



Local Government (Financial Provisions) (Scotland) Act 1963

1963 CHAPTER 12

PART I

EXCHEQUER GRANTS AND APPORTIONMENT

1 Continuation of provisions relating to Exchequer Equalisation and Transitional Grants

Notwithstanding anything in section 29 of the Act of 1956 the following provisions (being provisions relating to Exchequer Equalisation and Transitional Grants), that is to say—

- (a) sections 22, 24, 30, 31 and 32 of the Act of 1948,
- (b) the Act of 1954, and
- (c) Part IV of the Act of 1956,

so far as in force immediately before the commencement of this section, shall continue in force, subject to the provisions of this Act.

2 Condition for, and amount of, Exchequer Equalisation Grants

(1) As respects the year 1963-64 and subsequent years the condition for the payment to a county council or the town council of a burgh of an Exchequer Equalisation Grant under the Act of 1954 for any year shall be that the product of a rate of one penny in the pound for the area of the council for that year is less than the standard penny rate product for the area for that year; and, subject to the next following section, the amount of the grant shall be the amount which bears to the relevant local expenditure for the area for that year the same proportion as the difference between the said products bears to the standard penny rate product.

(2) For the purposes of this section—

- (a) the area of a county council is the landward area of the county and the area of a town council of a burgh is the burgh ; and

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- (b) the expression "relevant local expenditure" in relation to any area for any year means so much of the total expenditure for the year as would fall to be met out of moneys raised by rates levied in the area if no exchequer grants applicable towards meeting such expenditure were payable under the Act of 1954.
- (3) Accordingly the Act of 1954 shall have effect as respects the year 1963-64 and subsequent years as if for section 3 thereof there were substituted the following section:—

Where for the year 1963-64 or any subsequent year the product of a rate of one penny in the pound as defined for the purposes of the Local Government (Financial Provisions) (Scotland) Act 1963 for the landward area of a county, for a large burgh or for a small burgh is less than the standard penny rate product, as so defined, for the landward area or burgh there shall be paid to the county council or, as the case may be, the town council an Exchequer Equalisation Grant of such amount as is provided by sections 2 and 3 of the said Act of 1963”.

3 Reduction of Exchequer Equalisation Grants in respect of low rent income

- (1) Where for the year 1963-64 or any subsequent year the actual rent income of a county council or town council is less than the council's notional rent income there shall (notwithstanding anything in section 1 of the Act of 1954 or section 26 of the Act of 1956) be deducted from any Exchequer Equalisation Grant which would, apart from this section, be payable to the council for that year under section 3 of the Act of 1954 an amount equal to the difference between—
- (a) the amount of the grant as calculated for the year in question under the said section 3, and
 - (b) the amount which would result from that calculation if for the council's actual rent income for that year there were substituted their notional rent income for that year.
- (2) Notwithstanding any reductions made in the Equalisation Grant payable to councils consequent on subsection (1) above the total Equalisation Grant disbursed to Scottish local authorities shall not fall below an amount ascertained in accordance with section 1(1)(b) of the Act of 1954.
- (3) In this section—
- (a) references to a council's actual rent income for any year are references to the income receivable for the year by the council and credited to their housing revenue account for the year under paragraph (a) of section 138(1) of the Housing (Scotland) Act 1950 in respect of the relevant subjects, together with any sums so credited under subsection (2) or (3) of the said section 138, but excluding any such income as aforesaid which by reason of the granting of any rent rebates is not actually received ; and
 - (b) references to a council's notional rent income for any year are references to such percentage of the aggregate of the gross annual values of the relevant subjects, as shown in the valuation roll for the year in question, as is specified in the second column of the following Table in relation to that year:

Provided that, if he is requested by any council to do so, the Secretary of State shall direct that, in relation to that council and in relation to such year as may be specified in the direction, this section shall have effect as if references therein to the council's notional rent income for that year were references to such percentage of the aggregate

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of the gross annual values of the relevant subjects, as shown in the valuation roll for the year in question, as is specified in the third column of the said Table in relation to that year, less an amount equal to the aggregate of any rent rebates granted in respect of those subjects by the council for that year in pursuance of any rent rebates scheme approved by the Secretary of State for the purposes of this section.

TABLE

<i>Year</i>	<i>Percentage first referred to above</i>	<i>Percentage second referred to above</i>
1963-64	85 per cent.	90 per cent.
1964-65	90 per cent.	95 per cent.
Any subsequent year	95 per cent.	100 per cent.

- (4) In the last foregoing subsection—
- (a) references to the relevant subjects, in relation to any council and in relation to any year, are references to any houses, buildings, land or dwellings let by the council and shown in the valuation roll for that year;
 - (b) references to the aggregate of the gross annual values of the relevant subjects, in relation to any council, are references to that aggregate exclusive of such part of the gross annual value of any house or dwelling comprised in those subjects as may be certified by the assessor to be attributable to any garage provided otherwise than by the council;
 - (c) the expression " rent rebates " means rebates to which section 73(4) of the Housing (Scotland) Act 1950 or section 29 of the Housing (Scotland) Act 1962 refers;
 - (d) the expression " rent rebates scheme" includes any scheme for the granting of rent rebates (including so much of any rents scheme made under the said section 29 as relates to rent rebates); and
 - (e) the expression " valuation roll" does not include " supplementary valuation roll ".
- (5) The Secretary of State may by order provide that the Table set out in subsection (3) of this section shall have effect as respects any year of revaluation specified in the order, and in relation to such local authority or local authorities as may be so specified, as if for the percentages specified for that year in the Table there were substituted such lower percentages as may be specified in the order.
- (6) An order under the last foregoing subsection shall not have effect unless approved by a resolution of the Commons House of Parliament.

4 District councils' share of Exchequer Equalisation Grants

The Act of 1954 shall have effect as respects the year 1963-64 and subsequent years as if for section 8 thereof there were substituted the following section:—

- (1) A county council shall, out of any Exchequer Equalisation Grant paid to them under the foregoing provisions of this Act for 'the year 1963-64 or any subsequent year, pay to the council of any district in the county an amount which bears to the amount of the Exchequer Equalisation Grant which was so paid (or, in a case to which section 3 of the Local Government (Financial

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Provisions) (Scotland) Act 1963 applies, would have been so paid if no deductions under that section had been made) the same proportion as the expenditure of the district council for that year bears to the relevant local expenditure for the landward area of the county for that year.

(2) In this section—

" district " has the same meaning as in the Local Government (Scotland) Act 1947 ;

" expenditure " in relation to a district council for any year means so much of that council's expenditure for that year as is reckoned in calculating the relevant local expenditure for that year for the landward area of the county in which the district is situated for the purposes of section 2 of the said Act of 1963 ; and " relevant local expenditure " in relation to the landward area of a county for any year has the same meaning as it has for the purposes of the said section 2”.

5 Reduction and discontinuance of Exchequer Transitional Grants

Notwithstanding anything in subsection (3) of section 6 of the Act of 1954 (which relates to Exchequer Transitional Grants) the amount of any Exchequer Transitional Grant payable to a county council or the town council of a burgh under that section for any year specified in the first column of the following Table shall be such percentage as is specified in relation to that year in the second column of that Table of the amount which would be payable apart from this section; and no such grant shall be payable for the year 1967-68 or any subsequent year:—

TABLE

Year	Percentage
1963-64	80 per cent.
1964-65	60 per cent.
1965-66	40 per cent.
1966-67	20 per cent.

6 Increase of limit of contributions under section 1 of Rural Water Supplies and Sewerage Act 1944

- (1) The limit imposed by subsection (5) of section 1 of the Rural Water Supplies and Sewerage Act 1944 as read with section 7 of that Act on the aggregate amount of the contributions which may be made under the said section 1 towards expenses incurred by local authorities (within the meaning of that Act) in Scotland shall be increased from thirty million pounds to forty-five million pounds.
- (2) Subsection (3) of section 1 of the Rural Water Supplies and Sewerage Act 1955 (which relates to the amount to be taken into account for the purposes of the limit imposed by the provision aforesaid where contributions are made by way of a series of periodical payments) shall apply in relation to that limit as increased by this Act.

7 Apportionment

- (1) Subject to the following provisions of this section, where, in pursuance of any enactment, any statutory order or instrument or any agreement, any sum is required—
 - (a) to be calculated according to, or according to a formula based in whole or in part on, the following valuation, that is to say the rateable valuation or standard rateable value, whichever is the higher, of any area for any year, or
 - (b) to be apportioned or allocated among local authorities or other bodies according to that valuation for each of two or more areas for any year, or according to any such formula as aforesaid,such calculation or such apportionment or allocation, as the case may be, shall be made with the substitution for that valuation of the product of a rate of one penny in the pound or the standard penny rate product, whichever is the higher, for the area, or, as the case may be, each of the areas, in question for that year.
- (2) The foregoing subsection shall apply to any calculation, or apportionment or allocation required to be made for the year 1963-64 or any subsequent year:

Provided that in the case of such calculation, or apportionment or allocation required to be made under an agreement the said subsection shall not apply thereto if the parties concerned so agree.
- (3) For the purposes of this section the standard penny rate product for any area for any year shall be taken to be—
 - (a) in the case of the year 1966-67 or any subsequent year of revaluation, such sum as may be determined by the Secretary of State by reference to the estimate of the rateable valuation of the area for that year received by him from the appropriate assessor under the next following subsection; and
 - (b) in the case of any other year, an estimate of the standard penny rate product for that area for that year made by the Secretary of State for the purposes of this section on the basis of such figures as are, in his opinion, the best available to him at the time when the estimate is made.
- (4) The assessor for each valuation area shall, not later than the fifteenth day of March in the year preceding any year of revaluation, estimate the rateable valuation in that year, of revaluation of the landward area of each county and of each burgh situated within the valuation area and shall send certified copies of the estimate so made to the rating authority of such county or burgh and to the Secretary of State.
- (5) Schedule 1 to this Act shall have effect for the purpose of the recalculations mentioned therein, being recalculations in respect of the year 1961-62.

8 Weighted population for purposes of General Grants

- (1) The Secretary of State may by order vary the method by which the weighted population of a county or a burgh is calculated, for the purposes of paragraph 1 of Schedule 2 to the Act of 1958 (which relates to the apportionment to local authorities of the aggregate amount of General Grants), under paragraph 5 thereof; and, without prejudice to the foregoing generality, may in particular by such order vary the manner in which, and the date as at which, population or the number of persons of any description, or the number of miles of roads, is to be calculated.
- (2) Paragraph 5 of the said Schedule 2 shall have effect as if after the words " purposes of " where they first occur there were inserted the words " paragraph 1 of " .

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- (3) An order under this section may be made so as to have effect for the purposes of the year 1964-65 or any subsequent year.
- (4) Before making any order under this section, the Secretary of State shall consult with such associations of local authorities as appear to him to be concerned ; and any such order shall not have effect unless approved by a resolution of the Commons House of Parliament.

9 Meaning of product of a rate of one penny in the pound and standard penny rate product

- (1) References in this Part of this Act to the product of a rate of one penny in the pound for any area for any year are references to an amount calculated for that area for that year in accordance with rules made in that behalf by the Secretary of State under this subsection.
- (2) Before making any rules under the foregoing subsection, the Secretary of State shall consult with such associations of local authorities as appear to him to be concerned; and any such rules shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.
- (3) Except so far as otherwise provided in this Part of this Act references therein to the standard penny rate product for any year for any area which is a burgh or the landward area of a county are references to the amount which bears to the weighted population of the burgh or landward area, as the case may be, for the year the same proportion as the governing factor for that year bears to the aggregate of the weighted populations for that year of all the landward areas and all the burghs in Scotland.
- (4) The governing factor for any year to be used for the purposes of the last foregoing subsection shall be determined by the Secretary of State, and shall be so determined that its use as aforesaid would, apart from section 3 of this Act, result as nearly as may be in the distribution to county councils and town councils of that part of the amount available by virtue of section 26 of the Act of 1956 for the payment of exchequer grants in respect of that year which remains after payment of the Transitional Grants payable under section 6 of the Act of 1954.
- (5) For the purposes of subsection (3) of this section the weighted population of an area for any year shall be determined in accordance with the provisions of Schedule 2 to this Act.
- (6) In the case of any area which is part of a burgh or of the landward area of a county, references in this Part of this Act to the standard penny rate product of the area are, except so far as otherwise provided therein, references to so much of the standard penny rate product of the burgh or, as the case may be, the landward area as bears to the whole the same proportion as the rateable valuation of the area in question bears to the rateable valuation of the burgh or, as the case may be, the landward area.
- (7) Schedule 6 to the Act of 1956 (which relates to Exchequer Grants) shall, as respects 1963-64 and any subsequent year, have effect as if for sub-paragraphs (a) and (b) of paragraph 2 there were substituted the words " the weighted population of any burgh or landward area shall be the weighted population thereof as it would be calculated under Schedule 2 to the Local Government (Financial Provisions) (Scotland) Act 1963, for the purposes of section 9(3) of that Act, if any reference in the said Schedule to the variation weighting for the burgh or landward area were omitted ".