
STATUTORY INSTRUMENTS

1981 No. 289

LONDON GOVERNMENT

**The Greater London Council (Transfer of Land
and Housing Accommodation) Order 1981**

<i>Made</i>	- - - -	<i>27th February 1981</i>
<i>Laid before Parliament</i>		<i>11th March 1981</i>
<i>Coming into Operation</i>		<i>1st April 1981</i>

Whereas the Greater London Council and certain London borough councils and district councils have requested the Secretary of State for the Environment to provide by an order under section 23(3) of the London Government Act 1963 for the transfer of certain land for the time being held by the Greater London Council for the purpose of development or redevelopment as housing accommodation and certain housing accommodation for the time being vested in the Greater London Council;

And whereas the said councils have agreed the terms of such transfer;

And whereas certain further matters appear to the Secretary of State necessary and proper for the purposes of or in consequence of that transfer;

Now therefore the Secretary of State, in exercise of powers conferred by sections 23(3) and 84 of the London Government Act 1963 and now vested in him and in exercise of all other powers enabling him in that behalf, hereby makes the following order:—

Citation and commencement

1. This order may be cited as the Greater London Council (Transfer of Land and Housing Accommodation) Order 1981, and shall come into operation on 1st April 1981.

Interpretation

2.—(1) In this order—

“the deposited Schedules” means the Schedules prepared in triplicate and entitled “Properties transferred by the Greater London Council (Transfer of Land and Housing Accommodation) Order 1981” and numbered 1 to 48 each of which is signed by an Assistant Secretary in the Department of the Environment and as to which further provision is made in article 3;

“excluded property” means land or housing accommodation described in the deposited Schedules but excluded from transfer by the terms of the said Schedules;

“the Council” means the Greater London Council;

“the relevant date” means the 1st April 1981 or such other date, being a date not later than 31st March 1982, as may be indicated in a deposited Schedule in respect of any property as the date on which the said property is transferred by this order;

“the Secretary of State” means the Secretary of State for the Environment;

“transferee authority”, in relation to transferred property, means the London borough council or district council to whom that property is transferred; and

“transferred property” means the land or housing accommodation described in the deposited Schedules (other than excluded property) and transferred by this order.

(2) Without prejudice to the generality of section 23(5) of the London Government Act 1963, in this order, unless the context otherwise requires, any reference to housing accommodation shall include a reference to garages, parking spaces, shops and estate amenities.

(3) Any reference in this order to a numbered article shall, unless that reference is to an article of a specified order, be construed as a reference to the article bearing that number in this order.

(4) Any reference in an article of this order to a numbered paragraph shall, unless the reference is to a paragraph in a specified article, be construed as a reference to the paragraph bearing that number in the first-mentioned article.

(5) Any reference in a Schedule to this order to a numbered paragraph shall, unless the reference is to a paragraph in a specified Schedule, be construed as a reference to the paragraph bearing that number in the first-mentioned Schedule.

Deposited Schedules

3.—(1) One triplicate of each of the deposited Schedules is deposited in the offices of the Secretary of State, another in the principal office of the Council and the third in the principal office of the respective transferee authority.

(2) The triplicate of each deposited Schedule which has been deposited with the respective transferee authority shall be open to inspection at all reasonable times.

Transfer of property

4. On the relevant date the interest of the Council in the transferred property and (save as hereinafter provided) all liabilities attaching directly or indirectly to the Council in respect of its ownership or occupation of such property shall by virtue of this order be transferred to and vest in or attach to the respective transferee authority indicated in the deposited Schedules, and—

(a) subject to articles 6 and 7, all contracts, deeds, bonds, agreements and other instruments subsisting in favour of, or against, and all notices in force which were given (or having effect as if they had been given) by, or to, the Council in respect of such property and liabilities shall be of full force and effect in favour of, or against, the respective transferee authority; and

(b) subject to article 9, any action or proceeding or any cause of action or proceeding, pending or existing at the relevant date, by, or against, the Council in respect of such property and liabilities shall not be prejudicially affected by reason of this order, and may be continued, prosecuted and enforced by, or against, the respective transferee authority.

General words implied in transfer

5. Unless the Council and a transferee authority otherwise agree, section 62 of the Law of Property Act 1925 (which implies certain words in conveyances of land, subject to the terms of the conveyance and the provisions therein contained) shall have effect—

- (a) in respect of any transferred property; and
- (b) in respect of any property, being property vested in the Council, which is affected by the said transfer,

as if the property described in (a) and (b) respectively had been the subject of a conveyance on the relevant date.

Works of construction, modernisation etc. on transferred property

6.—(1) In this article—

“major works” means any works on the transferred property:—

- (a) for the construction, rehabilitation or modernisation of, or major works of improvement to, the property; or
 - (b) which arise from a major technical cause
- ; and

“final certificate” means the certificate of the architect or other supervisory officer with responsibility for the execution of major works certifying final payment in respect thereof.

(2) Where a contract relating to or in connection with major works has been entered into by the Council before the relevant date, the Council may within three months of the relevant date, by notice in writing given to the transferee authority, specify such a contract as being a notified contract for the purposes of this article, and in any such notice shall indicate whether a final certificate has been issued in respect of the works.

(3) Any contract relating to or in connection with major works on the transferred property which is not specified in a notice under paragraph (2), or which is indicated therein as being the subject of a final certificate, shall be vested in the transferee authority under article 4 at the expiry of three months after the relevant date.

(4) Any notified contract which is not stated in a notice under paragraph (2) to be the subject of a final certificate shall be vested in the transferee authority under article 4 at the expiry of 15 days after a final certificate is issued in respect thereof.

(5) The Council may by notice in writing given to a transferee authority require that authority to assign to the Council the benefit and burden of any contract which is vested in that authority in accordance with this article, specifying the date on which such assignment shall take place, and on that date the transferee authority shall so assign the benefit and burden of the contract, notwithstanding any provision thereof or otherwise purporting to prohibit or restrict assignment.

(6) Where any major works, not being the subject of a contract to which this article applies, have commenced but have not been completed (or with the agreement of the respective transferee authority been discontinued) at the relevant date, the Council shall, unless otherwise agreed with the transferee authority, complete the said works; and completion shall be deemed to take place upon the issue of a final certificate.

(7) The transferee authority shall so far as it is able afford to the Council, its officers, employees, agents and contractors all such reasonable access to the transferred property and rights to use the same as the Council may require for the purpose of:—

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- (a) carrying out works under a contract to which this article applies from the relevant date to the date on which the contract is vested in the transferee authority, or at any date after the contract is assigned to the Council under paragraph (5), and
- (b) any major works falling within paragraph (6).

(8) The Council shall determine for the purposes of paragraphs (2) to (6), what works fall within paragraph (1)(b).

(9) Schedule 1 to this order shall have effect in respect of works the subject of programmes to be prepared by the Council.

7.—(1) This article applies to any payment falling to be made under a contract to which article 6 applies at any time after the contract is vested in the transferee authority.

(2) Where the payment falls to be made by the transferee authority, the Council shall indemnify the authority in respect thereof; and where the authority receives any payment in connection with works the subject of a programme prepared under Schedule 1, it shall be paid to the Council.

(3) A transferee authority which is liable to make a payment under paragraph (2) may deduct therefrom its proper legal costs and disbursements incurred thereon and not otherwise recovered by it.

Legal proceedings

8. Any legal proceedings at the relevant date may be amended in such manner as may be necessary or proper in consequence of this order.

Negligence and breach of statutory duty

9.—(1) The Council shall meet the full amount of any claim as to an act of negligence or breach of statutory duty made against them by a third party in respect of any transferred property provided that such claim—

- (a) relates to an act or breach committed or occurring before the relevant date; and
- (b) is settled for an amount in excess of £250.

(2) The transferee authority shall meet any such claim which is settled for an amount not exceeding £250.

Covenants affecting transferred property

10.—(1) The Council shall notify the appropriate transferee authority of any land within the extent of an area of transferred property in respect of which the Council have power under section 151 of the Housing Act 1957 to enforce any covenant against an owner for the time being of the land and such notification shall provide sufficient particulars of the said covenant.

(2) In respect of any such land—

- (a) the Council shall consult with the transferee authority before exercising their power under the said section 151; and
- (b) the transferee authority may require the Council to exercise the said power in any case where such exercise is required in the interests of the area of transferred property within the extent of which the land is situated.

11. Any covenant (not being a covenant to which article 10 applies) which would be enforceable by the Council immediately before the relevant date in respect of land within the extent of or adjoining an area of transferred property, being land which was sold or exchanged by the Council

or by the London County Council and, immediately before such sale or exchange, was held by them for the purposes of the Housing Act 1957 or of any Act re-enacted by that Act, shall be of full force and effect in favour of the transferee authority.

Sharing of transferred property and other land

12. Where it appears expedient—

- (a) to the Council for the purpose of any of their functions that the use of any transferred property; or
- (b) to a transferee authority for the purpose of managing, maintaining or repairing their housing land or accommodation that the use of any excluded property.

should be shared between the Council and a transferee authority, the Council or the authority (as the case may be) may serve a notice on the other party requiring terms (by way of lease or otherwise) to be agreed for the sharing of the said transferred or excluded property.

Rent Books

13.—(1) In the case of any transferred property being premises to which the Landlord and Tenant Act 1962 applies, notification by the transferee authority to the tenant of the said property of the transfer effected by this order shall be deemed to be a compliance by the said authority with the requirements of section 2(1)(a) of the said Act.

(2) Paragraph (1) shall cease to apply in respect of any such premises when the transferee authority first provides a rent book or other similar document for use in respect of the said premises.

Byelaws

14. Any byelaw in force immediately before the relevant date for the regulation of any transferred property shall have effect as if it had been made by the appropriate transferee authority.

Vehicles and plant

15.—(1) As soon as may be after the coming into operation of this order the Council shall make such schemes as they may think fit for the transfer to transferee authorities of motor vehicles and plant belonging to the Council, being vehicles and plant wholly or partly kept and used in connection with the repair, maintenance or management of transferred property and on the date of the coming into force of any such scheme the motor vehicles and plant which are the subject matter of the scheme shall be transferred to and vest in the transferee authority concerned.

(2) Before making a scheme under paragraph (1) the Council shall—

- (a) have regard to the needs of transferee authorities in relation to the repair, maintenance or management of the transferred property and also to the needs of the Council in relation to their remaining property; and
- (b) consult any body appearing to the Council to represent transferee authorities.

(3) Articles 4 and 9 shall apply in respect of any motor vehicles and plant transferred under paragraph (1) as they apply in respect of transferred property save that there shall be substituted for the references to the “relevant date” in the said articles references to the date of the coming into force of the relevant scheme.

(4) In this article—

“motor vehicle” shall have the same meaning as in section 190(1) of the Road Traffic Act 1972; and

“plant” includes any equipment or machinery (other than a motor vehicle), whether or not moveable or mechanically operated, and other devices used in connection with the repair, maintenance or management of land or property.

Goods and materials

16.—(1) All goods and materials belonging to the Council which on the relevant date are situate and normally kept on or in any transferred property shall on that date be transferred to and vest in the appropriate transferee authority.

(2) As soon as may be after the relevant date the Council shall make a scheme or schemes for the sharing or distribution among the Council and the transferee authorities of goods and materials transferred under paragraph (1) or for the value of such goods and materials to be adjusted between the Council and the said authorities and on the coming into force of any such scheme the Council and the said authorities shall give effect to it according to its terms.

(3) Before making a scheme under paragraph (2) the Council shall—

(a) have regard to the needs of transferee authorities in relation to the repair, maintenance and management of the transferred property and to such needs of the Council in relation to their remaining property; and

(b) consult any body appearing to the Council to represent transferee authorities.

(4) Articles 4 and 9 shall apply in respect of any goods and materials transferred under paragraph (1) as they apply in respect of transferred property.

(5) In this article “goods and materials” means substances of all kinds, trade fittings and tools used in connection with the repair, maintenance or management of land or property.

Nomination rights

17. Schedule 2 to this order shall have effect with respect to the rights of the Council to nominate tenants to dwellings comprised in transferred property.

Consolidated loan funds

18. Where by virtue of this order any matter in respect of which, if this order had not been made, sums would have become due and owing to a consolidated loans fund or loans pool is transferred to an authority other than the authority by whom such fund or pool is maintained on and after the relevant date, such sums shall be paid by the first-mentioned authority to the authority by whom the fund is maintained.

Transfer of outstanding debt

19.—(1) A transferee authority shall—

(a) from the relevant date assume liability for all repayments of principal, interest and management expenses relating to the loan debt outstanding at that date, on the transferred properties vested in that authority (including the cost of the land) and due to the consolidated loans fund of the Council;

(b) from the date on which payment is made or costs incurred under article 6(6), assume a similar liability in respect of any loan debt incurred by the Council after the relevant date in meeting the liabilities created by article 6;

(c) discharge such liabilities by making payments to the Council of such amounts and at such times each year as shall be agreed between the Council and the transferee authority.

(2) Where the transferee authority disposes of any transferred property, any capital sum received by the authority as a result of the disposal shall first be applied to meet the outstanding loan debt (if any) attributable to that property.

20. Where under this order or any adjustment made in consequence hereof any liability or part of a liability charged indifferently on all the revenues of the Council or on any particular revenues or fund of the Council is transferred to a transferee authority, the liability or part of the liability, as the case may be, shall be charged indifferently on all the revenues of that transferee authority and shall cease to be a charge on any revenues or fund of the Council.

Housing grants and subsidies

21. The Council shall furnish the transferee authority with such information as the Secretary of State may require from that authority in order to determine any question concerning housing grants or subsidies or the amount thereof.

Payments in respect of net cost of, and net income from, transferred property

22. Schedule 3 to this order shall have effect in relation to payments between the Council and transferee authorities in respect of the net cost of, and net income from, transferred property.

Review of certain financial terms

23.—(1) Without prejudice to any provision in Schedule 3 to this order for reviewing the terms contained in that Schedule, if an enactment is passed after the coming into operation of this order which in the opinion of the Council or of any transferee authority significantly affects those terms the Council or the authority (as the case may be) may notify the other parties to the transfer effected by this order that the said terms should be reviewed.

(2) On the giving (or receiving) of a notification under paragraph (1) the Council, in consultation with any transferee authority which gave the said notification and with any body appearing to the Council to represent transferee authorities, shall review the said terms and such other terms may be agreed as the Secretary of State may approve.

(3) If the Council and the transferee authorities, having held a review under paragraph (2), fail to agree such other terms as are therein mentioned the Secretary of State, on the application of the Council or of the transferee authorities, may determine the said other terms.

Arbitration

24.—(1) Subject to any provision of this order, any dispute arising under this order or in consequence thereof shall be determined by an arbitrator appointed by agreement between the parties in dispute or, in default of agreement, by the Secretary of State and, subject as aforesaid, the provisions of the Arbitration Act 1950 shall apply to any arbitration under this article.

(2) Paragraph (1) shall include any dispute between the Council and a transferee authority—

(a) under article 12 whether it is expedient that the use of any property should be shared; or

(b) under article 15(2)(a) or article 16(3)(a) whether the Council has had any or sufficient regard to the needs of a transferee authority.

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27th February 1981

Michael R. D. Heseltine
Secretary of State for the Environment

SCHEDULE 1

Article 6

WORKS OF REHABILITATION ETC. ON TRANSFERRED PROPERTY

1.—(1) The Council may, and in the case of a London borough council shall, prepare programmes for works to which article 6 applies, other than works of construction of housing accommodation: provided that in the case of a district council such programmes shall be limited to works falling within article 6(1)(b).

(2) The works required by the said programmes may be designed and carried out by the transferee authority with the consent of the Council where such a course appears expedient to the Council; but save as aforesaid the Council shall design and carry out all such works.

(3) The said programmes may provide for transferee authorities to assign to the Council the benefit and burden of any transferred rights or liabilities, and article 6(5) shall apply in respect of any such transferred rights or liabilities as it applies to any contract falling within that article.

(4) In this paragraph “transferred rights or liabilities” means all contracts, deeds, bonds, agreements and other instruments, notices and causes of action falling within article 4(a) or (b) and transferred by this order together with the transferred property.

(5) In preparing programmes under this Schedule, the Council shall consult individual transferee authorities and also, in the case of a London borough council, a representative body.

2.—(1) Where the Council incurs any loan debt in connection with carrying out any works under this Schedule, the respective transferee authority shall be liable for all repayments of principal, interest and management expenses in respect of the loan debt so incurred, less the net cost of the works, as calculated in accordance with paragraph 3, and shall discharge such liability by making payments to the Council in such instalments and at such times as may be agreed between the parties.

(2) Where the transferee authority carries out any works required by a programme prepared under this Schedule with the consent of the Council, the Council shall pay to that authority in respect of any financial year commencing with 1981/82 the net cost (if any) for that year of any such works, as calculated in accordance with paragraph 3.

3.—(1) The net cost of any works is the amount by which the gross costs thereof exceed the income receivable therefrom.

(2) In this paragraph—

“gross costs” means the sum of:—

- (a) the loan charges incurred by the transferee authority in connection with the works or, as the case may be, the liabilities of the authority under paragraph 2, and
- (b) all costs reasonably incurred by the transferee authority in connection with the disturbance or removal of tenants, as agreed with the Council

, and

“income receivable” means the sum of:—

- (a) any grants or subsidies receivable by the authority in respect of the works, and
- (b) in the case of a London borough council, any additional rental income which would be receivable by the authority as a result of the works being completed, as determined by the Council

(3) In the case of a London borough council, where the rents (including subsidies) receivable by the authority in respect of the transferred property exceed the outgoings in respect thereof, as

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calculated under Schedule 3, the amount of the excess shall be deducted from the net cost under this paragraph.

4. In this Schedule “representative body” means a body appearing to the Council to represent transferee authorities.

SCHEDULE 2

Article 17

RIGHTS OF THE GREATER LONDON COUNCIL TO NOMINATE TENANTS TO TRANSFERRED PROPERTY

1.—(1) For the purpose of—

- (a) assisting in meeting the requirements of the Council and of the London borough councils for housing accommodation arising from the discharge of any of their functions; and
- (b) providing opportunities for the movement of persons requiring rented accommodation who reside in Greater London, in housing accommodation transferred by this order to district councils and in housing accommodation owned by the Council and situated outside Greater London,

the Council shall, until 31st March 1990, from time to time make, and operate, schemes for the allocation of vacancies in the dwellings transferred by this order in respect of which they enjoy the rights to arrange for the nomination of tenants conferred by paragraph 2.

(2) Without prejudice to the generality of the objectives specified in sub-paragraph (1), the Council, in preparing a scheme under this paragraph, shall have regard to—

- (a) the need to make provision for the re-housing of persons displaced by the discharge of the Council's functions;
- (b) the need to make provision for persons formerly resident in Greater London to return to Greater London;
- (c) the relative housing needs of the transferee authorities and of any London borough councils not being transferee authorities;
- (d) the incidence and extent of homelessness within Greater London and within the areas of transferee authorities outside Greater London; and
- (e) the need to make provision for the housing of sons and daughters residing with their parents in housing accommodation transferred by this order and situated outside Greater London.

(3) In preparing, reviewing or modifying a scheme under this paragraph, the Council shall consult any bodies which appear to the Council to represent transferee authorities.

(4) At the end of each year of its operation, a scheme made under this paragraph shall be reviewed by the Council and modified so far as is necessary in the light of the objectives specified in sub-paragraph (1) and of the considerations set out in sub-paragraph (2).

(5) To enable the Council to operate, review or modify a scheme made under this paragraph, a transferee authority shall provide the Council with such information as the Council may from time to time reasonably require.

(6) The Council shall provide the Secretary of State with such information as to the operation of a scheme made under this paragraph as he may reasonably require to satisfy himself that the purposes of the scheme are being achieved.

2.—(1) Until 31st March 1990, the Council shall, without payment and for the purposes of any scheme made under paragraph 1 and for the time being in force, be entitled to arrange for the

nomination of tenants to such proportion of vacancies in the dwellings transferred by this order to a transferee authority, being a London borough council, being not less than 20 per centum nor more than 50 per centum of such vacancies, as may be determined by the Council in accordance with the provisions of the said scheme.

(2) Until 31st March 1985, the Council shall, without payment and for the purposes of any scheme made under paragraph 1 and for the time being in force, be entitled to arrange for the nomination of tenants to such proportion of vacancies in the dwellings transferred by this order to a transferee authority, being a district council, being not less than 15 per centum nor more than 50 per centum of such vacancies, as may be determined by the Council in accordance with the provisions of the said scheme.

(3) From 1st April 1985 until 31st March 1990, the Council shall, without payment and for the purposes of any scheme made under paragraph 1 and for the time being in force, be entitled to arrange for the nomination of tenants to such proportion of vacancies in the dwellings transferred by this order to a transferee authority, being a district council, being not less than 15 per centum nor more than 25 per centum of such vacancies, as may be determined by the Council in accordance with the provisions of the said scheme.

(4) A transferee authority shall ensure that the vacancies which it makes available to the Council for the purposes of this paragraph shall, so far as is practicable, be in dwellings which, in size type, age and quality are, taken as a whole, representative of the dwellings, transferred by this order to that transferee authority, in which vacancies occur.

3.—(1) In this Schedule “vacancy” in relation to any dwelling transferred by this order means —

- (a) a vacancy existing at the date of transfer in a dwelling which is available for occupation at that date;
- (b) a vacancy existing at the date of transfer in a dwelling which becomes available for occupation after that date;
- (c) a vacancy (other than a vacancy specified in sub-paragraph (2)) which arises after the date of transfer in a dwelling which is available for occupation at the date when that vacancy arises; and
- (d) a vacancy (other than a vacancy specified in sub-paragraph (2)) which arises after the date of transfer in a dwelling which becomes available for occupation after the date on which that vacancy arises

(2) The vacancies excluded from sub-paragraph (1)(c) and (d) are vacancies arising directly or indirectly in consequence of the tenant of the dwelling in question—

- (a) moving, or being transferred, to another dwelling owned by the transferee authority;
- (b) moving to a dwelling owned by another local authority pursuant to an arrangement, made between the transferee authority and that other local authority, whereby a reciprocal vacancy is to be made available to that other local authority by the transferee authority; or
- (c) being re-housed by a housing association pursuant to a right of nomination enjoyed by the transferee authority.

(3) In this Schedule the term “vacancies in the dwellings transferred” shall be deemed to refer both to dwellings situate upon transferred property at the relevant date and to dwellings to be provided upon transferred property after the relevant date pursuant to article 6 or to any other arrangement made between the Council and a transferee authority leading to such provision.

4. Nothing in this Schedule shall affect any agreement as to nomination made or to be made between the Council and any local authority.

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SCHEDULE 3

Article 22

PAYMENTS IN RESPECT OF NET COST OF, AND NET INCOME FROM, TRANSFERRED PROPERTY

1. Payments in respect of the net cost of, and net income from the transferred property shall be made in accordance with the following provisions of this Schedule.

2.—(1) Where in any financial year commencing with 1981/82 there is a difference between the outgoings in respect of the transferred property and the rents (including subsidies) receivable therefore, then:—

- (a) if the outgoings exceed the rents (including subsidies) receivable, the difference shall be paid by the Council; and
- (b) in the converse case, where the transferee authority is a district council, the difference shall be paid by the transferee authority.

(2) In this paragraph—

- (a) subject to any adjustment under paragraph 3 or 5,

“the outgoings” means the sum of:—

- (i) the loan charges incurred in respect of the transferred property for 1980/81; and
- (ii) the costs of managing and maintaining the transferred property for 1980/81, as determined by the Council

; and

“rents” means all the income from the transferred property (including rent rebate subsidy) for 1980/81, as determined by Council; and

- (b) “subsidies” means all grants or subsidies payable in respect of the transferred property, other than rent rebate subsidy.

(3) Where the relevant date falls after 1st April 1981, any payment which falls to be made for 1981/82 shall be abated proportionately.

(4) For 1981/82, any factors which are agreed between the Council and a representative body to be peculiar to 1981/82, and attributable to events occurring immediately before the relevant date, shall be taken into account for that year.

(5) Where any building which is in the course of construction on the transferred property at the relevant date becomes available for letting at a later date, the outgoings and the rents in respect thereof shall be appropriately adjusted in such manner as the Council shall determine.

3. The costs referred to in paragraph 2 shall be adjusted in accordance with—

- (a) in the case of a London borough council:—

- (i) such office and other accommodation as the transferee authority may require for the purpose of managing and maintaining the transferred property, in addition to any such accommodation which is included in the transferred property, and

- (ii) the costs incurred by the authority in pursuance of Schedule 2; and

- (b) in any case, in respect of 1981/82, all special costs reasonably incurred by the transferee authority within six months of the relevant date in consequence of this order, as agreed with the Council.

4. In calculating the subsidies referred to in paragraph 2, no account shall be taken of any reduction resulting from the demolition or disposal by a transferee authority of any houses on the transferred property occurring after the relevant date.

5.—(1) In the case of a London borough council:—

- (a) the liabilities of the transferee authority under article 19 for the year in question shall be substituted for the loan charges referred to in paragraph 2;
- (b) the costs referred to in paragraph 2 shall be taken to be increased in each year by an amount to be determined by the Council, which shall not be less than the sum per dwelling stated by the Secretary of State to have been used for the purpose of determining the reckonable expenditure of the authority under section 99 of the Housing Act 1980;
- (c) the rents referred to in paragraph 2 shall be taken to be increased in each year by an amount to be determined by the Council, which shall not exceed the sum per dwelling stated by the Secretary of State to have been used in determining the local contribution differential of the authority under section 100 of the Housing Act 1980.

(2) In the case of a London borough council which is a transferee authority within the meaning of the Greater London Council (Transfer of Land and Housing Accommodation) Order 1980, it shall be assumed, in determining what payments fall to be made under this Schedule, that the property transferred by that order had instead been transferred by this order, but not so that any payment falls to be made more than once in respect of the same property.

(3) In the case of a district council, the liabilities of the authority under article 19(1)(b) for the year in question shall be added to the loan charges referred to in paragraph 2.

(4) Before determining the amount of any increase under this paragraph, the Council shall consult the transferee authorities concerned or a representative body.

6.—(1) Where a transferee authority disposes of or appropriates any transferred property, any payment falling to be made in respect of that property under paragraph 2 for any financial year commencing after the disposal or appropriation takes place shall be adjusted in accordance with the following provisions of this paragraph.

(2) For the purposes of this paragraph the Council shall determine what payment would fall to be made under this Schedule if the property so disposed of or appropriated were the only transferred property (in this paragraph referred to as “the part payment”).

(3) Where the part payment would fall to be made by the Council, the property is referred to in this paragraph as being in deficit, and where it would fall to be made by the transferee authority, it is referred to as being in surplus.

(4) Where the consideration for the disposal, or the value at which the appropriation is made, expressed in money, is sufficient to discharge the outstanding loan debt attributable to the property, and the property is in deficit, then:—

- (a) if the payment falls to be made by the Council, it shall be reduced by the amount of the part payment;
- (b) if the payment falls to be made by the transferee authority, it shall be increased by the same amount.

(5) Where such consideration or value is insufficient to discharge the outstanding loan debt attributable to the property, the property is in deficit and the part payment exceeds the residual loan charges, then:—

- (a) if the payment falls to be made by the Council, it shall be reduced by the excess of the part payment over the residual loan charges; and
- (b) if the payment falls to be made by the transferee authority, it shall be increased by the same amount.

(6) In this paragraph “residual loan charges” means such part of the loan charges payable in respect of the property as the Council shall determine, being the amount which would remain to be met after applying in respect of the property either any annual mortgage payments to be made to the

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transferee authority or any capital sum received by that authority, and after deducting any grant or subsidy continuing to be payable in respect of the property.

7. The transferee authority shall furnish the Council with sufficient details of the disposal or appropriation of any transferred property to enable the adjustments required by paragraph 6 to be made.

8.—(1) Not later than 31st March 1985, the Council shall review the terms set out in this Schedule for the purpose of considering the need for payments to be, or continue to be, made by the Council; and where it is agreed in consequence of such review that payments should be made having regard to the financial needs of any transferee authority, then the Council shall make payments to such authority for such a period, and on such terms and conditions, as may be agreed.

(2) In the case of a district council, no payments shall be made under this Schedule in respect of any financial year commencing with 1985/86 save in pursuance of an agreement under sub-paragraph (1).

(3) In the case of a London borough:—

- (a) the Council or a transferee authority may at any time give notice requiring the terms set out in this Schedule to be reviewed, and specifying the circumstances which in the opinion of the notifying authority call for the review, and thereupon the Council shall review the said terms;
- (b) in the event of a review under (a) above, such payments shall be made as may be agreed or in default of agreement determined by the Secretary of State;
- (c) not earlier than five years after the date specified in sub-paragraph (1), and every five years thereafter, the Council may, and if so requested by a transferee authority shall, carry out a further review of the terms set out in this Schedule; and the provisions of sub-paragraph (1) shall apply to any such further review.

(4) Any review to which this paragraph applies shall be carried out by the Council in consultation with the transferee authorities concerned or with a representative body.

9. In this Schedule “representative body” means a body appearing to the Council to represent transferee authorities.

EXPLANATORY NOTE

This Order provides for an agreed transfer of housing land and accommodation from the Greater London Council to certain London borough councils and district councils in whose respective areas the land and accommodation is situated. It includes the agreed terms on which the transfer is to take place and also certain consequential and supplemental provisions.