



Local Government (Contracts) Act 1997

1997 CHAPTER 65

Certified contracts

6 Relevant discharge terms

- (1) No determination or order made in relation to a certified contract on—
 - (a) an application for judicial review, or
 - (b) an audit review,shall affect the enforceability of any relevant discharge terms relating to the contract.
- (2) In this section and section 7 “relevant discharge terms”, in relation to a contract entered into by a local authority, means terms—
 - (a) which have been agreed by the local authority and any person with whom the local authority entered into the contract,
 - (b) which either form part of the contract or constitute or form part of another agreement entered into by them not later than the day on which the contract was entered into, and
 - (c) which provide for a consequence mentioned in subsection (3) to ensue in the event of the making of a determination or order in relation to the contract on an application for judicial review or an audit review.
- (3) Those consequences are—
 - (a) the payment of compensatory damages (measured by reference to loss incurred or loss of profits or to any other circumstances) by one of the parties to the other,
 - (b) the adjustment between the parties of rights and liabilities relating to any assets or goods provided or made available under the contract, or
 - (c) both of those things.
- (4) Where a local authority has agreed relevant discharge terms with any person with whom it has entered into a contract and the contract is a certified contract, the relevant discharge terms shall have effect (and be deemed always to have had effect) as if the local authority had had power to agree them (and had exercised that power properly in agreeing them).