



# Local Government Act 1985

## 1985 CHAPTER 51

### PART VIII

#### FINANCIAL PROVISIONS

##### *New authorities*

<sup>F1</sup>68 .....

#### Textual Amendments

<sup>F1</sup> S. 68 repealed (21.8.1991) by S.I. 1991/1730, art. 2(1).

#### 69 Block grant.

(1) The new authorities shall be local authorities for the purposes of block grant under Part VI of the <sup>M1</sup>Local Government Planning and Land Act 1980 (rate support grant) for financial years beginning on or after the abolition date and accordingly that Act shall for those purposes have effect with the following amendments.

(2) In section 53—

(a) in subsection (5), in paragraph (f) the word “and” shall be omitted and after that paragraph there shall be inserted—

“(ff) a joint authority; and”;

(b) at the end of subsection (6) there shall be inserted the words “and the area of a joint authority is the area for which the authority is established.”.

(3) .....

<sup>F2</sup>

(4) In section 55(3), after paragraph (c), there shall be inserted “; or

(d) to a joint authority.”.

*Status: Point in time view as at 11/09/1998.*

*Changes to legislation: There are currently no known outstanding effects for the Local Government Act 1985, Part VIII. (See end of Document for details)*

(5) In section 59(11)—

(a) ..... F3

(b) after paragraph (c) there shall be inserted—

“; and

(d) as if paragraph (ff) referred to four classes, namely—

(i) metropolitan county police authorities and the Northumbria Police Authority;

(ii) metropolitan county passenger transport authorities;

(iii) metropolitan county fire and civil defence authorities; and

(iv) the London Fire and Civil Defence Authority.”

(6) At the end of section 68(1) there shall be inserted the words “and ’joint authority’ means a joint authority established by Part IV of the Local Government Act 1985”.

**Textual Amendments**

**F2** S. 69(3) repealed by [Local Government Finance Act 1987 \(c.6, SIF 81:1\)](#), s. 11(2), **Sch. 5** (the repeal being subject to the provision at the end of that Sch.)

**F3** S. 69(5)(a) repealed by [Rate Support Grants Act 1986 \(c.54, SIF 103:1\)](#), s. 4(3), **Sch. 2**

**Marginal Citations**

**M1** 1980 c. 65.

**70, 71.** ..... F4

**Textual Amendments**

**F4** Ss. 70, 71 repealed by [Local Government and Housing Act 1989 \(c.42, SIF 81:1\)](#), s. 194(2), **Sch. 12 Pt. I**

**72 Accounts and audit.**

(1) Each new authority shall keep a fund to be known as the general fund; and all receipts of the authority shall be carried to that fund and all liabilities falling to be discharged by the authority shall be discharged out of that fund.

(2) Accounts shall be kept of receipts carried to, and payments made out of, the general fund.

<sup>F5</sup>(3) .....

(4) Nothing in subsection (1) above shall be construed as requiring or authorising an authority to apply or dispose of the surplus revenue arising from any undertaking carried on by it otherwise than in accordance with any enactment or instrument applicable to the undertaking.

*Status: Point in time view as at 11/09/1998.*

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**Textual Amendments**

**F5** S. 72(3) repealed (11.9.1988) by 1998 c.18, ss. 54(3), 55(2), **Sch. 5**

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

**C1** S. 72(1)(2)(4) amended by S.I. 1985/1884, **art. 9(1)**

**C2** S. 72(1)(2)(4) modified by S.I. 1987/2110, art. 2(2), **Sch. 1 para. 7(g)**

**73 Financial administration.**

Each new authority shall make arrangements for the proper administration of its financial affairs and shall secure that one of its officers has responsibility for the administration of those affairs.

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

**C3** S. 73 amended by S.I. 1985/1884, **art. 9(1)**

**C4** S. 73 modified by S.I. 1987/2110, art. 2(2), **Sch. 1 para. 7(h)**

**C5** S. 73 modified by S.I. 1989/1815, art. 2(2), **Sch. 1 para. 9** (as inserted by S.I. 1990/198, **art. 2**)

*Residuary bodies*

<sup>F6</sup>**74** .....

**Textual Amendments**

**F6** S. 74 repealed (21.8.1991) by S.I. 1991/1730, **art. 2(1)**.

**75** ..... <sup>F7</sup>

**Textual Amendments**

**F7** S. 75 repealed (with savings in S.I. 1990/431, **Sch. 1 para. 1(a)**) by Local Government and Housing Act 1989 (c.42, SIF 81:1), ss. 194(2), **Sch. 12 Pt. 1**

**76** ..... <sup>F8</sup>

**Textual Amendments**

**F8** S. 76 repealed by Local Government and Housing Act 1989 (c.42, SIF 81:1), s. 194(2), **Sch. 12 Pt. 1**

**77 Treatment and distribution of capital and other money.**

(1) The Secretary of State may by order provide—

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- (a) .....<sup>F9</sup>
- (b) for the payment by a residuary body to [<sup>F10</sup>any authority to which this subsection applies] of such part (if any) of any capital money received by that body as is specified in the order.
- (2) Subsection (1) above applies to any [<sup>F11</sup>billing authority] in the area for which the residuary body in question is established and to any new authority established for (or for an area which includes or is included in) that area.
- (3) An order under subsection (1) above may—
- (a) apply only to capital money of a particular description or make different provision in relation to capital money of different descriptions;
- (b) apply only to some of the authorities to which that subsection applies or make different provision in relation to different authorities; . . .<sup>F12</sup>
- (c) .....<sup>F12</sup>
- (4) A residuary body may in any financial year distribute among [<sup>F11</sup>the billing authorities] in the area for which it is established any money (other than capital money) for the time being in the hands of that body; and any such distribution shall be in the same proportions as those that would apply to a levy made by it on those authorities in respect of that year.
- (5) In this section “capital money” means money of such description as may be specified for the purposes of this section by an order made by the Secretary of State [<sup>F11</sup>and references in this section to a billing authority shall be construed as references to an authority, other than the Council of the Isles of Scilly, which is a billing authority for the purposes of Part I of the Local Government Finance Act 1992.].

#### Textual Amendments

- F9** S. 77(1)(a) repealed by [Local Government and Housing Act 1989 \(c.42, SIF 81:1\)](#), s. 194(2), **Sch. 12 Pt. I**
- F10** Words substituted by [S.I. 1990/776, art. 8, Sch. 3 para. 26](#)
- F11** Words in s. 77(2)(4)(5) substituted (1.4.1993) by [S.I. 1993/616, art. 3, Sch. 2 Pt. I para. 5](#).
- F12** S. 77(3)(c) and word immediately preceding it repealed by [Local Government and Housing Act 1989 \(c.42, SIF 81:1\)](#), s. 194(2), **Sch. 12 Pt. I**

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

- C6** S. 77 amended by [S.I. 1985/1884, art. 9\(1\)](#)
- C7** S. 77 modified by [Education Reform Act 1988 \(c.40, SIF 41:1\)](#), **ss. 185(8)**, 231(7), 235(6)
- C8** S. 77 restricted by [Education Reform Act 1988 \(c.40, SIF 41:1\)](#), **ss. 185(9)**, 231(7), 235(6)

## 78 Accounts.

- (1) A residuary body shall keep proper accounts and proper records in relation to them.
- (2) A residuary body shall prepare a statement of accounts in respect of each financial year.
- (3) The statement shall comply with any directions given by the Secretary of State, with the consent of the Treasury, as to the information to be contained in the statement, the manner in which the information is to be presented or the methods and principles according to which the statement is to be prepared.

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- (4) Without prejudice to section 65 above the Secretary of State may give directions to a residuary body requiring it—
- (a) to keep accounts in respect of such matters and records relating to them as may be specified in the direction; and
  - (b) to comply with such methods and principles as may be so specified with respect to any accounts or records kept by that body;
- and it shall be the duty of a residuary body to comply with any such directions.

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

- C9** S. 78: certain functions transferred by S. I. 1991/517, arts. 2(d), 3(a)  
**C10** S. 78: certain functions transferred by S.I. 1989/814, art. 11(a)  
**C11** S. 78: certain functions transferred by S.I. 1989/1359, reg. 11(a)  
**C12** S. 78: certain functions transferred by S.I. 1989/2470, art. 12(a)  
**C13** S. 78(1)(2)(3) amended by S.I. 1989/1815, art. 2, Sch. 1 para. 7(1)

**79 Audit.**

- (1) The accounts of a residuary body shall be included among those which are required to be audited in accordance with [F13the Audit Commission Act 1998] and, subject to subsection (2) below, [F13that Act] shall accordingly have effect in relation to any such body and its accounts.
- (2) [F14Sections 5(1)(b) and (c), 14 to 18, 25 and 27 of that Act] shall not apply in relation to a residuary body or its accounts.
- (3) At each audit by an auditor under [F15the said Act of 1998] of the accounts of a residuary body any local government elector for any area to which the accounts to be audited relate may inspect those accounts and all books, deeds, contracts, bills, vouchers and receipts relating to them and make copies of all or any part of the accounts and those other documents.
- (4) At the request of any such local government elector, the auditor shall give the elector, or any representative of his, an opportunity to question the auditor about those accounts or to draw his attention to any matter on which he could make a report under [F16section 8 of the said Act of 1998]
- (5) As soon as the audit of the accounts of a residuary body has been concluded a copy of any statement prepared by that body for the accounting year in question under section 78(2) above, together with a copy of any report made by the auditor on the statement or on the accounts shall be sent by the body to the Secretary of State who shall lay a copy of the statement and report before each House of Parliament.
- (6) Any person, on application to a residuary body, shall be entitled—
- (a) to inspect and make copies of any statement prepared by it under section 78(2) above and any report made by an auditor on the statement or on the accounts of that body; and
  - (b) to be furnished with copies of any such statement or report on payment of such reasonable sum as the body may determine.
- (7) Any document which a person is entitled to inspect under subsection (3) or (6) above may be inspected by him at all reasonable times and without payment.

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- (8) Subsection (2) above shall not have effect so as to exclude the provisions there mentioned from <sup>F17</sup>the said Act of 1998] as applied by section 63 above and references to the accounts of a residuary body in subsection (3) to (6) above do not include references to any accounts in respect of which it has functions under that section.

#### Textual Amendments

- F13** Words in s. 79(1) substituted (11.9.1998) by 1998 c. 18, ss. 54(1), 55(2), **Sch. 3 para. 11(3)(a)(i)(ii)**  
**F14** Words in s. 79(2) substituted (11.9.1998) by 1998 c. 18, ss. 54(1), 55(2), **Sch. 3 para. 11(3)(b)**  
**F15** Words in s. 79(3) substituted (11.9.1998) by 1998 c. 18, ss. 54(1), 55(2), **Sch. 3 para. 11(3)(c)**  
**F16** Words in s. 79(4) substituted (11.9.1998) by 1998 c. 18, ss. 54(1), 55(2), **Sch. 3 para. 11(2)(d)**  
**F17** Words in s. 79(8) substituted (11.9.1998) by 1998 c. 18, ss. 54(1), 55(2), **Sch. 3 para. 11(2)(e)**

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

- C14** S. 79: certain functions transferred by S.I. 1991/517, arts. 2(d), 3(a)  
**C15** S. 79: certain functions transferred by S.I. 1989/814, **art. 11(a)**  
**C16** S. 79: certain functions transferred by S.I. 1989/1359, **reg. 11(a)**  
**C17** S. 79: certain functions transferred by S.I. 1989/2470, **art. 12(a)**  
**C18** S. 79 excluded by Local Government and Housing Act 1989 (c.42, SIF 81:1, 2), **s. 11(1)(4)**  
**C19** S. 79 amended by S.I. 1989/1815, art. 2, **Sch. 1 para. 7(3)**  
**C20** S. 79(2) excluded by S.I. 1989/1815, art. 2, **Sch. 1 para. 7(4)**

#### Transitional provisions

### 80 Transitional provisions relating to block grant and expenditure levels.

- (1) ..... <sup>F18</sup>
- (2) In relation to block grant payable for the year beginning with the abolition date the principles mentioned in section 59(11A) of the said Act of 1980 and those mentioned in section 8(6) of the said Act of 1982 need not be the same for all relevant authorities.
- (3) Notwithstanding subsection (2) of section 3 of the <sup>M2</sup>Rates Act 1984 the principles in accordance with which the Secretary of State exercises his power under that section to determine a level for the total expenditure of a relevant authority in the year beginning with the abolition date may differ from those applied by him in the case of any other relevant authority.
- (4) In this section “relevant authority” means a metropolitan district council, a London borough council, the Common Council, a new authority and any other authority which the Secretary of State, having regard to any transfer of functions or property to that authority under or by virtue of this Act, may by order designate as a relevant authority for the purpose of this section.

#### Textual Amendments

- F18** S. 80(1) repealed by Rate Support Grants Act 1986 (c.54, SIF 103:1), s. 4(3), **Sch. 2**

#### Marginal Citations

- M2** 1984 c. 33.

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## 81 Transitional functions of residuary bodies in respect of block grant.

- (1) Any payment which by virtue of any provision of Part VI of the Local Government, Planning and Land Act 1980 would but for this Act have fallen to be made on or after the abolition date by or to the Greater London Council or the council of a metropolitan county in respect of block grant payable for a year ending before that date shall instead be made by or to the appropriate residuary body.
- (2) Any information, notice, representation or request under section 65, 66 or 67 of that Act which but for this Act would have fallen to be given or made by or to the Greater London Council or the council of a metropolitan county on or after the abolition date in respect of block grant payable for a year ending before that date shall instead be given or made by or to the appropriate residuary body.
- (3) ..... F19

### Textual Amendments

**F19** S. 81(3) repealed by [Education Reform Act 1988 \(c.40, SIF 41:1\)](#), ss. 231(7), 235(6), 237(2), **Sch. 13 Pt. I**

### Modifications etc. (not altering text)

**C21** S. 81 modified by [S.I. 1988/2114](#), **art. 5(1)(2)**

**C22** S. 81 modified by [S.I. 1989/814](#), **art. 5(1)**

**C23** S. 81 amended by [S.I. 1990/1024](#), **art. 4(1)**

## 82 Transitional provisions for interim authorities.

- (1) As respects anything falling to be done before the abolition date in relation to the financial year beginning on that date references in sections 68 and 69 above and in the enactments which they amend to the Inner London Education Authority and the Northumbria Police Authority shall be construed respectively as references to the Inner London Interim Education Authority and the Northumbria Interim Police Authority; and references to the Inner London Education Authority in sections 70 and 72 above shall, as respects any time before the abolition date, be construed as references to the Inner London Interim Education Authority.
- (2) This Act does not affect Part I of the <sup>M3</sup>Rates Act 1984 in its application, for any financial year ending before the abolition date, to the existing Inner London Education Authority, that is to say, that Authority within the meaning of section 30 of the <sup>M4</sup>London Government Act 1963.

### Marginal Citations

**M3** 1984 c. 33.

**M4** 1963 c. 33.

### *London rate equalisation*

## 83 London rate equalisation schemes.

- (1) ..... F20

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- (2) After section 63 of the <sup>M5</sup>Local Government, Planning and Land Act 1980 there shall be inserted—

**“63A Adjustment of block grant for rates equalisation contribution.**

- (1) Where in any year a local authority is entitled to receive a contribution under a scheme made by virtue of section 66 of the London Government Act 1963 (equalisation of rates) the amount of any block grant payable to the authority for that year shall, if the Secretary of State so determines, be reduced by an amount equal to that contribution or by such lesser amount as he may determine.
- (2) Subsection (5) of section 61 above shall not apply to any exercise of the power conferred by subsection (3) of that section in respect of a determination under this section.”
- (3) This section has effect in relation to any financial year beginning on or after the abolition date.

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**Textual Amendments**

**F20** S. 83(1) repealed by [Local Government Finance Act 1988 \(c.41, SIF 81:1\)](#), s. 149, [Sch. 13 Pt. I](#)

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**Marginal Citations**

**M5** 1980 c. 65.



**Status:**

Point in time view as at 11/09/1998.

**Changes to legislation:**

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