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STATUTORY INSTRUMENTS

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**1995 No. 1915**

**LOCAL GOVERNMENT, ENGLAND AND WALES  
LOCAL GOVERNMENT, SCOTLAND**

**The Local Government Act 1988  
(Competition) (Defined Activities) Order 1995**

*Made - - - - 19th July 1995*

*Coming into force*

*For the purposes of article 3 20th August 1995*

*For all other purpose 20th July 1995*

The Secretary of State for the Environment, as respects England, the Secretary of State for Scotland, as respects Scotland and the Secretary of State for Wales, as respects Wales, in exercise of the powers conferred on them by sections 2(3), 15(7) and (8) of the Local Government Act 1988<sup>(1)</sup>, and of all other powers enabling them in that behalf, after consultation with such representatives of local government as appear to them to be appropriate, hereby make the following Order, a draft of which has been laid before, and has been approved by resolution of, each House of Parliament:—

**Citation and commencement**

1. This Order may be cited as the Local Government Act 1988 (Competition) (Defined Activities) Order 1995 and shall come into force—

- (a) for the purposes of article 3 at the expiry of one month beginning on the day after the day on which it is made; and
- (b) for all other purposes on the day after the day on which it is made.

**Defined activities**

2. In section 2(2) of the Local Government Act 1988 (“The Act”) after paragraph (k) there shall be inserted the following paragraphs—

- “(l) financial services;
- (m) information technology services;

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(1) 1988 c. 9. Section 2 is amended by paragraph 10 of Schedule 1 to the Local Government Act 1992 (c. 19), S.I.1989/2488, S.I. 1994/1671, S.I. 1994/2884 and S.I. 1994/2888.

(n) personnel services.”

**3.—**(1) In paragraph 2(2)(b) of Schedule 1 to the Act, for the words “police establishment” there shall be substituted the words “regional police establishment”.

(2) For paragraph 2(6) of that Schedule there shall be substituted—

“(6) In sub-paragraph (2) above “regional police establishment” means a building or part of a building which, in pursuance of an agreement under section 13 of the Police Act 1964<sup>(2)</sup> or section 12 of the Police (Scotland) Act 1967<sup>(3)</sup>, is used by two or more police forces for the joint discharge by them of functions relating to the investigation of crime.”

(3) After paragraph 10(3) of that Schedule there shall be inserted—

“(3A) In sub-paragraph (2) above “police establishment” means a building or part of a building used by police for the performance of their functions (whether as a police station or police training establishment or otherwise).”

(4) In paragraph 10(4) of Schedule 1 to the Act<sup>(4)</sup> the words “police establishment”, shall be omitted.

**4.** In Schedule 1 to the Act the following paragraphs shall be inserted at the end—

*“Financial services*

**13.—**(1) The provision of services consisting of, or provided for the purposes of, or in connection with, any of the following, (and only the following) falls within section 2(2)(1) above, namely

- (a) financial advice to any of the following, namely—
  - (i) a defined authority or its elected members;
  - (ii) any committee or sub-committee of a defined authority, or any other group of persons which reports to such an authority, committee or sub-committee; and
  - (iii) any officer or department of a defined authority;
- (b) financial advice to any other person in relation to the discharge of any functions of a defined authority;
- (c) accounting services including, in particular, the completion of statutory accounts and the maintenance of appropriate financial records;
- (d) the administration of direct and indirect taxation for a defined authority;
- (e) the development and maintenance of financial information and management systems;
- (f) audit services including, in particular, liaison with external auditors and other appropriate bodies;
- (g) the administration, collection and recovery of non-domestic rates, council tax, water and sewerage charges or rates, community charges and general rates;
- (h) the provision of payroll facilities;
- (i) subject to sub-paragraph (2) below, the determination, administration and making of payments, including arranging abatements and rebates;
- (j) the collection of income and the recovery of debts;

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(2) 1964 c. 48. Section 13 is amended by paragraph 2 of Schedule 5 to the Police and Magistrates’s Courts Act 1994 (c. 29).

(3) 1967 c. 77.

(4) Paragraph 10 is inserted by S.I. 1994/2884.

- (k) the administration of a defined authority's pension fund including, in particular, the management of investments and actuarial services;
  - (l) the arrangement and management of borrowing and investment and the monitoring of cash-flow;
  - (m) the administration of a defined authority's insurance arrangements;
  - (n) financial consultancy work including, in particular, research;
  - (o) the procurement, monitoring or supervision of, or the arranging of payment for, any services which fall within paragraphs (a) to (n) above and are provided for a defined authority by any person.
- (2) The activities described in sub-paragraph (1)(i) above do not fall within section 2(2)(1) above where they relate to—
- (a) mandatory and discretionary awards made pursuant to the Education Act 1962<sup>(5)</sup>;
  - (b) education maintenance allowances payable pursuant to the Scholarship and Other Benefits Regulations 1977<sup>(6)</sup> or bursaries, scholarships or other allowances payable pursuant to section 49 of the Education (Scotland) Act 1980<sup>(7)</sup>;
  - (c) clothing grants payable pursuant to section 5 of the Education (Miscellaneous Provisions) Act 1948<sup>(8)</sup> or section 54 of the Education (Scotland) Act 1980;
  - (d) free school meals and milk provided pursuant to section 22 of the Education Act 1980<sup>(9)</sup> or section 53 of the Education (Scotland) Act 1980; or
  - (e) board and lodging fees payable pursuant to section 111 of the Education Reform Act 1988<sup>(10)</sup> or section 52 of the Education (Scotland) Act 1980.

#### *Information technology services*

- 14.**—(1) The provision of information technology services falls within section 2(2)(m) above.
- (2) For the purposes of sub-paragraph (1) above, “information technology services” means services which are designed to secure for a defined authority the availability or application of information technology.
- (3) Without prejudice to the generality of sub-paragraph (2) above, information technology services include services which consist of or are provided for the purposes of, or in connection with, any of the following
- (a) giving advice in relation to information technology to any of the following—
    - (i) a defined authority or its members;
    - (ii) any committee or sub-committee of a defined authority, or any other group of persons which reports to such an authority, committee or sub-committee; and
    - (iii) any officer or department of a defined authority;
  - (b) giving advice to any person as to the application of information technology;
  - (c) assessing a defined authority's requirements for information technology, and keeping those requirements under review, including appraising any such technology for the time being in use;

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(5) 1962 c. 12.  
(6) S.I. 1977/1443.  
(7) 1980 c. 44.  
(8) 1948 c. 40.  
(9) 1980 c. 20.  
(10) 1988 c. 40.

- (d) arranging for information technology to be available to meet the requirements of a defined authority;
- (e) developing information technology;
- (f) maintaining equipment used in connection with information technology.

(4) In this paragraph “information technology” means any computer, telecommunications or other technology the principal use of which is the recording, processing and communication of information by electronic means.

*Personnel services*

**15.—**(1) Provision of the following services (and only the following) falls within section 2(2)(n) above—

- (a) personnel advice to any of the following, namely—
  - (i) a defined authority or its elected members;
  - (ii) any committee or sub-committee of a defined authority, or any other group of persons which reports to such an authority, committee or sub-committee; and
  - (iii) any officer or department of a defined authority;
- (b) personnel advice to any other person in relation to the discharge of any functions of a defined authority;
- (c) conducting organisational and method studies and work studies including, in particular, conducting management service reviews and preparing business plans;
- (d) human resource management including, in particular, recruitment, monitoring, assessment and appraisal;
- (e) personnel research;
- (f) developing and maintaining statistical and managerial information systems;
- (g) subject to sub-paragraph (2) below, training a defined authority’s employees including, in particular, arranging, monitoring and evaluating training and development programmes;
- (h) developing and maintaining employee relations policies, practices and procedures;
- (i) personnel work in connection with any of the following, namely—
  - (i) pay and other employee benefits including, in particular, superannuation benefits;
  - (ii) terms and conditions of employment;
  - (iii) health and safety policies and procedures;
  - (iv) employee welfare policies and procedures including, in particular, occupational health services; and
  - (v) redundancy arrangements and agreements;
- (j) procuring, monitoring or supervising any services which fall within paragraphs (a) to (i) above and are provided for a defined authority by any person.

(2) The activities described in sub-paragraph (1)(g) above do not fall within section 2(2)(n) above where they relate to—

- (a) the ordinary supervision of trainees or other employees; or
- (b) the training of fire-fighting members of fire brigades.”

### Supplementary provisions

5.—(1) For the purpose of interpreting paragraphs (l), (m) and (n) (as inserted by article 2 above) of subsection (2) of section 2 of the Act, that section shall have effect as if for subsection (6) there were substituted the following subsection—

“(6) Work which is carried out by a defined authority through an employee and which would (apart from this subsection) fall within a defined activity shall not do so if the total amount of such work performed by such an employee occupies less than 50 per cent of his working time.”

(2) For the purpose of determining whether any work falling within section 2(2)(l), (m) or (n) of the Act is functional work, subsection (4) of section 3 of the Act (other definitions) shall have effect as if the words from “and”, in the first place where it occurs, to the end were omitted.

(3) In relation to any work falling within section 2(2)(l), (m) or (n) of the Act, paragraph (a) of subsection (4) of section 7 of the Act (the conditions) shall have effect as if the words from “and” to the end were omitted.

### Works contracts: transitional provision

6.—(1) Sections 4 and 5 of the Act (works contracts) shall have effect in respect of works contracts for work which by reason only of this order falls within paragraph (b) of section 2(2) of the Act as if for the date 1st April 1989, wherever occurring in those sections, there were substituted the date specified in the following Table in relation to the area in which the work is to be carried out:

Area	Date
England	1st October 1996
Scotland	1st October 1997
Wales	1st October 1996

(2) Sections 4 and 5 of the Act shall have effect in respect of works contracts for work falling within paragraph (l) of section 2(2) of the Act as if for the date 1st April 1989, wherever occurring in those sections, there were substituted the date specified in the following Table in relation to the area in which the work is to be carried out:

Area	Date
England	1st April 1997
Scotland	1st October 1997
Wales	1st October 1998

(3) Sections 4 and 5 of the Act shall have effect in respect of works contracts for work falling within paragraph (m) of section 2(2) of the Act as if for the date 1st April 1989, wherever occurring in those sections, there were substituted the date specified in the following Table in relation to the area in which the work is to be carried out:

Area	Date
England	1st October 1997
Scotland	1st October 1997
Wales	1st October 1999

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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(4) Sections 4 and 5 of the Act shall have effect in respect of works contracts for work falling within paragraph (n) of section 2(2) of the Act as if for the date 1st April 1989, wherever occurring in those sections, there were substituted the date specified in the following Table in relation to the area in which the work is to be carried out:

Area	Date
England	1st October 1996
Scotland	1st October 1997
Wales	1st October 1999

Signed by authority of the Secretary of State

14th July 1995 *David Curry*  
Minister of State for the Environment

17th July 1995 *George Kynoch*  
Parliamentary Under-Secretary of State, Scottish  
Office

19th July 1995 *William Hague*  
Secretary of State for Wales

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## EXPLANATORY NOTE

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

Under Part I of the Local Government Act 1988, work falling within certain defined activities may only be carried out by defined authorities if it has previously been put out to tender in accordance with the provisions of the Act. “Defined authorities” include local authorities and police authorities. Articles 2 and 4 of this Order amend the Act to add financial services, information technology services and personnel services to the existing defined activities.

Article 3 removes the exemption for work consisting of the cleaning of police buildings, except in so far as such work consists of the cleaning of buildings used for the purposes of regional crime squads, and in Scotland, the Scottish Crime Squad. Article 5 makes supplementary provision and article 6 makes transitional provision in relation to works contracts.