



# Local Government Act 2003

## 2003 CHAPTER 26

### PART 3

#### GRANTS ETC

### CHAPTER 2

#### OTHER GRANTS ETC

#### <sup>F1</sup>34 **Best value grant: parishes**

.....

##### **Textual Amendments**

- F1** S. 34 repealed (1.4.2008) by [Local Government and Public Involvement in Health Act 2007 \(c. 28\)](#), s. 245(5), Sch. 7 para. 3(2), [Sch. 18 Pt. 8](#); S.I. 2008/917, art. 2(1)(a)(i)(v)

#### <sup>F2</sup>35 **Best value grant: communities**

.....

##### **Textual Amendments**

- F2** S. 35 repealed (1.4.2008) by [Local Government and Public Involvement in Health Act 2007 \(c. 28\)](#), s. 245(5), Sch. 7 para. 3(2), [Sch. 18 Pt. 8](#); S.I. 2008/917, art. 2(1)(a)(i)(v)

---

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Local Government Act 2003. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

---

### 36 Grants in connection with designation for service excellence

- (1) The appropriate person may pay any of the following to a best value authority [<sup>F3</sup>which, in relation to any of its functions, is subject to the duty in section 3(1) of the Local Government Act 1999 (best value duty)] [<sup>F4</sup>or to a relevant Welsh authority]—
- (a) a grant towards expenditure incurred by the authority in applying for the award of a designation based on excellence in the provision of services, and
  - (b) where the authority is awarded such a designation—
    - (i) a grant as a reward for being awarded such a designation, and
    - (ii) a grant towards expenditure incurred or to be incurred by the authority in disseminating information about best practices.
- (2) The amount of a grant under this section and the manner of its payment are to be such as the appropriate person may determine.
- (3) A grant under this section may be paid on such conditions as the appropriate person may determine as to the circumstances in which the whole or any part of the grant must be repaid.
- [<sup>F5</sup>(4) In subsection (1) “relevant Welsh authority” means—
- (a) a county council or county borough council in Wales;
  - (b) a National Park authority for a National Park in Wales;
  - (c) a fire and rescue authority in Wales, constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies.]

#### Textual Amendments

- F3** Words in s. 36(1) substituted (1.4.2008) by [Local Government and Public Involvement in Health Act 2007 \(c. 28\)](#), s. 245(5), [Sch. 8 para. 25\(2\)](#); S.I. 2008/917, art. 2(1)(e)
- F4** Words in s. 36(1) substituted (1.4.2021) by [The Local Government and Elections \(Wales\) Act 2021 \(Consequential Amendments\) Regulations 2021 \(S.I. 2021/296\)](#), regs. 1(2), [5\(2\)\(a\)](#)
- F5** S. 36(4) inserted (1.4.2021) by [The Local Government and Elections \(Wales\) Act 2021 \(Consequential Amendments\) Regulations 2021 \(S.I. 2021/296\)](#), regs. 1(2), [5\(2\)\(b\)](#)

#### Commencement Information

- I1** S. 36 in force at 18.11.2003 for E. by [S.I. 2003/2938](#), [art. 3\(a\)](#) (with [art. 8](#), [Sch.](#))
- I2** S. 36 in force at 27.11.2003 for W. by [S.I. 2003/3034](#), [art. 2](#), [Sch. 1 Pt. 1](#)

### [<sup>F6</sup>36A Grants by Ministers of the Crown in respect of best value authorities etc

- (1) A Minister of the Crown may pay a grant to a person for use in, or in connection with, promoting or facilitating the economic, efficient and effective exercise of functions by a best value authority or best value authorities [<sup>F7</sup>or a relevant Welsh authority or relevant Welsh authorities].
- (2) The power to make a grant under this section is exercisable only with the consent of—
- (a) the Treasury, and
  - (b) in the case of a grant in respect of the exercise of functions by a [<sup>F8</sup>relevant Welsh authority], the Welsh Ministers.

---

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Local Government Act 2003. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

---

- (3) The power to pay a grant under this section does not include power to pay a grant to a best value authority [<sup>F9</sup>or a relevant Welsh authority].
- (4) The amount of a grant under this section, and the method of payment, are to be such as the Minister of the Crown may determine.
- (5) A grant under this section may be paid on such conditions as the Minister of the Crown may determine.
- (6) Conditions under subsection (5) may, in particular, include—
  - (a) provision as to the use of the grant;
  - (b) provision as to circumstances in which the whole or part of the grant must be repaid.
- (7) For the purposes of this section—

“ best value authority ” includes the Greater London Authority, whether exercising its functions through the Mayor or otherwise;

“ Minister of the Crown ” has the same meaning as in the Ministers of the Crown Act 1975;

[<sup>F10</sup>“relevant Welsh authority” means—

  - (a) a county council or county borough council in Wales;
  - (b) a National Park authority for a National Park in Wales;
  - (c) a fire and rescue authority in Wales, constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies.]

#### Textual Amendments

- F6** Ss. 36A, 36B inserted (30.12.2007) by [Local Government and Public Involvement in Health Act 2007 \(c. 28\)](#), [ss. 143\(1\)](#), [245\(2\)](#) (with s. 143(2))
- F7** Words in s. 36A(1) substituted (1.4.2021) by [The Local Government and Elections \(Wales\) Act 2021 \(Consequential Amendments\) Regulations 2021 \(S.I. 2021/296\)](#), regs. 1(2), [5\(3\)\(a\)](#)
- F8** Words in s. 36A(2)(b) substituted (1.4.2021) by [The Local Government and Elections \(Wales\) Act 2021 \(Consequential Amendments\) Regulations 2021 \(S.I. 2021/296\)](#), regs. 1(2), [5\(3\)\(b\)](#)
- F9** Words in s. 36A(3) substituted (1.4.2021) by [The Local Government and Elections \(Wales\) Act 2021 \(Consequential Amendments\) Regulations 2021 \(S.I. 2021/296\)](#), regs. 1(2), [5\(3\)\(c\)](#)
- F10** Words in s. 36A(7) substituted (1.4.2021) by [The Local Government and Elections \(Wales\) Act 2021 \(Consequential Amendments\) Regulations 2021 \(S.I. 2021/296\)](#), regs. 1(2), [5\(3\)\(d\)](#)

### **36B Grants by Welsh Ministers in respect of Welsh [<sup>F11</sup>principal councils]**

- (1) The Welsh Ministers may pay a grant to a person for use in, or in connection with, promoting or facilitating [<sup>F12</sup>compliance by a Welsh principal council or Welsh principal councils with the performance requirements set out in section 89 of the Local Government and Elections (Wales) Act 2021 or the requirements of, or any requirements imposed under, Chapter 1 of Part 6 of that Act].
- (2) The power to pay a grant under this section does not include power to pay a grant to a best value authority [<sup>F13</sup>or Welsh principal council].
- (3) The amount of a grant under this section, and the method of payment, are to be such as the Welsh Ministers may determine.

---

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Local Government Act 2003. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

---

- (4) A grant under this section may be paid on such conditions as the Welsh Ministers may determine.
- (5) Conditions under subsection (4) may, in particular, include—
- (a) provision as to the use of the grant;
  - (b) provision as to circumstances in which the whole or part of the grant must be repaid.
- (6) For the purposes of this section—
- “best value authority” includes the Greater London Authority, whether exercising its functions through the Mayor or otherwise;
- [<sup>F14</sup>“Welsh principal council” means a county council or county borough council in Wales.]]

#### Textual Amendments

- F6** Ss. 36A, 36B inserted (30.12.2007) by [Local Government and Public Involvement in Health Act 2007 \(c. 28\)](#), [ss. 143\(1\)](#), [245\(2\)](#) (with [s. 143\(2\)](#))
- F11** Words in s. 36B heading substituted (1.4.2021) by [The Local Government and Elections \(Wales\) Act 2021 \(Consequential Amendments\) Regulations 2021 \(S.I. 2021/296\)](#), [regs. 1\(2\)](#), [5\(4\)\(d\)](#)
- F12** Words in s. 36B(1) substituted (1.4.2021) by [The Local Government and Elections \(Wales\) Act 2021 \(Consequential Amendments\) Regulations 2021 \(S.I. 2021/296\)](#), [regs. 1\(2\)](#), [5\(4\)\(a\)](#)
- F13** Words in s. 36B(2) substituted (1.4.2021) by [The Local Government and Elections \(Wales\) Act 2021 \(Consequential Amendments\) Regulations 2021 \(S.I. 2021/296\)](#), [regs. 1\(2\)](#), [5\(4\)\(b\)](#)
- F14** Words in s. 36B(6) substituted (1.4.2021) by [The Local Government and Elections \(Wales\) Act 2021 \(Consequential Amendments\) Regulations 2021 \(S.I. 2021/296\)](#), [regs. 1\(2\)](#), [5\(4\)\(c\)](#)

### 37 Emergency financial assistance to combined fire authorities

In section 155 of the Local Government and Housing Act 1989 (c. 42) (emergency financial assistance to local authorities), in subsection (4) (authorities that are local authorities for the purposes of that section), after paragraph (g) there is inserted “; or

- (h) a fire authority in England and Wales constituted by a combination scheme under the Fire Services Act 1947.”

#### Commencement Information

- I3** S. 37 in force at 27.11.2003 for W. for the purpose of and in relation to financial years beginning on or after 1.4.2004 by [S.I. 2003/3034](#), [art. 2](#), [Sch. 1 Pt. I](#)
- I4** S. 37 in force at 1.4.2004 for E. by [S.I. 2003/2938](#), [art. 7\(a\)](#) (with [art. 8](#), [Sch.](#))

### 38 [<sup>F15</sup>Local loans]

- (1) The Secretary of State may, if he thinks it appropriate, make payments to the [<sup>F16</sup>Treasury, in respect of local loans made under section 3 of the National Loans Act 1968,] so as to reduce or extinguish such debt (whether then due or not) of a local authority in England to [<sup>F17</sup>the Treasury] as he thinks fit.
- (2) The National Assembly for Wales may, if it thinks it appropriate, make payments to the [<sup>F16</sup>Treasury, in respect of local loans made under section 3 of the National Loans

---

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Local Government Act 2003. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

---

Act 1968,] so as to reduce or extinguish such debt (whether then due or not) of a local authority in Wales to [<sup>F17</sup>the Treasury] as the Assembly thinks fit.

- (3) The amount—
- (a) required to extinguish a debt, or
  - (b) by which a payment reduces a debt,
- shall be such as may be determined by [<sup>F18</sup>the Treasury].
- (4) [<sup>F19</sup>The Treasury] may refuse to accept a payment which the Secretary of State or the National Assembly for Wales proposes to make to them under this section.
- (5) In this section “local authority” means—
- (a) in relation to England—
    - (i) a district council,
    - (ii) a county council that is the council for a county in which there are no district councils,
    - (iii) a London borough council,
    - (iv) the Common Council of the City of London, or
    - (v) the Council of the Isles of Scilly; and
  - (b) in relation to Wales, a county council or a county borough council.

#### Textual Amendments

- F15** S. 38 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 82(2)** (with art. 9)
- F16** Words in s. 38 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 82(3)** (with art. 9)
- F17** Words in s. 38 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 82(4)** (with art. 9)
- F18** Words in s. 38(3) substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 82(5)** (with art. 9)
- F19** Words in s. 38(4) substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 82(6)** (with art. 9)

#### Commencement Information

- I5** S. 38 partly in force; s. 38 in force for E. at 18.11.2003 see s.128(2)(b)
- I6** S. 38 in force at 27.11.2003 for W. by [S.I. 2003/3034](#), art. 2, **Sch. 1 Pt. I**

### 39 Payments towards local authority indebtedness

- (1) The Secretary of State may, if he thinks it appropriate, make payments to a local authority in England for application by the authority in reducing or extinguishing such debt (whether then due or not) of the authority as he thinks fit.
- (2) The National Assembly for Wales may, if it thinks it appropriate, make payments to a local authority in Wales for application by the authority in reducing or extinguishing such debt (whether then due or not) of the authority as the Assembly thinks fit.
- (3) The person making payments to a local authority under this section may specify how the payments are to be applied by the authority and may in particular specify—
- (a) the debt or debts to be extinguished, or

---

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Local Government Act 2003. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

---

- (b) the debt or debts to be reduced.
- (4) A payment under this section may be made subject to conditions imposed by the person making the payment.
- (5) The conditions that may be imposed under subsection (4) include (in particular) conditions relating to the repayment in specified circumstances of all or part of the payment.
- (6) Payments made to a local authority under this section may not be applied in reducing or extinguishing any debt of the authority to the [<sup>F20</sup>Treasury, in respect of local loans made under section 3 of the National Loans Act 1968].
- (7) In this section “local authority” means—
- (a) in relation to England—
- (i) a district council,
  - (ii) a county council that is the council for a county in which there are no district councils,
  - (iii) a London borough council,
  - (iv) the Common Council of the City of London, or
  - (v) the Council of the Isles of Scilly; and
- [<sup>F21</sup>(b) in relation to Wales—
- (i) a county council,
  - (ii) a county borough council, or
  - (iii) a corporate joint committee established by regulations under Part 5 of the Local Government and Elections (Wales) Act 2021.]

---

#### Textual Amendments

**F20** Words in s. 39(6) substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), [Sch. 1 para. 83](#) (with art. 9)

**F21** S. 39(7)(b) substituted (25.3.2022) by [The Corporate Joint Committees \(General\) \(Wales\) Regulations 2022 \(S.I. 2022/372\)](#), regs. 1(2), [17](#)

---

#### Commencement Information

**I7** S.39 partly in force; s. 39 in force for E. at 18.11.2003 see [s. 128\(2\)\(b\)](#)

**I8** S. 39 in force at 27.11.2003 for W. by [S.I. 2003/3034](#), art. 2, [Sch. 1 Pt. I](#)

## 40 Local government finance reports: Wales

- (1) Schedule 2 (which makes provision for enabling the National Assembly for Wales to make two local government finance reports for a year, one dealing with police authorities and one dealing with other authorities and bodies) has effect.
- (2) This section applies in relation to the financial year beginning on 1st April 2004 and subsequent financial years.

---

#### Commencement Information

**I9** S. 40 in force W. at 27.11.2003 by [S.I. 2003/3034](#), art. 2, [Sch. 1 Pt. I](#)

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Local Government Act 2003. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

**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. 13](#)

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

- s. 18(2A) inserted by [2007 c. 28 Sch. 14 para. 5\(2\)\(b\)](#)
- s. 24(1) s. 24 renumbered as s. 24(1) by [2007 c. 28 Sch. 14 para. 5\(3\)](#)
- s. 24(2) inserted by [2007 c. 28 Sch. 14 para. 5\(3\)](#)