



Local Government Act 1985

1985 CHAPTER 51

PART VII

RESIDUARY BODIES

57 Establishment of residuary bodies

- (1) On the appointed day there shall be established—
 - (a) for Greater London a body corporate to be known as the London Residuary Body ; and
 - (b) for each metropolitan county a body corporate to be known by the name of that county with the addition of the words " Residuary Body " .
- (2) The bodies established by this section are in this Act referred to as residuary bodies, and in this Act " the appropriate residuary body " means, in relation to Greater London or the Greater London Council, the London Residuary Body and, in relation to a metropolitan county or the council of that county, the residuary body established for that county.
- (3) Each of those bodies shall consist of not less than five and not more than ten members appointed by the Secretary of State; and the Secretary of State shall appoint one of those members to be chairman and may appoint another to be deputy chairman of that body.
- (4) As soon as may be after the establishment of a joint committee under section 95 below for Greater London or a metropolitan county the Secretary of State shall, after consultation with that committee, appoint one of its members to be a member of the appropriate residuary body.
- (5) The Secretary of State may by an order applying to all or any of the residuary bodies alter either of the numbers specified in subsection (3) above.
- (6) In this section "the appointed day " means such day before the abolition date as the Secretary of State may by order appoint, and different days may be appointed for different residuary bodies.

Status: This is the original version (as it was originally enacted).

(7) Schedule 13 to this Act shall have effect with respect to each residuary body.

58 Repayment of loans

- (1) Except so far as otherwise provided by any provision made under this Act, all the rights and liabilities of the Greater London Council or a metropolitan county council on the abolition date in respect of money borrowed by that council shall on that date become rights and liabilities of the appropriate residuary body and those liabilities (both as respects principal and interest) shall be charged on the revenues of that body.
- (2) For the purpose of providing a residuary body with money to discharge those liabilities each relevant authority shall on the abolition date be deemed to have borrowed from the appropriate residuary body such sum as may be specified by or determined in accordance with an order made by the Secretary of State; and that sum shall be deemed to have been borrowed on such terms as to repayment and the payment of interest as may be so specified.
- (3) Without prejudice to its borrowing powers by virtue of Part VIII below, a residuary body may borrow money for the purpose of discharging any liabilities to which it is subject under subsection (1) above and a relevant authority may, during the period within which it is required to discharge its liabilities in respect of principal under subsection (2) above, borrow money for the purpose of discharging its liabilities under that subsection.
- (4) In this section " relevant authority " means—
 - (a) as respects Greater London, each rating authority in Greater London and the authorities established by sections 18 and 27 above ;
 - (b) as respects a metropolitan county, each rating authority in the county and any joint authority in relation to which such an authority is a constituent council.
- (5) In subsection (1) above the reference to money borrowed by a council includes a reference to any money borrowed by any other authority whose rights and liabilities in respect of that money have been transferred to that council.

59 Redundancy and compensation payments

- (1) Any person who immediately before the abolition date is in the service of the Greater London Council or a metropolitan county council under a contract of employment which would have continued but for the abolition of that council and who is not designated for the purposes of section 52 above shall be entitled to receive from the appropriate residuary body any redundancy payment under Part VI of the Employment Protection (Consolidation) Act 1978 which he would have been entitled to receive from that council if it had not been abolished but had dismissed him by reason of redundancy immediately before the abolition date.
- (2) As respects any such redundancy payment as is mentioned in subsection (1) above the appropriate residuary body shall be treated as the employer of the person concerned for the purposes of sections 101, 102, 104, 108 and 119 of the said Act of 1978 (ancillary provisions about redundancy payments) and references to the relevant date in sections 81(4), 82(1) and 101 of that Act and in Schedule 4 to that Act shall be construed as references to the day before the abolition date.

- (3) With a view to reducing the cases in which redundancy payments will fall to be made to such persons as are mentioned in subsection (1) above the Secretary of State may make a scheme for the making of payments by the residuary bodies to employers offering such persons employment which, by virtue of sections 84, 94 and 95 of the said Act 1978, will preclude their becoming entitled to redundancy payments.
- (4) Any person who immediately before the abolition date is in the service of the Greater London Council or a metropolitan county council under a contract of employment made before 2nd March 1984 and who is not designated for the purposes of section 52 above shall be entitled to receive from the appropriate residuary body—
 - (a) if the contract provided for his employment for a fixed term extending beyond that date without any provision for its prior termination by that council, an amount equal to any damages which he would have been entitled to recover from that council if it had not been abolished but had dismissed him immediately before that date; or
 - (b) if the contract (whether or not for a fixed term) provided for its termination by that council on payment of compensation for loss of employment, an amount equal to the compensation which he would have been entitled to receive from that council if it had not been abolished but had terminated the contract immediately before that date.
- (5) In paragraph (b) of subsection (4) above " compensation for loss of employment" does not include any payment to be made under the contract in lieu of notice ; and where the amount of compensation payable under a contract differs according to the reasons for its termination the amount payable under that paragraph shall be determined on the assumption that the contract was terminated by reason of redundancy within the meaning of the said Act of 1978.

60 Payment of pensions

- (1) Except so far as otherwise provided by regulations made before the abolition date under section 7 of the Superannuation Act 1972 (local government superannuation) all the functions of the Greater London Council or a metropolitan county council as administering authority under the regulations then in force under that section shall on that date become functions of the appropriate residuary body and the superannuation fund maintained by that council, together with all rights and liabilities in respect of it, shall on that date vest in that body.
- (2) Subject to subsection (3) below, all liabilities of the Greater London Council or a metropolitan county council in respect of pensions payable by it otherwise than under such regulations as aforesaid shall on the abolition date become liabilities of the appropriate residuary body.
- (3) Subsection (2) above does not apply to liabilities which by virtue of any provisions made under this Act become liabilities of a police or fire authority established by Part IV of this Act.
- (4) Any pension granted on or after the abolition date under section 6 of the Coroners (Amendment) Act 1926 by a metropolitan district council shall be paid by the appropriate residuary body but the sums required for paying the pension shall be reimbursed to that body—
 - (a) if that council is not designated under section 13(3)(b) above, by that council; and

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- (b) if that council is so designated, by that and the other councils in the coroner's district in question in such proportions as they may agree or, in default of agreement, as may be determined by the Secretary of State.
- (5) In subsection (2) above references to pensions include references to allowances, grants or other benefits in respect Of past service, death, injury or disease (whether of the pensioner or another person) and any such compensation as is mentioned in section 8(1)(b) of the Pensions (Increase) Act 1971.
- (6) As from the abolition date section 58(2)(c) of the Justices of the Peace Act 1979 shall be amended by substituting for the words " the Greater London Council " the words " the London Residuary Body" .

61 Payment of pensions increases

- (1) As from the abolition date paragraphs 48 and 49 of Schedule 2 to the Pensions (Increase) Act 1971 shall be amended by substituting for the words " the Greater London Council " the words " the London Residuary Body " .
- (2) At the end of Part II of that Schedule (pensions payable out of local funds) there shall be inserted—
 - “64A A pension payable by a residuary body established by the Local Government Act 1985 in respect of service ending with service with that body.
 - 64B A pension payable by such a residuary body, being a pension which would fall within any of the foregoing paragraphs of this Part of this Schedule if references to a local authority had continued to include references to the authorities abolished by that Act.”
- (3) In paragraph 1(5) of Schedule 3 to that Act (cases where increase of pension is to be reimbursed by the last employing authority) for the words " and 63 " there shall be substituted the words " , 63, 64A and, so far as relating to any pension falling within any of the foregoing paragraphs, 64B " .
- (4) The appropriate residuary body shall pay—
 - (a) any increase which by virtue of regulations under section 5(2) of the said Act of 1971 would have been payable on or after the abolition date by the Greater London Council or a metropolitan county council; and
 - (b) any payment which is analogous to a pensions increase and would have been payable as aforesaid by virtue of regulations under section 13(3) of that Act.
- (5) Notwithstanding subsection (3) above or anything in any such regulations as are mentioned in subsection (4)(a) above no liability to reimburse a residuary body in respect of any payment made by virtue of this section shall attach to the Secretary of State, the Arts Council of Great Britain or the Historic Buildings and Monuments Commission for England.

62 Custody of residuary property etc.

- (1) On the abolition date there shall vest in the appropriate residuary body all residuary property, rights and liabilities of the Greater London Council or a metropolitan county council.

- (2) In subsection (1) above "residuary property, rights and liabilities " means any property for the vesting of which provision is not otherwise made by or under this Act or any other enactment and, subject to subsection (3) below, any rights and liabilities which are not transferred, extinguished or otherwise dealt with by any provision made as aforesaid.
- (3) This section shall not be construed—
- (a) as continuing in force any contract of employment made by the Greater London Council or a metropolitan county council; or
 - (b) as imposing any liability on a residuary body in respect of the termination of any such contract by the abolition of that council;
- but the rights and liabilities to which this section applies shall include any rights and liabilities attributable to anything done or omitted under or in respect of such a contract before the abolition date except any liability to make a payment prohibited by section 53(2) above.
- (4) The Secretary of State may by order confer on a residuary body any statutory functions which before the abolition date were exercisable by the Greater London Council or a metropolitan county council, being functions exercisable by that council in relation to any property, rights or liabilities which are vested in that body by this section or by any other provision made by or under this Act or any other enactment.
- (5) An order under subsection (4) above may contain such supplementary and transitional provisions as the Secretary of State thinks necessary or expedient, including provisions amending any enactment or any instrument made under any enactment.

63 Preparation of final accounts

- (1) It shall be for the appropriate residuary body to discharge in relation to the accounts of the Greater London Council or a metropolitan county council for any period ending before the abolition date—
- (a) any functions under the regulations in force under Part III of the Local Government Finance Act 1982 which would have fallen to be discharged on or after that date by that council or any of its officers; and
 - (b) any functions under those regulations which fell to be so discharged before that date but have not been discharged.
- (2) As respects anything falling to be done on or after the abolition date in relation to the accounts mentioned in subsection (1) above the provisions of Part III of the said Act of 1982 shall have effect as if those accounts were accounts of the appropriate residuary body but so that—
- (a) the documents to which an auditor has the right of access under section 16(1) shall include any documents relating to the Greater London Council or the relevant metropolitan county council which are in the possession of a successor authority; and
 - (b) the persons who may be required to give information or an explanation under section 16(2) or 28(1) shall include any person who was an officer or member of the Greater London Council or the relevant metropolitan county council at any time during the period to which the accounts relate and who is an officer or member of a successor authority.

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- (3) Any requirement under section 29(1) of the said Act of 1982 in respect of a claim, return or account of the Greater London Council or a metropolitan county council, and any consent under section 30(1)(a) of that Act in respect of information relating to such a council, may, on or after the abolition date, be made or given by the appropriate residuary body.
- (4) The appropriate residuary body shall have a right of access at all reasonable times to all such documents as are mentioned in subsection (2)(a) above which appear to the body to be needed for the purpose of discharging its functions under this section and may require any such person as is mentioned in subsection (2)(b) above to give it any such information or explanation as it thinks necessary for that purpose.
- (5) Any person who without reasonable excuse fails to comply with any requirement under subsection (4) above shall be liable on summary conviction to a fine not exceeding the third level on the standard scale and to an additional fine not exceeding £40 for each day on which the offence continues after conviction thereof.
- (6) In so far as this section has effect in relation to accounts for periods earlier than those to which Part III of the said Act of 1982 or regulations under that Part apply, references in this section to that Part or to any provision of it or to regulations in force under that Part shall be construed respectively as references to Part VIII of the principal Act, to the corresponding provision of that Part or to the relevant regulations under section 166 of that Act.
- (7) In this section "successor authority" means a London borough council, the Common Council, a metropolitan district council, a new authority and any other body to which functions or property of the Greater London Council or a metropolitan county council are transferred by or under this Act or any other enactment.

64 Commutation of smallholdings and housing payments

- (1) Any annual or other periodic payments under the terms of any settlement in respect of amounts payable under section 27 of the Land Settlement (Facilities) Act 1919 which, apart from this subsection, would fall to be made by the Minister of Agriculture, Fisheries and Food to a residuary body may be commuted by him into a single payment either by agreement with that body or, in default of agreement, by an order made by him in that behalf.
- (2) Any annual or other periodic payments which, apart from this subsection, would fall to be made by the Secretary of State to a residuary body by virtue of any enactment relating to the housing functions of the Greater London Council or a metropolitan county council may be commuted by him into a single payment either by agreement with that body or, in default of agreement, by an order made by him in that behalf.
- (3) Where any annual or other periodic payments falling to be made to a residuary body are commuted under subsection (2) above and annual or other periodic payments corresponding to or related to those payments would, apart from this subsection, fall to be made by that body to another person, then, unless those payments are commuted into a single payment by agreement between that body and that person, they may be so commuted by an order in that behalf made by the Secretary of State.
- (4) Any commutation by an order under this section shall be on such terms as appear to the Minister of Agriculture, Fisheries and Food or the Secretary of State, as the case

may be, to be just and equitable; and any order under subsection (2) or (3) above shall require the consent of the Treasury.

65 Directions

- (1) In exercising the functions conferred on it by or under this Act or any other enactment each residuary body shall comply with any directions given to it by the Secretary of State.
- (2) Subsection (1) above does not apply to any functions of a residuary body under regulations made under section 7 of the Superannuation Act 1972; and no transaction entered into by a residuary body in the exercise of other functions shall be invalid by reason only of a failure to comply with any direction given under this section.
- (3) The Secretary of State shall publish any directions given by him under this section.

66 Discharge of certain residuary functions by designated councils

- (1) The Secretary of State may by an order made on the application of the councils of the districts in a metropolitan county make provision whereby any rights, liabilities, property or functions which by virtue of section 58, 60 or 61 above would otherwise be vested in or fall to be discharged by the residuary body established for that county are vested in or discharged by one of those councils (a "designated council") instead of that body.
- (2) An order under subsection (1) above may modify or supplement any of the provisions of the sections mentioned in that subsection; and any such order may in particular—
 - (a) require the designated council to keep such accounts and establish such funds as may be specified in the order;
 - (b) provide for any deficit or surplus in any such account or fund to be recovered from or distributed among the councils on whose application the order is made; and
 - (c) in the case of an order relating to section 58, impose on the designated council liabilities corresponding to those to which it would have been subject under subsection (2) of that section.
- (3) References in this section to the functions falling to be discharged by virtue of section 61 do not include those exercisable by virtue of the paragraph 64A inserted by subsection (2) of that section.

67 Winding up of residuary bodies

- (1) Except as respects any of its functions for the discharge of which provision will be or is likely to be required after the end of the period of five years beginning with the abolition date, it shall be the duty of each residuary body to use its best endeavours to secure that its work is completed as soon as practicable and in any event by the end of that period; and each residuary body shall—
 - (a) as respects any such functions, any property held by that body for the purposes of any such functions and any rights or liabilities of that body which will or are likely to subsist for longer than that period, make such arrangements as are practicable for their transfer to another body or bodies or submit proposals to the Secretary of State for effecting such transfers by orders made by him in that behalf;

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- (b) not later than the end of the period of four years beginning with the abolition date, submit to the Secretary of State a scheme for the winding up of the residuary body and the disposal of its remaining functions, property, rights and liabilities so far as not dealt with in pursuance of paragraph (a) above.
- (2) A residuary body may at any time before the end of the period mentioned in subsection (1)(b) above submit proposals to the Secretary of State for the transfer of any property of that body to a local authority or to a new authority.
- (3) The Secretary of State may by order provide for any such transfer or disposal as is mentioned in subsection (1) or (2) above, whether as proposed by the residuary body or otherwise, and for giving effect (with or without modifications) to any scheme submitted to him under subsection (1) above ; and, without prejudice to the generality of that power, any such order may contain such supplementary and transitional provisions as the Secretary of State thinks necessary or expedient, including provisions amending any enactment or any instrument made under any enactment or establishing new bodies corporate to receive any functions, property, rights or liabilities transferred by the order.