



Local Government (Scotland) Act 1966

1966 CHAPTER 51

PART I

GRANTS

Rate support grants for local authorities

2 Rate support grants.

- (1) Subject to the provisions of this Part of this Act, the Secretary of State shall, for the year 1967-68 and each subsequent year, make grants to local authorities in Scotland in accordance with this section; and any grants made in pursuance of this subsection shall be known as " rate support grants ".
- (2) For the purpose of fixing the aggregate amount of the rate support grants for any year the Secretary of State shall determine—
 - (a) the aggregate amount which is to be available for the payment out of moneys provided by Parliament of grants (other than housing subsidies) to local authorities in respect of their reckonable expenditure for that year; and
 - (b) the portion of that amount which the Secretary of State estimates will be allocated to grants in respect of such services as the Secretary of State may determine and grants under the Rating Act 1966 ;and the amount remaining after deducting that portion from the aggregate amount aforesaid shall, subject to section 4 of this Act, be the aggregate amount of the rate support grants for that year.
- (3) Before determining the amount and the portion mentioned in paragraphs (a) and (b) of subsection (2) of this section the Secretary of State shall consult with such associations of local authorities as appear to him to be concerned and shall take into consideration—
 - (a) the current level of prices, costs and remuneration, any future variation in that level which can be foreseen and the latest information available to him as to the rate of reckonable expenditure ;

Status: This is the original version (as it was originally enacted).

- (b) any probable fluctuation in the demand for services giving rise to reckonable expenditure so far as the fluctuation is attributable to circumstances prevailing in Scotland as a whole which are not under the control of local authorities ; and
- (c) the need for developing those services and the extent to which, having regard to general economic conditions, it is reasonable to develop those services ;

and for the purpose of determining the said amount and portion the Secretary of State may make such adjustments in respect of reckonable expenditure and grants as appear to him to be required to offset the effects on those factors of the constitution or alteration after the passing of this Act of any joint board.

- (4) After consultation with such associations of local authorities as appear to the Secretary of State to be concerned, the aggregate amount of the rate support grants for any year shall be divided by the Secretary of State into three parts (to be known respectively as "the needs element", "the resources element" and " the domestic element") which shall be of such amounts respectively as may be prescribed; and the provisions of Schedule 1 to this Act shall, subject to sections 4 and 5 of this Act, have effect with respect to the determination of the amounts payable to any local authority in respect of those elements for any year and with respect to the other matters there mentioned.
- (5) Payments in respect of elements of rate support grant shall be made to any local authority at such times as the Secretary of State may, with the consent of the Treasury, determine and shall be made in aid of the revenues of the authority generally,
- (6) In this section—

" housing subsidies " means such grants to local authorities out of moneys provided by Parliament for the provision of housing accommodation as may be determined by the Secretary of State to be housing subsidies for the purposes of this section ;

" reckonable expenditure ", in relation to any year, means the amount estimated by the Secretary of State to be the amount of expenditure for that year falling to be defrayed out of the rates of a local authority (excluding sums falling to be paid to another local authority by virtue of a requisition or other instrument), reduced by the amount of any payment falling to be made for that year into the housing revenue account or a trading account of the authority and by the amount of any payments of such descriptions as the Secretary of State may determine which fall to be made for that year ;

" trading account " means any account of a kind determined by the Secretary of State to be a trading account for the purposes of this section.

Before making any determination under this subsection the Secretary of State shall consult with such associations of local authorities as appear to him to be concerned.

3 Rate support grant orders.

- (1) The aggregate amount of the rate support grants fixed in accordance with subsection (2) of section 2 of this Act for any year and the matters which under that section or Schedule 1 to this Act are to be prescribed shall be fixed and prescribed by an order made by the Secretary of State after consultation with such associations of local authorities as appear to him to be concerned and with the consent of the Treasury (hereafter in this Act referred to as a " rate support grant order ").
- (2) Any rate support grant order shall be laid before the Commons House of Parliament together with a report of the considerations leading to the provisions of the order,

including the considerations leading to the determination of the amount and the portion mentioned in section 2(2)(a) and (b) of this Act, and shall not have effect until approved by a resolution of that House.

- (3) Rate support grant orders shall be made in advance for successive periods of two years; and a rate support grant order may, as respects any matter to be fixed or prescribed by the order, make different provision for different years.

4 Variation of orders etc.

- (1) If it appears to the Secretary of State that, after the time when the amount mentioned in section 2(2)(a) of this Act was determined for any year, an unforeseen increase has taken place in the level of prices, costs or remuneration and that the effect of the increase on the reckonable expenditure of local authorities for that year is substantial, he may at any time redetermine for that year the amount and portion mentioned in section 2(2)(a) and (b) of this Act and by an order, made in the like manner and subject to the like provisions as a rate support grant order, increase the amount fixed by the relevant rate support grant order as the aggregate amount of the rate support grants and any element of the grants for that year.
- (2) The provisions of sections 2 and 3 of this Act relating to consultation and to a report of the considerations leading to a determination under the said section 2 shall apply to a redetermination under this section as they apply to a determination under that section.
- (3) In deciding whether to exercise his power under subsection (1) of this section and in redetermining in the exercise of that power the amount and the portion there mentioned, the Secretary of State shall have regard only to the extent by which the said amount and portion are insufficient by reason of the unforeseen increase aforesaid.
- (4) An order under subsection (1) of this section with respect to any year may, as respects that year, vary the matters prescribed by the relevant rate support grant order.
- (5) In this section " reckonable expenditure " has the same meaning as in section 2 of this Act.

5 Reduction of grants in case of default.

- (1) If the Secretary of State is satisfied—
 - (a) that a local authority or a joint board have failed to achieve or maintain a reasonable standard in the discharge of any of their functions, regard being had to the standards maintained by other authorities and boards which are, in the opinion of the Secretary of State, of a similar type to the local authority or, as the case may be, joint board concerned ; or
 - (b) that the expenditure of any local authority or joint board has been excessive and unreasonable, regard being had to the financial and other relevant circumstances of the area or areas concerned ;

and is of opinion that by reason of the failure or the excessive and unreasonable expenditure a reduction should be made in the amount of any element of rate support grant payable to the local authority or a constituent authority of the joint board, he may, after affording to the local or constituent authority in question an opportunity of making representations, make and cause to be laid before Parliament a report stating the amount of and the reasons for the proposed reduction and setting out any representations made by the authority with respect to the proposed reduction ; and

if the report is approved by a resolution of the Commons House of Parliament the Secretary of State may reduce the element of the grant accordingly.

- (2) The Secretary of State may make regulations, subject to annulment in pursuance of a resolution of either House of Parliament, for prescribing standards and general requirements in relation to any function of a local authority; and in determining for the purposes of subsection (1) of this section whether there has been such a failure as is there mentioned, regard shall be had to any such regulations and any other standards or requirements imposed by or under any enactment.

6 Supplemental.

- (1) The Secretary of State may make regulations for carrying the foregoing provisions of this Act into effect and, without prejudice to the generality of this provision.—
- (a) for determining the manner in which any calculation or estimate is to be made for any of the purposes of those provisions and, in particular, for determining—
- (i) the manner in which and the time as at which road mileages, population, the numbers of persons of any specified description and any other relevant elements for any area are to be ascertained,
 - (ii) the descriptions of roads which are to be taken into account in calculating road mileages,
 - (iii) the authority or person by or to whom any information required for the said purposes is to be given and the time at which and the form in which it is to be given,
 - (iv) the adjustments to be made for any abnormal treatment of income or expenditure in accounts ;
- (b) for providing that the calculations or estimates by reference to which any payments are made may be treated as either conclusive or provisional or conclusive for some purposes and provisional for other purposes and, in so far as they are treated as provisional, for the making of further calculations or estimates based on information not previously available and for adjusting, in the light thereof, any payment already made;
- (c) for modifying the operation of the foregoing provisions of this Act in relation to any authority if and in so far as any modification is required in relation to that authority in consequence of any alterations or combinations of authorities or alterations of boundaries;

and regulations under this subsection may make different provisions for different circumstances.

- (2) The Secretary of State may, if he thinks fit, determine that any sea route between two places in a county, being a sea route served by a ferry or by public transport vessels and specified in the determination, shall be treated for the purposes of regulations made under this section as if it were a road in the county; and any such determination may be varied or revoked by the Secretary of State.
- (3) In the year 1967-68 and subsequent years education authorities (within the meaning of the Education (Scotland) Act 1962) shall not be required to contribute to the expenses of committees and other bodies for the training of teachers described in section 25(5) of that Act, and accordingly the said section 25(5) shall cease to have effect at the end of the year 1966-67.

- (4) In subsection (4)(d) of section 75 of the said Act of 1962 (which relates to grants to education authorities) the words from " not being relevant expenditure" to the end of the paragraph shall cease to have effect at the end of the year 1966-67.
- (5) References in this section to the foregoing provisions of this Act include references to Schedule 1 to this Act.
- (6) Any statutory instrument containing regulations made under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.

7 Reduction of rates on dwellings by reference to the domestic element.

- (1) Subject to section 24 of this Act, every local authority shall reduce the amount of the rate levied by the authority for any year on dwelling-houses in their area by the amount in the pound prescribed for that year in pursuance of paragraph 1 of Part III of Schedule 1 to this Act.
- (2) Where lands and heritages are a dwelling-house during part only of a year, the reduction to be made in pursuance of the foregoing subsection shall be made for that part of the year only.
- (3) In this section " dwelling-house " includes premises entered in the valuation roll as such by virtue of section 16(3) of the Water (Scotland) Act 1949 and premises which would have been so entered if domestic water rate had been leviable in respect of them.
- (4) For the purposes of this section the gross annual value and rateable value attributable to the last mentioned premises shall, in accordance with the provisions of section 6 of the Valuation and Rating (Scotland) Act 1956, be determined by the assessor for the area in which the premises are situated and shall be entered in the valuation roll; any such determination shall be subject to appeal under the Valuation Acts and shall accordingly be notified to the occupier of the premises and to the rating authority concerned within the times for the issue of notices set out in Schedule 2 to the said Act of 1956.