



# New Towns Act 1981

## 1981 CHAPTER 64

### PART II

#### COMMISSION FOR THE NEW TOWNS AND TRANSFERS FROM AND DISSOLUTION OF DEVELOPMENT CORPORATIONS

##### *Commission for the New Towns*

#### **35 Establishment of Commission.**

- (1) The body corporate established by the name of the Commission for the New Towns (in this Act referred to as the Commission) continues in being.
- (2) In relation to the Commission—
  - (a) it is not to be regarded as the servant or agent of the Crown or as enjoying any status, immunity or privilege of the Crown, and
  - (b) its property is not to be regarded as property of, or held on behalf of, the Crown,and nothing in this Act, except the express provision relating to stamp duty in section 72(1), shall be construed as exempting the Commission from liability to any tax, duty, rate, levy or other charge whatsoever, whether local or general.
- (3) Part V of the <sup>M1</sup>Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951 (which provides for the making to service men of payments to make up their civil remuneration) has effect as if in Part I of Schedule 2 to that Act the capacities specified in the first column included that of employee of the Commission, and the Commission were specified as respects that capacity in the second column.
- (4) Schedule 9 to this Act has effect with respect to—
  - (a) the constitution and proceedings of the Commission, and
  - (b) other matters relating to the Commission and its members [<sup>F1</sup>including the winding-up of the Commission].

*Status: Point in time view as at 01/04/1996.*

*Changes to legislation: New Towns Act 1981, Part II is up to date with all changes known to be in force on or before 15 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

**Textual Amendments**

**F1** Words added by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\)](#), s. 14(1), [Sch. 3 para. 3](#)

**Marginal Citations**

**M1** 1951 c. 65.

**36 Functions of Commission.**

- [<sup>F2</sup>(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
  - (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 sub-section (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) Subject to the provisions of this Act and to any direction given to them by the Secretary of State under section 37 below, the Commission has power, with a view to the better fulfilment of [<sup>F3</sup>any of the purposes] mentioned in subsection (1) above by the improvement of any of their towns, or to the convenience or welfare of persons residing, working or carrying on business there—
  - (a) to acquire (otherwise than by transfer under this Act), hold, manage and turn to account land situated in or near the town, or any interest in or rights over such land;
  - (b) .....<sup>F4</sup>, to make contributions towards the cost of providing amenities for the town, or of providing for it
    - [<sup>F5</sup>(i) roads;
    - (ii) water supplies;
    - (iii) gas or electricity services; or
    - (iv) sewerage or sewage disposal services;]
  - (c) to promote or assist by any means, and in particular by making advances towards the cost of purchasing land, or of erecting, extending, improving or adapting building or works, the setting up or extension of businesses in the town;
  - (d) .....<sup>F6</sup>
- (4) A transaction between a person and the Commission shall not be invalidated by reason of any non-compliance by the Commission with [<sup>F7</sup>the obligation to have regard to the considerations specified in subsection (2) above]; nor shall any such transaction be invalidated by reason of any non-compliance by the Commission with the requirement of subsection (3) above that they shall exercise the powers conferred by that subsection with the view there mentioned.

---

*Status: Point in time view as at 01/04/1996.*

*Changes to legislation: New Towns Act 1981, Part II is up to date with all changes known to be in force on or before 15 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

---

(5) ..... F8

#### Textual Amendments

- F2** S. 36(1)(2) substituted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 1\(2\)](#)
- F3** Words substituted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 1\(3\)](#)
- F4** Words repealed by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 1\(3\)\(a\), 14\(2\), Sch. 4](#)
- F5** Words substituted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 1\(3\)\(a\)](#)
- F6** S. 36(3)(d) repealed by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), ss. 1\(3\)\(b\), 14\(2\), Sch. 4](#)
- F7** Words substituted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 14\(1\), Sch. 3 para. 4](#)
- F8** S. 36(5) repealed by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 14\(2\), Sch. 4](#)

### 37 Restrictions on functions of Commission.

- (1) The Commission does not have power to borrow money except in accordance with sections 58 to 60 below.
- (2) The Commission in discharging their functions shall comply with such directions as may be given to them by the Secretary of State, but in giving any such direction he shall have regard to the [F9]Commission's obligation to have regard to the considerations specified in] section 36(2) above.
- [F10](3) The Commission shall not by virtue of section 36 above—
- acquire land or any interest or rights in or over land,
  - make contributions towards the cost of providing amenities, supplies or services,
  - make loans or advances or give guarantees,
  - develop land otherwise than in accordance with proposals submitted to and approved by the Secretary of State, or
  - 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.]
- [F11](4) The Commission shall not have power to dispose of any property by way of mortgage or charge]
- (5) A transaction between a person and the Commission shall not be invalidated by reason of any failure by the Commission to comply with directions given by the Secretary of State under subsection (2) above, and such a person shall not be concerned to see or enquire whether a direction under that subsection has been given or complied with.
- (6) Where the Commission purports to dispose of land by virtue of section 36, then—
- in favour of any person claiming under the Commission, the disposal so purporting to be made shall not be invalid by reason that any authority which is required under [F12]subsection (3)(e) above] had not been given; and

*Status: Point in time view as at 01/04/1996.*

*Changes to legislation: New Towns Act 1981, Part II is up to date with all changes known to be in force on or before 15 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (b) a person dealing with the Commission or a person claiming under the Commission shall not be concerned to see or enquire whether any such authority has been given.

(7) ..... F13

#### Textual Amendments

- F9** Words substituted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 14\(1\), Sch. 3 para. 5\(a\)](#)
- F10** [S. 37\(3\)](#) substituted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 1\(4\)](#)
- F11** [S. 37\(4\)](#) substituted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 14\(1\), Sch. 3 para. 5 \(b\)](#)
- F12** Words substituted by [New Towns and Urban Development Corporations Act 1985 \(c. 5, SIF 123:3, 4\), s. 14\(1\), Sch. 3 para. 5 \(c\)](#)
- F13** [S. 37\(7\)](#) 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. 37](#) amended (31.03.2002) by [The Waltham Forest Housing Action Trust \(Dissolution\) Order 2002 \(S.I. 2002/86\), art. 5](#)

### 38 Local authorities and work for Commission.

- (1) The council of a county [<sup>F14</sup>, county borough] or district in which the whole or any part of the area of a new town is situated may, at the request of the Commission and for such consideration and on such other terms and conditions as may be agreed between the council and the Commission—
- (a) do for the Commission any building or other work on land (including land outside the county or district), being work undertaken for the purposes of the Commission's functions in relation to the new town, or any work preliminary to or connected with any such work on land as mentioned above; or
- (b) allow the commission to have for the purpose of any such work as mentioned above the services of officers or servants of the council or the use of premises or equipment of the council.
- (2) This section applies in relation to a joint board discharging functions of any such council as mentioned above as it applies in relation to the council.

#### Textual Amendments

- F14** Words in [s. 38\(1\)](#) inserted (1.4.1996) by [1994 c. 19, s. 66\(6\), Sch. 16 para. 63\(5\)](#) (with [ss. 54\(5\)\(7\), 55\(5\), Sch. 17 paras. 22\(1\), 23\(2\)](#)); [S.I. 1996/396, art. 4, Sch. 2](#)

---

*Status: Point in time view as at 01/04/1996.*

*Changes to legislation: New Towns Act 1981, Part II is up to date with all changes known to be in force on or before 15 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

---

### *Transfer of property and undertakings of development corporations, and their dissolution*

#### **39 Power of development corporation to transfer undertakings.**

- (1) Subject to the provisions of this section, a development corporation may, by an agreement made with any local authority or any statutory undertakers and approved by the Secretary of State with the concurrence of the Treasury—
- (a) transfer to that local authority any part of the undertaking of the corporation, or
  - (b) transfer to those statutory undertakers any part of the undertaking of the corporation which consists of a statutory undertaking,
- upon such terms as may be prescribed by the agreement.

The foregoing provision is without prejudice to the powers of development corporations under this Act to dispose of any of their property, including any trade or business carried on by them.

- (2) Before approving an agreement under this section the Secretary of State shall consult with the council of every county and of every district in which the whole or any part of the area of the new town is situated, except, in the case of an agreement made with such a council, the council with whom it is made.

[<sup>F15</sup>(2A) Subsection (2) above shall have effect in relation to Wales as if for “and of every district” there were substituted or county borough.]

- (3) Before approving an agreement under this section for the transfer of a statutory undertaking, the Secretary of State shall publish in the London Gazette, and in one or more newspapers circulating in the area in which the new town is situated, a notice stating that the agreement has been submitted for approval, and describing the general effect of the agreement.

- (4) If within 28 days from the publication of the notice in the London Gazette in accordance with subsection (3) above any objection to the agreement is made by any statutory undertakers—
- (a) who are carrying on, or are authorised to carry on, a statutory undertaking of a character similar to the statutory undertaking proposed to be transferred by the agreement, and
  - (b) who do so within the area in which the new town is situated or any adjacent area,

subsection (1) above shall apply in relation to the agreement as if for the reference to the Secretary of State there were substituted a reference to the Secretary of State and the appropriate Minister.

- (5) If the Secretary of State is satisfied that it is expedient, having regard to any agreement made or proposed to be made under this section, that the liability of the development corporation in respect of advances made to them under the following provisions of this Act should be reduced, he may, [<sup>F16</sup>with the Treasury’s consent, by order], reduce that liability to such extent as may be specified in the order.

[<sup>F17</sup>(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].

- (6) The payment of any sums payable by a local authority for the purposes of an agreement under this section shall be a purpose for which that authority may borrow money.

*Status: Point in time view as at 01/04/1996.*

*Changes to legislation: New Towns Act 1981, Part II is up to date with all changes known to be in force on or before 15 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- [<sup>F18</sup>(7) This section shall have effect as if references to statutory undertakers included references to the operator of any telecommunications code system and as if for this purpose—
- (a) references to a statutory undertaking were references to the running of such a system; and
  - (b) references to the appropriate Minister were references to the Secretary of State for Trade and Industry.]

**Textual Amendments**

- F15** S. 39(2A) inserted (1.4.1996) by 1994 c. 19, s. 66(6), **Sch. 16 para. 63(6)** (with ss. 54(5)(7), 55(5), Sch. 17 paras. 22(1), 23(2)); S.I. 1996/396, art. 4, **Sch. 2**
- F16** Words substituted by New Towns and Urban Development Corporations Act 1985 (c. 5, SIF 123:3, 4), s. 14(1), **Sch. 3 para. 6(a)**
- F17** S. 39(5A) inserted by New Towns and Urban Development Corporations Act 1985 (c. 5, SIF 123:3, 4), s. 14(1), **Sch. 3 para. 6(b)**
- F18** S. 39(7) inserted by Telecommunications Act 1984 (c. 12, SIF 96), Sch. 4 para. 79(7), **Sch. 5 para. 45**

**Modifications etc. (not altering text)**

- C2** S. 39 extended by Water Act 1989 (c. 15, SIF 130), s. 190(1), **Sch. 25 para. 1(5)** (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)–(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 57(6), 58)

**40** ..... <sup>F19</sup>

**Textual Amendments**

- F19** S. 40 repealed by Water Act 1989 (c. 15, SIF 130), s. 190(3), **Sch. 27 Pt. I** (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)–(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 41(1), 57(6), 58)

**41 Transfer of property to Commission and dissolution of corporation.**

- (1) Where, after consultation with the council of every county and of every district in which the whole or any part of the area of a new town is situated, the Secretary of State is satisfied that the purposes for which the development corporation is established under this Act have been substantially achieved, he shall by order direct—
- (a) that on such date as may be specified in the order the property of the corporation (other than property excepted under the following provisions of this Act) shall vest in the Commission, and the corporation shall cease to act except for the purpose of taking such steps (if any) as may be authorised or required by the order to dispose of any property so excepted, to prepare its final accounts and report, or otherwise to wind up its affairs; and
  - (b) that on that date or such later date as may be fixed by or under the order, the corporation shall be dissolved.

[<sup>F20</sup>(1A) Subsection (1) above shall have effect in relation to Wales as if for “and of every district” there were substituted “or county borough”.]

*Status: Point in time view as at 01/04/1996.*

*Changes to legislation: New Towns Act 1981, Part II is up to date with all changes known to be in force on or before 15 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (2) With respect to the transfer to the Commission by an order under this section of the property of a development corporation and with respect to matters arising out of the transfer or out of the dissolution of the corporation—
  - (a) Schedule 10 to this Act has effect; and
  - (b) the Secretary of State may by order under this section make such further incidental or supplementary provisions as appear to him to be necessary or expedient in relation to any such matter.
- (3) ..... F21
- (4) Where by virtue of an order under section 6 above a development corporation discharges functions in relation to more than one new town, the Secretary of State may make an order under subsection (1) above in relation—
  - (a) to that corporation, and
  - (b) to any of those towns without the other or others,
 as if the corporation were not concerned with the other or others, but without providing for the dissolution of the corporation.
- (5) In the case of any such order, Schedule 10 shall apply subject to such modifications as may be provided by the order for the purpose in particular of determining what part of the corporation’s property, rights, liabilities and obligations is to be transferred to the Commission.

**Textual Amendments**

**F20** S. 41(1A) inserted (1.4.1996) by 1994 c. 19, s. 66(6), **Sch. 16 para. 63(7)** (with ss. 54(5)(7), 55(5), Sch. 17, paras. 22(1), 23(2)); S.I. 1996/396, art. 4, **Sch. 2**

**F21** S. 41(3) repealed by Water Act 1989 (c. 15, SIF 130), s. 190(3), **Sch. 27 Pt. I** (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)–(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 41(1), 57(6), 58)

**Status:**

Point in time view as at 01/04/1996.

**Changes to legislation:**

New Towns Act 1981, Part II is up to date with all changes known to be in force on or before 15 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.