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STATUTORY INSTRUMENTS

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**1990 No. 554**

**The Local Government Reorganisation  
(Capital Money) (Greater London) Order 1990**

**Citation and commencement**

1. This Order may be cited as the Local Government Reorganisation (Capital Money) (Greater London) Order 1990 and shall come into force—

- (a) for the purposes of article 3 on 30th March 1990; and
- (b) for all other purposes immediately before 1st April 1990.

**Interpretation**

2.—(1) In this Order—

“the 1985 Act” means the Local Government Act 1985;

“the 1989 Act” means the Local Government and Housing Act 1989(1);

“the 1989 Order” means the Local Government Reorganisation (Capital Money) (Greater London) Order 1989(2);

“capitalised subsidies” means the money described in paragraph (2)(b) below;

“new capital receipts” means the money described in paragraph (2)(a)(i);

“the charging authorities” means the charging authorities in Greater London;

“the Residuary Body” means the London Residuary Body.

(2) For the purposes of section 77 of the 1985 Act and this Order, “capital money” means—

(a) the aggregate of—

- (i) money received by the Residuary Body on or after 1st April 1990 which, if that Body were a county council, would be capital receipts of that council for the purpose of Part IV of the 1989 Act (revenue accounts and capital finance of local authorities) other than—

(A) money received by that Body as trustee of a fund which may be applied only for charitable purposes; and

(B) money attributable to the disposal of property, other than land, which immediately before its disposal was held by that Body for the purposes of the Greater London Supplies Division of its Operational Services Department, and

- (ii) such of the direct capital receipts of the Residuary Body for the purposes of the 1989 Order as are held by that Body immediately before 1st April 1990; and are not, for the purposes of that Order, distributable capital money within the meaning of paragraph 1 of Schedule 2 to that Order;

(b) money paid by the Secretary of State to the Residuary Body by way of grant or subsidy; and

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(1) 1989 c. 42  
(2) S.I.1989/255

- (c) an amount of the Residuary Body’s revenue balances equal to £20 million.

### **Amendment of the 1989 Order**

3. The 1989 Order shall be amended by the insertion after sub-paragraph (b) of the definition of “distributable capital money” in paragraph 1 of Schedule 2 of the following sub-paragraphs—

- “(c) held by the Residuary Body as trustee of a fund which may be applied for charitable purposes only;
- (d) which are—
  - (i) attributable to the disposal of other property;
  - (ii) to the extent that they equal the amount shown in the accounts of the Residuary Body for that year as referable to the Greater London Supplies Division of its Operational Services Department”;

### **Reservation from revenue balances**

4. Immediately before 1st April 1990 the Residuary Body shall set aside from its revenue balances the sum of £20 million.

### **Distribution of capital money**

5.—(1) On or before 31st March in each financial year commencing with the financial year beginning 1st April 1991, the Residuary Body shall pay to each charging authority the appropriate percentage of its new capital receipts for that year and of its capitalised subsidies for that year.

(2) In respect of the financial year beginning 1st April 1990, the Residuary Body shall pay to each charging authority on or before 31st March 1991 the appropriate percentage of—

- (a) such amount of its new capital receipts for that year as remains after the deduction of the sum of £35 million; and
- (b) its capitalised subsidies for that year.

(3) For the purposes of this article, “the appropriate percentage” means such percentage as is specified in column (2) of the Schedule to this Order as applicable to the authority specified in column (1).

### **Administrative arrangements**

6.—(1) On or before 30th June in each financial year commencing with the financial year beginning 1st April 1990 the Residuary Body shall notify each charging authority of its estimate of the amount of new capital receipts to be paid to that authority in the current financial year in accordance with article 5.

(2) At the same time as it notifies an authority of the matter referred to in paragraph (1) the Residuary Body shall send a copy of such notification to the Secretary of State.

(3) Within seven days of making any payment required by article 5, the Residuary Body shall notify the Secretary of State of the amount paid.

### **Further amendment of the 1989 Order, revocation and savings**

7.—(1) The 1989 Order is further amended by the substitution in paragraph (3) of article 7 for the word “rating” of the word “charging”.

- (2) Subject to paragraphs (3) and (4), the 1989 Order is hereby revoked.

(3) Article 2 of, and paragraph 1 of Schedule 2 to, the 1989 Order shall continue to have effect for the purposes of article 2(2)(a)(ii) of this Order.

(4) Article 7 of the 1989 Order shall continue to have effect until 1st July 1990 as respects residual amounts for the financial year ended 31st March 1989.

Signed by authority of the Secretary of State for the Environment

9th March 1990

*David Heathcoat-Amory*  
Parliamentary Under Secretary of State,  
Department of the Environment