

EXPLANATORY NOTE

This order provides for the suspension of certain loans made by the Secretary of State to the Aycliffe and Peterlee Development Corporation, the former Peterlee Development Corporation, the Cwmbran Development Corporation and the Washington Development Corporation. During the period of suspension no interest will accrue or become payable and no repayments of capital will fall due in relation to the loans described in the Schedules to the order. After the end of the period of suspension, payments of interest and repayments of principal will fall due as if there had been no break in the loan.

The period of suspension begins with 12th September 1986 for certain of the loans, and 1st October 1986 for others. Loans in the latter category, which are identified in Schedule 2 to the order, consist of loans the repayment of which has been suspended until 30th September 1986 by the New Towns (Suspension of Loan Repayment) Order 1983 (S.I. 1983/1377). The period of suspension for all the specified loans ends with 31st March 1988.

Liabilities under loans made to the former Peterlee Development Corporation were transferred to the Aycliffe and Peterlee Development Corporation by the Aycliffe and Peterlee New Towns (Transfer of Functions) Order 1985. Copies of the order are obtainable from the Department of Environment Library, 2 Marsham Street, London SW1P 3EB.

Article 4 of this order provides that the Secretary of State may issue directions to the three existing development corporations referred to in the order concerning their financial affairs.

The total amount of loans suspended is £328,039,004,43. No other loans have been specified by order under section 62B(1) of the New Towns Act 1981, and none of the liabilities of the relevant corporations has been extinguished by order under section 62A of that Act (which was inserted by section 8(1) of the New Towns and Urban Development Corporations Act 1985).