STATUTORY INSTRUMENTS

1974 No. 2109

LOCAL GOVERNMENT, ENGLAND AND WALES

The Rate Support Grant (No. 2) Order 1974

Made - - - -	*3rd December* 1974
Laid before the House of Commons	*5th December* 1974
Coming into Operation	*13th December* 1974

The Secretary of State for the Environment, in exercise of the powers conferred upon him by section 3(1) of the Local Government Act 1974**(a)**, and of all other powers enabling him in that behalf, with the consent of the Treasury and after consultation with the associations of local authorities appearing to him to be concerned and the local authority with whom consultation appeared to him to be desirable, hereby makes the following order:—

Title and commencement

1. This order may be cited as the Rate Support Grant (No. 2) Order 1974 and shall come into operation on the day following the day on which it is approved by a resolution of the Commons House of Parliament.

Interpretation

2.—(1) In this order—

"the Act" means the Local Government Act 1974;

"education unit" bears the meaning ascribed thereto by the Rate Support Grant (No. 2) Regulations 1974**(b)**.

(2) The Interpretation Act 1889**(c)** shall apply for the interpretation of this order as it applies for the interpretation of an Act of Parliament.

Rate support grants for 1975-6

3. For the purposes of rate support grants for the year 1975-6, this order fixes and prescribes—

(1)	As the estimated aggregate of the rate support grants divided as follows—	£4,705,000,000
	the aggregate amount of the needs element	£2,758,000,000
	the aggregate amount of the domestic element ...	£619,000,000
	the estimated aggregate amount of the resources element	£1,328,000,000

(a) 1974 c. 7. (b) S.I. 1974/1987 (1974 III, p. 6964). (c) 1889 c. 63.

(2) As the aggregate amount of supplementary grants for transport purposes £250,000,000

(3) As the aggregate amount of supplementary grants under section 7 of the Act (supplementary grants towards expenditure with respect to National Parks) £2,300,000

(4) With respect to the needs element—as the sum to be multiplied by the population of a local authority's area for the purposes of paragraph 1(*a*) of Schedule 2 to the Act ... ... £2·99

and the additional factors with respect to which additional amounts are to be payable by virtue of paragraph 1(*b*) of that Schedule and the manner in which those amounts are to be determined shall be those set out in Schedule 1 to this order;

(5) In pursuance of paragraph 5 of Schedule 2 to the Act—

As the amount in the pound for the purposes of section 48 of the General Rate Act 1967**(a)** (reduction of rates on dwellings by reference to domestic element)

In relation to a rating area in England 18½p

In relation to a rating area in Wales 36p

(6) In pursuance of paragraph 8 of Schedule 2 to the Act—

As the national standard rateable value per head of population £170

Apportionment of transport supplementary grants

4. The provisions of Schedule 2 to this order shall have effect for the purpose of determining the proportion of the aggregate amount of supplementary grants for transport purposes payable for the year to a county council or to the Greater London Council.

Apportionment of supplementary grants (National Parks)

5.—(1) The proportion of the aggregate amount of supplementary grants under section 7 of the Act payable for the year to a county council shall be determined by—

(*a*) multiplying the aggregate amount of supplementary grants as prescribed by article 3(3) of this order by $\frac{x}{X}$, where—

x is the amount of the estimated expenditure of the county council or councils liable for meeting the expenses incurred with respect to a particular National Park and

X is the aggregate amount of the estimated expenditure of county councils incurred with respect to all National Parks,

in order to ascertain the proportion of the aggregate amount referable to that particular National Park and

(*b*) allocating that proportion to the county council or councils responsible for meeting the expenses incurred with respect to that National Park and, where there is more than one such council, dividing it between them in the same manner as the liability for meeting those expenses is divided.

(a) 1967 c. 9.

(2) In this article any reference to estimated expenditure refers to so much of the estimated expenditure of a council with respect to National Parks as the Secretary of State, in exercise of his powers under section 7(3) of the Act, determines to be appropriate to be taken into account for purposes of that section.

Article 3(4)

SCHEDULE 1

NEEDS ELEMENT—ADDITIONAL FACTORS

Additional factor	*Manner of determining additional amount*
1. In relation to the council of a non-metropolitan county, a metropolitan district or a London borough, the Common Council of the City of London or the Council of the Isles of Scilly—	
(*a*) The number of education units in excess of 200 per 1,000 of the population of their area—	Multiplying that number by £168
(*b*) The number of acres comprised in their area minus a number equivalent to 1·5 times the population of their area (if that number is a positive number)	Multiplying that number by £0·63
(*c*) The number of acres comprised in their area minus a number equivalent to 3 times the population of their area (if that number is a positive number)	Multiplying that number by £1·81
(*d*) The number by which the population of their area on 30th June 1974 fell short of the population of the corresponding area on 30th June 1964	Multiplying that number by £22·10
(*e*) The number of men 65 years of age or over and women 60 years of age or over in their area who were living alone at the date of the 1971 census.	Multiplying that number by £198·75
(*f*) The number of persons living in parishes or wards, or parts of parishes or wards, in their area with a density which exceeded 50 persons per hectare at the date of the 1971 census.	Multiplying that number by £4·46
(*g*) The amount to which they are entitled by way of needs element for the year 1974-5, calculated in accordance with the Rate Support Grant Order 1974(a) (before any variation thereto under section 4(1) of the Act)	Multiplying that amount by 71·3%
2. In relation to a London borough council or the Common Council of the City of London—	
The aggregate of the amounts payable to that council by virtue of article 3(4) above and the preceding provisions of this Schedule—	Multiplying that aggregate by 8%

(a) 1974/550 (1974 I, p. 2251).

Article 4

SCHEDULE 2

TRANSPORT SUPPLEMENTARY GRANT

Interpretation

1. In this Schedule—

"accepted estimated expenditure", in relation to a council, means so much of their estimated expenditure as the Secretary of State determines, pursuant to subsection (5) of section 6 of the Act, to be appropriate to be taken into account for the purposes of that section;

"council" means a county council or the Greater London Council; and any reference to the area of a council, however expressed, shall be construed as a reference to the relevant county or to Greater London, as the case may be;

"threshold level", in relation to a council, means a level of expenditure determined in relation to that council, in accordance with this Schedule and by reference to the factors prescribed therein, for the purposes of the said section 6.

Threshold level

2.—(1) The threshold level in relation to a council shall be the lower of the amounts arrived at by—

(*a*) aggregating the following amounts—

(i) the amount obtained by multiplying the population of their area as at 30th June 1973 (as certified by the Registrar General to the Secretary of State for rate support grant purposes) by—

£2·897 if the area is in England or

£2·239 if the area is in Wales; and

(ii) the amount of the council's estimated expenditure in the year ending 31st March 1975 on highway maintenance and the maintenance and operation of street lighting; and

(*b*) subtracting from their accepted estimated expenditure the aggregate of—

(i) the amounts included therein which appear likely to be expended by them or by any district council within their area during the year for any purpose referred to in paragraph 3 below; and

(ii) subject to sub-paragraph (2) below, an amount equal to 1·207 times the amount which appears likely to be expended by them or by any district council within their area during the year ending 31st March 1975 for the purpose of making grants in aid of the revenue expenditure of a public transport undertaking under any of the enactments mentioned in paragraph 4 below.

(2) For the purposes of sub-paragraph (1)(*b*)(ii) above, there shall be disregarded—

(*a*) expenditure upon travel concessions for particular categories of passenger and

(*b*) expenditure for any purpose mentioned in paragraph 3(*c*) below.

3. The purposes referred to in paragraph 2(1)(*b*)(i) above are—

(*a*) any purpose described in section 235(1) of the Highways Act 1959**(a)** (which provides for advances in respect of the construction and improvement of highways, etc.) in relation to which the Secretary of State has before the commencement of this order given an undertaking to make advances;

(*b*) any purpose described in section 56 of the Transport Act 1968**(b)** (which provides for assistance towards capital expenditure on public transport facilities), as affected by paragraph 9 of Schedule 1 to the Act, in relation to which the

(a) 1959 c. 25. **(b)** 1968 c. 73.

Secretary of State has before the commencement of this order given an undertaking to make a grant; and

(*c*) the making of payments to a Passenger Transport Executive pursuant to section 13(1) of the Transport Act 1968 as having effect by virtue of section 202(3) of and paragraph 12 of Part II of Schedule 24 to the Local Government Act 1972**(a)** (which empowers a county council to make grants) in respect of payments made by the Executive to the British Railways Board pursuant to section 20(4) of that Act (which empowers certain Executives to make payments to the Board with respect to railway passenger services).

4. The enactments referred to in paragraph 2(1)(*b*)(ii) above are—

(*a*) section 13(1) of the Transport Act 1968, as having effect by virtue of section 202(3) of and paragraph 12 of Part II of Schedule 24 to the Local Government Act 1972 (which empowers a county council to make grants);

(*b*) section 34(1) of the Transport Act 1968 (which relates to assistance for rural bus or ferry services);

(*c*) section 3(1) of the Transport (London) Act 1969**(b)** (which empowers the Greater London Council to make grants); and

(*d*) section 203(3) of the Local Government Act 1972 (which relates to grants in respect of public transport outside passenger transport areas).

5. In the event of any disagreement between a council and the Secretary of State as to the amount likely to be expended during any relevant year for any purpose referred to in this Schedule, the Secretary of State shall determine the issue.

Distribution of transport supplementary grant

6. The proportion of the aggregate amount of supplementary grants for transport purposes payable for the year to a council shall be determined by multiplying that amount by $\frac{x-y}{X-Y}$, where—

x is the accepted estimated expenditure determined in relation to the council for the year;

y is the threshold level determined in relation to the council for the year;

X is the aggregate of the amounts calculated as for x in relation to each council;

Y is the aggregate of the amounts calculated as for y in relation to each council.

Anthony Crosland,
Secretary of State for the Environment.

3rd December 1974.

We consent.

James A. Dunn,
Donald R. Coleman,
Two of the Lords Commissioners of Her Majesty's Treasury.

3rd December 1974.

(a) 1972 c. 70.

(b) 1969 c. 35.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order, which came into operation on 13th December 1974, fixes and prescribes for the year 1975-6—

(1) The aggregate amount of the rate support grants payable to local authorities in England and Wales under Part I of the Local Government Act 1974 (namely, £4,705,000,000);

(2) The division of this amount between the needs element, the resources element and the domestic element;

(3) The amount of the supplementary grants to county councils and the Greater London Council for transport purposes;

(4) The amount of the supplementary grants to county councils towards expenditure on National Parks;

(5) The amount by which rates on dwelling-houses are to be reduced in each rating area to take account of the domestic element;

(6) Various matters which have to be, or may be, prescribed for purposes of Part I of or Schedule 2 to the Local Government Act 1974 in connection with rate support grants.

The Order is complemented by the Rate Support Grant (No. 2) Regulations 1974, which prescribe how calculations are to be made for various purposes of the Order.

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