



# Local Government Act 1948

## 1948 CHAPTER 26

### PART I

EXCHEQUER GRANTS AND OTHER FINANCIAL PROVISIONS (ENGLAND AND WALES).

*Exchequer Grants to Counties and County Boroughs.*

#### **2 Exchequer Equalisation Grants to counties and county boroughs.**

- (1) Where for the year 1948-49 or any subsequent year the rateable value for a county or county borough is less than the standard rateable value for that county or county borough (as denned by the subsequent provisions of this Part of this Act), there shall be paid out of moneys provided by Parliament, to the council of the county or county borough a grant equal to the relevant fraction (as so defined) of the amount of the difference.
- (2) The said difference is in the subsequent provisions of this Part of this Act referred to as the rateable value credited to the county or county borough.
- (3) Grants under this section are in the subsequent provisions of this Part of this Act referred to as "Exchequer Equalisation Grant's."

#### **3 Meaning of " standard rateable value ".**

- (1) The standard rateable value for a county or county borough for the purposes of the preceding provisions of this Part of this Act is the amount which bears to the weighted population of that county or county borough for the year in question the same proportion as the sum which is to be taken for the purposes of this subsection as the rateable value for England and Wales for that year bears to the aggregate of the weighted populations of all the counties and county boroughs in England and Wales for that year.
- (2) In this section, the expression " the weighted population " in relation to a county or county borough means the population thereof plus the number of children under

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fifteen years of age therein and, in the case of a county the population whereof divided by the road-mileage thereof is less than seventy, plus also one-third of the additional population needed in order that the population thereof divided by the road-mileage thereof should be seventy.

- (3) The sum which is to be taken for the purposes of subsection (1) of this section as the rateable value for England and Wales for any year is the rateable value for England and Wales for that year, increased, in the case of any year subsequent to the year 1948-49, to such extent, if any, as the Minister may direct in relation to that subsequent year.
- (4) The power conferred on the Minister by the last preceding subsection to direct such increases as are therein referred to shall, as respects any year, be used for the purpose and only for the purpose of securing that the proportion which the aggregate of the rateable values credited to all the counties and county boroughs in England and Wales bears to the rateable value for England and Wales shall be as nearly as may be the same for that year as for the year 1948-49 ; but the Minister shall not use the said power as respects any year unless the effect of the use thereof would be to increase the aggregate of the rateable values credited to all counties and county boroughs in England and Wales for that year by at least one per cent.

#### **4 Meaning of " the relevant fraction " .**

- (1) The relevant fraction for a county or county borough for the purposes of the preceding provisions of this Part of this Act is the fraction arrived at by dividing the relevant local expenditure for the year in question by the sum of the following amounts, that is to say, the rateable value credited to the county or county borough for that year and the product of a rate of one pound in the pound for the county or county borough for that year.
- (2) In this section, the expression " the relevant local expenditure " means so much of the total expenditure for the year—
  - (a) in the case of a county, of the council of the county and of the other local authorities in the county ; and
  - (b) in the case of a county borough, of the council of the county borough,
 as would have to be met out of rates levied within the county or county borough if no Exchequer Grants under this Part of this Act and (so far as any such Grant is relevant to the year in question) no Exchequer Grants payable for any previous year under the Local Government Acts, 1929 to 1946, were payable, and if no grants had been made out of moneys provided by Parliament to local authorities by the Minister by way of special assistance in respect of their financial difficulties arising out of the war.
- (3) Where, by virtue of a precept or other instrument, not being a precept or instrument issued by a county council, any sum falls to be paid by a local authority to any other authority, the amount payable shall be treated for the purposes of subsection (2) of this section as expenditure of the first-mentioned authority.
- (4) The provisions of subsection (2) of this section shall, as respects the year 1948-49, have effect subject to the special provisions relating to Exchequer Grants for that year contained hereafter in this Part of this Act.

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## **5 Exchequer Transitional Grants for first five years.**

- (1) The Minister shall estimate in relation to each county and county borough in England and Wales the sums specified in subsections (2) and (3) of this section, being, in every case, sums estimated for the year 1947-48.
- (2) The Minister shall first estimate—
  - (a) the aggregate of all Exchequer Grants payable under the Local Government Acts, 1929 to 1946, to the council of the county or county borough or, in the case of a county, to any other local authority in the county, less any contributions payable by the council of the county or county borough under section three of the Local Government (Financial Provisions) Act, 1937, section sixteen of the Old Age and Widows' Pensions Act, 1940, or section three of the Local Government (Financial Provisions) Act, 1946 ;
  - (b) the aggregate of the grants payable to the local education authority for the county or county borough by virtue of regulations under section one hundred or section one hundred and one of the Education Act, 1944, or, where a joint education board has been constituted for the county or county borough, of the proper proportion of any such grants payable to that board ; and
  - (c) the product of a rate of sixpence in the pound for the county or county borough.
- (3) The Minister shall then estimate—
  - (a) the aggregate of so much of the expenditure incurred by the council of the county or county borough or, in the case of a county, by any other local authority in the county, in—
    - (i) providing services which it will be the duty of the Minister to provide under Part II of the National Health Service Act, 1946 ; and
    - (ii) performing any functions falling to be discontinued by virtue of any Act of the present Session terminating the existing poor law, as would have had to be met out of rates levied in the county or county borough if no Exchequer Grants under the Local Government Acts, 1929 to 1946, and no contributions under section three of the Local Government (Financial Provisions) Act, 1937, section sixteen of the Old Age and Widows' Pensions Act, 1940, or section three of the Local Government (Financial Provisions) Act, 1946, had been payable ;
  - (b) the sum which would have been the aggregate mentioned in paragraph (b) of subsection (2) of this section if for the regulations under the enactments mentioned in that paragraph there had been substituted the provisions of such regulations made thereunder as determined the grants payable for the year 1948-49 ;
  - (c) the Exchequer Equalisation Grant, if any, which would have been payable to the council of the county or county borough if—
    - (i) this Part of this Act had applied to the year 1947-48 as it applies to the year 1947-48 and the third fixed grant period had been terminated thereby at the end of March nineteen hundred and forty-seven ; and
    - (ii) the sum estimated under paragraph (b) of this subsection had been payable under section one hundred and section: one hundred and one of the Education Act, 1944, in lieu of the sums mentioned in paragraph (b) of subsection (2) of this section ; and
    - (iii) the first day of April, nineteen hundred and forty-seven had been both the appointed day for the purposes of Part II of the National Health Service Act, 1946, and the day' appointed for the discontinuance of

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the functions falling to be discontinued by virtue of any Act of the present Session terminating the existing poor law, and the expenditure of the council of the county or county borough and, in the case of a county, of all other local authorities in the county, had been diminished accordingly.

Where, by virtue of a precept or other instrument, not being a precept or instrument issued by a county council, any sum falls to be paid by a local authority to any other authority in respect of the expenditure of that other authority in providing any services or performing any functions, the amount payable shall be treated for the purposes of this subsection as expenditure of the first-mentioned authority incurred by them in providing those services or performing those functions.

- (4) If for any county or county borough the total of the sums estimated by the Minister under subsection (2) of this section exceeds the total of the sums so estimated under subsection (3) thereof, there shall be payable out of moneys provided by Parliament to the council of the county or county borough grants for the year 1948-49 and each of the four following years.
- (5) The amount of the grant for the year 1948-49 shall be the amount of the said excess and the amounts of the grants for the four following years shall be respectively four-fifths, three-fifths, two-fifths and one-fifth of the amount of the said excess.
- (6) Grants under this section are in the subsequent provisions of this Part of this Act referred to as " Exchequer Transitional Grants ".

## **6 Power to reduce Exchequer Grants.**

- (1) The Minister may, subject to the provisions of this section, reduce any Exchequer Equalisation Grant or Exchequer Transitional Grant payable to a council by such amount as he thinks just, if—
  - (a) he is satisfied, either upon representations made to him or without any such representations, that the council have failed to achieve or maintain a reasonable standard of efficiency and progress in the discharge of their functions, regard being had to the standards maintained in other areas ; or
  - (b) he is satisfied that the expenditure of the council has been excessive and unreasonable, regard being had to the financial resources and other relevant circumstances of the area.
- (2) Before reducing any grant by virtue of this section, the Minister shall make and cause to be laid before Parliament a report stating the amount of the reduction, and the reasons therefor, and he shall not make the reduction until the said report is approved by a resolution of the Commons House of Parliament.

## **7 Provisions as to Health Service Exchequer Grants.**

- (1) The amount of any grant payable out of moneys provided by Parliament under subsection (1) of section fifty-three of the National Health Service Act, 1946, to a local health authority shall, in lieu of being determined by regulations under the said subsection (1), be one-half of the expenditure in respect of which the grant is made.
- (2) The provisions of the last preceding section shall apply in relation to grants payable under the said section fifty-three as they apply in relation to Exchequer Equalisation

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Grants and Exchequer Transitional-Grants, subject to the following modifications, that is to say—

- (a) the reference in paragraph (a) of subsection (1) of that section to the discharge of their functions by the council shall be construed as a reference to the discharge of their functions under the National Health Service Act, 1946, by the local health authority ; and
- (b) the reference in paragraph (b) of the said subsection (1) to the expenditure of the council shall be construed as a reference to the expenditure of the local health authority under the said Act.

**8 Power to pay council's contributions to voluntary associations out of sums payable as Exchequer Grants.**

Upon application being made to the Minister by the council of any county or county borough requesting that the contributions of the council towards the expenses of any voluntary association having as its object the promotion of public health services should be paid directly to the association out of an Exchequer Equalisation Grant or an Exchequer Transitional Grant to the council, the Minister may pay such contributions accordingly, and any payment so made by him shall be deemed to be a payment to the council on account of the Grant.