



Local Government, Planning and Land Act 1980

1980 CHAPTER 65

PART III

DIRECT LABOUR ORGANISATIONS

Works Contracts

5 Meaning of "works contract".

(1) Subject to subsection (2) below, in this Part of this Act "works contract" means a contract which is or comprises—

(a) an agreement (in this Part of this Act referred to as a "maintenance agreement") under—

(i) section 5(3)(c) of the ^{M1}London Government Act 1963 (agreements between . . . ^{F1} London authorities for the carrying out of works of maintenance by one party in connection with land or buildings for the maintenance of which another party is responsible), or

(ii) section 1 of the ^{M2}Local Authorities (Goods and Services) Act 1970 (in this Part of this Act referred to as "the 1970 Act") (which provides for the carrying out by a local authority of such works of maintenance as are referred to in subsection (1)(d) of that section); or

(b) ^{F2}

(c) an agreement made by virtue of any other enactment (including a provision of a local Act) which provides for the carrying out by a local authority of any construction or maintenance work;

and in this section "works authority", in relation to a works contract, means the local authority or, if there is more than one, each of the local authorities, by whom construction or maintenance work is or is to be undertaken in pursuance of the contract.

Status: Point in time view as at 01/02/1991.

Changes to legislation: Local Government, Planning and Land Act 1980, Cross Heading: Works Contracts is up to date with all changes known to be in force on or before 05 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (2) A contract is not a works contract by reason only that it is or comprises an agreement under which the functions of a Minister of the Crown or of any public body, within the meaning of the 1970 Act, fall to be discharged by a local authority, notwithstanding that, in the exercise of the functions, the local authority undertake construction or maintenance work.
- (3) If and so far as the provision by a works authority of goods, materials, services, vehicles, plant or other equipment which is incidental to construction or maintenance work undertaken by that authority in pursuance of a works contract is the subject of a separate agreement, that agreement shall be treated as part of the works contract for the purposes of this Part of this Act.

Textual Amendments

- F1** Words repealed by [Local Government Act 1985 \(c. 51, SIF 81:1\)](#), ss. 1, 102, [Sch. 17](#)
- F2** [S. 5\(1\)\(b\)](#) repealed by [Local Government Act 1985 \(c. 51, SIF 81:1\)](#), ss. 1, 102, [Sch. 17](#)

Marginal Citations

- M1** [1963 c. 33 \(81:1\)](#).
- M2** [1970 c. 39 \(81:4\)](#).

6 Regulation of works contracts.

- (1) Except in so far as section 7 below otherwise provides, a local authority may enter into a works contract in such circumstances and on such terms, having regard to the duty imposed on them by section 16 below, as they consider appropriate.
- (2) Notwithstanding anything in the 1970 Act or in any other enactment relating to such an agreement as is mentioned in section 5(1)(c) above, a body which is a public body within the meaning of the 1970 Act may not (whether as the works authority or as the body for whom any works are to be carried out) enter into a contract which in any respect contravenes any limitation imposed by section 7 below.
- (3) In any case where—
- before the appointed day, and whether before or after the passing of this Act, a local authority entered into a maintenance agreement, and
 - the circumstances in which or the terms on which the maintenance agreement was entered into are such that, having regard to section 7 below and to any regulations made under that section, it would not be lawful for them to enter into a similar agreement immediately after the appointed day,
- then, at the expiry of the period of twelve months beginning on the appointed day, it shall cease to be lawful for the maintenance agreement to be carried out.
- (4) Accordingly, if the maintenance agreement is governed by English Law and the parties to it do not make other provision before the expiry of that period of twelve months, the ^{M3}Law Reform (Frustrated Contracts) Act 1943 shall apply to the maintenance agreement with effect from the expiry of that period.

Marginal Citations

- M3** [1943 c. 40 \(30\)](#).

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7 Limitations on power to enter into works contracts.

- (1) A local authority may not—
- (a) enter into a works contract [^{F3}under which they are to carry out work] whose value exceeds the prescribed amount unless they do so as the result of acceptance of a tender, or
 - (b) enter into a works contract [^{F3}under which they are to carry our work] whose value is equal to or less than the prescribed amount unless they have complied with such conditions as may be prescribed by regulations made by the Secretary of State.

[^{F4}(1A) A local authority may not enter into a works contract under which they are to carry out work unless the competition condition is fulfilled, that is, the other party to the contract, in entering into it and doing anything else in connection with it before entering into it, did not act in a manner having the effect or intended or likely to have the effect or restricting, distorting or preventing competition.

(1B) Subsection (1A) above shall prevent the local authority from entering into the contract unless, at the time it is proposed to be entered into, they are aware of the failure to fulfill the competition condition]

- (2) In this section “the prescribed amount ” means an amount specified in regulations made by the Secretary of State.
- (3) For the purposes of this Part of this Act an authority enter into a contract as the result of acceptance of a tender if—
- (a) the contract was made by acceptance of an offer on their part to carry out the work in question; and
 - (b) they made the offer in response to an invitation to submit such offers; and
 - (c) the invitation was extended to at least three other persons [^{F5}who are not, or include at least three persons who are not, local authorities or development bodies].
- (4) The Secretary of State may by regulations—
- (a) direct the manner in which the value of a contract is to be determined for the purposes of this section; and
 - (b) specify descriptions of contract to which subsection (1) above is not to apply; and
 - (c) specify for the purposes of subsection (3)(c) above a number of persons different from three.
- (5) Without prejudice to the generality of subsection (4) above, regulations made by virtue of paragraph (a) of that subsection may direct that a number of contracts shall be treated as if they were one contract for the purpose of determining whether the prescribed amount is exceeded.
- (6) Regulations under this section may make different provision in relation to different contracts and descriptions of contracts.
- (7) A statutory instrument containing regulations under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.

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Textual Amendments

- F3** Words inserted by [Local Government Act 1988 \(c. 9, SIF 81:1, 2\)](#), s. 32, **Sch. 6 para 2(2)**
- F4** [S. 7\(1A\)\(1B\)](#) inserted by [Local Government Act 1988 \(c. 9, SIF 81:1, 2\)](#), s. 32, **Sch. 6 para. 2(3)**
- F5** Words inserted by [Local Government Act 1988 \(c. 9, SIF 81:1, 2\)](#), s. 32, **Sch. 6 para. 2(4)**
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Modifications etc. (not altering text)

- C1** [S. 7\(1\)](#) excluded (S.) by [S.I. 1990/1782](#), **reg. 7(1)**
- [S. 7\(1\)](#) restricted (6.4.1992) by [S.I. 1992/582](#), **reg.3.**

Status:

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