



Local Government Act 2003

2003 CHAPTER 26

PART 3

GRANTS ETC

CHAPTER 1

EXPENDITURE GRANT

31 Power to pay grant

- (1) A Minister of the Crown may pay a grant to a local authority in England towards expenditure incurred or to be incurred by it.
- (2) A Minister of the Crown, or the National Assembly for Wales, may pay a grant to a local authority in Wales towards expenditure incurred or to be incurred by it.
- (3) The amount of a grant under this section and the manner of its payment are to be such as the person paying it may determine.
- (4) A grant under this section may be paid on such conditions as the person paying it may determine.
- (5) Conditions under subsection (4) may, in particular, include—
 - (a) provision as to the use of the grant;
 - (b) provision as to circumstances in which the whole or part of the grant must be repaid.
- (6) In the case of a grant to a local authority in England, the powers under this section are exercisable with the consent of the Treasury.

Status: Point in time view as at 01/01/2004.

Changes to legislation: Local Government Act 2003, Part 3 is up to date with all changes known to be in force on or before 28 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

32 Application to Greater London Authority

- (1) For the purposes of section 31, expenditure of a functional body shall be treated as expenditure of the Greater London Authority.
- (2) The conditions on which grant under section 31 may be paid include, in the case of a grant to the Greater London Authority, a condition requiring the Mayor to transfer the grant to a functional body.
- (3) A decision to pay a grant under section 31 subject to such a condition as is mentioned in subsection (2) above shall be notified to the functional body concerned as well as to the Greater London Authority.
- (4) Where a grant paid under section 31 to the Greater London Authority is paid subject to such a condition as is mentioned in subsection (2) above, the Mayor must transfer the grant to the functional body concerned forthwith.
- (5) Where a grant paid under section 31 to the Greater London Authority is not paid subject to such a condition as is mentioned in subsection (2) above, the Mayor may transfer the grant to a functional body.
- (6) Where grant under section 31 is transferred under this section to a functional body, any conditions to which the grant is subject shall apply to the transferee instead of the transferor.
- (7) In this section, “Mayor” means Mayor of London.

33 Interpretation of Chapter 1

- (1) The following are local authorities for the purposes of this Chapter—
 - (a) a county council;
 - (b) a county borough council;
 - (c) a district council;
 - (d) the Greater London Authority;
 - (e) a London borough council;
 - (f) the Common Council of the City of London, in its capacity as a local authority, police authority or port health authority;
 - (g) the Council of the Isles of Scilly;
 - (h) the Greater London Magistrates' Courts Authority;
 - (i) an authority established under section 10 of the Local Government Act 1985 (c. 51) (waste disposal authorities);
 - (j) a joint authority established by Part 4 of that Act (fire services, civil defence and transport);
 - (k) a joint planning board constituted for an area in Wales outside a National Park by an order under section 2(1B) of the Town and Country Planning Act 1990 (c. 8);
 - (l) a fire authority constituted by a combination scheme;
 - (m) a police authority established under section 3 of the Police Act 1996 (c. 16).
- (2) In this Chapter—

“functional body” has the same meaning as in the Greater London Authority Act 1999 (c. 29);

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“Minister of the Crown” has the same meaning as in the Ministers of the Crown Act 1975 (c. 26).

CHAPTER 2

OTHER GRANTS ETC

34 Best value grant: parishes

- (1) The following are best value authorities for the purposes of this section—
 - (a) a parish council subject to any of the duties in sections 3 to 6 of the Local Government Act 1999 (best value duties), and
 - (b) a parish meeting subject to any of those duties.
- (2) For each financial year, the Secretary of State may, with the consent of the Treasury, pay grants in accordance with this section to best value authorities towards expenditure incurred or to be incurred by them in connection with any of the requirements of Part 1 of the Local Government Act 1999 (best value).
- (3) The power under subsection (2) shall be exercisable by the making of a determination stating in relation to each best value authority the amount of grant, if any, which the Secretary of State intends to make to it for each year to which the determination relates.
- (4) A determination under this section may include provision for grant paid pursuant to the determination to be subject to specified conditions.
- (5) The conditions which may be included under subsection (4) shall be such as the Secretary of State thinks fit and may, in particular, make provision about—
 - (a) the supply of information,
 - (b) the use of grant, or
 - (c) the repayment of grant in specified circumstances.
- (6) A determination under this section—
 - (a) may make different provision for different cases or areas;
 - (b) may be made before, during or after the end of a financial year to which it relates;
 - (c) may be revoked or varied by a subsequent determination.
- (7) The power under subsection (6)(a) includes, in particular, the power to make different provision for different best value authorities or descriptions of authority (including descriptions framed by reference to authorities in particular areas).
- (8) Grant due to a best value authority in accordance with a determination under this section shall be payable at such time, or in such instalments and at such times, as the Secretary of State may think fit.
- (9) A grant made under this section to a parish meeting shall be paid to the parish trustees for the parish in question.

35 Best value grant: communities

- (1) For the purposes of this section a best value authority is a community council subject to any of the duties in sections 3 to 6 of the Local Government Act 1999 (c. 27).

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- (2) For each financial year, the National Assembly for Wales may pay grants in accordance with this section to best value authorities towards expenditure incurred or to be incurred by them in connection with any of the requirements of Part 1 of the Local Government Act 1999.
- (3) The power under subsection (2) shall be exercisable by the making of a determination stating in relation to each best value authority the amount of grant, if any, which the Assembly intends to make to it for each year to which the determination relates.
- (4) A determination under this section may include provision for grant paid pursuant to the determination to be subject to specified conditions.
- (5) The conditions which may be included under subsection (4) shall be such as the Assembly thinks fit and may, in particular, make provision about—
 - (a) the supply of information,
 - (b) the use of grant, or
 - (c) the repayment of grant in specified circumstances.
- (6) A determination under this section—
 - (a) may make different provision for different cases or areas;
 - (b) may be made before, during or after the end of a financial year to which it relates;
 - (c) may be revoked or varied by a subsequent determination.
- (7) The power under subsection (6)(a) includes, in particular, the power to make different provision for different best value authorities or descriptions of authority (including descriptions framed by reference to authorities in particular areas).
- (8) Grant due to a best value authority in accordance with a determination under this section shall be payable at such time, or in such instalments and at such times, as the Assembly may think fit.

36 Grants in connection with designation for service excellence

- (1) The appropriate person may pay any of the following to a best value authority subject to any of the duties in sections 3 to 6 of the Local Government Act 1999 (best value duties)—
 - (a) a grant towards expenditure incurred by the authority in applying for the award of a designation based on excellence in the provision of services, and
 - (b) where the authority is awarded such a designation—
 - (i) a grant as a reward for being awarded such a designation, and
 - (ii) a grant towards expenditure incurred or to be incurred by the authority in disseminating information about best practices.
- (2) The amount of a grant under this section and the manner of its payment are to be such as the appropriate person may determine.
- (3) A grant under this section may be paid on such conditions as the appropriate person may determine as to the circumstances in which the whole or any part of the grant must be repaid.

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Commencement Information

- I1** S. 36 in force at 18.11.2003 for E. by [S.I. 2003/2938](#), [art. 3\(a\)](#) (with [art. 8](#), [Sch.](#))
I2 S. 36 in force at 27.11.2003 for W. by [S.I. 2003/3034](#), [art. 2](#), [Sch. 1 Pt. I](#)

37 Emergency financial assistance to combined fire authorities

In section 155 of the Local Government and Housing Act 1989 (c. 42) (emergency financial assistance to local authorities), in subsection (4) (authorities that are local authorities for the purposes of that section), after paragraph (g) there is inserted “; or

- (h) a fire authority in England and Wales constituted by a combination scheme under the Fire Services Act 1947.”

Commencement Information

- I3** S. 37 in force at 27.11.2003 for W. for the purpose of and in relation to financial years beginning on or after 1.4.2004 by [S.I. 2003/3034](#), [art. 2](#), [Sch. 1 Pt. I](#)

38 Loans by Public Works Loan Commissioners

- (1) The Secretary of State may, if he thinks it appropriate, make payments to the Public Works Loan Commissioners so as to reduce or extinguish such debt (whether then due or not) of a local authority in England to those Commissioners as he thinks fit.
- (2) The National Assembly for Wales may, if it thinks it appropriate, make payments to the Public Works Loan Commissioners so as to reduce or extinguish such debt (whether then due or not) of a local authority in Wales to those Commissioners as the Assembly thinks fit.
- (3) The amount—
 - (a) required to extinguish a debt, or
 - (b) by which a payment reduces a debt,shall be such as may be determined by the Commissioners.
- (4) The Commissioners may refuse to accept a payment which the Secretary of State or the National Assembly for Wales proposes to make to them under this section.
- (5) In this section “local authority” means—
 - (a) in relation to England—
 - (i) a district council,
 - (ii) a county council that is the council for a county in which there are no district councils,
 - (iii) a London borough council,
 - (iv) the Common Council of the City of London, or
 - (v) the Council of the Isles of Scilly; and
 - (b) in relation to Wales, a county council or a county borough council.

Commencement Information

- I4** S. 38 partly in force; s. 38 in force for E. at 18.11.2003 see [s.128\(2\)\(b\)](#)

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15 S. 38 in force at 27.11.2003 for W. by [S.I. 2003/3034](#), art. 2, [Sch. 1 Pt. I](#)

39 Payments towards local authority indebtedness

- (1) The Secretary of State may, if he thinks it appropriate, make payments to a local authority in England for application by the authority in reducing or extinguishing such debt (whether then due or not) of the authority as he thinks fit.
- (2) The National Assembly for Wales may, if it thinks it appropriate, make payments to a local authority in Wales for application by the authority in reducing or extinguishing such debt (whether then due or not) of the authority as the Assembly thinks fit.
- (3) The person making payments to a local authority under this section may specify how the payments are to be applied by the authority and may in particular specify—
 - (a) the debt or debts to be extinguished, or
 - (b) the debt or debts to be reduced.
- (4) A payment under this section may be made subject to conditions imposed by the person making the payment.
- (5) The conditions that may be imposed under subsection (4) include (in particular) conditions relating to the repayment in specified circumstances of all or part of the payment.
- (6) Payments made to a local authority under this section may not be applied in reducing or extinguishing any debt of the authority to the Public Works Loan Commissioners.
- (7) In this section “local authority” means—
 - (a) in relation to England—
 - (i) a district council,
 - (ii) a county council that is the council for a county in which there are no district councils,
 - (iii) a London borough council,
 - (iv) the Common Council of the City of London, or
 - (v) the Council of the Isles of Scilly; and
 - (b) in relation to Wales, a county council or a county borough council.

Commencement Information

I6 S.39 partly in force; s. 39 in force for E. at 18.11.2003 see [s. 128\(2\)\(b\)](#)

I7 S. 39 in force at 27.11.2003 for W. by [S.I. 2003/3034](#), art. 2, [Sch. 1 Pt. I](#)

40 Local government finance reports: Wales

- (1) Schedule 2 (which makes provision for enabling the National Assembly for Wales to make two local government finance reports for a year, one dealing with police authorities and one dealing with other authorities and bodies) has effect.
- (2) This section applies in relation to the financial year beginning on 1st April 2004 and subsequent financial years.

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Commencement Information

18 S. 40 in force W. at 27.11.2003 by [S.I. 2003/3034](#), art. 2, [Sch. 1 Pt. I](#)

Status:

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