



# Local Government (Scotland) Act 1966

## 1966 CHAPTER 51

### PART I

#### GRANTS

##### *Rate support grants for local authorities*

#### **[<sup>F1F2</sup>2** Rate support grants.

- (1) Subject to the provisions of this Part of this Act, the Secretary of State shall, for each 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 estimated aggregate amount of the rate support grants for any year the Secretary of State shall determine—
  - (a) the aggregate amount which he estimates 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 relevant 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 the amount remaining after deducting that portion from the aggregate amount aforesaid shall, subject to sections 3 and 4 of this Act, be the estimated 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) above, 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 latest information available to him as to the rate of relevant expenditure;
  - (b) any probable fluctuation in the demand for services giving rise to relevant 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;

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- (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
  - (d) the current level of prices, costs and remuneration and any future variation in that level which in the opinion of the Secretary of State will result from decisions which appear to him to be final and which will have the effect of increasing or decreasing any particular prices, costs or remuneration.
- (4) After consultation with such associations of local authorities as appear to the Secretary of State to be concerned, the estimated 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”) and the amounts of needs element and the domestic element and the estimated amount of the resources element shall be such 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 grants 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) Subject to subsection (7) below, the Secretary of State may—
- (a) defray any expenditure incurred in any year in the provision of services for local authorities by any body specified in regulations made by the Secretary of State; and
  - (b) deduct from the aggregate amount of the needs element for that year such amount, not exceeding the total of the expenditure so defrayed, as appears to him to be appropriate.
- (7) Before exercising his powers under subsection (6) above, the Secretary of State shall consult with such associations of local authorities as appear to him to be concerned.
- (8) In this section—
- “housing subsidies” means such grants to local authorities out of moneys provided by Parliament for housing as may be determined by the Secretary of State to be housing subsidies for the purposes of this section;
  - “relevant expenditure”, in relation to any year, means the sum of the following amounts as estimated by the Secretary of State—
- (a) the amount of expenditure for that year falling to be paid out of the rates of a local authority, and
  - (b) an amount equal to the amount receivable by the local authority for that year as grants (within the meaning of section 2(2)(a) of this Act) and as payments under Part V of the Local Government Act <sup>MI</sup>1948, reduced by the amount estimated as aforesaid, in whole or in part, of such payments relating to housing and of such payments of other descriptions falling to be made for that year as the Secretary of State may determine.]

#### Textual Amendments

- F1** S. 2 repealed (*prosp.*) by [Abolition of Domestic Rates Etc. \(Scotland\) Act 1987 \(c. 47, SIF 81:2\)](#), s. 34, [Sch. 6](#)

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**F2** Ss. 2-7 as amended by s. 2 of the [Rating and Valuation \(Amendment\) \(Scotland\) Act 1984 \(c. 31, SIF 103:2\)](#), were by s. 2(1) of that Act set out in Schedule 1 to that Act

**Modifications etc. (not altering text)**

**C1** S. 2 applied by [National Health Service \(Scotland\) Act 1972 \(c. 58\)](#), s. **60(8)** and [District Courts \(Scotland\) Act 1975 \(c. 20\)](#), s. **23(6)(7)**

**C2** Power to amend s. 2(2)(a)(b) given by [Districts Courts \(Scotland\) Act 1975 \(c. 20\)](#), s. **23(5)(7)**

**Marginal Citations**

**M1** [1948 c.26 \(103:2\)](#).

[<sup>F3F4</sup> **3 Rate support grant orders.**

- (1) The estimated aggregate amount of the rate support grants determined (or redetermined) 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 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) Subject to section 4 of this Act, 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.]

**Textual Amendments**

**F3** Ss. 2-4, 6, 12, 14, Sch. 1 repealed (prosp.) by [Abolition of Domestic Rates Etc. \(Scotland\) Act 1987 \(c. 47, SIF 81:2\)](#), s. 34, **Sch. 6**

**F4** Ss. 2-7 as amended by s. 2 of the [Rating and Valuation \(Amendment\) \(Scotland\) Act 1984 \(c. 31, SIF 103:2\)](#), were by s. 2(1) of that Act set out in Schedule 1 to that Act

**Modifications etc. (not altering text)**

**C3** S. 3 applied by [National Health Service \(Scotland\) Act 1972 \(c. 58\)](#), s. **60(8)** and [District Courts \(Scotland\) Act 1975 \(c. 20\)](#), s. **23(6)(7)**

**C4** S. 3(3): by [Local Government \(Scotland\) Act 1973 \(c. 65, SIF 81:2\)](#), s. 120(1)(a), the words “a period of one year” were substituted for the words from “successive periods” to the end

[<sup>F5F6</sup> **4 Variation of orders.**

- (1) The Secretary of State may, at any time after the estimated aggregate amount of the rate support grants has been fixed for any year redetermine, under section 2(2) of this Act, that amount for that year.

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- (2) A rate support grant order made by virtue of subsection (1) above with respect to any year may vary matters prescribed by the rate support grant order which first fixed the estimated aggregate amount of the rate support grants for that year.
- (3) A rate support grant order may, if the Secretary of State considers it practicable that it should do so, relate both to an estimated aggregate amount of the rate support grants determined, and to such an amount redetermined under section 2(2) of this Act.]

**Textual Amendments**

**F5** S. 4 repealed (prosp.) by [Abolition of Domestic Rates Etc. \(Scotland\) Act 1987 \(c. 47, SIF 81:2\)](#), s. 34, [Sch. 6](#)

**F6** Ss. 2-7 as amended by s. 2 of the [Rating and Valuation \(Amendment\) \(Scotland\) Act 1984 \(c. 31, SIF 103:2\)](#), were by s. 2(1) of that Act set out in Schedule 1 to that Act

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**Modifications etc. (not altering text)**

**C5** S. 4 saved by [Social Work \(Scotland\) Act 1968 \(c. 49\)](#), s. [92](#) (3)

**C6** S. 4(1) modified by [Sheriff Courts \(Scotland\) Act 1971 \(c. 58\)](#), s. [44\(3\)](#)

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**Textual Amendments**

**F7** Ss. 5, 5A, 7, 26, 27 repealed by [Abolition of Domestic Rates Etc. \(Scotland\) Act 1987 \(c. 47, SIF 81:2, 103:2\)](#), s. 34, [Sch. 6](#)

**[<sup>F8F9</sup>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

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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 the area of any local authority, 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 that area; and any such determination may be varied or revoked by the Secretary of State.
- (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.]

**Textual Amendments**

- F8** S. 6 repealed (prosp.) by [Abolition of Domestic Rates Etc. \(Scotland\) Act 1987](#) (c. 47, SIF 81:2), s. 34, [Sch. 6](#)
- F9** Ss. 2-7 as amended by s. 2 of the [Rating and Valuation \(Amendment\) \(Scotland\) Act 1984](#) (c. 31, SIF 103:2), were by s. 2(1) of that Act set out in Schedule 1 to that Act

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**Textual Amendments**

- F10** Ss. 5, 5A, 7, 26, 27 repealed by [Abolition of Domestic Rates Etc. \(Scotland\) Act 1987](#) (c. 47, SIF 81:2, 103:2), s. 34, [Sch. 6](#)

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