



Local Government Act 1948

1948 CHAPTER 26

PART I

EXCHEQUER GRANTS AND OTHER FINANCIAL PROVISIONS (ENGLAND AND WALES).

Discontinued grants.

1 Termination of certain Exchequer Grants and of third fixed grant period.

Save as otherwise provided by this Part of this Act—

- (a) no Exchequer grant shall be payable under the Local Government Acts, 1929 to 1946, for the year 1948-49 or any subsequent year ; and
- (b) the third fixed grant period shall for the purposes of all enactments be terminated at the end of March, nineteen hundred and forty-eight.

Exchequer Grants to Counties and County Boroughs.

2 Exchequer Equalisation Grants to counties and county boroughs.

- (1) Where for the year 1948-49 or any subsequent year the rateable value for a county or county borough is less than the standard rateable value for that county or county borough (as denned by the subsequent provisions of this Part of this Act), there shall be paid out of moneys provided by Parliament, to the council of the county or county borough a grant equal to the relevant fraction (as so defined) of the amount of the difference.
- (2) The said difference is in the subsequent provisions of this Part of this Act referred to as the rateable value credited to the county or county borough.
- (3) Grants under this section are in the subsequent provisions of this Part of this Act referred to as "Exchequer Equalisation Grant's."

3 Meaning of " standard rateable value ".

- (1) The standard rateable value for a county or county borough for the purposes of the preceding provisions of this Part of this Act is the amount which bears to the weighted population of that county or county borough for the year in question the same proportion as the sum which is to be taken for the purposes of this subsection as the rateable value for England and Wales for that year bears to the aggregate of the weighted populations of all the counties and county boroughs in England and Wales for that year.
- (2) In this section, the expression " the weighted population " in relation to a county or county borough means the population thereof plus the number of children under fifteen years of age therein and, in the case of a county the population whereof divided by the road-mileage thereof is less than seventy, plus also one-third of the additional population needed in order that the population thereof divided by the road-mileage thereof should be seventy.
- (3) The sum which is to be taken for the purposes of subsection (1) of this section as the rateable value for England and Wales for any year is the rateable value for England and Wales for that year, increased, in the case of any year subsequent to the year 1948-49, to such extent, if any, as the Minister may direct in relation to that subsequent year.
- (4) The power conferred on the Minister by the last preceding subsection to direct such increases as are therein referred to shall, as respects any year, be used for the purpose and only for the purpose of securing that the proportion which the aggregate of the rateable values credited to all the counties and county boroughs in England and Wales bears to the rateable value for England and Wales shall be as nearly as may be the same for that year as for the year 1948-49 ; but the Minister shall not use the said power as respects any year unless the effect of the use thereof would be to increase the aggregate of the rateable values credited to all counties and county boroughs in England and Wales for that year by at least one per cent.

4 Meaning of " the relevant fraction ".

- (1) The relevant fraction for a county or county borough for the purposes of the preceding provisions of this Part of this Act is the fraction arrived at by dividing the relevant local expenditure for the year in question by the sum of the following amounts, that is to say, the rateable value credited to the county or county borough for that year and the product of a rate of one pound in the pound for the county or county borough for that year.
- (2) In this section, the expression " the relevant local expenditure " means so much of the total expenditure for the year—
 - (a) in the case of a county, of the council of the county and of the other local authorities in the county ; and
 - (b) in the case of a county borough, of the council of the county borough,as would have to be met out of rates levied within the county or county borough if no Exchequer Grants under this Part of this Act and (so far as any such Grant is relevant to the year in question) no Exchequer Grants payable for any previous year under the Local Government Acts, 1929 to 1946, were payable, and if no grants had been made out of moneys provided by Parliament to local authorities by the Minister by way of special assistance in respect of their financial difficulties arising out of the war.

- (3) Where, by virtue of a precept or other instrument, not being a precept or instrument issued by a county council, any sum falls to be paid by a local authority to any other authority, the amount payable shall be treated for the purposes of subsection (2) of this section as expenditure of the first-mentioned authority.
- (4) The provisions of subsection (2) of this section shall, as respects the year 1948-49, have effect subject to the special provisions relating to Exchequer Grants for that year contained hereafter in this Part of this Act.

5 Exchequer Transitional Grants for first five years.

- (1) The Minister shall estimate in relation to each county and county borough in England and Wales the sums specified in subsections (2) and (3) of this section, being, in every case, sums estimated for the year 1947-48.
- (2) The Minister shall first estimate—
- (a) the aggregate of all Exchequer Grants payable under the Local Government Acts, 1929 to 1946, to the council of the county or county borough or, in the case of a county, to any other local authority in the county, less any contributions payable by the council of the county or county borough under section three of the Local Government (Financial Provisions) Act, 1937, section sixteen of the Old Age and Widows' Pensions Act, 1940, or section three of the Local Government (Financial Provisions) Act, 1946 ;
 - (b) the aggregate of the grants payable to the local education authority for the county or county borough by virtue of regulations under section one hundred or section one hundred and one of the Education Act, 1944, or, where a joint education board has been constituted for the county or county borough, of the proper proportion of any such grants payable to that board ; and
 - (c) the product of a rate of sixpence in the pound for the county or county borough.
- (3) The Minister shall then estimate—
- (a) the aggregate of so much of the expenditure incurred by the council of the county or county borough or, in the case of a county, by any other local authority in the county, in—
 - (i) providing services which it will be the duty of the Minister to provide under Part II of the National Health Service Act, 1946 ; and
 - (ii) performing any functions falling to be discontinued by virtue of any Act of the present Session terminating the existing poor law,
 as would have had to be met out of rates levied in the county or county borough if no Exchequer Grants under the Local Government Acts, 1929 to 1946, and no contributions under section three of the Local Government (Financial Provisions) Act, 1937, section sixteen of the Old Age and Widows' Pensions Act, 1940, or section three of the Local Government (Financial Provisions) Act, 1946, had been payable ;
 - (b) the sum which would have been the aggregate mentioned in paragraph (b) of subsection (2) of this section if for the regulations under the enactments mentioned in that paragraph there had been substituted the provisions of such regulations made thereunder as determined the grants payable for the year 1948-49 ;
 - (c) the Exchequer Equalisation Grant, if any, which would have been payable to the council of the county or county borough if—

Status: This is the original version (as it was originally enacted).

- (i) this Part of this Act had applied to the year 1947-48 as it applies to the year 1947-48 and the third fixed grant period had been terminated thereby at the end of March nineteen hundred and forty-seven ; and
- (ii) the sum estimated under paragraph (b) of this subsection had been payable under section one hundred and section: one hundred and one of the Education Act, 1944, in lieu of the sums mentioned in paragraph (b) of subsection (2) of this section ; and
- (iii) the first day of April, nineteen hundred and forty-seven had been both the appointed day for the purposes of Part II of the National Health Service Act, 1946, and the day' appointed for the discontinuance of the functions falling to be discontinued by virtue of any Act of the present Session terminating the existing poor law, and the expenditure of the council of the county or county borough and, in the case of a county, of all other local authorities in the county, had been diminished accordingly.

Where, by virtue of a precept or other instrument, not being a precept or instrument issued by a county council, any sum falls to be paid by a local authority to any other authority in respect of the expenditure of that other authority in providing any services or performing any functions, the amount payable shall be treated for the purposes of this subsection as expenditure of the first-mentioned authority incurred by them in providing those services or performing those functions.

- (4) If for any county or county borough the total of the sums estimated by the Minister under subsection (2) of this section exceeds the total of the sums so estimated under subsection (3) thereof, there shall be payable out of moneys provided by Parliament to the council of the county or county borough grants for the year 1948-49 and each of the four following years.
- (5) The amount of the grant for the year 1948-49 shall be the amount of the said excess and the amounts of the grants for the four following years shall be respectively four-fifths, three-fifths, two-fifths and one-fifth of the amount of the said excess.
- (6) Grants under this section are in the subsequent provisions of this Part of this Act referred to as " Exchequer Transitional Grants ".

6 Power to reduce Exchequer Grants.

- (1) The Minister may, subject to the provisions of this section, reduce any Exchequer Equalisation Grant or Exchequer Transitional Grant payable to a council by such amount as he thinks just, if—
 - (a) he is satisfied, either upon representations made to him or without any such representations, that the council have failed to achieve or maintain a reasonable standard of efficiency and progress in the discharge of their functions, regard being had to the standards maintained in other areas ; or
 - (b) he is satisfied that the expenditure of the council has been excessive and unreasonable, regard being had to the financial resources and other relevant circumstances of the area.
- (2) Before reducing any grant by virtue of this section, the Minister shall make and cause to be laid before Parliament a report stating the amount of the reduction, and the reasons therefor, and he shall not make the reduction until the said report is approved by a resolution of the Commons House of Parliament.

7 Provisions as to Health Service Exchequer Grants.

- (1) The amount of any grant payable out of moneys provided by Parliament under subsection (1) of section fifty-three of the National Health Service Act, 1946, to a local health authority shall, in lieu of being determined by regulations under the said subsection (1), be one-half of the expenditure in respect of which the grant is made.
- (2) The provisions of the last preceding section shall apply in relation to grants payable under the said section fifty-three as they apply in relation to Exchequer Equalisation Grants and Exchequer Transitional-Grants, subject to the following modifications, that is to say—
 - (a) the reference in paragraph (a) of subsection (1) of that section to the discharge of their functions by the council shall be construed as a reference to the discharge of their functions under the National Health Service Act, 1946, by the local health authority ; and
 - (b) the reference in paragraph (b) of the said subsection (1) to the expenditure of the council shall be construed as a reference to the expenditure of the local health authority under the said Act.

8 Power to pay council's contributions to voluntary associations out of sums payable as Exchequer Grants.

Upon application being made to the Minister by the council of any county or county borough requesting that the contributions of the council towards the expenses of any voluntary association having as its object the promotion of public health services should be paid directly to the association out of an Exchequer Equalisation Grant or an Exchequer Transitional Grant to the council, the Minister may pay such contributions accordingly, and any payment so made by him shall be deemed to be a payment to the council on account of the Grant.

Payments by county councils to local authorities in county.

9 Payments to county districts.

- (1) Before the beginning of the year 1948-49 and each subsequent year, the Minister shall estimate for the year in relation to every county district in England and Wales the amount following, that is to say, the amount which is equal to the fraction hereinafter specified of the aggregate of the Exchequer Equalisation Grants which will become payable for that year to the councils of counties in England and Wales outside London, and the council of each county shall pay to the council of each county district in the county the amount so estimated by the Minister in relation to that district.
- (2) The said fraction is—
 - (a) in the case of any county district other than a rural district, one-half of the population of the county district; and
 - (b) in the case of a rural district, one-quarter of the population of the rural district, divided, in any case, by the aggregate of the population of all counties in England and Wales outside London.
- (3) Any payment under this section may, if the councils concerned so agree, be effected in whole or in part by making the appropriate deduction from the amount due under a precept.

10 Payments to metropolitan boroughs.

- (1) In the year 1948-49 and every subsequent year, the London County Council shall pay to the councils of the metropolitan boroughs mentioned in subsection (2) of this section such sums as may be prescribed in relation to those boroughs respectively by a scheme to be made by the Minister after consultation with the London County Council, the Common Council of the City of London and any association or committee which appears to the Minister to be representative of metropolitan borough councils.
- (2) The metropolitan boroughs to the councils of which payments are to be made under subsection (1) of this section are the boroughs the rateable values for which are less than the standard rateable value as denned by the scheme.
- (3) Any payment under a scheme made under this section shall, if the scheme so provides, be effected in whole or in part by making the appropriate deduction from the amount due under a precept.
- (4) Any scheme under this section may be revoked or varied by any subsequent scheme made in like manner as the original scheme.
- (5) No reduction or increase in the amount to be contributed by a separately rated area in London towards the amount required to be levied by rate for general county purposes shall be made for the year 1948-49 or any subsequent year by virtue of section one hundred of the Local Government Act, 1929, or of any scheme under section seven of the Local Government (Financial Provisions) Act, 1937.

Miscellaneous.

11 Discontinuance of burden payments on changes of boundary.

No provision shall be made for any payment to a local authority under paragraph (b) of subsection (1) of section one hundred and fifty-two of the Local Government Act, 1933, either as originally enacted, or as applied by any subsequent enactment, in respect of any increase of burden due to an alteration of boundaries or other change taking place after the end of the year 1947-48.

12 Continuation of third fixed grant period for certain purposes.

- (1) This section shall have effect as respects the following enactments (which contain financial provisions relating to the third fixed grant period), that is to say—
 - (a) section ninety-three of the Local Government Act, 1929, (which provides for schemes for increasing the sum to be set aside out of a county apportionment in respect of a district the council of which has established a maternity and child welfare committee) ;
 - (b) sections one hundred and one and one hundred and two of the said Act (which provide for schemes for the payment of contributions by the councils of counties or county boroughs to voluntary associations or to the King Edward the Seventh Welsh National Memorial Association in respect of maternity and child welfare and other health services) ;
 - (c) section four of the Midwives Act, 1936, and section two of the Cancer Act, 1939, (under which Exchequer grants are payable in respect of expenditure imposed by those Acts).

- (2) Notwithstanding the preceding provisions of this Part of this Act, the third fixed grant period shall not for the purposes of any of the said enactments be deemed to have terminated until immediately before the day which is the appointed day for the purposes of Part II of the National Health Service Act, 1946, and payments shall be made accordingly ; and, without prejudice to the generality of the preceding words, payments shall be made under schemes made under section ninety-three of the Local Government Act, 1929, as if there had continued to be county apportionments :

Provided that any sum payable by the Minister by virtue of this section under any such scheme as is mentioned in paragraph (a) or paragraph (b) of subsection (1) of this section shall be paid by him out of the Exchequer Transitional Grant or Exchequer Equalisation Grant, if any, of the county or county borough council in question for the year 1948-49 and, in so far as it cannot be so paid, shall be paid out of moneys to be paid to the Minister by that council.

- (3) If the date on which any of the said enactments ceases to be in force (either by virtue of an Order in Council fixing an appointed day under the National Health Service Act, 1946, or of any Act of the present Session terminating the existing poor law) is a date before the end of the year 1948-49, the enactment in question and any relevant scheme made thereunder shall have effect so as to require the sum to be set aside or paid for the said year under that enactment or scheme to be the appropriate fraction of the estimated amount which would have been so set aside or paid if the said enactment had continued in force for the whole of the said year.

The appropriate fraction is the number of days in the period beginning with the first day of the said year and ending immediately before the date on which the enactment ceases to be in force divided by three hundred and sixty-five.

- (4) Any scheme made under any of the enactments, mentioned in paragraph (a) or paragraph (b) of subsection (1) of this section which, by virtue of this section, continues in operation on or after the first day of April, nineteen hundred and forty-eight, may be altered or revoked by a subsequent scheme made at any time between that date and the date when the enactment in question ceases to be in force as aforesaid.

13 Special provisions as to Exchequer Grants for 1948-49.

- (1) The provisions of this section shall have effect if the appointed day for the purposes of Part II of the National Health Service Act, 1946, is after the beginning of, but within, the year 1948-49.
- (2) The Minister shall ascertain, in relation to every county and county borough in England and Wales, the total amount of the Exchequer Grants payable under the Local Government Acts, 1929 to 1946—
- (a) in the case of a county, to the council of the county or to any other local authority in the county ;
 - (b) in the case of a county borough, to the council of the county borough, for the year 1947-48.
- (3) The Minister shall then ascertain, in relation to each such county and county borough as aforesaid, the amount of the contributions payable under section three of the Local Government (Financial Provisions) Act, 1937, section sixteen of the Old Age and Widows' Pensions Act, 1940, and section three of the Local Government (Financial

Provisions) Act, 1946, by the council of the county or county borough for the year 1947-48.

- (4) There shall be paid out of moneys provided by Parliament to each such county or county borough as aforesaid such sum as bears to the excess of the amount estimated under subsection (2) of this section in relation to the county or county borough over the amount estimated under subsection (3) of this section in relation thereto the like proportion as the number of days in the part of the year 1948-49 which precedes the appointed day for the purposes of Part II of the National Health Service Act, 1946 bears to the number of days in the whole of that year.
- (5) The amounts paid under the last preceding subsection shall be paid in addition to any sum otherwise payable by way of Exchequer Equalisation Grant, for the year 1948-49 but shall, subject to the provisions of the two succeeding subsections, be treated for the purposes of this Part of this Act as, or, as the case may be, as part of, the Exchequer Equalisation Grant to the council in question for that year, and references in this Part of this Act to Exchequer Equalisation Grants shall be construed accordingly.
- (6) In computing the amount of the Exchequer Equalisation Grant falling to be made apart from the preceding provisions of this section to any council for the year 1948-49, the relevant fraction for that council shall be ascertained as if the relevant local expenditure were diminished by the amount payable under subsection (4) of this section.
- (7) In computing the amounts of the Exchequer Transitional Grants, the amounts payable under subsection (4) of this section shall be left out of account.

14 Investigation into working of provisions as to amount of payments to local authorities under Part I.

- (1) In the year in which the first new valuation lists under Part III of this Act come into force and every fifth subsequent year, the Minister shall, in 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, cause investigations to be made into the working of this Part of this Act (due regard being had, amongst other things, to the sums falling to be paid to local authorities under Part V of this Act).
- (2) The Minister shall cause a report of the result of any investigation under this section to be laid before Parliament.

15 Supplemental provisions as to Part I.

- (1) The Minister may make regulations for carrying this Part of this Act into effect and in particular—
 - (a) for determining the manner in which, subject to the express provisions of this Part of this Act, any calculation or estimate is to be made for any of the purposes of this Part of this Act and, in particular, for determining—
 - (i) the authority or person by or to whom any information required for the said purposes is to be given and the time at which and the form in which it is to be given ;
 - (ii) the adjustments to be made for any abnormal treatment of income or expenditure in accounts ;

- (b) for determining the times at which payments in respect of Exchequer Equalisation Grants and Exchequer Transitional Grants and payments by local authorities under this-Part of this Act are to be made ;
- (c) for providing that the calculations or estimates by reference to which any payments or grants are made may be treated as either conclusive or provisional or conclusive for some purposes and provisional for other purposes and, in so far as they are treated as provisional, for the making of further calculations or estimates based on information not previously available and for adjusting, in the light thereof, any payments or grants already made;
- (d) for modifying the operation of this Part of this Act in relation to any authority if and in so far as any such modification, is required in relation to that authority in consequence of any alterations or combinations of authorities or alterations of boundaries :

Provided that regulations shall not be made under paragraph (b) of this subsection with respect to Exchequer Equalisation Grants or Exchequer Transitional Grants except with the consent of the Treasury.

- (2) The population of an area and the number of children under fifteen years of age in an area shall be calculated for the purposes of this Part of this Act by reference to estimates of the Registrar-General of Births, Deaths and Marriages, and the road-mileage of an area shall be taken for the purposes of this Part of this Act to be the total mileage of highways in that area repairable by the inhabitants at large as estimated by the Minister of Transport.

16 Extent of Part I.

This Part of this Act shall not extend to Scotland.