
STATUTORY INSTRUMENTS

1981 No. 644

LONDON GOVERNMENT

**The Greater London Council (Transfer of Land
and Housing Accommodation) (No. 3) Order 1981**

<i>Made</i>	- - - -	<i>23rd April 1981</i>
<i>Laid before Parliament</i>		<i>1st May 1981</i>
<i>Coming into Operation</i>		<i>22nd May 1981</i>

Whereas the Greater London Council and the Council of the London borough of Tower Hamlets have requested the Secretary of State for the Environment to provide by an order under section 23(3) of the London Government Act 1963 for the transfer of certain land for the time being held by the Greater London Council for the purpose of development or redevelopment as housing accommodation and certain housing accommodation for the time being vested in the Greater London Council;

And whereas the said councils have agreed the terms of such transfer;

And whereas certain further matters appear to the Secretary of State necessary and proper for the purposes of or in consequence of that transfer;

Now therefore the Secretary of State, in exercise of powers conferred by sections 23(3) and 84 of the London Government Act 1963 and now vested in him⁽¹⁾ and in exercise of all other powers enabling him in that behalf, hereby makes the following order:—

Citation and commencement

1. This order may be cited as the Greater London Council (Transfer of Land and Housing Accommodation) (No. 3) Order 1981, and shall come into operation on 22nd May 1981.

Interpretation

2.—(1) In this order—

“the deposited Schedule” means the Schedule prepared in triplicate and entitled “Properties transferred by the Greater London Council (Transfer of Land and Housing Accommodation) (No. 3) Order 1981” which is signed by an Assistant Secretary in the Department of the Environment and as to which further provision is made in article 3;

“excluded property” means land or housing accommodation described in the deposited Schedule but excluded from transfer by the terms of the said Schedule;

“the Council” means the Greater London Council;

“the relevant date” means the 1st July 1985;

“representative body” means a body appearing to the Council to represent London borough councils;

“the Secretary of State” means the Secretary of State for the Environment;

“the transferee”, in relation to transferred property, means the Council of the London borough of Tower Hamlets; and

“transferred property” means the land or housing accommodation described in the deposited Schedule (other than excluded property) and transferred by this order.

(2) Without prejudice to the generality of section 23(5) of the London Government Act 1963, in this order, unless the context otherwise requires, any reference to housing accommodation shall include a reference to garages, parking spaces, shops and estate amenities.

(3) Any reference in this order to a numbered article shall, unless that reference is to an article of a specified order, be construed as a reference to the article bearing that number in this order.

(4) Any reference in an article of this order to a numbered paragraph shall, unless the reference is to a paragraph in a specified article, be construed as a reference to the paragraph bearing that number in the first-mentioned article.

(5) Any reference in a Schedule to this order to a numbered paragraph shall, unless the reference is to a paragraph in a specified Schedule, be construed as a reference to the paragraph bearing that number in the first-mentioned Schedule.

Deposited Schedule

3.—(1) One copy of the deposited Schedule is deposited in the offices of the Secretary of State, another in the principal office of the Council and the third, which shall be open for inspection at all reasonable times, in the principal office of the transferee.

(2) For the purpose of enabling the Secretary of State to make such amendments to this order as may seem to him necessary or proper, the Council shall, not earlier than six nor later than three months before the relevant date, prepare and submit to the Secretary of State a revised version of the deposited Schedule, indicating which properties still belong to it.

Transfer of property

4.—(1) On the relevant date the interest of the Council in the transferred property and (save as hereinafter provided) all liabilities attaching directly or indirectly to the Council in respect of its ownership or occupation of such property shall by virtue of this order be transferred to and vest in or attach to the transferee, and—

(a) subject to articles 6 and 7, all contracts, deeds, bonds, agreements and other instruments subsisting in favour of, or against, and all notices in force which were given (or having effect as if they had been given) by, or to, the Council in respect of such property and liabilities shall be of full force and effect in favour of, or against, the transferee; and

(b) subject to article 9, any action or proceeding or any cause of action or proceeding, pending or existing at the relevant date by, or against, the Council in respect of such property and liabilities shall not be prejudicially affected by reason of this order, and may be continued, prosecuted and enforced by, or against, the transferee.

(2) Nothing in this order shall affect the exercise by the Council at any time earlier than three months before the relevant date of any right arising from its ownership of the transferred property.

General words implied in transfer

5. Unless the Council and the transferee otherwise agree, section 62 of the Law of Property Act 1925 (which implies certain words in conveyances of land, subject to the terms of the conveyance and the provisions therein contained) shall have effect—

- (a) in respect of any transferred property; and
- (b) in respect of any property, being property vested in the Council, which is affected by the said transfer,

as if the property described in (a) and (b) respectively had been the subject of a conveyance on the relevant date.

Works of construction, modernisation etc. on transferred property

6.—(1) In this article—

“major works” means any works on the transferred property:—

- (a) for the construction, rehabilitation or modernisation of, or major works of improvement to, the property; or
- (b) which arise from a major technical cause; and

“final certificate” means the certificate of the architect or other supervisory officer with responsibility for the execution of major works certifying final payment in respect thereof.

(2) Where a contract relating to or in connection with major works has been entered into by the Council before the relevant date, the Council may within three months thereof, by notice in writing given to the transferee, specify such a contract as being a notified contract for the purposes of this article, and in any such notice shall indicate whether a final certificate has been issued in respect of the works.

(3) Any contract relating to or in connection with major works on the transferred property which is not specified in a notice under paragraph (2), or which is indicated therein as being the subject of a final certificate, shall be vested in the transferee under article 4 at the expiry of three months after the relevant date.

(4) Any notified contract which is not stated in a notice under paragraph (2) to be the subject of a final certificate shall be vested in the transferee under article 4 at the expiry of 15 days after a final certificate is issued in respect thereof.

(5) The Council may by notice in writing require the transferee to assign to the Council the benefit and burden of any contract which is vested in the transferee in accordance with this article, specifying the date on which such assignment shall take place, and on that date the transferee shall so assign the benefit and burden of the contract, notwithstanding any provision thereof or otherwise purporting to prohibit or restrict assignment.

(6) Where any major works, not being the subject of a contract to which this article applies, have commenced but have not been completed (or with the agreement of the transferee been discontinued) at the relevant date, the Council shall, unless otherwise agreed with the transferee, complete the said works; and completion shall be deemed to take place upon the issue of a final certificate.

(7) The transferee shall so far as it is able afford to the Council, its officers, employees, agents and contractors all such reasonable access to the transferred property and rights to use the same as the Council may require for the purpose of:—

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- (a) carrying out works under a contract to which this article applies from the relevant date to the date on which the contract is vested in the transferee or at any date after the contract is assigned to the Council under paragraph (5), and
- (b) any major works falling within paragraph (6).

(8) The Council shall determine, for the purposes of paragraphs (2) to (6), what works fall within paragraph (1)(b).

(9) Schedule 1 to this order shall have effect in respect of works the subject of programmes to be prepared by the Council.

7.—(1) This article applies to any payment falling to be made under a contract to which article 6 applies at any time after the contract is vested in the transferee.

(2) Where the payment falls to be made by the transferee, the Council shall indemnify the transferee in respect thereof; and where the transferee receives any payment in connection with works the subject of a programme prepared under Schedule 1, it shall be paid to the Council.

(3) The transferee may deduct from any payment under paragraph (2) its proper legal costs and disbursements incurred thereon and not otherwise recovered by it.

Legal proceedings

8. Any legal proceedings at the relevant date may be amended in such manner as may be necessary or proper in consequence of this order.

Negligence and breach of statutory duty

9.—(1) The Council shall meet the full amount of any claim as to an act of negligence or breach of statutory duty made against, them by a third party in respect of any transferred property provided that such claim—

- (a) relates to an act or breach committed or occurring before the relevant date; and
- (b) is settled for an amount in excess of £250.

(2) The transferee shall meet any such claim which is settled for an amount not exceeding £250.

Covenants affecting transferred property

10.—(1) The Council shall notify the transferee of any land within the extent of an area of transferred property in respect of which the Council have power under section 151 of the Housing Act 1957 to enforce any covenant against an owner for the time being of the land and such notification shall provide sufficient particulars of the said covenant.

(2) In respect of any such land—

- (a) the Council shall consult with the transferee before exercising their power under the said section 151; and
- (b) the transferee may require the Council to exercise the said power in any case where such exercise is required in the interests of the area of transferred property within the extent of which the land is situated.

11. Any covenant (not being a covenant to which article 10 applies) which would be enforceable by the Council immediately before the relevant date in respect of land within the extent of or adjoining an area of transferred property, being land which was sold or exchanged by the Council or by the London County Council and, immediately before such sale or exchange, was held by them

for the purposes of the Housing Act 1957 or of any Act re-enacted by that Act, shall be of full force and effect in favour of the transferee.

Sharing of transferred property and other land

12. Where it appears expedient—

- (a) to the Council for the purpose of any of their functions that the use of any transferred property; or
- (b) to the transferee for the purpose of managing, maintaining or repairing their housing land or accommodation that the use of any excluded property.

should be shared between the Council and the transferee, the Council or the transferee (as the case may be) may serve a notice on the other party requiring terms (by way of lease or otherwise) to be agreed for the sharing of the said transferred or excluded property.

Rent Books

13.—(1) In the case of any transferred property being premises to which the Landlord and Tenant Act 1962 applies, notification by the transferee to the tenant of the said property of the transfer effected by this order shall be deemed to be a compliance by the transferee with the requirements of section 2(1)(a) of the said Act.

(2) Paragraph (1) shall cease to apply in respect of any such premises when the transferee first provides a rent book or other similar document for use in respect of the said premises.

Byelaws

14. Any byelaw in force immediately before the relevant date for the regulation of any transferred property shall have effect as if it had been made by the transferee.

Vehicles and plant

15.—(1) The Council shall before the relevant date make such a scheme as they may think fit for the transfer to the transferee of motor vehicles and plant belonging to the Council, being vehicles and plant wholly or partly kept and used in connection with the repair, maintenance or management of transferred property and on the relevant date the motor vehicles and plant which are the subject matter of the scheme shall be transferred to and vest in the transferee.

(2) In making a scheme under paragraph (1) the Council shall have regard to the needs of the transferee in relation to the repair, maintenance or management of the transferred property and also to the needs of the Council in relation to their remaining property.

(3) Articles 4 and 9 shall apply in respect of any motor vehicles and plant transferred under paragraph (1) as they apply in respect of transferred property.

(4) In this article—

“motor vehicle” shall have the same meaning as in section 190(1) of the Road Traffic Act 1972; and

“plant” includes any equipment or machinery (other than a motor vehicle), whether or not moveable or mechanically operated, and other devices used in connection with the repair, maintenance or management of land or property.

Goods and materials

16.—(1) All goods and materials belonging to the Council which on the relevant date are situate and normally kept on or in any transferred property shall on that date be transferred to and vest in the transferee.

(2) As soon as may be after the relevant date the Council shall make a scheme or schemes for the sharing between the Council and the transferee of goods and materials transferred under paragraph (1) or for the value of such goods and materials to be adjusted between the Council and the transferee and on the coming into force of any such scheme the Council and the transferee shall give effect to it according to its terms.

(3) In making a scheme under paragraph (2) the Council shall have regard to the needs of the transferee in relation to the repair, maintenance and management of the transferred property and to such needs of the Council in relation to their remaining property.

(4) Articles 4 and 9 shall apply in respect of any goods and materials transferred under paragraph (1) as they apply in respect of transferred property.

(5) In this article “goods and materials” means substances of all kinds, trade fittings and tools used in connection with the repair, maintenance or management of land or property.

Nomination rights

17. Schedule 2 to this order shall have effect with respect to the rights of the Council to nominate tenants to dwellings comprised in transferred property.

Consolidated loan funds

18. Where by virtue of this order any matter in respect of which, if this order had not been made, sums would have become due and owing to a consolidated loans fund or loans pool maintained by another authority on and after the relevant date, is transferred to the transferee, such sums shall be paid by the transferee to the authority by whom the fund is maintained.

Transfer of outstanding debt

19.—(1) The transferee shall—

- (a) from the relevant date assume liability for all repayments of principal, interest and management expenses relating to the loan debt outstanding at that date, on the transferred properties (including the cost of the land) and due to the consolidated loans fund of the Council;
- (b) from the date on which payment is made or costs incurred under article 6(6), assume a similar liability in respect of any loan debt incurred by the Council after the relevant date in meeting the liabilities created by article 6;
- (c) discharge such liabilities by making payments to the Council of such amounts and at such times each year as shall be agreed between the Council and the transferee.

(2) Where the transferee disposes of any transferred property, any capital sum received by the transferee as a result of the disposal shall first be applied to meet the outstanding loan debt (if any) attributable to that property.

20. Where under this order or any adjustment made in consequence hereof any liability or part of a liability charged indifferently on all the revenues of the Council or on any particular revenues or fund of the Council is transferred to the transferee, the liability or part of the liability, as the case

may be, shall be charged indifferently on all the revenues of the transferee, and shall cease to be a charge on any revenues or fund of the Council.

Housing grants and subsidies

21. The Council shall furnish the transferee with such information as the Secretary of State may require from the transferee in order to determine any question concerning housing grants or subsidies or the amount thereof.

Payments in respect of housing accommodation generally, and net cost of transferred property

22. Schedule 3 to this order shall have effect in relation to payments between the Council and the transferee in respect of housing accommodation generally and the net cost of the transferred property.

Review of certain financial terms

23.—(1) Without prejudice to any provision in Schedule 3 to this order for reviewing the terms contained in that Schedule, if an enactment is passed after the coming into operation of this order which in the opinion of the Council or of the transferee significantly affects those terms the Council or the transferee (as the case may be) may notify the other party that the said terms should be reviewed.

(2) On the giving (or receiving) of a notification under paragraph (1) the Council, in consultation with the transferee, shall review the said terms and such other terms may be agreed as the Secretary of State may approve.

(3) If the Council and the transferee, having held a review under paragraph (2), fail to agree such other terms as are therein mentioned the Secretary of State, on the application of the Council or of the transferee, may determine the said other terms.

Arbitration

24.—(1) Subject to any provision of this order, any dispute arising under this order or in consequence thereof shall be determined by an arbitrator appointed by agreement between the parties in dispute or, in default of agreement, by the Secretary of State and, subject as aforesaid, the provisions of the Arbitration Act 1950 shall apply to any arbitration under this article.

(2) Paragraph (1) shall include any dispute between the Council and the transferee—

- (a) under article 12 whether it is expedient that the use of any property should be shared, or
- (b) under article 15(2) or article 16(3), whether the Council has had any or sufficient regard to the needs of the transferee.

Signed by authority of the Secretary of State

23rd April 1981

Geoffrey Finsberg
Parliamentary Under Secretary of State
Department of the Environment

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SCHEDULE 1

Article 6

WORKS OF REHABILITATION ETC. ON TRANSFERRED PROPERTY

1.—(1) The Council shall, in consultation with the transferee and a representative body, prepare programmes for works to which article 6 applies.

(2) In the case of the properties listed in Part 5 of the deposited Schedule, the said programmes shall, and in any other case shall not, consist of or include—

- (a) works of construction of housing accommodation;
- (b) works commencing before the relevant date.

(3) The works required by the said programmes may (save as respects the properties listed in Part 5 of the deposited Schedule) be designed and carried out by the transferee with the consent of the Council where such a course appears expedient to the Council; but save as aforesaid the Council shall design and carry out all such works.

(4) The said programmes may provide for the transferee to assign to the Council the benefit and burden of any transferred rights or liabilities, and article 6(5) shall apply in respect of any such transferred rights or liabilities as it applies to any contract falling within that article.

(5) In this paragraph “transferred rights or liabilities” means all contracts, deeds, bonds, agreements and other instruments, notices and causes of action falling within article 4(a) or (b) and transferred by this order together with the transferred property.

2.—(1) Where after the relevant date the Council incurs any loan debt in connection with carrying out any works under this Schedule, the transferee shall be liable for all repayments of principal, interest and management expenses in respect of the loan debt so incurred, less the net cost of the works, as calculated in accordance with paragraph 3, and shall discharge such liability by making payments to the Council in such installments and at such times as may be agreed between the parties.

(2) Where the transferee carries out any works required by a programme prepared under this Schedule with the consent of the Council, the Council shall pay in respect of any financial year commencing with 1985/86 the net cost (if any) for that year of any such works, as calculated in accordance with paragraph 3.

3.—(1) The net cost of any works is the amount by which the gross costs thereof exceed the income receivable therefrom.

(2) In this paragraph—

“gross costs” means the sum of:—

- (a) the loan charges incurred by the transferee in connection with the works or, as the case may be, the liabilities of the transferee under paragraph 2, and
- (b) all costs reasonably incurred by the transferee in connection with the disturbance or removal of tenants, as agreed with the Council, and

“income receivable” means the sum of:—

- (a) any grants or subsidies receivable by the transferee in respect of the works, and
- (b) any additional rental income which would be receivable by the transferee as a result of the works being completed, as determined by the Council.

(3) Where the rents (including subsidies) receivable by the transferee in respect of the transferred property exceed the outgoings in respect thereof, as calculated under Schedule 3, the amount of the excess shall be deducted from the net cost under this paragraph.

SCHEDULE 2

Article 17

RIGHTS OF THE GREATER LONDON COUNCIL TO NOMINATE TENANTS TO TRANSFERRED PROPERTY

1.—(1) For the purpose of—

- (a) assisting in meeting the requirements of the Council and of the London borough councils for housing accommodation arising from the discharge of any of their functions; and
- (b) providing opportunities for the movement of persons requiring rented accommodation in Greater London,

the Council shall, until 31st March 1990, from time to time make, and operate, schemes for the allocation of vacancies in the dwellings transferred by this order in respect of which they enjoy the rights to arrange for the nomination of tenants conferred by paragraph 2.

(2) Without prejudice to the generality of the objectives specified in sub-paragraph (1), the Council, in preparing a scheme under this paragraph, shall have regard to—

- (a) the need to make provision for the re-housing of persons displaced by the discharge of the Council's functions;
- (b) the need to make provision for persons formerly resident in Greater London to return to Greater London;
- (c) the relative housing needs of London borough councils; and
- (d) the incidence and extent of homelessness within Greater London.

(3) In preparing, reviewing or modifying a scheme under this paragraph, the Council shall consult any bodies which appear to the Council to represent authorities to which land or housing accommodation has been transferred by an order made under section 23(3) of the London Government Act 1963.

(4) At the end of each year of its operation, a scheme made under this paragraph shall be reviewed by the Council and modified so far as is necessary in the light of the objectives specified in sub-paragraph (1) and of the considerations set out in sub-paragraph (2).

(5) To enable the Council to operate, review or modify a scheme made under this paragraph, the transferee shall provide the Council with such information as the Council may from time to time reasonably require.

(6) The Council shall provide the Secretary of State with such information as to the operation of a scheme made under this paragraph as he may reasonably require to satisfy himself that the purposes of the scheme are being achieved.

2.—(1) From the relevant date until 31st March 1990, the Council shall, without payment and for the purposes of any scheme made under paragraph 1 and for the time being in force, be entitled to arrange for the nomination of tenants to such proportion of vacancies in the dwellings transferred by this order to the transferee, being not less than 20 per centum nor more than 50 per centum of such vacancies, as may be determined by the Council in accordance with the provisions of the said scheme.

(2) The transferee shall ensure that the vacancies which it makes available to the Council for the purposes of this paragraph shall, so far as is practicable, be in dwellings which, in size, type, age and quality are, taken as a whole, representative of the dwellings, transferred by this order to the transferee, in which vacancies occur.

3.—(1) In this Schedule “vacancy” in relation to any dwelling transferred by this order means —

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- (a) a vacancy existing at the date of transfer in a dwelling which is available for occupation at that date;
 - (b) a vacancy existing at the date of transfer in a dwelling which becomes available for occupation after that date;
 - (c) a vacancy (other than a vacancy specified in sub-paragraph (2)) which arises after the date of transfer in a dwelling which is available for occupation at the date when that vacancy arises; and
 - (d) a vacancy (other than a vacancy specified in sub-paragraph (2)) which arises after the date of transfer in a dwelling which becomes available for occupation after the date on which that vacancy arises.
- (2) The vacancies excluded from sub-paragraph (1)(c) and (d) are vacancies arising directly or indirectly in consequence of the tenant of the dwelling in question—
- (a) moving, or being transferred, to another dwelling owned by the transferee;
 - (b) moving to a dwelling owned by another local authority pursuant to an arrangement, made between the transferee and that other local authority, whereby a reciprocal vacancy is to be made available to that other local authority by the transferee; or
 - (c) being re-housed by a housing association pursuant to a right of nomination enjoyed by the transferee.
- (3) In this Schedule the term “vacancies in the dwellings transferred” shall be deemed to refer both to dwellings situate upon transferred property at the relevant date and to dwellings to be provided upon transferred property after the relevant date pursuant to article 6 or to any other arrangement made between the Council and the transferee leading to such provision.
- (4) Nothing in this Schedule shall affect any agreement as to nomination made or to be made between the Council and any local authority.

SCHEDULE 3

Article 22

PART 1

PAYMENTS IN RESPECT OF HOUSING ACCOMMODATION GENERALLY

1.—(1) The following payments shall be made in respect of each financial year from 1981/82 to 1987/88.

(2) For the purpose of improving the management and maintenance of housing accommodation in the area of the transferee, whether vested in the transferee or the Council, and whether so vested before or after the relevant date, the Council shall pay:—

- (a) £1,000,000; and
- (b) an additional sum, representing the increased costs of management and maintenance in the year in question as compared with 1980/81, which shall be calculated in such manner as the parties may agree.

(3) Where the Council is satisfied, upon consideration of a representation made by a joint committee of the Council and the transferee or by the transferee alone, that further payments ought to be made to the transferee, the Council shall pay such sum as it shall determine.

PART II

PAYMENTS IN RESPECT OF NET COST OF TRANSFERRED PROPERTY

2. Payments in respect of the net cost of the transferred property shall be made in accordance with the following provisions of this Part of this Schedule.

3.—(1) Where in any financial year commencing with 1985/86 the outgoings in respect of the transferred property exceed the rents (including subsidies) receivable therefor, the difference shall be paid by the Council.

(2) In this paragraph, subject to any adjustment under paragraph 4 to 6—

“the outgoings” means the sum of:—

- (i) the liabilities of the transferee under article 19 for the year in question, and
- (ii) the costs of managing and maintaining the transferred property for 1984/85, as determined by the Council;

“rents” means all the income from the transferred property (including rent rebate subsidy) for 1984/85, as determined by the Council; and

“subsidies” means all grants or subsidies payable in respect of the transferred property, other than rent rebate subsidy.

(3) Any payment which falls to be made for 1985/86 shall be abated in proportion to the part of that year which commences with the relevant date.

(4) For 1985/86 any factors which are agreed between the Council and the transferee to be peculiar to 1985/86 and attributable to events occurring immediately before the relevant date, shall be taken into account for that year.

(5) Where—

- (a) any building which is in the course of construction on the transferred property at the relevant date, or
- (b) any building on property listed in Part 5 of the deposited Schedule,

becomes available for letting after the relevant date, the outgoings and the rents in respect thereof shall be appropriately adjusted in such manner as the Council shall determine.

4. The costs referred to in paragraph 3 shall be adjusted in accordance with—

- (a) such office and other accommodation as the transferee may require for the purpose of managing and maintaining the transferred property, in addition to any such accommodation which is included in the transferred property;
- (b) the costs incurred by the transferee in pursuance of Schedule 2; and
- (c) in respect of 1985/86, all special costs reasonably incurred by the transferee within six months of the relevant date in consequence of this order, as agreed with the Council.

5.—(1) In calculating the subsidies referred to in paragraph 3, no account shall be taken of any recoupment or reduction of subsidy under Part VI of the Housing Act 1980, save such as may result from the demolition by the transferee of any houses on the transferred property occurring after the relevant date in pursuance of a programme under Schedule 1.

(2) Where the period for which subsidy would be receivable but for the said recoupment or reduction begins before the relevant date, the amount of subsidy which would be receivable but for the recoupment or reduction shall be such reasonable amount as the Council and the transferee may agree.

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6.—(1) The costs referred to in paragraph 3(2)(ii) shall be taken to be increased in each year by an amount to be determined by the Council, which shall not be less than the sum per dwelling stated by the Secretary of State to have been used for the purpose of determining the reckonable expenditure of the transferee under section 99 of the Housing Act 1980.

(2) The rents referred to in paragraph 3 shall be taken to be increased in each year by an amount to be determined by the Council, which shall not exceed the sum per dwelling stated by the Secretary of State to have been used for the purpose of determining the local contribution differential of the transferee under section 100 of the Housing Act 1980.

(3) Before determining the amount of any increase under this paragraph, the Council shall consult the transferee and a representative body.

7.—(1) Where the transferee disposes of or appropriates any transferred property, any payment falling to be made in respect of that property under paragraph 3 for any financial year commencing after the disposal or appropriation takes place shall be adjusted in accordance with the following provisions of this paragraph.

(2) For the purpose of this paragraph the Council shall determine what payment (if any) would fall to be made under this Part of this Schedule if the property so disposed of or appropriated were the only transferred property (in this paragraph referred to as “the part payment”).

(3) Where the consideration for the disposal, or the value at which the appropriation is made, expressed in money, is sufficient to discharge the outstanding loan debt attributable to the property, the payment for which the Council is liable shall be reduced by the amount of the part payment.

(4) Where such consideration or value is insufficient to discharge the outstanding loan debt attributable to the property, and the part payment exceeds the residual loan charges, the payment for which the Council is liable shall be reduced by the excess of the part payment over the residual loan charges.

(5) In this paragraph “residual loan charges” means such part of the loan charges payable in respect of the property as the Council shall determine, being the amount which would remain to be met after applying in respect of the property either any annual mortgage payments to be made to the transferee, or any capital sums received by the transferee, and after deducting any grant or subsidy continuing to be payable in respect of the property.

8. The transferee shall furnish the Council with sufficient details of the disposal or appropriation of any transferred property to enable the adjustment required by paragraph 7 to be made.

9.—(1) Not later than the 31st March 1990, the Council shall review the terms set out in this Part of this Schedule for the purpose of considering the need for payments to be, or continue to be, made by the Council; and where it is agreed in consequence of such review that payments should be made having regard to the financial needs of the transferee, then the Council shall make such payments for such a period, and on such terms and conditions, as may be agreed.

(2) The Council or the transferee may at any time give notice requiring the terms set out in this Part of this Schedule to be reviewed, and specifying the circumstances which in the opinion of the notifying party call for the review, and thereupon the Council shall review the said terms; and in the event of such a review such payments shall be made as may be agreed or in default of agreement determined by the Secretary of State.

(3) Not earlier than the 31st March 1995, and every five years thereafter, the Council may, and if so requested by the transferee shall, carry out a further review of the terms set out in this Part of this Schedule; and the provisions of sub-paragraph (1) shall apply to any such further review.

(4) Any review to which this paragraph applies shall be carried out by the Council in consultation with the transferee and a representative body.

EXPLANATORY NOTE

This Order provides for an agreed transfer of housing land and accommodation from the Greater London Council to the London Borough of Tower Hamlets, in whose area the land and accommodation is situated. It includes the agreed terms on which the transfer is to take place and also certain consequential and supplementary provisions.