

1980 No. 2047

**LOCAL GOVERNMENT, ENGLAND AND WALES**  
**The Rate Support Grant (Principles for Multipliers)**  
**Order 1980**

*Made* - - - - 11th December 1980

*Laid before the*  
*House of Commons* - 16th December 1980

*Coming into Operation* 15th January 1981

The Secretary of State for the Environment, in exercise of the powers conferred on him by sections 49 and 50 of the Local Government, Planning and Land Act 1980(a), and of all other powers enabling him in that behalf, hereby makes the following order:—

1. This order may be cited as the Rate Support Grant (Principles for Multipliers) Order 1980 and shall come into operation on the day following the day on which it is approved by a resolution of the Commons House of Parliament.

2. In this order “the Act” means the Local Government, Planning and Land Act 1980.

3. The principles set out in the Schedule to this order are hereby specified as the principles on which multipliers are determined for the purpose of section 49 or 50 of the Act.

**SCHEDULE**

**PRINCIPLES**

1. A multiplier for the purpose of section 49 of the Act shall be such that it will, when applied to the amount of the resources element of rate support grant payable to an authority in relation to which the uniform rate for the year exceeds £1·55p, produce a reduction in the amount of that element for the year of the lesser of the following amounts, namely,

(a) the aggregate of—

(i) one hundredth part of the sum of the effective rateable values of all the hereditaments in the area of the authority and the local deficiency in rateable value in relation to the authority for the year; and

- (ii) one twentieth of one hundredth part of that sum in respect of each penny poundage by which the uniform rate for the year in relation to the authority exceeds £1.55p;
- (b) five hundredth parts of the sum mentioned in sub-paragraph (i) above.

2. A multiplier for the purpose of section 50 of the Act, shall be such that it will, when applied to the additional amount of the needs element of rate support grant payable by virtue of the additional factors prescribed under paragraph 1(b) of Schedule 2 to the Local Government Act 1974(a) in relation to an authority in relation to which the uniform rate for the year exceeds £1.55p, produce a variation in the amount of that element for the year equivalent to a reduction therein of the lesser of the following amounts, namely,

- (a) the aggregate of—
  - (i) one hundredth part of the sum of the effective rateable values of all the hereditaments in the area of the authority and the local deficiency in rateable value in relation to the authority for the year; and
  - (ii) one twentieth of one hundredth part of that sum in respect of each penny poundage by which the uniform rate for the year in relation to the authority exceeds £1.55p;
- (b) five hundredths parts of the sum mentioned in sub-paragraph (i) above.

3.—(1) In determining for the purpose of sub-paragraph (a) of paragraph 1 or 2 above the amount of the rate poundage by which the uniform rate of an authority exceeds £1.55p no account shall be taken of—

- (a) the net expenditure by the authority in respect of which grant is payable under the Local Government Grants (Social Need) Act 1969(b), after deducting the amount of grant so paid; or
- (b) in relation to the council of a district, of such part of a precept payable by the council to the council of the county of which the district forms part as is equivalent to the relevant proportion of such net expenditure by the county council; or
- (c) in relation to the council of a London borough or the Common Council of the City of London, of such part of a precept payable by the council to the Greater London Council as is equivalent to the relevant proportion of such net expenditure by that council;
- (d) expenditure incurred in taking action, and grants and loans made pursuant to, and in the circumstances described in, section 138 of the Local Government Act 1972(c) (powers of principal councils with respect to emergencies or disasters) insofar as such expenditure would not have been incurred if the circumstances had not arisen, except expenditure on repair or replacement of property belonging to the authority as respects which the risk which occurred was an insurable one.

(2) In sub-paragraph (1) above the relevant proportion—

- (a) in relation to expenditure by a county council, means the proportion which the penny rate product for the area of the district bears to the aggregate of such products for the areas of all the districts in the county of which the district forms part;
- (b) in relation to expenditure by the Greater London Council—
  - (i) for general London purposes, means the proportion which the penny rate product for the area of the relevant London borough or the City of London as the case may be bears to the aggregate of such products for all the rating areas in Greater London; and

(a) 1974 c. 7.  
(c) 1972 c. 70.

(b) 1969 c. 2.

- (ii) for Inner London Education Authority purposes, means the proportion which the penny rate product for the area of the relevant London borough or the City of London as the case may be bears to the aggregate of such products for all the rating areas in the Inner London Education Area.
4. In paragraphs 1 and 2 above—
- (a) references to a reduction in the amount of an element are references to a reduction in the amount of that element which would have been payable to the authority if no multiplier for the purpose of section 48 or 49 of the Act had been applied to the amount payable in respect of that element to the authority or to any other authority; and
- (b) references to the hereditaments in the area of an authority include references to any hereditament which, by virtue of any enactment, any body is to be treated as occupying in that area.
5. In this Schedule—
- “effective rateable value”, in relation to a hereditament, has the meaning assigned to it by paragraph 9(2) of Schedule 2 to the Local Government Act 1974;
- “local deficiency in rateable value” has the meaning assigned to it by paragraph 10(2) of that Schedule;
- “penny rate product” means the product of a rate of one penny in the pound for the area of an authority in the year as estimated for the purpose of section 12(4) of the General Rate Act 1967(a);
- “uniform rate” has the meaning assigned to it by section 48 of the Act;
- “the year” means the year 1980-81.

11th December 1980.

*Michael R. D. Heseltine,*  
Secretary of State for the Environment.

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EXPLANATORY NOTE  
(*This Note is not part of the Order.*)

Section 49 of the Local Government, Planning and Land Act 1980 empowers the Secretary of State to make a fresh determination of the amount of resources element of rate support grant payable to a local authority, and section 50 empowers him to vary the amount of the needs element of rate support grant payable to the council of a London borough or the Common Council of the City of London. A determination under section 49 and a variation under section 50 are to be made by the application of multipliers determined under the relevant section on principles specified in an order. This order specifies the principles on which multipliers are to be determined for the purpose of section 49 or 50 of the Act.

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(a) 1967 c. 9.

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