
STATUTORY INSTRUMENTS

1991 No. 184

EDUCATION, ENGLAND AND WALES

**The Education (London Residuary
Body) (Capital Money) Order 1991**

<i>Made</i>	- - - -	<i>4th February 1991</i>
<i>Laid before Parliament</i>		<i>6th February 1991</i>
<i>Coming into force</i>	- -	<i>27th February 1991</i>

The Secretary of State for Education and Science, in exercise of the powers conferred on him by section 77 of the Local Government Act 1985(1) and sections 185(8) and (10) and 231(2) and (3) of the Education Reform Act 1988(2), and 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 Education (London Residuary Body) (Capital Money) Order 1991 and shall come into force on 27th February 1991.

Interpretation

2.—(1) In this Order—

“the 1988 Act” means the Education Reform Act 1988;

“capital balances” means that amount shown as cash in the accounts of ILEA in respect of the Building and Equipment Renewal and Repair Fund for the financial year ending 31st March 1990 made up and balanced in accordance with regulation 6 of the Accounts and Audit Regulations 1983(3);

“direct capital receipts” means money attributable to the disposal of relevant land or other property vested in the LRB pursuant to the 1988 Act;

“disposal” means disposal by operation of law or otherwise;

“the LRB” means the London Residuary Body;

(1) 1985 c. 51; section 77 was amended by the Local Government and Housing Act 1989 (c. 42), Schedule 12, Part I and the Local Government Finance (Capital Money) (Consequential Amendments) Order 1990 (S.I.1990/268).
(2) 1988 c. 40; section 185(8) was amended by S.I. 1990/268.
(3) S.I. 1983/1761, to which there are amendments not relevant to this Order.

“other property” means any vehicle, vessel, movable and immovable plant, machinery and apparatus;

“relevant land” means any land or interest in land vested in the LRB pursuant to the 1988 Act; and

“revenue balances” means that amount shown as precept balances and revenue reserves and funds in the consolidated balance sheet of ILEA as at 31st March 1990 made up and balanced in accordance with regulation 6 of the Accounts and Audit Regulations 1983.

(2) In this Order, unless the context otherwise requires, any reference to a numbered article or Schedule is to be construed as a reference to the article of, or Schedule to, this Order which bears that number.

Capital money

3. Money received by the LRB of the following descriptions is hereby specified as capital money for the purposes of section 77 of the Local Government Act 1985 and section 185 of the 1988 Act—

- (a) an amount of the revenue balances vested in the LRB pursuant to the 1988 Act equal to £23,165,166;
- (b) the capital balances vested in the LRB pursuant to the 1988 Act; and
- (c) direct capital receipts.

Reservation from capital money and special distribution

4.—(1) On 27th February 1991 the LRB shall set aside from the capital money specified in article 3 the sum of £23,600,546.

(2) On 28th February 1991 the LRB shall pay to each charging authority in inner London listed in column (1) of Schedule 1 the sum listed opposite thereto in column (2) of that Schedule.

General distribution of capital money

5. In respect of each financial year commencing with the financial year beginning 1st April 1991 the LRB shall pay to each charging authority in inner London an amount which shall be determined in accordance with Schedule 2.

Administrative arrangements — notifications of general distribution of capital money

6.—(1) On or before 31st December in each financial year commencing with the financial year beginning 1st April 1991 the LRB shall notify each charging authority in inner London of its estimate of—

- (a) the amounts of direct capital receipts to be received by the LRB in the current and next succeeding financial years; and
- (b) the amount to be paid to that authority in those years in accordance with article 5.

(2) At the same time as it notifies an authority of either of the matters referred to in paragraph (1) above the LRB shall send a copy of such notification to the Secretary of State.

Administrative arrangements — general distribution of capital money

7.—(1) Within seven days of making any payment required by article 5, the LRB shall notify the Secretary of State of the amount paid.

(2) The LRB shall use its best endeavours to secure that payments required by article 5 are made on or before the last day of the financial year in question. Any part of a payment not so made (“the residual amount”) shall be paid no later than 31st August in the next financial year.

(3) Residual amounts shall be deemed to vest in the charging authority entitled to them on the last day of the financial year in question and shall thereafter be regarded as interest-free loans to the LRB by the relevant charging authorities.

Application of general distribution of capital money

8.—(1) Money received by a charging authority by virtue of article 5 shall be a capital receipt of that charging authority for the purposes of Part IV of the Local Government and Housing Act 1989(4) (revenue accounts and capital finance of local authorities).

(2) The reserved part of such a capital receipt, within the meaning of Part IV of the Local Government and Housing Act 1989, shall be 50 per cent.

Additional distribution of capital money

9.—(1) An amount of the revenue balances vested in the LRB pursuant to the 1988 Act equal to £187,139 is hereby specified as capital money for the purposes of section 77 of the Local Government Act 1985.

(2) On 27th February 1991 the LRB shall set aside from its revenue balances the sum of £187,139.

(3) On 28th February 1991 the LRB shall pay that sum, divided into the following amounts, for the following purposes connected with the abolition of ILEA—

- (a) £120,179 to the City of London Polytechnic representing fees received by ILEA in respect of courses to be held during the 1990 summer term at the former London College of Furniture which courses were provided by the said Polytechnic; and
- (b) £66,960 to the Polytechnic of Central London representing fees received by ILEA in respect of courses to be held during the 1990 summer term at the former Paddington College of Further Education which courses were provided by the said Polytechnic.

4th February 1991

Kenneth Clarke
Secretary of State for Education and Science

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

SCHEDULE 1

Article 4(2)

SPECIAL DISTRIBUTION OF CAPITAL MONEY

(1) Charging Authority in Inner London (London Borough Council unless otherwise stated)	(2) Amount of Payment
	£
Camden	1,583,054
Common Council of the City of London	11,351
Greenwich	2,133,087
Hackney	1,891,746
Hammersmith & Fulham	1,843,350
Islington	1,594,318
Kensington & Chelsea	371,198
Lambeth	2,662,893
Lewisham	3,145,183
Southwark	2,028,001
Tower Hamlets	2,240,813
Wandsworth	2,563,597
Westminster	1,531,955
Total	23,600,546

SCHEDULE 2

Article 5

GENERAL DISTRIBUTION OF CAPITAL MONEY

1. In this Schedule—

“compensation payments” means any payment made under Part VI of the Employment Protection (Consolidation) Act 1978⁽⁵⁾ or section 178 of the 1988 Act, or by virtue of section 1 of the Pensions (Increase) Act 1971⁽⁶⁾ or any order under section 2 of that Act or section 59 of the Social Security Pensions Act 1975⁽⁷⁾, or under the Education (Reorganisation in Inner London) (Compensation) Regulations 1989⁽⁸⁾ or in satisfaction of contractual rights saved by section 173 of the 1988 Act, but excluding any part of any such payment which is recoverable from any person other than the recipient, and includes such administrative expenses of the LRB as are properly attributable to such payments; and

“distributable capital money” means—

⁽⁵⁾ 1978 c. 44

⁽⁶⁾ 1971 c. 56; section 2 was repealed by section 65(3) of the Social Security Pensions Act 1975 but without prejudice to any existing-order made under that section.

⁽⁷⁾ 1975 c. 60.

⁽⁸⁾ S.I. 1989/1139, amended by S.I. 1990/1433.

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- (a) in respect of the financial year beginning 1st April 1991, the aggregate of the capital money described in article 3(a) and (b) and the direct capital receipts received by the LRB up to and including that financial year less the sums applied by the LRB up to and including that financial year—
 - (i) in making the payments required by article 4(2),
 - (ii) in facilitating the disposal of other property and relevant land,
 - (iii) in facilitating the disposal of records,
 - (iv) in making compensation payments, and
 - (v) in making repayments of grants or subsidies to the Exchequer or to the European Commission;
- (b) in respect of each subsequent financial year the direct capital receipts received by the LRB in that financial year less the sums applied by the LRB during that financial year for the purposes set out in sub-paragraph (a)(i) to (v) above.

2. The reference in the definition of “distributable capital money” in paragraph 1 above to facilitating the disposal of other property and relevant land includes a reference to monies applied in maintaining, managing and improving the property save that, in the case of relevant land which includes or comprises a building or other structure, it includes the application of such monies only so far as is attributable to wholly unoccupied property or the unoccupied part of partially occupied property.

3. The amount to be paid to each charging authority in inner London shall be that percentage of the total amount of distributable capital money listed opposite that authority in column (2) of the table below.

TABLE

(1) Charging Authority in Inner London (London Borough Council unless otherwise stated)	(2) Percentage of Distributable Capital Money
Camden	7.60
Common Council of the City of London	0.21
Greenwich	9.04
Hackney	7.58
Hammersmith & Fulham	6.90
Islington	7.36
Kensington & Chelsea	6.11
Lambeth	9.93
Lewisham	9.62
Southwark	9.53
Tower Hamlets	6.91
Wandsworth	11.39
Westminster	7.82

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EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides for the distribution of capital receipts and certain other money received by the London Residuary Body (“the LRB”), pursuant to the Education Reform Act 1988 and consequent upon the abolition of the Inner London Education Authority, to charging authorities in Inner London (the Common Council of the City of London and the inner London councils) and to the City of London and the Central London Polytechnics.

Article 3 specifies a description of “capital money” for the purposes of section 77 of the Local Government Act 1985 and section 185 of the Education Reform Act 1988. This is capital money to be paid out by the LRB under articles 4 and 5.

Article 4(2) requires the LRB to pay to the charging authorities listed in Schedule 1 as a special distribution of capital money the sums set out in that Schedule which in aggregate form the amount to be set aside by the LRB in article 4(1).

Article 5 and Schedule 2 require the LRB to pay the balance of the capital money specified in article 3, after deducting certain sums, to the charging authorities in inner London in the specified percentages as a general distribution of capital money in each financial year commencing with the financial year beginning 1st April 1991.

Articles 6 and 7 set out certain administrative arrangements for the general distribution of capital money.

Article 8 sets out how capital money received in the general distribution may be applied.

Article 9 specifies an additional description of “capital money” for the purposes of section 77 of the Local Government Act 1985 which is not within the description specified in article 3. The LRB is required to pay out this sum between the City of London and the Central London Polytechnics.