STATUTORY INSTRUMENTS

1982 No. 325

LOCAL GOVERNMENT, ENGLAND AND WALES

The Local Government (Direct Labour Organisations) (Competition) (Amendment) Regulations 1982

Made - - - - - - -	*9th March* 1982
Laid before Parliament - - -	*11th March* 1982
Coming into Operation	
Regulations 1, 2, 3, *part of regulation* 5, 6 *and part of regulation* 7 - - -	*1st April* 1982
Remainder - - - - -	*1st October* 1982

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 upon them by section 7 and section 9(3) of the Local Government, Planning and Land Act 1980(**a**) and of all other powers enabling them in that behalf, hereby make the following regulations:—

Title and Commencement

1.—(1) These regulations may be cited as the Local Government (Direct Labour Organisations) (Competition) (Amendment) Regulations 1982.

(2) Subject to paragraph (3) below these regulations shall come into operation on 1st April 1982.

(3) Regulation 4, so much of regulation 5 as relates to works contracts for the carrying out of works of maintenance, regulation 7(*a*), and so much of regulation 7(*c*) and (*d*) as relates to works of maintenance, shall come into operation on 1st October 1982.

2. The Local Government (Direct Labour Organisations) (Competition) Regulations 1981(**b**) shall be amended as follows.

(a) 1980 c.65. (b) S.I. 1981/340.

3. In regulation 2—

(*a*) after the definition of "the 1970 Act" there shall be inserted the following definition:—

" "contractual construction work" and "contractual maintenance work" mean respectively works of new construction and works of maintenance carried out by a local authority by placing a contract for the doing of the work by another person (either directly or, in whole or in part, through sub-contractors) where the value of the contract, insofar as it provides for the carrying out of —

(i) works of new construction, does not exceed £50,000;
or

(ii) works of maintenance, does not exceed £10,000;";

(*b*) for the definition of "estimated cost" there shall be substituted the following definition:—

" "estimated cost" means the aggregate of the amounts which a local authority or development body will credit to their DLO revenue account in respect of the carrying out of all the items of construction or maintenance work comprised in a job —

(i) insofar as such amounts will fall to be determined in accordance with a written statement prepared in compliance with section 9(2)(*a*) of the Act, as so determined; and

(ii) insofar as such amounts will fall to be determined in accordance with a method specified in a written statement prepared in accordance with section 9(2)(*b*) of the Act, as reasonably estimated in accordance with that method.".

(*c*) For the definition of "job" there shall be substituted the following definition:—

" "job" means all the functional work which can reasonably be carried out most economically and efficiently under one arrangement.".

(*d*) after the definition of "job" there shall be inserted the following definitions:—

" "relevant construction work" means works of new construction where the value, in the case of a works contract, or the estimated cost, in the case of a job, of the works of new construction undertaken does not exceed £50,000;

"relevant maintenance work" means works of maintenance where the value, in the case of a works contract, or the estimated cost, in the case of a job, of the works of maintenance undertaken does not exceed £10,000;".

4. In paragraph (*a*) of regulation 3 for the figure "£100,000" there shall be substituted the figure "£50,000".

5. In regulation 4 for paragraphs (2) and (3) there shall be substituted the following paragraph:—

"(2) Subject to regulation 5 below, this regulation applies to —

(*a*) a works contract, the value of which, insofar as it provides for the carrying out of works of new construction, does not exceed £50,000, if that value together with the aggregate value of all relevant construction work previously undertaken by the authority in the same financial year exceeds two thirds of the aggregate value of all relevant construction work undertaken and all contractual construction work carried out by the authority in the immediately preceding financial year;

(*b*) a works contract entered into in the period 1st October 1982 to 31st March 1983 inclusive and the value of which, insofar as it provides for the carrying out of works of maintenance, does not exceed £10,000 if that value together with the value of all relevant maintenance work previously undertaken by the authority in that period exceeds the greater of the following amounts—

(i) 70% of the aggregate value of all relevant maintenance work undertaken and all contractual maintenance work carried out by the authority in the period 1st October 1981 to 31st March 1982 inclusive, and

(ii) £150,000; and

(*c*) a works contract entered into after 31st March 1983 and the value of which, insofar as it provides for the carrying out of works of maintenance, does not exceed £10,000 if that value together with the value of all relevant maintenance work previously undertaken by the authority in the same financial year exceeds the greater of the following amounts—

(i) 70% 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, and

(ii) £300,000.".

6. In regulation 5—

(*a*) for paragraph (*c*)(i) there shall be substituted the following paragraph—

"(i) it is a contract the value of which does not exceed by more than 10% the value of a contract of a similar description awarded to the local authority at any time in the immediately preceding period of twelve months (hereinafter referred to as "the former contract"), and in relation to which the value of each of the separate items of work comprised and priced in the contract does not exceed by more than 10% the value of each corresponding separate item of work (if any) comprised and priced in the former contract;"

(*b*) at the end of paragraph (*c*)(iii) the word "and" shall be deleted;

(*c*) in paragraph (*c*)(iv) the words "more than once" shall be deleted;

(*d*) after paragraph (*c*)(iv) there shall be inserted the following:—

"and

(v) except in the case of a contract for works of maintenance the work comprised in the contract is to be carried out on the same site or surface as the work comprised in the former contract or on sites or surfaces adjacent to those on which the work comprised in the former contract has been or is to be carried out.".

7. In regulation 7—

(*a*) in sub-paragraph (*a*) of paragraph (1), for the figure "£100,000" there shall be substituted the figure "£50,000";

(*b*) at the end of sub-paragraph (*d*) of paragraph (1) the word "and" shall be deleted;

(*c*) for sub-paragraph (*e*) of paragraph (1) there shall be substituted the following sub-paragraphs—

"(*e*) works of new construction undertaken in a financial year where the estimated cost of the job does not exceed £50,000 if the estimated cost of the job together with the value of all relevant construction work previously undertaken by the authority or body in the same financial year exceeds two thirds 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;

(*f*) works of maintenance undertaken in the period 1st October 1982 to 31st March 1983 inclusive 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 by the authority or body in that period exceeds the greater of the following amounts—

(i) 70% of the aggregate value of all relevant maintenance work undertaken and all contractual maintenance work carried out by the authority or body in the period 1st October 1981 to 31st March 1982 inclusive, and

(ii) £150,000; and

(*g*) works of maintenance undertaken after 31st March 1983 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 by the authority or body in the same financial year exceeds the greater of the following amounts—

(i) 70% 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, and

(ii) £300,000.";

(*d*) paragraph (2) shall be deleted;

(*e*) in paragraph (3), for sub-paragraph (*c*)(i) there shall be substituted the following sub-paragraph—

"(i) it is a job the estimated cost of which does not exceed by more than 10% the estimated cost of a job of a similar description undertaken by the local authority or development body in the immediately preceding period of twelve months (hereinafter referred to as "the former job") and in relation to which the estimated cost of each of the separate items of work comprised and priced in the job does not exceed by more than 10% the estimated cost of each corresponding item of work (if any) comprised and priced in the former job;";

(*f*) in paragraph (3), in sub-paragraph (*c*)(iii), for the word "job" there shall be substituted the words "former job" and at the end the word "and" shall be deleted;

(*g*) in paragraph (3), in sub-paragraph (*c*)(iv), the words "more than once" shall be deleted;

(*h*) in paragraph (3) after sub-paragraph (*c*)(iv), there shall be inserted the following —"and

(v) except in the case of a job of works of maintenance the work comprised in the job is to be carried out on the same site or surface as the work comprised in the former job or on sites or surfaces adjacent to those on which the work comprised in the former job has been or is to be carried out.".

Michael R. D. Heseltine,
9th March 1982. Secretary of State for the Environment.

Nicholas Edwards,
8th March 1982. Secretary of State for Wales.

EXPLANATORY NOTE

(*This Note is not part of the Regulations.*)

These regulations amend the Local Government (Direct Labour Organisations) (Competition) Regulations 1981. Section 7(1) of the Local Government, Planning and Land Act 1980 provides that a local authority may not enter into a works contract whose value exceeds the prescribed amount unless they do so as the result of acceptance of a tender, or enter into a works contract whose value is equal to or less than the prescribed amount unless they have complied with conditions to be prescribed by regulations. These regulations reduce the prescribed amount in relation to works contracts for general highway works from £100,000 to £50,000 and, in relation to certain works contracts whose value is less than the prescribed amount, they prescribe amended conditions to be complied with. In relation to functional work the regulations amend the descriptions of work which a local authority or development body may not undertake unless they have first complied with the conditions specified in section 9(4) of the Act, by reducing the figure of £100,000 in relation to general highway works to £50,000, and by making amendments in the descriptions of functional work corresponding to those made in relation to works contracts.

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