with all properties, easements, rights and interests appurtenant thereto or held and enjoyed therewith or arising thereout subject to all outstanding leases and tenancies of those lands and buildings;
- (2) all rights, easements, interests, privileges and other real and personal property, assets and effects vested in or belonging to the company immediately before the day of transfer or to which the company shall then be entitled (whether they shall be in the possession of the company or in that of their solicitors, agents, engineers or other persons);
- (3) all registers, books of account, maps, plans, specifications, reports and other documents of the company;
- (4) the benefit of all contracts (including insurance agreements relating to transferred officers and persons in respect of whom the Corporation accept pension liability) in force immediately before the day of transfer in respect of any part of the undertaking transferred by this Act but subject to any obligations of the company thereunder;
- (5) investments, securities and book debts;

but does not include—

- (6) any books of the company required to be kept pursuant to the provisions of the Companies Act, 1948, and any books and papers relating exclusively to the shareholders in and the constitution of the company;
- (7) any liabilities or obligations in respect of share capital or moneys raised on mortgage or by the creation and issue of debenture stock;
- (8) any liability under subsection (3) of section 16 (Acquisition of included interests) of this Act;
- (9) any bank balances or cash or any bank loan or overdraft.

SECOND SCHEDULE

OFFICERS, PROCEDURE, ETC., OF CORPORATION

Section 13

1. The Corporation shall appoint a secretary, and such other officers or servants as they may think necessary or expedient on such terms and conditions as they think fit.

2. The quorum required for a meeting of the Corporation shall be three.

3. The Corporation may pay to any member thereof any travelling or other expenses reasonably incurred by him in attending meetings of the Corporation or otherwise in the execution of his duties as a member of the Corporation, and such further sums whether by way of fees, salary or otherwise as may be approved by the Minister.

2ND SCH.
—cont.

4. If a member of the Corporation has any pecuniary interest direct or indirect in any contract or proposed contract or other matter and is present at a meeting of the Corporation at which the contract or other matter is the subject of consideration, he shall at the meeting as soon as practicable after the commencement thereof disclose the fact and shall not take part in the consideration or discussion of or vote on any question with respect to the contract or other matter.

5. The Corporation may act notwithstanding a vacancy in the membership thereof, and no act of the Corporation shall be invalidated by reason of any irregularity in the appointment of any member thereof or by reason of any person irregularly acting as a member thereof.

6. Subject to the provisions of this schedule, the procedure and business of the Corporation shall be regulated in such manner as the Corporation may from time to time determine.

7. The application of the seal of the Corporation shall be authenticated by the signatures of the chairman of the Corporation or some other member of the Corporation authorised by the Corporation in that behalf and of the secretary of the Corporation or some other person authorised by the Corporation to act in his stead in that behalf; and every document purporting to be an instrument issued by the Corporation and to be sealed as aforesaid or to be signed on behalf of the Corporation shall be received in evidence and be deemed to be such an instrument without further proof unless the contrary is shown.

THIRD SCHEDULE

ENACTMENTS APPLIED TO THE CORPORATION

The Public Health Act, 1875—

Section 40

Section 265 (Protection of local authority and their officers from personal liability).

The Act of 1933—

Section 119 (Security to be given by officers);

Section 120 (Accountability of officers);

Section 121 (Notice of termination of and retirement from appointments held during pleasure);

Section 122 (Members of local authorities not to be appointed as officers);

Section 123 (Disclosure by officers of interest in contracts);

3RD SCH.
—cont.

- Section 266 (Contracts of local authorities);
 Section 276 (Power of local authorities to prosecute or defend
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— — — — —
Table of Statutes referred to in this Act

Short title	Session and chapter
Lands Clauses Consolidation Act, 1845 ...	8 & 9 Vict. c. 18.
Public Health Act, 1875	38 & 39 Vict. c. 55.
Industrial and Provident Societies Act, 1893 ...	56 & 57 Vict. c. 39.
Finance Act, 1895	58 & 59 Vict. c. 16.
Law of Property Act, 1925	15 & 16 Geo. 5 c. 20.
Supreme Court of Judicature (Consolidation) Act, 1925	15 & 16 Geo. 5 c. 49.
Local Government Act, 1933	23 & 24 Geo. 5 c. 51.
Borrowing (Control and Guarantees) Act, 1946	9 & 10 Geo. 6 c. 58.
New Towns Act, 1946	9 & 10 Geo. 6 c. 67.
Town and Country Planning Act, 1947 ...	10 & 11 Geo. 6 c. 51.
Local Government Act, 1948	11 & 12 Geo. 6 c. 26.
Companies Act, 1948	11 & 12 Geo. 6 c. 38.
Local Government Superannuation Act, 1953	1 & 2 Eliz. 2 c. 25.
Housing Act, 1957	5 & 6 Eliz. 2 c. 56.
Land Compensation Act, 1961	9 & 10 Eliz. 2 c. 33.

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