



New Towns and Urban Development Corporations Act 1985

1985 CHAPTER 5

An Act to make provision with respect to certain matters connected with new towns; to amend paragraph 8(1) of Schedule 31 to the Local Government, Planning and Land Act 1980; and for connected purposes. [11th March 1985.]

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:—

Modifications etc. (not altering text)

C1 Act: transfer of functions (W.) (1.7.1999) by [S.I. 1999/672](#), art. 2, [Sch. 1](#)

Functions and dissolution of the Commission for the New Towns

1 Change in functions of Commission.

(1) Sections 36 and 37 of the ^{M1}New Towns Act 1981 (which define the Commission's basic function of holding and turning to account new town property transferred to it and its other powers) shall be amended as provided in subsections (2) to (4) below.

(2) For section 36(1)

and (2) there shall be substituted the following subsections—

“(1) The purposes for which the Commission exists are—

- (a) to take over and, with a view to its eventual disposal, to hold, manage and turn to account the property of development corporations transferred to the Commission under this Act, and

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

- (b) as soon as it considers it expedient to do so, to dispose of property so transferred and any other property held by it,
due regard being had to the considerations specified in subsection (2) below.
- (2) Those considerations, in relation to any new town, are—
- (a) the convenience and welfare of persons residing, working or carrying on business there, and
- (b) until disposal, the maintenance and enhancement of the value of the land held and the return obtained from it.”
- (3) In section 36(3), for the words “the purpose” there shall be substituted the words “any of the purposes” and—
- (a) in paragraph (b), the words from “with the approval” to “Treasury” shall be omitted and for the words from “water” onwards there shall be substituted the following—
- “(i) roads;
(ii) water supplies;
(iii) gas or electricity services; or
(iv) sewerage or sewage disposal services;”;
- (b) paragraph (d) shall be omitted.
- (4) For section 37(3) there shall be substituted the following subsection—
- “(3) The Commission shall not by virtue of section 36 above—
- (a) acquire land or any interest or rights in or over land,
- (b) make contributions towards the cost of providing amenities, supplies or services,
- (c) make loans or advances or give guarantees,
- (d) develop land otherwise than in accordance with proposals submitted to and approved by the Secretary of State, or
- (e) dispose of any property by way of gift or for a consideration which is less than the best reasonably obtainable,
- except under the general or special authority of the Secretary of State.”

Marginal Citations

M1 1981 c. 64.

2 Power to dissolve Commission.

In Schedule 9 to the ^{M2}New Towns Act 1981, after paragraph 6, there shall be added the following paragraph—

- “7 (1) If at any time it appears to the Secretary of State that the purposes for which the Commission exists under this Act have been substantially achieved, he may, by order, on such day as he may appoint—
- (a) terminate the exercise by the Commission of its functions except for the purpose of winding-up its affairs;

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- (b) vest in himself, any other Minister of the Crown or any accountable public authority any property, rights, liabilities or obligations of the Commissions;
 - (c) extinguish any liability of the Commission in respect of money lent or advanced at any time by the Secretary of State to any development corporation or to the Commission;
 - (d) dissolve the Commission
- (2) Different days may be appointed for different purposes of this paragraph.
- (3) Any order under this paragraph may include such incidental, supplemental, consequential or transitional provisions as the Secretary of State thinks fit, including amendments of and repeals in this Act so far as it relates to the Commission.
- (4) Any sums arising out of the vesting of property or out of property vested in a Minister of the Crown by an order under this paragraph shall be paid into the Consolidated Fund and any sums required to meet any liabilities assumed or incurred by a Minister of the Crown or to defray any expenditure of his in connection with the management of property so vested in him shall be paid out of money provided by Parliament.
- (5) No order containing provision for the purpose specified in sub-paragraph (1)(c) above shall be made without the consent of the Treasury; but if such provision is made the assets of the National Loans Fund shall be reduced by the aggregate amount by which the liabilities of the Commission are thereby reduced.
- (6) No order under this paragraph containing provision for the purpose specified in sub-paragraph (1)(a) or (c) above shall be made unless a draft of it has been laid before Parliament and approved by resolution of each House.
- (7) In this paragraph “accountable public authority” means any statutory corporation a majority of the members of which are appointed by a Minister of the Crown.”

Marginal Citations

M2 1981 c. 64.

Housing transfer schemes

[^{F13} Housing transfer schemes: contents and vesting dates.

- (1) In section 44 of the ^{M3}New Towns Act 1981 (contents of schemes for the transfer of dwellings and associated property, etc., to district councils)—
- (a) in subsection (7), paragraphs (b) and (d) and the word “and” at the end of paragraph (c) shall be omitted; and
 - (b) after subsection (7) there shall be inserted the following subsections—
- “(7A) A transfer scheme may—

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- (a) confer on the new town corporation a right, subject to subsection (7B) below, to nominate tenants of Housing Act dwellings of the district council (whether transferred or not and including any which are the subject of management arrangements) and specify the number or proportion of dwellings in respect of which the right is so conferred and the period of which it is to be exercisable;
 - (b) contain information about the effect of the scheme on existing staff of the parties concerned and state proposals for staffing arrangements following the transfer and the protection of existing staff.
- (7B) The corporation's right of nominating tenants shall be exercisable during the following period or periods—
- (a) where the corporation are a development corporation, a period beginning with the date on which their interest in the transferred dwellings vests in the district council and ending with the date which is the transfer date for the purposes of Schedule 10 to this Act,
 - (b) where the corporation are the Commission and the dwellings in question were transferred from the development corporation to the district council, a period of 5 years beginning with that transfer date,
 - (c) where the corporation are the Commission and the dwellings in question were transferred from them to the district council, the period of 5 years beginning with the date on which the Commission's interest in the transferred dwellings vests in the district council,
- or, in a case falling within paragraph (b) or (c) above, during such shorter period as may be agreed.”
- (2) In section 47(1) of that Act (statutory vesting of property, etc. and date thereof), in paragraph (a), for the words “1st April” there shall be substituted the words “1st January, 1st April, 1st July or 1st October”.
- (3) In section 57 of that Act (definitions), after the definition of “dwelling of a new town”, there shall be inserted the following—
- “ “Housing Act dwelling”, with reference to a district council, means a dwelling provided (or treated by section 47(6) above as provided) by the council under Part V of the ^{M4}Housing Act 1957;”.]

Textual Amendments

- F1** Ss. 3, 4, Sch. 2 para. 2, Sch. 3 para. 7 repealed (*prosp.*) by [Local Government and Housing Act 1989](#) (c. 42, SIF 81:1), s. 194(4), 195(2), **Sch. 12 Pt. II**

Marginal Citations

- M3** 1981 c. 64.
M4 1957 c. 56.

Status: Point in time view as at 01/10/1998.

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

[^{F2}4 Defects grants to district councils in respect of transferred dwellings.

After section 51 of the ^{M5}New Towns Act 1981 there shall be inserted the following section—

“ Defects grants to district councils

- (1) The Secretary of State may, with the Treasury’s consent, make, out of money provided by Parliament, grants to any district council which has done accepted remedial work on dwellings or land—
 - (a) which were or was transferred to the council before 1st April 1981 under a 1976 Act transfer scheme, or
 - (b) with respect to which obligations were assumed by the council before that date under management arrangements included in such a scheme, towards the cost of doing the work and providing alternative accommodation or meeting other incidental expenditure.
- (2) In making a grant to a council under this section the Secretary of State may impose such conditions as he thinks fit, including—
 - (a) conditions for the repayment of grant, and
 - (b) conditions for the payment to him of any portion of any sums received by the council in respect of the defects which gave rise to the work.
- (3) Any sums received by the Secretary of State under subsection (2) above shall be paid by him into the Consolidated Fund.
- (4) In this section—

“accepted remedial work” means work for the purpose of remedying defects in transferred dwellings which, before it is done, is accepted by the Secretary of State as eligible for financial assistance out of public funds; and

“a 1976 Act transfer scheme” means a transfer scheme under the provisions of the New Towns (Amendment) Act 1976 re-enacted in section 42 above and the other provisions of this Part; and references to transferred dwellings, transferred land and management arrangements shall be construed accordingly.”]

Textual Amendments

F2 Ss. 3, 4, Sch. 2 para. 2, Sch. 3 para. 7 repealed (*prosp.*) by [Local Government and Housing Act 1989](#) (c. 42, SIF 81:1), s. 194(4), 195(2), [Sch. 12 Pt. II](#)

Marginal Citations

M5 1981 c. 64.

5 Revocation of certain staff compensation regulations.

- (1) Except to the extent of the saving in subsection (2) below—
 - (a) the obligation imposed on the Secretary of State by section 54(4) of the ^{M6}New Towns Act 1981 (duty to make staff compensation regulations) shall be treated as having ceased to have effect on 7th November 1984, and

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- (b) the staff compensation regulations (which were made under section 24 of the ^{M7}Superannuation Act 1972 in pursuance of the obligation referred to in paragraph (a) above) shall be deemed to have been revoked for all purposes on that date.
- (2) Nothing in subsection (1) above shall affect the staff compensation regulations or the Secretary of State's obligation to keep them in being as regards persons who are affected by transfer schemes approved before the date specified in subsection (1) above; and the Secretary of State may after that date amend the regulations under the said section 24 in their application to such persons
- (3) In this section—
 “the staff compensation regulations” means the ^{M8}New Towns Transfer Schemes (Compensation) Regulations 1977;
 “transfer scheme” means a scheme made under section 42 of the New Towns Act 1981 or under section 1 of the New Towns (Amendment) Act 1976.

Marginal Citations

- M6** 1981 c. 64.
M7 1972 c. 11.
M8 S.I. 1977/1410.

Financial provisions

6 Grants to development corporations and Commission.

After section 58 of the ^{M9}New Towns Act 1981 there shall be inserted the following section—

“58A Grants to development corporations and Commission.

- (1) For the purpose of enabling a development corporation—
- (a) to meet expenditure properly chargeable to capital account and incurred or to be incurred in providing, or in making contributions towards the cost to others of providing, any of the facilities specified in subsection (2) below, or
 - (b) to make good to revenue account sums applied in meeting liabilities so chargeable and arising out of the provision of any of those facilities,
- the Secretary of State may, out of money provided by Parliament, make grants to the corporation of such amount as may be approved by the Treasury.
- The facilities referred to in subsection (1) above are the following—
- (a) roads, paths, bridges and car parks;
 - (b) public open spaces, recreation grounds, playgrounds and landscaping;
 - (c) meeting halls and assembly rooms;
 - (d) any other facilities similar to those specified in paragraph (a), (b) or (c) above.
- (3) For the purpose of enabling a development corporation to meet expenditure properly chargeable to revenue account the Secretary of State may, out of

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money provided by Parliament, make grants to the corporation of such amount as may be approved by the Treasury.

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

Marginal Citations

M9 1981 c. 64.

7 Limit on borrowing by development corporations and Commission.

(1) Section 60 of the ^{M10}New Towns Act 1981 (limit on borrowing, now standing at £5,000 million) shall be amended as follows.

(2) For the words before and after paragraphs (a) to (d) there shall be substituted respectively the following words, that is to say—

“(1) The aggregate of the amounts outstanding in respect of the principal of the following sums—”;

and—

“shall not at any time exceed the limit imposed by or under subsections (2) to (4) below.”

(3) After subsection (1) there shall be inserted the following subsections—

“(2) The said limit, except during the period specified in subsection (4) below, is £4,600 million or such greater sum not exceeding £5,250 million as the Secretary of State may by order specify.

(3) No order shall be made under subsection (2) above unless a draft of the order has been laid before, and approved by resolution of, the House of Commons.

(4) During the period beginning with the commencement of the New Towns and Urban Development Corporations Act 1985 and ending with 30th September 1986 the said limit is £5,250 million.”

Marginal Citations

M10 1981 c. 64.

Status: Point in time view as at 01/10/1998.

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

8 Powers to effect financial reconstruction.

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

“ Financial reconstruction

62A Power to extinguish loan obligations of development corporations.

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

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

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

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

- (4) No order shall be made under subsection (1) above effecting a suspension of an outstanding loan of a development corporation if an order has been made under section 62A above extinguishing a liability of that development corporation.
- (5) The aggregate amount of new town development loans suspended by order under subsection (1) above shall not exceed £950 million or such greater sum, not exceeding £1,300 million, as the Secretary of State may by order specify.
- (6) No order shall be made under subsection (5) above unless a draft of it has been laid before, and approved by a resolution of, the House of Commons.
- (7) No order shall be made under this section after 31st March 1996.
- (8) In this section—
 - (a) “new town development loan” means—
 - (i) as regards a development corporation, any sum advanced by the Secretary of State to the corporation under section 58(1) above or the corresponding provisions of the 1946 Act or the 1965 Act;
 - (ii) as regards the Commission, any sum advanced by the Secretary of State to the Commission under section 58(5) above or the corresponding provisions of the 1959 Act or the 1965 Act or any new town development loan transferred from a development corporation to the Commission under Schedule 10 to this Act; and
 - (b) “the unexpired period for repayment of the loan”, in relation to any loan specified by an order under this section, means the period beginning with the date specified in the order as the date of the beginning of the period of suspension and ending with the date which (apart from this section) would be the last date on which any payment by way of repayment of or interest on the loan would fall due under the terms of the loan.
- (9) For the purposes of subsection (8)(a) above—

“the 1946 Act” means the New Towns Act 1946 and the provision of it corresponding to section 58(1) is section 12(1);

“the 1959 Act” means the New Towns Act 1959 and the provision of it corresponding to section 58(5) is section 3(1); and

“the 1965 Act” means the New Towns Act 1965 and the provisions of it corresponding to section 58(1) and section 58(5) are section 42(1) and section 42(4) respectively.”
- (2) In section 77 of that Act (regulations and orders)—
 - (a) in subsection (3) (power to make orders under certain sections exercisable by statutory instrument etc.) for the words “and 60” in the first place where those words occur there shall be substituted the words “60, 62A and 62B”; and
 - (b) in subsection (4)(b) (statutory instruments under certain sections subject to negative procedure) for “or section 42” there shall be substituted “42 or 62B(1)”.

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9 Accounts: contents and period of final financial year.

Section 67 of the ^{M11}New Towns Act 1981 (accounts of development corporations and Commission) shall be amended as follows—

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

Marginal Citations

M11 1981 c. 64.

Areas of new towns in Scotland

10 Power of Secretary of State to reduce designated areas in Scotland.

- (1) After section 1 of the ^{M12}New Towns (Scotland) Act 1968 there shall be inserted the following section—

“1A Reduction of designated areas.

- (1) The Secretary of State may make an order excluding any land specified in the order from the area of a new town if, after consulting—
 - (a) the development corporation for the town, and
 - (b) any regional council, district council and islands council in whose area the land is situated,
 he is satisfied that it is expedient to make the order.
- (2) Subject to subsections (3) and (4) below, on the coming into force of an order under subsection (1) above—
 - (a) the land specified in the order shall cease to be contained in the area of the new town; and
 - (b) the order made under section 1 above designating the land shall cease to operate as regards that land.
- (3) The Secretary of State may in an order under this section make such provision by way of savings and transitional provisions (including provisions amending

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provisions made by or under an enactment) as he thinks fit, and subsection (2) above applies subject to any such savings and transitional provisions.

- (4) Schedule 1A to this Act applies with respect to the effect of an order under this section
- (5) As soon as may be after an order under this section becomes operative, the Secretary of State shall record it in the Register of Susines or the Land Register of Scotland, as the case may be.
- (6) The power to make an order under this section shall be exercisable by statutory instrument, subject to annulment in pursuance of a resolution of either House of Parliament.”

(2) The Schedule set out in Schedule 1 to this Act shall be inserted after Schedule 1 to that Act.

Marginal Citations

M12 1968 c. 16.

New towns in Wales

^{F3}11

Textual Amendments

F3 S. 11 repealed (1.10.1998) by 1998 c. 38, s. 152, Sch. 18 Pt. IV (with ss. 137(1), 139(2), 143(2)); S.I. 1998/2244, art. 4

12^{F4}

Textual Amendments

F4 S. 12 repealed by Urban Development Corporations (Financial Limits) Act 1987 (c. 57, SIF 123:1, 2), s. 1(2)

Supplemental

13 Expenses.

Any administrative expenses of any Minister of the Crown under or in consequences of this Act shall be paid out of money provided by Parliament.

14 Minor and consequential amendments and repeals.

(1) The amendments contained in Schedule 3 to this Act shall have effect, being minor amendments or amendments consequential on the foregoing provisions of this Act.

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

- (2) The enactments mentioned in Schedule 4 to this Act are repealed to the extent specified in the third column of that Schedule.

15 Short title, commencement and extent.

- (1) This Act may be cited as the New Towns and Urban Development Corporations Act 1985.
- (2) This Act, except section 5 and paragraph 7 of Schedule 3, shall come into force at the end of the period of two months beginning with the day on which this Act is passed.
- (3) Except that—
- (a) the following provisions extend to Scotland, that is to say: sections 7 and 12 and this section, in Schedule 3, paragraphs 9, 12 so far as it relates to section 60 of the ^{M13}New Towns Act 1981 and 14 and, in Schedule 4, the repeals in sections 63, 66 and 82 of that Act, and
 - (b) section 10, Schedule 1 and paragraph 1 of Schedule 3 extend to Scotland only, this Act extends to England and Wales only.

Marginal Citations

M13 1981 c. 64.

Status: Point in time view as at 01/10/1998.

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

SCHEDULES

SCHEDULE 1

REDUCTION OF NEW TOWN AREAS IN SCOTLAND: SUPPLEMENTARY

Schedule to be Inserted after Schedule 1 to the New Towns (Scotland) Act 1968

“SCHEDULE 1A

Section 1A.

EFFECT OF ORDER FOR REDUCTION OF DESIGNATED AREA

Disposal of Land

- 1 (1) Subject to sub-paragraphs (2) to (4) below, and without prejudice to any other power it may have to dispose of land under this Act, the development corporation shall dispose of any land which it has acquired—
 - (a) which falls within the excluded land; and
 - (b) which is not required for purposes connected with the development of the new town or for the provision of services for the purposes of the new town.
- (2) Subsection (4) of section 18 applies to disposals under this Schedule as it applies to disposals under that section.
- (3) A corporation shall comply with such directions as the Secretary of State may give—
 - (a) for preventing the duty mentioned in sub-paragraph (1) above from being performed; or
 - (b) for restricting the duty; or
 - (c) for requiring it to be performed in a manner specified in the directions.
- (4) The development corporation shall not, except with the consent of the Secretary of State, dispose of any excluded land otherwise than on the best terms that can reasonably be obtained.
- (5) Before giving a direction under sub-paragraph (3) above, the Secretary of State shall consult with the chairman of the corporation, or, if the chairman is not available, with the deputy chairman, unless he is satisfied that because of urgency consultation is impracticable.
- (6) A transaction between a person and a development corporation acting in purported exercise of their powers under this Schedule shall not be void by reason only that it was carried out either—
 - (a) in contravention of a direction given by the Secretary of State under sub-paragraph (3) above, or
 - (b) without the consent mentioned in sub-paragraph (4) above having been obtained.”

Status: Point in time view as at 01/10/1998.

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

SCHEDULE 2

Section 11.

NEW TOWNS IN WALES

The Development of Rural Wales Act 1976 (c. 75)

1 F5

Textual Amendments

F5 Sch. 2 para. 1 repealed (1.10.1998) by 1998 c. 38, S. 152. Sch. 18 Pt. IV (with ss. 137(1), 139(2), 143(2)); S.I. 1998/2244, art. 4

The New Towns Act 1981 (c. 64)

- [^{F6}2 In section 56 of the New Towns Act 1981 (application to the Development Board for Rural Wales of the housing transfer provisions)—
- (a) subsection (3) shall be omitted; and
 - (b) in subsection (4), for the words “The Board’s right under subsection (3) above” there shall be substituted the words “Where, under section 44(7A) (a) above, a transfer scheme confers on the Board a right to nominate tenants, that right”.]

Textual Amendments

F6 Ss. 3, 4, Sch. 2 para. 2, Sch. 3 para. 7 repealed (*prosp.*) by Local Government and Housing Act 1989 (c. 42, SIF 81:1), s. 194(4), 195(2), Sch. 12 Pt. II

SCHEDULE 3

Section 14(1).

MINOR AND CONSEQUENTIAL AMENDMENTS

The New Towns (Scotland) Act 1968 (c. 16)

- 1 After section 18 of the New Towns (Scotland) Act 1968 (disposal of land by development corporation) there shall be inserted the following sections—

“18A Secretary of State’s general power.

- (1) The Secretary of State may direct a development corporation 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 18C(2) below, be paid into the Consolidated Fund.
- (2) Before giving a direction under this section the Secretary of State shall consult the corporation.

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

- (3) The debt shall carry interest at the rate for the time being in force under section 40 of the Land Compensation (Scotland) Act 1963 from the date specified in the direction until payment.

18B Disposal of land to comply with direction under s. 18A.

- (1) Where, in order to comply with a direction under section 18A above, the corporation considers it desirable to dispose of an land, it may do so by virtue of this section.
- (2) The power of disposal by virtue of this section may be exercised notwithstanding anything in this Act but must be exercised in accordance with subsections (3) and (4) below.
- (3) The power shall not be exercised so as to dispose of land by way of standard security or charge.
- (4) In exercising the power a corporation shall comply with such directions as the Secretary of State may give to it—
 - (a) for restricting the exercise of the power; or
 - (b) for requiring the power to be exercised in any manner specified in the directions.
- (5) Before giving a direction under subsection (4) above the Secretary of State shall consult the corporation unless he is satisfied that because of urgency consultation is impracticable.
- (6) Where a corporation purports to dispose of land by virtue of this section, then—
 - (a) in favour of a person claiming under the corporation, the disposal so purporting to be made shall not be invalid by reason that any direction of the Secretary of State given under this section has not been complied with; and
 - (b) a person dealing with or claiming under the corporation shall not be concerned to see or enquire whether any direction has been given or complied with.
- (7) References in this section to disposing of land include references to granting an interest in or over land.

18C Payments under s. 18A treated as repayments.

- (1) The whole or part of any payment made to the Secretary of State under section 18A above shall, if the Secretary of State with the Treasury's approval so determines, be treated—
 - (a) as made by way of repayment of such part of the principal of advances under section 37(1) of this Act, and
 - (b) as made in respect of the repayments due at such times, as may be so determined.
- (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.”

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The New Towns Act 1981 (c. 64)

- 2 In section 17 of the New Towns Act 1981 (disposal of land by development corporations)—
- (a) in subsection (2) (disposals requiring Secretary of State’s consent) there shall be added at the end the words “or
- (c) to dispose of any land by way of gift”; and
- (b) for subsection (4) there shall be substituted the following subsection—
- “(4) A development corporation has no power to dispose of land by way of mortgage or charge.”
- 3 In section 35(4) of that Act (which introduces Schedule 9 and defines its scope) there shall be added at the end of paragraph (b) the words “including the winding-up of the Commission”.
- 4 In section 36(4) of that Act (transactions not to be invalidated by non-compliance with subsection (2), etc.), for the words “subsection (2) above” there shall be substituted the words “the obligation to have regard to the considerations specified in subsection (2) above”.
- 5 In section 37 of that Act (restriction on functions of Commission)—
- (a) in subsection (2) (which requires the Secretary of State, in giving directions, to have regard to the provisions of section 36(2)), for the words “provisions of” there shall be substituted the words “Commission’s obligation to have regard to the considerations specified in”;
- (b) for subsection (4) there shall be substituted the following subsection—
- “(4) The Commission shall not have power to dispose of any property by way of mortgage or charge”;
- and
- (c) in subsection (6)(a) (provision in favour of person claiming under Commission where authority for disposal is not obtained) for the words “subsection (3)(a)” there shall be substituted the words “subsection (3)(e) above”.
- 6 In section 39 of that Act (power to transfer undertakings)—
- (a) in subsection (5) (Parliamentary control of order reducing liabilities) for the words from “by an order” to “shall apply” there shall be substituted the words “with the Treasury’s consent, by order”, and
- (b) after subsection (5) there shall be inserted the following—
- “(5A) No order shall be made under subsection (5) above unless a draft of the order has been laid before, and approved by resolution of, the House of Commons”.
- [F77 (1) Section 50 of that Act (district council to fund so much of the corporation’s or Commission’s debt as is attributable to transferred or managed property) shall have effect and be deemed since its original enactment on 15th November 1976 to have had effect with the substitution, for subsection (2), of the following—
- “(2) In each financial year the council shall pay to the corporation a sum determined in accordance with a method specified in the scheme to be equal as nearly as practicable—

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- (a) except in a year to which paragraph (b) below applies, to the aggregate of the amounts referred to in subsection (2A) below; or
- (b) in a financial year in which the corporation's interest in the transferred land vests under the scheme otherwise than on 1st April, to a correspondingly reduced portion of that aggregate.

(2A) The amounts referred to in subsection (2) above are those which are payable by the corporation by way of repayment of capital and payment of interest in that year in respect of the relevant portion (for the time being determined under subsection (7) below) of the corporation's total capital loan debt.”;

and with the insertion in subsection (7), after the words “In this section”, of the words—

- “(a) “debt” includes amounts in respect of which debits and credits are made as between one account of the corporation and another (and references to the amounts payable by the corporation shall be construed accordingly); and
- (b)”;

and paragraphs (a) and (b) of the definition of “the relevant portion of the corporation's total capital loan debt” shall accordingly be sub-paragraphs (i) and (ii) of that definition.

(2) In the said section 50, after subsection (2A), there shall be inserted the following subsection—

“(2B) The council may, at any time, with the agreement of the corporation, commute the payments which would fall to be made under this section by the payment to the corporation of such capital sum as they may agree; and where any payments are so commuted (in whole or in part) any future determinations under subsection (7) below shall be such as to give effect to the commutation, whether or not the payment was in fact applied in reduction of the corporation's total capital loan debt.”]

Textual Amendments

F7 Ss. 3, 4, Sch. 2 para. 2, Sch. 3 para. 7 repealed (*prosp.*) by [Local Government and Housing Act 1989](#) (c. 42, SIF 81:1), s. 194(4), 195(2), **Sch. 12 Pt. II**

- 8 In section 58 of that Act (capital expenditure and revenue account advances)—
- (a) in subsections (1) and (5), for the words “and on such terms” there shall be substituted the words “, carrying interest at such rates and on such other terms”; and
 - (b) in subsection (6), for the words “be made in such terms” there shall be substituted the words “carry interest at such other terms”;
- and in section 61(1) the following words (to the same effect), that is to say, the words from “at a rate of interest” to the end shall be omitted.
- 9 Sections 63, 64 and 66 (payments to Secretary of State) shall cease to extend to Scotland (being re-enacted for Scotland in paragraph 1 above).
- 10 In section 64 of that Act (disposals by development corporations or the Commission to meet a debt imposed under section 63)—
- (a) in subsection (1) the words “or Commission” shall be omitted;

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- (b) in subsection (2), for the words after “notwithstanding” there shall be substituted the words “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)”; and
- (c) subsections (3) to (8) shall be omitted.
- 11 In section 74(3) of that Act (local inquiries) for paragraphs (a) to (c) there shall be substituted the words “sections 37, 40 and 41 and Schedule 10”.
- 12 (1) In section 77 of that Act (regulations and orders) in subsection (3) (power to make orders under certain sections exercisable by statutory instrument, etc.)—
- (a) after the words “under sections 1, 2,” where those words first occur, there shall be inserted “39”;
- (b) after the word “above”, where that word first occurs, there shall be inserted the words “and paragraph 7 of Schedule 9 to this Act”; and
- (c) the words from “and the power” onwards shall be omitted.
- (2) After that subsection there shall be inserted the following subsection—
- “(3A) Any provision of this Act conferring a power to make orders (whether exercisable by statutory instrument or otherwise), except section 40, implies a power exercisable in the same manner and subject to the same conditions of limitations, to revoke or amend any instrument made under the power.”
- (3) In subsection (4) of that section (negative procedure)—
- (a) after the word “under”, where that word first occurs, there shall be inserted the words “any of the following provisions of”;
- (b) for the words from “if” to “section 1 and” there shall be substituted the words “that is to say—
- (a) an order under section 1 where”; and
- (c) in paragraph (b), for the words “the order is” there shall be substituted the words “an order”.
- 13 In section 80(1) of that Act (definitions), at the appropriate places, there shall be inserted the following definitions—
- ““dispose”, in relation to property, includes the granting of any interest in or right over it;”
- and—
- ““financial year”, in relation to a development corporation or the Commission, shall be construed in accordance with section 67(2) above;”.
- 14 In section 82(2) of that Act (application to Scotland) in paragraph (a) for “(5)” there shall be substituted “(3A)”.
- 15 In Schedule 2 to that Act, in paragraph 1 (disposal of land when area becomes excluded from the new town)—
- (a) in sub-paragraph (2) (which prohibits certain forms of disposal), the word “gift” shall be omitted; and

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- (b) in sub-paragraph (3) (disposals requiring Secretary of State's consent), there shall be added at the end the words "or
- (c) to dispose of any land by way of gift."
- 16 In Schedule 10 to that Act, in paragraph 4(1) (revenue account grants available to a transferring corporation to be available to the transferee Commission), for the words "section 58(2) above" there shall be substituted the words "section 58A(3) above".

SCHEDULE 4

Section 14(2).

REPEALS

Chapter	Short title	Extent of repeal
1981 c. 64.	The New Towns Act 1981.	<p>In section 1(5), the words after "charge".</p> <p>In section 5(2), the words from "This subsection" to the end.</p> <p>In section 36, in subsection (3)(b) the words from "with the approval" to "Treasury" and paragraph (d) and subsection (5).</p> <p>Section 37(7).</p> <p>In section 44(7), paragraphs (b) and (d) and the word "and" at the end of paragraph (c).</p> <p>Section 48.</p> <p>Section 54(4).</p> <p>Section 56(3).</p> <p>Section 58(2) and (4).</p> <p>In section 61(1) the words from "at a rate" to the end.</p> <p>In section 63, in subsection (3), the words from "(or, inScotland" to "1963)" and subsection (4).</p> <p>In section 64, in subsection (1) the words "or Commission" and subsections (3) to (8).</p>

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In section 66(1), the words from “In the application” to “1968”.

In section 77, in subsection (3) the words from “and the power” to the end and subsection (5).

In section 82(2), paragraph (b).

In Schedule 2, in paragraph 1, in sub-paragraph (2) the word “gift” and sub-paragraph (7).

1982 c. 7.

The New Towns Act 1982.

The whole Act.

Status:

Point in time view as at 01/10/1998.

Changes to legislation:

There are currently no known outstanding effects for the New Towns and Urban Development Corporations Act 1985.