

#### **2010 CHAPTER 7**

#### PART 2

#### LOCAL GOVERNMENT REORGANISATION

#### **CHAPTER 2**

#### CONTROL OF DISPOSALS AND CONTRACTS OF EXISTING COUNCILS

# Control of disposals and contracts of existing councils

- **10.**—(1) The Department may direct that, with effect from a specified date, an existing council shall not, without the written consent of a specified statutory transition committee—
  - (a) dispose of any land if the consideration for the disposal exceeds a specified sum;
  - (b) enter into any capital contract—
    - (i) under which the consideration payable by the council exceeds a specified sum; or
    - (ii) which includes a term allowing the consideration payable by the council to be varied;
  - (c) enter into any non-capital contract under which the consideration payable by the council exceeds a specified sum, where—
    - (i) the period of the contract extends beyond a specified date; or
    - (ii) under the terms of the contract, that period may be extended beyond that date.
  - (2) In subsection (1)—

Status: Point in time view as at 27/03/2010.

Changes to legislation: There are currently no known outstanding effects for the Local Government (Miscellaneous Provisions) Act (Northern Ireland) 2010, CHAPTER 2. (See end of Document for details)

- "capital contract" means a contract as regards which the consideration payable by the council is capital expenditure;
- "capital expenditure" means expenditure which falls to be capitalised in accordance with proper practices (within the meaning of Article 6(3) of the Local Government (Northern Ireland) Order 2005 (NI 18));
- "non-capital contract" means a contract which is not a capital contract.
- (3) A direction under subsection (1)(b) or (c) may provide that the consent of a specified statutory transition committee is not required in relation to a contract of a specified description.
  - (4) A direction—
    - (a) shall be in writing;
    - (b) may make different provision in relation to different matters for which consent is required;
    - (c) may be varied or revoked by a subsequent direction.
  - (5) In this Chapter—
    - "direction" means a direction under this section;
    - "specified", in relation to a direction, means specified in the direction;
    - "statutory transition committee" means a committee established under section 15.
  - (6) References in this Chapter to disposing of land include references to—
    - (a) dealing with land in any way mentioned in section 45(3) of the Interpretation Act (Northern Ireland) 1954 (c. 33);
    - (b) entering into a contract to dispose of land;
    - (c) granting an option to acquire land.

#### **Directions: supplementary**

- 11.—(1) A consent for the purposes of a direction may be given—
  - (a) in respect of a particular disposal or contract, or in respect of disposals or contracts of any description;
  - (b) unconditionally or subject to conditions.
- (2) The consent required by a direction is in addition to any consent required by any other statutory provision.
- (3) Where the consideration or any of the consideration under a contract is not in money, the limits specified in a direction by virtue of section 10(1)(a) to (c) apply to the value of the consideration.
  - (4) Where—

Status: Point in time view as at 27/03/2010.

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- (a) a question arises in relation to a direction as to the value of any consideration, and
- (b) the existing council concerned and the specified statutory transition committee fail to reach agreement,

the value is to be determined by the Department.

#### Consideration to be taken into account for purposes of direction

- 12.—(1) In determining whether the limit specified by virtue of section 10(1) (a) is exceeded in the case of a disposal of land by an existing council, the consideration with respect to any other disposal of land made by the council after a specified date is to be taken into account.
- (2) In determining whether the limit specified by virtue of section 10(1)(b) or (c) is exceeded in the case of a contract entered into by an existing council ("the contract in question"), the consideration payable by the council under any other relevant contract shall be taken into account.
- (3) For the purposes of subsection (2) a "relevant contract" means a contract which is either or both—
  - (a) a contract entered into after a specified date by the council and the person with whom the contract in question is entered into;
  - (b) a contract entered into after that date by the council which relates to the same or a similar description of matter as that to which the contract in question relates.

# Referral to Department where consent refused or granted subject to conditions

- **13.**—(1) This section applies where—
  - (a) the consent of a statutory transition committee is required in relation to a proposed disposal or contract of an existing council; and
  - (b) that consent is refused by the statutory transition committee or is given subject to conditions.
- (2) The existing council may refer the decision of the statutory transition committee to the Department.
- (3) Where the decision of a statutory transition committee is referred to the Department under this section, the Department may—
  - (a) confirm that decision;
  - (b) if consent has been given subject to conditions, amend or revoke any such condition;
  - (c) if consent has been refused, grant consent unconditionally or subject to conditions.

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- (4) The decision of the Department under this section in relation to any consent or conditions—
  - (a) has effect for the purposes of this Chapter (except this section) as if made by the statutory transition committee; and
  - (b) is final.

#### **Contravention of direction**

- **14.**—(1) A disposal made in contravention of a direction is void.
- (2) A contract entered into by an existing council in contravention of a direction is not enforceable against a successor council.
- (3) A contract which apart from this subsection would be a certified contract for the purposes of Part 1 is not a certified contract for those purposes if it is entered into in contravention of a direction.

### **Status:**

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## **Changes to legislation:**

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