



Local Government Act 1972

1972 CHAPTER 70

PART V

GENERAL PROVISIONS AS TO MEMBERS AND PROCEEDINGS OF LOCAL AUTHORITIES

Restrictions on voting

^{F1}93

Textual Amendments

^{F1} S. 93 repealed by [Local Government Act 1985 \(c. 51, SIF 81:1\)](#), ss. 1, 102, [Sch. 17](#)

94 **Disability of members of authorities for voting on account of interest in contracts, etc.**

- (1) Subject to the provisions of section 97 below, if a member of a local authority has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter, and is present at a meeting of the local authority at which the contract or other matter is the subject of consideration, he shall at the meeting and as soon as practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.
- (2) If any person fails to comply with the provisions of subsection (1) above he shall for each offence be liable on summary conviction to a fine not exceeding [^{F2}level 4 on the standard scale] unless he proves that he did not know that the contract, proposed contract or other matter in which he had a pecuniary interest was the subject of consideration at that meeting.
- (3) A prosecution for an offence under this section shall not be instituted except by or on behalf of the Director of Public Prosecutions.

Status: Point in time view as at 01/02/1991.

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- (4) A local authority may by standing orders provide for the exclusion of a member of the authority from a meeting of the authority while any contract, proposed contract or other matter in which he has a pecuniary interest, direct or indirect, is under consideration.
- (5) The following, that is to say—
- (a) the receipt by the chairman, vice-chairman or deputy chairman of a principal council of an allowance to meet the expenses of his office or his right to receive, or the possibility of his receiving, such an allowance;
 - (b) the receipt by a member of a local authority of an allowance or other payment under any provision of sections 173 to 176 below [^{F3}or under any scheme made by virtue of section 18 of the Local Government and Housing Act 1989] or his right to receive, or the possibility of his receiving, any such payment;
- shall not be treated as a pecuniary interest for the purposes of this section.

Textual Amendments

- F2** Words substituted by virtue of [Criminal Justice Act 1982 \(c. 48, SIF 39:1\)](#), **ss. 38, 46**
- F3** Words inserted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), s. 194(1), **Sch. 11 para. 22**

Modifications etc. (not altering text)

- C1** [S. 94](#) modified by [Transport Act 1985 \(c. 67, SIF 126\)](#), **s. 74(12)**
- C2** [S. 94](#) applied with modifications by virtue of [Land Drainage Act 1976 \(c. 70, SIF 73:1\)](#), **Sch. 1 para. 14B(1)**, as inserted by [Water Act 1983 \(c. 23, SIF 130\)](#), s. 11(2), **Sch. 4 para. 6**
- C3** [S. 94](#) applied (07.08.1991) by [S.I. 1991/1773](#), arts. 6, 8, **Sch.1**
[S. 94](#): certain functions transferred (subject to modifications) (07.08.1991) by [S.I. 1991/1773](#), arts. 6, 8, **Sch.1**

95 Pecuniary interests for purposes of section 94.

- (1) For the purposes of section 94 above a person shall be treated, subject to the following provisions of this section and to section 97 below, as having indirectly a pecuniary interest in a contract, proposed contract or other matter, if—
- (a) he or any nominee of his is a member of a company or other body with which the contract was made or is proposed to be made or which has a direct pecuniary interest in the other matter under consideration; or
 - (b) he is a partner, or is in the employment, of a person with whom the contract was made or is proposed to be made or who has a direct pecuniary interest in the other matter under consideration.
- (2) Subsection (1) above does not apply to membership of or employment under any public body, and a member of a company or other body shall not by reason only of his membership be treated as having an interest in any contract, proposed contract or other matter if he has no beneficial interest in any securities of that company or other body.
- (3) In the case of married persons living together the interest of one spouse shall, if known to the other, be deemed for the purpose of section 94 above to be also an interest of the other.

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Modifications etc. (not altering text)

- C4** Ss. 95, 96 applied with modifications by virtue of [Land Drainage Act 1976 \(c. 70, SIF 73:1\)](#), [Sch. 1 para. 14B\(1\)](#), as inserted by [Water Act 1983 \(c. 23, SIF 130\)](#), s. 11(2), [Sch. 4 para. 6](#)
- C5** S. 95 applied (07.08.1991) by [S.I. 1991/1773](#), arts. 6, 8, [Sch. 1](#)
S. 95: certain functions transferred (subject to modifications) (07.08.1991) by [S.I. 1991/1773](#), arts. 6, 8, [Sch. 1](#)

96 General notices and recording of disclosures for purposes of section 94.

- (1) A general notice given in writing to the proper officer of the authority by a member thereof to the effect that he or his spouse is a member or in the employment of a specified company or other body, or that he or his spouse is a partner or in the employment of a specified person, or that he or his spouse is the tenant of any premises owned by the authority, shall, unless and until the notice is withdrawn, be deemed to be a sufficient disclosure of his interest in any contract, proposed contract or other matter relating to that company or other body or to that person or to those premises which may be the subject of consideration after the date of the notice.
- (2) The proper officer of the authority shall record in a book to be kept for the purpose particulars of any disclosure made under section 94 above and of any notice given under this section, and the book shall be open at all reasonable hours to the inspection of any member of the local authority.

Modifications etc. (not altering text)

- C6** Ss. 95, 96 applied with modifications by virtue of [Land Drainage Act 1976 \(c. 70, SIF 73:1\)](#), [Sch. 1 para. 14B\(1\)](#), as inserted by [Water Act 1983 \(c. 23, SIF 130\)](#), s. 11(2), [Sch. 4 para. 6](#)
- C7** S. 96 excluded (16.1.1990 to the extent mentioned in [S.I. 1989/2445](#), [art. 4](#), otherwise *prosp.*) by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\)](#), [ss. 19\(4\)](#), 195(2)
- C8** S. 96 applied (07.08.1991) by [S.I. 1991/1773](#), arts. 6, 8, [Sch. 1](#)
S. 96: certain functions transferred (subject to modifications) (07.08.1991) by [S.I. 1991/1773](#), arts. 6, 8, [Sch. 1](#)

97 Removal or exclusion of disability, etc.

- (1) The district council, as respects a member of a parish or community council, and the Secretary of State, as respects a member of any other local authority, may, subject to such conditions as the district council or the Secretary of State may think fit to impose, remove any disability imposed by section 94 above in any case in which the number of members of the local authority disabled by that section at any one time would be so great a proportion of the whole as to impede the transaction of business, or in any other case in which it appears to the district council or the Secretary of State in the interests of the inhabitants of the area that the disability should be removed.
- (2) The power of a district council and of the Secretary of State under subsection (1) above includes power to remove, either indefinitely or for any period, any such disability which would otherwise attach to any member (or, in the case of the power of the Secretary of State, any member or any class or description of member) by reason of such interests, and in respect of such matters, as may be specified by the council or the Secretary of State.

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- (3) Nothing in section 94 above precludes any person from taking part in the consideration or discussion of, or voting on, any question whether an application should be made to a district council or the Secretary of State for the exercise of the powers conferred by subsections (1) and (2) above.
- (4) Section 94 above does not apply to an interest in a contract, proposed contract or other matter which a member of a local authority has as [^{F4}a person who is liable under the Local Government Finance Act 1988 to pay an amount in respect of any community charge or who would be so liable but for any enactment or anything provided or done under any enactment or as] a ratepayer or inhabitant of the area or as an ordinary consumer of water, or to an interest in any matter relating to the terms on which the right to participate in any service, including the supply of goods, is offered to the public.
- (5) For the purposes of section 94 above a member shall not be treated as having a pecuniary interest in any contract, proposed contract or other matter by reason only of an interest of his or of any company, body or person with which he is connected as mentioned in section 95(1) above which is so remote or insignificant that it cannot reasonably be regarded as likely to influence a member in the consideration or discussion of, or in voting on, any question with respect to that contract or matter.
- (6) Where a member of a local authority has an indirect pecuniary interest in a contract, proposed contract or other matter by reason only of a beneficial interest in securities of a company or other body, and the total nominal value of those securities does not exceed [^{F5}£5,000] or one-hundredth of the total nominal value of the issued share capital of the company or body, whichever is the less, and if the share capital is of more than one class, the total nominal value of shares of any one class in which he has a beneficial interest does not exceed one-hundredth of the total issued share capital of that class, section 94 above shall not prohibit him from taking part in the consideration or discussion of the contract or other matter or from voting on any question with respect to it, without prejudice, however, to his duty to disclose his interest.

Textual Amendments

F4 Words inserted by [S.I. 1990/10, art. 2](#)

F5 Words substituted by [Local Government and Housing Act 1989 \(c. 42, SIF 81:1\), s. 194\(1\), Sch. 11 para. 23](#)

Modifications etc. (not altering text)

C9 [S. 97](#) applied with modifications by virtue of [Land Drainage Act 1976 \(c. 70, SIF 73\), Sch. 1 para. 14B\(1\)](#), as inserted by [Water Act 1983 \(c. 23, SIF 130\), s. 11\(2\), Sch. 4 para. 6](#)

C10 [S. 97](#) applied (07.08.1991) by [S.I. 1991/1773, arts. 6, 8, Sch.1](#).
[S. 97](#): certain functions transferred (subject to modifications) (07.08.1991) by [S.I. 1991/1773, arts. 6, 8, Sch.1](#).

98 Interpretation of sections 95 and 97.

- (1) In sections 95 and 97 above “securities” [^{F6}means—]
 [^{F6}(a) investments falling within any of paragraphs 1 to 6 of Schedule 1 to the Financial Services Act 1986 or, so far as relevant to any of those paragraphs, paragraph 11 of that Schedule; or

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- (b) rights (whether actual or contingent) in respect of money lent to, or deposited with, any society registered under the Industrial and Provident Societies Act 1965 or any building society within the meaning of the ^{M1} Building Societies Act 1986.]

[^{F7}(1A) In sections 94 and 97 above “local authority” includes a joint authority . . . ^{F8} and in section 94(5)(a) above “principal council” includes any such authority.]

- (2) In section 95 above “public body” includes any body established for the purpose of carrying on under national ownership any industry or part of an industry or undertaking, the governing body of any university, university college or college, school or hall of a university and the National Trust for Places of Historic Interest or Natural Beauty incorporated by the ^{M2} National Trust Act 1907.

Textual Amendments

- F6** S. 98(1)(a)(b) and word substituted by [Financial Services Act 1986 \(c. 60, SIF 69\)](#), s. 212(2), [Sch. 16 para. 8\(a\)](#)
- F7** S. 98(1A) inserted by [Local Government Act 1985 \(c. 51, SIF 81:1\)](#), s. 84, [Sch. 14 Pt. I para. 13](#)
- F8** Words repealed by [Education Reform Act 1988 \(c. 40, SIF 41:1\)](#), ss. 231(7), 235(6), 237(2), [Sch. 13 Pt. I](#)

Modifications etc. (not altering text)

- C11** S.98 applied (07.08.1991) by [S.I. 1991/1773](#), arts. 6, 8, [Sch. 1](#).
S. 98: certain functions transferred (subject to modifications) (07.08.1991) by [S.I. 1991/1773](#), arts. 6, 8, [Sch.1](#).
- C12** S. 98(1A) amended by [S.I. 1985/1884](#), art. 10, [Sch. 3 para. 1\(f\)](#)
- C13** S. 98(1A) modified by [S.I. 1987/2110](#), art. 2(2), [Sch. 1 para. 3\(f\)](#)

Marginal Citations

- M1** [1986 c.53 \(16\)](#).
- M2** [1907 c. cxxxvi](#).

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