



Education Reform Act 1988

1988 CHAPTER 40

PART III

EDUCATION IN INNER LONDON

Functions of London Residuary Body

176 Provision of services and facilities by London Residuary Body

- (1) Subject to subsection (3) below, the Secretary of State may at any time by a direction require the London Residuary Body to provide, for the inner London councils and such other authorities or bodies or classes of authorities or bodies as may be specified in the direction, services or facilities of any description so specified.
- (2) Any such direction shall specify the date (which must be a date falling on or after the abolition date) as from which the services or facilities in question are to be provided.
- (3) The descriptions of services or facilities that may be so specified—
 - (a) must be services or facilities of a description provided by ILEA at the date of the direction or (where the direction is given on or after the abolition date) immediately before the abolition date; and
 - (b) subject to paragraph (a) above, include services or facilities of any description involving the provision for any council, authority or body of supplies required by them for the purposes of or in connection with the exercise of any of their functions (whether or not relating to education).
- (4) It shall be the duty of the London Residuary Body to provide any services or facilities to which a direction under subsection (1) above relates—
 - (a) as from the date specified in the direction under subsection (2) above; and
 - (b) on such terms (including terms requiring the making of payments to the London Residuary Body by any council, authority or body to whom such services or facilities are provided) as may be specified in the direction.

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- (5) Any such direction may require such services or facilities to be provided on different terms for—
 - (a) the inner London councils and any other authorities or bodies or classes of authorities or bodies specified in the direction; and
 - (b) different authorities or bodies or classes of authorities or bodies so specified.
- (6) Subject to subsection (7) below, the London Residuary Body may by agreement with one or more inner London councils, and on such terms as to payment or otherwise as the parties consider appropriate, provide the council or councils concerned with services or facilities of any description it would be within the power of the council or councils concerned to provide themselves in the exercise of any of their functions (whether or not relating to education).
- (7) Any such agreement shall be subject to the approval of the Secretary of State.

177 Repayment by London Residuary Body of loans to ILEA

- (1) Except so far as otherwise provided by any provision made under this Part, all the rights and liabilities of ILEA on the abolition date in respect of money borrowed by ILEA shall on that date become rights and liabilities of the London 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 the London Residuary Body with money to discharge those liabilities each inner London council shall on the abolition date be deemed to have borrowed from that body such sum as may be specified by or determined in accordance with an order made by the Secretary of State.
- (3) 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 or determined.
- (4) For the purposes of paragraph 8 of Schedule 13 to the Local Government Act 1972 (borrowing for purposes of repaying sums borrowed under paragraph 1(b) of that Schedule), as it applies in relation to the London Residuary Body by virtue of section 75 of the 1985 Act, the amount of any liabilities in respect of principal to which that Body is for the time being subject under subsection (1) above shall be treated as money borrowed by that Body under paragraph 1(b) of that Schedule.
- (5) An inner London council 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 those liabilities.
- (6) In subsection (1) above the reference to money borrowed by ILEA includes a reference to any money borrowed by any other authority whose rights and liabilities in respect of that money have been transferred to ILEA.

178 Liability of London Residuary Body for redundancy and compensation payments

- (1) Any person who—
 - (a) immediately before the abolition date is in the service of ILEA under a contract of employment which would have continued but for the abolition of ILEA; and

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- (b) is not designated for the purposes of section 172 of this Act;
shall be entitled to receive from the London Residuary Body any redundancy payment under Part VI of the Employment Protection (Consolidation) Act 1978 which he would have been entitled to receive from ILEA if ILEA had not been abolished but had dismissed him by reason of redundancy immediately before the abolition date.
- (2) As respects any such redundancy payment—
- (a) the London Residuary Body shall be treated as the employer of the person concerned for the purposes of sections 101, 102, 104, 108 and 119 of that Act (ancillary provisions about redundancy payments);
- (b) 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; and
- (c) the calculation date for the purposes of Part II of Schedule 14 to that Act (calculation of a week's pay) shall be the day before the abolition date.
- (3) Any person who—
- (a) immediately before the abolition date is in the service of ILEA under a contract of employment made on or before 17th February 1988 which is a contract for a fixed term extending beyond the abolition date; and
- (b) is not designated for the purposes of section 172 of this Act;
- shall, if the contract made no provision for its prior termination by ILEA, be entitled to receive from the London Residuary Body an amount equal to any damages which he would have been entitled to recover from ILEA if ILEA had not been abolished but had dismissed him immediately before the abolition date.
- (4) Any person who—
- (a) immediately before the abolition date is in the service of ILEA under a contract of employment (whether or not for a fixed term) providing for its termination by ILEA on payment of compensation for loss of employment; and
- (b) is not designated for the purposes of section 172 of this Act;
- shall be entitled to receive from the London Residuary Body an amount equal to the compensation which he would have been entitled to receive from ILEA if ILEA had not been abolished but had terminated the contract immediately before that date.
- (5) In subsection (4) above “compensation for loss of employment” does not include any payment to be made under the contract in lieu of notice.
- (6) Where the amount of compensation payable under a contract differs according to the reasons for its termination the amount payable under subsection (4) above shall be determined on the assumption that the contract was terminated by reason of redundancy within the meaning of the Employment Protection (Consolidation) Act 1978.

179 Payment of pensions and pensions increase by London Residuary Body

- (1) All liabilities of ILEA in respect of pensions payable by it shall on the abolition date become liabilities of the London Residuary Body.
- (2) The reference in subsection (1) above to pensions includes a reference to allowances, grants or other benefits in respect of past service, death, injury or disease (whether

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of the pensioner or another person) and any such compensation as is mentioned in section 8(1)(b) or (c) of the Pensions (Increase) Act 1971.

- (3) At the end of Part II of Schedule 2 to that Act (pensions payable out of local funds) there shall be inserted—

“64C A pension payable by the London 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 Inner London Education Authority.”

- (4) In paragraph 1(5) of Schedule 3 to that Act (cases where increase of pension is to be reimbursed by the last employing authority) after “64B” there shall be inserted the words “and 64C”.

- (5) The London Residuary Body shall pay—

- (a) any increase which by virtue of regulations under section 5(2) of that Act would have been payable on or after the abolition date by ILEA; and
- (b) any payment which is analogous to a pensions increase and would have been payable on or after that date by ILEA by virtue of regulations under section 13(3) of that Act.

180 Custody of residuary property, etc

- (1) On the abolition date all residuary property, rights and liabilities of ILEA shall vest in the London Residuary Body.

- (2) In subsection (1) above “residuary property, rights and liabilities” means—

- (a) any property for the vesting of which provision is not otherwise made by or under this Part; and
- (b) subject to subsection (3) below, any rights and liabilities which are not transferred, extinguished or otherwise dealt with by any provision so made.

- (3) This section shall not be construed—

- (a) as continuing in force any contract of employment made by ILEA; or
- (b) as imposing any liability on the London Residuary Body in respect of the termination of any such contract by the abolition of ILEA;

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 173(3) of this Act.

- (4) The Secretary of State may by order confer on the London Residuary Body any statutory functions which before the abolition date were exercisable by ILEA in relation to any property, rights or liabilities which are vested in that body by this section.

- (5) Without prejudice to section 232(5) of this Act, the provision that may be made by an order under subsection (4) above includes provision amending any enactment or any instrument made under any enactment.

181 Power of London Residuary Body to pay compensation

- (1) The London Residuary Body may pay compensation—

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- (a) to any former officer of ILEA who sustained an injury in the course of his employment with ILEA; or
 - (b) to the widow or widower or child of any former officer of ILEA who, in the course of his employment with ILEA, died or sustained an injury resulting in death.
- (2) Subsection (1) above applies irrespective of whether the employment with ILEA of the officer in question came to an end on or before the abolition date.
- (3) The London Residuary Body may pay compensation to any person in respect of loss suffered by him in consequence of any damage to property in respect of which it appears to them that a claim might have been brought against ILEA had ILEA not been abolished.
- (4) Any compensation payable under this section may be paid either—
- (a) by way of a lump sum; or
 - (b) by way of periodical payments of such amounts and payable at such times and for such periods as the London Residuary Body may from time to time determine having regard to all the circumstances of the case.
- (5) The payment of compensation under this section shall not affect any right or claim to damages or compensation which—
- (a) any such officer as is mentioned in subsection (1)(a) or (b) above or his widow or widower or child; or
 - (b) any such person as is mentioned in subsection (3) above;
- may have against any person other than the London Residuary Body or, except so far as may be agreed when the compensation is granted, against the London Residuary Body by virtue of section 180 of this Act.

182 Preparation of ILEA's final accounts

- (1) It shall be for the London Residuary Body to discharge in relation to ILEA's accounts 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 ILEA 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 those accounts the provisions of Part III of that Act shall have effect as if those accounts were accounts of the London 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 ILEA which are in the possession of an inner London council; 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 ILEA at any time during the period to which the accounts relate and who is an officer or member of such a council.
- (3) Any requirement under section 29(1) of that Act in respect of a claim, return or account of ILEA, and any consent under section 30(1)(a) of that Act in respect of information

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relating to ILEA, may, on or after the abolition date, be made or given by the London Residuary Body.

- (4) That 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 it 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 level 3 on the standard scale and to an additional fine not exceeding £40 for each day on which the offence continues after his conviction of the offence.

183 Directions of Secretary of State

- (1) In exercising the functions conferred on it by or under this Part the London Residuary Body shall comply with any directions given to it by the Secretary of State.
- (2) No transaction entered into by that body in exercise of any of those 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.