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STATUTORY INSTRUMENTS

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**1987 No. 181**

**LOCAL GOVERNMENT, ENGLAND AND WALES**

**The Local Government (Direct Labour Organisations)  
(Competition) (Amendment) Regulations 1987**

<i>Made</i>	- - - -	<i>10th February 1987</i>
<i>Laid before Parliament</i>		<i>19th February 1987</i>
<i>Coming into force</i>	- -	<i>1st April 1987</i>

The Secretary of State for the Environment, in relation to England, and the Secretary of State for Wales, in relation to Wales, in exercise of the powers conferred on them by sections 7 and 9(3) of the Local Government, Planning and Land Act 1980<sup>(1)</sup> and of all other powers enabling them in that behalf, hereby make the following Regulations —

**1.** These Regulations may be cited as the Local Government (Direct Labour Organisations) (Competition) (Amendment) Regulations 1987 and shall come into force on 1st April 1987.

**2.** The Local Government (Direct Labour Organisations) (Competition) Regulations 1983<sup>(2)</sup> are hereby amended as follows —

(a) in regulation 2(1), in the definitions of “contractual highway work” and “relevant highway work”, there shall in each case be substituted for head (i) —

“(i) general highway works, does not exceed £25,000, or”

(b) in regulation 3(a) for “£50,000” there shall be substituted “£25,000”;

(c) for regulation 6 there shall be substituted the following regulation —

“**6.**—(1) Regulation 5 applies —

(a) to any works contract of a value which does not exceed £25,000 providing or providing principally for the carrying out of general highway works (other than a contract described in Regulation 7(1)) if the value of the contract together with the value of all relevant highway work previously undertaken by the authority otherwise than in accordance with section 7 or the conditions mentioned in section 9(3)(a) of the Act in the same financial year exceeds the relevant limit;

(b) to any works contract of a value which does not exceed £50,000 providing or providing principally for the carrying out of works of new construction (other than

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(1) 1980 c. 65.  
(2) S.I.1983/685.

a contract described in Regulation 7(1)) if the value of the contract together with the value of all relevant construction work previously undertaken as mentioned in sub-paragraph (a) exceeds the relevant limit;

- (c) to any works contract of a value which does not exceed £10,000 providing or providing principally for the carrying out of works of maintenance (other than a contract described in regulation 7(1)) if the value of the contract together with the value of all relevant maintenance work previously undertaken as mentioned in sub-paragraph (a) exceeds the relevant limit.

(2) In this regulation the relevant limit, in relation to a works contract which provides, or provides principally, for —

- (a) the carrying out of general highway works, is 70% of the aggregate value of all relevant highway work undertaken and all contractual highway work carried out by the authority in the immediately preceding financial year; or
- (b) the carrying out of works of new construction, is 40% of the aggregate of all relevant construction work undertaken and all contractual construction work carried out by the authority in the immediately preceding financial year; or
- (c) the carrying out of works of maintenance, is 40% of the aggregate value of all relevant maintenance work undertaken and all contractual maintenance work carried out by the authority in the immediately preceding financial year or £300,000, whichever is greater.”;

(d) for regulation 8 there shall be substituted the following regulation —

“8.—(1) Subject to regulation 9, a local authority or development body may not undertake functional work of the following descriptions unless they have first complied with the conditions mentioned in section 9(3)(a) of the Act as well as with those in section 9(2) —

- (a) a job consisting or consisting principally of general highway works where the estimated cost of the job exceeds £25,000;
- (b) a job consisting or consisting principally of the construction or maintenance of a sewer where the estimated cost of the job exceeds £50,000;
- (c) a job consisting or consisting principally of works of new construction where the estimated cost of the job exceeds £50,000;
- (d) a job consisting or consisting principally of works of maintenance where the estimated cost of the job exceeds £10,000;
- (e) a job consisting or consisting principally of general highway works where the estimated cost of the job does not exceed £25,000 if the estimated cost of the job together with the aggregate value of all relevant highway work previously undertaken by the authority or body otherwise than in accordance with section 7 or the conditions mentioned in section 9(3)(a) of the Act in the same financial year exceeds the relevant limit;
- (f) a job consisting or consisting principally of works of new construction where the estimated cost of the job does not exceed £50,000 if the estimated cost of the job together with the aggregate value of all relevant construction work previously undertaken as mentioned in subparagraph (e) exceeds the relevant limit;
- (g) a job consisting or consisting principally of works of maintenance where the estimated cost of the job does not exceed £10,000 if the estimated cost of the job together with the aggregate value of all relevant maintenance work previously undertaken as mentioned in subparagraph (e) exceeds the relevant limit.

(2) In this regulation the relevant limit in relation to a job which consists, or consists principally, of —

- (a) general highway works, is 70% of the aggregate value of all relevant highway work undertaken and all contractual highway work carried out by that authority or body in the immediately preceding financial year;
  - (b) works of new construction, is 40% of the aggregate value of all relevant construction work undertaken and all contractual construction work carried out by that authority or body in the immediately preceding financial year;
  - (c) works of maintenance, is 40% of the aggregate value of all relevant maintenance work undertaken and all contractual maintenance work carried out by the authority or body in the immediately preceding financial year or £300,000, whichever is greater.”;
- (e) regulation 10 shall be deleted.

9th February 1987

*Nicholas Ridley*  
Secretary of State for the Environment

10th February 1987

*Nicholas Edwards*  
Secretary of State for Wales

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

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

These Regulations amend the Local Government (Direct Labour Organisations) (Competition) Regulations 1983 in their application to highway work.

The 1983 Regulations prescribe £50,000 as the maximum value of a contract for highway works which a local authority may enter into without prior competitive tendering. They also apply tendering requirements to highway functional work worth more than £50,000 and to certain highway works contracts and highway functional work worth £50,000 or less if the value of the contract or work and the value of all similar work worth £50,000 or less previously contracted for or done by the authority in the current financial year exceeds a prescribed percentage of the total value of similar work contracted for or done in the previous year.

These Regulations substitute £25,000 for £50,000.

Regulations 6 and 8 of the 1983 Regulations are rewritten. Provisions which are now spent are omitted.