

Remuneration, Charges and Grants Act 1975

1975 CHAPTER 57

An Act to limit liability for certain remuneration; to enable certain provisions of Part II of the Counter-Inflation Act 1973 to be extended and to amend section 2 of that Act; to enable grants to local authorities to be reduced in certain circumstances; to enable housing subsidy to be increased and to provide for a new grant to local authorities in Scotland; and for connected purposes. [1st August 1975]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Remuneration under existing agreements.

1.—(1) Where an employer limits the remuneration paid by him to any person for any period while this section is in force and the limitation is no greater than necessary to keep the remuneration within the limits imposed by the policy set out in the document laid before Parliament by command of Her Majesty in July 1975 (Cmnd. 6151) he shall not be liable for breach of contract by reason only that the remuneration is less than would, apart from this section, be payable under any agreement entered into before the commencement of this Act.

(2) If Her Majesty at any time causes a document to be laid before Parliament which sets out limits in addition to or in substitution for those so imposed the Secretary of State may by order made by statutory instrument add or substitute in subsection (1) above a reference to the limits set out in that document, and that subsection shall then have effect accordingly; and similarly with any further such document laid before Parliament by command of her Majesty.

(3) An order under this section shall not be made unless a draft of it has been laid before and approved by a resolution of each House of Parliament.

(4) A person in the service of the Crown shall not be able to enforce a claim for remuneration in respect of that service which, by reason of this section, he could not enforce if the remuneration were in respect of employment by a private person.

(5) Any question arising under this section whether any remuneration exceeds the limits mentioned therein shall be referred to and determined by the Secretary of State.

Duration of section 1 and of certain provisions of Counter-Inflation Act 1973.

2.—(1) Subject to the provisions of this section, section 1 of this Act shall cease to be in force at the expiration of the period ending with 31st July 1976.

(2) Her Majesty may at any time by Order in Council terminate the period for which section 1 of this Act is in force.

(3) Her Majesty may by Order in Council—

(*a*) continue section 1 of this Act in force for a period ending not later than 31st July 1977; and

(*b*) if that section has ceased to be in force before that date, bring it again into force for a period ending not later than that date.

(4) Her Majesty may by Order in Council continue, or, as the case may be, again bring into force all or any of the following provisions (as amended) of Part II of the Counter-Inflation Act 1973, namely, sections 5, 6, 8, 9 and 10, for any period during which section 1 of this Act is in force; and accordingly section 4 of that Act (duration of Part II) shall have effect subject to this section. 1973 c. 9.

(5) No recommendation shall be made to Her Majesty in Council—

(*a*) to make an Order under subsection (3) above; or

(*b*) to make an Order under subsection (4) above extending any provision beyond 31st July 1976 or bringing any provision again into force for a period ending after that date;

unless a draft of the Order has been laid before Parliament and has been approved by resolution of each House of Parliament.

(6) A statutory instrument made under subsection (4) above but not falling within subsection (5)(*b*) above shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(7) Subsections (1) and (2) above shall not affect the operation of section 1 of this Act with respect to any period during which it was in force; and accordingly, to the extent that a claim to remuneration could not be enforced while that section was in force it shall remain unenforceable on the section ceasing to be in force.

Price code.

3.—(1) The changes made in the price code at a time when section 1 of this Act is in force may include such changes as appear to the Secretary of State appropriate to provide a sanction against the payment of remuneration in excess of the limits mentioned in that section and to enable questions whether any remuneration exceeds those limits to be determined by the Secretary of State.

1973 c. 9.

(2) In this section "the price code" means the code prepared under section 2 of the Counter-Inflation Act 1973.

Power to reduce certain grants to local authorities.

4.—(1) If it appears to the Secretary of State that any action taken or likely to be taken by a local authority in Great Britain may result or has resulted in the payment, for any period during which section 1 of this Act is in force, of any remuneration in excess of the limits mentioned in that section he may, after giving the authority an opportunity of making representations, reduce and may, in the meantime, withhold, any sums payable to the authority by way of rate support grant or grant under section 6 of the Local Government Act 1974 (supplementary grants for transport purposes).

1974 c. 7.

(2) A reduction to be made in pursuance of this section shall be certified by the Secretary of State and, so far as it is to be made from rate support grant, may be made from any of the elements of the grant.

(3) So far as any reduction to be made in pursuance of this section cannot be made from the sums payable to a local authority in the year in which the reduction is certified it may be made from the sums so payable in any subsequent year.

(4) For the purpose of distributing the rate support grant in Scotland for any year, the Secretary of State may disregard the amount of any remuneration paid in excess of the limits mentioned in section 1 of this Act and of any reduction certified by him under subsection (2) above, whether the excess or the reduction has occurred in that year or in the preceding year.

(5) This section shall apply in relation to any action of the London Transport Executive or of a Passenger Transport Executive as if it were the action of the Greater London Council or, as the case may be, of the local authorities whose areas fall wholly or partly within the area for which the Passenger Transport Executive was established, or, if the Passenger Transport Authority is the county council or the regional council, the action of that council.

(6) Where, in consequence of any action taken or treated under subsection (5) above as taken by the Greater London Council or a county council, any sums payable in any year to that council by way of rate support grant or grant under section 6 of the Local Government Act 1974 are reduced and that council in that or any subsequent year issues a precept to a rating authority, subsections (1) to (3) above shall apply as if the action of that council has been the action of the rating authority. 1974 c. 7.

Housing subsidy—special element. 1975 c. 6.

5.—(1) Paragraph 6 of Schedule 1 to the Housing Rents and Subsidies Act 1975 (which provides for a special element of housing subsidy for the year 1975-76 and an amount equal to the special element by way of or as part of the basic element for later years) shall be amended as follows.

(2) In sub-paragraph (1) after the words " for the year 1975-76 ", in the first place where they occur, there shall be inserted the words " and for the year 1976-77 " and at the end of the sub-paragraph there shall be added the words " or, as the case may be, the year 1976-77 ".

(3) In sub-paragraph (2) after the words " new town corporation " there shall be inserted the words " for the year 1975-76 ".

Rent limitation subsidy in Scotland.

6.—(1) The Secretary of State may for the year 1976-77 out of moneys provided by Parliament pay to a local authority in Scotland a subsidy to be called the rent limitation subsidy, which shall be credited to the housing revenue account of the authority for that year.

(2) The amount of any rent limitation subsidy payable to a local authority shall be calculated on a basis determined by the Secretary of State.

(3) In the Housing (Financial Provisions) (Scotland) Act 1972, in Schedule 4, after paragraph 1(1)(*c*)(iv) there shall be inserted— 1972 c. 46.

" (v) the rent limitation subsidy payable under section 6 of the Remuneration, Charges and Grants Act 1975."

Interpretation.

7. In this Act "remuneration", in relation to any person, includes any benefit, facility or advantage, whether in money or otherwise, provided by the employer or by some other person under arrangements with the employer, whether for the first-mentioned person or otherwise, by reason of the fact that the employer employs him, and any reference to the payment of remuneration shall be construed accordingly.

Expenses.

8. There shall be paid out of moneys provided by Parliament any increase attributable to this Act in the sums so payable under any other Act.

Short title.

9. This Act may be cited as the Remuneration, Charges and Grants Act 1975.