
STATUTORY INSTRUMENTS

1992 No. 582

LOCAL GOVERNMENT, ENGLAND AND WALES

**The Local Government (Direct Labour Organisations)
(Competition) (Exemption) (England) Regulations 1992**

<i>Made</i>	- - - -	<i>9th March 1992</i>
<i>Laid before Parliament</i>		<i>10th March 1992</i>
<i>Coming into force</i>	- -	<i>6th April 1992</i>

The Secretary of State for the Environment, in exercise of the powers conferred on him by sections 7(4)(b) and 23(1) of the Local Government, Planning and Land Act 1980(1) and of all other powers enabling him in that behalf, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Local Government (Direct Labour Organisations) (Competition) (Exemption) (England) Regulations 1992 and shall come into force on 6th April 1992.

Interpretation

2. In these Regulations—

“the Act” means the Local Government, Planning and Land Act 1980;

“local authority” means a district council in England, a London borough council or the Common Council of the City of London in its capacity as local authority;

“housing action trust” means a housing action trust established before 6th April 1992 under Part III of the Housing Act 1988(2).

Description of contract to which section 7(1) of the Act does not apply

3. Section 7(1) of the Act (limitations on power to enter into works contracts) shall not apply to a contract which satisfies the following conditions—

(a) the contract is made between a local authority and a housing action trust;

(1) 1980 c. 65; section 7 was amended by the Local Government Act 1988 (c. 9), section 32 and Schedule 6, paragraph 2.
(2) 1988 c. 50.

- (b) the contract provides for the local authority to carry out work for the housing action trust in connection with property which has vested in the housing action trust and which was, immediately before so vesting, in the ownership of the local authority;
- (c) the work to be carried out under the contract is of the same description as work which was, immediately before the property so vested, carried out in connection with the property by the local authority as functional work after complying with the requirements of section 9 of the Act⁽³⁾ and any regulations made under this section in respect of that work;
- (d) without prejudice to paragraph (e) below, the contract does not provide for work to be carried out—
 - (i) on or after the date when, if the work had continued to be functional work, the local authority would not have been permitted to continue to carry it out unless they had invited further offers to undertake the work in accordance with section 9 of the Act and any regulations made under that section, or
 - (ii) if that date would have been less than three months after the property vested in the housing action trust, more than three months after the property so vested; and
- (e) the contract does not provide for work to be carried out more than 12 months after the property so vested.

9th March 1992

Michael Heseltine
Secretary of State for the Environment

(3) Section 9 was amended by the Local Government Act 1988 (c. 9), section 32 and Schedule 6, paragraph 3.

EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 7(1) of the Local Government, Planning and Land Act 1980 precludes a local authority from entering into a contract under which they are to carry out construction or maintenance work unless the work has first been subjected to a competitive tendering exercise.

These Regulations provide for the case where the property of a district council in England, a London borough council or the Common Council of the City of London is transferred to a housing action trust established before 6th April 1992 under Part III of the Housing Act 1988. The Regulations provide that section 7(1) of the 1980 Act shall not apply to a contract which provides for the local authority to carry out for the housing action trust work which the authority has been carrying out in connection with such property as functional work (as defined in section 8 of the Act), provided that the contract satisfies certain conditions.