



Education Reform Act 1988

1988 CHAPTER 40

PART III

EDUCATION IN INNER LONDON

Financial provisions and winding up of London Residuary Body

184 Preparatory expenditure of inner London councils

- (1) Without prejudice to the powers conferred by section 137 of the Local Government Act 1972 (which authorises a local authority to incur expenditure which it considers is in the interests of its area or inhabitants of its area), an inner London council may incur expenditure in making preparations for the exercise on and after the abolition date of its LEA functions.
- (2) Where before the passing of this Act any such council has incurred such expenditure, that expenditure shall be treated after the passing of this Act as authorised by subsection (1) above.
- (3) The Secretary of State may pay grants to an inner London council in respect of such expenditure incurred or to be incurred by the council in any financial year ending before the abolition date.
- (4) The Secretary of State may make any payment in respect of such a grant subject to compliance by the council concerned with such conditions as he may determine.

185 London Residuary Body: financial provisions

- (1) The London Residuary Body may in respect of any financial year beginning on or after the abolition date make levies on the rating authorities in inner London to meet all liabilities falling by virtue of this Part to be discharged by it for which provision is not otherwise made.
- (2) The amount to be levied by that body in respect of any financial year from each such authority shall be determined by apportioning the total amount to be levied by that

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body under this section in respect of that year between those authorities in proportion to the population of their respective areas.

- (3) For the purposes of subsection (2) above the population of any area shall be taken to be—
- (a) in relation to any financial year in respect of which the London Residuary Body makes any levy under section 74 of the 1985 Act, the number applicable by virtue of subsection (2) of that section; and
 - (b) in relation to any other financial year, the number estimated by the Registrar General and certified by him to the Secretary of State by reference to such date as the Secretary of State may from time to time direct.
- (4) In section 74 of the 1985 Act, as it applies in relation to the London Residuary Body—
- (a) subsection (1) shall not apply in relation to liabilities of that body to which subsection (1) above applies; and
 - (b) the reference in subsection (2) to the total amount to be levied by that body in respect of any financial year shall not include any amount to be so levied by virtue of this section;
- but subsections (3) to (5) of that section (procedure for the levy and application of enactments relating to precepts and rates) shall apply in relation to a levy under this section as they apply in relation to a levy under that section.
- (5) A demand issued under subsection (3) of that section to a rating authority in inner London relating to a payment or payments in respect of a levy under that section may relate also to a payment or payments in respect of a levy under this section, but if it does so shall state separately the payment or payments required in respect of each levy.
- (6) Without prejudice to the borrowing powers of the London Residuary Body by virtue of section 75 of the 1985 Act but subject to subsection (7) below, that body may borrow by way of temporary loan or overdraft from a bank or otherwise any sums which it may require for the purpose of defraying any expenses incurred by it before the abolition date which are attributable to any provision made by or under this Part.
- (7) The sums borrowed by that body under subsection (6) above—
- (a) shall not exceed such amount as the Secretary of State may determine; and
 - (b) shall be repaid before the end of the financial year beginning with the abolition date.
- (8) Section 77 of the 1985 Act (treatment and distribution of capital and other money) shall apply in relation to capital money received by the London Residuary Body of any description specified for the purposes of this section by an order made by the Secretary of State as if—
- (a) subsection (2) were omitted and any reference to an authority or authorities to which subsection (1) of that section applies were a reference to a rating authority or (as the case may be) the rating authorities in inner London; and
 - (b) the references in subsection (4) of that section to the area for which that body is established and to a levy were respectively references to inner London and to a levy under this section.
- (9) Except as provided by subsection (8) above section 77 shall not apply in relation to capital money of a description within that subsection.
- (10) The Secretary of State may by order provide, in relation to capital money received by the London Residuary Body of any description not within subsection (8) above, for

the application of that money, or of such part of that money as may be specified in the order, for such purposes connected with the abolition of ILEA as may be so specified.

- (11) In this section—
- (a) references to inner London are references to the area comprising the areas of all the inner London councils; and
 - (b) “capital money” has the same meaning as in section 77 of the 1985 Act.

186 Transitional functions of London Residuary Body 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 ILEA in respect of block grant payable for a year ending before that date shall instead be made by or to the London 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 ILEA 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 London Residuary Body.

187 Winding-up of London Residuary Body

- (1) Except as respects any of its functions under this Part for the discharge of which provision will be or is likely to be required after the end of the period of three years beginning with the abolition date, it shall be the duty of the London Residuary Body to use its best endeavours to secure that its work under this Part is completed as soon as practicable and in any event before the end of that period.
- (2) As respects—
 - (a) any such functions; and
 - (b) any property, rights and liabilities transferred to it, or held, acquired or incurred by it by virtue of, or in the exercise of any of its functions under, this Part;that body shall if it considers it appropriate to do so make such arrangements as are practicable for their transfer to a local authority or to some other body or bodies or submit proposals to the Secretary of State for effecting such transfers by orders made by him for the purpose.
- (3) Any such arrangements or proposals shall be made or (as the case may be) submitted, so far as practicable, before the end of the period of two years beginning with the abolition date.
- (4) Not later than the end of that period of two years, the London Residuary Body shall submit to the Secretary of State a scheme for the winding up of that body and the disposal of its remaining functions, property, rights and liabilities so far as not dealt with in pursuance of subsection (2) above.
- (5) The Secretary of State may by order provide—
 - (a) for any such transfer or disposal as is mentioned in subsection (2) above; and
 - (b) for giving effect (with or without modifications) to any scheme submitted to him under subsection (4) above.
- (6) The power under subsection (5)(a) above applies irrespective of whether or not the London Residuary Body has submitted proposals with respect to the transfer or

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disposal in question and, if it has, whether the provision made is in accordance with those proposals or not.

- (7) Without prejudice to the generality of the power under subsection (5) above and to section 232(5) of this Act, the provision that may be made by an order under subsection (5) above includes provision—
- (a) amending any enactment or any instrument made under an enactment; or
 - (b) establishing new bodies corporate to receive any functions, property, rights or liabilities transferred by the order.