



# Local Government Act 1958

## 1958 CHAPTER 55

### PART I

#### GRANTS AND RATES

##### *General grants*

#### **1 General grants**

- (1) For the year 1959-60 and subsequent years the Minister shall make grants to the councils of counties and county boroughs in England and Wales and the Council of the Isles of Scilly; and those grants shall, save as provided in Part I of the First Schedule to this Act, be in lieu of the grants paid or payable for those years under any enactment passed before this Act in respect of expenditure (hereinafter referred to as "relevant expenditure") specified in the said Part I and not excluded by any provision of Part II of that Schedule.

The grants payable under this section are hereinafter referred to as "general grants", and the said councils as "recipient authorities".

- (2) For each of the said years there shall be a prescribed aggregate amount of the general grants payable to recipient authorities; and subject to the provisions hereinafter contained as to the adjustment of general grants by reference to the prescribed aggregate, and to the other provisions of this Part of this Act relating to general grants, the amount of the general grant payable to a recipient authority for any year shall be the aggregate of—
- (a) the basic grant specified in Part III of the First Schedule to this Act, and
  - (b) any of the supplementary grants so specified which are payable in accordance with the provisions of the said Part III,
- reduced, if it is so prescribed, by the product for the area of the authority of a rate of such sum in the pound as may be prescribed.

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- (3) The general grants payable to any recipient authority shall be paid at such times as the Minister may with the consent of the Treasury determine, and shall be payable in aid of the revenues of the recipient authority generally.
- (4) The provisions of Part IV of the First Schedule to this Act shall have effect as to the making of adjustments of general grants and of the aggregate amount thereof in respect of matters specified in the said Part IV. ,
- (5) The matters which under this section and Part III of the First Schedule to this Act are to be prescribed shall be prescribed by an order made by the Minister with the consent of the Treasury and after 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.
- (6) Such an order (hereinafter referred to as a " general grant order ") shall be laid before the Commons House of Parliament together with a report by the Minister explaining the considerations leading to the provisions of the order, and shall not have effect until approved by a resolution of that House.
- (7) General grant orders shall be made in advance for successive periods (hereinafter referred to as " grant periods") of not less than two years, but as respects any matter to be prescribed by a general grant order the order may make different provisions for different years in the grant period.

## **2 Fixing of annual aggregate of general grants, and adjustment of grants**

- (1) In fixing the annual aggregate amount to be prescribed under the foregoing section the Minister shall take into consideration—
  - (a) the latest information available to him of the rate of relevant expenditure (excluding, except in so far as the Minister with the consent of the Treasury otherwise determines, any expenditure of a description in respect of which no grant has been paid for years before the year 1959-60), and the current level of prices, costs and remuneration, together with any future variation in that level which can be foreseen;
  - (b) any probable fluctuation in the demand for the services giving rise to relevant expenditure, so far as the fluctuation is attributable to circumstances prevailing in England and Wales as a whole which are not under the control of local authorities;
  - (c) the need for developing those services and the extent to which, having regard to general economic conditions, it is reasonable to develop those services.
- (2) The provision to be made by a general grant order, other than the prescribing of the annual aggregate amount of the general grants, shall be such as to secure, to the best of the information available to the Minister when he makes the order, that the aggregate of the general grants for each year of the grant period shall approximate as nearly as may be to the aggregate for that year prescribed by the order and adjusted under Part IV of the First Schedule to this Act.
- (3) If, when the general grants for any year fall to be paid, it appears to the Minister that their aggregate will exceed or fall short of the aggregate amount prescribed and adjusted as aforesaid, the Minister shall adjust the amount of the grant payable to each recipient authority as nearly as may be in the proportion which the aggregate amount prescribed by the general grant order, adjusted as aforesaid, bears to the amount, as

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estimated by the Minister, which would be the total of the general grants apart from this subsection.

- (4) If it appears to the Minister that during any grant period any unforeseen increase has taken place in the level of prices, costs or remuneration, and that its effect on the cost of providing the services giving rise to relevant expenditure is of such magnitude that it ought not to fall entirely on local authorities, the Minister may by order (made in the like manner and subject to the like provisions as a general grant order) increase the annual aggregate amount of the general grants, or vary any other matter prescribed by the general grant order, for such part of that grant period (beginning either before or after the making of the order) as may be specified in the order.

### **3 Power to reduce general grant in case of default**

- (1) Subject to the provisions of this section, if the appropriate Minister is satisfied that a recipient authority has failed to achieve or maintain reasonable standards in the provision of any of the services giving rise to relevant expenditure, regard being had to the standards maintained in other areas, and is of opinion that the general grant payable to the authority ought therefore to be reduced, he may, after affording to the authority an opportunity of making representations, make and cause to be laid before Parliament a report stating the amount of the reduction, the reasons therefor, and any representations with respect thereto made by the recipient authority ; and if the report is approved by a resolution of the Commons House of Parliament the Minister may reduce the grant accordingly.
- (2) Where the provision of any service giving rise to relevant expenditure is a function of a rating authority in any administrative county, or of a joint board of which the district is wholly or partly comprised in any administrative county, the foregoing subsection shall in relation to that county apply to a failure on the part of the rating authority or joint board to achieve or maintain reasonable standards as it would apply if the failure were that of the county council; but—
- (a) in the case of a failure by a rating authority, the amount of any reduction by virtue of this subsection in the general grant payable to the county council shall be recoverable by that council from the authority in default,
- (b) in the case of a failure by a joint board of which the district does not comprise the whole of the county, the amount of any such reduction shall be recoverable by the county council from the rating authorities in the county whose areas are wholly or partly comprised in the district of the joint board, the amount recoverable being apportioned among the rating authorities of the areas or parts of areas so comprised in proportion to the aggregates of the rateable values shown in the valuation lists respectively in force for those areas or parts of areas on the first day of the year for which the general grant is payable, and any sum recoverable by virtue of this subsection shall be recoverable by adjustment of the amount due under the county precept.
- (3) Where the provision of any service giving rise to relevant expenditure is a function of a joint board of which the district is wholly or partly comprised in a county borough, subsection (1) of this section shall in relation to the county borough apply to a failure on the part of the joint board to achieve or maintain reasonable standards as it would apply if the failure were that of the county borough council.
- (4) The appropriate Minister may make regulations, subject to annulment in pursuance of a resolution of either House of Parliament, for prescribing standards and general

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requirements for the administration of any of the services giving rise to relevant expenditure ; and in determining for the purposes of this section whether there has been any such failure as is referred to in the foregoing provisions of this section regard shall be had to any such regulations and any other standards or requirements imposed by or under any enactment.