



New Towns Act 1981

1981 CHAPTER 64

PART IV

FINANCE

General financial provisions

58 Advances and grants to development corporations ^{F1}....

- (1) For the purpose of enabling a development corporation—
- (a) to meet expenditure properly chargeable to capital account (including the provision of working capital), or
 - (b) to make good to revenue account sums applied in meeting liabilities so chargeable,

the Secretary of State may (subject to section 60 below) make to the corporation advances repayable over such periods [^{F2}, carrying interest at such rates and on such other terms] as may be approved by the Treasury.

(2) ^{F3}

(3) It shall be a condition of the making of advances to a development corporation under subsection (1) above that the proposals for development submitted to the Secretary of State under section 7 above shall be approved by the Secretary of State with the Treasury's concurrence as being likely to secure for the corporation a return which is reasonable, having regard to all the circumstances, when compared with the cost of carrying out those proposals.

(4) ^{F3}

^{F4}(5)

^{F5}(6)

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Textual Amendments

- F1** Words in s. 58 heading repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 10\(2\)](#), [Sch. 16](#); S.I. 2009/803, arts. 3(1), 10
- F2** Words substituted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\)](#), s. 14(1), [Sch. 3 para. 8](#)
- F3** S. 58(2)(4) repealed by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\)](#), s. 14(2), [Sch. 4](#)
- F4** S. 58(5) repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 10\(3\)](#), [Sch. 16](#); S.I. 2009/803, arts. 3(1), 10
- F5** S. 58(6) repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 10\(3\)](#), [Sch. 16](#); S.I. 2009/803, arts. 3(1), 10

[^{F6}**58A Grants to development corporations** ^{F7}....

- (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.
- (2) 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.

^{F8}(4)

^{F9}(5)]

Textual Amendments

- F6** S. 58A inserted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\)](#), s. 6
- F7** Words in s. 58A heading repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 11\(2\)](#), [Sch. 16](#); S.I. 2009/803, arts. 3(1), 10
- F8** S. 58A(4) repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 11\(3\)](#), [Sch. 16](#); S.I. 2009/803, arts. 3(1), 10
- F9** S. 58A(5) repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 11\(3\)](#), [Sch. 16](#); S.I. 2009/803, arts. 3(1), 10

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59 Other borrowing powers of development corporations ^{F10} ...

(1) A development corporation ^{F11} ... may borrow temporarily, by way of overdraft or otherwise, either—

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

such sums as the development corporation [^{F12}may require for meeting its obligations or performing its functions].

(2) With the consent of the Secretary of State and the Treasury's approval, a development corporation ^{F13} ... 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 [^{F14}it may require for enabling it] 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.

Textual Amendments

- F10** Words in s. 59 heading repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 12\(2\)](#), [Sch. 16](#); S.I. 2009/803, arts. 3(1), 10
- F11** Words in s. 59(1) repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 12\(3\)\(a\)](#), [Sch. 16](#); S.I. 2009/803, arts. 3(1), 10
- F12** Words in s. 59(1) substituted (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 12\(3\)\(b\)](#); S.I. 2009/803, art. 3(1)
- F13** Words in s. 59(2) repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 12\(4\)\(a\)](#), [Sch. 16](#); S.I. 2009/803, arts. 3(1), 10
- F14** Words in s. 59(2) substituted (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 12\(4\)\(b\)](#); S.I. 2009/803, art. 3(1)

60 Limit on borrowing by development corporations ^{F15} ...

[^{F16}(1) The aggregate of the amounts outstanding in respect of the principal of the following sums—]

- (a) the sums advanced to development corporations before the commencement of this Act under section 12(1) of the ^{M1}New Towns Act 1946 in its application to England and Wales or under section 42(1) of the ^{M2}New Towns Act 1965, and, after the commencement of this Act, under section 58(1) above, (which corresponds to those subsections),
- (b) the sums advanced to development corporations before the commencement of the ^{M3}New Towns (Scotland) Act 1968 under that section 12(1) in its application to Scotland (to which section 37(1) of that Act of 1968 corresponds) and, after the commencement of that Act of 1968, under that section 37(1); [^{F17}and]

^{F18}(c)

- (d) the sums borrowed [^{F19}by development corporations] before the commencement of this Act under section 42A of that Act of 1965 and, after

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the commencement of this Act, under section 59 above (which corresponds to that section), or under section 37A of that Act of 1968,

[^{F16}shall not at any time exceed the limit imposed by or under subsection [^{F20}(2) and (3)] below.]

[^{F21}(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.

^{F22}(4)]

Textual Amendments

- F15** Words in s. 60 heading repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 13\(2\), Sch. 16](#); S.I. 2009/803, arts. 3(1), 10
- F16** Words inserted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 7\(2\)](#)
- F17** Word in s. 60(1)(b) inserted (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 13\(3\)\(a\)](#); S.I. 2009/803, art. 3(1)
- F18** S. 60(1)(c) repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 13\(3\)\(b\), Sch. 16](#); S.I. 2009/803, arts. 3(1), 10
- F19** Words in s. 60(1)(d) substituted (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 13\(3\)\(c\)](#); S.I. 2009/803, art. 3(1)
- F20** Words in s. 60(1) substituted (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 13\(3\)\(d\)](#); S.I. 2009/803, art. 3(1)
- F21** S. 60(2)–(4) inserted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 7\(3\)](#)
- F22** S. 60(4) repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 13\(4\), Sch. 16](#); S.I. 2009/803, arts. 3(1), 10

Marginal Citations

- M1** 1946 c. 68.
- M2** 1965 c. 59.
- M3** 1968 c. 16.

61 Provisions supplemental to s. 58.

(1) The Treasury may issue to the Secretary of State out of the National Loans Fund such sums as are necessary to enable him to make advances [^{F23}to a development corporation under section 58(1) above]

..... ^{F24}

(2) Any sums received by the Secretary of State by way of repayment of or interest on advances under section 58(1)^{F25}... shall be paid into the National Loans Fund.

(3) The Secretary of State shall lay before each House of Parliament a statement of any sums payable to him by way of repayment of or interest on any such advances and not duly received by him.

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Textual Amendments

- F23** Words in s. 61(1) substituted (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 14\(2\)](#); S.I. 2009/803, art. 3(1)
- F24** Words repealed by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 14\(1\)\(2\), Sch. 3 para. 8\(b\)](#), Sch. 4
- F25** Words in s. 61(2) repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 14\(3\), Sch. 16](#); S.I. 2009/803, arts. 3(1), 10

62 Treasury guarantees.

- (1) The Treasury may guarantee in such manner and on such conditions as they may think fit—^{F26}the repayment of the principal of, the payment of interest on and the discharge of any other financial obligation in connection with] any sums which a development corporation [^{F27}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.
- (3) 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 on it, is finally discharged,
- lay before each House of Parliament a statement relating to that sum.
- (4) Any sums required by the Treasury for fulfilling a guarantee under this section shall be charged on and issued out of the Consolidated Fund.
- (5) If any sums are issued in fulfilment of a guarantee given under this section in respect of money borrowed by a development corporation^{F28}, the 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.
- (6) Any sums received under subsection (5) above by the Treasury shall be paid into the Consolidated Fund.

Textual Amendments

- F26** Words substituted for paragraphs (a) and (b) by [Miscellaneous Financial Provisions Act 1983 \(c. 29, SIF 99:1\), s. 4\(5\)](#)
- F27** Word in s. 62(1) substituted (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 15\(2\)](#); S.I. 2009/803, art. 3(1)
- F28** Words in s. 62(5) substituted (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 15\(3\)](#); S.I. 2009/803, art. 3(1)

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[^{F29} Financial reconstruction

Textual Amendments

F29 Ss. 62A, 62B and cross-heading inserted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 8\(1\)](#)

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 ^{M4}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 ^{M5}New Towns Act 1965 and the provision of it corresponding to section 58(1) is section 42(1).

Marginal Citations

M4 1946 c. 68.
M5 1965 c. 59.

^{F30}**62B Power to suspend loan obligations of development corporations and Commission.**

.....]

Textual Amendments

F30 S. 62B repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 16, Sch. 16; S.I. 2009/803, arts. 3\(1\), 10](#)

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Payments to Secretary of State

63 Secretary of State’s general power.

- (1) The Secretary of State may direct a development corporation ^{F31}... to pay to him, on the date specified in the direction, such sum as is so specified, and any sum so received by him shall, subject to section 66(2) below, be paid into the Consolidated Fund.
- (2) Before giving a direction under this section the Secretary of State shall consult the corporation ^{F32}....
- (3) The debt shall carry interest at the rate for the time being in force under section 32 of the ^{M6}Land Compensation Act 1961 ^{F33}... from the date specified in the direction until payment.

^{F34}(4)

Textual Amendments

- F31** Words in s. 63(1) repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 17\(2\), Sch. 16](#); S.I. 2009/803, arts. 3(1), 10
- F32** Words in s. 63(2) repealed (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\), s. 325\(1\), Sch. 5 para. 17\(3\), Sch. 16](#); S.I. 2009/803, arts. 3(1), 10
- F33** Words in s. 63(3) repealed by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 14\(2\), Sch. 4](#)
- F34** S. 63(4) repealed by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 14\(2\), Sch. 4](#)

Modifications etc. (not altering text)

- C1** S. 63 excluded (S.) by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 14\(1\), Sch. 3 para. 9](#)

Marginal Citations

- M6** 1961 c. 33.

64 Disposal of land to comply with direction under s. 63.

- (1) Where, in order to comply with a direction under section 63 above, the corporation . . . ^{F35} considers it desirable to dispose of any land, it may do so by virtue of this section.
- (2) The power of disposal by virtue of this section may be exercised notwithstanding [^{F36}section 17(1) above and any implied restriction in Part I of this Act on the circumstances in which property of a development corporation may be disposed of, but otherwise must be exercised in accordance with the said Part I except that, before giving the corporation directions under section 5(2), the Secretary of State shall consult the corporation (unless he is satisfied that, on account of urgency, such consultation is impracticable)].
- (3)

^{F37}

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Textual Amendments

- F35** Words repealed by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\)](#), s. 14(1)(2), [Sch. 3 para. 10\(a\)](#), Sch. 4
- F36** Words substituted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\)](#), s. 14(1), [Sch. 3 para. 10\(b\)](#)
- F37** [S. 64\(3\)–\(8\)](#) repealed by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\)](#), s. 14(1)(2), [Sch. 3 para. 10\(c\)](#), Sch. 4

Modifications etc. (not altering text)

- C2** [S. 64](#) excluded (S.) by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\)](#), s. 14(1), [Sch. 3 para. 9](#)

65 Disposal of surplus funds.

- (1) This section applies where it appears to the Secretary of State, after consultation with the Treasury [^{F38}and any development corporation, that the corporation has a surplus whether on capital or on revenue account after making allowance by way of transfer to reserve or otherwise for its future requirements].
- (2) [^{F39}That corporation] shall, if the Secretary of State after such consultation so directs, pay to the Secretary of State such sum not exceeding the amount of that surplus as may be specified in the direction, and any sum so received by him shall be paid into the Consolidated Fund, subject to section 66(2) below.

Textual Amendments

- F38** Words in s. 65(1) substituted (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 18\(2\)](#); S.I. 2009/803, art. 3(1)
- F39** Words in s. 65(2) substituted (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 18\(3\)](#); S.I. 2009/803, art. 3(1)

66 Payments under ss. 63 and 65 treated as repayments.

- (1) The whole or part of any payment made to the Secretary of State under section 63 or section 65 above shall, if the Secretary of State with the Treasury's approval so determines, be treated—
- [^{F40}(a) as made by way of repayment of such part of the principal of advances under section 58(1) above, and]
- (b) as made in respect of the repayments due at such times, as may be so determined.

F41

- (2) Any sum treated under subsection (1) as a repayment of a loan shall be paid by the Secretary of State into the National Loans Fund.

Textual Amendments

- F40** [S. 66\(1\)\(a\)](#) substituted (1.4.2009) by [Housing and Regeneration Act 2008 \(c. 17\)](#), s. 325(1), [Sch. 5 para. 19](#); S.I. 2009/803, art. 3(1)

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F41 Words repealed by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\)](#), s. 14(2), [Sch. 4](#)

Modifications etc. (not altering text)

C3 S. 66 excluded (S.) by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\)](#), s. 14(1), [Sch. 3 para. 9](#)

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