



Local Government and Housing Act 1989

1989 CHAPTER 42

PART V

COMPANIES IN WHICH LOCAL AUTHORITIES HAVE INTERESTS

70 Requirements for companies under control or subject to influence of local authorities

- (1) In relation to companies under the control of local authorities and companies subject to the influence of local authorities, the Secretary of State may by order make provision regulating, forbidding or requiring the taking of certain actions or courses of action; and an order under this subsection may—
 - (a) make provision in relation to those companies which are arm's length companies different from that applicable to companies which are not; and
 - (b) make provision in relation to companies under the control of local authorities different from that applicable in relation to companies under the influence of local authorities.
- (2) It shall be the duty of every local authority to ensure, so far as practicable, that any company under its control complies with the provisions for the time being made by order under subsection (1) above; and if a local authority fails to perform that duty in relation to any company, any payment made by the authority to that company and any other expenditure incurred by the authority in contravention of any such provisions shall be deemed for the purposes of Part III of the Local Government Finance Act 1982 (accounts and audits) to be expenditure which is unlawful.
- (3) In order to secure compliance, in relation to companies subject to the influence of local authorities, with provisions made by virtue of subsection (1) above, an order under that subsection may prescribe requirements to be complied with by any local authority in relation to conditions to be included in such leases, licences, contracts, gifts, grants or loans as may be so prescribed which are made with or to a company subject to the influence of the local authority.
- (4) It shall be the duty of every local authority to comply with any requirements for the time being prescribed under subsection (3) above; and if a local authority fails to

Status: This is the original version (as it was originally enacted).

perform that duty, any expenditure which is incurred by the local authority under the lease, licence, contract, gift, grant or loan in question shall be deemed for the purposes of Part III of the Local Government Finance Act 1982 to be expenditure which is unlawful.

- (5) Without prejudice to the generality of the power conferred by subsection (1) above, an order under that subsection may make provision requiring a company or local authority to obtain the consent of the Secretary of State, or of the Audit Commission for Local Authorities in England and Wales, before taking any particular action or course of action.