
STATUTORY INSTRUMENTS

2001 No. 2237

The Local Authorities (Executive and Alternative Arrangements) (Modification of Enactments and Other Provisions) (England) Order 2001

Duties of executive as regards reports

21.—(1) After section 115A of the 1988 Finance Act⁽¹⁾, there shall be inserted—

“Duties of executive as regards reports

115B.—(1) This section applies where copies of a report under section 114A above have been sent under section 114A(4) above.

(2) The executive of the authority (within the meaning of Part II of the Local Government Act 2000) shall consider the report at a meeting where it shall decide whether it agrees or disagrees with the views contained in the report and what action (if any) it proposes to take in consequence of it.

(3) The meeting must be held not later than the end of the period of 21 days beginning with the day on which copies of the report are sent.

(4) During the prohibition period the course of conduct which led to the report being made shall not be pursued.

(5) If subsection (4) above is not complied with, and the executive makes any payment in the prohibition period as a result of the course of conduct being pursued, the executive shall be taken not to have had power to make the payment (notwithstanding any obligation to make it under contract or otherwise).

(6) As soon as practicable after the executive has concluded its consideration of the chief finance officer’s report, the executive shall prepare a report which specifies—

- (a) what action (if any) the executive has taken in response to the chief finance officer’s report;
- (b) what action (if any) the executive proposes to take in response to the chief finance officer’s report and when the executive proposes to take that action; and
- (c) the reasons for taking the action specified in the executive’s report or, as the case may be, for taking no action.

(7) As soon as practicable after the executive has prepared a report under subsection (6), the executive shall arrange for a copy of it to be sent to—

- (a) the person who at the time the report is made has the duty to audit the authority’s accounts;
- (b) each person who at that time is a member of the authority; and
- (c) the chief finance officer of the authority.

(1) Section 115A was inserted by section 131 of the Greater London Authority Act 1999 (c. 29).

(8) In this section—

(a) “chief finance officer” has the same meaning as in section 114A; and

(b) “the prohibition period” means the period—

(i) beginning with the day on which copies of the chief finance officer’s report are sent; and

(ii) ending with the first business day to fall after the day (if any) on which the executive’s consideration of the report under subsection (2) above is concluded.

(9) If subsection (3) above is not complied with, it is immaterial for the purposes of subsection (8)(b)(ii) above.

(10) The nature of the decisions made at the meeting is immaterial for the purposes of subsection (8)(b)(ii) above.

(11) In subsection (8)(b)(ii) above “business day” means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday in England.”.

(2) In section 116 of the 1988 Finance Act—

(a) after subsection (1), there shall be inserted—

“(1A) Where it is proposed to hold a meeting under section 115B above—

(a) where the authority has a mayor and cabinet executive, the elected mayor;

(b) where the authority has a leader and cabinet executive, the executive leader; or

(c) where the authority has a mayor and council manager executive, the council manager,

shall as soon as is reasonably practicable notify, or instruct the authority’s proper officer to notify, the authority’s auditor of the date, time and place of the proposed meeting.”; and

(b) after subsection (2), there shall be inserted—

“(2A) As soon as is reasonably practicable after a meeting is held under section 115B above—

(a) where the authority has a mayor and cabinet executive, the elected mayor;

(b) where the authority has a leader and cabinet executive, the executive leader; or

(c) where the authority has a mayor and council manager executive, the council manager,

shall notify, or instruct the authority’s proper officer to notify, the authority’s auditor of any decision made at the meeting.”.