



Local Government Act 1988

CHAPTER 9

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Local Government Act 1988

CHAPTER 9

ARRANGEMENT OF SECTIONS

PART I

COMPETITION

Preliminary

Section

1. Defined authorities.
2. Defined activities.
3. Other definitions.

Works contracts: restrictions

4. Works contracts: restrictions.
5. Works contracts: transitional.

Functional work: restrictions

6. Functional work: restrictions.
7. The conditions.
8. The conditions: further provisions.

Accounts, reports and information

9. Accounts to be kept.
10. Financial objectives to be met.
11. Report for financial year.
12. Information.

Sanctions

13. Notice for purpose of getting information.
14. Power to give directions.

A*

Miscellaneous

Section

15. Orders, regulations, specifications and directions.
16. Supplementary.

PART II

PUBLIC SUPPLY OR WORKS CONTRACTS

17. Local and other public authority contracts: exclusion of non-commercial considerations.
18. Race relations matters.
19. Provisions supplementary to or consequential on section 17.
20. Duty of public authorities to give reasons for certain decisions within section 17.
21. Transitional duty of public authorities as regards existing lists.
22. Exclusion of charges for inclusion in approved list.
23. Commencement.

PART III

PRIVATELY LET HOUSING ACCOMMODATION

24. Power to provide financial assistance for privately let housing accommodation.
25. Consent required for provision of financial assistance etc.
26. Consents under section 25.

PART IV

MISCELLANEOUS AND GENERAL

Miscellaneous

27. Local authority publicity.
28. Prohibition on promoting homosexuality by teaching or by publishing material.
29. Local government administration.
30. Additional powers for auditors of local authorities etc.
31. Land held by public bodies.
32. Direct labour organisations.
33. Local authority companies.
34. Arrangements under Employment and Training Act 1973.
35. Amendment of Local Government (Scotland) Act 1973.
36. Commutation of smallholdings payments.
37. Dog registration scheme.
38. Abolition of duty on dog licences.
39. Control of stray dogs.

General

40. Finance.
41. Repeals.
42. Citation and extent.

SCHEDULES:

- Schedule 1—Competition.
- Schedule 2—Public supply or works contracts: the public authorities.
- Schedule 3—Local government administration.

- Schedule 4—Sections to be inserted in Part III of Local Government Finance Act 1982.
- Schedule 5—Land held by public bodies.
- Schedule 6—Direct labour organisations.
- Schedule 7—Repeals.



Local Government Act 1988

1988 CHAPTER 9

An Act to secure that local and other public authorities undertake certain activities only if they can do so competitively; to regulate certain functions of local and other public authorities in connection with public supply or works contracts; to authorise and regulate the provision of financial assistance by local authorities for certain housing purposes; to prohibit the promotion of homosexuality by local authorities; to make provision about local authorities' publicity, local government administration, the powers of auditors, land held by public bodies, direct labour organisations, arrangements under the Employment and Training Act 1973, the Commission for Local Authority Accounts in Scotland, the auditing of accounts of local authorities in Scotland, and dog registration, dog licences and stray dogs; and for connected purposes. [24th March 1988]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

PART I

COMPETITION

Preliminary

1.—(1) For the purposes of this Part each of the following is a defined authority—

- (a) a local authority,

Defined authorities.

- PART I**
- 1980 c. 65. (b) an urban development corporation established by an order under section 135 of the Local Government, Planning and Land Act 1980,
- (c) a development corporation established for the purposes of a new town,
- (d) the Commission for the New Towns,
- 1964 c. 48. (e) a police authority constituted under section 2 of the Police Act 1964 or as mentioned in section 3(1) of that Act, or established by section 24 or 25 of the Local Government Act 1985,
- 1985 c. 51. (f) a fire authority constituted by a combination scheme and a metropolitan county fire and civil defence authority,
- (g) the London Fire and Civil Defence Authority,
- (h) a metropolitan county passenger transport authority,
- (i) an authority established by an order under section 10(1) of the Local Government Act 1985 (waste disposal),
- 1944 c. 31. (j) a joint education committee established by an order under paragraph 3 of Part II of Schedule 1 to the Education Act 1944 and the Inner London Education Authority,
- (k) a water development board in Scotland, and
- (l) the Scottish Special Housing Association.
- (2) In the application of this Part to England and Wales, "local authority" in subsection (1) above means—
- (a) a county council, a district council, a London borough council, a parish council, a community council or the Council of the Isles of Scilly;
- (b) the Common Council of the City of London in its capacity as local authority or police authority.
- (3) In the application of this Part to Scotland, in subsection (1) above—
- (a) "local authority" means a regional, islands or district council or any joint board or joint committee within the meaning of the Local Government (Scotland) Act 1973, and
- 1973 c. 65. (b) "water development board" has the same meaning as in section 109(1) of the Water (Scotland) Act 1980.
- 1980 c. 45.
- 1972 c. 70. (4) In a case where two or more defined authorities arrange under section 101 of the Local Government Act 1972 for the discharge by a joint committee of theirs of any of their functions, the committee shall itself be treated as a defined authority for the purposes of this Part in its application to England and Wales.

Defined activities.

2.—(1) This section applies for the purposes of this Part.

(2) Each of the following is a defined activity—

- (a) collection of refuse,
- (b) cleaning of buildings,
- (c) other cleaning,
- (d) catering for purposes of schools and welfare,
- (e) other catering,
- (f) maintenance of ground, and

(g) repair and maintenance of vehicles;

PART I

and Schedule 1 to this Act applies for the purpose of interpreting the preceding provisions of this subsection.

(3) The Secretary of State may by order provide for an activity to be a defined activity by adding a paragraph to those for the time being appearing in subsection (2) above.

(4) Before making an order under subsection (3) above, the Secretary of State shall consult such representatives of local government as appear to him to be appropriate.

(5) Where work would (apart from this subsection) fall within more than one defined activity it shall be treated as falling only within such one of them as the authority carrying out the work decide.

(6) Work which is carried out by a defined authority through an employee and which would (apart from this subsection) fall within a defined activity shall not do so if it is incidental to the greater part of the work he is employed to do and the greater part does not constitute a defined activity.

(7) If a defined authority carry out work which (apart from this subsection) would not fall within a defined activity, and which in their opinion cannot be carried out efficiently separately from a particular defined activity, the work shall (if they so decide) be treated as falling within that defined activity.

(8) Work which would (apart from this subsection) fall within a defined activity shall not do so if it is calculated to avert, alleviate or eradicate the effects or potential effects of an emergency or disaster (actual or potential) involving or likely to involve danger to life or health or serious damage to or destruction of property.

(9) The Secretary of State may provide by order that any activity specified in the order, if carried out by a defined authority or authorities so specified, shall not be treated as a defined activity so long as conditions so specified are fulfilled.

3.—(1) This section applies for the purposes of this Part.

Other definitions.

(2) "Works contract" means a contract constituting or including an agreement which provides for the carrying out of work by a defined authority.

(3) But a contract is not a works contract if it constitutes or includes an agreement providing for a defined authority to discharge the functions of a Minister of the Crown, another defined authority or (in the application of this Part to England and Wales) a water authority.

(4) "Functional work" means—

(a) work carried out by a defined authority, other than work carried out under a works contract; and

(b) work which is carried out otherwise than by a defined authority but which is dependent upon, or incidental or preparatory to, other work which, by virtue of paragraph (a) above, is functional work in relation to that authority;

and work carried out as mentioned in paragraph (b) above shall be treated as carried out by the defined authority.

PART I (5) "Financial year" means a period of 12 months beginning with 1st April.

Works contracts: restrictions

Works contracts:
restrictions.

4.—(1) If a defined authority (a bidding authority) propose to enter into a works contract with another person (the other party) and under the contract the bidding authority are to carry out work falling within a defined activity, the bidding authority may not enter into the contract unless—

- (a) the first or second alternative of the first condition is fulfilled, and
- (b) the second condition is fulfilled.

(2) The first alternative of the first condition is that—

- (a) the contract is made by acceptance of the bidding authority's offer to carry out the work,
- (b) the bidding authority made the offer in response to an invitation by the other party to submit such offers, and
- (c) the invitation was made to at least three other persons who are willing to carry out work of the kind concerned, and who are not defined authorities or include at least three persons who are not defined authorities.

(3) The Secretary of State may by regulations vary—

- (a) the number of persons to whom an invitation must be made under subsection (2) (c) above; and
- (b) the minimum number of those persons who are not to be defined authorities.

(4) The second alternative of the first condition is that before entering into the contract the other party published, in at least one newspaper circulating in the locality in which the work is to be carried out and at least one publication circulating among persons who carry out work of the kind concerned, a notice inviting persons to submit offers to carry out the work.

(5) The second condition is that the other party, in entering into the contract and in doing anything else (whether or not required by this Part) in connection with the contract before entering into it, did not act in a manner having the effect or intended or likely to have the effect of restricting, distorting or preventing competition.

(6) Anything which (apart from this subsection) would amount to a failure to fulfil the first or second alternative of the first condition, or the second condition, shall not do so unless, at the time the contract is proposed to be entered into, the bidding authority are aware of the failure.

(7) This section applies where it is proposed to enter into the works contract on or after 1st April 1989.

Works contracts:
transitional.

5.—(1) Where—

- (a) a defined authority (as a bidding authority) entered into a works contract before 1st April 1989 (and whether or not before the passing of this Act), and

(b) had they entered into the contract on 1st April 1989 they would have infringed section 4 above, PART I
 on that date the parties to the contract shall cease to have power to carry it out.

(2) If the contract is governed by English law and the parties to it do not make other provision before 1st April 1989, the Law Reform (Frustrated Contracts) Act 1943 shall apply to the contract with effect from that date. 1943 c. 40.

Functional work: restrictions

6.—(1) A defined authority may not carry out functional work falling within a defined activity unless each of the six conditions is fulfilled. Functional work: restrictions.

(2) The conditions mentioned in subsection (1) above are those set out in section 7 below, which shall have effect subject to section 8 below.

(3) This section applies only if the work falls within such a defined activity, is of such a description, is proposed to be carried out by such defined authority or authorities, and is proposed to be carried out on or after such date (not preceding 1st April 1989), as the Secretary of State may by regulations specify.

(4) The regulations may provide that where a defined authority propose to carry out functional work which falls within a defined activity specified in the regulations (whether or not by virtue of section 2(5) or (7) above) and to which this section would not otherwise apply, it shall (if the authority so decide) be treated as work to which this section applies.

(5) This section applies even if the work forms part of work begun before any date specified in the regulations, but references in this section and the following provisions of this Part to the work do not include references to any work carried out before such date.

7.—(1) The first condition is that, before carrying out the work, the authority published, in at least one newspaper circulating in the locality in which the work is to be carried out and at least one publication circulating among persons who carry out work of the kind concerned, a notice containing the matters mentioned in subsection (2) below. The conditions.

(2) The matters are—

- (a) a brief description of the work,
- (b) a statement that during a period specified in the notice any person may inspect a detailed specification of the work free of charge at a place and time specified in the notice,
- (c) a statement that during that period any person will be supplied with a copy of the detailed specification on request and on payment of such charge as is specified in the notice,
- (d) a statement that any person who may wish to carry out the work should notify the authority of that fact within a period specified in the notice, and
- (e) a statement that the authority intend to make, in accordance with the third condition, an invitation to carry out the work.

(3) The second condition is that—

- (a) the periods, place, time and charge specified in the notice are reasonable,

PART I

- (b) before carrying out the work, the authority made a detailed specification of the work available for inspection, and copies of it available for supply, in accordance with the notice, and
- (c) the detailed specification includes a statement of the period during which the work is to be carried out.

(4) The third condition is that, if any person notified the authority in accordance with the statement under subsection (2)(d) above, the authority made an invitation to carry out the work in accordance with the following rules—

- (a) the invitation was made by the authority before carrying out the work, and not less than 3 nor more than 6 months after complying with the first condition;
- (b) if more than three persons who are not defined authorities notified the authority, at least three of them were invited;
- (c) if less than four persons who are not defined authorities notified the authority, each of them was invited;
- (d) if a defined authority or defined authorities notified the authority, such one or more (if any) of them as the authority decided was invited.

(5) The Secretary of State may by regulations amend paragraphs (b) and (c) of subsection (4) above so as to vary the number of persons who are not defined authorities who must be invited to carry out work in particular circumstances.

(6) The fourth condition is that before carrying out the work the authority, through their direct labour organisation or a similar organisation, prepared a written bid indicating their wish to carry out the work.

(7) The fifth condition is that the authority, in reaching the decision that they should carry out the work and in doing anything else (whether or not required by this Part) in connection with the work before reaching the decision, did not act in a manner having the effect or intended or likely to have the effect of restricting, distorting or preventing competition.

(8) The sixth condition is that in carrying out the work the authority comply with the detailed specification of it mentioned in subsections (2) and (3) above.

The conditions:
further provisions.

8.—(1) If the Secretary of State so provides by regulations, the second condition shall not be treated as fulfilled if the period stated by virtue of section 7(3)(c) above—

- (a) exceeds a period specified in the regulations;
- (b) is less than another period so specified.

(2) If the Secretary of State so provides by regulations, the third condition shall not be treated as fulfilled unless—

- (a) the contents of any invitation included prescribed matters (which may relate to the time allowed for responding, the method of responding, or otherwise), and

PART I

- (b) if any response was made to any invitation, before carrying out the work the authority complied with prescribed requirements as to responses (which may include requirements to disregard certain responses, requirements about the keeping or opening of responses, or otherwise);

and "prescribed" here means prescribed by the regulations.

(3) The fourth condition shall not be treated as fulfilled unless the bid is prepared in accordance with the following rules—

- (a) if the authority would, assuming it were an independent contractor, charge for carrying out the work, the bid must provide for an item to be credited to any account kept (or to be kept) by the authority as regards the work under section 9 below,
- (b) if the authority would, assuming it were an independent contractor, pay for the right to carry out the work, the bid must provide for an item to be debited to any such account,
- (c) in the case of an item to be credited, the bid must state either what the authority intend as its maximum amount or the method by which they intend to calculate its maximum amount,
- (d) in the case of an item to be debited, the bid must state either what they intend as its minimum amount or the method by which they intend to calculate its minimum amount, and
- (e) a statement mentioned in paragraph (c) or (d) above may include provision for any intended amount or method to vary with changes in circumstances.

(4) If the Secretary of State so provides by regulations, the fourth condition shall not be treated as fulfilled unless before carrying out the work the authority complied with requirements prescribed by the regulations as to the bid (which may include requirements about the preparation, keeping or opening of the bid, or otherwise).

(5) If the Secretary of State so provides by regulations, the fifth condition shall not be treated as fulfilled unless—

- (a) in accordance with prescribed requirements there is prepared and certified a document which appraises and fulfils such other conditions as may be prescribed with respect to responses falling within subsection (2) above and the bid referred to in subsection (3) above; and
- (b) at such time or times (prior to reaching the decision referred to in section 7(7) above) as may be prescribed, copies of that document are provided or made available in accordance with any prescribed requirements;

and "prescribed" here means prescribed by the regulations.

(6) Where any document is provided or made available in accordance with the requirements of regulations under subsection (5) above, the publication thereby of any defamatory matter in the document shall be privileged unless the publication is proved to be made with malice.

PART I

Accounts, reports and information

Accounts to be kept.

9.—(1) This section applies where a defined authority carry out, in the financial year beginning in 1989 or in a subsequent financial year, work which falls within a defined activity and fulfils the condition that—

- (a) it is carried out under a works contract to which section 4 above applies, or
- (b) section 6 above applies to it.

(2) For each financial year in which the work is carried out, the authority shall keep an account as regards all work which falls within that activity, is carried out by them in that year and fulfils that condition.

(3) Where any work falling within the activity is carried out under a works contract, the authority shall credit to the account kept under this section as regards the activity for the financial year in which the work is carried out such an amount as is specified in the contract, or ascertained under it, as the price for carrying out the work in that year.

(4) Where any work falling within the activity is functional work, the authority shall enter, in the account kept under this section as regards the activity for the financial year in which the work is carried out, such item as is necessary to carry out any intention expressed by the authority in relation to the work in any bid prepared under section 7(6) above.

(5) The Secretary of State may specify—

- (a) items which are to be entered in accounts kept under this section (in addition to items to be entered by virtue of subsections (3) and (4) above), and
- (b) the method of determining the amount of any item to be entered by virtue of the specification.

(6) No item may be credited to an account kept under this section except an item required to be credited by subsection (3) or (4) above or by virtue of a specification under subsection (5) above.

(7) Where an authority is required under this section to keep an account of work falling within a defined activity, nothing in section 2(2) of the Local Authorities (Goods and Services) Act 1970 shall be taken to require the authority to keep a separate account in respect of any agreement for the carrying out of that work.

1970 c. 39.

Financial objectives to be met.

10.—(1) This section applies where a defined authority carry out, in the financial year beginning in 1989 or in a subsequent financial year, work which falls within a defined activity and fulfils the condition that—

- (a) it is carried out under a works contract to which section 4 above applies, or
- (b) section 6 above applies to it.

(2) The authority shall secure that such financial objective as the Secretary of State may specify for the year concerned is met by—

- (a) the revenue for all work which falls within that activity, is carried out by them in that year and fulfils that condition, or
- (b) that revenue, adjusted by making such additions or subtractions (or both) as may be required by the specification.

PART I

(3) The reference in subsection (2) above to the revenue for the work concerned is to the aggregate of the items credited to the account kept under section 9 above as regards the work.

(4) A specification under this section may define the financial objective concerned by reference to such factors as the Secretary of State thinks fit.

11.—(1) This section applies where a defined authority carry out, in the financial year beginning in 1989 or in a subsequent financial year, work which falls within a defined activity and fulfils the condition that—

Report for financial year.

- (a) it is carried out under a works contract to which section 4 above applies, or
- (b) section 6 above applies to it.

(2) The authority shall prepare a report for the financial year concerned, containing as regards all work which falls within that activity, is carried out by them in that year and fulfils that condition—

- (a) a summary of the account kept for that year under section 9 above as regards the work,
- (b) a statement showing whether the requirement under section 10 above has been fulfilled for that year as regards the work,
- (c) a statement identifying such of the work (if any) as falls only within the activity by virtue of a decision under section 2(5) above,
- (d) a statement identifying such of the work (if any) as falls within the activity by virtue of a decision under section 2(7) above, and
- (e) a statement identifying such of the work (if any) as is work to which section 6 above applies by virtue of a decision under section 6(4) above.

(3) The summary referred to in subsection (2)(a) above shall present fairly the financial result, during the financial year concerned, of the work having been carried out and shall be expressed in such form as the Secretary of State may specify.

(4) A report under this section shall also contain, as regards the work, such other information (and expressed in such form) as the Secretary of State may specify.

(5) A report under this section shall also contain such information (and expressed in such form) as the Secretary of State may specify as regards work which falls within the defined activity, was carried out by the authority in the financial year preceding the financial year concerned, and fulfils the condition that—

- (a) it was carried out under a works contract to which section 4 above applies, or
- (b) section 6 above applies to it.

(6) The report may contain such other information as the authority think fit.

(7) The report must be prepared not later than 30th September in the financial year following that for which it is prepared, and the authority concerned shall send a copy to the Secretary of State and to their auditor not later than 31st October in the financial year following that for which it is prepared.

PART I

(8) Where an authority's auditor has been sent a copy of a report in accordance with subsection (7) above, he shall consider the statement contained in the report by virtue of subsection (2)(b) above, and shall give his written opinion on the statement to the authority and to the Secretary of State.

(9) For the purposes of subsections (7) and (8) above an authority's auditor is the person who under any enactment is appointed, for the financial year for which the report is prepared, to audit the authority's accounts.

Information.

12.—(1) If a defined authority, having decided to carry out functional work to which section 6 above applies, are requested by a person to supply the person with a statement falling within subsection (2) below, they shall supply such a statement to the person.

(2) A statement falling within this subsection is a written statement showing—

- (a) the authority's decision to carry out the work,
- (b) the financial provisions shown in each offer (if any) to carry out the work made in response to an invitation made under section 7(4) above, and
- (c) the financial provisions of the bid prepared under section 7(6) above in relation to the work.

(3) Subsections (4) to (6) below apply to any report required to be prepared under section 11 above.

(4) Any person may, at a place and time stated by an authority who have prepared a report, inspect the report free of charge.

(5) An authority who have prepared a report shall supply a copy (on request) to any person who pays such charge as the authority may reasonably require.

(6) A defined authority shall publish in at least one appropriate newspaper notice of—

- (a) the place and time at which any report prepared by the authority may be inspected in accordance with subsection (4) above,
- (b) the fact that copies of the report are available for supply in accordance with subsection (5) above, and
- (c) the charge for each copy.

(7) For the purposes of subsection (6) above an appropriate newspaper is—

- (a) in the case of the Commission for the New Towns, a national newspaper, and
- (b) in the case of any other defined authority, a newspaper circulating in their area.

*Sanctions*Notice for
purpose of getting
information.

13.—(1) If it appears to the Secretary of State that in the financial year beginning in 1989 or in a subsequent financial year a defined authority—

- (a) have (as a bidding authority) entered into a contract to carry out work and have done so in contravention of section 4 above,

PART I

- (b) have carried out work in circumstances where any of the six conditions required to be fulfilled as regards the work by section 6 above has not been fulfilled,
- (c) have carried out work in circumstances where section 9 above has not been complied with for the year concerned in relation to the defined activity within which the work falls or in relation to an account required by that section to be kept for the year concerned as regards the activity,
- (d) have carried out work in circumstances where section 10 above has not been complied with for the year concerned in relation to the defined activity within which the work falls, or
- (e) have carried out work in circumstances where section 11 above has not been complied with for the year concerned in relation to the defined activity within which the work falls or in relation to a report required by that section to be prepared for the year concerned as regards the activity,

he may serve on the authority a written notice falling within subsection (2) below.

(2) The notice is one which—

- (a) informs the authority that it appears to him that in a financial year identified in the notice they have acted as mentioned in one of the paragraphs (so identified) of subsection (1) above,
- (b) identifies the work concerned and states why it so appears, and
- (c) contains the requirement mentioned in subsection (3) below.

(3) The requirement is that the authority submit to him within such time as is specified in the notice a written response which—

- (a) states that they have not acted as mentioned in the paragraph concerned of subsection (1) above and justifies the statement, or
- (b) states that they have acted as so mentioned and gives reasons why he should not give a direction under section 14 below.

(4) Where work is specified under section 6(3) above as a proportion of particular work, the reference in subsection (2)(b) above to work is to the work of which the proportion forms a part.

(5) The Secretary of State may serve on an authority different notices under this section identifying the same financial year and the same work, whether they identify the same paragraph or different paragraphs of subsection (1) above.

14.—(1) Subsection (2) below applies where—

- (a) the Secretary of State has served a notice on an authority under section 13 above,
- (b) the time specified in the notice has expired (whether or not he has received a written response to the notice), and
- (c) it still appears to him that the authority have acted as mentioned in the paragraph concerned of section 13(1) above.

Power to give directions.

(2) The Secretary of State may direct that with effect from such date as is specified in the direction the authority—

- (a) shall cease to have power to carry out any work falling within the appropriate activity,

PART I

- (b) shall cease to have power to carry out such work falling within that activity as is identified in the direction,
- (c) shall only have power to carry out work falling within that activity if such conditions as are specified in the direction are fulfilled, or
- (d) shall, as regards such work falling within that activity as is identified in the direction, only have power to carry it out if such conditions as are specified in the direction are fulfilled.

(3) Where the Secretary of State has given a direction under subsection (2) above or this subsection (the previous direction) he may give a direction (a new direction) that with effect from such date as is specified in the new direction—

- (a) any prohibition applying by virtue of the previous direction (whether the prohibition applies outright or if conditions are not fulfilled) shall cease to apply,
- (b) any outright prohibition applying by virtue of the previous direction is replaced by a prohibition applying (as regards the same work) if conditions specified in the new direction are not fulfilled, or
- (c) any prohibition applying as regards work by virtue of the previous direction (whether the prohibition applies outright or if conditions are not fulfilled) is replaced by a prohibition which applies only to such of that work as is identified in the new direction but which is otherwise in the same terms as the prohibition in the previous direction.

(4) If the Secretary of State directs under this section that an authority shall cease to have power to carry out work, or shall only have power to carry out work if certain conditions are fulfilled, the direction shall have effect notwithstanding any enactment by virtue of which they are required or authorised to do the work or (as the case may be) to do it without the need for the conditions to be fulfilled.

(5) In this section “the appropriate activity” means the defined activity within which the work identified in the notice concerned falls.

Miscellaneous

Orders,
regulations,
specifications and
directions.

15.—(1) The power to make an order under section 2(3) above shall be exercisable by statutory instrument, and no such order shall be made unless a draft of the order has been laid before and approved by resolution of each House of Parliament.

(2) The power to make an order under section 2(9) above shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

(3) The power to make regulations under any of sections 4 to 8 above shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

(4) The power to specify under section 9, 10 or 11 above, and the power to give a direction under section 14 above, shall be exercised in writing.

(5) An order under section 2(9) above, and a specification under section 9, 10 or 11 above, may make different provision for different cases or descriptions of case (whether for different areas, different defined authorities or kinds of authority, different defined activities, or otherwise).

PART I

(6) Regulations under any of sections 4 to 8 above may make different provision for different cases or descriptions of case (whether for different areas, different defined authorities or kinds of authority, different defined activities, different kinds of work falling within the same activity, or otherwise).

(7) Any order, regulations, specification or direction mentioned in this section may include such supplementary, incidental, consequential or transitional provisions as appear to the Secretary of State to be necessary or expedient.

(8) In particular—

(a) an order under section 2(3) above may include provision amending or adapting any provision of this Act for the purpose of interpreting any paragraph added by the order or for purposes of commencement or otherwise, and

(b) a direction under section 14 above may include provision with respect to work in progress or outstanding contractual commitments.

16.—(1) No provision of this Part relating to accounts shall prejudice any provision of Part III of the Local Government Finance Act 1982, or Part VII of the Local Government (Scotland) Act 1973, relating to the accounts. Supplementary.
1982 c. 32.
1973 c. 65.

(2) Nothing in sections 13 and 14 above shall prejudice any remedy available to a person (apart from those sections) in respect of a failure to observe a provision of this Part.

(3) In Schedule 1 to the Local Government Finance Act 1987 (list of accounts) the following shall be inserted after paragraph 13— 1987 c. 6.

“14. Any account kept under section 9 of the Local Government Act 1988.”

PART II

PUBLIC SUPPLY OR WORKS CONTRACTS

17.—(1) It is the duty of every public authority to which this section applies, in exercising, in relation to its public supply or works contracts, any proposed or any subsisting such contract, as the case may be, any function regulated by this section to exercise that function without reference to matters which are non-commercial matters for the purposes of this section. Local and other
public authority
contracts:
exclusion of non-
commercial
considerations.

(2) The public authorities to which this section applies are those specified in Schedule 2 to this Act.

PART II

(3) The contracts which are public supply or works contracts for the purposes of this section are contracts for the supply of goods or materials, for the supply of services or for the execution of works; but this section does not apply in relation to contracts entered into before the commencement of this section.

(4) The functions regulated by this section are—

(a) the inclusion of persons in or the exclusion of persons from—

(i) any list of persons approved for the purposes of public supply or works contracts with the authority, or

(ii) any list of persons from whom tenders for such contracts may be invited;

(b) in relation to a proposed public supply or works contract with the authority—

(i) the inclusion of persons in or the exclusion of persons from the group of persons from whom tenders are invited,

(ii) the accepting or not accepting the submission of tenders for the contract,

(iii) the selecting the person with whom to enter into the contract, or

(iv) the giving or withholding approval for, or the selecting or nominating, persons to be sub-contractors for the purposes of the contract; and

(c) in relation to a subsisting public supply or works contract with the authority—

(i) the giving or withholding approval for, or the selecting or nominating, persons to be sub-contractors for the purposes of the contract, or

(ii) the termination of the contract.

(5) The following matters are non-commercial matters as regards the public supply or works contracts of a public authority, any proposed or any subsisting such contract, as the case may be, that is to say—

(a) the terms and conditions of employment by contractors of their workers or the composition of, the arrangements for the promotion, transfer or training of or the other opportunities afforded to, their workforces;

(b) whether the terms on which contractors contract with their sub-contractors constitute, in the case of contracts with individuals, contracts for the provision by them as self-employed persons of their services only;

(c) any involvement of the business activities or interests of contractors with irrelevant fields of Government policy;

(d) the conduct of contractors or workers in industrial disputes between them or any involvement of the business activities of contractors in industrial disputes between other persons;

(e) the country or territory of origin of supplies to, or the location in any country or territory of the business activities or interests of, contractors;

(f) any political, industrial or sectarian affiliations or interests of contractors or their directors, partners or employees;

- (g) financial support or lack of financial support by contractors for any institution to or from which the authority gives or withholds support; **PART II**
- (h) use or non-use by contractors of technical or professional services provided by the authority under the Building Act 1984 or the Building (Scotland) Act 1959. **1984 c. 55.
1959 c. 24.**

(6) The matters specified in subsection (5) above include matters which have occurred in the past as well as matters which subsist when the function in question falls to be exercised.

(7) Where any matter referable to a contractor would, as a matter specified in subsection (5) above, be a non-commercial matter in relation to him, the corresponding matter referable to—

- (a) a supplier or customer of the contractor;
- (b) a sub-contractor of the contractor or his supplier or customer;
- (c) an associated body of the contractor or his supplier or customer;
or
- (d) a sub-contractor of an associated body of the contractor or his supplier or customer;

is also, in relation to the contractor, a non-commercial matter for the purposes of this section.

(8) In this section—

“approved list” means such a list as is mentioned in subsection (4)(a) above;

“associated body”, in relation to a contractor, means any company which (within the meaning of the Companies Act 1985) is the contractor’s holding company or subsidiary or is a subsidiary of the contractor’s holding company; **1985 c. 6.**

“business” includes any trade or profession;

“business activities” and “business interests”, in relation to a contractor or other person, mean respectively any activities comprised in, or any investments employed in or attributable to, the carrying on of his business and “activity” includes receiving the benefit of the performance of any contract;

“contractor”, except in relation to a subsisting contract, means a “potential contractor”, that is to say—

(a) in relation to functions as respects an approved list, any person who is or seeks to be included in the list; and

(b) in relation to functions as respects a proposed public supply or works contract, any person who is or seeks to be included in the group of persons from whom tenders are invited or who seeks to submit a tender for or enter into the proposed contract, as the case may be;

“exclusion” includes removal;

“Government policy” falls within “irrelevant fields” for the purposes of this section if it concerns matters of defence or foreign or Commonwealth policy and “involve”, as regards business activities and any such field of policy, includes the supply of goods or materials or services to, or the execution of works for, any authority or person having functions or carrying

PART II

on business in that field and, as regards business interests and any such field of policy, includes investment in any authority or person whose business activities are so involved;

1974 c. 52.

“industrial dispute” has, as regards a dispute in Great Britain, the same meaning as trade dispute in the Trade Union and Labour Relations Act 1974 and “involve”, as regards business activities and an industrial dispute, includes the supply of goods, materials or services to or by, or the execution of works for or by, any party to the dispute, any other person affected by the dispute, or any authority concerned with the enforcement of law and order in relation to the dispute;

“political, industrial or sectarian affiliations or interests” means actual or potential membership of, or actual or potential support for, respectively, any political party, any employers’ association or trade union or any society, fraternity or other association;

“suppliers or customers” and “sub-contractors” includes prospective suppliers or customers and sub-contractors; and “supplier”, in relation to a contractor, includes any person who, in the course of business, supplies him with services or facilities of any description for the purposes of his business;

and “employers’ association” and “trade union” have, as regards bodies constituted under the law of England and Wales or Scotland, the same meaning as in the Trade Union and Labour Relations Act 1974.

(9) This section is subject to section 18 below.

Race relations matters.

1976 c. 74.

18.—(1) Except to the extent permitted by subsection (2) below, section 71 of the Race Relations Act 1976 (local authorities to have regard to need to eliminate unlawful racial discrimination and promote equality of opportunity, and good relations, between persons of different racial groups) shall not require or authorise a local authority to exercise any function regulated by section 17 above by reference to a non-commercial matter.

(2) Subject to subsection (3) below, nothing in section 17 above shall preclude a local authority from—

- (a) asking approved questions seeking information or undertakings relating to workforce matters and considering the responses to them, or
- (b) including in a draft contract or draft tender for a contract terms or provisions relating to workforce matters and considering the responses to them,

if, as the case may be, consideration of the information, the giving of the undertaking or the inclusion of the term is reasonably necessary to secure compliance with the said section 71.

(3) Subsection (2) above does not apply to the function of terminating a subsisting contract and, in relation to functions as respects approved lists or proposed contracts, does not authorise questions in other than written form.

(4) Where it is permissible under subsection (2) above to ask a question it is also permissible to make, if it is in writing, an approved request for evidence in support of an answer to the question.

PART II

(5) The Secretary of State may specify—

(a) questions which are to be approved questions for the purposes of this section; and

(b) descriptions of evidence which, in relation to approved questions, are to be approved descriptions of evidence for those purposes;

and the powers conferred by this subsection shall be exercised in writing.

(6) Any specification under subsection (5) above may include such consequential or transitional provisions as appear to the Secretary of State to be necessary or expedient.

(7) In this section—

“approved question” means a question for the time being specified by the Secretary of State under subsection (5) above;

“approved request for evidence” means a request for evidence of a description for the time being specified by the Secretary of State under that subsection in relation to an approved question;

“workforce matters” means matters falling within paragraph (a), but no other paragraph, of subsection (5) of section 17 above;

and any expression used in this section and section 17 above has the same meaning in this section as in that section.

19.—(1) The Secretary of State may, by order made by statutory instrument, specify as a non-commercial matter for the purposes of section 17 above, any other matter which appears to him to be irrelevant to the commercial purposes of public supply or works contracts of any description.

Provisions supplementary to or consequential on section 17.

(2) The power conferred by subsection (1) above includes power to apply section 17(6) and (7) above to any matter specified in the order and to amend any definition in section 17(8) above of an expression used in any paragraph of section 17(5) above without making any other provision.

(3) An order under subsection (1) above may include such consequential and transitional provisions as appear to the Secretary of State to be necessary or expedient.

(4) No order under subsection (1) above shall be made unless a draft of it has been laid before and approved by a resolution of each House of Parliament.

(5) Section 17 above applies to a public authority where, in exercising functions regulated by that section, the authority is, as well as where it is not, acting on behalf of a Minister of the Crown.

(6) Where a public authority makes arrangements under section 101 of the Local Government Act 1972 or in relation to Scotland section 56 of the Local Government (Scotland) Act 1973 for the exercise by another public authority of any function regulated by section 17 above, section 17 shall apply to that other public authority in exercising that function as if it were exercising the function in relation to its own public supply or works contracts, any proposed or any subsisting such contract, as the case may be.

1972 c. 70.
1973 c. 65.

PART II

(7) The duty imposed by section 17(1) above does not create a criminal offence but—

- (a) in proceedings for judicial review, the persons who have a sufficient interest or, in Scotland, title and interest in the matter shall include any potential contractor or, in the case of a contract which has been made, former potential contractor (or, in any case, any body representing contractors), as such; and
- (b) a failure to comply with it is actionable by any person who, in consequence, suffers loss or damage.

(8) In any action under section 17(1) above by a person who has submitted a tender for a proposed public supply or works contract arising out of the exercise of functions in relation to the proposed contract the damages shall be limited to damages in respect of expenditure reasonably incurred by him for the purpose of submitting the tender.

(9) Nothing in section 17 above or subsection (1) above implies that the exercise of any function regulated by that section may not be impugned, in proceedings for judicial review, on the ground that it was exercised by reference to other matters than those which are non-commercial matters for the purposes of that section.

(10) If a public authority, in relation to public supply or works contracts or any proposed such contract, as the case may be—

- (a) asks a question of any potential contractor relating to any non-commercial matter other than a question consideration of the answer to which is permitted by section 18 above, or
- (b) submits to any potential contractor a draft contract or draft tender for a contract which includes terms or provisions relating to any non-commercial matter other than a term or provision the inclusion of which in the contract is permitted by section 18 above,

the authority shall be treated, for the purposes of section 17 above, as exercising functions regulated by that section by reference to non-commercial matters.

(11) In consequence of section 17 above, the following provisions (which require local authorities to secure the insertion of fair wages clauses in all housing contracts), namely—

1985 c. 68.

(a) section 52(a) of the Housing Act 1985, and

1987 c. 26.

(b) section 337 of the Housing (Scotland) Act 1987,

shall cease to have effect.

(12) Expressions used in this section and section 17 above have the same meaning in this section as in that section.

Duty of public authorities to give reasons for certain decisions within section 17.

20.—(1) Where a public authority exercises a function regulated by section 17 above by making, in relation to any person, a decision to which this section applies, it shall be the duty of the authority forthwith to notify that person of the decision and, if that person so requests in writing within the period of 15 days beginning with the date of the notice, to furnish him with a written statement of the reasons for the decision.

PART II

(2) This section applies to the following decisions in relation to any person, namely—

- (a) in relation to an approved list, a decision to exclude him from the list,
- (b) in relation to a proposed public supply or works contract—
 - (i) where he has asked to be invited to tender for the contract, a decision not to invite him to tender,
 - (ii) a decision not to accept the submission by him of a tender for the contract,
 - (iii) where he has submitted a tender for the contract, a decision not to enter into the contract with him, or
 - (iv) a decision to withhold approval for, or to select or nominate, persons to be sub-contractors for the purposes of the contract, or
- (c) in relation to a subsisting public supply or works contract with him—
 - (i) a decision to withhold approval for, or to select or nominate, persons to be sub-contractors for the purposes of the contract, or
 - (ii) a decision to terminate the contract.

(3) A statement of reasons under subsection (1) above shall be sent to the person requesting it within the period of 15 days beginning with the date of the request.

(4) The Secretary of State may by order amend subsection (1) or (3) above so as to substitute for the period specified in that subsection such other period as he thinks fit and such an order may make different amendments of subsections (1) and (3).

(5) The power to make an order under subsection (4) above is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(6) Expressions used in this section and section 17 above have the same meaning in this section as in that section.

21.—(1) Subject to subsection (3) below, it is the duty of a public authority which, at the commencement of this section, maintains an approved list—

- (a) to consider whether persons have been included in or excluded from the list by reference to non-commercial matters, and
- (b) if it appears to the authority that that is the case to compile the list afresh in accordance with subsections (4) to (6) below.

(2) Persons shall be treated by a public authority as having been excluded from a list by reference to non-commercial matters if, in relation to the list, the authority has—

- (a) circulated to potential contractors questionnaires including questions relating to non-commercial matters, or
- (b) notified potential contractors of its intention to have regard to non-commercial matters, or
- (c) issued statements of policy framed by reference to non-commercial matters.

Transitional duty of public authorities as regards existing lists.

PART II

1976 c. 74.

(3) Inclusion or exclusion by a local authority from its list by reference to a non-commercial matter does not give rise to the duty to compile the list afresh under subsection (1) above if that matter falls within paragraph (a) (but no other paragraph) of section 17(5) above and the local authority's action was reasonably necessary to secure compliance with section 71 of the Race Relations Act 1976.

(4) The duty of an authority to compile afresh an approved list shall be discharged as follows—

- (a) the authority shall publish notice of its intention to compile the list afresh and (by the notice) invite persons to apply within a specified period to be included in the list; and
- (b) at the end of that period the authority shall proceed to compile the list afresh from among the applicants in accordance with the duty imposed by section 17 above.

(5) Publication by an authority of the notice required by subsection (4) above shall be effected by causing the notice to be published—

- (a) in at least one newspaper circulating in the authority's area or, if the extent of the authority's functions so require, in at least one national newspaper; and
- (b) in at least one newspaper or journal circulating among such persons as undertake contracts of the description to which the list relates.

(6) The period specified in the notice under subsection (4) above as the period within which applications are to be made shall not be shorter than the period of 28 days beginning with the date of publication of the notice.

(7) The duty imposed by this section shall be discharged by a public authority as soon as is reasonably practicable after the commencement of this section and in any event within the period of three months.

(8) This section does not create a criminal offence but paragraph (a) of section 19(7) above applies for the purposes of the duty imposed by this section as it applies for the purposes of the duty imposed by section 17(1) above.

(9) Expressions used in this section and section 17 above have the same meaning in this section as in that section.

Exclusion of charges for inclusion in approved list.

22.—(1) A public authority which maintains an approved list shall not require a person to pay any sum as a condition of his inclusion or continued inclusion in the list or of his being considered for such inclusion.

(2) Subsection (1) above does not create an offence but a contravention of it is actionable by the person seeking to be included or retained in the list.

(3) Expressions used in this section and section 17 above have the same meaning in this section as in that section.

23. Sections 17 to 22 above shall come into force at the end of the period of 14 days beginning with the day on which this Act is passed.

PART II
Commencement.

PART III

PRIVATELY LET HOUSING ACCOMMODATION

24.—(1) Subject to section 25 below, a local housing authority shall have power to provide any person with financial assistance for the purposes of, or in connection with, the acquisition, construction, conversion, rehabilitation, improvement, maintenance or management (whether by that person or by another) of any property which is or is intended to be privately let as housing accommodation.

Power to provide financial assistance for privately let housing accommodation.

(2) For the purposes of this section and section 25 below a local authority provide a person with financial assistance if they do or agree to do any of the following, that is to say—

- (a) make a grant or loan to that person;
- (b) guarantee or join in guaranteeing the performance of any obligation owed to or by that person;
- (c) indemnify or join in indemnifying that person in respect of any liabilities, loss or damage; or
- (d) if that person is a body corporate, acquire share or loan capital in that person.

(3) For the purposes of this section property is privately let as housing accommodation at any time when—

- (a) it is occupied as housing accommodation in pursuance of a lease or licence of any description or under a statutory tenancy; and
- (b) the immediate landlord of the occupier of the property is a person other than a local authority in England and Wales or a public-sector landlord in Scotland.

(4) Neither section 438 of the Housing Act 1985 (local authority mortgage interest rates) nor section 219 of the Housing (Scotland) Act 1987 (local authority home-loan interest rates) shall apply in relation to anything done under this section.

1985 c. 68.
1987 c. 26.

(5) In the Housing Associations Act 1985—

1985 c. 69.

- (a) in sections 18(1) and 31(1) (powers exercisable in relation to registered charities which have received grants or loans under certain provisions), after the word “received” there shall be inserted the words “financial assistance under section 24 of the Local Government Act 1988 or”;
- (b) in section 46(2)(a) (cases in which applications for housing association grant are to be made to local authorities), for the words from “for a” to “project” there shall be substituted the words “in connection with the project for a loan under section 58(2) below or section 24 of the Local Government Act 1988”; and
- (c) in section 69(1) (agreements which may be varied or terminated by the Secretary of State), after paragraph (f) there shall be inserted the following paragraph—

PART III

“(g) an agreement for a loan or grant to a registered housing association under section 24 of the Local Government Act 1988 (power to provide financial assistance for privately let housing accommodation).”

(6) In this Part—

“disposal”, in relation to any land, includes a disposal by the creation of any interest in the land;

1985 c. 68.

“housing accommodation”, in relation to England and Wales, has the same meaning as in Part II of the Housing Act 1985;

1985 c. 70.

1984 c. 58.

“landlord”, in relation to a person whose occupation of any property is in pursuance of a lease or statutory tenancy, has the same meaning as in the Landlord and Tenant Act 1985 or, in Scotland, the Rent (Scotland) Act 1984 and, in relation to a person whose occupation is in pursuance of a licence, means the person who for the time being owns the interest in right of which the licence was granted;

“lease”, in relation to England and Wales, has the same meaning as in the Housing Act 1985;

“loan” includes any form of credit and the remission (whether in whole or in part and whether temporarily or permanently) of any liability or obligation;

“local authority”—

(a) in relation to England and Wales, means a local housing authority or a county council;

(b) in relation to Scotland, means a regional, islands or district council;

“local housing authority”—

(a) in relation to England and Wales, has the same meaning as in the Housing Act 1985;

(b) in relation to Scotland, means an islands or district council;

“public-sector landlord”, in relation to Scotland, means—

(a) a local authority;

1973 c. 65.

(b) a joint board or joint committee within the meaning of the Local Government (Scotland) Act 1973;

(c) any trust under the control of any body mentioned in paragraph (a) or (b) above;

1968 c. 16.

(d) a development corporation established by an order made, or having effect as if made, under section 2 of the New Towns (Scotland) Act 1968;

(e) the Scottish Special Housing Association;

“statutory tenancy”—

(a) in relation to England and Wales, has the same meaning as in the Housing Act 1985;

(b) in relation to Scotland, has the same meaning as in the Rent (Scotland) Act 1984.

25.—(1) Subject to the following provisions of this section, a local authority shall neither—

- (a) exercise the power conferred by section 24 above; nor
- (b) so exercise any other power as to provide any person, for the purposes of or in connection with the matters mentioned in subsection (1) of that section, with any financial assistance or with any gratuitous benefit,

except under and in accordance with a consent given by the Secretary of State.

(2) Nothing in this section shall require the consent of the Secretary of State to a person's being provided by any local authority with any assistance or benefit if—

- (a) an obligation to provide that person with that particular assistance or benefit—
 - (i) is imposed on the authority by or under any enactment; or
 - (ii) not being an obligation arising as the result of the exercise on or after 6th February 1987 of any option conferred on the authority, has arisen by virtue of an agreement entered into by them before that date;
- (b) the assistance or benefit is provided under section 36 of the Water Act 1945 or for the purposes of section 16(4)(b) of the Water Act 1973 (which provide for cases where a local authority give an undertaking to make good a deficit so as to enable a water supply or public sewer to be requisitioned);
- (c) the assistance or benefit is provided under section 28A(9)(b) of the National Health Service Act 1977 or section 16A(3)(b) of the National Health Service (Scotland) Act 1978 (power to make payments to voluntary organisations out of sums received from health authorities);
- (d) the assistance or benefit is provided in exercise of any power the expenses of exercising which are recoverable under Schedule 10 to the Housing Act 1985 or Schedule 9 to the Housing (Scotland) Act 1987 (recovery of expenses of carrying out works required to be carried out by a repair notice, an improvement notice or a notice relating to a house in multiple occupation);
- (e) the assistance or benefit is provided in consequence of, or in connection with, the service of an improvement notice under Part VII of the said Act of 1985 or of an improvement order under Part IV of the said Act of 1987, or the acceptance of an undertaking under the said Part VII; or
- (f) the assistance or benefit is provided in exercise of any power conferred by—
 - (i) section 273 of the said Act of 1985 (power to cleanse premises of vermin before demolition);
 - (ii) sections 379 to 394 of the said Act of 1985 or sections 178 to 190 of the said Act of 1987 (powers exercisable pursuant to the making of a control order); or

PART III
Consent required
for provision of
financial
assistance etc.

1945 c. 42.
1973 c. 37.

1977 c. 49.
1978 c. 29.

1985 c. 68.
1987 c. 26.

PART III

(iii) Parts XIV to XVI of the said Act of 1985 or Parts XII to XIV of the said Act of 1987 (loans and grants for, and assistance with, the acquisition, improvement, repair and conversion of housing).

(3) Any transaction entered into in contravention of this section shall be void.

(4) Subject to subsections (3) and (4) of section 26 below, where at any time on or after 6th February 1987 and before the passing of this Act a local authority in England and Wales has done anything which would have been a contravention of this section if it had been in force at that time, the same consequences shall follow as if this section had been in force at that time.

(5) For the purposes of this section a local authority provide a person with a gratuitous benefit if—

- (a) they provide that person, or agree to provide that person, with a benefit consisting in the disposal to any person of any land or other property, in the provision to any person of any goods, services or facilities, in the carrying out for any person of any works or in the making to any person of any payment; and
- (b) that benefit is or is to be provided either for no consideration or for a consideration which has a value in money or money's worth which is significantly less than the value, in money or money's worth, of the benefit which is or is to be provided by the authority.

(6) In determining for the purposes of subsection (5) above whether any benefit is or is to be provided by a local authority for no consideration, and in determining for those purposes the value of any consideration, there shall be disregarded—

- (a) so much (if any) of the consideration for the benefit in question as consists—
 - (i) in the acquisition by any person of any such property as is mentioned in section 24(1) above or in a promise that any such property will be acquired by any person;
 - (ii) in the carrying out of any works by any person for the purposes of the construction, conversion, rehabilitation, improvement or maintenance of any such property or in a promise that any works will be carried out by any person for any such purposes;
 - (iii) in the carrying out by any person of any acts of management in relation to any such property or in a promise that any acts of management will be carried out by any person in relation to any such property; or
 - (iv) in the grant of a right to nominate persons to be occupiers of any such property or in a promise to grant any such right;

and

- (b) without prejudice to paragraph (a) above, so much of any transaction entered into after the passing of this Act otherwise than in pursuance of another transaction entered into before

that time as provides, in relation to any property which is or is intended to be occupied as housing accommodation, for an obligation which—

(i) restricts the occupation of the property as housing accommodation, or

(ii) (whether because it relates to a matter affecting the suitability of the property for particular purposes or otherwise) has the effect of restricting its occupation as housing accommodation,

to occupation by persons of a particular description or to occupation by virtue of an interest or agreement of a particular description.

(7) In the application of this section to Scotland the references in subsection (2)(a)(ii) above to 6th February 1987 shall have effect as references to the date on which this Act is passed.

26.—(1) A consent given for the purposes of section 25 above—

Consents under section 25.

- (a) may be given either unconditionally or subject to conditions;
- (b) may be given in relation to a particular case or in relation to such description of cases (including cases described by reference to a particular local authority or a particular manner of providing assistance or benefits) as may be specified in the consent; and
- (c) except in relation to anything already done or agreed to be done on the authority of the consent, may be varied or revoked by a notice given or published by the Secretary of State in such manner as he may consider appropriate.

(2) In determining whether to give a consent for the purposes of section 25 above in relation to any assistance or benefit or whether to vary or revoke a consent so given, and in determining to what (if any) conditions such a consent should be subject, the Secretary of State—

- (a) shall take into account the extent (if any) to which, and the circumstances in which, it is appropriate, in his opinion, that a local authority should bear the financial burden and risks of acquiring, constructing, converting, rehabilitating, improving, maintaining or managing any of the property in relation to which assistance or benefits might be provided by virtue of the consent; and
- (b) may take into account any other matter whatever which he considers relevant.

(3) Where before the passing of this Act any statement has been made by or on behalf of the Secretary of State—

- (a) that, if an enactment were in force requiring his consent to a person's being provided by a local authority with assistance or benefits of any description, he would give his consent for the purposes of that enactment in relation to any matter or would so give his consent subject to certain conditions; and

PART III

(b) that, if any such enactment is passed, his statement is to be treated as a consent for the purposes of that enactment,

that statement shall have effect, both for the purposes of subsection (4) of section 25 above and after the passing of this Act, as if it were a consent given for the purposes of that section on the conditions (if any) specified in the statement.

(4) Where a consent given for the purposes of section 25 above or a statement such as is mentioned in subsection (3) above relates, in whole or in part, to any assistance or benefits provided before the consent was given or the statement made, that consent or statement shall have effect for the purposes of this section and that section—

- (a) as if the consent had been given, or the statement made, before the assistance or benefits were provided; and
- (b) in the case of a consent relating to any assistance or benefits provided before the passing of this Act, as if the consent had been such a statement;

but a consent or statement having effect in accordance with this subsection shall not affect any interest deriving from, or impose any liability in respect of, any disposal of property which was made before the giving of the consent or the making of the statement and was made by a person who, apart from paragraphs (a) and (b) above, had power to make it by virtue of section 25(3) or (4) above.

(5) Where a consent to a disposal of land by a local authority has been given for the purposes of section 25 above or any such statement as is mentioned in subsection (3) above has effect as such a consent, no further consent of the Secretary of State to that disposal shall (if the disposal is after the passing of this Act) be required by virtue of—

- 1959 c. 53.
1973 c. 65. (a) section 26(4) of the Town and Country Planning Act 1959 or section 74(2) of the Local Government (Scotland) Act 1973 (disposal of land for less than the best price etc.);
- 1972 c. 70. (b) section 123(2) of the Local Government Act 1972 (disposal of land by certain local authorities); or
- 1985 c. 68.
1987 c. 26. (c) section 32(2) or 43(1) of the Housing Act 1985 or section 12 of the Housing (Scotland) Act 1987 (disposal of land held for housing purposes and of certain other land).

(6) Subsection (3) above and, in so far as they relate to a statement such as is mentioned in that subsection, subsections (4) and (5) above shall not extend to Scotland.

PART IV

MISCELLANEOUS AND GENERAL

Miscellaneous

Local authority
publicity.
1986 c. 10.

27.—(1) In section 2 of the Local Government Act 1986 (prohibition of political publicity by local authorities), for subsection (2) (matters to be considered in determining whether material prohibited) there shall be substituted—

PART IV

“(2) In determining whether material falls within the prohibition regard shall be had to the content and style of the material, the time and other circumstances of publication and the likely effect on those to whom it is directed and, in particular, to the following matters—

- (a) whether the material refers to a political party or to persons identified with a political party or promotes or opposes a point of view on a question of political controversy which is identifiable as the view of one political party and not of another;
- (b) where the material is part of a campaign, the effect which the campaign appears to be designed to achieve.”

(2) In section 4 of that Act (issue by Secretary of State of codes of recommended practice on publicity), in subsection (1) for the words from “for the guidance” to the end there shall be substituted “; and local authorities shall have regard to the provisions of any such code in coming to any decision on publicity.”

(3) This section shall come into force at the end of the period of two months beginning with the day on which this Act is passed.

28.—(1) The following section shall be inserted after section 2 of the Local Government Act 1986 (prohibition of political publicity)—

“Prohibition on promoting homosexuality by teaching or by publishing material.

2A.—(1) A local authority shall not—

- (a) intentionally promote homosexuality or publish material with the intention of promoting homosexuality;
- (b) promote the teaching in any maintained school of the acceptability of homosexuality as a pretended family relationship.

Prohibition on promoting homosexuality by teaching or by publishing material.
1986 c. 10.

(2) Nothing in subsection (1) above shall be taken to prohibit the doing of anything for the purpose of treating or preventing the spread of disease.

(3) In any proceedings in connection with the application of this section a court shall draw such inferences as to the intention of the local authority as may reasonably be drawn from the evidence before it.

(4) In subsection (1)(b) above “maintained school” means,—

- (a) in England and Wales, a county school, voluntary school, nursery school or special school, within the meaning of the Education Act 1944; and
- (b) in Scotland, a public school, nursery school or special school, within the meaning of the Education (Scotland) Act 1980.”

(2) This section shall come into force at the end of the period of two months beginning with the day on which this Act is passed.

29.—(1) Schedule 3 to this Act (which relates to local government administration) shall have effect.

Local government administration.

(2) That Schedule shall come into force at the end of the period of two months beginning with the day on which this Act is passed.

PART IV

(3) In that Schedule, paragraphs 1 to 10 extend to England and Wales only and paragraphs 11 to 17 extend to Scotland only.

Additional powers
for auditors of
local authorities
etc.
1982 c. 32.

30.—(1) After section 25 of the Local Government Finance Act 1982 there shall be inserted the sections set out in Schedule 4 to this Act.

(2) In section 16 of that Act (auditor's right to obtain documents and information) for the words "for the purposes of the audit", in each place where they occur, there shall be substituted "for the purposes of his functions under this Act".

(3) This section and that Schedule shall come into force at the end of the period of two months beginning with the day on which this Act is passed.

(4) This section and that Schedule shall extend to England and Wales only.

Land held by
public bodies.

31.—(1) Schedule 5 to this Act (which relates to land held by public bodies) shall have effect.

(2) Subject to subsection (3) below, that Schedule shall come into force at the end of the period of 2 months beginning with the day on which this Act is passed.

(3) Paragraph 2 of that Schedule shall come into force on such day as the Secretary of State may appoint by order made by statutory instrument.

(4) This section and that Schedule extend to England and Wales only.

Direct labour
organisations.

32.—(1) Schedule 6 to this Act (which relates to direct labour organisations) shall have effect.

(2) Subject to subsection (3) below, that Schedule shall come into force on such day as the Secretary of State may appoint by order made by statutory instrument; and different days may be appointed for different provisions or different purposes.

(3) Paragraphs 8(1) and (3) and 11 of that Schedule shall come into force on the day on which this Act is passed.

(4) An order under this section may include such supplementary, incidental, consequential or transitional provisions as appear to the Secretary of State to be necessary or expedient.

(5) Paragraph 11 of that Schedule extends to Scotland only.

Local authority
companies.

33.—(1) A local authority or relevant public body shall not enter into a contract under which a company which is associated with the authority or body is to carry out work falling within a defined activity, unless, before entering into that contract, the authority or body has taken reasonable steps for the purpose of securing competition for the carrying out of that work.

(2) For the purpose of this section a company is associated with a local authority or relevant public body if, by virtue of any decision of the authority or body (including that of any committee or sub-committee thereof in the course of discharging any function conferred upon them by virtue of section 101 of the Local Government Act 1972, or, in relation to Scotland, section 56 of the Local Government (Scotland) Act 1973)—

1972 c. 70.
1973 c. 65.

- (a) the authority or body, or
- (b) any member or officer of the authority or body, or
- (c) any nominee of the authority or body,

PART IV

is a member either of the company or of another company which, in accordance with section 736 of the Companies Act 1985, is the company's subsidiary or holding company. 1985 c. 6.

(3) In this section—

- (a) “defined activity” has the meaning assigned by section 2 above;
- (b) “local authority” has the meaning assigned by subsection (2) or, as the case may be, subsection (3) of section 1 above; and
- (c) “relevant public body” means any authority or committee falling within paragraphs (e) to (j) of subsection (1) of section 1 above.

(4) This section (and, so far as is relevant for the purposes of the definitions in subsection (3) above, sections 1 and 2 above) shall be deemed to have come into force on 11th February 1988 and, accordingly, has effect in relation to contracts entered into on or after that day.

34.—(1) In section 45(2) of the Local Government (Miscellaneous Provisions) Act 1982 (local authorities having power to enter into arrangements under Employment and Training Act 1973) after paragraph (a) there shall be inserted—

Arrangements under Employment and Training Act 1973.

“(aa) an authority established by Part III or IV of the Local Government Act 1985 or by an order under section 10 of that Act;

1982 c. 30.
1973 c. 50.

(ab) a body corporate established by an order under section 67 of that Act.”

(2) This section shall be deemed to have come into force, as regards any authority or body concerned, on the day the authority or body was established.

(3) This section extends to England and Wales only.

35.—(1) The Local Government (Scotland) Act 1973 shall be amended in accordance with the provisions of this section.

Amendment of Local Government (Scotland) Act 1973.
1973 c. 65.

(2) In section 97 (establishment of Commission for Local Authority Accounts in Scotland), in subsection (2) the word “and” after paragraph (c) shall be omitted and at the end there shall be added “and

(e) functions conferred by sections 97A and 97B of this Act.”

(3) After section 97 there shall be inserted the following sections—

“Studies for improving economy etc. in services.

97A.—(1) The Commission shall undertake or promote comparative and other studies designed to enable it to make recommendations for improving economy, efficiency and effectiveness in the provision of services by local authorities or by other bodies whose accounts are required to be audited in accordance with this Part of this Act, and for improving the financial or other management of such authorities or other bodies.

(2) The Commission shall publish or otherwise make available its recommendations and the results of any studies undertaken or promoted under this section.

PART IV

(3) Before undertaking or promoting any study under this section the Commission shall consult such associations of local authorities or other bodies whose accounts are required to be audited in accordance with this Part of this Act as appear to it to be concerned and such associations of employees as appear to it to be appropriate.

Furnishing of information and documents to Commission.

97B.—(1) Without prejudice to any other provision of this Part of this Act, the Commission may require any body whose accounts are required to be audited in accordance with this Part of this Act, and any officer or member of any such body, to furnish the Commission or any person authorised by it with all such information as the Commission or that person may reasonably require for the discharge of the functions under this Part of this Act of the Commission or of that person, including the carrying out of any study under section 97A of this Act.

(2) Any person who without reasonable excuse fails to comply with a requirement imposed by subsection (1) above shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.”

(4) In section 99 (general duties of auditors) after paragraph (b) there shall be added—

“(c) that the local authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.”

(5) This section shall come into force at the end of the period of two months beginning with the day on which this Act is passed.

(6) This section extends to Scotland only.

Commutation of smallholdings payments.
1919 c. 59.

36. Any annual or other periodic payments under the terms of any settlement in respect of amounts payable under section 27 of the Land Settlement (Facilities) Act 1919 which, apart from this section, would fall to be made to a county council or district council by the Minister of Agriculture, Fisheries and Food or the Secretary of State may be commuted by him into a single payment, either by agreement with that council or, in default of agreement, by an order made by him in that behalf.

Dog registration scheme.

37.—(1) The Secretary of State may by regulations make provision for the establishment and administration of a dog registration scheme by local authorities, or such other organisations as he may, after consulting with them, designate.

(2) Regulations made under this section shall be exercisable by statutory instrument.

Abolition of duty on dog licences.
1959 c. 55.
1933 c. 17.

38.—(1) The duty charged under the Dog Licences Act 1959 on licences for dogs is hereby abolished.

(2) In section 1 of the Protection of Animals (Cruelty to Dogs) Act 1933 (disqualification for keeping a dog of any person convicted of cruelty to dogs), at the end there shall be inserted the following subsection—

“(5) For the purposes of this section a person shall be presumed, until the contrary is shown, to keep a dog—

PART IV

- (a) if it is found or seen in that person’s custody, charge or possession, or in his house or premises;
- (b) in the case of hounds, if he is their owner or master.”

(3) In section 1 of the Protection of Animals (Cruelty to Dogs) (Scotland) Act 1934 (disqualification for keeping a dog of any person convicted of cruelty to dogs), at the end there shall be inserted the following subsection—

1934 c. 25.

“(5) For the purposes of this section a person shall be presumed, until the contrary is shown, to keep a dog—

- (a) if it is found or seen in that person’s custody, charge or possession, or in his house or premises;
- (b) in the case of hounds, if he is their owner or master.”

(4) This section shall come into force at the end of the period of two months beginning with the day on which this Act is passed.

39.—(1) The Dogs Act 1906 shall be amended in accordance with the provisions of this section.

Control of stray dogs.

1906 c. 32.

(2) Section 3 (seizure of stray dogs) shall be amended as follows for the purpose of conferring upon a duly authorised officer of a local authority the same powers as those conferred upon a police officer by that section—

- (a) in subsection (1), after the word “officer” there shall be inserted the words “or a duly authorised officer of a local authority”;
- (b) in subsections (2) and (4), after the word “behalf” there shall be inserted the words “or a duly authorised officer of a local authority”;
- (c) in subsection (6), after the word “area” where it first occurs there shall be inserted the words “and the local authority for an area” and for the words “in that area” there shall be substituted the words “by the officers of his force or, as the case may be, by the local authority’s officers”;
- (d) in subsection (7), for the words from the beginning to the word “section” there shall be substituted the words “A dog seized under this section shall not be disposed of”; and
- (e) after subsection 9 there shall be inserted the following subsection—

“(9A) In this section and section 4 below, the expression “local authority” means a district council, a London borough council, the Common Council of the City of London or the Council of the Isles of Scilly.”

(3) Section 3 shall be amended as follows for the purpose of extending the powers of seizure and detention of stray dogs to those found on land or premises other than highways or places of public resort—

- (a) in subsection (1), after the word “resort” there shall be inserted the words “or on any other land or premises”; and
- (b) after subsection (1) there shall be inserted the following subsection—

PART IV

“(1A) The powers under subsection (1) of this section shall not be exercised in relation to a dog found on any land or premises other than a highway or place of public resort unless the owner or occupier of the land or premises has consented to such exercise.”

(4) At the end of section 4 (1) (delivery of stray dogs to police) there shall be inserted the words “but this subsection shall not apply where the finder is a duly authorised officer of a local authority”.

(5) Any enactment in any local Act which amends section 3 or confers powers on a local authority (within the meaning of that section) in relation to that section as it applies to the area of the local authority shall cease to have effect.

(6) This section shall come into force at the end of the period of two months beginning on the day on which this Act is passed.

(7) This section extends to England and Wales only.

General

Finance.

40. There shall be paid out of money provided by Parliament—

- (a) any expenses of the Secretary of State incurred in consequence of this Act;
- (b) any increase attributable to this Act in the sums payable out of money so provided under any other enactment.

Repeals.

41. The enactments mentioned in Schedule 7 to this Act are repealed to the extent specified in column 3, but subject to any provision at the end of any Part of that Schedule.

Citation and extent.

- 42.—(1) This Act may be cited as the Local Government Act 1988.
- (2) This Act does not extend to Northern Ireland.

SCHEDULES

SCHEDULE 1

Section 2.

COMPETITION

Collection of refuse

1.—(1) In the application of this Part to England and Wales, the following (and only the following) fall within section 2(2)(a) above—

- (a) the collection of household waste, and
- (b) the collection of commercial waste.

(2) In sub-paragraph (1) above—

(a) household waste means anything (other than sewage) which is for the time being household waste for the purposes of section 12 of the Control of Pollution Act 1974, and

1974 c. 40.

(b) commercial waste means anything (other than sewage) which is for the time being commercial waste for those purposes.

(3) In sub-paragraph (2) above “sewage” has the same meaning as in section 30(4) of the Control of Pollution Act 1974.

(4) In the application of this Part to Scotland, the following (and only the following) fall within section 2(2)(a) above—

(a) the collection of household waste (which here means anything which is for the time being household waste for the purposes of section 124 of the Civic Government (Scotland) Act 1982), and

1982 c. 45.

(b) the collection of trade waste (which here means anything which is for the time being trade waste for those purposes).

Cleaning of buildings

2.—(1) The cleaning of the windows of any building (whether inside or outside) and the cleaning of the interior of any building fall within section 2(2)(b) above.

(2) But the following do not fall within section 2(2)(b) above—

- (a) the cleaning of the exterior (which here excludes windows) of any building;
- (b) the cleaning of the windows or interior of a dwelling, residential establishment or police establishment.

(3) In sub-paragraph (2) above “dwelling” means a building or part of a building occupied as a person’s home or as other living accommodation (whether the occupation is separate or shared with others) but does not include any part not so occupied.

(4) In sub-paragraph (2) above “residential establishment” means (except in relation to Scotland) a building or part of a building in which residential accommodation is provided under—

(a) section 21 or 29 of the National Assistance Act 1948,

1948 c. 29.

(b) Schedule 8 to the National Health Service Act 1977, or

1977 c. 49.

(c) section 31 of the Child Care Act 1980.

1980 c. 5.

(5) In sub-paragraph (2) above “residential establishment”, in relation to Scotland, has the same meaning as in the Social Work (Scotland) Act 1968.

1968 c. 49.

- SCH 1 (6) In sub-paragraph (2) above "police establishment" means a building or part of a building used by police for the performance of their functions (whether as a police station or police training establishment or otherwise).

Other cleaning

3.—(1) The following (and only the following) fall within section 2(2)(c) above—

- (a) the removal of litter from any land;
- (b) the emptying of litter bins;
- (c) the cleaning (by sweeping or otherwise) of any street;
- (d) the emptying of gullies;
- (e) the cleaning of traffic signs and street name plates.

(2) In sub-paragraph (1) above—

"gullies" includes catchpits and interceptors;

"litter" includes leaves but not derelict vehicles, derelict vessels or scrap metal;

"litter bin" (except in relation to Scotland) means a receptacle provided in a street or public place for refuse or litter, and (in relation to Scotland) has the same meaning as in section 7 of the Litter Act 1983;

1983 c. 35.

"street" (except in relation to Scotland) has the meaning given by section 329(1) of the Highways Act 1980, and (in relation to Scotland) means a road as defined in section 25(3) of the Local Government and Planning (Scotland) Act 1982;

1980 c. 66.

1982 c. 43.

1984 c. 27.

"traffic sign" has the meaning given by section 64(1) of the Road Traffic Regulation Act 1984 except that it does not include a line or mark on a road.

Catering: schools and welfare

4.—(1) The following (and only the following) fall within section 2(2)(d) above—

- (a) providing ingredients for, and preparing, delivering and serving, meals for consumption in schools other than excepted schools;
- (b) providing refreshments for consumption in schools other than excepted schools;
- (c) providing ingredients for, and preparing and delivering, meals for consumption in residential establishments or day centres other than excepted establishments or centres;
- (d) providing refreshments for consumption in residential establishments or day centres other than excepted establishments or centres;
- (e) providing ingredients for, and preparing, meals for provision to persons in their own homes under section 45 of the Health Services and Public Health Act 1968, section 2(1)(g) of the Chronically Sick and Disabled Persons Act 1970, Part II of Schedule 9 to the Health and Social Services and Social Security Adjudications Act 1983 or section 12 of the Social Work (Scotland) Act 1968.

1968 c. 46.

1970 c. 44.

1983 c. 41.

1968 c. 49.

(2) For the purposes of sub-paragraph (1) above a school is an excepted one if—

- (a) it is a special school or a school on whose premises all or some of the pupils reside,
- (b) it is maintained by a local education authority or, in Scotland, it is under the management of an education authority, and
- (c) meals are prepared on its premises.

(3) For the purposes of sub-paragraph (1) above an establishment or centre is an excepted one if it is maintained by a local authority and meals are prepared on its premises; and "local authority" here has the same meaning as in section 1(1) above. SCH 1

(4) In this paragraph "residential establishment" has the same meaning as in paragraph 2 above.

(5) In this paragraph "day centre" means premises (other than residential premises) where facilities are provided under—

- | | |
|---|-------------|
| (a) section 29 of the National Assistance Act 1948, | 1948 c. 29. |
| (b) section 45 of the Health Services and Public Health Act 1968, | 1968 c. 46. |
| (c) section 12 of the Social Work (Scotland) Act 1968, | 1968 c. 49. |
| (d) Schedule 8 to the National Health Service Act 1977, or | 1977 c. 49. |
| (e) Part II of Schedule 9 to the Health and Social Services and Social Security Adjudications Act 1983. | 1983 c. 41. |

Other catering

5.—(1) The following (and only the following) fall within section 2(2)(e) above—

- (a) providing ingredients for, and preparing and serving, meals;
- (b) providing refreshments.

(2) But an activity does not fall within section 2(2)(e) above if—

- (a) the meals or refreshments are for consumption in schools, residential establishments, day centres, institutions of further education, or hostels in Scotland used mainly by pupils attending schools, or
- (b) the activity falls within paragraph 4(1)(e) above.

(3) In sub-paragraph (2) above "residential establishment" and "day centre" have the same meanings as in paragraph 4 above.

(4) In sub-paragraph (2) above "institution of further education" means (except in relation to Scotland) an institution for which section 1 of the Education (No. 2) Act 1968 requires an instrument of government. 1968 c. 37.

(5) In sub-paragraph (2) above "institution of further education" means, in relation to Scotland, an institution for the provision by an education authority of any form of further education within the meaning of section 135(1) of the Education (Scotland) Act 1980. 1980 c. 44.

Maintenance of ground

6.—(1) Subject to sub-paragraph (2) below, the following (and only the following) fall within section 2(2)(f) above—

- (a) cutting and tending grass (including re-turfing and re-seeding but not initial turfing or seeding);
- (b) planting and tending trees, hedges, shrubs, flowers and other plants (but excluding landscaping any area);
- (c) controlling weeds.

(2) An activity does not fall within section 2(2)(f) above if its primary purpose is research or securing the survival of any kind of plant.

Repair and maintenance of vehicles

7.—(1) Subject to the following provisions of this paragraph, the repair and the maintenance of any motor vehicle or trailer fall within section 2(2)(g) above.

SCH 1 (2) The repair of damage caused by an accident does not fall within section 2(2)(g).

(3) Neither the repair nor the maintenance of a police vehicle falls within section 2(2)(g).

(4) In this paragraph "motor vehicle" means a mechanically propelled vehicle intended or adapted for use on roads or otherwise on land.

(5) In this paragraph "police vehicle" means (except in relation to Scotland) a vehicle used only in connection with the discharge of the police functions of an authority falling within section 1(1)(e) above or the Common Council of the City of London.

(6) In this paragraph "police vehicle" means, in relation to Scotland, a vehicle used only in connection with the discharge of the functions of a police authority.

(7) In this paragraph "trailer" means a vehicle intended or adapted to be drawn by a motor vehicle.

Section 17(2).

SCHEDULE 2

PUBLIC SUPPLY OR WORKS CONTRACTS: THE PUBLIC AUTHORITIES

Public authorities

A local authority.

1980 c. 65. An urban development corporation established by an order under section 135 of the Local Government, Planning and Land Act 1980.

A development corporation established for the purposes of a new town.

The Commission for the New Towns.

1964 c. 48. A police authority constituted under section 2 of the Police Act 1964 or as mentioned in section 3(1) of that Act, or established by section 24 or 25 of the
1985 c. 51. Local Government Act 1985.

A fire authority constituted by a combination scheme and a metropolitan county fire and civil defence authority.

The London Fire and Civil Defence Authority.

A metropolitan county passenger transport authority.

An authority established by an order under section 10(1) of the Local Government Act 1985 (waste disposal).

1944 c. 31. A joint education committee established by an order under paragraph 3 of Part II of Schedule 1 to the Education Act 1944 and the Inner London Education Authority.

A water development board in Scotland.

The Scottish Special Housing Association.

The Broads Authority.

The Lake District Special Planning Board.

The Peak Park Joint Planning Board.

1968 c. 73. A Passenger Transport Executive, that is to say, any body constituted as such an Executive for a passenger transport area for the purposes of Part II of the Transport Act 1968.

1973 c. 62. A probation and after-care committee, that is to say, any body constituted as such a committee for a probation and after-care area by paragraph 2(1) of Schedule 3 to the Powers of Criminal Courts Act 1973.

A joint committee discharging under section 101 of the Local Government Act 1972 functions of local authorities (within the meaning of that section). SCH 2
1972 c. 70.

Interpretation

In the application of this Schedule to England and Wales, "local authority" means—

- (a) a county council, a district council, a London borough council, a parish council, a community council or the Council of the Isles of Scilly;
- (b) the Common Council of the City of London in its capacity as local authority or police authority;

and includes a residuary body established by Part VII of the Local Government Act 1985. 1985 c. 51.

In the application of this Schedule to Scotland—

- (a) "local authority" means a regional, islands or district council or any joint board or joint committee within the meaning of the Local Government (Scotland) Act 1973, and 1973 c. 65.
- (b) "water development board" has the same meaning as in section 109(1) of the Water (Scotland) Act 1980. 1980 c. 45.

SCHEDULE 3

Section 29.

LOCAL GOVERNMENT ADMINISTRATION

Local Government Act 1974 (c. 7)

1. Part III of the Local Government Act 1974 (local government administration) shall be amended as mentioned in paragraphs 2 to 10 below.

2.—(1) In section 23(12) (Commissions to review operation of certain provisions in each financial year) for the words from "The Commissions" to "local authorities" there shall be substituted "In the financial year beginning on 1st April 1990, and in every third financial year afterwards, the Commissions shall review the operation (since the last review was made under this subsection) of the provisions of this Part of this Act about the investigation of complaints, and shall have power to convey to authorities to which this Part of this Act applies"

(2) Section 23(12) shall not require a review in the financial year in which this Schedule comes into force; but the review in the financial year beginning on 1st April 1990 must relate to the operation of the provisions mentioned in section 23(12) since the last review was made under section 23(12) as unamended.

3.—(1) Section 24 (representative bodies) shall be amended as follows.

(2) For subsection (6) (representative bodies to arrange for publication of reports) there shall be substituted—

"(6) Each Commission shall arrange for the publication of the report submitted by them under subsection (4) above and of the reports of which copies are submitted by them under subsection (5) above."

(3) In subsection (7) for "local authorities" there shall be substituted "authorities to which this Part of this Act applies".

(4) For subsection (8) there shall be substituted—

"(8) Before arranging for the publication of a report under subsection (6) above the Commission concerned shall give a reasonable opportunity for the appropriate representative body to comment on it, and if any comments

SCH 3

are made shall (when arranging for the report to be published) arrange for it to be published with an annex containing such of the comments as the body think appropriate."

(5) Sub-paragraphs (2) and (4) above apply to any report submitted under section 24(4) after the coming into force of this Schedule and to any report a copy of which is submitted under section 24(5) after the coming into force of this Schedule.

4. In section 25(1) (authorities subject to investigation) after "applies to" there shall be inserted "the following authorities" and the following shall be inserted after paragraph (b)—

"(ba) the Commission for the New Towns,

(bb) any development corporation established for the purposes of a new town,

(bc) the Development Board for Rural Wales,

(bd) any urban development corporation established by an order under section 135 of the Local Government, Planning and Land Act 1980,".

1980 c. 65.

5.—(1) Section 26 (matters subject to investigation) shall be amended as follows.

(2) In subsection (2) (complaint not to be entertained unless made through a member of the authority concerned) after "unless" there shall be inserted "it is made in writing to the Local Commissioner specifying the action alleged to constitute maladministration or".

(3) In subsection (4) (complaint must be made within 12 months of notice of matters complained of, but Commissioner may investigate complaint not so made if he considers there are special circumstances which make it proper to do so) after "unless it was made to" there shall be inserted "the Local Commissioner or" and for "there are special circumstances which make it proper" there shall be substituted "it is reasonable".

(4) In subsection (7) for "area of the authority concerned" there shall be substituted "following area—

(a) where the complaint relates to the Commission for the New Towns, the area of the new town or towns to which the complaint relates;

(b) where the complaint relates to the Development Board for Rural Wales, the area in Wales for which the Board is for the time being responsible;

(c) in any other case, the area of the authority concerned."

(5) In subsection (9) (power to exclude from matters not subject to investigation) for "exclude from the provisions of that Schedule" there shall be substituted "add to or exclude from the provisions of that Schedule (as it has effect for the time being)".

(6) The following shall be inserted after subsection (12)—

"(13) A complaint as regards an authority mentioned in section 25(1)(ba), (bb), (bc) or (bd) above shall not be entertained under this Part of this Act if and so far as it is in respect of anything done before the coming into force of Schedule 3 to the Local Government Act 1988, or in respect of any default or alleged default first arising before its coming into force; and subsection (12) above shall have effect subject to this."

(7) Sub-paragraph (3) above applies to any complaint made after the coming into force of this Schedule.

6.—(1) Section 30 (reports on investigations) shall be amended as follows.

SCH 3

(2) After subsection (4) there shall be inserted—

“(4A) Subject to subsection (7) below, the authority concerned shall supply a copy of the report to any person on request if he pays such charge as the authority may reasonably require.”

(3) In subsection (5) (not later than one week after receiving report, authority to give public notice of date from which report is available for inspection)—

(a) for “one week” there shall be substituted “two weeks”,

(b) for “the report will be available for inspection as provided by subsection (4)” there shall be substituted “copies of the report will be available as provided by subsections (4) and (4A)”, and

(c) for “after the giving of the public notice” there shall be substituted “not more than one week after the public notice is first given”.

(4) In subsection (7) (Local Commissioner may direct that report shall not be subject to certain provisions) for “and (5) above about its publication” there shall be substituted “, (4A) and (5) above”.

(5) This paragraph applies to any report received by an authority in pursuance of section 30(1)(c) after the coming into force of this Schedule.

7.—(1) Section 31 (reports: further provisions) shall be amended as follows.

(2) After subsection (2) there shall be inserted—

“(2A) A report under subsection (2) above shall be laid before the authority concerned, and it shall be the duty of that authority to consider the report, and to notify the Local Commissioner of the action which the authority have taken, or propose to take.”

(3) In subsection (3)(a) after “(1)” there shall be inserted “or (2A)”.

(4) In subsection (3)(b) for “referred to in the report” there shall be substituted “to which the report relates”.

(5) This paragraph applies where any report is made after the coming into force of this Schedule.

8.—(1) Section 32 (defamation and disclosure) shall be amended as follows.

(2) In subsection (1)(a) after “member” there shall be inserted “or officer”

(3) In subsection (1)(c) after “public” there shall be inserted “or in supplying a copy under section 30(4A) above”.

(4) This paragraph applies to any publication after the coming into force of this Schedule.

9.—(1) In paragraph 4(5) of Schedule 4 (functions of a Local Commissioner, other than that of making a report, may be performed by an officer) the words “, other than that of making any report,” shall be omitted.

(2) This paragraph applies to the making of any report after the coming into force of this Schedule, whether or not the making was begun by a Local Commissioner before the coming into force.

10. The following shall be inserted at the end of Schedule 5 (matters not subject to investigation)—

“6. Action taken by an authority mentioned in section 25(1)(ba), (bb) or (bc) of this Act which is not action in connection with functions in relation to housing.

7. Action taken by an authority mentioned in section 25(1)(bd) of this Act which is not action in connection with functions in relation to town and country planning.”

SCH 3

Local Government (Scotland) Act 1975 (c. 30)

11. Part II of the Local Government (Scotland) Act 1975 (local administration) shall be amended as mentioned in paragraphs 12 to 17 below.

12. In section 23 (authorities subject to investigation) in subsection (1) there shall be added at the end—

1976 c. 66. “(i) any licensing board within the meaning of the Licensing (Scotland) Act 1976.”

13.—(1) In section 24 (matters subject to investigation)—

(a) in subsection (2) after “unless” there shall be inserted “it is made in writing to the Commissioner specifying the action alleged to constitute maladministration or”;

(b) in subsection (4) after “unless it was made to” there shall be inserted “the Commissioner or” and for “there are special circumstances which make it proper” there shall be substituted “it is reasonable”;

(c) in subsection (9) for “exclude from the provisions of that Schedule” there shall be substituted “add to or exclude from the provisions of that Schedule (as it has effect for the time being)”.

(2) Sub-paragraph (1)(b) above applies to any complaint made after the coming into force of this Schedule.

14. In section 28(7) (reports on investigations) the words “about its publication” shall cease to have effect.

15. In section 29 (reports on investigations: further provisions) in subsection (3)—

(a) in paragraph (a) after “subsection (1)” there shall be inserted “or (2A)”;

(b) in paragraph (b) for “referred to in the report” there shall be substituted “to which the report relates”.

16. In section 30 (defamation and disclosure) in subsection (1)(c) for “a report available to the public” there shall be substituted “copies of a report available as provided by section 28(4) above”.

17.—(1) In Schedule 4 (functions of the Commissioner, other than that of making a report, may be performed by an officer) in paragraph 4(3) the words “, other than that of making any report,” shall be omitted.

(2) This paragraph applies to the making of any report after the coming into force of this Schedule, whether or not the making was begun by the Commissioner before the coming into force.

Section 30.

SCHEDULE 4

1982 c. 32.

SECTIONS TO BE INSERTED IN PART III OF LOCAL GOVERNMENT FINANCE ACT 1982

Power of auditor to issue prohibition order.

25A.—(1) The person who is for the time being the auditor in relation to the accounts of any body whose accounts are required to be audited in accordance with this Part of this Act may issue an order under this section (in this Part referred to as a “prohibition order”) if he has reason to believe that the body or any officer of the body—

(a) is about to make or has made a decision which involves or would involve the body incurring expenditure which is unlawful; or

(b) is about to take or has taken a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency; or

or

(c) is about to enter an item of account, the entry of which is unlawful; and for the purposes of this section and section 25B below, the actions of a committee or sub-committee of the body or of any other person (not being an officer) authorised to act on behalf of the body shall be treated as the actions of the body itself.

SCH 4

(2) A prohibition order is one—

- (a) which is addressed to the body or officer concerned;
- (b) which specifies the paragraph of subsection (1) above which is relevant and the decision, course of action or item of account to which the order relates;
- (c) which specifies the date on which (subject to subsection (5) below) the order is to take effect, being a date not earlier than the date of service of a copy of the order in accordance with paragraph (a) or, as the case may be, paragraphs (a) and (b) of subsection (4) below; and
- (d) which requires the body or officer concerned to desist from making or implementing the decision, taking or continuing to take the course of action or, as the case may be, entering the item of account in question.

(3) Where two or more auditors are appointed in relation to the accounts of any body, the power to issue a prohibition order may be exercised by the auditors acting jointly or by such one of them as they may determine; and, in relation to such an order, any reference in subsections (4) and (5) below to the auditor is a reference to the auditor or auditors by whom the order is issued.

(4) A copy of a prohibition order—

- (a) shall be served on the body to which, or to an officer of which, it is addressed; and
- (b) in the case of an order addressed to an officer, shall also be served on him; and
- (c) may be served on such other person or persons as appears to the auditor to be appropriate.

(5) A prohibition order shall not have effect unless, not later than the end of the period of seven days beginning on the date of service referred to in subsection (2)(c) above, the auditor serves on the body concerned and on any officer on whom a copy of the order was served under subsection(4)(b) above, a statement of the auditor's reasons for the belief referred to in subsection (1) above.

(6) Any copy of an order or statement which under this section is to be served on an officer of a body shall be served on him by addressing it to him and by delivering it to him or leaving it at, or sending it by post, to the office at which he is employed.

(7) A prohibition order may at any time be revoked (but not varied) by the person who is for the time being the auditor in relation to the accounts of the body to which or to an officer of which the order was addressed.

25B.—(1) So long as a prohibition order has effect, it shall not be lawful for the body concerned or any officer of that body to make or implement the decision, to take or continue to take the course of action or, as the case may be, to enter the item of account to which the order relates.

Effect of and
appeals against
prohibition
orders.

(2) A prohibition order—

- (a) takes effect, subject to subsection (5) of section 25A above, on the date specified in the order in accordance with subsection (2)(c) of that section; and
- (b) continues to have effect, subject to any order or decision of the High Court on an appeal under subsection (3) below, until revoked under section 25A(7) above.

SCH 4

(3) Not later than twenty-eight days after the service under section 25A(5) above of a statement of reasons relating to a prohibition order, the body concerned (but not any officer of that body) may appeal against the order to the High Court in accordance with rules of court.

(4) On an appeal against a prohibition order under subsection (3) above, the High Court may make such order as it thinks fit for the payment by the body concerned of expenses incurred by the auditor in connection with the appeal.

(5) Any expenses reasonably incurred by the auditor in or in connection with the issue of a prohibition order shall be recoverable by him from the body concerned.

(6) In this section "the body concerned", in relation to a prohibition order, means the body to which, or to an officer of which, the order is addressed.

Supplementary provisions as to prohibition orders.

25C.—(1) In any case where—

- (a) before a prohibition order is issued, a body enters into a contract to dispose of or acquire an interest in land, and
- (b) before the disposal or acquisition is completed, a prohibition order takes effect as a result of which it is unlawful for the body to complete the disposal or acquisition,

the existence of the prohibition order shall not prejudice any remedy in damages which may be available to any person by reason of the body's failure to complete the contract.

(2) No action shall lie against an auditor in respect of any loss or damage alleged to have been caused by reason of the issue of a prohibition order which was issued in good faith; but nothing in this subsection affects the right of a court to award costs against an auditor on an appeal under section 25B(3) above.

Power of auditor to apply for judicial review. 1981 c. 54.

25D.—(1) Subject to section 31(3) of the Supreme Court Act 1981 (no application for judicial review without leave) the auditor appointed in relation to the accounts of a body may make an application for judicial review with respect to—

- (a) any decision of that body, or
- (b) any failure by that body to act,

which (in either case) it is reasonable to believe would have an effect on the accounts of that body.

(2) The existence of the powers conferred on an auditor under this Part of this Act shall not be regarded as a ground for refusing an application falling within subsection (1) above (or an application for leave to make such an application).

(3) On an application for judicial review made as mentioned in subsection (1) above, the court may make such order as it thinks fit for the payment by the body to whose decision the application relates of expenses incurred by the auditor in connection with the application.

Section 31.

SCHEDULE 5

LAND HELD BY PUBLIC BODIES

1980 c. 65.

1. Part X of the Local Government, Planning and Land Act 1980 shall be amended as mentioned in the following provisions of this Schedule.

2.—(1) The following shall be inserted after section 96—

"Information about entries.

96A.—(1) Where land is entered on a register under section 95(3) above, the Secretary of State shall as soon as is reasonably practicable after entering the land send a copy of the information included in the register in relation to the land to

SCH 5

any body to whom this Part of this Act applies, if it appears from the register that the body or a subsidiary of the body owns a freehold or leasehold interest in the land.

(2) Where land is entered on a register under section 95(3) above and the Secretary of State amends the information included in the register in relation to the land, he shall as soon as is reasonably practicable after amending the information send a copy of the amended information to any body to whom this Part of this Act applies, if it appears from the register that the body or a subsidiary of the body owns a freehold or leasehold interest in the land.

(3) The fact that the Secretary of State must send anything to a council under section 96 above does not displace any duty of his to send anything to the council under subsection (1) or (2) above.

(4) Subsection (5) below applies where a copy sent under subsection (1) or (2) above has been received by a body.

(5) If at any time the body becomes aware that any information in the only or latest copy received by them is or has become inaccurate, they shall as soon as is reasonably practicable after becoming so aware inform the Secretary of State that the information is inaccurate and give him (so far as they are able) the corrected information.

(6) Subsection (5) above does not apply if, when the body becomes so aware, the land concerned is no longer entered on a register under section 95(3) above."

(2) Section 96A(1) and (2) apply whether the land was entered on the register before or after the coming into force of this paragraph; and in its application to land entered on the register before the coming into force of this paragraph section 96A(1) shall have effect as if for the words "entering the land" there were substituted the words "the coming into force of paragraph 2 of Schedule 5 to the Local Government Act 1988."

3. The following shall be substituted for section 97 (Secretary of State's power to require information)—

"Secretary of State's power to require information.

97.—(1) The Secretary of State may direct a body to whom this Part of this Act applies to inform him whether the body or a subsidiary of the body holds a freehold or leasehold interest in land which is specified, or is of a description specified, in the direction.

(2) A body need only comply with a direction under subsection (1) above as regards land which is situated in an area in relation to which this Part of this Act is in operation.

(3) Where a body to whom this Part of this Act applies or a subsidiary of such a body holds a freehold or leasehold interest in land situated in an area in relation to which this Part of this Act is in operation, the Secretary of State may direct the body to whom this Part of this Act applies to give him such information about the land as he may specify."

4.—(1) Section 98 (directions to dispose of land) shall be amended as follows.

(2) After subsection (2) there shall be inserted—

“(2A) A direction under this section may include provision that no disposal of an interest to which the direction relates shall, while the direction remains unrevoked, be made in favour of a person or body who—

(a) is specified, or is of a description specified, in the direction, and

SCH 5

(b) is at the date the disposal is proposed to be made associated with the body to whom the direction is given.”

(3) After subsection (5) there shall be inserted—

“(6) In subsection (2A) above references to a disposal of an interest include references to a contract to dispose of an interest, and references to making a disposal include references to entering into such a contract.

(7) For the purposes of subsection (2A) above a person is associated with a body if (but only if)—

- (a) he is a member of the body or of a subsidiary of the body, or
- (b) he is a nominee of the body or of a subsidiary of the body.

(8) For the purposes of subsection (2A) above a body is associated with another body if (but only if)—

- (a) the other body, or a subsidiary of the other body, is a member of it,
- (b) any of its members is also a member of the other body or of a subsidiary of the other body, or
- (c) any of its members is a nominee of the other body or of a subsidiary of the other body.

(9) Notwithstanding section 100(1) below, in subsections (7) and (8) above “subsidiary” has the same meaning as in section 736(1) of the Companies Act 1985.”

1985 c. 6.

(4) No direction may be varied under section 98(3) so as to include provision mentioned in section 98(2A) if the direction sought to be varied was given before the coming into force of this paragraph.

5.—(1) Section 99 (directions: supplementary) shall be amended as follows.

(2) After subsection (5) there shall be inserted—

“(5A) The Secretary of State need not give notice under subsection (1) above as regards a further direction revoking a previous direction given under section 98 above.

(5B) The Secretary of State need not give notice under subsection (1) above as regards a further direction varying a previous direction given under section 98 above if—

- (a) the variation consists only of one which omits part of the land to which the previous direction relates, or
- (b) the variation is stated in the further direction to consist only of one which is made to take account of a representation of the body to whom the previous direction was given.

(5C) The contents of a direction under section 98 above may differ from its proposed contents contained in a notice given under subsection (1) above if—

- (a) the difference consists only of a variation which omits part of the land referred to in the proposed contents, or
- (b) the difference is stated in the direction to consist only of a variation which is made to take account of a representation of the body to whom the notice was given;

and the words “as proposed” in subsection (3) above shall have effect accordingly.

(5D) The Secretary of State may by order made by statutory instrument substitute a period specified in the order for the period of 42 days specified in subsection (3) above or for such other period as is for the time being specified in that subsection by virtue of an order under this subsection.

(5E) No order under subsection (5D) above may substitute a period as regards a notice given before the coming into force of the order.”

SCH 5

(3) In subsection (6)(b) for “section” there shall be substituted “subsection”.

(4) In subsection (7) after “subsection” there shall be inserted “(5D) or”.

(5) Section 99(5A) and (5B) apply whether the previous direction was given before or after the coming into force of this paragraph; and section 99(5C) applies whether the notice was given before or after the coming into force of this paragraph.

6. The following shall be inserted after section 99—

“Power of entry. 99A.—(1) A person duly authorised in writing by the Secretary of State may at any reasonable time enter any land for the purpose of helping the Secretary of State to decide whether to give a direction under section 98 above in relation to the land.

(2) A person may not enter land under this section unless, at the time of the authorisation under subsection (1) above, at the time of the entry, and at all times between the authorisation and the entry, the land is entered on a register maintained under section 95 above.

(3) A person may not enter land under this section unless at least 21 clear days’ notice in writing of the intended entry has been given to every person who is an owner or occupier.

(4) In this section “owner”, in relation to any land, means a person, other than a mortgagee not in possession, who is for the time being entitled to dispose of the fee simple of the land, whether in possession or in reversion, and includes also a person holding, or entitled to the rents and profits of, the land under a lease or agreement.”

SCHEDULE 6

Section 32.

DIRECT LABOUR ORGANISATIONS

Local Government, Planning and Land Act 1980 (c. 65)

1. Part III of the Local Government, Planning and Land Act 1980 shall be amended as mentioned in paragraphs 2 to 10 below.

2.—(1) Section 7 (limitations on power to enter into works contracts) shall be amended as follows.

(2) In subsection (1) after “works contract” (in each place) there shall be inserted “under which they are to carry out work”.

(3) After subsection (1) there shall be inserted—

“(1A) A local authority may not enter into a works contract under which they are to carry out work unless the competition condition is fulfilled, that is, the other party to the contract, in entering into it and doing anything else in connection with it before entering into it, did not act in a manner having the effect or intended or likely to have the effect of restricting, distorting or preventing competition.

(1B) Subsection (1A) above shall not prevent the local authority from entering into the contract unless, at the time it is proposed to be entered into, they are aware of the failure to fulfil the competition condition.”

SCH 6 (4) At the end of subsection (3)(c) there shall be added "who are not, or include at least three persons who are not, local authorities or development bodies".

3.—(1) Section 9 (regulation of functional work) shall be amended as follows.

(2) In subsection (4)(a) for "included in a list maintained by them" there shall be substituted "who are not, or include at least three persons who are not, local authorities or development bodies and who are included in a list maintained by the authority or body seeking to undertake the work".

(3) After subsection (4)(a) there shall be inserted—

"(aa) that they have included in the invitation prescribed matters (which may relate to the time allowed for responding, the method of responding, or otherwise); and

(aaa) that they have complied with prescribed requirements as to responses (which may include requirements to disregard certain responses, requirements about the keeping or opening of responses, or otherwise); and

(aaaa) that, in reaching the decision that they should undertake the work and in doing anything else in connection with the work before reaching the decision, they have not acted in a manner having the effect or intended or likely to have the effect of restricting, distorting or preventing competition; and".

(4) After subsection (4)(b) there shall be inserted "; and "prescribed" in paragraphs (aa) and (aaa) above means prescribed by regulations made by the Secretary of State."

(5) After subsection (5) there shall be inserted—

"(5A) Regulations under subsection (3)(a) above may provide that the conditions in subsection (4)(aa) and (aaa) above are not to apply if the work falling within a description specified by the regulations satisfies such criteria as are so specified."

(6) In subsection (6) for "conditions specified in subsection (4)" there shall be substituted "condition specified in subsection (4)(a)".

4. In section 10 (accounts) in subsection (3) after paragraph (b) there shall be inserted "; and

(c) the maintenance of street lighting."

5.—(1) Section 13 (annual balance sheet etc.) shall be amended as follows.

(2) Subsection (2)(a) and subsection (3) shall be omitted.

(3) After subsection (5) there shall be inserted—

"(5A) A revenue account must be expressed in such form as the Secretary of State may specify in writing."

6. In section 16 (general financial duty: treatment of deficits) subsection (4) shall be omitted.

7. Section 17 (rates of return: powers of Secretary of State) shall be omitted.

8.—(1) Section 18 (annual reports) shall be amended as follows.

(2) After subsection (1) there shall be inserted—

"(1A) A report under this section must include—

(a) a statement identifying such (if any) of the work undertaken as falls within construction or maintenance work by virtue of a decision under section 20(5) below; and

(b) a copy of each of the documents which it is required to prepare in accordance with section 13(1) above."

(3) After subsection (2) there shall be inserted—

SCH 6

“(2A) A local authority or development body who have prepared a report under this section shall send a copy to the Secretary of State and to their auditor not later than 31st October in the financial year following that to which the report relates.

(2B) Where a local authority’s or development body’s auditor has been sent a copy of a report in accordance with subsection (2A) above, he shall consider the statement of rate of return a copy of which is contained in the report by virtue of subsection (1A)(b) above, and shall give his written opinion on the statement to the authority or body concerned and to the Secretary of State.”

(4) At the end of the section there shall be added—

“(5) For the purposes of subsections (2A) and (2B) above a local authority’s or development body’s auditor is the person who under any enactment is appointed, for the financial year for which the report is prepared, to audit the accounts of the authority or body.”

9. After section 19 there shall be inserted—

“Sanctions

Notice for
purpose of getting
information.

19A.—(1) If it appears to the Secretary of State that a local authority or development body have carried out or undertaken construction or maintenance work—

- (a) under a contract they have entered into in contravention of section 7 above,
- (b) in circumstances where any provision of section 9(2) to (7) above has not been complied with as regards the work,
- (c) in circumstances where section 10 above has not been complied with as regards the work,
- (d) in circumstances where the provisions of section 12(1) above or of directions under section 12(5) above have not been complied with as regards any account kept in respect of the work,
- (e) in circumstances where section 13 above has not been complied with as regards the preparation or contents of the documents required by that section for the financial year in which the work is undertaken,
- (f) in circumstances where any provision of section 16(1) to (3) above has not been complied with as regards work of the description concerned, or
- (g) in circumstances where any provision of section 18(1) to (2A) above has not been complied with as regards the financial year in which the work is undertaken,

he may serve on the authority or body a written notice falling within subsection (2) below.

(2) The notice is one which—

- (a) informs the authority or body that it appears to him that they have acted as mentioned in one of the paragraphs (identified in the notice) of subsection (1) above,
- (b) identifies the work concerned and states why it so appears, and
- (c) contains the requirement mentioned in subsection (3) below.

SCH 6

(3) The requirement is that the authority or body submit to him within such time as is specified in the notice a written response which—

- (a) states that they have not acted as mentioned in the paragraph concerned of subsection (1) above and justifies the statement, or
- (b) states that they have acted as so mentioned and gives reasons why he should not give a direction under section 19B below.

(4) The Secretary of State may serve on an authority or body different notices under this section identifying the same work, whether they identify the same paragraph or different paragraphs of subsection (1) above.

Power to give directions.

19B.—(1) Where—

- (a) the Secretary of State has served a notice on an authority or body under section 19A above,
- (b) the time specified in the notice has expired (whether or not he has received a written response to the notice), and
- (c) it still appears to him that the authority or body have acted as mentioned in the paragraph concerned of section 19A(1) above,

he may give a direction under subsection (2) or (3) below.

(2) The Secretary of State may direct that with effect from such date as is specified in the direction the authority or body—

- (a) shall cease to have power to carry out such construction or maintenance work as is identified in the direction, or
- (b) shall, as regards such construction or maintenance work as is so identified, only have power to carry it out if such conditions as are specified in the direction are fulfilled.

(3) Alternatively, he may direct that with effect from such date as is specified in the direction the authority or body—

- (a) shall cease to have power to carry out such construction or maintenance work as is identified in the direction, and
- (b) shall, as regards such other construction or maintenance work as is so identified, only have power to carry it out if such conditions as are specified in the direction are fulfilled.

(4) Where the Secretary of State has given a direction under subsection (2) or (3) above or this subsection (the previous direction) he may give a direction (a new direction) that with effect from such date as is specified in the new direction—

- (a) any prohibition applying by virtue of the previous direction (whether the prohibition applies outright or if conditions are not fulfilled) shall cease to apply,
- (b) any outright prohibition applying by virtue of the previous direction is replaced by a prohibition applying (as regards the same work) if conditions specified in the new direction are not fulfilled, or
- (c) any prohibition applying as regards work by virtue of the previous direction (whether the prohibition applies outright or if conditions are not fulfilled) is

replaced by a prohibition which applies only to such of that work as is identified in the new direction but which is otherwise in the same terms as the prohibition in the previous direction.

SCH 6

(5) If the Secretary of State directs under this section that an authority or body shall cease to have power to carry out work, or shall only have power to carry out work if certain conditions are fulfilled, the direction shall have effect notwithstanding any enactment by virtue of which they are required or authorised to do the work or (as the case may be) to do it without the need for the conditions to be fulfilled.

(6) The power to give a direction under this section shall be exercised in writing.

(7) A direction under this section may include such supplementary, incidental, consequential or transitional provisions (whether with respect to work in progress or outstanding contractual commitments or otherwise) as appear to the Secretary of State to be necessary or expedient."

10.—(1) Section 20 (interpretation) shall be amended as follows.

(2) In subsection (1) after paragraph (b) of the definition of "construction or maintenance work" there shall be inserted "and

(c) the maintenance of street lighting;"

(3) In subsection (1), in paragraph (a) of the definition of "development body", sub-paragraph (iii) and the word "and" at the end of sub-paragraph (ii) shall be omitted.

(4) In subsection (1) for paragraph (a) of the definition of "local authority" there shall be substituted—

"(a) in relation to England and Wales—

(i) a county council, a district council, a London borough council, the Inner London Education Authority, a joint authority established by Part IV of the Local Government Act 1985 or the Council of the Isles of Scilly, or

1985 c. 51.

(ii) The Common Council of the City of London in its capacity as local authority or police authority;"

(5) In subsection (4)—

(a) after the word "Commission", in both places where it occurs, there shall be inserted "or the Secretary of State"; and

(b) after the word "which", in the first place where it occurs, there shall be inserted "is an agreement made by virtue of any provision of the Employment and Training Act 1973, which".

1973 c. 50.

(6) After subsection (4) there shall be inserted—

"(5) If a local authority or development body undertake work which (apart from this subsection) would not fall within construction or maintenance work, and which in their opinion cannot be undertaken efficiently separately from construction or maintenance work, the work shall (if they so decide) be treated as falling within construction or maintenance work.

(6) In section 10(3)(c) above and in subsection (1) above, in paragraph (c) of the definition of "construction or maintenance work", "street" (except in relation to Scotland) has the meaning given by section 329(1) of the Highways Act 1980 and (in relation to Scotland) means a road as defined in section 25(3) of the Local Government and Planning (Scotland) Act 1982.

1980 c. 66.

1982 c. 63.

- SCH 6 (7) Nothing in sections 19A and 19B above shall prejudice any remedy available to a person (apart from those sections) in respect of a failure to observe a provision of this Part of this Act."

Local Government (Scotland) Act 1975 (c. 30)

11.—(1) Schedule 3 to the Local Government (Scotland) Act 1975 shall be amended as follows.

(2) In paragraph 22(1) (local authority funds)—

(a) for "either or both" there shall be substituted "any", and

(b) after sub-paragraph (b) there shall be inserted—

"(c) a fund (to be known as a "DLO reserve fund") to which there may be charged any deficit in, or into which there may be paid any surplus of—

1980 c. 65.

(i) any DLO revenue account kept by the authority under section 10(1) of the Local Government, Planning and Land Act 1980;

(ii) any account kept by the authority under section 9(2) of the Local Government Act 1988."

(3) After paragraph 24 there shall be inserted—

"24A. A local authority by whom a DLO reserve fund is established under paragraph 22 above may from time to time—

(a) pay into that fund any surplus; or

(b) charge to that fund any deficit, referred to in paragraph 22(1)(c) above."

Section 41.

SCHEDULE 7

REPEALS

PART I

PUBLIC SUPPLY OR WORKS CONTRACTS

Chapter	Short title	Extent of repeal
1985 c. 68. 1987 c. 26.	Housing Act 1985. Housing (Scotland) Act 1987.	Section 52(a). Section 337.

These repeals shall have effect in accordance with section 23 of this Act.

PART II

SCH 7

LOCAL GOVERNMENT ADMINISTRATION

Chapter	Short title	Extent of repeal
1974 c. 7.	Local Government Act 1974.	In Schedule 4, in paragraph 4(5) the words “, other than that of making any report,”.
1975 c. 30.	Local Government (Scotland) Act 1975.	In section 28(7) the words “about its publication”. In Schedule 4, in paragraph 4(3) the words “, other than that of making any report,”.

These repeals shall have effect in accordance with section 29 of and Schedule 3 to this Act.

PART III

DIRECT LABOUR ORGANISATIONS

Chapter	Short title	Extent of repeal
1980 c. 65.	Local Government, Planning and Land Act 1980.	In section 13, subsections (2)(a) and (3). In section 16, subsections (4) to (6). Section 17. In section 19, in subsection (1) the words “other than the reference in section 16(4)(b) above”, and subsections (3) and (4). In section 20, in subsection (1), in paragraph (a) of the definition of “development body”, sub-paragraph (iii) and the word “and” at the end of sub-paragraph (ii).

These repeals shall have effect as provided by order under section 32 of this Act.

SCH 7

PART IV

DOG LICENCES

Chapter	Short title	Extent of repeal
23 & 24 Geo. 5 c. 17.	Protection of Animals (Cruelty to Dogs) Act 1933.	In section 1(1), the words "and for holding or obtaining a dog licence". Section 1(3). In section 1(4), the words "or applies for or obtains a dog licence". In section 2, the words "and for holding and obtaining a dog licence". Section 3.
24 & 25 Geo. 5 c. 25.	Protection of Animals (Cruelty to Dogs) (Scotland) Act 1934.	In section 1(1), the words "and for holding or obtaining a dog licence". Section 1(3). In section 1(4), the words "or applies for or obtains a dog licence". In section 2, the words "and for holding or obtaining a dog licence". Section 3.
7 & 8 Eliz. 2 c. 55. 1966 c. 42.	Dog Licences Act 1959. Local Government Act 1966.	The whole Act. Section 36. In section 40(3), the words "or 36". In Schedule 3, in Part II, the entry relating to the Dog Licences Act 1959.
1966 c. 51.	Local Government (Scotland) Act 1966.	Section 43. In Schedule 4, in Part II, the entry relating to the Dog Licences Act 1959.
1969 c. 48.	Post Office Act 1969.	Section 12(2)(a). In section 134, in subsection (1), the words "for dogs", "in Great Britain", "thereon and so," and "shall licences" and in subsection (2) the words "in Great Britain". In section 135(1)(a), the words "licences for dogs."
1972 c. 70.	Local Government Act 1972.	Section 213(1)(c).
1973 c. 65.	Local Government (Scotland) Act 1973.	In Schedule 27, paragraph 165.

These repeals shall have effect at the end of the period of 2 months beginning with the day on which this Act is passed.

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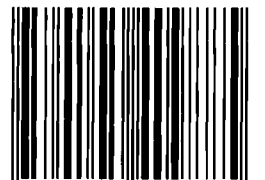
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