EXPLANATORY NOTE

(This Note is not part of the Regulations, but is intended to indicate their general purport.)

These Regulations provide for estimates and conclusive calculations of the amounts of the general grants payable under Part I of the Local Government Act, 1958, to the councils of counties and county boroughs in England and Wales and the Council of the Isle of Scilly. The regulations also provide that the area of the areas in question shall be taken according to the last published census for the time being, for the taking of the area and population of small areas lying within certain county boroughs as part of such boroughs and for the method of calculating decline of population for the purposes of paragraph 7 of Part III of the First Schedule to the Local Government Act, 1958.

1958 No. 2084

The Grants and Rates (Transitional Adjustments) Regulations, 1958

Made - - - - 20*th November,* 1958
Coming into Operation 9*th December,* 1958

The Minister of Housing and Local Government, in exercise of his powers under section 15 of the Local Government Act, 1958(a), and of all other powers enabling him in that behalf, hereby makes the following regulations :—

Citation, commencement and interpretation

1. These regulations may be cited as the Grants and Rates (Transitional Adjustments) Regulations, 1958, and shall come into operation on the day following the day on which they are approved by a resolution of the Commons House of Parliament.

2.—(1) The Interpretation Act, 1889(b), applies to the interpretation of these regulations as it applies to the interpretation of an Act of Parliament.

(2) In these regulations—

"the Act" means the Local Government Act, 1958;

"the Minister" means the Minister of Housing and Local Government;

"year" means a period of twelve months beginning with the 1st day of April; and

"hereditaments" does not include any hereditament which a Gas Board or an Electricity Board is, under section 6 of the Rating and Valuation (Miscellaneous Provisions) Act, 1955(c), or section 12 of the Act, to be treated as occupying in a rating area.

Ascertainment of losses and gains

3.—(1) For the purposes of section 15 of the Act (which makes provision for transitional adjustments) the losses and gains accruing to rating authorities from the coming into operation of sections 1 to 7 and 9 to 14 of the Act shall be ascertained in accordance with the following paragraphs of this regulation.

(a) 6 & 7 Eliz. 2. c. 55 (b) 52 & 53 Vict. c. 63. (c) 4 & 5 Eliz. 2. c. 9.

(2) The Minister shall estimate—

(*a*) the rates required to be levied for the year 1957–58 for the areas of rating authorities ; and

(*b*) the rates which would have been required to be levied for that year for those areas if sections 1 to 5, 7, 9 and 12 to 14 of the Act had been in force for that year.

In such estimates—

(i) any expenses chargeable on any part of the area of a rating authority shall be treated as chargeable on the whole of the area ;

(ii) any amounts received in respect of any such part shall be treated as received in respect of the whole of the area ; and

(iii) no account shall be taken of any differential rating in any borough or urban district.

(3) The Minister shall also estimate the product for the year 1957–58 for the areas of rating authorities of rates of a penny in the pound, estimated as if sections 1 to 5, 7, 9 and 12 to 14 of the Act had been in force for that year.

(4) Subject to the provisions of paragraphs (5) and (6) of this regulation the loss or gain accruing to a rating authority shall be taken to be the excess, for the area of the authority, of the rate indicated in sub-paragraph (*b*) of paragraph (2) of this regulation over the rate indicated in sub-paragraph (*a*), or of the rate indicated in sub-paragraph (*a*) over the rate indicated in sub-paragraph (*b*), as the case may be, multiplied by the amount estimated for the said area under the last preceding paragraph.

(5) Where, on the 1st day of April, 1958, or the 1st day of April, 1959, an area (in this regulation referred to as " the transferred area ") has ceased to form part of the area of a rating authority (in this regulation referred to as " the existing rating area ") the Minister—

(*a*) shall calculate the sum which bears to the amount which, apart from such transfer, would be taken as the loss or gain accruing to the said authority the same proportion as the aggregate rateable value of all the hereditaments in the transferred area, as shown in the valuation list immediately before the transfer, bears to the aggregate rateable value of all the hereditaments in the existing rating area, as so shown ;

(*b*) where the transferred area has been included in the area of another rating authority, shall take account of such sum in the ascertainment of the amount to be taken as the loss or gain accruing to that authority ; and

(*c*) shall take account of such sum in the ascertainment of the amount to be taken as the loss or gain accruing to the authority for the existing rating area.

(6) Where, on either of the said days, a new rating authority have come into existence, the Minister shall ascertain the amount to be taken as the loss or gain accruing to them by reference to the sums calculated under sub-paragraph (*a*) of the last preceding paragraph in respect of any transferred areas comprised in their area.

(7) Sections 6, 10 and 11 of the Act are omitted from paragraphs (2) and (3) of this regulation in exercise of the Minister's power to effect exceptions from the assumed operation of sections 1 to 7 and 9 to 14 of the Act.

Provisional and conclusive estimates of losses and gains accruing to rating authorities

4.—(1) The Minister shall, before the 1st day of February, 1959, provisionally estimate, upon the best information available, the matters indicated in paragraphs (2) and (3) of the last preceding regulation and notify to each rating authority the amounts which on such estimate and on the best assessment possible of the effect of changes in areas on the 1st day of April, 1958, and the 1st day of April, 1959, would, under paragraphs (4) to (6) of the said regulation, be taken as the losses and gains accruing to rating authorities.

(2) The Minister may make such further provisional estimates, taking into account information not previously available, of the matters aforesaid as he may think fit and notify to each rating authority the amounts which on such estimates, and if the calculations under sub-paragraph (*a*) of paragraph (5) of the last preceding regulation have not become possible on the best assessment possible of the effect of changes in areas on the said days, would, under paragraphs (4) to (6) aforesaid, be taken as the losses and gains accruing to rating authorities.

(3) As soon as practicable after he has received what appears to him to be sufficient information for the purpose and after the further regulations referred to in paragraph (3) of regulation 7 have come into effect the Minister shall make a conclusive estimate of the matters aforesaid and notify to each rating authority the amounts which are, under paragraphs (4) to (6) aforesaid, to be taken as the losses and gains accruing to rating authorities.

Changes in areas of authorities in 1960–61 *and subsequent years.*

5.—(1) Where, on the 1st day of April in the year 1960–61 or in any subsequent year to which section 15 of the Act applies the whole of the area of a rating authority becomes, or is included in, the area of another rating authority, that authority shall be entitled to contributions under section 15 of the Act, or be liable to make contributions under that section, for the year commencing on the said 1st day of April and for any subsequent year, in respect of any amount upon which the first-mentioned authority would apart from such event have been entitled to contributions or liable to make contributions and shall be notified by the Minister accordingly.

(2) Where, on the 1st day of April in any year as aforesaid, an area (in this paragraph referred to as " the transferred area ") ceases to form part of the area of a rating authority (in this paragraph referred to as " the existing rating area ") the authority in whose area the transferred area comes to be comprised, or constituted for the transferred area, as the case may be, shall, in lieu of the authority for the existing rating area, be entitled to contributions or be liable to make contributions as aforesaid, for any year as aforesaid, in respect of the same proportion of any amount upon which the authority for the existing rating area would apart from such transfer have been entitled to contributions or liable to make contributions as the aggregate rateable value of all the hereditaments in the transferred area, as shown in the valuation list immediately before the transfer, bears to the aggregate rateable value of all the hereditaments in the existing rating area, as so shown. The proportions required to be calculated under this paragraph shall be calculated by the Minister and shall be notified by him to the rating authorities concerned. Provisional calculations may be made by the Minister in any case where it appears to him that such calculations should be made before the conclusive calculation becomes possible.

Amount and adjustment of contributions

6.—(1) The contribution to or by a rating authority under section 15 of the Act for the year 1959–60 shall be made on the basis of the notification under paragraph (1) of regulation 4, but shall be subject to adjustment on any subsequent notification under that regulation.

(2) The contribution to or by a rating authority under section 15 of the Act for the year 1960–61 or for any subsequent year to which the said section applies shall be made on the basis of the last notification under regulation 4 and of any notifications under the last preceding regulation, but shall be subject to adjustment on any subsequent notification under regulation 4 or any further notifications covering such year under the last preceding regulation.

(3) Any adjustment of a contribution to or by a rating authority required to be made under this regulation shall, notwithstanding any change of areas, be made by, or in relation to, such authority or, if they have been abolished, by the authority to whom their general property and liabilities have been transferred.

Assumptions to be made.

7.—(1) In estimating the rates indicated in sub-paragraph (*b*) of paragraph 2 of regulation 3 assumptions shall be made in accordance with the following paragraphs of this regulation.

(2) In estimates under paragraphs (1) and (2) of regulation 4 it shall be assumed that a general grant order was in force which prescribed, for the year 1957–58—

(*a*) as the aggregate amount of the general grants payable to recipient authorities, £330,900,000 ; and

(*b*) in respect of the matters which under Part III of the First Schedule to the Act are to be, or may be, prescribed, as follows—

In relation to the basic grant (*Paragraph* 1 *of Part III*)

As the sum to be multiplied by the estimated population of the area of the authority, £4·94 ;

As the sum to be multiplied by the estimated number of children in that population under 15 years of age, £0·45 ;

In relation to the supplementary grant under paragraph 2 *of Part III*

As the sum to be multiplied by the estimated number of persons under 5 years of age in the area of the authority, £0·36 ;

In relation to the supplementary grant under paragraph 3 *of Part III*

As the sum to be multiplied by the estimated number of persons over 65 years of age in the area of the authority, £0·36 ;

In relation to the supplementary grant under paragraph 4 *of Part III*

As the ratio of the persons within the classes set out in the paragraph to the population of the area of the authority to be exceeded as the condition of payment, 110 per 1,000 ;

That the number of pupils at schools recognised as direct grant grammar schools by the Minister of Education for the purposes of any regulations made by him for the payment of grant to such schools the fees for whose education are paid by the local education authority should be taken at 60 per centum of the full number ;

As the sum to be multiplied by the excess per 1,000 and by the estimated population of the area of the authority, £0·05;

That children belonging to the area of one local education authority who are pupils on the register of a school maintained or assisted by the local education authority for another area should be treated as if the school were maintained or assisted by the authority for the first-mentioned area and not by the authority for the other area;

That children belonging to the area of one local health authority who are in attendance at occupation centres provided by the local health authority for another area should be treated as if the centre were provided by the authority for the first-mentioned area and not by the authority for the other area;

In relation to the supplementary grant under paragraph 5 of Part III

As the number of persons per acre in the area of the authority to be exceeded as the condition of payment, 18;

As the percentage by which the excess is to be multiplied, 50 per centum;

In relation to the supplementary grant under paragraph 6 of Part III

As the ratio of the road-mileage of the area of the authority to the estimated population of the area to be exceeded as the condition of payment, 2 per 1,000;

As the percentage to be multiplied by the ratio of the road-mileage per 1,000 of the estimated population, 2¼ per centum;

As the proportion of the basic grant which the supplementary grant is not to exceed, 70 per centum;

In relation to the supplementary grant under paragraph 7 of Part III

As the period over which the decline of population is to be estimated, the 21 years ending the 30th day of June, 1957;

As the percentage of decline to be exceeded as the condition of payment, 5 per centum;

As the fraction or number by which the excess is to be multiplied, ½;

In relation to the supplementary grant under paragraph 8 of Part III

As the percentage of the basic grant at which the supplementary grant is to be fixed, 5 per centum;

Under paragraph 9 of Part III (which makes supplementary provision)

That the population of the area of the authority, the number of children under 15 years of age, the number of children under 5 years of age, and the number of persons over 65 years of age, should be estimated by the Registrar General for England and Wales and certified to the Minister as at 30th June, 1957;

That the number of pupils on the registers of schools maintained or assisted by the local education authority and of pupils at other schools the fees for whose education are paid by that authority (being classes set out in paragraph 4 of Part III) should be estimated by the Minister of Education and certified to the Minister as in January, 1958, or in the case of the estimate under paragraph (1) of regulation 4 as in January, 1957;

That the number of children in attendance at occupation centres provided for the purposes of paragraph (*cc*) of section 30 of the Mental Deficiency Act, 1913(a) (being a class set out in paragraph 4 of Part III) should be estimated by the Minister of Health and certified to the Minister as at 31st December, 1957, or in the case of the estimate under paragraph (1) of regulation 4 as at 31st December, 1956 ; and

(*c*) that the amount of the general grant payable to any recipient authority should be reduced by the product for the area of the authority of a rate of ninepence in the pound.

(3) In the estimate under paragraph (3) of regulation 4 it shall be assumed that such a general grant order as shall be described in further regulations made by the Minister under section 15 of the Act (such regulations taking into account the best information available as to grants paid in respect of the year 1957–58) was in force for the year 1957–58.

(4) Any provision made under section 15 of the Local Government Act, 1948(b), in relation to the ascertainment of the area or population of the areas of recipient authorities of general grant or for the purposes of paragraph 7 of Part III of the First Schedule to the Act shall apply for the purposes of the assumptions required by paragraphs (2) and (3) of this regulation.

(5) It shall be assumed in relation to subsection (4) of section 1 of, and Part IV of the First Schedule to, the Act (which make provision for adjustments of general grants for pooling etc. arrangements)—

(*a*) that any regulations under paragraph 1 of the said Part IV which are, or will be, in operation as respects the year 1959–60 were in operation as respects the year 1957–58 ;

(*b*) that amounts indicated by the appropriate Minister to the Minister for the purposes of this paragraph had been certified to him as the estimated amounts of the increases and decreases of general grant which ought to be made for the year 1957–58 and as the actual amounts of those increases and decreases ;

(*c*) that the Secretary of State had with the consent of the Treasury determined that any amount deemed to have been prescribed for the year 1957–58 as the aggregate amount of the general grants payable to recipient authorities should be reduced by one-half of the expenditure incurred by the Secretary of State in that year under sections 45 and 46 of the Children Act, 1948(c) ; and

(*d*) that the adjustments of general grants and of the aggregate amount thereof required by the said subsection (4) had been made:

Provided that this paragraph shall not have effect in relation to expenditure incurred in the training of persons to become health visitors or midwives or in respect of persons who are being so trained (being expenditure to which paragraph 1 of the said Part IV applies) except as respects the estimate under paragraph (3) of regulation 4.

(6) It shall be assumed that there was no recoupment between local education authorities in respect of the education in areas other than the areas of residence of pupils being provided with such facilities for further education of an advanced character as are specified for the purposes of paragraph (1) of Part IV of the First Schedule to the Act by or under regulations made under the said paragraph, but that in respect of the education in such

(a) 3 & 4 Geo. 5. c. 28. (b) 11 & 12 Geo. 6. c. 26. (c) 11 & 12 Geo. 6. c. 43.

areas of any other pupils recoupment was on the basis of the cost which would have had to be met out of rates if no government grants had been payable.

(7) It shall be assumed in relation to section 7 of the Act (which provides for the modification for special cases of the provisions of the Act as to Rate-deficiency Grants) that any scheme under the said section which is, or will be, in operation as respects the year 1959–60 was in operation as respects the year 1957–58.

(8) It shall be assumed that any order under section 146 of the Local Government Act, 1948, as extended by section 16 of and paragraph 28 of the Eighth Schedule to the Act (which provide for the modification of Part I of the Local Government Act, 1948, and Part I of the Act in their application to the Isles of Scilly) which is, or will be, in operation as respects the year 1959–60 was in operation as respects the year 1957–58.

(9) It shall be assumed that the expenses of the Peterborough Joint Education Board were defrayed in the year 1957–58 in the manner in which they will fall to be defrayed in the year 1959–60.

8. In estimating the rates indicated in sub-paragraphs (*a*) and (*b*) of paragraph 2 of regulation 3 it shall be assumed that paragraph (3) of article 4 of the scheme made by the Minister of Health under section 10 of the Local Government Act, 1948, on the 5th day of August, 1948, had provided that "the relevant local expenditure" of the council of a metropolitan borough means the local expenditure of the council for the year in question.

Exceptional income and expenditure

9. In estimating the matters indicated in paragraphs (2) and (3) of regulation 3 the Minister may leave out of account any income or expenditure of any rating authority, county council or joint board in so far as it appears to him that by reason of the exceptional circumstances of the income or expenditure it ought to be excluded.

Given under the official seal of the Minister of Housing and Local Government this twentieth day of November, nineteen hundred and fifty-eight.

(L.S.) *Henry Brooke,*
Minister of Housing and Local Government.

EXPLANATORY NOTE

(This Note is not part of the Regulations, but is intended to indicate their general purport.)

These Regulations provide for the ascertainment of the losses and gains accruing to rating authorities from the coming into operation of provisions of Part I (Grants and Rates) of the Local Government Act, 1958, for the purposes of section 15 of the Act, which provides for transitional adjustments. Inter alia, the Regulations provide (paragraphs (2) and (3) of Regulation 7) for the assumption of the existence of a general grant order in 1957–58, but it is impossible, until the amounts of grants paid in respect of the year 1957–58 have been ascertained, to indicate definitively the figures which such order should have contained. These Regulations therefore prescribe (paragraph (2) of Regulation 7) figures to be assumed in the provisional estimates required by the Regulations: the definitive figures will be indicated in further Regulations (paragraph (3) of Regulation 7).