

SCHEDULE 12

RESTRAINTS ON TRANSACTIONS AND RECRUITMENT ETC. BY MERGING COUNCILS AND RESTRUCTURING COUNCILS

Directions: consequences of contravention

- 5 (1) An acquisition or disposal made in contravention of a direction given under paragraph 1 is void.
- (2) A contract (including a contract for employment) or agreement entered into in contravention of a direction given under paragraph 1 is unenforceable.
- (3) A grant or other financial assistance given, or a loan made, in contravention of a direction given under paragraph 1 is repayable.
- (4) If a merging council or restructuring council includes financial reserves in a calculation under section 32 of the [Local Government Finance Act 1992 \(c. 14\)](#) in contravention of a direction given under paragraph 1, the council is to be treated for the purposes of section 30(8) of that Act as not having made the calculations required by Chapter 3 of Part 1 of that Act.