

## SCHEDULES

### SCHEDULE 1

Sections 1, 2, 6.

#### RATE SUPPORT GRANTS.

#### PART I

##### THE NEEDS ELEMENT

###### *Payments comprised in the element.*

- 1 (1) The amount of the needs element of rate support grant payable for any year to a local authority other than the Greater London Council shall, subject to paragraphs 11 to 13 of this Part of this Schedule, be the aggregate of the basic payment specified in paragraph 2 of this Part of this Schedule and of the supplementary payments specified in paragraphs 3 to 10 of this Part of this Schedule which are payable in accordance with those paragraphs.
- (2) The provision to be made by a rate support grant order in pursuance of paragraphs 2 to 10 of this Part of this Schedule shall be such as to secure, to the best of the information available to the Minister when he makes the order, that the aggregate amount of the needs element which will be paid for each year shall approximate as nearly as may be to the aggregate amount of that element fixed by the order for that year.

###### *The basic payment.*

- 2 The basic payment shall be a payment of an amount equal to the aggregate of—
  - (a) an amount arrived at by multiplying a prescribed sum by the population; and
  - (b) an amount arrived at by multiplying a prescribed sum by the estimated number of persons under fifteen years of age in the population.

###### *Supplementary payments.*

- 3 A supplementary payment shall be payable of an amount arrived at by multiplying a prescribed sum by the estimated number of persons under five years of age in the population.
- 4 A supplementary payment shall be payable of an amount arrived at by multiplying a prescribed sum by the estimated number of persons over sixty-five years of age in the population.
- 5 A supplementary payment shall be payable if the number of education units per thousand persons in the population exceeds a prescribed number, and the payment shall be a prescribed sum multiplied by the excess and by the population.

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- 6 A supplementary payment shall be payable if the population per acre of the area of the authority exceeds a prescribed number, and the amount of the payment shall be the percentage of the basic payment arrived at by multiplying the excess by a prescribed percentage.
- 7 A supplementary payment shall be payable if the road-mileage of the area of the authority per thousand persons in the population exceeds a prescribed number, and the amount of the payment shall be the smallest of the following amounts, that is to say—
- (a) a prescribed fraction of the basic payment;
  - (b) a prescribed percentage of the basic payment multiplied by the said road-mileage per thousand persons;
  - (c) such proportion of the basic payment as the difference between the said road-mileage per thousand persons and the prescribed number bears to the prescribed number.
- 8 A supplementary payment shall be payable of an amount equal to the aggregate of—
- (a) an amount arrived at by multiplying the road-mileage of the area of the authority (excluding trunk roads) by a prescribed sum; and
  - (b) an amount arrived at by multiplying the road-mileage of the roads classified as principal roads under section 27 of this Act in the area of the authority by—
    - (i) a prescribed sum, or
    - (ii) if the population falls short of or exceeds a prescribed number per mile of those roads, that sum reduced, or as the case may be increased, by another prescribed sum for each hundred persons in the short-fall or excess, but not in any case reduced below a further prescribed sum.
- 9 A supplementary payment shall be payable if the population has declined over a prescribed period and the percentage decline over that period exceeds a prescribed percentage, and the amount of the payment shall be an amount equal to the percentage of the basic payment arrived at by multiplying the excess by a prescribed fraction or number.
- 10 (1) A supplementary payment shall be payable if the area of the authority or a part of it lies within the metropolitan district, and the amount of the payment shall be a prescribed percentage of the basic payment, being such percentage as appears to the Minister appropriate having regard to the higher level of prices, costs and remuneration in and around the area.
- (2) Different percentages may be prescribed for the purposes of this paragraph in relation to authorities whose areas lie wholly within the metropolitan district and authorities whose areas lie partly within the district and partly outside it.
  - (3) In this paragraph " metropolitan district " means Greater London together with the remainder of the Metropolitan Police District.

*Special provision for inner London.*

- 11 (1) The Minister may by regulations provide that such proportion as may be determined by or under the regulations of the amount of the needs element for any year which, apart from this paragraph, would be payable to the council of an inner London borough or the Common Council shall be payable to the Greater London Council

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instead of to the council aforesaid; and the regulations may make different provision with respect to different councils.

- (2) Before making regulations under this paragraph, the Minister shall consult with any association or committee which appears to him to be representative of the councils of the inner London boroughs and with the Common Council and the Greater London Council.

*Adjustments to prevent over-payments etc. and for pooling arrangements.*

- 12 If when the needs element for any year falls to be paid it appears to the Minister that the aggregate amount of that element will exceed or fall short of its aggregate amount as fixed by the relevant rate support grant order, the Minister shall adjust the amount of that element payable to each local authority as nearly as may be in the proportion which the aggregate amount of the element as so fixed bears to the amount, as estimated by the Minister, which would be the aggregate amount of that element for that year apart from this paragraph.
- 13 (1) The needs element shall be subject to adjustment, in accordance with the following provisions of this paragraph, in respect of expenditure to which this paragraph applies.
- (2) The appropriate Minister may by regulations provide for ascertaining the aggregate of the expenditure to which this paragraph applies of all local authorities, for apportioning the aggregate among the authorities and for ascertaining the amount by which the needs element payable to each authority ought to be increased or decreased.
- (3) The appropriate Minister shall, in accordance with regulations made by him under this paragraph, certify to the Minister at such time as may be specified by the regulations—
- (a) the estimated amount of the increases and decreases of the needs element which ought to be made for any year;
  - (b) the actual amount of those increases and decreases,
- and the Minister shall in paying the needs element for any year adjust the amount of that element in accordance with the certified estimated amounts and shall in paying that element for the earliest practicable subsequent year make any adjustment necessary to offset differences between the estimated and actual amounts certified.
- (4) Subject to the next following sub-paragraph, this paragraph applies to expenditure incurred—
- (a) in establishing, maintaining or assisting colleges or other institutions for the training of teachers or in providing or assisting the provision of other facilities specified in directions under section 62 of the Education Act 1944 ;
  - (b) in making payments, in such cases as may be specified by regulations made by the appropriate Minister under this paragraph, to or in respect of persons taking teachers' training or further training courses ;
  - (c) in the provision, or in assisting the provision, of such facilities for further education of an advanced character as may be specified by or under regulations so made ;
  - (d) in the making of provision for primary, secondary or further education of pupils not belonging to the area of any local education authority ;

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- (e) in the training of persons to undertake educational research or to become educational psychologists, health visitors or midwives or in respect of persons who are being so trained.
- (5) The appropriate Minister may, 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, provide by regulations—
- (a) that this paragraph shall apply to such expenditure as may be specified by the regulations which is incurred by local authorities—
    - (i) upon research into any of their functions, or
    - (ii) in the training of persons in matters connected with the functions of local authorities, or
    - (iii) in respect of persons to whom the training is given, or
    - (iv) in providing, for persons who suffer from any disability of mind or body, education by special methods appropriate for persons suffering from that disability ;
  - (b) that any expenditure to which this paragraph applies shall cease to be such expenditure.
- (6) Any reference in this paragraph to a local authority does not include a reference to the council of a county district.

*Miscellaneous.*

- 14 The Minister may, by a rate support grant order, vary, repeal or add to any of the provisions of paragraphs 2 to 10 of this Part of this Schedule, and any reference in this Act to those provisions includes a reference to them as altered by virtue of this paragraph ; but if the power conferred by this paragraph is exercised by a rate support grant order it shall not be exercised by the next following rate support grant order.
- 15 Notwithstanding anything in section 1(5) of this Act, payments made to the Greater London Council in respect of the needs element shall be made in aid of the expenditure of the Council chargeable on the area comprising the inner London boroughs and the City of London ; but the Council may make such adjustments between their accounts as they consider appropriate in consequence of the operation of paragraph 13 of this Schedule.
- 16 For the purposes of this Part of this Schedule the Inner and Middle Temples shall be treated as part of the City of London.
- 17 In this Part of this Schedule " population ", in relation to a local authority, means the estimated number of persons in the population of the area of the authority.

**PART II**

THE RESOURCES ELEMENT

*Condition and amount of payment.*

- 1 The resources element shall not be payable to a local authority for any year unless the product of a rate of one penny in the pound for the area of the authority for that year is less than the standard penny rate product for the area for that year.

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- 2           The amount of the resources element payable to a local authority for any year shall, subject to paragraphs 10 and 11 of this Part of this Schedule, be the amount which bears to the expenditure of the authority for that year the same proportion as the difference between the rate products mentioned in paragraph 1 above bears to the standard penny rate product for the area of the authority for that year.

*Calculation of standard penny rate product.*

- 3           (1) For the purposes of this Part of this Schedule, the standard penny rate product for an area for any year is the sum which bears to the product of a rate of one penny in the pound for that year for the whole of England and Wales the same proportion as the population of the area bears to the population of England and Wales ; but in ascertaining the standard penny rate product for a county or county borough the population of any county in the case of which the ratio of the population to the road-mileage of the county is less than seventy shall be increased by one half of the additional population needed in order that the population divided by the road-mileage should be seventy.
- (2) In this paragraph " population " means estimated population.

*Calculation of expenditure.*

- 4           In ascertaining the expenditure of any authority (other than the Greater London Council) for any year for the purposes of this Part of this Schedule, there shall be deducted from the amount which would be the amount of that expenditure apart from this paragraph the amount of any needs element payable to that authority for that year.
- 5           For the purposes of this Part of this Schedule, the expenditure of a county council or the Greater London Council shall be so much of the total expenditure of the council for the year in question for general county or general London purposes as would have fallen to be met out of rates levied within the county or Greater London if no resources element were payable.
- 6           For the purposes of this Part of this Schedule, the expenditure of a local authority other than a county council and the Greater London Council shall be so much of the total expenditure of the authority for the year in question as would have fallen to be met out of rates levied within the area of the authority if no resources element were payable and, in the case of a local authority in Greater London, section 66 of the London Government Act 1963 (which provides for schemes for equalising rates) had not been passed, excluding the cost of the collection of rates as ascertained in accordance with rules under section 25 of this Act.
- 7           Any expenditure in pursuance of section 25 of the Land Drainage Act 1961 (which enables rating authorities to pay to drainage boards the aggregate amounts of the drainage rate for so much of their area as is within a drainage district) shall be disregarded for the purposes of paragraph 6 above.
- 8           For the purposes of this Part of this Schedule, sums payable by a local authority by virtue of a precept issued by a county council or the Greater London Council, in so far as payable in respect of expenditure of the council for general county or general London purposes, shall not be treated as expenditure of the authority paying those sums.

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- 9 For the purposes of this Part of this Schedule, the amount of the expenditure of an authority falling to be met out of rates shall be ascertained without regard to any reduction of grant made under section 4 of this Act.

*Adjustment of resources element.*

- 10 Paragraph 12 of Part I of this Schedule shall apply in relation to the resources element as it applies in relation to the needs element.
- 11 (1) If the Minister is satisfied, as respects the councils of county districts in any county, that the part of their expenditure, as ascertained for the purposes of this Part of this Schedule, which is attributable to expenditure of the county council for special county purposes bears such a proportion to the whole of their expenditure as so ascertained that the provisions of this Act relating to the resources element will not apply equitably in relation to the county without modification, the Minister may make a scheme for applying those provisions with such modifications as may be specified in the scheme.
- (2) A scheme under this paragraph may be varied or revoked by a subsequent scheme made by the Minister.

### **PART III**

#### THE DOMESTIC ELEMENT

- 1 There shall for each year be prescribed, for the purposes of section 6 of this Act, an amount in the pound which in the opinion of the Minister corresponds to the amount of the domestic element prescribed for that year in pursuance of section 1(4) of this Act.
- 2 The amount of the domestic element payable to a local authority for any year shall be determined in the manner provided by regulations made by the Minister 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.
- 3 For the purposes of the provisions of this Act relating to the domestic element, the Sub-Treasurer of the Inner Temple and the Under-Treasurer of the Middle Temple shall be deemed to be local authorities.
- 4 Any amounts payable to a local authority in respect of the domestic element shall be taken into account for the purposes of this and any other Act as if they were payable on account of rates.