
STATUTORY INSTRUMENTS

1991 No. 184

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

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⁽¹⁾;

“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;

“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.

(1) S.I.1983/1761, to which there are amendments not relevant to this Order.

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⁽²⁾ (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.

(2) 1989 c. 42.

(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