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STATUTORY INSTRUMENTS

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**2002 No. 3149**

**The Local Government (Miscellaneous Provisions) (Northern Ireland) Order 2002**

*Grants to district councils*

**The general grant to district councils**

3.—(1) The Department shall for each financial year make grants (“general grants”) to district councils.

(2) Subject to any reduction under Article 6, the general grant payable to a council for any financial year shall consist of –

- (a) a resources element, determined under Article 4; and
- (b) a de-rating element, determined under Article 5.

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

**Determination of the resources element**

4.—(1) The amount of the resources element of the general grant payable to a district council for any financial year shall be determined in accordance with regulations.

(2) Regulations under this Article may in particular make provision –

- (a) for the amount mentioned in that paragraph to be calculated by reference to a formula;
- (b) for determining the manner in which and time at which such calculation is to be made;
- (c) for determining the person by or to whom any information required for the purpose of that calculation is to be given and the time at which and form in which it is to be given.

(3) The formula may be such that the amount of the resources element payable to a council is nil.

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

(5) Regulations under this Article may contain –

- (a) any supplementary, incidental or consequential provision,
- (b) any transitional or saving provision,
- (c) any provision for a person to exercise a discretion in dealing with any matter,

which the Department considers appropriate.

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

(7) Before making any regulations under this Article the Department shall consult –

- (a) such district councils; and
- (b) such other interested bodies or persons,

as the Department considers appropriate.

### **Determination of the derating element**

5. The amount of the derating element of the general grant payable to a district council for any financial year is 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 Article 31B and 42 of, and paragraph 4 of Schedule 7, to that Order, would have been the amount of that product.

### **Reductions in general grant**

6.—(1) Paragraph (2) applies where the Department is satisfied, from information contained in a relevant report relating to a district 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 paragraph 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 general grant payable to the council 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 paragraph (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 paragraph (2) and paragraph (3) and this paragraph apply in relation to that draft order as they apply in relation to the original draft order.

(5) In paragraphs (1) and (2) “relevant report” means a report made by a local government auditor under section 80, 88 or 89A of the Local Government Act (Northern Ireland) 1972 (c. 9).

(6) The Department may –

- (a) defray any expenditure incurred in any financial year in the provision of services for a district council by a body specified in regulations; and
- (b) deduct from the amount of any general grant payable 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 paragraph (6) the Department shall consult –

- (a) such district councils, and
- (b) such other interested bodies or persons,

as the Department considers appropriate

(8) Regulations under paragraph (6) shall be subject to negative resolution.

**Other grants to councils**

7.—(1) The Department may, in respect of a financial year, make grants to district councils for such other purposes as may be determined by the Department.

(2) A grant to a council under this Article shall be –

- (a) of such amount, and
- (b) made subject to such conditions,

as the Department may determine.

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