



# Local Government Act 1958

## 1958 CHAPTER 55

### PART I

#### GRANTS AND RATES

##### *General grants*

#### **1 General grants**

- (1) For the year 1959-60 and subsequent years the Minister shall make grants to the councils of counties and county boroughs in England and Wales and the Council of the Isles of Scilly; and those grants shall, save as provided in Part I of the First Schedule to this Act, be in lieu of the grants paid or payable for those years under any enactment passed before this Act in respect of expenditure (hereinafter referred to as "relevant expenditure") specified in the said Part I and not excluded by any provision of Part II of that Schedule.

The grants payable under this section are hereinafter referred to as "general grants", and the said councils as "recipient authorities".

- (2) For each of the said years there shall be a prescribed aggregate amount of the general grants payable to recipient authorities; and subject to the provisions hereinafter contained as to the adjustment of general grants by reference to the prescribed aggregate, and to the other provisions of this Part of this Act relating to general grants, the amount of the general grant payable to a recipient authority for any year shall be the aggregate of—
- (a) the basic grant specified in Part III of the First Schedule to this Act, and
  - (b) any of the supplementary grants so specified which are payable in accordance with the provisions of the said Part III,
- reduced, if it is so prescribed, by the product for the area of the authority of a rate of such sum in the pound as may be prescribed.

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- (3) The general grants payable to any recipient authority shall be paid at such times as the Minister may with the consent of the Treasury determine, and shall be payable in aid of the revenues of the recipient authority generally.
- (4) The provisions of Part IV of the First Schedule to this Act shall have effect as to the making of adjustments of general grants and of the aggregate amount thereof in respect of matters specified in the said Part IV. ,
- (5) The matters which under this section and Part III of the First Schedule to this Act are to be prescribed shall be prescribed by an order made by the Minister with the consent of the Treasury and after consultation with such associations of local authorities as appear to him to be concerned and with any local authority with whom consultation appears to him to be desirable.
- (6) Such an order (hereinafter referred to as a " general grant order ") shall be laid before the Commons House of Parliament together with a report by the Minister explaining the considerations leading to the provisions of the order, and shall not have effect until approved by a resolution of that House.
- (7) General grant orders shall be made in advance for successive periods (hereinafter referred to as " grant periods") of not less than two years, but as respects any matter to be prescribed by a general grant order the order may make different provisions for different years in the grant period.

## **2 Fixing of annual aggregate of general grants, and adjustment of grants**

- (1) In fixing the annual aggregate amount to be prescribed under the foregoing section the Minister shall take into consideration—
  - (a) the latest information available to him of the rate of relevant expenditure (excluding, except in so far as the Minister with the consent of the Treasury otherwise determines, any expenditure of a description in respect of which no grant has been paid for years before the year 1959-60), and the current level of prices, costs and remuneration, together with any future variation in that level which can be foreseen;
  - (b) any probable fluctuation in the demand for the services giving rise to relevant expenditure, so far as the fluctuation is attributable to circumstances prevailing in England and Wales as a whole which are not under the control of local authorities;
  - (c) the need for developing those services and the extent to which, having regard to general economic conditions, it is reasonable to develop those services.
- (2) The provision to be made by a general grant order, other than the prescribing of the annual aggregate amount of the general grants, shall be such as to secure, to the best of the information available to the Minister when he makes the order, that the aggregate of the general grants for each year of the grant period shall approximate as nearly as may be to the aggregate for that year prescribed by the order and adjusted under Part IV of the First Schedule to this Act.
- (3) If, when the general grants for any year fall to be paid, it appears to the Minister that their aggregate will exceed or fall short of the aggregate amount prescribed and adjusted as aforesaid, the Minister shall adjust the amount of the grant payable to each recipient authority as nearly as may be in the proportion which the aggregate amount prescribed by the general grant order, adjusted as aforesaid, bears to the amount, as

estimated by the Minister, which would be the total of the general grants apart from this subsection.

- (4) If it appears to the Minister that during any grant period any unforeseen increase has taken place in the level of prices, costs or remuneration, and that its effect on the cost of providing the services giving rise to relevant expenditure is of such magnitude that it ought not to fall entirely on local authorities, the Minister may by order (made in the like manner and subject to the like provisions as a general grant order) increase the annual aggregate amount of the general grants, or vary any other matter prescribed by the general grant order, for such part of that grant period (beginning either before or after the making of the order) as may be specified in the order.

### **3 Power to reduce general grant in case of default**

- (1) Subject to the provisions of this section, if the appropriate Minister is satisfied that a recipient authority has failed to achieve or maintain reasonable standards in the provision of any of the services giving rise to relevant expenditure, regard being had to the standards maintained in other areas, and is of opinion that the general grant payable to the authority ought therefore to be reduced, he may, after affording to the authority an opportunity of making representations, make and cause to be laid before Parliament a report stating the amount of the reduction, the reasons therefor, and any representations with respect thereto made by the recipient authority ; and if the report is approved by a resolution of the Commons House of Parliament the Minister may reduce the grant accordingly.
- (2) Where the provision of any service giving rise to relevant expenditure is a function of a rating authority in any administrative county, or of a joint board of which the district is wholly or partly comprised in any administrative county, the foregoing subsection shall in relation to that county apply to a failure on the part of the rating authority or joint board to achieve or maintain reasonable standards as it would apply if the failure were that of the county council; but—
  - (a) in the case of a failure by a rating authority, the amount of any reduction by virtue of this subsection in the general grant payable to the county council shall be recoverable by that council from the authority in default,
  - (b) in the case of a failure by a joint board of which the district does not comprise the whole of the county, the amount of any such reduction shall be recoverable by the county council from the rating authorities in the county whose areas are wholly or partly comprised in the district of the joint board, the amount recoverable being apportioned among the rating authorities of the areas or parts of areas so comprised in proportion to the aggregates of the rateable values shown in the valuation lists respectively in force for those areas or parts of areas on the first day of the year for which the general grant is payable,and any sum recoverable by virtue of this subsection shall be recoverable by adjustment of the amount due under the county precept.
- (3) Where the provision of any service giving rise to relevant expenditure is a function of a joint board of which the district is wholly or partly comprised in a county borough, subsection (1) of this section shall in relation to the county borough apply to a failure on the part of the joint board to achieve or maintain reasonable standards as it would apply if the failure were that of the county borough council.
- (4) The appropriate Minister may make regulations, subject to annulment in pursuance of a resolution of either House of Parliament, for prescribing standards and general

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requirements for the administration of any of the services giving rise to relevant expenditure ; and in determining for the purposes of this section whether there has been any such failure as is referred to in the foregoing provisions of this section regard shall be had to any such regulations and any other standards or requirements imposed by or under any enactment.

*Discontinuance of certain grants*

**4 Certain grants to be discontinued**

- (1) None of the grants to which this section applies shall be payable for the year 1959-60 or any part of that year, or for a subsequent year.
- (2) This section applies to:—
  - (a) the grants payable under subsection (2) of section seventeen of the Ministry of Transport Act, 1919, in respect of the salary and establishment charges of highway engineers and surveyors;
  - (b) the grants payable under subsection (3) of section fifty-seven of the Road Traffic Act, 1930 (which relates to weighbridges and other weighing-machines for vehicles);
  - (c) the grants issuable out of the Redemption Annuities Account, towards making good the loss of income of rating authorities occasioned by the extinguishment or reduction of tithe rent charge, under paragraph (e) of subsection (4) of section twenty-five of the Tithe Act, 1936;
  - (d) the grants payable under section one hundred and one of the Education Act, 1944, to local education authorities for areas in Wales and Monmouthshire;
  - (e) the grants payable under section eleven of the Prevention of Damage by Pests Act, 1949 ;
  - (f) the grants payable under paragraph (b) of subsection (1) of section twenty-four of the Vehicles (Excise) Act, 1949 (which provides for grants representing the amounts which if the Roads Act, 1920, had not been passed would have been received by local and police authorities on account of fees or charges for the licensing of mechanically propelled hackney carriages not being public service vehicles);
  - (g) the grants payable under subsection (5) of section twenty-nine of the Food and Drugs Act, 1955, towards the repayment of sums paid by way of compensation in respect of milk which is infected or suspected of being infected.

*Rate-deficiency Grants to local authorities*

**5 Rate-deficiency Grants**

- (1) The provisions of Part I of the Local Government Act, 1948 (hereinafter referred to as "the Act of 1948") relating to grants under section two of that Act (hereinafter referred to as " Rate-deficiency Grants") shall as respects the year 1959-60 and subsequent years be amended in accordance with the following provisions of this section.
- (2) The local authorities to which Rate-deficiency Grants may become payable shall include county district councils, metropolitan borough councils, and the Common Council of the City of London, as well as county and county borough councils, and

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section nine of the Act of 1948 (which provides for capitation payments by county councils to local authorities in the county) shall not have effect.

- (3) The condition for the payment of a Rate-deficiency Grant to a local authority for any year shall be that the product of a rate of one penny in the pound for the area of the authority for that year is less than the standard penny rate product for the area, and the amount of the grant for any year, subject to the following section, shall be the amount which bears to the expenditure of the authority for that year the same proportion as the difference between the said rate products bears to the standard penny rate product for the area for that year.
- (4) For the purposes of this section the standard penny rate product for an area is the sum which bears to the product of a rate of one penny in the pound for the year in question for the whole of England and Wales the same proportion as the population of the area bears to the population of England and Wales:

Provided that in ascertaining the standard penny rate product for a county or county borough the population of any county in the case of which the ratio of the population to the road-mileage of the county is less than seventy shall be taken to be increased by two-fifths of the additional population needed in order that the population divided by the road-mileage should be seventy.

- (5) For the purposes of this section the expenditure of a county council shall be taken to be so much of the total expenditure of the council for the year in question for general county purposes as would have to be met out of rates levied within the county if no Rate-deficiency Grants were payable.
- (6) For the purposes of this section the expenditure of an authority, not being a county council, shall be taken to be so much of the total expenditure of the authority for the year in question as would have to be met out of rates levied within the area of the authority if no Rate-deficiency Grants and, in the case of a local authority within the administrative county of London, no payments under section ten of the Act of 1948 were payable, excluding the cost of the collection of rates, ascertained in the case of county boroughs in accordance with rules made by the Minister for the purposes of this Part of this Act and in the case of a county district or metropolitan borough or the Common Council of the City of London in accordance with the respective rules made under section nine of the Rating and Valuation Act, 1925:

Provided that any expenditure in pursuance of section twenty-five of the Land Drainage Act, 1930 (which enables urban rating authorities to pay to drainage boards the aggregate amount of the drainage rate for any part of their area within a drainage district, and to recover the sum paid out of the proceeds of an additional item of the general rate) shall be disregarded for the purposes of this section.

- (7) For the purposes of this section—
- (a) sums payable by an authority by virtue of a precept issued by a county council, in so far as payable in respect of expenditure of the county council for general county purposes, and
  - (b) sums payable by an authority by virtue of subsection (2) of section three of this Act in respect of the amount of any reduction in general grant recoverable from the authority,

shall not be treated as expenditure of the authority paying those sums.

- (8) For the purposes of this section the amount of expenditure of an authority falling to be met out of rates shall be ascertained without regard to the provisions of section three of this Act or to any reduction of grant made thereunder.
- (9) In accordance with the foregoing provisions of this section the Act of 1948 shall have effect, as respects the year 1959-60 and subsequent years, subject to the following amendments, that is to say:—
- (a) in section two, in subsection (1), for the words " 1948-1949 " there shall be substituted the words " 1959-60 " and for the words from "the rateable value for a county " to " this Act" there shall be substituted the words " the product of a rate of one penny in the pound for the area of a local authority is less than the standard penny rate product (as defined by the Local Government Act, 1958) for that area " , for the words from " the council of the county " to the end of the subsection there shall be substituted the words " the local authority a grant of such amount as is provided by sections five to seven of that Act " , and subsection (2) of that section shall not have effect;
  - (b) for the words " Exchequer Equalisation Grants" or " Exchequer Equalisation Grant" wherever they occur there shall be substituted the words " Rate-deficiency Grants " or, as the case may be, " Rate-deficiency Grant";
  - (c) sections three and four shall not have effect;
  - (d) in section one hundred and forty-four, in subsection (4), after the words " 1925 " there shall be inserted the words " or, if the area is a county borough, as ascertained in accordance with rules made by the Minister for the purposes of Part I of the Local Government Act, 1958 ".

## **6 Limitation of Rate-deficiency Grant to normal expenditure**

- (1) Where, as respects a year for which Rate-deficiency Grants are payable (hereinafter referred to as " the grant year "), the expenditure of a local authority exceeds its normal expenditure as hereinafter ascertained, the amount of the excess shall be disregarded in determining the amount of any Rate-deficiency Grant payable to the authority for that year:

Provided that for any of the first four years for which Rate-deficiency Grants are payable the whole amount of the excess shall not be disregarded as aforesaid, but for the first of those years one-fifth only shall be disregarded, for the second two-fifths only and so on.

- (2) For the purposes of this section local authorities shall be divided into the following six groups, that is to say.—
- (a) county councils;
  - (b) county borough councils ;
  - (c) metropolitan borough councils and the Common Council of the City of London;
  - (d) non-county borough councils;
  - (e) urban district councils; and
  - (f) rural district councils,

and the normal expenditure of an authority of any group, in relation to the grant year, shall be ascertained as follows.

- (3) For each authority comprised in the group, and for the group as a whole, there shall be ascertained the average of the expenditure per head of population for each of the three last years preceding the grant year.

The said averages are hereinafter referred to respectively as the triennial average of a local authority and the triennial average of the group.

- (4) For the purposes of this section the population of a county in the case of which the ratio of the population to the road-mileage of the county is less than seventy shall be taken to be increased by two-fifths of the additional population needed in order that the population divide by the road mileage should be seventy.

- (5) If the triennial average of a local authority is less than the triennial average of the group, the normal expenditure of the authority for the grant year is the product of the population of the area of the local authority and the expenditure per head of population for that year of the group as a whole.

- (6) If the triennial average of a local authority equals or is greater than the triennial average of the group.—

- (a) there shall be ascertained the expenditure per head of population for the grant year of the group as a whole,  
(b) there shall be ascertained the ratio which that expenditure bears to the triennial average of the group;

and unless that ratio is less than one, the normal expenditure of the local authority for the grant year shall be the product of the population of the area of the authority and the amount which bears that ratio to the triennial average of the authority, but if that ratio is less than one the normal expenditure of the authority for the grant year shall be the product of the population and the triennial average of the authority.

- (7) For the purposes of this section expenditure for police purposes shall be left out of account, and the Minister may leave out of account any other expenditure of a local authority in so far as it appears to him that by reason of any special circumstances it ought to be excluded.

- (8) Subject to the foregoing subsection, the expenditure of a local authority, or of the local authorities comprised in a group, shall be ascertained for the purposes of this section in like manner as for the purposes of the foregoing section.

- (9) References in this section to the expenditure per head of population of the group as a whole are references to the aggregate of the expenditures of each of the local authorities comprised in the group divided by the aggregate of the numbers of the population of the area of each of those authorities.

- (10) References in this section to local authorities or to county councils do not include references to the London County Council.

## **7 Modification for special cases of provisions as to Rate-deficiency Grants**

- (1) If the Minister is satisfied, as respects the councils of county districts in any county, that the part of their expenditure, as ascertained for the purposes of Rate-deficiency Grant, which is attributable to expenditure of the county council for special county purposes bears such a proportion to the whole of their expenditure as so ascertained that the provisions relating to that Grant will not apply equitably in relation to the

county without modification, the Minister may make a scheme for applying those provisions with such modifications as may be specified in the scheme.

- (2) Any scheme under this section may be varied or revoked by a subsequent scheme made by the Minister.

*Amendments as to London rate equalisation*

**8 Amendment of s. 10 of Act of 1948**

In subsection (1) of section ten of the Act of 1948 (which provides for the annual payment by the London County Council to the councils of the metropolitan boroughs mentioned in subsection (2) of that section of such sums as may be prescribed by a scheme) for the words from " the councils " to " by a scheme " there shall be substituted the words " such local authorities in the administrative county as may be determined by or under a scheme ", and at the end of the subsection there shall be added the words " such sums as may be so determined in relation to those authorities respectively. ".

*Rating: industrial and freight-transport hereditaments*

**9 Rating of industrial and freight-transport hereditaments**

- (1) For the year 1959-60 and subsequent years the fraction of net annual value by reference to which the rateable value of an industrial hereditament or of a freight-transport hereditament is to be ascertained shall be doubled, and accordingly subsection (1) of section sixty-eight of the Local Government Act, 1929, shall have effect in relation to those years with the substitution for the words " one-quarter " , wherever they occur, of the words " one-half ".
- (2) Subsection (7) of section one of the Act of 1955 (which provides that where, in the year in which a new valuation list comes into force, a proposal is made in certain circumstances to reduce the value of a hereditament, the rates for any year recoverable until the proposal has been settled shall not exceed the amount levied on the hereditament for the last year before the new list came into force) shall have effect, in relation to rates leviable on industrial and freight-transport hereditaments for the year 1959-60 and subsequent years where the proposal was made in the year 1956-57, as if for the word " levied", in the second place where it occurs, there were substituted the words " which would have fallen to be levied " and after the words " into force " there were added the words " if the rateable value, or so much thereof as fell to be ascertained by reference to a fraction of net annual value, had been twice what it was ".
- (3) Where, on or after the first day of April, nineteen hundred and fifty-nine, an alteration having effect for a period preceding that date falls to be made in a valuation list with respect to an industrial hereditament or freight-transport hereditament, the alteration, so far as concerns rateable value, shall be made so as to indicate the value ascertained in accordance with subsection (1) of this section; but as respects any such period for which the alteration has effect the valuation list shall be deemed to indicate a rateable value ascertained by reference to net annual value in like manner as if subsection (1) of this section had not passed.
- (4) In this section " industrial hereditament" and " freight-transport hereditament " have the same meanings as in the Local Government Act, 1929.



### *Rating of Gas and Electricity Authorities*

#### **10 Gas and Electricity Boards: rating of showrooms**

- (1) In respect of any rate period beginning after the thirty-first day of March, nineteen hundred and fifty-nine, a Gas Board or Electricity Board shall, notwithstanding anything in subsection (2) of section six of the Act of 1955 or in Part V of the Act of 1948, be liable to be rated in respect of any shop, room or other place occupied and used by the Board wholly or mainly for the sale, display or demonstration of apparatus or accessories for use by consumers of gas or, as the case may be, electricity; and accordingly any such place shall be rated for any such period, and shall be included in the valuation list in force during any such period for the rating area in which the place is situated, and in every rate made for any such period by the rating authority for that area.
- (2) In determining whether any place is wholly or mainly occupied and used as aforesaid use for the receipt of payments for gas or electricity consumed shall be disregarded.
- (3) This section shall apply to any shop, room or other place in England occupied and used as aforesaid by the South of Scotland Electricity Board as it applies to a place so occupied and used by a Board constituted under the Electricity Act, 1947.

#### **11 Rateable value of Gas Board hereditaments**

- (1) As respects each Gas Board, the Minister shall certify the amount estimated by him to be the aggregate of the net annual values on the first day of April, nineteen hundred and fifty-nine, of all premises in respect of which the Board will on that day become liable to be rated by virtue of the provisions of the foregoing section; and—
  - (a) for the year 1959-60, sub-paragraph (3) of paragraph 4 of the Third Schedule to the Act of 1955 (which provides for the apportionment among rating areas of the adjusted basic total of rateable values of a Gas Board) shall have effect as if the amount required to be apportioned thereunder were the basic total of rateable values of the Board, as adjusted for that year, reduced by the amount so certified ;
  - (b) for subsequent years, the said paragraph 4 shall have effect as if the basic total of rateable values of the Board, as certified under paragraph 2 of the said Third Schedule, had been the amount apportionable under the said paragraph 4 for the year 1959-60.
- (2) In the application of the said paragraph 4 to the year 1960-61 and subsequent years the standard number of therms of a Gas Board, instead of being the number certified under paragraph 3 of the said Third Schedule, shall be the number certified by the Board to be the total number, as estimated by the Board, of therms in the gas supplied by them in the year 1957-58 to consumers in their area.
- (3) In estimating, for the purposes of the foregoing subsection or of any adjustment to be made by reference to the standard number of therms fixed under the foregoing subsection, the number of therms in the gas supplied by a Gas Board in any year, there shall be deducted one half of the number of therms in any gas purchased by the Board in that year.
- (4) As respects the making and levying of rates for any rate period beginning after the thirty-first day of March, nineteen hundred and fifty-nine,—

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- (a) gas produced by a Gas Board by the application, to gas purchased by the Board, of any process not consisting only of purification or blending with other gases, or both, shall be treated for the purposes of the Act of 1955 as gas manufactured by the Board, and the reference in subsection (1) of section six of that Act to the manufacture of gas shall be construed accordingly ;
  - (b) in estimating for the purposes of sub-paragraph (3) of paragraph 4 of the Third Schedule to the Act of 1955 the number of therms manufactured by a Gas Board, the number of therms in gas produced by the Board as aforesaid shall be treated as half the actual number thereof.
- (5) If it appears to the Minister that by reason of any substantial change of circumstances it is expedient so to do, he may, by order made after consultation with the Gas Council and with such associations of local authorities as appear to him to be concerned, and with any local authority with whom consultation appears to him to be desirable, vary for all Gas Boards the amount of the basic total of rateable values; but an order under this subsection shall not have effect until approved by a resolution of each House of Parliament.

Any order under this subsection may be varied or revoked by a subsequent order made in the like manner and subject to the like provisions.

## **12 Rating of Generating Board and Area Electricity Boards**

- (1) Payments for the benefit of local authorities in lieu of rates shall not be made by the Electricity Council under the provisions of Part V of the Act of 1948 in respect of any year beginning after the thirty-first day of March, nineteen hundred and fifty-nine; but for the purposes of the making and levying of rates for any rate period beginning after that date.—
- (a) the Generating Board shall be treated as occupying during that period, in each rating area in England and Wales, a hereditament of a rateable value calculated in accordance with the provisions of Part I of the Second Schedule to this Act, and
  - (b) each Area Board shall be treated as occupying during that rate period, in each rating area which is wholly or partly within the area of that Board, a hereditament of a rateable value calculated in accordance with the provisions of the said Part I.
- (2) The hereditament which the Generating Board or an Area Board is to be treated as occupying in a rating area by virtue of the foregoing subsection shall be taken not to be situated in any part of that area in which there are leviable (as an additional item of the general rate) expenses which are not leviable in the area taken as a whole.
- (3) The provisions of Part II of the Second Schedule to this Act shall have effect for the purposes of this section.

## **13 Rating of Electricity Council**

In respect of any rate period beginning after the thirty-first day of March, nineteen hundred and fifty-nine, the Electricity Council shall, notwithstanding anything in Part V of the Act of 1948, be liable to be rated in respect of any premises occupied by the Council during that period; and accordingly any premises occupied by the Council during any such rate period shall be rated for that period, and shall be included in the

valuation list in force during that period for the rating area in which the premises are situated, and in every rate made for that period by the rating authority for that area.

#### *Consequential amendment of Valuation List*

### **14 Consequential amendment of valuation lists**

- (1) Valuation officers shall give to rating authorities directions for such alterations to be made in valuation lists in force on the first day of April, nineteen hundred and fifty-nine as are necessary in consequence of the provisions of sections nine, ten and thirteen of this Act; and rating authorities shall give effect to such directions.
- (2) Any alteration in a valuation list made in pursuance of a direction under this section shall be treated as having been made at the beginning of the year 1959-60; and if the alteration affects the amount of any rate levied in respect of any hereditament in accordance with the list, or any right to levy a rate in respect of the hereditament, any amount overpaid shall be repaid or allowed, or any amount underpaid shall be paid and may be recovered as if it were arrears of the rate.
- (3) Valuation officers shall from time to time make such proposals under Part III of the Act of 1948 as may be requisite for altering valuation lists in consequence of any event whereby premises cease to be within the exemption from rating conferred by section eighty-five of the Act of 1948 or by subsection (2) of section six of the Act of 1955:

Provided that this subsection shall not apply where premises cease to be within either of the said exemptions by virtue of the coming into operation of section ten or thirteen of this Act.

#### *Transitional adjustments*

### **15 Adjustments transitional on coming into effect of Part I**

- (1) For the years to which this section applies, contributions shall be made as hereinafter provided to or by rating authorities in respect of the loss or gain to them accruing from the coming into operation of the foregoing provisions of this Part of this Act other than section eight thereof.
- (2) For the purposes of this section the loss or gain accruing to a rating authority as aforesaid shall be ascertained in accordance with regulations made by the Minister, and such regulations shall provide that it shall be ascertained, on such assumptions as may be specified in the regulations, by reference to the rate required to be levied for the year 1957-58, to the rate which would have been required to be levied for that year if the foregoing provisions of this Part of this Act (other than section eight thereof) had been in force for that year, and to the product for the area of the rating authority of a rate of one penny in the pound for that year, estimated as if the said provisions had been in force for that year, but with any exceptions or modifications specified in the regulations.
- (3) This section applies to the years 1959-60 and 1960-61 and such number of subsequent years as may be specified by regulations under this section.
- (4) The amount of the contribution to a rating authority for the first year to which this section applies shall be the amount of the loss accruing to the authority as ascertained

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under this section, for the second year to which this section applies shall be nine-tenths of that loss, and for any subsequent year to which this section applies shall be such fraction of that loss as may be provided in relation to that year by regulations under this section.

- (5) The amount of the contributions for any year by rating authorities shall be such as in the aggregate to equal the amount of the contributions for that year to rating authorities, and the amount of the contribution by each rating authority shall be proportional to the gain accruing to the authority as ascertained under this section.
- (6) Contributions under this section to or by county borough councils or the Council of the Isles of Scilly shall be made by additions to or deductions from the general grants payable under this Part of this Act
- (7) Contributions to or by other rating authorities shall be made by adjustments, in accordance with directions of the Minister, of the amounts due under precepts made on them by county councils, and the Minister shall make corresponding adjustments of the general grants payable under this Part of this Act to county councils.
- (8) Contributions under this section made to or by a local authority shall be disregarded in ascertaining the expenditure of the authority for the purposes of section five of this Act.
- (9) Regulations under this section may contain such provisions as appear to the Minister necessary or expedient for the purposes of this section in consequence of any changes in the area, status or functions of local authorities.
- (10) Regulations of the Minister under this section may impose on local authorities requirements to furnish estimates and other information appearing to the Minister necessary for the purposes of this section, including requirements as to the time at which and form in which the information is to be furnished.
- (11) Regulations under this section shall not have effect until approved by a resolution of the Commons House of Parliament.

### *Supplementary*

## **16 Supplementary provisions as to Part I**

- (1) This Part of this Act shall be construed as one with Part I of the Act of 1948:  
Provided that section one hundred and forty-two of that Act shall not apply to regulations and orders under this Part of this Act.
- (2) For the purposes of this Part of this Act the product of a rate of one penny in the pound for a county borough shall be ascertained in accordance with rules made by the Minister under this section.