1964 No. 374

LOCAL GOVERNMENT, ENGLAND AND WALES

The Rate-deficiency Grants (Amendment) Regulations 1964

Made - - - -	10*th March* 1964
Laid before Parliament	17*th March* 1964
Coming into Operation	18*th March* 1964

The Minister of Housing and Local Government, in exercise of his powers under section 15(1)(*c*) of the Local Government Act 1948(**a**), as extended by section 16 of the Local Government Act 1958(**b**), and of all other powers enabling him in that behalf, hereby makes the following regulations:—

1. These Regulations may be cited as the Rate-deficiency Grants (Amendment) Regulations 1964 and shall come into operation on 18th March 1964.

2. The Rate-deficiency Grants Regulations 1959(**c**) shall have effect subject to the modification that after regulation 8(1) thereof there shall be added the following paragraph—

"(1A) Notwithstanding that he has not determined what expenditure of a local authority, other than for police purposes, should be left out of account for the purposes of section 6 of the Local Government Act 1958 (which limits Rate-deficiency Grants to normal expenditure) under subsection (7) thereof, the Minister—

(*a*) may treat any calculation made by him of the normal expenditure of any authority as respects any grant year as conclusive for any purposes of the said section 6; and

(*b*) may treat—

(i) any calculation made by him of the expenditure per head of population for any year for any authority, or group of authorities, for the purposes of ascertaining the triennial average of the authority, or the triennial average of the group, for the purposes of subsection (3) of the said section 6; or

(ii) any such calculation of the expenditure per head of population for any grant year for any group of authorities for the purposes of subsections (5) and (6)(*a*) of the said section 6; or

(iii) any such calculation of the expenditure of any local authority for a grant year, being expenditure included in the expenditure of the local authorities comprised in a group and used to ascertain the expenditure per head of population for the grant year of a group for the purpose of the said subsections (5) and (6)(*a*),

(a) 11 & 12 Geo. 6. c. 26. (b) 6 & 7 Eliz. 2. c. 55. (c) S.I. 1959/525 (1959 I, p. 1596).

as conclusive for the purposes of ascertaining, as respects any of the three grant years next following the year for which any of the said calculations has been made, any triennial average for the purposes of the said section 6(3) used in calculating the normal expenditure of an authority for the purposes of the said section 6.".

Given under the official seal of the Minister of Housing and Local Government on 10th March 1964.

(L.S.) *Keith Joseph,*
Minister of Housing and Local Government.

EXPLANATORY NOTE

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

Under section 6 of the Local Government Act 1958 a local authority who qualify for rate-deficiency grant and whose actual expenditure exceeds their "normal" expenditure are not entitled to grant on the excess expenditure unless it appears to the Minister that by reason of any special circumstances certain expenditure of the authority should be left out of account. Grant is then payable on the excluded expenditure as well as on the normal expenditure.

Under section 6 the normal expenditure of an authority is calculated by reference to the expenditure per head of population of the authority and of the relevant group of authorities both for the grant year and for the preceding three years. The group average expenditure for any year (and consequently the normal expenditure of each of the authorities in the group for that year and of some authorities for three succeeding years) is reduced by any decision to leave out of account part of the expenditure for that year of an individual authority in the group.

These decisions cannot be made until some considerable time after the end of the grant year. To obviate an indefinite succession of calculations for each year, and the consequential delay which would occur in making final calculations of grant, these regulations authorise the Minister to treat as conclusive for all purposes any calculation of the normal expenditure of a local authority for a grant year and as conclusive for ascertaining certain triennial averages his calculation of certain items used in any calculation of that normal expenditure, even though these calculations are made before he has decided whether to leave any excess expenditure out of account.