



Local Government Act 1966

1966 CHAPTER 42

PART I

GRANTS

Rate support grants for local authorities.

1 Rate support grants.

- (1) Subject to the provisions of this Part of this Act, the Minister shall, for the year 1967-68 and each subsequent year, make grants to local authorities in England and Wales in accordance with this section; and any grants made in pursuance of this subsection shall be known as " rate support grants ".
- (2) For the purpose of fixing the aggregate amount of the rate support grants for any year the Minister shall determine—
 - (a) the aggregate amount which is to be available for the payment out of moneys provided by Parliament of grants (other than housing subsidies) to local authorities in respect of their relevant expenditure for that year; and
 - (b) the portion of that amount which the Minister estimates will be allocated to grants in respect of specific services and grants under the Rating (Interim Relief) Act 1964 and the Rating Act 1966;and the amount remaining after deducting that portion from the aggregate amount aforesaid shall, subject to section 3 of this Act, be the aggregate amount of the rate support grants for that year.
- (3) Before determining the amount and the portion mentioned in paragraphs (a) and (b) of subsection (2) of this section the Minister shall consult 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, and shall take into consideration—
 - (a) the current level of prices, costs and remuneration, any future variation in that level which can be foreseen and the latest information available to him as to the rate of relevant expenditure ;

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- (b) any probable fluctuation in the demand for 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; and
- (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;

and for the purpose of determining the said amount and portion the Minister may make such adjustments in respect of relevant expenditure and grants as appear to him to be required to offset the effects on those factors of the constitution or alteration after the passing of this Act of any joint board.

- (4) The aggregate amount of the rate support grants for any year shall be divided by the Minister into three parts (to be known respectively as " the needs element", " the resources element" and " the domestic element") which shall be of such amounts respectively as may be prescribed; and the provisions of Schedule 1 to this Act shall, subject to sections 3 and 4 of this Act, have effect with respect to the determination of the amounts payable to any local authority in respect of those elements for any year and with respect to the other matters there mentioned.
- (5) Payments in respect of elements of rate support grant shall be made to any local authority at such times as the Minister may with the consent of the Treasury determine and shall be made in aid of the revenues of the authority generally; but no payment in respect of the needs element shall be made to the council of a county district and no payment in respect of the domestic element shall be made to a county council or the Greater London Council.
- (6) In this section " housing subsidies " means such grants to local authorities out of moneys provided by Parliament for the provision of housing accommodation as may be determined by the Minister to be housing subsidies for the purposes of this section.
- (7) In this section " relevant expenditure ", in relation to any year, means the expenditure for that year falling to be defrayed out of the rate fund of a local authority (excluding sums falling to be paid to another local authority by virtue of a precept or other instrument) reduced by—
 - (a) the amount of any payment falling to be made for that year into the housing revenue account or a trading account of the authority ; and
 - (b) the amount of any payments of such descriptions as the Minister may determine which fall to be made for that year into that fund;

and for the purposes of this subsection " rate fund " in relation to any local authority except the Greater London Council, the Common Council and the Council of the Isles of Stilly means the county fund or general rate fund, and in relation to the said excepted Councils means the general fund or general rate, as the case may be, and " trading account" means any account of a kind determined by the Minister to be a trading account for the purposes of this subsection.

2 Rate support grant orders.

- (1) The aggregate amount of the rate support grants fixed in accordance with subsection (2) of section 1 of this Act for any year and the matters which under that section or Schedule 1 to this Act are to be prescribed shall be fixed and prescribed by an order (hereafter in this Act referred to as a " rate support grant order ") made by the Minister with the consent of the Treasury and after consultation with such

associations of local authorities as appear to the Minister to be concerned and with any local authority with whom consultation appears to him to be desirable.

- (2) Any rate support grant order shall be laid before the Commons House of Parliament together with a report of the considerations leading to the provisions of the order, including the considerations leading to the determination of the amount and the portion mentioned in paragraphs (a) and (b) of subsection (2) of section 1 of this Act, and shall not have effect until approved by a resolution of that House.
- (3) Rate support grant orders shall be made in advance for successive periods of not less than two years; and a rate support grant order may, as respects any matter to be fixed or prescribed by the order, make different provision for different years.

3 Variation of orders etc.

- (1) If it appears to the Minister that, after the time when the amount mentioned in paragraph (a) of subsection (2) of section 1 of this Act was determined for any year, an unforeseen increase has taken place in the level of prices, costs and remuneration and that the effect of the increase on the relevant expenditure of local authorities for that year is substantial, he may at any time redetermine for that year the amount mentioned in that paragraph and the portion mentioned in paragraph (b) of that subsection and, by an order made in the like manner and subject to the like provisions as a rate support grant order, increase the amounts fixed by the relevant rate support grant order as the aggregate amounts of the rate support grants and any elements of the grants for that year.
- (2) The provisions of subsection (3) of section 1 and subsection (2) of section 2 of this Act relating to consultation and to a report of the considerations leading to a determination under the said section 1 shall apply to a redetermination under this section as they apply to a determination under that section.
- (3) In deciding whether to exercise his power under subsection (1) of this section and in redetermining in the exercise of that power the amount and the portion there mentioned, the Minister shall have regard only to the extent by which the said amount and portion are insufficient by reason of the unforeseen increase aforesaid.
- (4) An order made under subsection (1) of this section with respect to any year may, as respects that year, vary the matters prescribed by the relevant rate support grant order.
- (5) In this section "relevant expenditure" has the same meaning as in section 1 of this Act.

4 Reduction of grants in case of default.

- (1) If in the case of any local authority or joint board the appropriate Minister—
 - (a) is satisfied that the authority or board have failed to achieve or maintain a reasonable standard in the discharge of any of their functions, regard being had to the standards maintained by other authorities and boards; and
 - (b) is of opinion that by reason of the failure a reduction should be made in the amount of any elements of rate support grant payable to the local authority or a constituent authority of the joint board,

he may, after affording to the local or constituent authority in question an opportunity of making representations, make and cause to be laid before Parliament a report stating the amount of and the reasons for the proposed reduction and setting out any representations made by the authority with respect to the proposed reduction; and if the

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report is approved by a resolution of the Commons House of Parliament the Minister may reduce the elements of the grant accordingly.

- (2) The appropriate Minister may make regulations for prescribing standards and general requirements in relation to any function of a local authority ; and in determining for the purposes of subsection (1) of this section whether there has been such a failure as is there mentioned, regard shall be had to any such regulations and any other standards or requirements imposed by or under any enactment.
- (3) Any regulations in force immediately before the passing of this Act under subsection (4) of section 3 of the Local Government Act 1958 (which authorises the making of regulations, in connection with general grants, for purposes similar to those mentioned in subsection (2) of this section) shall, without prejudice to their operation for the purposes of that Act, have effect for the purposes of this section as if made under subsection (2) of this section.
- (4) Subsection (1) of section 99 of the Education Act 1944 (which makes provision for dealing with failures by local education authorities and certain other bodies to perform duties imposed on them by that Act) shall apply to any failure to discharge a duty imposed by regulations under subsection (2) of this section as it applies to a failure to discharge a duty imposed by that Act.

5 Supplemental.

- (1) The Minister may make regulations for carrying the foregoing provisions of this Act into effect and, without prejudice to the generality of this provision.—
 - (a) for determining the manner in which any calculation or estimate is to be made for any of the purposes of those provisions and, in particular, for determining—
 - (i) the manner in which and the time as at which road-mileages, population, the numbers of persons of any description and the numbers of education units for any area are to be ascertained,
 - (ii) the descriptions of roads which are to be taken into account in calculating road-mileages,
 - (iii) the authority or person by or to whom any information required for the said purposes is to be given and the time at which and the form in which it is to be given,
 - (iv) the adjustments to be made for any abnormal treatment of income or expenditure in accounts;
 - (b) for providing that the calculations or estimates by reference to which any payments are made may be treated as either conclusive or provisional or conclusive for some purposes and provisional for other purposes and, in so far as they are treated as provisional, for the making of further calculations or estimates based on information not previously available and for adjusting, in the light thereof, any payment already made;
 - (c) for modifying the operation of the foregoing provisions of this Act in relation to any authority if and in so far as any modification is required in relation to that authority in consequence of any alterations or combinations of authorities or alterations of boundaries ;

and regulations under this subsection may make different provision for different circumstances.

- (2) The Minister may by regulations make provision for amounts payable under any enactment or instrument to be disregarded for any of the purposes of the foregoing provisions of this Act specified by the regulations; and regulations under this subsection may make such alterations in any enactment or instrument as the Minister considers appropriate in consequence of any such provision made by the regulations.
- (3) The Minister may by regulations amend any of the following enactments and instruments, that is to say—
 - (a) paragraph 2(3) of Schedule 1 to the Housing Act 1961 and sections 87 and 121 of the Water Resources Act 1963 ;
 - (b) any other enactment (including a local Act) and any scheme, order or other instrument in which reference is made, in whatever terms, to the standard penny rate product for an area as ascertained for the purposes of section 5 of the Local Government Act 1958,
in such manner as appears to him to be appropriate for preserving the original effect of that enactment or instrument in relation to the foregoing provisions of this Act or section 6 of the Rating (Interim Relief) Act 1964 or section 10 of the Rating Act 1966.
- (4) References in this section to the foregoing provisions of this Act include references to Schedule 1 to this Act.

6 Reduction of rates on dwellings by reference to the domestic element.

- (1) Every rating authority shall reduce the amount which, apart from this subsection, would be the amount of the general rate levied by the authority for any year on any dwelling-house or mixed hereditament in their area by the following amount in the pound, that is to say—
 - (a) in the case of a dwelling-house, the amount prescribed for that year in pursuance of paragraph 1 of Part III of Schedule 1 to this Act; and
 - (b) in the case of a mixed hereditament, one-half (disregarding any halfpenny) of the amount so prescribed.
- (2) Where the period for which the said rate is made is less than a year, the amount in the pound of the reduction to be made under subsection (1) of this section shall be such as the rating authority may determine; but the authority shall so exercise their power under this subsection as to secure that the aggregate of the amounts determined in pursuance of this subsection for any year in respect of dwelling-houses and mixed hereditaments respectively is equal to the amount mentioned in paragraph (a) or, as the case may be, paragraph (b) of subsection (1) of this section.
- (3) Where a hereditament is a dwelling-house or a mixed hereditament during part only of a rate period, the reduction to be made in pursuance of the foregoing provisions of this section shall be made for that part of the period only.
- (4) The Minister may by regulations provide that the foregoing provisions of this section and Part III of Schedule 1 to this Act shall have effect, in their application to the City of London, subject to such modifications as the Minister considers appropriate for securing that reductions under those provisions are apportioned between the general rate and the poor rate, for securing that payments in respect of the domestic element are treated as the proceeds of those rates in such proportions as may be determined in pursuance of the regulations and for making such supplementary provision in relation to the City as the Minister considers expedient.

(5) In this section—

" general rate ", in relation to the Inner and Middle Temples, means any rate in the nature of a general rate ; and

" mixed hereditament " means a hereditament which is not a dwelling-house but in the case of which it appears to the rating authority or is determined in pursuance of subsection (6) of this section that the proportion of the rateable value of the hereditament attributable to the part of the hereditament used for the purposes of a private dwelling or private dwellings is greater than the proportion thereof attributable to the part used for other purposes (any part of the hereditament used for the letting of rooms singly for residential purposes, whether by way of a tenancy or licence and either with or without board or other services or facilities, or used as sites for movable dwellings within the meaning of section 269 of the Public Health Act 1936 being treated as used for purposes other than those of a private dwelling or private dwellings).

(6) The Minister may by regulations provide for the determination as respects any hereditament of any question as to the proportions mentioned in subsection (5) of this section in any case where the occupier or the person treated for the purposes of the regulations as the occupier of the hereditament is dissatisfied by the refusal of the rating authority to treat the hereditament as a mixed hereditament for the purposes of this section or the occupier, the person aforesaid or the rating authority considers that by reason of a change of circumstances a previous determination made in respect of the hereditament by virtue of this subsection should cease to have effect; and without prejudice to the generality of the power to make regulations conferred by the foregoing provisions of this subsection, the regulations may include provision—

(a) applying for the purposes of a determination any of the provisions of Part III of the Local Government Act 1948, with such modifications, if any, as may be specified by the regulations ;

(b) for a determination to have effect with respect to such period, whether or not beginning before the time when an application for the determination was made, as may be provided by or under the regulations.

Specific grants.

7 Grants for development and redevelopment.

(1) The Minister may, with the consent of the Treasury and after consultation with such associations of local authorities as appear to the Minister to be concerned and with any local authority with whom consultation appears to him to be desirable, make regulations providing for the payment to local authorities, for the year 1967-68 and subsequent years, of grants of such amounts, and payable over such periods and subject to such conditions, as may be determined by or under the regulations in respect of expenditure incurred by those authorities (whether before or after the passing of this Act) in or in connection with the acquisition of land approved for the purposes of the regulations, being land required for or in connection with—

(a) the development or redevelopment as a whole of any area (whether or not defined in a development plan as an area of comprehensive development); or

(b) the relocation of population or industry, or the replacement of open space, in the course or in consequence of such development or redevelopment,

or in respect of expenditure so incurred in or in connection with the clearing or preliminary development of such land.

- (2) For the purposes of regulations under this section land appropriated by a local authority (whether before or after the passing of this Act) for use for purposes described in subsection (1) of this section may be treated as acquired by that authority for those purposes at a cost of such amount, and defrayed in such manner, as may be determined by or under the regulations.
- (3) Provision may be made by regulations under this section—
- (a) for the inclusion, in the expenditure incurred by local authorities in the acquisition of land approved for the purposes of the regulations, of any sums or part of sums paid by those authorities in connection with any restriction imposed on the development or use of the land by or under any enactment (whether by way of compensation or by way of contribution towards damage or expense incurred in consequence of the restriction);
 - (b) for the calculation of grants payable under the regulations by reference to the amount of the annual costs incurred or treated as being incurred by local authorities in respect of the borrowing of money to defray the expenditure in respect of which the grants are made, or by reference to the excess of such annual costs over receipts of those authorities which are attributable to such expenditure, or over the annual value of such receipts, or by reference to such other considerations as may be prescribed by the regulations ;
 - (c) for the payment of capital sums in substitution for any periodical grants payable under the regulations in respect of such annual costs ;
- and for the purposes of this section " clearing " and " preliminary development " mean the carrying out of such works as may be prescribed by or determined under the regulations.
- (4) Any grants to be paid or approval given under or for the purposes of regulations under this section shall be paid or given—
- (a) in the case of local authorities in England excluding Monmouthshire, by the Minister;
 - (b) in the case of local authorities in Wales or Monmouthshire, by the Secretary of State.
- (5) In this section " enactment " and " local authority " have the meanings assigned by subsection (1) of section 221 of the Town and Country Planning Act 1962; and references in this section to the relocation of population or industry and the replacement of open space shall be construed in accordance with that subsection, but as if for references in the definitions of those expressions to an area of extensive war damage or an area of bad lay-out or obsolete development there were substituted references to any area.
- (6) Section 184 of the Town and Country Planning Act 1962 shall cease to have effect, but without prejudice to the operation of regulations made thereunder with respect to the payment of grants for any period before the commencement of this section; and sections 185 and 186 of that Act (maximum amount of grants and supplementary provisions as to grants) shall apply to this section, and regulations thereunder, as they applied to the said section 184 and regulations under that section, and as if references to the Minister in the said section 186 included references to the Secretary of State.

8 Grants for public open spaces.

- (1) Subject to the provisions of this section the Minister may, with the consent of the Treasury, pay to local authorities for the year 1967-68 and subsequent years grants of such amounts and payable at such times and subject to such conditions as he may from time to time determine, either generally or in the case of any particular authority, in respect of expenditure incurred by those authorities on and after 1st April 1967 in or in connection with the acquisition for use as a public open space of land approved by the Minister for the purposes of this section.
- (2) Grants under this section may be made either as periodical grants in respect of the costs from time to time incurred or treated as incurred by a local authority in respect of the borrowing of money to defray expenditure qualifying for such grants, or as capital grants in respect of such expenditure or in substitution for such periodical grants.
- (3) The amount of the grant which may be paid to a local authority under this section in respect of any expenditure shall not exceed one-half of the amount of that expenditure, or of the costs incurred or treated as incurred as aforesaid on account of that expenditure, as approved by the Minister for the purposes of this section.
- (4) For the purposes of this section any land appropriated by a local authority for use as a public open space may be treated as acquired by that authority for that purpose at a cost of such amount, and defrayed in such manner, as the Minister may determine.
- (5) In this section " the Minister " in relation to local authorities in Wales and Monmouthshire means the Secretary of State ; and " local authority " means a local authority within the meaning of the Town and Country Planning Act 1962.

9 Grants for reclamation of derelict land.

- (1) Subject to the provisions of this section the Minister may, with the consent of the Treasury, pay to local authorities for the year 1967-68 and subsequent years grants of such amounts and payable at such times and subject to such conditions as he may from time to time determine, either generally or in the case of any particular authority, in respect of expenditure incurred by those authorities in or in connection with the acquisition at any time of land approved by the Minister for the purposes of this section, being—
 - (a) derelict, neglected or unsightly land requiring reclamation or improvement; or
 - (b) land required for purposes connected with the reclamation or improvement of such land as aforesaid,or in or in connection with the carrying out on or after 1st April 1967 of works approved as aforesaid for the reclamation or improvement of any such land.
- (2) Grants under this section may be made either as periodical grants in respect of the costs from time to time incurred or treated as incurred by a local authority in respect of the borrowing of money to defray expenditure qualifying for such grants, or as capital grants in respect of such expenditure or in substitution for such periodical grants.
- (3) The amount of the grant which may be paid to a local authority under this section in respect of any land shall not exceed one-half of the expenditure incurred in acquiring the land and in carrying out any works for its reclamation or improvement, as approved by the Minister for the purposes of this section, reduced, unless the Minister otherwise determines, by the value of the land after carrying out those works, or one-half of the

costs incurred or treated as incurred as aforesaid on account of that expenditure as so reduced.

- (4) In this section " the Minister " in relation to local authorities in Wales and Monmouthshire means the Secretary of State; and " local authority" means a local authority within the meaning of the Town and Country Planning Act 1962.

10 Grants to port and airport health authorities.

- (1) Subject to the provisions of this section the Minister of Health may pay to port health authorities grants of such amounts, and payable at such times and subject to such conditions, as he may with the consent of the Treasury determine in respect of expenditure on revenue account incurred by those authorities on and after 1st April 1967—
- (a) in the payment of salaries to their medical officer of health and public health inspectors ;
 - (b) in the exercise of functions conferred or imposed on them by or under section 143 of the Public Health Act 1936 or the Prevention of Damage by Pests Act 1949;
 - (c) in the exercise in relation to imported food of functions conferred or imposed on them by or under the Food and Drugs Act 1955.
- (2) Subject to the provisions of this section the Minister of Health may pay to the councils of county districts grants of such amounts, and payable at such times and subject to such conditions, as he may with the consent of the Treasury determine in respect of expenditure on revenue account incurred by those councils on or after 1st April 1967 in the exercise of functions conferred on them by or under section 143 of the Public Health Act 1936 in relation to the prevention of danger to public health from aircraft arriving at or leaving any place.
- (3) The amount of the grant payable under this section in respect of any expenditure shall not exceed one half of that expenditure; and no grant shall be paid under subsection (2) of this section in respect of expenditure incurred in the exercise of functions in relation to aircraft arriving at or leaving an airport vested in or under the control of the Board of Trade or an aerodrome owned or managed by the British Airports Authority.
- (4) No payment shall be made by the councils of counties and county boroughs under Schedule 1 to the Public Health Act 1936 on account of salaries of medical officers of health or public health inspectors accruing on or after 1st April 1967.

11 Grants for certain expenditure due to immigrant population.

- (1) Subject to the provisions of this section the Secretary of State may pay, to local authorities who in his opinion are required to make special provision in the exercise of any of their functions in consequence of the presence within their areas of substantial numbers of immigrants from the Commonwealth whose language or customs differ from those of the community, grants of such amounts as he may with the consent of the Treasury determine on account of expenditure of such descriptions (being expenditure in respect of the employment of staff) as he may so determine.
- (2) No grant shall be paid under this section in respect of expenditure incurred before 1st April 1967.

Discontinuance or reduction of certain existing grants.

12 Discontinuance of general grants and rate-deficiency grants.

General grants under Part I of the Local Government Act 1958 and rate-deficiency grants under Part I of the Local Government Act 1948 shall not be payable for the year 1967-68 and subsequent years.

13 Calculation of road-mileage etc. for grant purposes.

The Local Government Act 1958 shall have effect and be deemed always to have had effect as if it provided that the road-mileage and population of a county shall, for the purposes of subsection (4) of section 5 of that Act and paragraph 6 of Part III of Schedule 1 to that Act (which relate to the calculation of rate-deficiency grants and general grants respectively), be taken to be—

- (a) in the case of the road-mileage, the total mileage, as estimated for the year 1958-59 by the Minister of Transport, of the highways in the county repairable by the inhabitants at large ; and
- (b) in the case of the population, the population of the county on 30th June 1958 as estimated by the Registrar General.

14 Discontinuance of grants for school meals etc.

Grants under paragraph (a)(i) and (ii) of subsection (1) of section 100 of the Education Act 1944 (which relate to the provision of milk and meals) shall not be payable for the year 1967-68 or any subsequent year.

15 Reduction of grants under 1964 c. 18 s. 1 for 1967-68.

Section 1 of the Rating (Interim Relief) Act 1964 (which provides that where the number of persons over the age of sixty-five included in the population of a rating authority's area exceeds one-tenth of the population in a year not later than 1967-68, a grant for the year shall be paid to the authority at the rate of five pounds per head of the excess) shall have effect in relation to the year 1967-68 as if for the words " one-tenth " there were substituted the words " one-fifth ".