
STATUTORY INSTRUMENTS

1994 No. 3167

The Local Government Changes for England (Direct Labour and Service Organisations) Regulations 1994

PART III

COMPETITION

Functional work: disapplication of tendering requirements

14.—(1) This regulation applies to functional work of a relevant authority carried out in the reorganisation period, other than work falling within the defined activity (housing management) in section 2(2)(h) of the Act, or to be carried out under a single arrangement—

- (a) in respect of which the response date falls on or before the order date; or
- (b) which is to be completed in a period of less than a year, or
- (c) in relation to which, in any relevant year, the relevant annual amount is less than £200,000.

(2) In paragraph (1) above “response date” in relation to any work means the date specified by the authority as the date by which any persons invited in pursuance of section 7(4) of the Act to carry out that work must respond to that invitation.

(3) Subject to the following provisions of this regulation, nothing in section 6 of the Act shall require a relevant authority to have complied with the first five conditions set out in section 7 of the Act in relation to work to which this regulation applies.

(4) But a relevant authority shall, before carrying out any such work—

- (a) draw up a detailed specification of the work; and
- (b) through their direct service organisation or a similar organisation, prepare a written statement of the amount which, but for paragraph (1) above, they would have included in a bid indicating their wish to carry out the work for the purposes of section 7(6) of the Act.

(5) In relation to work to which this regulation applies—

- (a) section 7(8) of the Act shall apply as if the reference to the detailed specification mentioned in subsections (2) and (3) of that section were a reference to the detailed specification prepared under paragraph (4)(a) above;
- (b) section 9(4) of the Act shall apply as if the reference to any bid prepared under section 7(6) of the Act were a reference to the statement prepared under paragraph (4)(b) above; and
- (c) section 13(1)(b) and section 14(1)(c) of the Act shall apply as if the requirement contained in paragraph (4) above were one of the six conditions required to be fulfilled by section 6 of the Act.

(6) Nothing in this regulation shall be construed as preventing the Secretary of State from serving a notice under section 13(1)(b) of the Act informing the authority that it appears to him—

- (a) that notwithstanding that the relevant annual amount applicable in relation to that work is equal to or greater than £200,000, that work could be or could have been carried out

most economically and efficiently under more than one arrangement, and that, if it were so carried out, the relevant annual amount for at least one of those arrangements would be less than £200,000; or

- (b) that the work is to be or was carried out in a period of a year or more, but that it could most economically and efficiently be carried out or have been carried out in a period of less than a year;

and that therefore it appears to him that the condition set out in section 7(7) of the Act has not been fulfilled as regards that work.

(7) in this regulation—

“relevant annual amount” in relation to any relevant year, means—

- (a) in relation to work within the defined activity in section 2(2)(ee)(1) of the Act (sports and leisure management) and comprised in a detailed specification prepared in pursuance of section 7(3)(b) of the Act or of this regulation, the amount estimated by the defined authority to be the gross income likely to be obtained from carrying out that work in a relevant year in accordance with that specification; and
- (b) in relation to work within any other defined activity and comprised within such a specification, means the amount estimated by the authority as the amount which, if the authority were to carry out the work, would fall to be credited in pursuance of section 9(3) of the Act to the account kept in respect of that work and that year; and “relevant year”, in relation to any work, means any financial year during which the work is to be carried out.