
STATUTORY INSTRUMENTS

1995 No. 2916

LOCAL GOVERNMENT, ENGLAND AND WALES

**The Local Government Act 1988 (Competition)
(Financial Services) (England) Regulations 1995**

Made - - - - 13th November 1995
Laid before Parliament 14th November 1995
Coming into force - - 5th December 1995

The Secretary of State in exercise of the powers conferred on him by sections 6(3) and 15(6) of the Local Government Act 1988(1), 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) (Financial Services) (England) Regulations 1995 and shall come into force on 5th December 1995.

(2) These Regulations apply to defined authorities in England only.

Interpretation

2. In these Regulations—

“the allowable period” means the period commencing on the date when section 6 of the Act first applies to the defined authority in question in respect of specified work and ending on the date the work falling within paragraph 13(1)(e) of Schedule 1 to the Act is completed;

“the Act” means the Local Government Act 1988;

“the cost” means the estimated total annual cost including overheads;

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

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

where

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

A = an amount equal to 65% of T or £300,000, whichever is greater;

(1) 1988 c. 9. Section 6 is amended by paragraph 12 of Schedule 1 to the Local Government Act 1992 (c. 19).

- B = for the period ending on 31st March 1999 or five years after work was awarded,, whichever is the shorter, an amount equal to the cost of specified work which is being carried out by a defined authority following voluntary competitive tendering;
- C = , an amount equal to the cost of specified work carried out by a defined authority on behalf of a school with a delegated budget provided under a scheme prepared in accordance with section 33 of the Education Reform Act 1988⁽²⁾;
- D = until 1st April 1999,, an amount equal to the cost of specified work which is being carried out by a defined authority in connection with functional work falling within the defined activity mentioned in section 2(2)(h) of the Act (housing management)⁽³⁾ where that functional work is not subject to section 6 of the Act;
- E = an amount equal to the cost of specified work carried out by a defined authority in connection with functional work falling within any defined activity where that functional work is being carried out by a defined authority in accordance with the provisions of the Act;
- F = an amount equal to the cost of specified work carried out by a defined authority in connection with functional work to which Part III of the Local Government,, Planning and Land Act 1980⁽⁴⁾ applies where that functional work is being carried out by a defined authority in accordance with the provisions of that Act; and
- G = for the allowable period,, an amount equal to the cost of work falling within paragraph 13(1)(e) of Schedule 1 to the Act where that work has been started by a defined authority before the commencement of the allowable period;

“the finance defined activity” means the defined activity mentioned in section 2(2)(l) of the Act (financial services)⁽⁵⁾;

“specified work” means work of any description falling within the finance defined activity other than work carried out by a bidding authority to which section 4 of the Act (works contracts: restrictions) applies; and “determination work” means work in connection with the determination of payments in pursuance of any functions conferred on an authority by or under the Social Security Contributions and Benefits Act 1992⁽⁶⁾ or the Social Security Administration Act 1992⁽⁷⁾;

“voluntary competitive tendering” means the awarding of work before 1st April 1994 following a competitive process in the course of which at least three persons who are not defined authorities were invited to tender for that work.

Application of section 6

3.—(1) Section 6 of the Act shall apply to the specified proportion of any specified work if it is proposed to be carried out—

- (a) on or after 1st October 1997 by a local authority which is subject to, or created by, a structural change or substantial boundary change effected by an order made under section 17 of the Local Government Act 1992⁽⁸⁾ (“a structural change”) where that structural change takes effect from 1st April 1995; or

(2) 1988 c. 40.

(3) Section 2(2)(h) was inserted by S.I.1994/1671.

(4) 1980 c. 65.

(5) Section 2(2)(l) was inserted by S.I. 1995/1915.

(6) 1992 c. 4.

(7) 1992 c. 5.

(8) 1992 c. 19.

- (b) on or after 1st October 1988 by a local authority which is subject to, or created by, a structural change where that structural change takes effect from 1st April 1996; or
- (c) on or after 1st October 1999 by a local authority which is subject to, or created by, a structural change where that structural change takes effect from 1st April 1997; or
- (d) on or after 1st April 1998 by a county council or non-metropolitan district council which is not subject to a structural change; or
- (e) on or after 1st April 1997 by any other defined authority except—
 - (i) those mentioned in Section 1(1)(b), 1(1)(c) and 1(1)(d) of the Act; and
 - (ii) a police authority.

Signed by authority of the Secretary of State

13th November 1995

Paul Beresford
Parliamentary Under-Secretary of State,
Department of the Environment

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

EXPLANATORY NOTE

(This note is not part of the Regulations)

These regulations make provision under Part 1 of the Local Government Act 1988 (“the Act”) in respect of the defined activity of financial services.

Regulation 3 applies section 6 of the Act to a specified proportion of this activity from the dates specified in that regulation, so that from those dates defined authorities are required to compete for such work if they wish to carry it out themselves.