



Rate Support Grants Act 1986

1986 CHAPTER 54

An Act to validate certain block grant determinations already approved by the House of Commons; and to clarify and amend the law relating to rate support grants. [21st October 1986]

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 Validation of approved block grant determinations.

The enactments relating to determinations under section 59 of the Local Government, Planning and Land Act 1980 (adjustment of block grant by use of multipliers) shall be deemed to have been complied with in the case of all determinations made or purporting to be made under that section and specified in Rate Support Grant Reports or supplementary reports approved by the House of Commons on or before 21st January 1986.

2 Adjustment of block grant to limit effects of changes.

- (1) As respects determinations made under section 59 of the said Act of 1980 after the passing of this Act the following provisions shall have effect instead of subsection (6) (a) of that section and section 8(3)(a) of the Local Government Finance Act 1982.
 - (a) the amount of block grant payable to a local authority for any year; or
 - (b) the contribution made or to be made by ratepayers in any year to the expenditure of the local authorities exercising functions in their area, of any difference or differences between that year and the previous year in any of the matters relevant to the calculation of block grant.
- (2) The power conferred by section 59(1) may be exercised for title purpose of limiting or avoiding the effect on—
 - (a) the amount of block grant payable to a local authority for any year; or
 - (b) the contribution made or to be made by ratepayers in any year to the expenditure of the local authorities exercising functions in their area, of any difference or differences between that year and the previous year in any of the matters relevant to the calculation of block grant.

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- (3) The power may be exercised for the purpose mentioned in subsection (2) above in respect of such difference or differences and, in the case of a limitation, to such extent as the Secretary of State thinks desirable ; but he shall not exercise the power for that purpose so as to decrease the amount of block grant payable to a local authority for any year unless he is satisfied that it is necessary to do so in order to prevent the difference in question having an unreasonable effect on the way in which block grant for that year is distributed or on the contribution made or to be made by ratepayers in that year to the expenditure of local authorities.
- (4) Where the Secretary of State decides to exercise the power for the purpose mentioned in subsection (2) above in respect of any difference, the effect that the difference would have had shall be calculated, and any limit imposed by him shall be determined, in such manner as he thinks appropriate.

3 Other rate support grant amendments.

- (1) Part VI of the Local Government, Planning and Land Act 1980 and Part II of and Schedule 2 to the Local Government Finance Act 1982 shall have effect with the amendments specified in Schedule 1 to this Act, being amendments for clarifying and amending the provisions relating to rate support grants and amendments consequential on section 2 above.
- (2) Those amendments shall have effect in relation to any exercise after the passing of this Act of the powers conferred by those provisions in relation to any year beginning on or after 1st April 1982 except that the amendments in paragraphs 1, 2, 3, 8,9, 11 and 12 shall be deemed always to have had effect.

4 Short title, interpretation, repeals, and extent.

- (1) This Act may be cited as the Rate Support Grants Act 1986.
- (2) In sections 1 and 2 above references to section 59 of the said Act of 1980 include references to paragraph 5(1) of Schedule 2 to the Local Government Finance Act 1982 (which makes corresponding provision for the Receiver for the Metropolitan Police District) and in section 2 above " local authority " means any body (including the Receiver) which is a local authority for the purposes of Part VI of the said Act 1980 and " year " has the same meaning as in that Part.
- (3) The enactments mentioned in Schedule 2 to this Act are hereby repealed to the extent specified in the third column of that Schedule.
- (4) This Act extends to England and Wales only.

SCHEDULES

SCHEDULE 1

Section 3.

AMENDMENTS

Determination of grant-related poundages

- 1 (1) Section 57 of the Local Government, Planning and Land Act 1980 shall be amended as follows.
- (2) For subsection (1) there shall be substituted—
- “(1) A local authority's grant-related poundage shall be calculated and their grant-related expenditure shall be determined by the Secretary of State in accordance with principles to be applied to all local authorities or to all local authorities belonging to the appropriate class”.
- (3) In subsection (2) for the words " the principles on which the grant-related poundage and the grant-related expenditure are determined " there shall be substituted the words " the principles on which the grant-related poundage is calculated and the grant-related expenditure is determined ".
- 2 After section 61(6) of the said Act of 1980 there shall be inserted—
- “(6A) A supplementary report may specify fresh principles for the calculation of a grant-related poundage in place of those specified in the Rate Support Grant Report and in that event that poundage shall be re-calculated on the fresh principles.”
- 3 (1) In paragraph 1(1) of Schedule 2 to the Local Government Finance Act 1982, in the definition of "Receiver's grant-related poundage" for the word " determined " there shall be substituted the word " calculated ".
- (2) In paragraph 5(2)(b) of that Schedule for the words ' any fresh determination of his grant-related poundage' there shall be substituted the words " any re-calculation of his grant-related poundage on fresh principles specified ".

Multipliers

- 4 (1) Section 59 of the said Act of 1980 shall be amended as follows.
- (2) In subsection (5)(b) for the words " in paragraphs (a) to (d) of subsection (6) below " there shall be substituted the words " in paragraphs (b) to (d) of subsection (6) below or in section 2(2) of the Rate Support Grants Act 1986 ".
- (3) Subsection (6)(a) shall be omitted.
- (4) After subsection (6) there shall be inserted—
- “(6A) A multiplier may be subject to a maximum determined by the Secretary of State.”

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- (5) In subsection (11) for paragraph (c) there shall be substituted—
 “(c) as if paragraph (e) referred to two classes, namely—
 (i) councils of inner London boroughs ; and
 (ii) councils of outer London boroughs ;”.
- 5 In section 8(3) of the said Act of 1982 paragraph (a) shall be omitted and in paragraph (b) for the words " that subsection " there shall be substituted the words " subsection (6) of that section ".
- 6 In paragraph 5(2) of Schedule 2 to the said Act of 1982 for the words from the beginning to " paragraph (c) or (d) of that subsection" there shall be substituted the words
 “In paragraph (b) of subsection (6) of section 59 of the principal Act references to ' a local authority shall include references to the Receiver and the power conferred by this paragraph may only be exercised—
 (a) for the purposes specified in paragraph (b), (c) or (d) of that subsection or in section 2(2) of the Rate Support Grants Act 1986 ;”.
- 7 After paragraph 5(2) of Schedule 2 to the said Act of 1982 there shall be inserted—
 “(2A) A multiplier determined under this paragraph may be subject to a maximum determined by the Secretary of State.”

Explanation of determinations in rate support grant reports

- 8 (1) In section 60(6)(b) of the said Act of 1980 for the words " the considerations leading the Secretary of State to make any such determination " there shall be substituted the words "such explanation as the Secretary of State thinks desirable of the main features of any such determination ".
- (2) In section 61(6) of that Act for the words " the considerations leading to them " there shall be substituted the words " such explanation as the Secretary of State thinks desirable of their main features ".
- 9 In section 8(9)(b) of the said Act of 1982 for the words " the considerations leading the Secretary of State to make the determination " there shall be substituted the words " such explanation as the Secretary of State thinks desirable of the main features of the determination. "

Supplementary reports

- 10 After section 61(4) of the said Act of 1980 there shall be inserted—
 “(4A) The Secretary of State shall not in a supplementary report vary a multiplier so far as previously determined for the purpose specified in section 2(2) of the Rate Support Grants Act 1986 (or previously determined or purported to be determined for the purpose specified in section 59(6Xa) above) unless he is satisfied that the variation is required in consequence of the principles specified by him in relation to the original determination not having been correctly applied to it on the basis of the information available to him when it was made.”

Adjustments for matching amount available for block grant

11 For section 62 of the said Act of 1980 there shall be substituted—

“62 Adjustments for matching amount available for block grant.

(1) Where at any time after a Rate Support Grant Report or supplementary report for any year has been approved by the House of Commons it appears to the Secretary of State from information as to the expenditure incurred or to be incurred by local authorities during that year that the aggregate amount of block grant to which local authorities would be entitled in accordance with the report, or any previous adjustment under this section, differs from the aggregate amount available for that grant in that year he may adjust the amount payable to each authority (whether by increasing or reducing it) so as to reconcile those aggregate amounts.

(2) An adjustment under this section may be made either—

- (a) so that the amount payable to an authority is adjusted in the same ratio as the aggregate amounts mentioned in subsection (1) above bear to one another ; or
- (b) in accordance with principles applicable to all local authorities or to all local authorities belonging to the appropriate class and specified in the report mentioned in that subsection.”

12 Paragraph 8(2) of Schedule 2 to the said Act of 1982 shall be omitted.

Submission of information

13 (1) Section 65 of the said Act of 1980 shall be amended as follows.

(2) In subsection (1) before the words " by such date as he may specify " there shall be inserted the words " in such form and " and after the words " sections 53 to 63 above " there shall be inserted the words " and section 2 of the Rate Support Grants Act 1986 ".

(3) After subsection (2) there shall be inserted—

“(3) Where no or no sufficient information as to the expenditure incurred or to be incurred by a local authority during any year has been submitted to the Secretary of State, whether under subsection (1) above or otherwise, he may for the purpose of making a supplementary report, an adjustment under section 62 above or an estimate under section 66(1) below make such assumptions as to that expenditure as he thinks appropriate; and where any information as to that expenditure is submitted to him under subsection (1) above after the date specified by him, or otherwise than under that subsection, he may for any of those purposes disregard it if he considers that it is not reasonably practicable to take it into account for that purpose.”

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SCHEDULE 2

Section 4(3).

REPEALS

<i>Chapter</i>	<i>Short Title</i>	<i>Extent of Repeal</i>
1980 c. 65.	The Local Government, Planning and Land Act 1980.	Section 59(6)(a).
1982 c. 32.	The Local Government Finance Act 1982.	Section 8(3)(a). In Schedule 2, paragraph 8(2).
1985 c. 51.	The Local Government Act 1985.	Section 69(5)(a). Section 80(1).