

Local Authorities (Borrowing and Investment) Bill

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Make provision about the acquisition of land and property by local authorities in England outside their own local authority boundaries; to limit the power of local authorities to invest in commercial risk-taking enterprises; to limit public borrowing by local authorities for non-core activities; and for connected purposes.

BE IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Limitations on borrowing by local authorities

No local authority in England may borrow from the Public Works Loan Board for the purposes of commercial property acquisition or other purposes beyond the scope of the statutory duties of that local authority.

2 Limitations on acquisitions of land and property by local authorities

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(1) No local authority in England may acquire land or property in England outside its own local authority boundary without—

(a) the express authority of the principal local authority for the area in which the land or property is situated, and

(b) the approval of the Secretary of State.

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(2) In this section, “principal local authority” has the same meaning as in section 69(3) of the Local Democracy, Economic Development and Construction Act 2009.

3 Required majority for decision on commercial risk-taking investments

No local authority in England may invest in a commercial risk-taking enterprise without the approval of its council at a full meeting at which more than two thirds of elected councillors vote in favour of the proposal to make the investment.

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4 Extent, commencement and short title

- (1) This Act extends to England and Wales.
- (2) This Act shall come into force at the end of the period of two months after the day on which it receives Royal Assent.
- (3) This Act may be cited as the Local Authorities (Borrowing and Investment) Act 2018.

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To make provision about the acquisition of land and property by local authorities in England outside their own local authority boundaries; to limit the power of local authorities to invest in commercial risk-taking enterprises; to limit public borrowing by local authorities for non-core activities; and for connected purposes.

*Presented by Mr Christopher Chope,
supported by Mr Peter Bone,
Philip Davies and Sir Edward Leigh.*

*Ordered, by The House of Commons,
to be Printed, 5 September 2017.*

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