



Local Government Finance Act 1988

1988 CHAPTER 41

PART V

GRANTS

[^{F1}CHAPTER 4

OTHER GRANTS]

Textual Amendments

F1 Pt. 5 Ch. 4 formed from ss. 85-88B (27.11.2003) by [Local Government Act 2003 \(c. 26\), s. 128\(4\)\(f\), Sch. 7 para. 16](#) (with [Sch. 7 para. 9\(2\)](#)); S.I. 2003/3034, art. 2, Sch. 1 Pt. I

[^{F2}84Q Application of this Chapter etc

(1) The provisions of this Chapter apply as follows—

- ^{F3}(a)
- (b) sections 86A and 86B apply only in relation to Wales;
- (c) sections 87, 88, 88A and 88B apply in relation to England and Wales;
- (d) section 88C applies only in relation to Wales.

(2) The following functions are exercisable concurrently so far as they relate to [^{F4}police and crime commissioners] in Wales—

- (a) the functions of the Secretary of State under section 88B;
- (b) the functions of the Welsh Ministers under section 88C.

^{F5}(3)]

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Textual Amendments

- F2** S. 84Q inserted (25.5.2007) by [The Government of Wales Act 2006 \(Consequential Modifications and Transitional Provisions\) Order 2007 \(S.I. 2007/1388\)](#), art. 1(2), **Sch. 1 para. 33(1)** (with Sch. 1 para. 33(2)(3))
- F3** S. 84Q(1)(a) omitted (with effect in accordance with s. 3(13) of the amending Act) by virtue of [Local Government Finance Act 2012 \(c. 17\)](#), s. 3(2)
- F4** Words in s. 84Q(2) substituted (22.11.2012) by [Police Reform and Social Responsibility Act 2011 \(c. 13\)](#), s. 157(1), **Sch. 16 para. 184(a)**; S.I. 2012/2892, art. 2(i)
- F5** S. 84Q(3) omitted (22.11.2012) by virtue of [Police Reform and Social Responsibility Act 2011 \(c. 13\)](#), s. 157(1), **Sch. 16 para. 184(b)**; S.I. 2012/2892, art. 2(i)

F6

Textual Amendments

- F6** S. 85, 86 and cross-heading omitted (with effect in accordance with s. 3(13) of the amending Act) by virtue of [Local Government Finance Act 2012 \(c. 17\)](#), s. 3(3)

^{F6}85 Additional grant.

.....

^{F6}86 Effect of report's approval.

.....

[^{F7}Additional grant: Wales

Textual Amendments

- F7** Ss. 86A, 86B and cross-heading inserted (25.5.2007) by [The Government of Wales Act 2006 \(Consequential Modifications and Transitional Provisions\) Order 2007 \(S.I. 2007/1388\)](#), art. 1(2), **Sch. 1 para. 34**

86A. Additional grant: Wales

- (1) This section applies where a local government finance report for a chargeable financial year has been approved by the Assembly and, before the year ends, the Welsh Ministers form the view that fresh circumstances affecting the finances of local authorities have arisen since the approval.
- (2) For the year concerned the Welsh Ministers may pay a grant (“additional grant”) to receiving authorities in accordance with this section and section 86B.
- (3) Where the Welsh Ministers propose to pay additional grant for a financial year they shall make a determination under this section.
- (4) A determination shall state—

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- (a) the amount of grant for the year, and
 - (b) the basis on which the Welsh Ministers propose to distribute it among receiving authorities.
- (5) A determination shall be specified in a report and the report shall be laid before the Assembly.
- (6) As soon as is reasonably practicable after the report is laid before the Assembly the Welsh Ministers shall send a copy of it to each receiving authority.

86B. Effect of additional grant report's approval: Wales

- (1) This section applies where in accordance with section 86A a determination as regards additional grant has been made for a financial year and specified in a report which has been laid before the Assembly.
- (2) If the report is approved by resolution of the Assembly—
 - (a) the Welsh Ministers shall pay the amount stated in the determination as the amount of the additional grant for the year, and
 - (b) the amount shall be distributed on the basis stated in the determination.
- (3) Where a sum falls to be paid to a receiving authority by way of additional grant it shall be paid at such time, or in instalments of such amounts and at such times, as the Welsh Ministers determine; and any such time may fall within or after the financial year concerned.]

Transport grants

87 Transport grants.

- (1) The Secretary of State shall pay to a defined council a grant for a chargeable financial year if he accepts that at least some of its estimated relevant transport expenditure for the year is appropriate to be taken into account for the purposes of this section.
- (2) The amount of the grant shall be a proportion of so much of the council's estimated relevant transport expenditure for the year as he accepts under subsection (1) above.
- (3) The proportion shall be such as is determined for the year by the Secretary of State and shall be the same as regards each council to which a grant is paid for the year under this section.
- (4) A grant under this section shall be paid at such time, or in instalments of such amounts and at such times, as the Secretary of State thinks fit; and any such time need not fall within the financial year concerned.
- (5) In deciding whether to accept any of a council's estimated relevant transport expenditure for a financial year under subsection (1) above, and how much of it to accept, the Secretary of State may have regard to the following matters (in addition to any other matters he thinks fit)—
 - (a) whether the council's relevant transport expenditure for any preceding financial year or years is greater or smaller than its estimated relevant transport expenditure for that year or those years;
 - (b) the extent (if any) to which it is greater or smaller.

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(6) The total accepted under subsection (1) above as regards all defined councils for a particular financial year shall not exceed such amount as is approved by the Treasury for the year.

[^{F8}(7) In the application of this section in relation to Wales, references to the Secretary of State are references to the Welsh Ministers.]

Textual Amendments

F8 S. 87(7) inserted (25.5.2007) by [The Government of Wales Act 2006 \(Consequential Modifications and Transitional Provisions\) Order 2007 \(S.I. 2007/1388\)](#), art. 1(2), **Sch. 1 para. 35**

Modifications etc. (not altering text)

C1 S. 87(5)(a) amended (28.11.1994) by [S.I. 1994/2825](#), **reg. 35**

88 Transport grants: supplementary.

(1) This section applies for the purposes of section 87 above.

(2) Each of the following is a defined council—

(a) a county council,

^{F9}(aa) a county borough council, [^{F10}and]

(b) a metropolitan district council,

^{F11}(c)

^{F11}(d)

(3) A council's relevant transport expenditure for a financial year is the expenditure it calculates it incurred in the year in connection with—

(a) highways or the regulation of traffic (where the council is English), or

(b) highways, the regulation of traffic or public transport (where the council is Welsh).

(4) But in making the calculation expenditure shall be left out of account unless, at the time the calculation is made, it is [^{F12} capital expenditure for the purposes of Chapter 1 of Part 1 of the Local Government Act 2003 (capital finance)].

(5) A council's estimated relevant transport expenditure for a financial year is the expenditure it estimates it will incur in the year in connection with—

(a) highways or the regulation of traffic (where the council is English), or

(b) highways, the regulation of traffic or public transport (where the council is Welsh).

(6) But in making the estimate expenditure shall be left out of account unless, at the time the estimate is made, it is [^{F13} capital expenditure for the purposes of Chapter 1 of Part 1 of the Local Government Act 2003 (capital finance)].

Textual Amendments

F9 S. 88(2)(aa) inserted (3.4.1995) by [1994 c. 19](#), s. 66(6), **Sch. 16 para. 85** (with ss. 54(5)(7), 55(5), [Sch. 17 paras. 22\(1\), 23\(2\)](#)); [S.I. 1995/852](#), art. 9(1), **Sch. 5** (with art. 9(2)-(5))

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- F10** Word in S. 88(2)(aa) inserted (3.7.2000) by 1999 c. 29, s. 159(8)(a) (with Sch. 12 para. 9(1)); S.I. 2000/801, art. 2(2)(c), **Sch. Pt. 3**
- F11** S. 88(2)(c)(d) repealed (15.7.2003) by Greater London Authority Act 1999 (c. 29), ss. 159(8)(b)(9), 425(2), **Sch. 34 Pt. II** (with Sch. 12 para. 9(1)); S.I. 2003/1920, art. 2(f)(h)
- F12** Words in s. 88(4) substituted (27.11.2003 for W. for the purpose of and in relation to financial years beginning on or after 1.4.2004, 1.4.2004 for E.) by Local Government Act 2003 (c. 26), s. 128(6), **Sch. 7 para. 18**; S.I. 2003/2938, art. 7(a) (with art. 8, Sch.); S.I. 2003/3034, art. 2, Sch. 1 Pt. I
- F13** Words in s. 88(6) substituted (27.11.2003 for W. for the purpose of and in relation to financial years beginning on or after 1.4.2004, 1.4.2004 for E.) by Local Government Act 2003 (c. 26), s. 128(6), **Sch. 7 para. 18**; S.I. 2003/2938, art. 7(a) (with art. 8, Sch.); S.I. 2003/3034, art. 2, Sch. 1 Pt. I

[^{F14}Other grants]

Textual Amendments

- F14** Ss. 88A, 88B and cross-heading substituted (6.3.1992) for s. 88A (which was inserted by 1989 c. 42, s. 139, **Sch. 5 para. 61**) by 1992 c. 14, s. 104, **Sch. 10 Pt. II para.18** (with s. 118(1)(2)(4))

^{F15}[88A Council tax grants.

- (1) If regulations under section 13 of the Local Government Finance Act 1992 (reduced amounts of tax) have effect as regards a financial year the Secretary of State may, with the consent of the Treasury, pay a grant to a billing authority as regards that financial year.
- (2) The amount of the grant shall be such as the Secretary of State may with the consent of the Treasury determine.
- (3) A grant under this section shall be paid at such time, or in instalments of such amounts and at such times, as the Secretary of State may with the consent of the Treasury determine.
- (4) In making any payment of grant under this section the Secretary of State may impose such conditions as he may with the consent of the Treasury determine; and the conditions may relate to the repayment in specified circumstances of all or part of the amount paid, or otherwise.
- (5) In deciding whether to pay a grant under this section, and in determining the amount of any such grant, the Secretary of State shall have regard to his estimate of any amount which, in consequence of the regulations, the authority might reasonably be expected to lose, or to have lost, by way of payments in respect of the council tax set by it for the financial year concerned.

[In the application of this section in relation to Wales, references to the Secretary of State are references to the Welsh Ministers.]]^{F16}(6)

Textual Amendments

- F15** Ss. 88A, 88B substituted (6.3.1992) for s. 88A (which was inserted by 1989 c. 42, s. 139, **Sch. 5 para. 61**) by 1992 c. 14, s. 104, **Sch. 10 Pt. II para.18** (with s. 118(1)(2)(4))
- F16** S. 88A(6) inserted (25.5.2007) by The Government of Wales Act 2006 (Consequential Modifications and Transitional Provisions) Order 2007 (S.I. 2007/1388), art. 1(2), **Sch. 1 para. 36**

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[^{F17}88B Special grants.

- (1) The Secretary of State may, with the consent of the Treasury, pay a grant (in this section referred to as a special grant) in accordance with this section to a relevant authority.
- (2) Where the Secretary of State proposes to make one special grant he shall, before making the grant, make a determination stating with respect to the grant—
 - (a) to which authority it is to be paid,
 - (b) the purpose for which it is to be paid, and
 - (c) the amount of the grant or the manner in which the amount is to be calculated.
- (3) Where the Secretary of State proposes to make two or more special grants to different authorities he shall, before making the grants, make a determination stating with respect to the grants—
 - (a) to which authorities they are to be paid,
 - (b) the purpose for which they are to be paid, and
 - (c) either—
 - (i) the amount of the grant which he proposes to pay to each authority or the manner in which the amount is to be calculated, or
 - (ii) the total amount which he proposes to distribute among the authorities by way of special grants and the basis on which he proposes to distribute that amount.
- (4) A determination under subsection (2) or (3) above shall be made with the consent of the Treasury and shall be specified in a report (to be called a special grant report) which shall contain such explanation as the Secretary of State considers desirable of the main features of the determination.
- (5) A special grant report shall be laid before the House of Commons and, as soon as is reasonably practicable after the report has been so laid, the Secretary of State shall send a copy of it to any relevant authority to whom a special grant is proposed to be paid in accordance with the determination in the report.
- (6) No special grant shall be paid unless the special grant report containing the determination relating to the grant has been approved by a resolution of the House of Commons.
- (7) A special grant report may specify conditions which the Secretary of State, with the consent of the Treasury, intends to impose on the payment of (or of any instalment of) any special grant to which the report relates; and the conditions may—
 - (a) require the provision of returns or other information before a payment is made to the relevant authority concerned, or
 - (b) relate to the use of the amount paid, or to the repayment in specified circumstances of all or part of the amount paid, or otherwise.
- (8) Without prejudice to compliance with any conditions imposed as mentioned in subsection (7) above, a special grant shall be paid at such time or in instalments of such amounts and at such times as the Secretary of State may, with the consent of the Treasury, determine.
- (9) For the purposes of this section each of the following is a relevant authority—
 - (a) a receiving authority;
 - [^{F18}(b) an Integrated Transport Authority for an integrated transport area in England][^{F19};

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- (c) a combined authority established under section 103 of the Local Democracy, Economic Development and Construction Act 2009;]
- [a combined county authority established under section 9(1) of the Levelling-up and Regeneration Act 2023.]
- ^{F20}(d) a [^{F22}police and crime commissioner].]

[In the application of this section in relation to Wales, “relevant authority” means only ^{F21}(10) a [^{F22}police and crime commissioner].]

Textual Amendments

- F17** Ss. 88A, 88B substituted (6.3.1992) for s. 88A (which was inserted by 1989 c. 42, s. 139, **Sch. 5 para. 61**) by 1992 c. 14, s. 104, **Sch. 10 Pt. II para.18** (with s. 118(1)(2)(4))
- F18** S. 88B(9)(b) substituted (9.2.2009) by Local Transport Act 2008 (c. 26), s. 134(4), **Sch. 4 para. 56(2)**; S.I. 2009/107, art. 2(1), Sch. 1 Pt. 1
- F19** S. 88B(9)(c) inserted (17.12.2009) by Local Democracy, Economic Development and Construction Act 2009 (c. 20), s. 148(6), **Sch. 6 para. 76**; S.I. 2009/3318, art. 2(c)
- F20** S. 88B(9)(d) inserted (26.12.2023) by Levelling-up and Regeneration Act 2023 (c. 55), s. 255(2)(c), **Sch. 4 para. 94** (with s. 247)
- F21** S. 88B(10) inserted (25.5.2007) by The Government of Wales Act 2006 (Consequential Modifications and Transitional Provisions) Order 2007 (S.I. 2007/1388), art. 1(2), **Sch. 1 para. 37**
- F22** Words in s. 88B(10) substituted (22.11.2012) by Police Reform and Social Responsibility Act 2011 (c. 13), s. 157(1), **Sch. 16 para. 185**; S.I. 2012/2892, art. 2(i)

Modifications etc. (not altering text)

- C2** S. 88B functions made exercisable concurrently or jointly with the Welsh Ministers by 2006 c. 32, Sch. 3A para. 1 (as inserted (1.4.2018) by Wales Act 2017 (c. 4), s. 71(4), **Sch. 4 para. 1** (with Sch. 7 paras. 1, 6); S.I. 2017/1179, reg. 3(p))

^{F23}88C Special grants: Wales

- (1) The Welsh Ministers may pay a grant (in this section referred to as a special grant) in accordance with this section to a receiving authority in Wales.
- (2) Where the Welsh Ministers propose to make one special grant they shall, before making the grant, make a determination stating with respect to the grant—
- to which authority it is to be paid,
 - the purpose for which it is to be paid, and
 - the amount of the grant or the manner in which the amount is to be calculated.
- (3) Where the Welsh Ministers propose to make two or more special grants to different authorities they shall, before making the grants, make a determination stating with respect to the grants—
- to which authorities they are to be paid,
 - the purpose for which they are to be paid, and
 - either—
 - the amount of the grant which they propose to pay to each authority or the manner in which the amount is to be calculated, or
 - the total amount which they propose to distribute among the authorities by way of special grants and the basis on which they propose to distribute that amount.

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- (4) A determination under subsection (2) or (3) above shall be specified in a report (to be called a special grant report) which shall contain such explanation as the Welsh Ministers consider desirable of the main features of the determination.
- (5) A special grant report shall be laid before the Assembly and, as soon as is reasonably practicable after the report has been so laid, the Welsh Ministers shall send a copy of it to any receiving authority to whom a special grant is proposed to be paid in accordance with the determination in the report.
- (6) No special grant shall be paid unless the special grant report containing the determination relating to the grant has been approved by a resolution of the Assembly.
- (7) A special grant report may specify conditions which the Welsh Ministers intend to impose on the payment of (or of any instalment of) special grant to which the report relates; and the conditions may—
 - (a) require the provision of returns or other information before a payment is made to the receiving authority concerned, or
 - (b) relate to the use of the amount paid, or to the repayment in specified circumstances of all or part of the amount paid, or otherwise.
- (8) Without prejudice to compliance with any conditions imposed as mentioned in subsection (7) above, a special grant shall be paid at such time or in instalments of such amounts and at such times as the Welsh Ministers may determine.]

Textual Amendments

F23 S. 88C inserted (25.5.2007) by [The Government of Wales Act 2006 \(Consequential Modifications and Transitional Provisions\) Order 2007 \(S.I. 2007/1388\)](#), art. 1(2), **Sch. 1 para. 38**

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied (with modifications) by S.I. 2024/414 art. 5Sch. 1 para. 7

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 44A(2A) inserted by 2023 c. 53 Sch. para. 2(b)
- s. 44A(5)(e) inserted by 2023 c. 53 Sch. para. 2(c)
- s. 52A inserted by 2023 c. 53 s. 8
- s. 54(7A) inserted by 2023 c. 53 Sch. para. 34
- s. 57A(7A) inserted by 2023 c. 53 Sch. para. 4(d)
- s. 63A(1A) inserted by 2023 c. 53 s. 12(1)
- s. 63E inserted by 2023 c. 53 s. 12(2)
- s. 67(1A) inserted by 2023 c. 53 Sch. para. 7(a)
- s. 67(8A)(8B) inserted by 2023 c. 53 Sch. para. 37(a)
- s. 143(7A)-(7F) inserted by 2023 c. 53 Sch. para. 8(c)
- s. 143(9AZB) inserted by 2023 c. 53 Sch. para. 39(a)
- Sch. 4ZA inserted by 2023 c. 53 s. 1(3)
- Sch. 4ZB inserted by 2023 c. 53 s. 2(4)
- Sch. 5A para. 8 inserted by 2023 c. 53 Sch. para. 38
- Sch. 5A inserted by 2023 c. 53 s. 3(3)
- Sch. 9 para. 4B-4H and cross-heading inserted by 2023 c. 53 s. 13(2)
- Sch. 9 para. 4I-4M and cross-heading inserted by 2023 c. 53 s. 13(3)
- Sch. 9 para. 5BA-5BC and cross-heading inserted by 2023 c. 53 s. 13(6)
- Sch. 9 para. 5BD-5BF and cross-heading inserted by 2023 c. 53 s. 13(7)
- Sch. 9 para. 5CA and cross-heading inserted by 2023 c. 53 Sch. para. 46
- Sch. 9 para. 5CB inserted by 2023 c. 53 Sch. para. 47
- Sch. 9 para. 5F(1A)(1B) inserted by 2023 c. 53 Sch. para. 49(c)
- Sch. 9 para. 5F(A1) inserted by 2023 c. 53 Sch. para. 49(a)
- Sch. 9 para. 5FA inserted by 2023 c. 53 Sch. para. 50
- Sch. 9 para. 5FB inserted by 2023 c. 53 Sch. para. 51
- Sch. 9 para. 5ZA5ZB and cross-heading inserted by 2023 c. 53 s. 13(4)
- Sch. 9 para. 5ZC-5ZF and cross-heading inserted by 2023 c. 53 s. 13(5)
- Sch. 9 para. 7B inserted by 2023 c. 53 s. 10