

SCHEDULES

SCHEDULE 10

LOCAL GOVERNMENT FINANCE: ENGLAND AND WALES

PART II

GRANTS

8 In section 76 of the 1988 Act (interpretation), for subsections (2) and (3) there shall be substituted the following subsection—

“(2) A receiving authority is any billing authority or major precepting authority.”

9 In section 78 of the 1988 Act (revenue support grant), subsections (6) and (7) shall cease to have effect.

10 After section 78 of the 1988 Act there shall be inserted the following section—

“78A Local government finance reports

(1) A determination under section 78 above shall be specified in a report (to be called a local government finance report).

(2) A local government finance report shall also specify the basis (the basis of distribution) on which the Secretary of State proposes to distribute among receiving authorities the amount of revenue support grant which under this Part falls to be paid to such authorities for the financial year to which the report relates (the financial year concerned).

(3) Before making the report the Secretary of State shall notify to such representatives of local government as appear to him to be appropriate the general nature of the basis of distribution.

(4) The report shall be laid before the House of Commons.

(5) As soon as is reasonably practicable after the report is laid before the House of Commons, the Secretary of State shall send a copy of it to each receiving authority.”

11 (1) In subsection (1) of section 79 of the 1988 Act (effect of report’s approval), for the words “section 78” there shall be substituted the words “sections 78 and 78A”.

(2) In subsection (4) of that section, for the words “sections 80 to 83 below or sections 80 to 84 below (as the case may be)” there shall be substituted the words “sections 82 and 83 below”.

12 Sections 80 and 81 of the 1988 Act (distribution reports and their effect) shall cease to have effect.

13 For section 82 of the 1988 Act there shall be substituted the following section—

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“82 Calculation of sums payable

- (1) As soon as is reasonably practicable after a local government finance report for a financial year has been approved by resolution of the House of Commons, the Secretary of State shall calculate what sum, if any, falls to be paid to each receiving authority by way of revenue support grant for the year in accordance with the basis of distribution specified in the report as so approved.
- (2) Subject to subsection (3) below, after making a calculation under subsection (1) above the Secretary of State may, at any time before the end of the financial year following the financial year concerned, make one further calculation of what sum, if any, falls to be paid to each receiving authority by way of revenue support grant for the year in accordance with the basis of distribution so specified.
- (3) The power to make a calculation under subsection (2) above shall not be exercisable after the approval by resolution of the House of Commons of any amending report made under section 84A below in relation to the local government finance report.
- (4) If the Secretary of State decides that he will leave out of account information received by him after a particular date in making a calculation under subsection (1) or (2) above the calculation shall be made accordingly, and he may decide different dates for different kinds of information.
- (5) Subsection (4) above applies only if the Secretary of State informs each receiving authority in writing of his decision and of the date (or the dates and kinds of information) concerned; but he may do this at any time before the calculation is made under this section (whether before or after a determination is made for the year under section 78 above).
- (6) As soon as is reasonably practicable after making a calculation under subsection (1) or (2) above the Secretary of State shall, subject to subsection (7) below, inform each receiving authority of the sum he calculates falls to be paid to it by way of revenue support grant for the year.
- (7) If the Secretary of State calculates in the case of a particular receiving authority that no sum falls to be paid to it as mentioned in subsection (6) above, he shall inform the receiving authority of that fact.”

14 Section 84 of the 1988 Act (special provision for transitional years) shall cease to have effect.

15 Immediately before section 85 of the 1988 Act there shall be inserted the following sections—

“Revenue support grant: amending reports

84A Amending reports

- (1) Subject to subsection (6) below, after a local government finance report has been made the Secretary of State may, at any time before the end of the

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financial year following the financial year concerned, make in relation to the report one or more amending reports under this section.

- (2) An amending report under this section shall contain amendments to the basis of distribution specified in the local government finance report.
- (3) Before making the report the Secretary of State shall notify to such representatives of local government as appear to him to be appropriate the general nature of the amendments which he proposes to make.
- (4) The report shall be laid before the House of Commons.
- (5) As soon as is reasonably practicable after the report is laid before the House of Commons, the Secretary of State shall send a copy of it to each receiving authority.
- (6) Where an amending report under this section has been approved by resolution of the House of Commons, the Secretary of State may not make a subsequent amending report under this section in relation to the same local government finance report.

84B Calculation of sums payable under amending reports

- (1) As soon as is reasonably practicable after an amending report made under section 84A above has been approved by resolution of the House of Commons, the Secretary of State shall calculate what sum, if any, falls to be paid to each receiving authority by way of revenue support grant for the financial year concerned in accordance with the basis of distribution specified in the local government finance report as amended by the amending report.
- (2) Subject to subsection (3) below, after making a calculation under subsection (1) above the Secretary of State may make one further calculation of what sum, if any, falls to be paid to each receiving authority by way of revenue support grant for the year in accordance with that basis of distribution.
- (3) A calculation may not be made under subsection (2) above after whichever is the later of—
 - (a) the end of the financial year following the financial year concerned, and
 - (b) the end of the period of 3 months beginning with the day on which the amending report is approved by resolution of the House of Commons.
- (4) Subsections (4) to (7) of section 82 above apply in relation to calculations made under subsections (1) and (2) above as they apply in relation to calculations made under subsections (1) and (2) of that section.

84C Payment of sums under amending reports

- (1) This section applies where a calculation (the relevant calculation) is made under section 84B(1) or (2) above in relation to an amending report.

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- (2) Where the sum shown by the relevant calculation as falling to be paid to a receiving authority for the financial year concerned exceeds that shown as falling to be paid to it by the relevant previous calculation, the Secretary of State shall pay to the authority a sum equal to the difference.
 - (3) The sum shall be paid at such times, or in instalments of such amounts and at such times, as the Secretary of State determines with the Treasury’s consent; but any such time must fall after the end of the financial year in which the amending report was made.
 - (4) Where the sum shown by the relevant calculation as falling to be paid to a receiving authority for the financial year concerned is less than that shown as falling to be paid to it by the relevant previous calculation, a sum equal to the difference shall be paid by the authority to the Secretary of State.
 - (5) The sum shall be paid on such day after the end of the financial year in which the amending report was made as the Secretary of State may specify; and if it is not paid on or before that day it shall be recoverable in a court of competent jurisdiction.
 - (6) In this section “the relevant previous calculation” means—
 - (a) in relation to a calculation made under section 84B(1) above, the calculation under section 82(1) above or, where a further calculation has been made under section 82(2) above, that further calculation;
 - (b) in relation to a calculation made under section 84B(2) above, the calculation made under section 84B(1) above.”
- 16 (1) In subsection (1) of section 85 of the 1988 Act (additional grant), for the words “revenue support grant report” there shall be substituted the words “local government finance report”.
- (2) In subsection (7) of that section, for the words “notifiable authority” there shall be substituted the words “receiving authority”.
- 17 In section 86 of the 1988 Act (effect of report’s approval), subsections (4) to (6) shall cease to have effect.
- 18 For section 88A of the 1988 Act there shall be substituted the following sections—

“Other grants

88A Council tax grants

- (1) If regulations under section 13 of the Local Government Finance Act 1992 (reduced amounts of tax) have effect as regards a financial year the Secretary of State may, with the consent of the Treasury, pay a grant to a billing authority as regards that financial year.
- (2) The amount of the grant shall be such as the Secretary of State may with the consent of the Treasury determine.
- (3) A grant under this section shall be paid at such time, or in instalments of such amounts and at such times, as the Secretary of State may with the consent of the Treasury determine.

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- (4) In making any payment of grant under this section the Secretary of State may impose such conditions as he may with the consent of the Treasury determine; and the conditions may relate to the repayment in specified circumstances of all or part of the amount paid, or otherwise.
- (5) In deciding whether to pay a grant under this section, and in determining the amount of any such grant, the Secretary of State shall have regard to his estimate of any amount which, in consequence of the regulations, the authority might reasonably be expected to lose, or to have lost, by way of payments in respect of the council tax set by it for the financial year concerned.

88B Special grants

- (1) The Secretary of State may, with the consent of the Treasury, pay a grant (in this section referred to as a special grant) in accordance with this section to a relevant authority.
- (2) Where the Secretary of State proposes to make one special grant he shall, before making the grant, make a determination stating with respect to the grant—
 - (a) to which authority it is to be paid,
 - (b) the purpose for which it is to be paid, and
 - (c) the amount of the grant or the manner in which the amount is to be calculated.
- (3) Where the Secretary of State proposes to make two or more special grants to different authorities he shall, before making the grants, make a determination stating with respect to the grants—
 - (a) to which authorities they are to be paid,
 - (b) the purpose for which they are to be paid, and
 - (c) either—
 - (i) the amount of the grant which he proposes to pay to each authority or the manner in which the amount is to be calculated, or
 - (ii) the total amount which he proposes to distribute among the authorities by way of special grants and the basis on which he proposes to distribute that amount.
- (4) A determination under subsection (2) or (3) above shall be made with the consent of the Treasury and shall be specified in a report (to be called a special grant report) which shall contain such explanation as the Secretary of State considers desirable of the main features of the determination.
- (5) A special grant report shall be laid before the House of Commons and, as soon as is reasonably practicable after the report has been so laid, the Secretary of State shall send a copy of it to any relevant authority to whom a special grant is proposed to be paid in accordance with the determination in the report.
- (6) No special grant shall be paid unless the special grant report containing the determination relating to the grant has been approved by a resolution of the House of Commons.

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- (7) A special grant report may specify conditions which the Secretary of State, with the consent of the Treasury, intends to impose on the payment of (or of any instalment of) any special grant to which the report relates; and the conditions may—
- (a) require the provision of returns or other information before a payment is made to the relevant authority concerned, or
 - (b) relate to the use of the amount paid, or to the repayment in specified circumstances of all or part of the amount paid, or otherwise.
- (8) Without prejudice to compliance with any conditions imposed as mentioned in subsection (7) above, a special grant shall be paid at such time or in instalments of such amounts and at such times as the Secretary of State may, with the consent of the Treasury, determine.
- (9) For the purposes of this section each of the following is a relevant authority—
- (a) a receiving authority;
 - (b) a metropolitan county passenger transport authority established by section 28 of the Local Government Act 1985.”