



# 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.

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### **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;
  - <sup>F1</sup>(h) .....
  - (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 [<sup>F2</sup>(fire and rescue services and transport)];
  - <sup>F3</sup>(ja) an authority established for an area in England by an order under section 207 of the Local Government and Public Involvement in Health Act 2007 (joint waste authorities);]
  - <sup>F4</sup>(jb) an economic prosperity board established under section 88 of the Local Democracy, Economic Development and Construction Act 2009;
  - (jc) a combined authority established under section 103 of that Act;]
  - (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);

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- [<sup>F5</sup>(l) a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;]  
[<sup>F6</sup>(m) a police and crime commissioner.]

(2) In this Chapter—

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

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

#### Textual Amendments

- F1** S. 33(1)(h) omitted (1.4.2005) by virtue of Courts Act 2003 (Consequential Provisions) Order 2005 (S.I. 2005/886), art. 1, **Sch. para. 96**
- F2** Words in s. 33(1)(j) substituted (1.4.2005) by Civil Contingencies Act 2004 (c. 36), s. 34(1), **Sch. 2 para. 10(3)(e)**; S.I. 2005/772, art. 2(b)
- F3** S. 33(1)(ja) inserted (1.4.2008) by Local Government and Public Involvement in Health Act 2007 (c. 28), s. 245(5), **Sch. 13 para. 55(3)**; S.I. 2008/917, art. 2(1)(p)
- F4** S. 33(1)(jb)(jc) inserted (17.12.2009) by Local Democracy, Economic Development and Construction Act 2009 (c. 20), s. 148(6), **Sch. 6 para. 117(3)**; S.I. 2009/3318, art. 2(c)
- F5** S. 33(1)(l) substituted (1.10.2004 except in relation to W. otherwise 10.11.2004) by Fire and Rescue Services Act 2004 (c. 21), s. 61, **Sch. 1 para. 101**; S.I. 2004/2304, art. 2; S.I. 2004/2917, art. 2
- F6** S. 33(1)(m) substituted (22.11.2012) by Police Reform and Social Responsibility Act 2011 (c. 13), ss. 27(4), 157(1), **Sch. 16 para. 319**; S.I. 2012/2892, art. 2(a)(i)

## CHAPTER 2

### OTHER GRANTS ETC

#### <sup>F7</sup>34 Best value grant: parishes

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#### Textual Amendments

- F7** S. 34 repealed (1.4.2008) by Local Government and Public Involvement in Health Act 2007 (c. 28), s. 245(5), Sch. 7 para. 3(2), **Sch. 18 Pt. 8**; S.I. 2008/917, art. 2(1)(a)(i)(v)

#### <sup>F8</sup>35 Best value grant: communities

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#### Textual Amendments

- F8** S. 35 repealed (1.4.2008) by Local Government and Public Involvement in Health Act 2007 (c. 28), s. 245(5), Sch. 7 para. 3(2), **Sch. 18 Pt. 8**; S.I. 2008/917, art. 2(1)(a)(i)(v)

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### 36 Grants in connection with designation for service excellence

- (1) The appropriate person may pay any of the following to a best value authority [<sup>F9</sup>which, in relation to any of its functions, is subject to the duty in section 3(1) of the Local Government Act 1999 (best value duty)] [<sup>F10</sup>or to a Welsh improvement authority within the meaning of section 1 of the Local Government (Wales) Measure 2009]—
  - (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.

#### Textual Amendments

**F9** Words in s. 36(1) substituted (1.4.2008) by [Local Government and Public Involvement in Health Act 2007 \(c. 28\), s. 245\(5\), Sch. 8 para. 25\(2\)](#); S.I. 2008/917, art. 2(1)(e)

**F10** Words in s. 36(1) inserted (1.4.2010) by [Local Government \(Wales\) Measure 2009 \(nawm 2\), s. 53\(2\), Sch. 1 para. 24](#); S.I. 2009/3272, art. 3(1), Sch. 2

#### 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. 1](#)

### <sup>F11</sup>36A Grants by Ministers of the Crown in respect of best value authorities etc

- (1) A Minister of the Crown may pay a grant to a person for use in, or in connection with, promoting or facilitating the economic, efficient and effective exercise of functions by a best value authority or best value authorities [<sup>F12</sup>or a Welsh improvement authority or Welsh improvement authorities].
- (2) The power to make a grant under this section is exercisable only with the consent of—
  - (a) the Treasury, and
  - (b) in the case of a grant in respect of the exercise of functions by a [<sup>F13</sup>Welsh improvement authority], the Welsh Ministers.
- (3) The power to pay a grant under this section does not include power to pay a grant to a best value authority [<sup>F14</sup>or a Welsh improvement authority].
- (4) The amount of a grant under this section, and the method of payment, are to be such as the Minister of the Crown may determine.
- (5) A grant under this section may be paid on such conditions as the Minister of the Crown may determine.
- (6) Conditions under subsection (5) may, in particular, include—

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- (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.
- (7) For the purposes of this section—
- “best value authority” includes the Greater London Authority, whether exercising its functions through the Mayor or otherwise;
  - “Minister of the Crown” has the same meaning as in the Ministers of the Crown Act 1975;
  - [<sup>F15</sup>“Welsh improvement authority” means an authority which is a Welsh improvement authority within the meaning of section 1 of the Local Government (Wales) Measure 2009.]

#### Textual Amendments

- F11** Ss. 36A, 36B inserted (30.12.2007) by [Local Government and Public Involvement in Health Act 2007 \(c. 28\)](#), **ss. 143(1), 245(2)** (with s. 143(2))
- F12** Words in s. 36A(1) inserted (1.4.2010) by [Local Government \(Wales\) Measure 2009 \(nawm 2\)](#), s. 53(2), **Sch. 1 para. 25(a)**; S.I. 2009/3272, art. 3(1), Sch. 2
- F13** Words in s. 36A(2)(b) substituted (1.4.2010) by [Local Government \(Wales\) Measure 2009 \(nawm 2\)](#), s. 53(2), **Sch. 1 para. 25(b)**; S.I. 2009/3272, art. 3(1), Sch. 2
- F14** Words in s. 36A(3) inserted (1.4.2010) by [Local Government \(Wales\) Measure 2009 \(nawm 2\)](#), s. 53(2), **Sch. 1 para. 25(c)**; S.I. 2009/3272, art. 3(1), Sch. 2
- F15** Words in s. 36A(7) substituted (1.4.2010) by [Local Government \(Wales\) Measure 2009 \(nawm 2\)](#), s. 53(2), **Sch. 1 para. 25(d)**; S.I. 2009/3272, art. 3(1), Sch. 2

### 36B Grants by Welsh Ministers in respect of Welsh best value authorities

- (1) The Welsh Ministers may pay a grant to a person for use in, or in connection with, promoting or facilitating [<sup>F16</sup>compliance by a Welsh improvement authority or Welsh improvement authorities with the requirements of Part 1 of the Local Government (Wales) Measure 2009].
- (2) The power to pay a grant under this section does not include power to pay a grant to a best value authority [<sup>F17</sup>or Welsh improvement authority].
- (3) The amount of a grant under this section, and the method of payment, are to be such as the Welsh Ministers may determine.
- (4) A grant under this section may be paid on such conditions as the Welsh Ministers 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) For the purposes of this section—
  - “best value authority” includes the Greater London Authority, whether exercising its functions through the Mayor or otherwise;

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[<sup>F18c</sup>“Welsh improvement authority” means an authority which is a Welsh improvement authority within the meaning of section 1 of the Local Government (Wales) Measure 2009.]]

#### Textual Amendments

- F11** Ss. 36A, 36B inserted (30.12.2007) by [Local Government and Public Involvement in Health Act 2007 \(c. 28\)](#), [ss. 143\(1\)](#), [245\(2\)](#) (with [s. 143\(2\)](#))
- F16** Words in s. 36B(1) substituted (1.4.2010) by [Local Government \(Wales\) Measure 2009 \(nawm 2\)](#), s. [53\(2\)](#), [Sch. 1 para. 26\(a\)](#); S.I. 2009/3272, art. 3(1), Sch. 2
- F17** Words in s. 36B(2) inserted (1.4.2010) by [Local Government \(Wales\) Measure 2009 \(nawm 2\)](#), s. [53\(2\)](#), [Sch. 1 para. 26\(b\)](#); S.I. 2009/3272, art. 3(1), Sch. 2
- F18** Words in s. 36B(6) substituted (1.4.2010) by [Local Government \(Wales\) Measure 2009 \(nawm 2\)](#), s. [53\(2\)](#), [Sch. 1 para. 26\(c\)](#); S.I. 2009/3272, art. 3(1), Sch. 2

### 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](#)
- I4** S. 37 in force at 1.4.2004 for E. by [S.I. 2003/2938](#), [art. 7\(a\)](#) (with [art. 8](#), [Sch.](#))

### 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,

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- (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

- I5** S. 38 partly in force; s. 38 in force for E. at 18.11.2003 see [s.128\(2\)\(b\)](#)  
**I6** 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

- I7** S.39 partly in force; s. 39 in force for E. at 18.11.2003 see [s. 128\(2\)\(b\)](#)  
**I8** S. 39 in force at 27.11.2003 for W. by [S.I. 2003/3034](#), art. 2, [Sch. 1 Pt. I](#)

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#### **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**

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



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