



## 2011 CHAPTER 10

### PART 2

#### GRANTS TO COUNCILS

##### **De-rating grant**

**26.—**(1) The Department shall for each financial year make a grant under this section to councils (unless in any particular case the amount of the grant would be nil).

(2) In this section “the de-rating grant” means the grant made under this section for any financial year.

(3) The amount of a de-rating grant shall be an amount equal to the difference between—

- (a) the amount of the product of the district rate for that year (within the meaning of the [Rates \(Northern Ireland\) Order 1977 \(NI 28\)](#)); and
- (b) the amount which, but for the provisions of Articles 31B and 42 of, and paragraph 4 of Schedule 7 to, that Order, would have been the amount of that product.

(4) Subsection (3) is subject to section 28 (reductions in grants).

(5) Payments in respect of the de-rating grant shall be made to a council at such times as the Department may determine.

##### **Rates support grant**

**27.—**(1) The Department shall for each financial year make a grant under this section to councils (unless in any particular case the amount of the grant would be nil).

(2) In this section “the rates support grant” means the grant made under this section for any financial year.

(3) The amount of the rates support grant payable to a council for any financial year shall be determined in accordance with regulations and shall not be reduced during the financial year in question.

(4) Subsection (3) is subject to section 28 (reductions in grants).

(5) Regulations under this section may in particular make provision—

(a) for the amount of the rates support grant to be calculated by reference to a formula;

(b) for determining the manner in which and time at which that calculation is to be made.

(6) The formula may be such that the amount payable is nil.

(7) For the purposes of this section “formula” includes methods, principles and rules of any description.

(8) Regulations under this section may contain any provision for a person to exercise a discretion in dealing with any matter which the Department considers appropriate.

(9) Regulations shall not be made under this section unless a draft of the regulations has been laid before, and approved by a resolution of, the Assembly.

(10) A council shall give the Department such information for the purpose of the calculation mentioned in subsection (5), at such time and in such form as the Department may determine.

(11) Payments in respect of the rates support grant shall be made to a council at such times as the Department may determine.

### **Reductions in grants under section 26 or 27**

**28.—**(1) Subsection (2) applies where the Department is satisfied, from information contained in a relevant report relating to a council, that as regards any financial year—

(a) the council has failed to achieve or maintain a reasonable standard of economy, efficiency and effectiveness in the discharge of its functions, or

(b) the expenditure of the council has been excessive having regard to the council’s financial resources and other circumstances relevant to the council.

(2) Where this subsection applies, the Department shall prepare and lay before the Assembly—

(a) a draft order providing that, in such financial year as is specified in the order (or in each of such financial years as are so specified), the amount of any grants payable to the council under section 26 or 27 shall be reduced

by such amount as is so specified (or is so specified in relation to that year); and

- (b) a document setting out—
  - (i) the reasons for making any reduction specified in the order; and
  - (ii) such details of the relevant report as the Department thinks appropriate.

(3) If the draft order laid before the Assembly under subsection (2)(a) is approved by resolution of the Assembly, the Department shall make the order in the same terms as the draft.

(4) If that draft order is not so approved, the Department may prepare and lay before the Assembly a new draft order and document complying with subsection (2), and subsection (3) and this subsection apply in relation to that draft order as they apply in relation to the original draft order.

(5) In subsections (1) and (2) “relevant report” means a report made by a local government auditor under Part 2 of the [Local Government \(Northern Ireland\) Order 2005 \(NI 18\)](#).

- (6) The Department may—
  - (a) defray any expenditure incurred in any financial year in the provision of services for a council by a body specified in regulations; and
  - (b) deduct from the amount of any grant payable under section 26 or 27 to the council for that year such amount (not exceeding the total of the expenditure so defrayed) as the Department considers appropriate.

(7) Before exercising its powers under subsection (6) the Department shall consult councils and—

- (a) such associations representative of councils;
- (b) such associations representative of officers of councils; and
- (c) such other persons or bodies,

as appear to the Department to be appropriate.

### **Other grants to councils**

**29.—**(1) The Department or any other Northern Ireland department may, in respect of a financial year, make grants to councils for such purposes and of such amounts and subject to such conditions as that department may determine.

(2) Grants shall not be made under this section without the consent of the Department of Finance and Personnel.

**Payments due by councils to departments, etc.**

**30.** Where the payment of any sum by a council is required to comply with any statutory provision and is due—

- (a) to a Northern Ireland department or public body; or
- (b) to the Consolidated Fund; or
- (c) to any public fund under the control of a Northern Ireland department or public body,

the amount of the sum may be abated from any grant (or contribution) payable to the council out of money appropriated by Act of the Assembly.