



Local Government and Public Involvement in Health Act 2007

2007 CHAPTER 28

PART 1

STRUCTURAL AND BOUNDARY CHANGE IN ENGLAND

CHAPTER 2

CONTROL OF DISPOSALS ETC

24 Authorities dissolved by orders: control of disposals, contracts and reserves

- (1) The Secretary of State may direct that, with effect from a date specified in the direction, a relevant authority may not without the written consent of a person or persons so specified—
- (a) dispose of any land if the consideration for the disposal exceeds £100,000;
 - (b) enter into any capital contract—
 - (i) under which the consideration payable by the relevant authority exceeds £1,000,000; or
 - (ii) which includes a term allowing the consideration payable by the relevant authority to be varied;
 - (c) enter into any non-capital contract under which the consideration payable by the relevant authority exceeds £100,000, where—
 - (i) the period of the contract extends beyond a date specified in the direction; or
 - (ii) under the terms of the contract, that period may be extended beyond that date; or
 - (d) include an amount of financial reserves in a calculation under section [F131A(3) or 42A(3)] of the Local Government Finance Act 1992 (c. 14).
- (2) In this Chapter “relevant authority” means a local authority—

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- (a) which by virtue of an order under section 7 or 10 is to be dissolved; and
- (b) which is specified, or of a description specified, in the direction.

(3) In this section—

“capital contract” means a contract as regards which the consideration payable by the relevant authority would be capital expenditure for the purposes of Chapter 1 of Part 1 of the Local Government Act 2003 (c. 26) (capital finance);

“non-capital contract” means a contract which is not a capital contract.

(4) A person specified in the direction as a person whose consent is required may be the Secretary of State or such authority or other person as he thinks appropriate; and the direction may specify different persons—

- (a) in relation to different matters for which consent is required;
- (b) in relation to different relevant authorities or descriptions of relevant authority.

Textual Amendments

F1 Words in s. 24(1)(d) substituted (3.12.2011) by [Localism Act 2011 \(c. 20\)](#), s. 240(2), [Sch. 7 para. 49](#); [S.I. 2011/2896](#), art. 2(i)

Commencement Information

I1 S. 24 in force at 1.11.2007 for E. by [S.I. 2007/3136](#), art. 2(a)

25 Directions: further provision about reserves

(1) A direction under section 24—

- (a) may provide that the consent of the person or persons specified in the direction is not required for the inclusion, in a calculation under section [^{F2}31A(3) or 42A(3)] of the Local Government Finance Act 1992, of financial reserves of a description specified in the direction;
- (b) may, in relation to any authority or description of authority, provide that that consent is not required for the inclusion in such a calculation of an amount of financial reserves not exceeding an amount specified in or determined under the direction.

(2) If a direction contains provision by virtue of subsection (1), the reference in section 24(1)(d) to an amount of financial reserves is to be read as a reference to an amount of financial reserves other than an amount permitted by the direction.

Textual Amendments

F2 Words in s. 25(1)(a) substituted (3.12.2011) by [Localism Act 2011 \(c. 20\)](#), s. 240(2), [Sch. 7 para. 50](#); [S.I. 2011/2896](#), art. 2(i)

Commencement Information

I2 S. 25 in force at 1.11.2007 for E. by [S.I. 2007/3136](#), art. 2(a)

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26 Directions: supplementary

- (1) In this section “direction” means a direction under section 24.
- (2) A consent for the purposes of a direction may be given—
 - (a) in respect of a particular disposal or contract, or in respect of disposals or contracts of any description;
 - (b) unconditionally or subject to conditions.
- (3) The following enactments have effect subject to any direction—
 - (a) section 123 of the Local Government Act 1972 (c. 70) (power to dispose of land);
 - (b) any other enactment relating to the disposal of land by local authorities.
- (4) The consent required by a direction is in addition to any consent required by the enactments mentioned in subsection (3)(a) and (b).
- (5) Where the consideration or any of the consideration under a contract is not in money, the limits specified in a direction by virtue of section 24(1)(a) to (c) apply to the value of the consideration.
- (6) Where—
 - (a) a question arises in relation to a direction as to the value of any consideration, and
 - (b) the relevant authority concerned and the person or persons specified under section 24(1) fail to reach agreement,the value is to be determined by the Secretary of State.
- (7) A direction may be varied or revoked by a subsequent direction.

Commencement Information

I3 S. 26 in force at 1.11.2007 for E. by [S.I. 2007/3136](#), [art. 2\(a\)](#)

27 Consideration to be taken into account for purposes of direction

- (1) In determining whether the limit specified in a direction by virtue of section 24(1)(a) is exceeded in the case of a disposal of land by a relevant authority, the consideration with respect to any other disposal of land made after 31 December 2006 by the relevant authority is to be taken into account.
- (2) In determining whether a limit specified in a direction by virtue of section 24(1)(b) or (c) is exceeded in the case of a contract entered into by a relevant authority (“the contract in question”), the consideration payable by the relevant authority under any other relevant contract shall be taken into account.
- (3) For the purposes of subsection (2) a “relevant contract” means a contract which is either or both—
 - (a) a contract entered into after 31 December 2006 by the relevant authority and the person with whom the contract in question is entered into;
 - (b) a contract entered into after that date by the relevant authority which relates to the same or a similar description of matter as that to which the contract in question relates.

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I4 S. 27 in force at 1.11.2007 for E. by [S.I. 2007/3136](#), [art. 2\(a\)](#)

28 Contraventions of direction

- (1) A disposal made in contravention of a direction under section 24 is void.
- (2) A contract entered into by an authority (“the old authority”) in contravention of a direction under section 24 is not enforceable against a successor.
- (3) In subsection (2) a “successor” means a local authority (other than the old authority)—
 - (a) which is established by an order under section 7 or 10; and
 - (b) whose area consists of or includes the whole or part of the area of the old authority.
- (4) A contract which apart from this subsection would be a certified contract for the purposes of the Local Government (Contracts) Act 1997 (c. 65) is not a certified contract for those purposes if it is entered into in contravention of a direction under section 24.
- (5) If an authority includes financial reserves in a calculation under section [F³31A(3)] of the Local Government Finance Act 1992 (c. 14) in contravention of a direction under section 24, the authority is to be treated for the purposes of section 30(8) of that Act as not having made the calculations required by Chapter 3 of Part 1 of that Act.
- (6) If an authority includes financial reserves in a calculation under section [F⁴42A(3)] of that Act in contravention of a direction under section 24, the authority is to be treated for the purposes of section 40(7) of that Act as not having made the calculations required by Chapter 4 of Part 1 of that Act.

Textual Amendments

- F3** Word in [s. 28\(5\)](#) substituted (3.12.2011) by [Localism Act 2011 \(c. 20\)](#), [s. 240\(2\)](#), [Sch. 7 para. 51\(2\)](#); [S.I. 2011/2896](#), [art. 2\(i\)](#)
- F4** Word in [s. 28\(6\)](#) substituted (3.12.2011) by [Localism Act 2011 \(c. 20\)](#), [s. 240\(2\)](#), [Sch. 7 para. 51\(3\)](#); [S.I. 2011/2896](#), [art. 2\(i\)](#)

Commencement Information

I5 S. 28 in force at 1.11.2007 for E. by [S.I. 2007/3136](#), [art. 2\(a\)](#)

29 Power to amend

- (1) The Secretary of State may by order—
 - (a) substitute another sum for any sum for the time being specified in section 24(1);
 - (b) substitute another date for the date for the time being specified in section 27(1) and (3).
- (2) An order under this section may include transitional or saving provision.

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Commencement Information

16 S. 29 in force at 1.11.2007 for E. by [S.I. 2007/3136](#), [art. 2\(a\)](#)

30 Definitions for purposes of Chapter 2

(1) In this Chapter—

“local authority” means a county council in England, a district council in England or a London borough council;

“relevant authority” has the meaning given by section 24(2).

(2) References in this Chapter to disposing of land include references to—

- (a) granting or disposing of any interest in land;
- (b) entering into a contract to dispose of land or grant or dispose of any such interest;
- (c) granting an option to acquire any land or any such interest.

Commencement Information

17 S. 30 in force at 1.11.2007 for E. by [S.I. 2007/3136](#), [art. 2\(a\)](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied (with modifications) by [S.I. 2024/414 art. 5Sch. 1 para. 15](#)