



# Public Works Loans Act 1965

## 1965 CHAPTER 63

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

- (1) The Loan Commissioners may, without first taking security under section 12 of the Public Works Loans Act 1875, enter into an agreement for lending money to a relevant authority under section 9 of that Act; and in this section "relevant authority" means—
  - (a) in relation to England and Wales, any authority being, within the meaning of the Local Loans Act 1875, an authority having power to levy a rate;
  - (b) in relation to Scotland, any local authority within the meaning of the Local Government (Scotland) Act 1947, any other statutory authority or commissioners or trustees having power to levy a rate as defined by section 379 of that Act or to issue a requisition for payment of money to be raised out of such a rate, and any joint board or joint committee of such authorities, commissioners or trustees.
- (2) A relevant authority who are authorised to borrow money under Part IX of the Local Government Act 1933 or Part XII of the Local Government (Scotland) Act 1947 may raise the money by means of an agreement to which this section applies in addition to any other means; and—
  - (a) section 197 of the said Act of 1933 or, as the case may be, section 261 of the said Act of 1947 (creation of an automatic charge to secure local authority borrowings and priority of charges) shall apply accordingly to any money so raised; and
  - (b) a reference in any enactment passed before this Act to Part IX or section 196 of the said Act of 1933 or to Part XII or section 260 of the said Act of 1947 shall include a reference to the foregoing provisions of this subsection.
- (3) Where the Loan Commissioners make an agreement to which this section applies with a relevant authority other than one authorised to borrow money under Part IX of the said Act of 1933 or Part XII of the said Act of 1947, then, so long as any part of the principal of and interest on the loan remains outstanding, the loan shall be a charge on all the revenues of the authority (including any grants or contributions from the Exchequer which are receivable by the authority).

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*Status: This is the original version (as it was originally enacted).*

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- (4) A charge imposed on an authority's revenues by the last foregoing subsection shall, subject to any provision to the contrary applicable to the charge which has been made by or under any enactment, rank equally with any other charges on those revenues.
- (5) The enactments specified in the Schedule to this Act shall have effect subject to the adaptations and modifications set out in that Schedule, being adaptations and modifications consequential on the foregoing provisions of this section; and in that Schedule "automatic charge" means a charge imposed, for securing a loan made in pursuance of an agreement to which this section applies, by section 197 of the Local Government Act 1933, by section 261 of the Local Government (Scotland) Act 1947 or by subsection (3) of this section.