



Education Reform Act 1988

1988 CHAPTER 40

PART III

EDUCATION IN INNER LONDON

Financial provisions and winding up of London Residuary Body

185 London Residuary Body: financial provisions.

- (1) The London Residuary Body may in respect of any financial year beginning on or after the abolition date make levies on the rating authorities in inner London to meet all liabilities falling by virtue of this Part to be discharged by it for which provision is not otherwise made.
- (2) The amount to be levied by that body in respect of any financial year from each such authority shall be determined by apportioning the total amount to be levied by that body under this section in respect of that year between those authorities in proportion to the population of their respective areas.
- (3) For the purposes of subsection (2) above the population of any area shall be taken to be—
 - (a) in relation to any financial year in respect of which the London Residuary Body makes any levy under section 74 of the 1985 Act, the number applicable by virtue of subsection (2) of that section; and
 - (b) in relation to any other financial year, the number estimated by the Registrar General and certified by him to the Secretary of State by reference to such date as the Secretary of State may from time to time direct.
- (4) In section 74 of the 1985 Act, as it applies in relation to the London Residuary Body—
 - (a) subsection (1) shall not apply in relation to liabilities of that body to which subsection (1) above applies; and
 - (b) the reference in subsection (2) to the total amount to be levied by that body in respect of any financial year shall not include any amount to be so levied by virtue of this section;

Changes to legislation: Education Reform Act 1988, Section 185 is up to date with all changes known to be in force on or before 14 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

but subsections (3) to (5) of that section (procedure for the levy and application of enactments relating to precepts and rates) shall apply in relation to a levy under this section as they apply in relation to a levy under that section.

- (5) A demand issued under subsection (3) of that section to a rating authority in inner London relating to a payment or payments in respect of a levy under that section may relate also to a payment or payments in respect of a levy under this section, but if it does so shall state separately the payment or payments required in respect of each levy.
- (6) Without prejudice to the borrowing powers of the London Residuary Body by virtue of section 75 of the 1985 Act but subject to subsection (7) below, that body 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 any expenses incurred by it before the abolition date which are attributable to any provision made by or under this Part.
- (7) The sums borrowed by that body under subsection (6) above—
 - (a) shall not exceed such amount as the Secretary of State may determine; and
 - (b) shall be repaid before the end of the financial year beginning with the abolition date.
- (8) Section 77 of the 1985 Act (treatment and distribution of capital and other money) shall apply in relation to capital money received by the London Residuary Body of any description specified for the purposes of this section by an order made by the Secretary of State as if—
 - (a) subsection (2) were omitted and any reference to an authority or authorities to which subsection (1) of that section applies were a reference to a [F1 charging authority] or (as the case may be) the [F1 charging authorities] in inner London; and
 - (b) the references in subsection (4) of that section to the area for which that body is established and to a levy were respectively references to inner London and to a levy under this section.
- (9) Except as provided by subsection (8) above section 77 shall not apply in relation to capital money of a description within that subsection.
- (10) The Secretary of State may by order provide, in relation to capital money received by the London Residuary Body of any description not within subsection (8) above, for the application of that money, or of such part of that money as may be specified in the order, for such purposes connected with the abolition of ILEA as may be so specified.
- (11) In this section—
 - (a) references to inner London are references to the area comprising the areas of all the inner London councils; and
 - (b) “capital money” has the same meaning as in section 77 of the 1985 Act.

Textual Amendments

F1 Words substituted by [S.I. 1990/268, art. 2\(1\), Sch.](#)

Changes to legislation:

Education Reform Act 1988, Section 185 is up to date with all changes known to be in force on or before 14 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 120(4A) inserted by [2022 asc 1 Sch. 4 para. 5\(2\)](#)
- s. 124A(9A)(9B) inserted by [2022 asc 1 s. 137\(3\)](#)
- s. 125(8)(9) inserted by [2022 asc 1 s. 138\(2\)](#)
- s. 128(1)(b)(iib) omitted by [2011 c. 21 Sch. 16 para. 8](#)
- s. 128(1)(b)(iia) omitted by [2015 c. 20 Sch. 14 para. 35](#)
- s. 128(1A)-(1C) inserted by [2022 asc 1 s. 139\(3\)](#)
- s. 128(7)-(10) inserted by [2022 asc 1 s. 139\(6\)](#)
- s. 232(4ZA)-(4ZC) inserted by [2022 asc 1 s. 138\(3\)\(b\)](#)