



Local Government Act 1974

1974 CHAPTER 7

PART I

GRANTS

Rate support grants

4 Variation of rate support grant orders.

- (1) If it appears to the Secretary of State that, after the time when the amount available for grants was determined for any year, the relevant expenditure of local authorities for that year has been or is likely to be substantially increased by reason of—
 - (a) an increase which has taken place in the level of prices, costs or remuneration, or
 - (b) the coming into operation of a provision of an enactment passed after this Act, and that no account was taken of that increase or, as the case may be, the effect of that provision when the amount available for grants was so determined, he may for that year redetermine that amount and the portions which are to be deducted therefrom in accordance with section 1(2) above and, by an order made in the like manner and subject to the like provisions as a rate support grant order, may increase the amounts fixed by the relevant rate support grant order as the estimated aggregate amount of the rate support grants and the aggregate amount of the needs element for that year.
- (2) The provisions of sections 1(3) and 3(3) above relating to consultation and to a report of the considerations leading to a determination under section 1 above shall apply to a redetermination under this section as they apply to a determination under that section.
- (3) In redetermining under this section the amount available for grants and the portions referred to in subsection (1) above, the Secretary of State—
 - (a) shall take into account not only the effect of the increase referred to in paragraph (a) of that subsection or, as the case may be, the provision referred to in paragraph (b) thereof, but also any future variation in the level of prices, costs and remuneration current at the time of the redetermination which in his

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Changes to legislation: Local Government Act 1974, Section 4 is up to date with all changes known to be in force on or before 10 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)

- opinion will result from any such decisions as are referred to in section 1(3)(d) above, and
- (b) except in the case of a change resulting from the coming into operation of any enactment passed after this Act, shall take no account of any change, as compared with the situation at the time that amount and those portions were determined for the purposes of the relevant rate support grant order, in the demand for services giving rise to relevant expenditure, in the need for developing those services, in the extent to which those services have been developed or in the extent to which, having regard to general economic conditions, it is reasonable to develop those services.
- (4) An order made under subsection (1) above in respect of any year shall specify the actual (and not the estimated) aggregate amount of the resources element for that year.
- (5) If, in a case where the Secretary of State proposes to make an order under subsection (1) above in respect of any year, it appears to him that, apart from any provision made by virtue of this subsection, the effect of the order and of any other order under subsection (1) above which he considers likely to be made in respect of that year would be that the ratio between the actual aggregate amount of the resources element for that year and the aggregate amount of the needs element for that year would be significantly different from the ratio (in this subsection referred to as “the expected ratio”) between the estimated aggregate amount of the resources element for that year, as fixed by the relevant rate support grant order, and the aggregate amount of the needs element, as so fixed, he may in the order under subsection (1) above—
- (a) specify as the aggregate amount of the resources element for that year such amount as, in his estimation, will secure that (taking account of the effect of any further orders likely to be made under subsection (1) above in respect of that year) the ratio which the amount so specified will bear to the aggregate amount of the needs element for that year will be the expected ratio; and
- (b) in order to secure that the total amount paid in respect of the resources element to local authorities entitled to payments in respect of that element does not exceed the amount specified as mentioned in paragraph (a) above, make provision for a corresponding variation in the amount payable to each such authority in respect of that element.
- (6) Except as provided by the preceding provisions of this section, an order under subsection (1) above in respect of any year shall not vary the amount of the elements of the rate support grants for that year but, subject thereto, any such order may, as respects the year to which it relates, vary any matters prescribed by the relevant rate support grant order other than—
- (a) the additional factors prescribed by that order for the purposes of paragraph 1 of Schedule 2 to this Act; and
- (b) any matter prescribed by that order in relation to the domestic element or the resources element.
- (7) In this section “relevant expenditure” has the same meaning as in section 1 above.

Modifications etc. (not altering text)

- C1 Power to repeal s. 4 conferred by [Local Government, Planning and Land Act 1980 \(c. 65\), s. 53\(10\)\(11\)\(c\)](#), [Sch. 8](#)

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