



Local Government Act 1999

1999 CHAPTER 27

PART I

BEST VALUE

Best value authorities

1 Best value authorities

- (1) For the purposes of this Part each of these is a best value authority—
- (a) a local authority;
 - (b) a National Park authority;
 - (c) the Broads Authority;
 - (d) a police authority;
 - (e) a fire authority constituted by a combination scheme and a metropolitan county fire and civil defence authority;
 - (f) the London Fire and Emergency Planning Authority;
 - (g) a waste disposal authority;
 - (h) a metropolitan county passenger transport authority;
 - (i) Transport for London;
 - (j) the London Development Agency.
- (2) In relation to England “local authority” in subsection (1)(a) means—
- (a) a county council, a district council, a London borough council, a parish council or a parish meeting of a parish which does not have a separate parish council;
 - (b) the Council of the Isles of Scilly;
 - (c) the Common Council of the City of London in its capacity as a local authority;
 - (d) the Greater London Authority so far as it exercises its functions through the Mayor.
- (3) In relation to Wales “local authority” in subsection (1)(a) means a county council, a county borough council or a community council.

- (4) In subsection (1)(d) “police authority” means—
- (a) a police authority established under section 3 of the Police Act 1996;
 - (b) the Common Council of the City of London in its capacity as a police authority;
 - (c) the Metropolitan Police Authority.
- (5) In subsection (1)(g) “waste disposal authority” means an authority which—
- (a) is a waste disposal authority for the purposes of Part II of the Environmental Protection Act 1990, or
 - (b) is established under section 10 of the Local Government Act 1985 (joint arrangements).

2 Power to extend or disapply

- (1) The Secretary of State may by order provide that any of the authorities and bodies mentioned in subsection (2) is a best value authority for the purposes of this Part.
- (2) The authorities and bodies are—
- (a) a local precepting authority within the meaning of section 39(2) of the Local Government Finance Act 1992;
 - (b) a levying body within the meaning of section 74(1) of the Local Government Finance Act 1988;
 - (c) a body to which section 75 of that Act applies (special levies).
- (3) An order under subsection (1) providing for an authority or body to be a best value authority may provide for section 7 to have effect in relation to that authority or body with specified modifications.
- (4) The Secretary of State may by order provide for the Greater London Authority to be a best value authority for the purposes of this Part in relation to—
- (a) specified functions of the Authority which it does not exercise through the Mayor;
 - (b) specified functions which are not functions of the Authority but are functions of another best value authority;
- and an order may provide for this Part to have effect in relation to those functions with specified modifications.
- (5) The Secretary of State may by order provide that a best value authority specified, or of a description specified, in the order is not to be subject, in relation to such functions as may be specified, to a duty—
- (a) which is specified in the order, and
 - (b) to which the authority would otherwise be subject under this Part.
- (6) No order shall be made under this section unless a draft has been laid before, and approved by resolution of, each House of Parliament.

Duties

3 The general duty

- (1) A best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- (2) For the purpose of deciding how to fulfil the duty arising under subsection (1) an authority must consult—
 - (a) representatives of persons liable to pay any tax, precept or levy to or in respect of the authority,
 - (b) representatives of persons liable to pay non-domestic rates in respect of any area within which the authority carries out functions,
 - (c) representatives of persons who use or are likely to use services provided by the authority, and
 - (d) representatives of persons appearing to the authority to have an interest in any area within which the authority carries out functions.
- (3) For the purposes of subsection (2) “representatives” in relation to a group of persons means persons who appear to the authority to be representative of that group.
- (4) In deciding on—
 - (a) the persons to be consulted, and
 - (b) the form, content and timing of consultations,an authority must have regard to any guidance issued by the Secretary of State.

4 Performance indicators and standards

- (1) The Secretary of State may by order specify—
 - (a) factors (“performance indicators”) by reference to which a best value authority’s performance in exercising functions can be measured;
 - (b) standards (“performance standards”) to be met by best value authorities in relation to performance indicators specified under paragraph (a).
- (2) An order may specify different performance indicators or standards—
 - (a) for different functions;
 - (b) for different authorities;
 - (c) to apply at different times.
- (3) Before specifying performance indicators or standards the Secretary of State shall consult—
 - (a) persons appearing to him to represent the best value authorities concerned, and
 - (b) such other persons (if any) as he thinks fit.
- (4) In specifying performance indicators and standards, and in deciding whether to do so, the Secretary of State—
 - (a) shall aim to promote improvement of the way in which the functions of best value authorities are exercised, having regard to a combination of economy, efficiency and effectiveness, and
 - (b) shall have regard to any recommendations made to him by the Audit Commission.

- (5) In exercising a function a best value authority must meet any applicable performance standard specified under subsection (1)(b).

5 Best value reviews

- (1) A best value authority must conduct best value reviews of its functions in accordance with the provisions of any order made under this section.
- (2) The Secretary of State may by order specify a period within which an authority is to review all its functions, and an order may—
- (a) apply to one authority or more;
 - (b) make different provision in relation to different authorities;
 - (c) require specified functions to be reviewed in specified financial years.
- (3) In conducting a review an authority—
- (a) shall aim to improve the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness, and
 - (b) shall have regard to any guidance issued by the Secretary of State under this section.
- (4) The Secretary of State may by order specify matters which an authority must include in a review of a function under this section; and in particular an order may require an authority—
- (a) to consider whether it should be exercising the function;
 - (b) to consider the level at which and the way in which it should be exercising the function;
 - (c) to consider its objectives in relation to the exercise of the function;
 - (d) to assess its performance in exercising the function by reference to any performance indicator specified for the function under section 4 or under subsection (6)(a) below;
 - (e) to assess the competitiveness of its performance in exercising the function by reference to the exercise of the same function, or similar functions, by other best value authorities and by commercial and other businesses;
 - (f) to consult other best value authorities and commercial and other businesses about the exercise of the function;
 - (g) to assess its success in meeting any performance standard which applies in relation to the function;
 - (h) to assess its progress towards meeting any relevant performance standard which has been specified but which does not yet apply;
 - (i) to assess its progress towards meeting any relevant performance target set under subsection (6)(b).
- (5) The Secretary of State may issue guidance on—
- (a) the timetable for a review;
 - (b) the procedure for a review;
 - (c) the form in which a review should be recorded;
 - (d) the content of a review.
- (6) In particular, guidance may state that an authority should—
- (a) specify performance indicators in relation to functions;

- (b) set targets for the performance of functions (“performance targets”) by reference to performance indicators specified under section 4 or under paragraph (a);
 - (c) set a plan of action to be taken for the purposes of meeting a performance target.
- (7) Guidance may state the matters which should be taken into account in setting performance targets; and these may include the range of performances expected to be attained by best value authorities.

6 Best value performance plans

- (1) A best value authority must prepare a best value performance plan for each financial year in accordance with any order made or guidance issued under this section.
- (2) The Secretary of State may by order specify matters which an authority must include in a plan for a financial year; and in particular an order may require an authority—
- (a) to summarise the authority’s objectives in relation to the exercise of its functions;
 - (b) to summarise any assessment made by the authority of the level at which and the way in which it exercises its functions;
 - (c) to state any period within which the authority is required to review its functions under section 5;
 - (d) to state the timetable the authority proposes to follow in conducting a review;
 - (e) to state any performance indicators, standards and targets specified or set in relation to the authority’s functions;
 - (f) to summarise the authority’s assessment of its performance in the previous financial year with regard to performance indicators;
 - (g) to compare that performance with the authority’s performance in previous financial years or with the performance of other best value authorities;
 - (h) to summarise its assessment of its success in meeting any performance standard which applied at any time in the previous financial year;
 - (i) to summarise its assessment of its progress towards meeting any performance standard which has been specified but which does not yet apply;
 - (j) to summarise its assessment of its progress towards meeting any performance target;
 - (k) to summarise any plan of action to be taken in the financial year to which the plan relates for the purposes of meeting a performance target;
 - (l) to summarise the basis on which any performance target was set, and any plan of action was determined, in relation to a function reviewed under section 5 in the previous financial year.
- (3) An authority must publish its plan for a financial year before—
- (a) 31st March of the previous financial year, or
 - (b) such other date as the Secretary of State may specify by order.
- (4) The Secretary of State may issue guidance on the form and content of plans and the manner in which they should be published.

*Audit of best value performance plans***7 Audit**

- (1) A performance plan published by a best value authority for a financial year under section 6 shall be audited by the authority's auditor.
- (2) An audit of a performance plan is an inspection for the purpose of establishing whether the plan was prepared and published in accordance with section 6 and any order or guidance under that section.
- (3) Subsections (1), (2) and (4) to (7) of section 6 of the Audit Commission Act 1998 (auditor's right to documents and information) shall have effect in relation to an auditor's functions under this Part as they have effect in relation to his functions under that Act.
- (4) In relation to an authority's performance plan the auditor shall issue a report—
 - (a) certifying that he has audited the plan,
 - (b) stating whether he believes that it was prepared and published in accordance with section 6 and any order or guidance under that section,
 - (c) if appropriate, recommending how it should be amended so as to accord with section 6 and any order or guidance under that section,
 - (d) if appropriate, recommending procedures to be followed by the authority in relation to the plan,
 - (e) recommending whether the Audit Commission should carry out a best value inspection of the authority under section 10, and
 - (f) recommending whether the Secretary of State should give a direction under section 15.
- (5) An auditor shall send a copy of his report relating to an authority's performance plan—
 - (a) to the authority,
 - (b) to the Audit Commission, and
 - (c) if the report recommends that the Secretary of State give a direction under section 15, to the Secretary of State.
- (6) Copies of a report shall be sent in accordance with subsection (5)—
 - (a) by 30th June of the financial year to which the relevant performance plan relates, or
 - (b) by such other date as the Secretary of State may specify by order.
- (7) Subject to subsection (8), the reference in subsection (1) to an authority's auditor is, in respect of a financial year, a reference to the auditor or auditors appointed to audit the authority's accounts for the previous financial year.
- (8) If a person who would by virtue of subsection (7) be an authority's auditor in respect of a financial year or one of an authority's auditors in respect of a financial year—
 - (a) is no longer eligible for appointment under section 3 of the Audit Commission Act 1998, or
 - (b) is not willing to act,the reference in subsection (1) to the authority's auditor is, in respect of that financial year, a reference to an auditor or auditors appointed by the Audit Commission.

- (9) Section 3 of the 1998 Act shall apply to an appointment under subsection (8) as if it were an appointment of a person to audit the authority's accounts under section 2(1) of the 1998 Act.

8 Code of practice and fees

- (1) An auditor carrying out an audit under section 7 shall have regard to any code of practice under this section.
- (2) The Commission shall prepare, and keep under review, a code of practice prescribing the way in which auditors are to carry out their functions under section 7.
- (3) Section 4(3) to (6) of the Audit Commission Act 1998 (code of audit practice) shall have effect in relation to a code of practice under this section.
- (4) The Audit Commission shall prescribe a scale or scales of fees in respect of the audit of performance plans which are required to be audited in accordance with this Part.
- (5) Section 7(3) to (8) of the Audit Commission Act 1998 (fees for audit) (read with section 52(1) and (3) of that Act (orders and regulations)) shall have effect in relation to fees under subsection (4).
- (6) Before preparing or altering a code under subsection (2) or prescribing a scale of fees under subsection (4) the Commission shall consult—
- (a) the Secretary of State, and
 - (b) persons appearing to the Commission to represent best value authorities.
- (7) Before making any regulations under section 7(8) of the Audit Commission Act 1998 as it has effect in relation to fees under subsection (4) the Secretary of State shall consult—
- (a) the Commission, and
 - (b) persons appearing to the Secretary of State to represent best value authorities.

9 Response to audit

- (1) A best value authority shall publish any report received in accordance with section 7(5) (a).
- (2) The following subsections apply where a best value authority receives a report under subsection (4) of section 7 which contains a recommendation under any of paragraphs (c) to (f) of that subsection.
- (3) The authority shall prepare a statement of—
- (a) any action which it proposes to take as a result of the report, and
 - (b) its proposed timetable.
- (4) A statement required by subsection (3) shall be prepared—
- (a) before the end of the period of 30 working days starting with the day on which the authority receives the report, or
 - (b) if the report specifies a shorter period starting with that day, before the end of that period.
- (5) The authority shall incorporate the statement in its next best value performance plan.

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

- (6) If the statement relates to a report which recommends that the Secretary of State give a direction under section 15, the authority shall send a copy of the statement to the Secretary of State—
- (a) before the end of the period of 30 working days starting with the day on which the authority receives the report, or
 - (b) if the report specifies a shorter period starting with that day, before the end of that period.
- (7) For the purposes of this section a working day is a day other than—
- (a) a Saturday or a Sunday,
 - (b) Christmas Day or Good Friday, or
 - (c) a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in England and Wales.

Best value inspections

10 Inspections

- (1) The Audit Commission may carry out an inspection of a best value authority's compliance with the requirements of this Part.
- (2) If the Secretary of State directs the Commission to carry out an inspection of a specified best value authority's compliance with the requirements of this Part in relation to specified functions, the Commission shall comply with the direction.
- (3) Before giving a direction under subsection (2) the Secretary of State shall consult the Commission.
- (4) In carrying out an inspection, and in deciding whether to do so, the Commission shall have regard to—
- (a) any relevant recommendation under section 7(4)(e), and
 - (b) any guidance issued by the Secretary of State.

11 Inspectors' powers and duties

- (1) An inspector has a right of access at all reasonable times—
- (a) to any premises of the best value authority concerned, and
 - (b) to any document relating to the authority which appears to him to be necessary for the purposes of the inspection.
- (2) An inspector—
- (a) may require a person holding or accountable for any such document to give him such information and explanation as he thinks necessary, and
 - (b) may require that person to attend before him in person to give the information or explanation or to produce the document.
- (3) A best value authority shall provide an inspector with every facility and all information which he may reasonably require for the purposes of the inspection.
- (4) An inspector shall—
- (a) give three clear days' notice of any requirement under this section, and

- (b) must, if so required, produce documents identifying himself.
- (5) A person who without reasonable excuse fails to comply with a requirement of an inspector under this section is guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (6) Any expenses incurred by an inspector in connection with proceedings for an offence under subsection (5) alleged to have been committed in relation to an inspection of a best value authority are, so far as not recovered from any other source, recoverable from the authority.
- (7) In this section “inspector” means an officer, servant or agent of the Audit Commission carrying out an inspection under section 10.

12 Fees

- (1) The Audit Commission shall prescribe a scale or scales of fees in respect of inspections carried out under section 10.
- (2) An authority inspected under section 10 shall, subject to subsection (3), pay to the Commission the fee applicable to the inspection in accordance with the appropriate scale.
- (3) If it appears to the Commission that the work involved in a particular inspection was substantially more or less than that envisaged by the appropriate scale, the Commission may charge a fee which is larger or smaller than that referred to in subsection (2).
- (4) Before prescribing a scale of fees under this section the Commission shall consult—
 - (a) the Secretary of State, and
 - (b) persons appearing to the Commission to represent best value authorities.

13 Reports

- (1) Where the Audit Commission has carried out an inspection of an authority under section 10 it shall issue a report.
- (2) A report—
 - (a) shall mention any matter in respect of which the Commission believes as a result of the inspection that the authority is failing to comply with the requirements of this Part, and
 - (b) may, if it mentions a matter under paragraph (a), recommend that the Secretary of State give a direction under section 15.
- (3) The Commission—
 - (a) shall send a copy of a report to the authority concerned, and
 - (b) may publish a report and any information in respect of a report.
- (4) If a report recommends that the Secretary of State give a direction under section 15, the Commission shall as soon as reasonably practicable—
 - (a) arrange for the recommendation to be published, and
 - (b) send a copy of the report to the Secretary of State.

- (5) If a report states that the Commission believes as a result of an inspection that an authority is failing to comply with the requirements of this Part, the next performance plan prepared by the authority under section 6 must record—
- (a) that fact, and
 - (b) any action taken by the authority as a result of the report.

14 Inspections: housing benefit and council tax benefit

- (1) The following shall be substituted for section 139A(1) and (2) of the Social Security Administration Act 1992 (reports on administration of housing benefit and council tax benefit)—
- “(1) The Secretary of State may authorise persons to consider and report to him on the administration by authorities of housing benefit and council tax benefit.
- (2) The Secretary of State may ask persons authorised under subsection (1) to consider in particular—
- (a) authorities' performance in the prevention and detection of fraud relating to housing benefit and council tax benefit;
 - (b) authorities' compliance with the requirements of Part I of the Local Government Act 1999 (best value).
- (2A) A person may be authorised under subsection (1)—
- (a) on such terms and for such period as the Secretary of State thinks fit;
 - (b) to act generally or in relation to a specified authority or authorities;
 - (c) to report on administration generally or on specified matters.”

(2) In section 139C(1) of that Act (reports) for the words from “in particular” to the end there shall be substituted “in particular—

 - (a) in the prevention and detection of fraud relating to benefit, or
 - (b) for the purposes of complying with the requirements of Part I of the Local Government Act 1999 (best value).”

15 Secretary of State's powers

- (1) This section applies in relation to a best value authority if the Secretary of State is satisfied that it is failing to comply with the requirements of this Part.
- (2) Where this section applies in relation to an authority the Secretary of State may direct it—
- (a) to prepare or amend a performance plan;
 - (b) to follow specified procedures in relation to a performance plan;
 - (c) to carry out a review of its exercise of specified functions.
- (3) Where this section applies in relation to an authority the Secretary of State may direct a local inquiry to be held into the exercise by the authority of specified functions.
- (4) Subsections (2) to (5) of section 250 of the Local Government Act 1972 (inquiries) shall apply in relation to an inquiry which the Secretary of State directs to be held under this section as they apply in relation to an inquiry which a Minister causes to be held under that section.

- (5) Where this section applies in relation to an authority the Secretary of State may direct the authority to take any action which he considers necessary or expedient to secure its compliance with the requirements of this Part.
- (6) Where this section applies in relation to an authority the Secretary of State may direct—
 - (a) that a specified function of the authority shall be exercised by the Secretary of State or a person nominated by him for a period specified in the direction or for so long as the Secretary of State considers appropriate, and
 - (b) that the authority shall comply with any instructions of the Secretary of State or his nominee in relation to the exercise of that function and shall provide such assistance as the Secretary of State or his nominee may require for the purpose of exercising the function.
- (7) The Secretary of State may by regulations make provision which—
 - (a) relates to an enactment which confers a function on him in respect of a function of a best value authority, and
 - (b) he considers necessary or expedient for the purposes of cases in which he makes a direction under subsection (6)(a).
- (8) Regulations under subsection (7) may, in relation to the cases mentioned in subsection (7)(b)—
 - (a) disapply or modify an enactment of the kind mentioned in subsection (7)(a);
 - (b) have an effect similar to the effect of an enactment of that kind.
- (9) Subject to subsection (11), before giving a direction under this section the Secretary of State shall give the authority concerned an opportunity to make representations about—
 - (a) the report (if any) as a result of which the direction is proposed, and
 - (b) the direction proposed.
- (10) Subject to subsection (11), before giving a direction under this section following a recommendation in a report under section 7(4)(f) the Secretary of State shall have regard to any statement under section 9(2) which the authority concerned sends to him before the expiry of the period of one month starting with the day on which the authority received the report.
- (11) The Secretary of State may give a direction without complying with subsection (9) or (10) if he considers the direction sufficiently urgent.
- (12) Where the Secretary of State gives a direction without complying with subsection (9) or (10) he shall inform—
 - (a) the authority concerned, and
 - (b) such persons appearing to him to represent best value authorities as he considers appropriate,of the direction and of the reason why it was given without complying with subsection (9) or (10).
- (13) A direction given under this section shall be enforceable by order of mandamus on the application of the Secretary of State.

*Exercise of functions by best value authorities***16 Power to modify enactments and confer new powers**

- (1) If the Secretary of State thinks that an enactment prevents or obstructs compliance by best value authorities with the requirements of this Part he may by order make provision modifying or excluding the application of the enactment in relation to those authorities.
- (2) The Secretary of State may by order make provision conferring on best value authorities any power which he considers necessary or expedient to permit or facilitate compliance with the requirements of this Part.
- (3) An order under this section may—
 - (a) impose conditions on the exercise of any power conferred by the order (including conditions about consultation or approval);
 - (b) amend an enactment;
 - (c) include consequential, incidental and transitional provision;
 - (d) make different provision for different cases.
- (4) No order shall be made under this section unless a draft has been laid before, and approved by resolution of, each House of Parliament.
- (5) In exercising a power conferred under subsection (2) a best value authority shall have regard to any guidance issued by the Secretary of State.

17 Orders under section 16: procedure

- (1) Before the Secretary of State makes an order under section 16 he shall consult such authorities or persons as appear to him to be representative of interests affected by his proposals.
- (2) If, following consultation under subsection (1), the Secretary of State proposes to make an order under section 16 he shall lay before each House of Parliament a document explaining his proposals and, in particular—
 - (a) setting them out in the form of a draft order, and
 - (b) giving details of consultation under subsection (1) above.
- (3) Where a document relating to proposals is laid before Parliament under subsection (2), no draft of an order under section 16 to give effect to the proposals (with or without modification) shall be laid before Parliament until after the expiry of the period of sixty days beginning with the day on which the document was laid.
- (4) In calculating the period mentioned in subsection (3) no account shall be taken of any time during which—
 - (a) Parliament is dissolved or prorogued, or
 - (b) either House is adjourned for more than four days.
- (5) In preparing a draft order under section 16 the Secretary of State shall consider any representations made during the period mentioned in subsection (3) above.
- (6) A draft order laid before Parliament in accordance with section 16(4) must be accompanied by a statement of the Secretary of State giving details of—
 - (a) any representations considered in accordance with subsection (5) above, and

- (b) any changes made to the proposals contained in the document laid before Parliament under subsection (2) above.

18 Contracting out

- (1) Section 70 of the Deregulation and Contracting Out Act 1994 (contracting out functions of local authorities) shall apply in relation to functions of any best value authority (other than excluded functions within the meaning of section 71) as it applies in relation to certain functions of local authorities.
- (2) An order under section 70 as applied by subsection (1) above may be made only—
 - (a) by the Secretary of State, and
 - (b) if he considers the order necessary or expedient for the purpose of permitting or facilitating compliance with the requirements of this Part.

19 Contracts: exclusion of non-commercial considerations

- (1) The Secretary of State may by order provide, in relation to best value authorities, for a specified matter to cease to be a non-commercial matter for the purposes of section 17 of the Local Government Act 1988 (local and other public authority contracts: exclusion of non-commercial considerations).
- (2) An order under this section may—
 - (a) provide for a matter to cease to be a non-commercial matter for specified purposes or to a specified extent;
 - (b) apply in relation to specified authorities, functions or contracts;
 - (c) make different provision for different cases;
 - (d) include consequential or transitional provision (including provision amending an enactment).
- (3) No order shall be made under this section unless a draft has been laid before, and approved by resolution of, each House of Parliament.
- (4) In exercising a function regulated by section 17 of the Local Government Act 1988 with reference to a matter which is the subject of an order under this section a best value authority shall have regard to any guidance issued by the Secretary of State.

20 Publication of information

At the end of section 2(1) of the Local Government, Planning and Land Act 1980 (duty of authorities to publish information) there shall be inserted—

“; and any other authority which is a best value authority for the purposes of Part I of the Local Government Act 1999 (best value).”

General

21 Transition from compulsory competitive tendering to best value

- (1) The following provisions shall cease to have effect on 2nd January 2000—
 - (a) Part III of the Local Government, Planning and Land Act 1980 (direct labour organisations);

- (b) Part I of the Local Government Act 1988 (competition);
 - (c) section 32 of and Schedule 6 to that Act (direct labour organisations);
 - (d) sections 8 to 11 of and Schedule 1 to the Local Government Act 1992 (competition).
- (2) The Secretary of State may issue to best value authorities guidance which—
- (a) concerns the exercise of their functions between 2nd January 2000 and the date on which any provision of this Part comes into force, and
 - (b) is designed to secure or facilitate compliance with the requirements of the provision after it comes into force.
- (3) A best value authority shall have regard to any guidance issued by the Secretary of State under this section.

22 Audit Commission

- (1) In this Act a reference to the Audit Commission is a reference to the Audit Commission for Local Authorities and the National Health Service in England and Wales.
- (2) The Audit Commission may delegate any of its functions under this Part to—
- (a) a committee or sub-committee established by the Commission (including a committee or sub-committee including persons who are not members of the Commission), or
 - (b) an officer or servant of the Commission.
- (3) The Audit Commission Act 1998 shall be amended as follows.
- (4) In section 33 (studies by Commission)—
- (a) in subsection (1)(a), for “the provision of local authority services and of other services provided by bodies subject to audit” substitute “the exercise of the functions of best value authorities and the provision of services provided by other bodies subject to audit”, and
 - (b) in subsection (6)(a) for “local authorities” substitute “best value authorities”.
- (5) In section 49(1) (restrictions on disclosure of information)—
- (a) after “any provision of this Act” insert “or of Part I of the Local Government Act 1999”, and
 - (b) at the end of paragraph (b) insert “or under Part I of the 1999 Act”.
- (6) In section 53(1) (interpretation) after the definition of “auditor” insert—
- ““best value authority” means a best value authority for the purposes of Part I of the Local Government Act 1999;”.
- (7) After section 75(1)(e) of the Housing Associations Act 1985 (Housing Corporation and, in relation to Wales, Secretary of State: general functions) there shall be added—
- “(f) to provide on request, to such extent as the Relevant Authority considers appropriate, advice and assistance to the Audit Commission for Local Authorities and the National Health Service in England and Wales in relation to the Commission’s functions under Part I of the Local Government Act 1999 (best value).”

- (8) The Audit Commission may make payments to the Housing Corporation or the Secretary of State in respect of advice and assistance provided under section 75(1)(f) of the Housing Associations Act 1985.

23 Accounts

- (1) The Secretary of State may make regulations about the keeping of accounts by best value authorities.
- (2) The regulations may—
- (a) require accounts and statements of accounts to be prepared, kept and certified in such form or manner as the regulations may specify;
 - (b) require accounts to be deposited at such places as the regulations may specify;
 - (c) require the publication of information about accounts and of statements of accounts;
 - (d) make provision (which may include provision requiring the payment of fees) entitling specified classes of person to inspect and to make or receive copies of specified documents.
- (3) The regulations may—
- (a) make provision in relation to best value authorities generally or in relation to one or more particular authorities;
 - (b) make different provision for different cases.
- (4) Before making regulations under subsection (1) the Secretary of State must consult—
- (a) the Audit Commission,
 - (b) the authorities concerned or persons appearing to him to represent them, and
 - (c) such bodies of accountants as appear to him to be appropriate.
- (5) If—
- (a) a person contravenes a provision of regulations under subsection (1) without reasonable excuse, and
 - (b) the regulations declare that contravention of the provision is an offence,
- the person is liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (6) Any expenses incurred by an auditor (within the meaning of section 7) in connection with proceedings in respect of an offence under subsection (5) which is alleged to have been committed in relation to the accounts of an authority are recoverable from the authority so far as they are not recovered from any other source.

24 Police Act 1996

- (1) Section 8(2) of the Police Act 1996 (local policing plans) shall be amended by—
- (a) the omission of the word “and” after paragraph (b), and
 - (b) the insertion of the following after paragraph (c)—

“, and
 - (d) any action proposed for the purpose of complying with the requirements of Part I of the Local Government Act 1999 (best value).”

- (2) In section 54 of that Act (inspectors of constabulary) after subsection (2) there shall be inserted—

“(2A) The inspectors of constabulary may inspect, and report to the Secretary of State on, a police authority’s compliance with the requirements of Part I of the Local Government Act 1999 (best value).”

- (3) In section 55(1) of that Act (publication of reports) after “section 54(2)” there shall be inserted “or (2A)”.

25 Coordination of inspections, &c

- (1) In arranging for or carrying out—

- (a) inspections of best value authorities, or
- (b) inquiries or investigations in relation to best value authorities,

a person or body to whom this section applies shall have regard to any guidance issued by the Secretary of State for the purposes of securing the coordination of different kinds of inspection, inquiry and investigation.

- (2) This section applies to—

- (a) the Audit Commission;
- (b) an inspector, assistant inspector or other officer appointed under section 24(1) of the Fire Services Act 1947 (inspectors of fire brigades);
- (c) Her Majesty’s Chief Inspector of Schools in England;
- (d) Her Majesty’s Chief Inspector of Schools in Wales;
- (e) a person carrying out an inquiry under section 7C of the Local Authority Social Services Act 1970 (inquiries);
- (f) a person carrying out an inspection under section 48 of the National Health Service and Community Care Act 1990 (inspection of premises used for provision of community care services);
- (g) a person conducting an inspection under section 80 of the Children Act 1989 (inspection of children’s homes, &c.) or an inquiry under section 81 of that Act (inquiries in relation to children);
- (h) a person authorised under section 139A(1) of the Social Security Administration Act 1992 (reports on administration of housing benefit and council tax benefit);
- (i) an inspector appointed under section 54 of the Police Act 1996 (inspectors of constabulary).

- (3) The Secretary of State may by order provide for this section to apply to a person or body specified in the order.

26 Guidance

- (1) This section has effect in relation to any guidance issued by the Secretary of State under this Part.

- (2) The Secretary of State—

- (a) may issue guidance to or in respect of best value authorities generally or to or in respect of one or more particular authorities;
- (b) may issue different guidance to or in respect of different authorities;

- (c) must, before he issues guidance, consult the authorities concerned or persons appearing to him to represent them;
 - (d) must arrange for guidance to be published.
- (3) Before issuing guidance under section 10 the Secretary of State shall, in addition to the consultation required by subsection (2)(c) above, consult the Audit Commission.
- (4) Before issuing guidance under section 25 the Secretary of State shall, in addition to the consultation required by subsection (2)(c) above, consult the persons or bodies concerned.

27 Commencement

- (1) Subject to subsections (2) and (3), sections 1 to 20 and 22 to 26 shall come into force at the end of the period of 12 months beginning with the day on which this Act is passed.
- (2) The Secretary of State may by order provide for—
- (a) any of sections 1 to 13, 15, 19, 20, 22, 23, 25 and 26 to be brought into force in relation to England before the time appointed by subsection (1);
 - (b) any of those sections, in so far as it relates to an authority falling within section 1(1)(d) or (e), to be brought into force in relation to Wales before that time;
 - (c) any of sections 14, 16 to 18 and 24 to be brought into force before that time.
- (3) The National Assembly for Wales may by order provide for any of the sections mentioned in subsection (2)(a), except in so far as it relates to an authority falling within section 1(1)(d) or (e), to be brought into force in relation to Wales before the time appointed by subsection (1).
- (4) An order under subsection (2) or (3) may appoint different days for different purposes.

28 Orders and regulations

- (1) An order or regulations under this Part—
- (a) shall be made by statutory instrument, and
 - (b) may include supplementary, incidental, consequential and transitional provisions.
- (2) An order under section 4, 5, 6, 7 or 25, and regulations under section 15 or 23, shall be subject to annulment in pursuance of a resolution of either House of Parliament.

29 Modifications for Wales

- (1) In its application to Wales this Part shall have effect with these modifications—
- (a) for each reference to the Secretary of State there shall be substituted a reference to the National Assembly for Wales;
 - (b) sections 2(6), 19(3) and 28(2) shall be omitted.
- (2) But subsection (1) shall not apply—
- (a) in relation to an authority falling within section 1(1)(d) or (e), or
 - (b) in relation to any of sections 14, 16 to 18, 24 and 27.
- (3) In exercising a power under section 16 the Secretary of State—

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

- (a) shall not make any provision which has effect in relation to Wales unless he has consulted the National Assembly for Wales, and
 - (b) shall not amend, or modify or exclude the application of, legislation made by the National Assembly for Wales, unless the Assembly consents.
- (4) Section 15(7)(a) shall apply to Wales as if the reference to a function conferred on the Secretary of State were a reference to a function conferred on the National Assembly for Wales or the Secretary of State; but the Assembly may not make regulations under section 15(7) which relate to a function conferred on the Secretary of State without his approval.

PART II

REGULATION OF COUNCIL TAX AND PRECEPTS

30 Limitation of council tax and precepts

- (1) Schedule 1 shall have effect.
- (2) That Schedule shall apply in relation to the limitation of council tax and precepts as regards the financial year beginning with 1st April 2000 and subsequent financial years.

31 Major precepting authorities: further regulation

- (1) This section applies if the amount calculated by a major precepting authority as its budget requirement for a financial year is excessive.
- (2) Whether an amount is excessive shall be determined by reference to criteria specified and published by the Secretary of State.
- (3) Where this section applies the precepting authority must pay a sum to each billing authority to which the precepting authority has power to issue a precept.
- (4) The Secretary of State's criteria may refer to such factors as he thinks fit, and—
 - (a) the factors may differ from factors relevant for the purposes of Chapter IVA or V of Part I of the Local Government Finance Act 1992;
 - (b) different factors may be applied with regard to different authorities or categories of authority;
 - (c) any category determined for this purpose may be different from any category or class relevant for the purposes of Chapter IVA or V.
- (5) The Secretary of State may by regulations make provision—
 - (a) as to how sums are to be calculated;
 - (b) as to the manner in which sums are to be paid;
 - (c) as to the period within which, or time or times at which, sums or instalments of sums are to be paid;
 - (d) as to the recovery (by deduction or otherwise) of any excess amount paid by a precepting authority in purported discharge of any liability arising by virtue of this section;

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

- (e) that if a sum or instalment is not paid to a billing authority in accordance with this section and the regulations, the authority is to be entitled to interest from the precepting authority on the amount of the sum or instalment;
 - (f) requiring a major precepting authority to supply information to a billing authority to which the precepting authority has power to issue a precept;
 - (g) as to the form and manner in which the information is to be supplied;
 - (h) as to the time when the information is to be supplied.
- (6) The regulations may make different provision in relation to different authorities or categories of authority; and in particular they may require a precepting authority to pay different sums to different billing authorities.
- (7) Subject to subsection (11), this section applies as regards the financial year beginning with 1st April 1999 and subsequent financial years.
- (8) The power to make the regulations shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.
- (9) In this section “billing authority” and “major precepting authority” have the same meaning as in Part I of the Local Government Finance Act 1992.
- (10) The reference in this section to the amount calculated by a major precepting authority as its budget requirement for a financial year is to the amount calculated by it in relation to the year under—
- (a) section 70(8) of the Greater London Authority Act 1999 (where the authority is the Greater London Authority), or
 - (b) section 43(4) of the Local Government Finance Act 1992 (in any other case).
- (11) In its application as regards the financial year beginning with 1st April 1999 this section shall have effect with the following modifications—
- (a) whether an amount is excessive for the purposes of subsection (1) shall be determined by the Secretary of State,
 - (b) the Secretary of State shall inform a major precepting authority if he determines that this section applies in relation to it,
 - (c) the Secretary of State may base his opinion on such factors as he thinks fit (for which purpose subsection (4)(a) to (c) shall have effect), and
 - (d) the Secretary of State may, in particular, base his opinion on guidance which he has published before the coming into force of this section.
- (12) This section shall apply separately to England and to Wales.
- (13) In its application to Wales this section shall have effect with these modifications—
- (a) for each reference to the Secretary of State there shall be substituted a reference to the National Assembly for Wales;
 - (b) in subsection (8) the words “subject to annulment in pursuance of a resolution of either House of Parliament” shall be omitted.

PART III

GENERAL

32 Meaning of financial year

In this Act “financial year” means a year beginning with 1st April.

33 Finance

- (1) There shall be paid out of money provided by Parliament—
 - (a) any increase attributable to this Act in the sums so payable under any other enactment;
 - (b) any expenses of the Secretary of State under this Act.
- (2) The Secretary of State may make grants to the Audit Commission, out of money provided by Parliament, in respect of expenditure incurred or to be incurred by the Commission under this Act.
- (3) The National Assembly for Wales may make grants to the Audit Commission in respect of expenditure incurred or to be incurred by the Commission under this Act.

34 Repeals

The provisions mentioned in Schedule 2 are repealed to the extent specified, subject to any provision of that Schedule.

35 Extent

- (1) Subject to subsection (2), this Act extends to England and Wales only.
- (2) An amendment by this Act of a provision of another Act has the same extent as the provision amended (except in the case of section 21 and Part I of Schedule 2).

36 Short title

This Act may be cited as the Local Government Act 1999.