



Local Government Act 1985

1985 CHAPTER 51

PART VIII

FINANCIAL PROVISIONS

New authorities

68 Precepts

- (1) A new authority may in respect of any financial year beginning after the date on which it is established issue precepts to the appropriate rating authorities for the levying of rates to meet all liabilities falling to be discharged by the authority for which provision is not otherwise made.
- (2) The appropriate rating authorities are—
 - (a) in the case of a joint authority, the rating authorities in the area for which it is established;
 - (b) in the case of the Inner London Education Authority, the rating authorities in the Inner London Education Area.
- (3) In section 12(1) of the General Rate Act 1967 (supplementary provisions about precepts) after the words "a county council," there shall be inserted the words " a joint authority established by Part IV of the Local Government Act 1985, the Inner London Education Authority" .
- (4) Part I of the Rates Act 1984 (selective limitation of rates and precepts) shall apply to the new authorities and accordingly in section 1(3) of that Act for paragraph (c) there shall be substituted—
 - “(c) the Inner London Education Authority;
 - (cc) a joint authority established by Part IV of the Local Government Act 1985; and”.
- (5) In section 2(6) of that Act (classes of authority to which common principles are to be applied in designation and in the determination of expenditure levels) the word "

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and " at the end of paragraph (e) shall be omitted and after paragraph (f) there shall be inserted—

- “(g) metropolitan county police authorities and the Northumbria Police Authority;
- (h) metropolitan county fire and civil defence authorities; and
- (i) metropolitan county passenger transport authorities.”

- (6) Each new authority shall be deemed for the purposes of Part I of that Act to have been designated under section 2 of that Act in relation to the financial year beginning on the abolition date and the two subsequent financial years; and—
- (a) the principles in accordance with which expenditure levels are determined for those years under section 3 of that Act may differ as between different new authorities ; and
 - (b) notwithstanding any order bringing section 10 of that Act (general limitation) into force before the end of those years, no new authority shall be treated as designated in relation to any of those years by virtue of that section.

69 Block grant

- (1) The new authorities shall be local authorities for the purposes of block grant under Part VI of the Local Government, Planning and Land Act 1980 (rate support grant) for financial years beginning on or after the abolition date and accordingly that Act shall for those purposes have effect with the following amendments.
- (2) In section 53—
- (a) in subsection (5), in paragraph (f) the word " and " shall be omitted and after that paragraph there shall be inserted—
“(ff) a joint authority ; and”; and
 - (b) at the end of subsection (6) there shall be inserted the words " and the area of a joint authority is the area for which the authority is established. " .
- (3) In section 54(8) for paragraph (a) of the definition of "rate fund " there shall be substituted—
“(a) in relation to the Inner London Education Authority and any joint authority, means the general fund ;”.
- (4) In section 55(3), after paragraph (c), there shall be inserted “; or
(d) to a joint authority.”.
- (5) In section 59(11)—
- (a) in paragraph (c)(i) for the words " subsection (6) (b) or (c) " there shall be substituted the words " paragraph (a), (b), (c) or (d) of subsection (6) " ; and
 - (b) after paragraph (c) there shall be inserted—
“; and
(d) as if paragraph (ff) referred to four classes, namely—
(i) metropolitan county police authorities and the Northumbria Police Authority;
(ii) metropolitan county passenger transport authorities;
(iii) metropolitan county fire and civil defence authorities; and

(iv) the London Fire and Civil Defence Authority.”

- (6) At the end of section 68(1) there shall be inserted the words " and ' joint authority' means a joint authority established by Part IV of the Local Government Act 1985" .

70 Borrowing, lending and funds

- (1) Paragraph 22 of Schedule 13 to the principal Act (borrowing, lending and funds) shall have effect with the following amendments, being amendments applying Part I of that Schedule to the new authorities.
- (2) In sub-paragraph (1), in the definition of " revenue fund " after the words " the general rate fund " there shall be inserted the words " , the general fund of a joint authority or the Inner London Education Authority" .
- (3) After sub-paragraph (2) there shall be inserted—
- “(3) In this Part of this Schedule " local authority " and " principal council" include a joint authority and the Inner London Education Authority, and those authorities shall be treated as county councils for the purposes of paragraph 5(2)(a) above.”

71 Interim borrowing powers

- (1) Without prejudice to its borrowing powers by virtue of section 70 above but subject to subsection (2) below, a new authority may borrow by way of temporary loan or overdraft from a bank or otherwise any sums which it may require for the purpose of defraying its expenses before the abolition date.
- (2) The sums borrowed by an authority under this section shall not exceed such amount as the Secretary of State may determine and shall be repaid before the end of the financial year in which revenue is first received by the authority as a result of precepts issued by it under section 68 above.
- (3) Paragraph 12 of Schedule 13 to the principal Act (joint borrowing) shall apply to the power conferred by this section as it applies to the powers of borrowing conferred by Part I of that Schedule.

72 Accounts and audit

- (1) Each new authority shall keep a fund to be known as the general fund; and all receipts of the authority shall be carried to that fund and all liabilities falling to be discharged by the authority shall be discharged out of that fund.
- (2) Accounts shall be kept of receipts carried to, and payments made out of, the general fund.
- (3) In section 12(2) of the Local Government Finance Act 1982 (accounts subject to audit) after paragraph (a) there shall be inserted—
- “(aa) a joint authority;
(ab) the Inner London Education Authority ;”.
- (4) Nothing in subsection (1) above shall be construed as requiring or authorising an authority to apply or dispose of the surplus revenue arising from any undertaking

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carried on by it otherwise than in accordance with any enactment or instrument applicable to the undertaking.

73 Financial administration

Each new authority shall make arrangements for the proper administration of its financial affairs and shall secure that one of its officers has responsibility for the administration of those affairs.