

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

Section 7(1) of the Local Government, Planning and Land Act 1980 precludes a local authority from entering into a contract under which they are to carry out construction or maintenance work unless the work has first been subjected to a competitive tendering exercise.

These Regulations provide for the case where the property of a district council in England, a London borough council or the Common Council of the City of London is transferred to a housing action trust established before 6th April 1992 under Part III of the Housing Act 1988. The Regulations provide that section 7(1) of the 1980 Act shall not apply to a contract which provides for the local authority to carry out for the housing action trust work which the authority has been carrying out in connection with such property as functional work (as defined in section 8 of the Act), provided that the contract satisfies certain conditions.