ELIZABETH II



1970 CHAPTER lxviii

An Act to confer further powers on the mayor, aldermen and burgesses of the county borough of Gateshead in relation to the finances of the county borough; and for other purposes. [17th December 1970]

WHEREAS—

(1) It is expedient that further and better provision should be made with reference to the finances of the county borough of Gateshead and that the powers of the mayor, aldermen and burgesses of the borough in relation to the investment of their superannuation fund should be extended as by this Act provided:

(2) It is expedient that the other provisions in this Act should be enacted:

(3) The purposes of this Act cannot be effected without the authority of Parliament:

1933 c. 51.

(4) In relation to the promotion of the Bill for this Act the requirements of Part XIII of the Local Government Act 1933 have been observed:

May it therefore please Your Majesty that it may be enacted, and 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:—

Short title.

1. This Act may be cited as the Gateshead Corporation Act 1970.

Interpretation.

2.—(1) In this Act the following expressions have the meanings hereby assigned to them:—

" the Act of 1933 " means the Local Government Act 1933;

1937 c. 68.

" the Act of 1937 " means the Local Government Superannuation Act 1937;

1961 c. 62.

" the Act of 1961 " means the Trustee Investments Act 1961;

" the borough " means the county borough of Gateshead;

" the Corporation " means the mayor, aldermen and burgesses of the borough;

" debentures " includes debenture stock and bonds whether constituting a charge on assets or not, and loan stock;

" enactment " means any enactment, whether public, general or local, and includes any order, byelaw, rule, regulation, scheme or other instrument having effect by virtue of an enactment;

" the fund " means the superannuation fund maintained by the Corporation under Part I of the Act of 1937;

" property ", in relation to the fund, has the meaning assigned thereto by section 4 of the Act of 1961;

" recognised stock exchange " in its application to the United Kingdom has the meaning assigned thereto by section 26 (1) of the Prevention of Fraud (Investments) Act 1958;

1958 c. 45.

" securities " includes funds, bonds, mortgages, stocks, shares, debentures or notes;

" shares " includes stock;

" the wider-range part ", in relation to the fund, has the meaning assigned thereto by the Act of 1961.

(2) Any reference in this Act to an enactment shall be construed as a reference to that enactment as applied, extended, amended or varied by, or by virtue of, any subsequent enactment including this Act.

Extension of power to invest superannuation fund moneys.

6.—(1) In its application to the Corporation section 21 (3) of the Act of 1937 shall have effect as if for the obligation to invest as mentioned in that subsection moneys forming part of but not for the time being required to meet payments out of the fund there were substituted an obligation to invest such moneys as follows, namely:—

(*a*) in or upon any investments for the time being authorised by law for the investment of trust funds; or

(*b*) in or upon any of the securities of any dominion, commonwealth, union, dependency or colony forming part of the British Commonwealth of Nations or any province or state having a separate local legislature and forming part thereof; or

(*c*) in or upon any of the securities of any municipality, county or district council or local or public authority or board in the United Kingdom or in any such dominion, commonwealth, union, dependency, colony, province or state as aforesaid authorised under any general or special Act of the United Kingdom Parliament or the legislature concerned to issue the securities; or

(*d*) in or upon any securities the capital whereof or a minimum rate of dividend or interest whereupon is guaranteed by the United Kingdom government or by the government of any such dominion, commonwealth, union, dependency, colony, province or state as aforesaid; or

(*e*) in or upon any of the securities of the government of any foreign country or state; or

(*f*) in or upon the debentures of any company incorporated under any general or special Act of the United Kingdom Parliament or under any royal charter or registered or incorporated in any part of the world; or

(*g*) in or upon any guaranteed, preference or ordinary shares or any preferred or deferred or other shares of any company incorporated under any general or special Act of the United Kingdom Parliament or under any royal charter or registered or incorporated in any part of the world, being shares which at the time of making the investment are quoted on any recognised stock exchange or similar institution:

Provided that no such investment shall be made at any time when the value of all the investments made under this paragraph which form part of the fund equals or exceeds three-quarters of the total value of the assets of the fund; or

(*h*) in the advance of money upon the security of—

(i) immovable property of any tenure or kind in the United Kingdom, the Isle of Man or the Channel Islands; or

(ii) any legal estate or interest in immovable property comprised in a building agreement providing for the grant of a lease of such property contingent upon the erection or completion of the building specified in such agreement;

and in any such case whether the security be taken by a separate and distinct mortgage or security made exclusively to the Corporation, or by a mortgage or security made jointly to the Corporation and any other person; or

(*i*) in undertaking or financing whether alone or jointly with any other person—

(i) the erection of a new building or the improvement or extension of an existing building; or

(ii) building operations or other development;

on land belonging to the Corporation or to any other person or on land which is or will be held jointly by the Corporation and any other person.

(2) All costs, charges and expenses incurred by the Corporation in investing moneys forming part of the fund or otherwise in relation thereto shall be paid by the Corporation out of the fund.

(3) (*a*) For the purposes of the foregoing provisions of this section an investment in the units of a unit trust scheme or in participation certificates or in any form of participation under any trust or scheme established in the United Kingdom or in any of the territories or countries referred to in subsection (1) of this section having the effect of enabling persons to participate in the profits and income arising from the acquisition, holding, management or disposal of such securities or of such land or interest in land as are specified in that subsection shall be regarded as an investment in the securities in question or in such land or interest in land.

(*b*) In this subsection—

" participation certificate " means any document conferring upon the holder the right to participate in (or constituting evidence of the right of the holder to participate in) the profits or income arising from the acquisition, holding, management or disposal of a particular investment specified or described in the document;

"unit trust scheme" has the meaning assigned thereto by section 26 (1) of the Prevention of Fraud (Investments) Act 1958. 1958 c. 45.

(4) The restrictions contained in paragraphs 1, 2 (*b*) and 3 of Part IV of the First Schedule to the Act of 1961 shall not apply to the securities in which the Corporation are authorised to invest by virtue of paragraph 1 of Part III of the said Schedule 1 or by virtue of subsection (1) of this section.

Investment of fund moneys in acquisition, etc., of land.

7.—(1) Subject to the provisions of this section, the powers exercisable by the Corporation under the Act of 1961 to invest any property belonging to the wider-range part of the fund shall include power to invest such property in such manner as they think fit (and whether alone or in association with any other person) in the acquisition, development or management of land situated in the United Kingdom (or any interest in such land) and used or to be used for residential, commercial or industrial purposes, but Part IV of the First Schedule to the Act of 1961 shall not apply to any investment made under this subsection.

(2) Subsections (2) to (7) of section 6 of the Act of 1961 shall apply in relation to the exercise of the powers of investment conferred by subsection (1) of this section as they apply in relation to the exercise by the Corporation of the powers conferred by section 1 of that Act to invest any property belonging to the wider-range part of the fund in a manner specified in Part III of the First Schedule to that Act.

Section 21 (3) of Act of 1937 not to limit foregoing powers.

8. The provisions of the last two foregoing sections shall have effect notwithstanding anything in subsection (3) of section 21 of the Act of 1937.

Restriction on investment of fund moneys in property.

9.—(1) So long as the investments under paragraph (*i*) of section 6 (1), and under section 7, of this Act are together equal to or greater than one-quarter of the total value of the wider-range part of the fund, no further investment shall be made thereunder.

(2) For the purposes of this section the value of any investment of property belonging to the wider-range part of the fund shall be deemed to be the value of the investment at the time at which it was made.

Saving for Borrowing (Control and Guarantees) and Exchange Control Acts. 1946 c. 58. 1947 c. 14.

10. Nothing in this Act shall be taken as exempting the Corporation from the provisions of any order made under section 1 of the Borrowing (Control and Guarantees) Act 1946 or from the provisions of the Exchange Control Act 1947.

Costs of Act.

11.—(1) The costs, charges and expenses preliminary to and of and incidental to the preparing, applying for, obtaining and passing of this Act or otherwise in relation thereto shall be paid by the Corporation out of the general rate fund or out of moneys to be borrowed under this section.

(2) The Corporation may borrow, without the consent of any sanctioning authority, such sums as may be necessary for paying the costs, charges and expenses of this Act and, subject to the provisions of this section, Part IX of the Act of 1933 shall have effect as if money borrowed under this section were borrowed under that Part.

(3) The Corporation shall repay any sums borrowed under the last foregoing subsection within five years from the date of borrowing.

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