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STATUTORY INSTRUMENTS

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**1997 No. 125**

**LOCAL GOVERNMENT, ENGLAND AND WALES**  
**WALES**

**The Local Government Act 1988 (Competition) (Information  
Technology Services) (Wales) Regulations 1997**

<i>Made</i>	- - - -	<i>28th January 1997</i>
<i>Laid before Parliament</i>		<i>31st January 1997</i>
<i>Coming into force</i>	- -	<i>21st February 1997</i>

The Secretary of State for Wales, in exercise of the powers conferred on him by sections 6(3) and 15(6) of the Local Government Act 1988<sup>(1)</sup>, and of all other powers enabling him in that behalf, hereby makes the following Regulations:

**Citation, commencement and application**

1.—(1) These Regulations may be cited as the Local Government Act 1988 (Competition) (Information Technology Services) (Wales) Regulations 1997 and shall come into force on 21st February 1997.

- (2) These Regulations apply only in relation to the following defined authorities<sup>(2)</sup> in Wales—
- (a) a local authority<sup>(3)</sup>;
  - (b) a combined fire authority;
  - (c) a National Park authority<sup>(4)</sup>; and
  - (d) a joint committee which falls to be treated as a defined authority by section 1(4) of the Act and which is appointed only by two or more defined authorities within paragraph (a), (b) or (c) above.

**Interpretation**

2. In these Regulations—
- “the Act” means the Local Government Act 1988;

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(1) 1988 c. 9. Section 6(3) is amended by paragraph 12 of Schedule 1 to the Local Government Act 1992 (c. 19).  
(2) For the meaning of “defined authority”, see section 1 of the Act.  
(3) For the meaning of “local authority”, see section 1(2A) of the Act which was inserted by the Local Government Reorganisation (Wales) (Consequential Amendments) Order 1995 (S.I.1995/115).  
(4) See section 1(1)(aa) of the Act which was inserted by paragraph 8(2) of Schedule 8 to the Environment Act 1995 (c. 25).

“the cost” means the estimated total annual cost including overheads provided that those overheads are not treated by a defined authority as forming part of the cost of—

- (a) another defined activity; or
- (b) work to which Part III of the Local Government, Planning and Land Act 1980 (direct labour organisations)(5) applies;

“the specified proportion” means an amount equal to the product of the following formula—

$$(T - (A + B)) - (C + E + F + G + I)$$

where

T = an amount equal to the cost to a defined authority of the specified work;

A = an amount equal to the cost of specified work which is being carried out by a person other than a defined authority in connection with work falling within any other defined activity or in connection with work to which Part III of the Local Government, Planning and Land Act 1980 applies where that work is being carried out by another person on behalf of a defined authority;

B = an amount equal to any amount included in T in respect of goods or services which are provided by a person other than a defined authority;

C = an amount equal to 60% of (T-(A+B)) or £300,000, whichever is greater;

E = an amount equal to the cost of any specified work being carried out following a competitive tendering process in respect of that work conducted in accordance with the provisions of the Act;

F = an amount equal to the cost of any specified work being carried out by a person other than a defined authority following a competitive tendering process where—

- (a) no defined authority submitted a bid to carry out that work; and
- (b) that work had previously been carried out by the defined authority conducting that process or by its predecessor;

G = an amount equal to the cost of specified work carried out by a defined authority which is funded from a school’s delegated budget provided under a scheme prepared in accordance with section 103 of the Education Act 1996(6);

I = an amount equal to the cost of specified work which is being carried out by a defined authority, being work undertaken by way of functional work at the request of any person other than a defined authority who is carrying out work (“other work”) on the authority’s behalf, for the purpose of facilitating such work,

Provided that—

- (a) any amount taken into account in applying any element in the formula (other than T) shall not also be taken into account in applying any other element in the formula; and
- (b) any such amount shall not be taken into account in applying any element in the formula used for calculating the specified proportion of any other defined activity;

“specified work”, in relation to a defined authority, means work of any description falling within the defined activity mentioned in section 2(2)(m) of the Act (information technology services)(7) other than work carried out under a works contract in relation to which that

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(5) 1980 c. 65.

(6) 1996 c. 56.

(7) Section 2(2)(m) was inserted by the Local Government Act 1988 (Competition) (Defined Activities) Order 1995 (S.I. 1995/1915).

authority were a bidding authority to which section 4 of the Act (works contracts: restrictions) applies.

**Application of section 6**

**3.** Section 6 of the Act (functional work: restrictions) shall apply to the specified proportion of any specified work if it is proposed to be carried out on or after 1st October 1999 by a defined authority.

Signed by authority of the Secretary of State for Wales

28th January 1997

*Gwilym Jones*  
Parliamentary Under Secretary of State, Welsh  
Office

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**Status:** This is the original version (as it was originally made). UK  
Statutory Instruments are not carried in their revised form on this site.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

The Regulations make provision under the competitive tendering requirements in Part I of the Local Government Act 1988 (“the Act”) in respect of the defined activity of information technology services.

Regulation 3 applies section 6 of the Act (functional work: restrictions) to a specified proportion of this activity from 1st October 1999, being the date specified in the Regulations, for certain defined authorities in Wales, so that those defined authorities must compete for such work in accordance with the Act’s requirements if they wish to carry it out themselves.

The defined authorities in Wales to which the Regulations apply are local authorities (namely county councils, county borough councils and community councils), combined fire authorities, National Park authorities and joint committees of such authorities.