

## **Education Reform Act 1988**

#### **1988 CHAPTER 40**

#### PART III

#### **EDUCATION IN INNER LONDON**

Reorganisation of provision of education in inner London

#### 162 Abolition of ILEA

- (1) On 1st April 1990 the following shall cease to exist—
  - (a) the Inner London Education Authority (in this Part referred to as "ILEA") and any education committee established by that Authority; and
  - (b) the Inner London Education Area.
- (2) That date is in this Part referred to as the "abolition date".

## 163 New local education authorities for areas in inner London

- (1) On the abolition date each inner London council shall become the local education authority for its area, and references to a local education authority in the Education Acts 1944 to 1988 or in any other enactment shall be construed accordingly.
- (2) In this Part, "inner London council" means the council of an inner London borough or (in their capacity as a local authority) the Common Council of the City of London.

## 164 Extension of functions of London Residuary Body

(1) For the purpose of enabling it to discharge the functions conferred or imposed on it by or under the following provisions of this Part in connection with the abolition of ILEA, the London Residuary Body shall not be required in accordance with section 67 of the 1985 Act to submit to the Secretary of State a scheme for its winding up, but shall, subject to the provisions of this Part, continue in existence notwithstanding the completion of its work under that Act and the disposal of any of its functions, property, rights and liabilities to which that section applies.

- (2) That section shall apply in relation to the London Residuary Body with the following modifications—
  - (a) references to its functions and work shall not apply to its functions and work under this Part;
  - (b) references to property, rights and liabilities shall not apply to property, rights and liabilities transferred to it, or held, acquired or incurred by it by virtue of, or in the exercise of any of its functions under, this Part; and
  - (c) in subsection (1)(b) the words "the winding up of the residuary body and" shall be omitted.
- (3) In this Part "the 1985 Act" means the Local Government Act 1985.

## Disposal of functions and property of ILEA

## 165 Development plans for education

- (1) Not later than such date as the Secretary of State may direct each inner London council shall prepare and publish a plan (referred to in this section as a "development plan")—
  - (a) describing the manner in which the council proposes to perform the functions of a local education authority for its area (in this Part referred to, in relation to each such council, as the council's "LEA functions"); and
  - (b) giving the additional information required by subsection (2) below.
- (2) A council's development plan shall—
  - (a) list the property belonging to ILEA which, in the council's opinion, needs to be transferred to it for the purpose of enabling it properly to perform its LEA functions;
  - (b) specify—
    - (i) all schools situated inside the council's area which are currently maintained by ILEA; and
    - (ii) any schools situated outside the council's area which are currently so maintained and which the council would wish to maintain in exercise of its LEA functions; and
  - (c) give particulars of the management structure (within the meaning of section 169 of this Act) which the council proposes to adopt for the purpose of the exercise of those functions.
- (3) In preparing a development plan, a council shall—
  - (a) consult the local authorities for adjacent areas; and
  - (b) take into account any guidance given by the Secretary of State (whether as to the contents of the plan or as to consultation with any other persons, and whether as to such plans generally or as to the particular council's plan).
- (4) Guidance given by the Secretary of State for the purposes of subsection (3)(b) above shall be published in such manner as the Secretary of State thinks fit.
- (5) A development plan shall be published in such manner as the council concerned considers likely to bring it to the attention of persons (both inside and outside its area) who may be affected by the performance by the council of its LEA functions, and the council shall make copies of the plan readily available, during office hours, to persons wishing to inspect it.

## 166 Responsibility for schools

- (1) The Secretary of State shall by an order or orders made at any time before the abolition date designate in relation to each inner London council—
  - (a) the ILEA maintained schools which it is to be that council's duty to maintain; and
  - (b) the ILEA grant-maintained schools in respect of which functions exercisable by ILEA are to be exercisable instead by that council.
- (2) The Secretary of State may by an order or orders so made designate in relation to any local education authority specified in the order (other than an inner London council)—
  - (a) any ILEA maintained school which it is to be that authority's duty to maintain; or
  - (b) any ILEA grant-maintained school in respect of which functions exercisable by ILEA are to be exercisable instead by that authority;

and shall so designate any such school which is not designated by an order under subsection (1) above.

- (3) For the purposes of this section—
  - (a) a school is an ILEA maintained school if it is a county, voluntary, nursery or special school maintained by ILEA; and
  - (b) a school is an ILEA grant-maintained school if it is a grant-maintained school which was maintained by ILEA immediately before it became a grant-maintained school.
- (4) A school may be designated—
  - (a) in relation to a council by an order under subsection (1) above; or
  - (b) in relation to a local education authority by an order under subsection (2) above;

whether it is inside or outside the area of that council or authority.

- (5) Subject to subsection (6) below, as from the abolition date each inner London council and any other local education authority shall maintain and, except in accordance with the Education Acts 1944 to 1988, shall not cease to maintain any school—
  - (a) which is designated in relation to that council or authority by an order under subsection (1)(a) or (2)(a) above; and
  - (b) which immediately before that date was maintained by ILEA.
- (6) Any such council or authority may, with the consent of the Secretary of State, agree with any other local education authority for the maintenance by that authority of any school which by virtue of subsection (5) above would otherwise fall to be maintained by the council or the first-mentioned authority.
- (7) Any functions which, immediately before the abolition date, were exercisable by ILEA in relation to, or in relation to registered pupils at, any school which is designated in relation to any such council or in relation to any other local education authority by an order under subsection (1)(b) or (2)(b) above shall, as from that date, be exercisable instead by that council or (as the case may be) by that authority.
- (8) Where after the date on which an order under subsection (1) or (2) above is made any school designated under paragraph (a) of either of those subsections becomes a grant-maintained school, it shall be treated for the purposes of subsection (7) above as having been designated under paragraph (b) of subsection (1) or (2) (as the case may require).

## 167 Removal of certain governors

- (1) On the abolition date—
  - (a) any person appointed by ILEA as governor of any institution to which this subsection applies; and
  - (b) any person co-opted as governor of any such institution; shall cease to hold office.
- (2) Subsection (1) above applies to the following institutions—
  - (a) any school which immediately before the abolition date was maintained by ILEA; and
  - (b) any institution other than a school which immediately before that date was maintained or assisted by ILEA.
- (3) On that date any person appointed by an inner London council as governor of a primary school by virtue of any provision included in the instrument of government of the school in accordance with section 7(1) of the 1986 Act (appointment of governor by minor authority) shall cease to hold office.
- (4) On and after that date the instrument of government of any school to which that section applies shall have effect as if it made the provision that would have been required by section 3 of that Act if section 7(1) had not applied (and with the omission of any provision included by virtue of subsection (6)(a) of section 7).
- (5) Neither subsection (1) nor subsection (3) above shall be taken as prejudicing any subsequent appointment or co-option as governor of the school or other institution concerned of a person who by virtue of that subsection ceases to hold office as governor of that school or institution.

#### 168 Transfers of property, rights and liabilities

- (1) The Secretary of State may by an order or orders made at any time before the abolition date provide for the transfer to each inner London council of—
  - (a) such of the property, rights and liabilities of ILEA (other than excepted rights and liabilities) as, in his opinion, need to be so transferred for the purpose of enabling that council properly to perform its LEA functions; and
  - (b) such of the rights and liabilities of ILEA (other than excepted rights and liabilities) as, in his opinion, it is appropriate to transfer to that council for the purposes of or in connection with the exercise by that council by virtue of section 166 of this Act of functions in relation to, or in relation to registered pupils at, any grant-maintained school which were formerly exercisable by ILEA
- (2) The Secretary of State may by such an order or orders provide for the transfer to any local authority other than an inner London council of such of the property, rights and liabilities of ILEA (other than excepted rights and liabilities) as do not in his opinion fall to be transferred to such a council by virtue of subsection (1) above.
- (3) Any transfer for which provision is made by order under this section may be on such terms, including financial terms, as the Secretary of State thinks fit and the Secretary of State may by order create or impose such new rights or liabilities in respect of what is transferred as appear to him to be necessary or expedient.

- (4) The Secretary of State may by order confer on any inner London council or local authority to which property is transferred by or under the order any statutory functions which before the abolition date were exercisable in relation to that property by ILEA.
- (5) In this section "excepted rights and liabilities" means rights and liabilities arising under contracts of employment between ILEA and its employees.

## 169 Approval of management structure and senior appointments in initial period

(1) References in this section to the management structure of an inner London council for the purpose of the exercise of its LEA functions are references to any aspect of the council's organisation and its arrangements for managing its affairs in relation to the exercise of those functions which the Secretary of State determines ought to be subject to approval under this section with a view to securing the proper performance by the council of those functions during the initial period.

In this section "the initial period" means the period of five years beginning with the abolition date.

- (2) The reference in subsection (1) above to a council's organisation and its arrangements for managing its affairs in relation to the exercise of its LEA functions includes in particular its staffing arrangements and the determination of the duties to be performed by its employees concerned in the exercise of those functions.
- (3) It shall be the duty of each inner London council to adopt and to maintain during the initial period a management structure for the purpose of the exercise of its LEA functions which is for the time being approved by the Secretary of State under this section.
- (4) Such a council shall not before the end of the initial period make an appointment to which this subsection applies except after consultation with the Secretary of State.
- (5) Subsection (4) above applies to the appointment of a person—
  - (a) to be the chief education officer of the council; or
  - (b) to any designated post forming part of the management structure of the council for the time being approved under this section.
- (6) In subsection (5)(b) above "designated" means designated for the purposes of subsection (4) above by a direction given by the Secretary of State.
- (7) For the purposes of the consultation required by subsection (4) above a council proposing to make an appointment to which that subsection applies shall send to the Secretary of State particulars showing the name, previous experience and qualifications of the persons from whom the council proposes to make a selection.
- (8) If the Secretary of State is of opinion that any person whose name is submitted to him under subsection (7) above is not a fit person to hold the appointment in question, he may give a direction prohibiting that person's appointment.

Staff

#### 170 Establishment and functions of staff commission

(1) The Secretary of State shall establish a staff commission for the purpose of—

- (a) advising the Secretary of State on the steps necessary to safeguard the interests of the staff employed by relevant authorities so far as affected by any provision made by or under this Part;
- (b) considering and keeping under review—
  - (i) the arrangements for the recruitment of staff by those authorities in consequence of any such provision; and
  - (ii) the arrangements for any transfer of the staff of those authorities in consequence of any such provision; and
- (c) considering such staffing problems arising in consequence of, and such other matters relating to staff of any body affected by, any such provision as may be referred to the commission by the Secretary of State.
- (2) The Secretary of State may give directions to the staff commission as to their procedure and to any relevant authority with respect to—
  - (a) the implementation of any advice given by the commission; and
  - (b) the payment by a relevant authority of any expenses incurred by the commission in doing anything requested by the authority;

and it shall be the duty of the commission and of a relevant authority to comply with any direction given to it under this subsection.

- (3) Any expenses incurred by the staff commission under this section and not recovered from a relevant authority shall be paid by the Secretary of State.
- (4) The relevant authorities for the purposes of this section are—
  - (a) ILEA and the inner London councils;
  - (b) the London Residuary Body; and
  - (c) any local authority other than an inner London council to which functions or property of ILEA will be or have been transferred by order under section 168 of this Act.

## 171 Remuneration of employees

- (1) If—
  - (a) ILEA proposes to fix for any employee or class of employees of ILEA a rate of remuneration greater than the rate for the time being applicable to that employee or class of employees; and
  - (b) the new rate is to take effect as from a date ("W") falling after 30th September 1989;

ILEA shall notify each inner London council in writing of the proposal and the proposed date of increase.

- (2) The employee or class of employees to whom any such proposal relates shall not be paid at the new rate—
  - (a) until the end of the period of four weeks beginning with the date immediately following the notification date; and
  - (b) where a complaint is made in accordance with subsection (3) below, unless payment at the new rate is authorised by the Secretary of State.
- (3) Before the end of the period of two weeks beginning with the date immediately following the notification date, any three or more of the inner London councils may complain to the Secretary of State if they consider that the new rate is excessive having

regard to levels of remuneration applicable in the case of persons employed by local authorities on work comparable to that on which the employee or class of employees concerned is employed.

- (4) On receipt of such a complaint the Secretary of State—
  - (a) shall notify ILEA in writing of the complaint; and
  - (b) shall afford—
    - (i) to ILEA;
    - (ii) to each of the inner London councils; and
    - (iii) to such persons appearing to him to be representative of employees of ILEA as he considers appropriate in relation to the employee or class of employees concerned;

an opportunity of making representations to him with respect to the proposal.

- (5) After considering any representations made to him under subsection (4)(b) above, the Secretary of State may—
  - (a) authorise payment at the new rate; or
  - (b) refuse to authorise such payment.
- (6) The Secretary of State shall give written notification of his decision to ILEA, to each of the inner London councils, and to any other persons who made representations to him with respect to the proposal under subsection (4)(b) above.
- (7) Subsection (8) below applies where by virtue of subsection (2) above the employee or class of employees to whom any proposal to which subsection (1) above relates is not paid at the new rate until after the proposed date of increase, and either—
  - (a) no complaint is made in accordance with subsection (3) above in respect of the new rate; or
  - (b) such a complaint is made but payment at the new rate is authorised by the Secretary of State.
- (8) In any case to which this subsection applies, for the purpose of determining—
  - (a) the terms of any contract affected by section 172 of this Act; and
  - (b) any compensation payable in accordance with section 173 of this Act;

the employee or class of employees concerned shall be regarded as having been entitled under his or their contracts of employment with ILEA to remuneration at the new rate as from the proposed date of increase.

(9) In this section "the notification date" means, in relation to any proposal to which subsection (1) above applies, the date by which all the inner London councils have received notification of the proposal under that subsection.

#### 172 Power to transfer staff

- (1) This section applies to any person who—
  - (a) immediately before the abolition date is in the service of ILEA under a contract of employment which would have continued but for the abolition of ILEA; and
  - (b) is designated for the purposes of this section by an order made by the Secretary of State.

- (2) The contract of employment between a person to whom this section applies and ILEA shall not be terminated by the abolition of ILEA but shall have effect as from the abolition date as if originally made between him and such successor authority ("W") as may be specified in relation to that person by the order designating him for the purposes of this section.
- (3) Without prejudice to subsection (2) above—
  - (a) all ILEA's rights, powers, duties and liabilities under or in connection with a contract to which that subsection applies shall by virtue of this section be transferred on the abolition date to the new employer; and
  - (b) anything done before that date by or in relation to ILEA in respect of that contract or the employee shall be deemed from that date to have been done by or in relation to the new employer.
- (4) Subsections (2) and (3) above are without prejudice to any right of an employee to terminate his contract of employment if a substantial change is made to his detriment in his working conditions, but no such right shall arise by reason only of the change in employer effected by this section.
- (5) An order under this section may designate a person either individually or as a member of a class or description of employees.
- (6) In this section "successor authority" means—
  - (a) an inner London council;
  - (b) the London Residuary Body; and
  - (c) any local authority other than an inner London council to which functions or property of ILEA are transferred by order under section 168 of this Act.

## 173 Compensation for loss of employment or loss or diminution of emoluments

- (1) This section applies to any person who suffers loss of employment or loss or diminution of emoluments which—
  - (a) is attributable to any provision made by or under this Part; and
  - (b) occurs in the circumstances mentioned in subsection (2) below.
- (2) Those circumstances are—
  - (a) in the case of loss of employment, the employment in question is employment with ILEA or the London Residuary Body and the loss is suffered on or after the abolition date; and
  - (b) in the case of loss or diminution of emoluments, the loss or diminution arises from the termination of the employment of the person concerned with ILEA or that Body and is suffered on or after such date as may be specified in regulations made for the purposes of this section under section 24 of the Superannuation Act 1972 ("W").
- (3) Compensation in respect of any such loss or diminution suffered by a person to whom this section applies shall, subject to subsection (4) below, be paid only in accordance with compensation regulations; and accordingly neither ILEA nor the London Residuary Body shall pay any such compensation under any other statutory provision, by virtue of any provision in a contract or otherwise.
- (4) Subsection (3) above shall not preclude the making of any payment to which a person is entitled by virtue of contractual rights acquired by him before 21st November 1987.

- (5) Compensation regulations shall not provide compensation for a person to whom this section applies in respect of any such loss or diminution as is mentioned in subsection (1) above so far as attributable to the termination on or before the abolition date of a contract made after 17th February 1988 which provides for the employment of that person for a fixed term extending beyond the abolition date.
- (6) For the purpose of determining under section 82(5) or (6) or 84(3) of the Employment Protection (Consolidation) Act 1978—
  - (a) whether the provisions of a new contract offered to a person employed by ILEA or the London Residuary Body differ from the corresponding provisions of his previous contract; and
  - (b) whether employment under the new contract is suitable in relation to that person;

there shall be treated as forming part of the remuneration payable under the new contract any compensation to which that person is or, if he accepted the offer, would be entitled in accordance with this section.

(7) Except as provided in subsection (6) above, nothing in this section shall be construed as affecting any entitlement to a redundancy payment under Part VI of the Act of 1978 mentioned above or to any payment by virtue of any provision of the Act of 1972 mentioned above other than section 24.

## 174 Continuity of employment in certain cases of voluntary transfer

- (1) This section applies to a person who at any time on or after such date as may be specified by order made by the Secretary of State ceases to be employed by ILEA or the London Residuary Body (his "W") if—
  - (a) the termination of his employment is attributable to any provision made by or under this Part;
  - (b) he is subsequently employed by another person (his "W"); and
  - (c) by virtue of section 84, 94 or 95 of the Employment Protection (Consolidation) Act 1978 (renewal or re-engagement) that subsequent employment precludes his receiving any redundancy payment under Part VI of that Act.
- (2) Where this section applies to a person Schedule 13 to that Act (computation of period of employment for the purposes of that Act) shall have effect in relation to that person as if it included the following provisions, that is to say—
  - (a) the period of employment of that person with his former employer shall count as a period of employment with his new employer; and
  - (b) the change of employer shall not break the continuity of the period of employment.
- (3) Where this section applies to a person the period of his employment with his former employer shall count as a period of employment with his new employer for the purposes of any provision of his contract of employment with his new employer which depends on his length of service with that employer.

## 175 Offers of employment by inner London councils

(1) If at any time after such date as may be specified for the purposes of this section by an order made by the Secretary of State ("W") an inner London council proposes to

- engage a person who is currently in the employment of ILEA it shall, if reasonably practicable, enter into, or offer to enter into, a contract of employment with him that meets the requirements of subsection (2) below.
- (2) The contract must be such that the employment of the person concerned by the council will or would take effect either immediately on the ending of his employment by ILEA or after an interval of not more than four weeks after the ending of that employment.
- (3) If an inner London council enters into a contract of employment with a person who has received or is entitled to receive a redundancy payment under Part VI of the Employment Protection (Consolidation) Act 1978—
  - (a) by reason of his dismissal by ILEA at any time after the specified date; or
  - (b) by virtue of section 178(1) of this Act;
  - the council shall, if the Secretary of State so directs, pay to the London Residuary Body an amount equal to that payment.
- (4) The Secretary of State shall not give a direction under subsection (3) above in respect of the employment of any person by an inner London council if the council satisfies him—
  - (a) that it could not reasonably have made that person an offer of employment on the terms and conditions of the contract mentioned in that subsection which, if accepted by him, would have precluded his entitlement to the redundancy payment; or
  - (b) that the council has made such an offer but that the person concerned acted reasonably in refusing it or that he could reasonably have refused such an offer if it had been made by the council.
- (5) In any case in which an amount is payable by a council under subsection (3) above the council shall also pay to the London Residuary Body an amount equal to any compensation under the regulations referred to in section 173(2) of this Act which has been paid or is payable to the person concerned before the time when he enters into the contract.
- (6) A former member of an inner London council shall not be disqualified by virtue of section 116 of the Local Government Act 1972 for being appointed by that council to a paid office if—
  - (a) he is, or at any time between the passing of this Act and the abolition date has been, in the employment of ILEA; and
  - (b) he is appointed not later than twelve months after that date and with the consent of the Secretary of State.
- (7) For the purposes of subsection (2) above employment ending on a Friday or a Saturday shall be treated as ending immediately before the following Monday and the interval of four weeks shall be calculated as if any such employment had ended at that time.

## Functions of London Residuary Body

## 176 Provision of services and facilities by London Residuary Body

(1) Subject to subsection (3) below, the Secretary of State may at any time by a direction require the London Residuary Body to provide, for the inner London councils and such other authorities or bodies or classes of authorities or bodies as may be specified in the direction, services or facilities of any description so specified.

- (2) Any such direction shall specify the date (which must be a date falling on or after the abolition date) as from which the services or facilities in question are to be provided.
- (3) The descriptions of services or facilities that may be so specified—
  - (a) must be services or facilities of a description provided by ILEA at the date of the direction or (where the direction is given on or after the abolition date) immediately before the abolition date; and
  - (b) subject to paragraph (a) above, include services or facilities of any description involving the provision for any council, authority or body of supplies required by them for the purposes of or in connection with the exercise of any of their functions (whether or not relating to education).
- (4) It shall be the duty of the London Residuary Body to provide any services or facilities to which a direction under subsection (1) above relates—
  - (a) as from the date specified in the direction under subsection (2) above; and
  - (b) on such terms (including terms requiring the making of payments to the London Residuary Body by any council, authority or body to whom such services or facilities are provided) as may be specified in the direction.
- (5) Any such direction may require such services or facilities to be provided on different terms for—
  - (a) the inner London councils and any other authorities or bodies or classes of authorities or bodies specified in the direction; and
  - (b) different authorities or bodies or classes of authorities or bodies so specified.
- (6) Subject to subsection (7) below, the London Residuary Body may by agreement with one or more inner London councils, and on such terms as to payment or otherwise as the parties consider appropriate, provide the council or councils concerned with services or facilities of any description it would be within the power of the council or councils concerned to provide themselves in the exercise of any of their functions (whether or not relating to education).
- (7) Any such agreement shall be subject to the approval of the Secretary of State.

## 177 Repayment by London Residuary Body of loans to ILEA

- (1) Except so far as otherwise provided by any provision made under this Part, all the rights and liabilities of ILEA on the abolition date in respect of money borrowed by ILEA shall on that date become rights and liabilities of the London Residuary Body and those liabilities (both as respects principal and interest) shall be charged on the revenues of that body.
- (2) For the purpose of providing the London Residuary Body with money to discharge those liabilities each inner London council shall on the abolition date be deemed to have borrowed from that body such sum as may be specified by or determined in accordance with an order made by the Secretary of State.
- (3) That sum shall be deemed to have been borrowed on such terms as to repayment and the payment of interest as may be so specified or determined.
- (4) For the purposes of paragraph 8 of Schedule 13 to the Local Government Act 1972 (borrowing for purposes of repaying sums borrowed under paragraph 1(b) of that Schedule), as it applies in relation to the London Residuary Body by virtue of section 75 of the 1985 Act, the amount of any liabilities in respect of principal to which

- that Body is for the time being subject under subsection (1) above shall be treated as money borrowed by that Body under paragraph 1(b) of that Schedule.
- (5) An inner London council may, during the period within which it is required to discharge its liabilities in respect of principal under subsection (2) above, borrow money for the purpose of discharging those liabilities.
- (6) In subsection (1) above the reference to money borrowed by ILEA includes a reference to any money borrowed by any other authority whose rights and liabilities in respect of that money have been transferred to ILEA.

# 178 Liability of London Residuary Body for redundancy and compensation payments

- (1) Any person who—
  - (a) immediately before the abolition date is in the service of ILEA under a contract of employment which would have continued but for the abolition of ILEA; and
  - (b) is not designated for the purposes of section 172 of this Act; shall be entitled to receive from the London Residuary Body any redundancy payment under Part VI of the Employment Protection (Consolidation) Act 1978 which he would have been entitled to receive from ILEA if ILEA had not been abolished but had dismissed him by reason of redundancy immediately before the abolition date.
- (2) As respects any such redundancy payment—
  - (a) the London Residuary Body shall be treated as the employer of the person concerned for the purposes of sections 101, 102, 104, 108 and 119 of that Act (ancillary provisions about redundancy payments);
  - (b) references to the relevant date in sections 81(4), 82(1) and 101 of that Act and in Schedule 4 to that Act shall be construed as references to the day before the abolition date; and
  - (c) the calculation date for the purposes of Part II of Schedule 14 to that Act (calculation of a week's pay) shall be the day before the abolition date.

## (3) Any person who—

- (a) immediately before the abolition date is in the service of ILEA under a contract of employment made on or before 17th February 1988 which is a contract for a fixed term extending beyond the abolition date; and
- (b) is not designated for the purposes of section 172 of this Act;

shall, if the contract made no provision for its prior termination by ILEA, be entitled to receive from the London Residuary Body an amount equal to any damages which he would have been entitled to recover from ILEA if ILEA had not been abolished but had dismissed him immediately before the abolition date.

## (4) Any person who—

- (a) immediately before the abolition date is in the service of ILEA under a contract of employment (whether or not for a fixed term) providing for its termination by ILEA on payment of compensation for loss of employment; and
- (b) is not designated for the purposes of section 172 of this Act;

- shall be entitled to receive from the London Residuary Body an amount equal to the compensation which he would have been entitled to receive from ILEA if ILEA had not been abolished but had terminated the contract immediately before that date.
- (5) In subsection (4) above "compensation for loss of employment" does not include any payment to be made under the contract in lieu of notice.
- (6) Where the amount of compensation payable under a contract differs according to the reasons for its termination the amount payable under subsection (4) above shall be determined on the assumption that the contract was terminated by reason of redundancy within the meaning of the Employment Protection (Consolidation) Act 1978.

## 179 Payment of pensions and pensions increase by London Residuary Body

- (1) All liabilities of ILEA in respect of pensions payable by it shall on the abolition date become liabilities of the London Residuary Body.
- (2) The reference in subsection (1) above to pensions includes a reference to allowances, grants or other benefits in respect of past service, death, injury or disease (whether of the pensioner or another person) and any such compensation as is mentioned in section 8(1)(b) or (c) of the Pensions (Increase) Act 1971.
- (3) At the end of Part II of Schedule 2 to that Act (pensions payable out of local funds) there shall be inserted—
  - "64C A pension payable by the London Residuary Body, being a pension which would fall within any of the foregoing paragraphs of this Part of this Schedule if references to a local authority had continued to include references to the Inner London Education Authority."
- (4) In paragraph 1(5) of Schedule 3 to that Act (cases where increase of pension is to be reimbursed by the last employing authority) after "64B" there shall be inserted the words "and 64C".
- (5) The London Residuary Body shall pay—
  - (a) any increase which by virtue of regulations under section 5(2) of that Act would have been payable on or after the abolition date by ILEA; and
  - (b) any payment which is analogous to a pensions increase and would have been payable on or after that date by ILEA by virtue of regulations under section 13(3) of that Act.

## 180 Custody of residuary property, etc

- (1) On the abolition date all residuary property, rights and liabilities of ILEA shall vest in the London Residuary Body.
- (2) In subsection (1) above "residuary property, rights and liabilities" means—
  - (a) any property for the vesting of which provision is not otherwise made by or under this Part; and
  - (b) subject to subsection (3) below, any rights and liabilities which are not transferred, extinguished or otherwise dealt with by any provision so made.
- (3) This section shall not be construed—
  - (a) as continuing in force any contract of employment made by ILEA; or

(b) as imposing any liability on the London Residuary Body in respect of the termination of any such contract by the abolition of ILEA;

but the rights and liabilities to which this section applies shall include any rights and liabilities attributable to anything done or omitted under or in respect of such a contract before the abolition date except any liability to make a payment prohibited by section 173(3) of this Act.

- (4) The Secretary of State may by order confer on the London Residuary Body any statutory functions which before the abolition date were exercisable by ILEA in relation to any property, rights or liabilities which are vested in that body by this section.
- (5) Without prejudice to section 232(5) of this Act, the provision that may be made by an order under subsection (4) above includes provision amending any enactment or any instrument made under any enactment.

## 181 Power of London Residuary Body to pay compensation

- (1) The London Residuary Body may pay compensation—
  - (a) to any former officer of ILEA who sustained an injury in the course of his employment with ILEA; or
  - (b) to the widow or widower or child of any former officer of ILEA who, in the course of his employment with ILEA, died or sustained an injury resulting in death.
- (2) Subsection (1) above applies irrespective of whether the employment with ILEA of the officer in question came to an end on or before the abolition date.
- (3) The London Residuary Body may pay compensation to any person in respect of loss suffered by him in consequence of any damage to property in respect of which it appears to them that a claim might have been brought against ILEA had ILEA not been abolished.
- (4) Any compensation payable under this section may be paid either—
  - (a) by way of a lump sum; or
  - (b) by way of periodical payments of such amounts and payable at such times and for such periods as the London Residuary Body may from time to time determine having regard to all the circumstances of the case.
- (5) The payment of compensation under this section shall not affect any right or claim to damages or compensation which—
  - (a) any such officer as is mentioned in subsection (1)(a) or (b) above or his widow or widower or child; or
  - (b) any such person as is mentioned in subsection (3) above;

may have against any person other than the London Residuary Body or, except so far as may be agreed when the compensation is granted, against the London Residuary Body by virtue of section 180 of this Act.

## 182 Preparation of ILEA's final accounts

(1) It shall be for the London Residuary Body to discharge in relation to ILEA's accounts for any period ending before the abolition date—

- (a) any functions under the regulations in force under Part III of the Local Government Finance Act 1982 which would have fallen to be discharged on or after that date by ILEA or any of its officers; and
- (b) any functions under those regulations which fell to be so discharged before that date but have not been discharged.
- (2) As respects anything falling to be done on or after the abolition date in relation to those accounts the provisions of Part III of that Act shall have effect as if those accounts were accounts of the London Residuary Body but so that—
  - (a) the documents to which an auditor has the right of access under section 16(1) shall include any documents relating to ILEA which are in the possession of an inner London council; and
  - (b) the persons who may be required to give information or an explanation under section 16(2) or 28(1) shall include any person who was an officer or member of ILEA at any time during the period to which the accounts relate and who is an officer or member of such a council.
- (3) Any requirement under section 29(1) of that Act in respect of a claim, return or account of ILEA, and any consent under section 30(1)(a) of that Act in respect of information relating to ILEA, may, on or after the abolition date, be made or given by the London Residuary Body.
- (4) That body shall have a right of access at all reasonable times to all such documents as are mentioned in subsection (2)(a) above which appear to it to be needed for the purpose of discharging its functions under this section and may require any such person as is mentioned in subsection (2)(b) above to give it any such information or explanation as it thinks necessary for that purpose.
- (5) Any person who without reasonable excuse fails to comply with any requirement under subsection (4) above shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale and to an additional fine not exceeding £40 for each day on which the offence continues after his conviction of the offence.

## 183 Directions of Secretary of State

- (1) In exercising the functions conferred on it by or under this Part the London Residuary Body shall comply with any directions given to it by the Secretary of State.
- (2) No transaction entered into by that body in exercise of any of those functions shall be invalid by reason only of a failure to comply with any direction given under this section.
- (3) The Secretary of State shall publish any directions given by him under this section.

Financial provisions and winding up of London Residuary Body

## 184 Preparatory expenditure of inner London councils

(1) Without prejudice to the powers conferred by section 137 of the Local Government Act 1972 (which authorises a local authority to incur expenditure which it considers is in the interests of its area or inhabitants of its area), an inner London council may incur expenditure in making preparations for the exercise on and after the abolition date of its LEA functions.

- (2) Where before the passing of this Act any such council has incurred such expenditure, that expenditure shall be treated after the passing of this Act as authorised by subsection (1) above.
- (3) The Secretary of State may pay grants to an inner London council in respect of such expenditure incurred or to be incurred by the council in any financial year ending before the abolition date.
- (4) The Secretary of State may make any payment in respect of such a grant subject to compliance by the council concerned with such conditions as he may determine.

## 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;

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 rating authority or (as the case may be) the rating 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.

#### 186 Transitional functions of London Residuary Body in respect of block grant

- (1) Any payment which by virtue of any provision of Part VI of the Local Government, Planning and Land Act 1980 would but for this Act have fallen to be made on or after the abolition date by or to ILEA in respect of block grant payable for a year ending before that date shall instead be made by or to the London Residuary Body.
- (2) Any information, notice, representation or request under section 65, 66 or 67 of that Act which but for this Act would have fallen to be given or made by or to ILEA on or after the abolition date in respect of block grant payable for a year ending before that date shall instead be given or made by or to the London Residuary Body.

## 187 Winding-up of London Residuary Body

- (1) Except as respects any of its functions under this Part for the discharge of which provision will be or is likely to be required after the end of the period of three years beginning with the abolition date, it shall be the duty of the London Residuary Body to use its best endeavours to secure that its work under this Part is completed as soon as practicable and in any event before the end of that period.
- (2) As respects—
  - (a) any such functions; and
  - (b) any property, rights and liabilities transferred to it, or held, acquired or incurred by it by virtue of, or in the exercise of any of its functions under, this Part;

that body shall if it considers it appropriate to do so make such arrangements as are practicable for their transfer to a local authority or to some other body or bodies or submit proposals to the Secretary of State for effecting such transfers by orders made by him for the purpose.

- (3) Any such arrangements or proposals shall be made or (as the case may be) submitted, so far as practicable, before the end of the period of two years beginning with the abolition date.
- (4) Not later than the end of that period of two years, the London Residuary Body shall submit to the Secretary of State a scheme for the winding up of that body and the disposal of its remaining functions, property, rights and liabilities so far as not dealt with in pursuance of subsection (2) above.
- (5) The Secretary of State may by order provide—
  - (a) for any such transfer or disposal as is mentioned in subsection (2) above; and
  - (b) for giving effect (with or without modifications) to any scheme submitted to him under subsection (4) above.
- (6) The power under subsection (5)(a) above applies irrespective of whether or not the London Residuary Body has submitted proposals with respect to the transfer or disposal in question and, if it has, whether the provision made is in accordance with those proposals or not.
- (7) Without prejudice to the generality of the power under subsection (5) above and to section 232(5) of this Act, the provision that may be made by an order under subsection (5) above includes provision—
  - (a) amending any enactment or any instrument made under an enactment; or
  - (b) establishing new bodies corporate to receive any functions, property, rights or liabilities transferred by the order.

#### Control of ILEA's contracts and disposals

#### 188 Control of contracts

- (1) This section applies to any contract in respect of which the consideration exceeds £15,000 and which is entered into after 22nd July 1987.
- (2) Except with the consent of the Secretary of State, ILEA shall not after the passing of this Act enter into a contract to which this section applies.
- (3) Subject to section 191(3)(b) of this Act, if at any time after 22nd July 1987 and before the passing of this Act ILEA has entered into a contract which would have been in contravention of the provisions of subsection (2) above if they had then been in force, the same consequences shall follow as if those provisions had been contravened by ILEA.
- (4) Any consent for the purposes of this section may be given either in respect of a particular contract or in respect of contracts of any class or description and either unconditionally or subject to conditions.
- (5) Any signification of consent, or of consent subject to specified conditions, given by the Secretary of State before the passing of this Act in respect of any contract to which

- this section applies shall be treated for the purposes of this section as a consent, or a consent subject to those conditions, given under this section.
- (6) A contract shall not be void by reason only that it has been entered into in contravention of this section and (subject to section 190(2) of this Act) a person entering into a contract with ILEA shall not be concerned to enquire whether any consent required by this section has been given or complied with.
- (7) Where the consideration or any of the consideration under a contract is not in money, the limit specified in subsection (1) above shall apply to the value of the consideration.
- (8) This section does not apply to—
  - (a) a contract to dispose of land or to grant or dispose of any interest in land; or
  - (b) a contract of employment between ILEA and a person employed by it.

## 189 Control of disposals

- (1) Subject to subsection (9) below, this section applies to any disposal of land which is made after 22nd July 1987.
- (2) Except with the consent of the Secretary of State, ILEA shall not after the passing of this Act make a disposal to which this section applies.
- (3) Subject to section 191(3)(b) of this Act, if at any time after 22nd July 1987 and before the passing of this Act ILEA has made a disposal which would have been in contravention of the provisions of subsection (2) above if they had then been in force, the same consequences shall follow as if those provisions had been contravened by ILEA.
- (4) Any consent for the purposes of this section may be given either in respect of a particular disposal or in respect of disposals of any class or description and either unconditionally or subject to conditions.
- (5) Any signification of consent, or of consent subject to specified conditions, given by the Secretary of State before the passing of this Act in respect of any disposal to which this section applies shall be treated for the purposes of this section as a consent, or a consent subject to those conditions, given under this section.
- (6) This section has effect notwithstanding anything in section 123 of the Local Government Act 1972 (general power to dispose of land) or in any other enactment; and the consent required by this section shall be in addition to any consent required by subsection (2) of that section or by any other enactment.
- (7) A disposal shall not be invalid or, in the case of a disposal which consists of a contract, void by reason only that it has been made or entered into in contravention of this section; and (subject to the provisions of section 190 of this Act) a person acquiring land, or entering into a contract to acquire land, from ILEA shall not be concerned to enquire whether any consent required by this section has been given or complied with.
- (8) In this section references to disposing of land include references to—
  - (a) granting or disposing of any interest in land;
  - (b) entering into a contract to dispose of land or to grant or dispose of any such interest; and
  - (c) granting an option to acquire any land or any such interest.

(9) This section does not apply to a disposal falling within subsection (8)(a) above if it is made in pursuance of a contract entered into, or an option granted, on or before 22nd July 1987.

## 190 Wrongful contracts or disposals

- (1) This section applies where ILEA—
  - (a) has entered into any contract to which section 188 of this Act applies; or
  - (b) has made any disposal to which section 189 of this Act applies; in contravention of that section (referred to below in this section as a wrongful contract or, as the case may be, a wrongful disposal).
- (2) In the case of a wrongful contract or a wrongful disposal which consists in entering into a contract to dispose of any land or to grant or dispose of any interest in land, the aggrieved body may by notice in writing served on the other party to the contract repudiate the contract—
  - (a) in the case of a wrongful contract, at any time before the contract is performed;
  - (b) in the case of a wrongful disposal, at any time before the conveyance or grant of the land or interest in land to which it relates is completed or executed.
- (3) In the case of a wrongful disposal which consists in granting an option to acquire any land or interest in land, the aggrieved body may by notice in writing served on the option holder repudiate the option at any time before it is exercised.
- (4) A repudiation under subsection (2) or (3) above shall have effect as if made by ILEA.
- (5) In the case of a wrongful disposal which consists in granting or disposing of any interest in land (whether or not in pursuance of any earlier disposal of a description falling within subsection (2) or (3) above)—
  - (a) the aggrieved body may be authorised by the Secretary of State to purchase compulsorily the interest in land which was the subject of the disposal; and
  - (b) whether or not the aggrieved body is so authorised, any sums which, apart from this provision, would fall to be included by reference to that disposal in ILEA's capital receipts for the purposes of Part VIII of the Local Government, Planning and Land Act 1980 shall not be so included.
- (6) The Acquisition of Land Act 1981 shall apply in relation to the compulsory purchase of land under subsection (5) above by an aggrieved body (other than the London Residuary Body) as if references in sections 12 and 13 of that Act to every owner of the land included references to the London Residuary Body.
- (7) Where an aggrieved body (other than the London Residuary Body) acquires any interest in land by a compulsory purchase under subsection (5) above, the body shall be entitled to recover from the London Residuary Body an amount equal to the aggregate of—
  - (a) the amount of compensation agreed or awarded in respect of that purchase, together with any interest payable by the council in respect of that compensation in accordance with section 11 of the Compulsory Purchase Act 1965; and
  - (b) the amount of the costs and expenses incurred by the body in connection with the making of the compulsory purchase order.
- (8) A body is an aggrieved body for the purposes of this section—

- (a) in relation to a wrongful contract, if rights or liabilities under the contract have been transferred to, or have vested in, the body by or under this Part;
- (b) in relation to a wrongful disposal of a description falling within subsection (2) or (3) above, if the land proposed to be disposed of, or in which an interest is proposed to be granted, has been so transferred or has so vested:
- (c) in relation to a disposal of a description falling within subsection (5) above, if (but for the disposal)—
  - (i) the interest disposed of would have been so transferred or would have so vested; or
  - (ii) where the disposal consists in the granting of an interest in land, the land in which the interest was granted would have been so transferred, or would have so vested, free of the interest.

## 191 Penalties for contravention of section 188 or 189

- (1) If, on an application under this section, it appears to the High Court that ILEA has entered into a contract in contravention of section 188 of this Act or has made a disposal in contravention of section 189 of this Act, the court may order any person responsible for authorising the contract or disposal who is, or was at the time of the conduct in question, a member of ILEA—
  - (a) to be disqualified for being a member of ILEA; and
  - (b) to be disqualified for a specified period for being a member of any local authority.
- (2) Where the court has power to make an order under subsection (1) above in respect of any person, it may also order him to pay to ILEA or, in the case of an order made on or after the abolition date, to the London Residuary Body a sum not exceeding—
  - (a) in the case of a contract in contravention of section 188, an amount equal to the amount or value of the consideration under the contract;
  - (b) in the case of a disposal in contravention of section 189, an amount equal to the amount or value of the consideration for the disposal or, if there is no consideration or it is less than the market value of what was disposed of, an amount equal to that market value.
- (3) No order shall be made under this section in respect of any person—
  - (a) if the court is satisfied that he acted in the belief that the contract or disposal had the consent of the Secretary of State and that any conditions attached to the consent had been complied with; or
  - (b) where the contract was entered into, or the disposal was made, on or before 17th February 1988.
- (4) An application under this section may be made by any of the following—
  - (a) an inner London council;
  - (b) a local government elector for the area of such a council;
  - (c) the London Residuary Body; and
  - (d) any local authority other than an inner London council to which property, rights or liabilities of ILEA will be or have been transferred by order under section 168 of this Act.

(5) In sections 80(1)(e), 86(b) and 87(1)(d) of the Local Government Act 1972 references to Part III of the Local Government Finance Act 1982 shall include references to this section.

## Miscellaneous and supplementary

#### 192 Charities

- (1) Where immediately before the abolition date—
  - (a) any property is held exclusively for charitable purposes by ILEA as sole trustee; and
  - (b) the charity is primarily for the benefit of the area of a single inner London council;

that property shall on that date vest for the like purposes in that council.

- (2) Where immediately before that date any power with respect to any such charity as is mentioned in subsection (1)(b) above was under the trusts of the charity vested in, or in the holder of any office connected with, ILEA, that power shall on that date vest in, or in the holder of the corresponding office connected with, the inner London council concerned.
- (3) Where in the case of any such power vested in the holder of any office connected with ILEA there is no corresponding office connected with the inner London council concerned, that power shall on that date vest in the holder of such other office connected with that council as the Charity Commissioners may with the consent of that council and the office-holder concerned appoint.
- (4) Where immediately before that date—
  - (a) any property is held exclusively for charitable purposes by ILEA as sole trustee; and
  - (b) subsection (1) above does not apply to that property;

that property shall on that date vest for the like purposes in the London Residuary Body or in such other person as the Charity Commissioners may appoint.

- (5) Where immediately before that date any power with respect to any charity, other than any such charity as is mentioned in subsection (1)(b) above, was under the trusts of the charity vested in, or in the holder of any office connected with, ILEA, that power shall on that date vest in the London Residuary Body or in such other person as the Charity Commissioners may appoint.
- (6) References above in this section to a power with respect to a charity shall not include references to any power of any person by virtue of being a charity trustee of that charity; but where under the trusts of any charity the charity trustees immediately before the abolition date included ILEA or the holder of an office connected with ILEA then, as from that date, those trustees shall instead include—
  - (a) such of the inner London councils:
  - (b) the holder of such office connected with such of those councils; or
  - (c) such other person;

as the Charity Commissioners may appoint.

(7) If in any case an appointment is not made by the Charity Commissioners for the purposes of any of subsections (3) to (6) above before the abolition date, the London

Residuary Body shall be treated as having been so appointed pending the making of such an appointment by those Commissioners; but an appointment made by those Commissioners after the abolition date must be made before the end of the period of two years beginning with that date.

- (8) References in subsections (2), (5) and (6) above to a charity shall not include a charity which is a company within the meaning of the Companies Act 1985 or incorporated by charter.
- (9) For the purposes of this section, a charity is a charity primarily for the benefit of the area of a single inner London council if the charity is established for purposes which are by their nature or by the trusts of the charity directed wholly or mainly to the benefit of an area which falls wholly or mainly within that council's area.
- (10) Nothing in this section shall affect the power of Her Majesty, the court or any other person to alter the trusts of any charity.
- (11) In this section "charity", "charitable purposes", "charity trustees", "court" and "trusts" have the same meanings as in the Charities Act 1960.

#### 193 Information and access to documents

- (1) For the purpose of facilitating the implementation of any provision made by or under this Part, ILEA and its officers shall furnish any body mentioned in subsection (2) below or, as the case may be, the Secretary of State with all such information relating to ILEA or its functions as that body or the Secretary of State may request.
- (2) The bodies referred to in subsection (1) above are—
  - (a) an inner London council:
  - (b) the London Residuary Body;
  - (c) any local authority other than an inner London council to which functions, property, rights or liabilities of ILEA will be transferred by order under section 168 of this Act; and
  - (d) the staff commission established by section 170 of this Act.
- (3) Any information required to be furnished under subsection (1) above shall be furnished within one month of the making of the request or, if that is not reasonably practicable, as soon as reasonably practicable after the expiry of that month.
- (4) Any person authorised in that behalf by the London Residuary Body shall be entitled on producing, if so required, evidence of his authority—
  - (a) at all reasonable times to inspect and make copies of any document belonging to or under the control of ILEA; and
  - (b) to require copies of any such document to be delivered to him.
- (5) References in subsection (4) above to copies of a document include references to copies of part of it.
- (6) In subsections (4) and (5) above "document" includes any record of information and, where the record is not in legible form, the rights conferred by subsection (4) above include the right to require the information to be made available in legible form for inspection or copying and to require copies of it in that form to be delivered.

## 194 Concurrent employment

- (1) A person in the service of ILEA may enter into a contract of employment with a successor authority for the rendering of services by him to that authority concurrently with his service to ILEA.
- (2) Subsection (1) above has effect notwithstanding anything in a person's contract of employment with ILEA and neither his entering into a contract of employment with a successor authority nor anything done by him in pursuance of such a contract shall be a ground for ILEA to terminate his employment.
- (3) In this section "successor authority" means—
  - (a) an inner London council;
  - (b) the London Residuary Body; and
  - (c) any local authority other than an inner London council to which functions or property of ILEA will be transferred by order under section 168 of this Act.

## 195 Continuity of exercise of functions

- (1) The abolition of ILEA shall not affect the validity of anything done by ILEA before the abolition date.
- (2) Anything which at that date is in process of being done by or in relation to ILEA in the exercise of or in connection with any statutory functions which by virtue of any provision made by or under this Part become functions of the inner London councils in respect of their respective areas or (as the case may be) of some other local authority or of the London Residuary Body may be continued by or in relation to the successor authority.
- (3) References in this section, in relation to any statutory functions, to the successor authority are references to the inner London council or other local authority or body by which those functions become exercisable or (as the case may be) become exercisable in respect of the area in question.
- (4) Any instrument made by ILEA in exercise of or in connection with any functions to which subsection (2) above applies, and any other thing done by or in relation to ILEA before the abolition date in exercise of or in connection with any such functions shall, so far as required for continuing its effect on and after that date, have effect as if made by, or done by or in relation to, the successor authority.
- (5) Any reference above in this section to any instrument made by, or to any other thing done by or in relation to, ILEA includes a reference to any instrument or other thing which by virtue of any enactment is treated as having been made by, or done by or in relation to, ILEA.
- (6) So far as is required for giving effect to the preceding provisions of this section—
  - (a) any reference in any document to ILEA shall be construed as a reference to the successor authority; and
  - (b) any reference in any document to ILEA's area (whether as the Inner London Education Area or otherwise), or to any part of that area comprising the successor authority's area, shall be construed as a reference to the successor authority's area.
- (7) For the purposes of subsection (6)(b) above, the London Residuary Body's area shall be taken to be the area comprising the areas of all the inner London councils.

- (8) Any question under this section as to which is the successor authority in respect of any particular functions may be determined by a direction given by the Secretary of State.
- (9) The preceding provisions of this section—
  - (a) are without prejudice to any provision made by this Part in relation to any particular functions; and
  - (b) shall not be construed as continuing in force any contract of employment made by ILEA.
- (10) The Secretary of State may, in relation to any particular functions, by order exclude, modify or supplement any of the preceding provisions of this section or make such other transitional provision as he thinks necessary or expedient.

## 196 Interpretation of Part III

- (1) In this Part—
  - "the 1985 Act" has the meaning given by section 164(3);
  - "the abolition date" has the meaning given by section 162(2);
  - "ILEA" has the meaning given by section 162(1)(a);
  - "inner London council" has the meaning given by section 163(2); and
  - "statutory functions" means functions conferred or imposed by an enactment or a statutory instrument.
- (2) References in this Part, in relation to an inner London council, to its LEA functions shall be read in accordance with section 165(1)(a).