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## EXPLANATORY NOTE

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

This Order brings into force certain provisions in the Local Government Act 2003 (“the Act”), for purposes specified, and subject to transitional and saving provisions specified in the Schedule.

The provisions in article 2 are brought into force on 18th November 2003, so far as relating to England and Wales, with the exception of section 83(2), paragraph 1 of Schedule 7 and of those relating to the Social Security Administration Act 1992, which also extend to Scotland.

Article 2 of this Order brings into force—

- section 70(4) to (6), which relates to the local retention of rates;
- section 83 and provisions in Schedules 7 and 8, which provide for combined fire authorities in England to become major precepting authorities;
- section 92(1), which relates to local authority rent setting decisions;
- section 99, which requires the Audit Commission to categorise local authorities by performance;
- parts of section 100, which provides that various powers may be exercised differently for different best value authorities or for different categories of best value authorities;
- section 101, which allows the Secretary of State to give directions to best value authorities in England (and a best value authority in Wales which is a police authority) on matters connected with staff transfers where the authority enters into contracts for the provision of services;
- section 105(9) (in order to commence paragraphs 7(2)(a), 7(3) and 18(1) of Schedule 4), section 106 and paragraphs 7(2)(a), 7(3) and 18(1) of Schedule 4 and Schedule 5, which enable consultation as to the appointment of the chief executive to the Valuation Tribunal Service to take place before its establishment and for preparatory work to be undertaken in relation to the Service and in relation to drafting a transfer scheme;
- section 106, which reduces the time allowed for consideration of an auditors public interest report from four months to one month;
- sections 107 and 108, which provide for auditors to publish their own public interest reports;
- section 109, which amends the Audit Commission Act 1998 to give the Audit Commission new functions relating to inspection of registered social landlords;
- section 111, which amends the Audit Commission Act 1998 to allow the Audit Commission to delegate its functions;
- section 112, which amends the Local Government Act 2000 to allow the Standards Board for England to delegate its functions;
- section 115, which makes provision in relation to overview and scrutiny committees;
- section 125 (in part), which applies certain provisions in Parts 1 and 2 to the Isles of Scilly;
- paragraph 1 of Schedule 7, which makes provision relating to combined fire authorities,
- paragraph 31 of Schedule 7, which makes provision relating to authorities' Housing Revenue Accounts (“HRA”),

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paragraphs 36 to 39 of Schedule 7, which amend the Social Security Administration Act 1992, together with associated repeals in Schedule 8, relating to the payment of subsidies for housing benefit and council tax benefit,

paragraph 65 of Schedule 7, which makes an amendment in relation to the Audit Commission's financial year,

paragraphs 68 and 69 of Schedule 7 which make provision in relation to meetings of the Greater London Authority, and

paragraph 80 of Schedule 7 which makes provision in relation to overview and scrutiny committees.

The provisions listed in article 3 are brought into force on 18th November 2003, so far as relating to England only.

Article 3 of this Order brings into force—

a number of provisions of Part 1, for the purposes of enabling the new capital finance system to operate in respect of the financial year beginning on 1st April 2004;

sections 25 and 26, which require authorities to consider reports from their chief finance officer when making budget calculations and give the Secretary of State power to set minimum reserves;

section 36 which will allow the payment of grant in connection with designation of service excellence, to be made to beacon councils;

sections 41 to 57 and 59 and paragraphs 59, 61 and 62 of Schedule 7, which relate to business improvement districts;

section 60, which provides for proposed rating lists to be made available 6 months before they are to take effect at each five yearly revaluation;

section 67(1) and (3) to (5) and the consequential repeal relating to paragraph 37(2) of Schedule 5 to the 1989 Act specified in Schedule 8, which relates to the agricultural exemption from rates;

section 70(1) to (3), which relates to the local retention of rates;

section 71 and paragraphs 19, 23, 26(1) and (2) of Schedule 7, which relate to adjustments for hardship relief on non-domestic rates;

section 89 which relates to calculation of HRA subsidy, together with an associated repeal in Schedule 8;

section 90(1) which relates to negative amounts of HRA subsidy and provisions in Schedule 7 defining proper practices for the purposes of the HRA and allowing directions to be made requiring amounts to be debited and credited to the HRA, for financial years beginning on or after 1st April 2004, while preserving in force any directions made under the current credit item 9 in Schedule 4 to the 1989 Act;

section 100(3) and Schedule 3, which amends certain provisions so as to allow them to be exercised differently for different best value authorities or for different categories of best value authority;

section 117 which makes provisions in relation to generally accepted accounting practice;

section 119 which relates to the use of fixed penalties paid for litter and dog-fouling offences and consequential repeals in Schedule 8;

section 126 which relates to finance;

section 127(3) which relates to consequential amendments and repeals;

paragraphs 8 and 30 of Schedule 7, and associated minor and consequential amendments in Schedule 8, which relate to section 95;

paragraph 29 of Schedule 7, and associated provisions in Schedule 8, which relate to the repeal of provisions under the Local Government and Housing Act 1989 about local authority borrowing limits and basic credit approvals; and

parts of paragraph 66 of Schedule 7 which relates to the deadline for notification of the school budget and consequent actions.

The provisions listed in article 4 are brought into force on 1st January 2004. Article 4 of this Order brings into force section 125 (in part), which applies certain provisions in Parts 1 and 2 to the Isles of Scilly, and specified amendments in Schedule 7 and consequential repeals in Schedule 8, which relate to aggregate capital approvals for and the capital spending plan of the Greater London Authority.

The provisions listed in article 5 are brought into force on 1st January 2004, so far as relating to England only. Article 5 of this Order brings into force parts of section 3 which relate to the determination of the affordable borrowing limit for a local authority.

The provisions listed in article 6 are brought into force on 1st April 2004.

Article 6 of this Order brings into force—

section 105 insofar as it is not already brought into force by article 2 together with minor and consequential repeals in paragraph 27 of Schedule 7 in relation to the establishment of the Valuation Tribunal Service;

section 109(1) insofar as it is not already brought into force by article 2, which amends the Audit Commission Act 1998 by inserting into that Act the power for the Secretary of State to make an Order allowing the Commission to make charges for the inspection of Registered Social Landlords;

section 125 insofar as it is not already brought into force by articles 2 and 4;

the provisions in Schedule 7 and the repeal in Schedule 8, which will remove rent rebates from the HRA of local housing authorities in England and Wales for financial years beginning on or after 1st April 2004; and

the provisions in Schedule 7 and the repeals in Schedule 8, which will make amendments in relation to capital finance matters affecting the Greater London Authority.

The provisions listed in article 7 are brought into force on 1st April 2004, so far as relating to England only.

Article 7 of this Order brings into force—

Part 1, to the extent that it is not commenced by articles 3 and 5;

sections 27 to 29, which require authorities to consider reports on their budget and to monitor their budgets;

section 37, together with minor and consequential repeals to the Local Government and Housing Act 1989 and the Criminal Justice and Police Act 2001 in Schedule 8, which allows emergency financial assistance grant to be given to English Combined Fire Authorities;

section 64, which relates to rate relief for community amateur sports clubs;

section 67(2), which relates to the agricultural exemption from rates;

section 90(2) and (3), and a consequential repeal in Schedule 8, which relates to the debiting of negative HRA subsidy to the HRA;

section 102 which provides for matters relating to pensions where section 101 applies;

section 118, which provides for the sum that parish councils are able to spend each year on matters for the benefit of the inhabitants of their area is to increase each year with inflation; and

section 120 and Schedule 6, which make provision in relation to the regulation of cosmetic piercing and skin-colouring businesses.

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Article 8 and the Schedule make transitional provisions and savings for specified provisions relating to capital finance, financial administration, rate relief for community amateur sports clubs, local retention of rates, combined fire authorities and HRA. The new capital finance and financial administration provisions apply in relation to financial years beginning on and after 1st April 2004.