



# Local Government Act 1948

## 1948 CHAPTER 26

### PART II

#### EXCHEQUER GRANTS AND OTHER FINANCIAL PROVISIONS (SCOTLAND).

##### *Exchequer Grants to Counties and large burghs.*

#### **18 Exchequer Equalisation Grants to counties and large burghs.**

- (1) Where for the year 1948-49 or any subsequent year the rateable value for a county or large burgh is less than the standard rateable value for that county or large burgh (as denned by the subsequent provisions of this Part of this Act), there shall be paid out of moneys provided by Parliament to the council of the county or large burgh a grant equal to the relevant fraction (as so defined) of the amount of the difference.
- (2) The said difference is in the subsequent provisions of this Part of this Act referred to as the rateable value credited to the county or large burgh.
- (3) Grants under this section are in the subsequent provisions of this Part of this Act referred to as " Exchequer Equalisation Grants."

#### **19 Meaning of " standard rateable value ".**

- (1) The standard rateable value for a county or large burgh for the purposes of the preceding provisions of this Part of this Act is the amount which bears to the weighted population of that county or large burgh for the year in question the same proportion as the sum which is to be taken for the purposes of subsection (1) of section three of this Act as the rateable value for England and Wales for that year increased by twenty-five per cent. bears to the aggregate of the weighted populations of all the counties and county boroughs in England and Wales for that year within the meaning of the said section three.
- (2) In this section, the expression " the weighted population " in relation to a county or large burgh in Scotland means the population thereof plus the number of children

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under fifteen years of age therein and, in the case of a county the population whereof divided by the road-mileage thereof is less than seventy, plus also one-third of -the additional population needed in order that the population thereof divided by the road-mileage thereof should be seventy.

## **20 Meaning of " the relevant fraction ".**

- (1) The relevant fraction for a county or large burgh for the purposes of the preceding provisions of this Part of this Act is the fraction arrived at by dividing the relevant local expenditure for the year in question by the sum of the following amounts, that is to say, the rateable value credited to the county or large burgh for that year and the product of a rate of one pound in the pound for the county or large burgh for that year.
- (2) In this section, the expression " the relevant local expenditure " means in relation to any county or large burgh so much of the total expenditure for the year as would have to be met out of rates levied within the county or large burgh if no Exchequer Grants under this Part of this Act and (so far as any such Grant is relevant to. the year in question) no Exchequer Grants payable for any previous year under the Local Government (Scotland) Acts, 1929 to 1946, were payable, and if no grants had been made out of moneys provided by Parliament to the council of the county or burgh by the Secretary of State by way of special assistance in respect of their financial difficulties arising out of the war.
- (3) The provisions of subsection (2) of this section shall, as respects the year 1948-49, have effect subject to the special provisions relating to Exchequer Grants for that year contained hereafter in this Part of this Act.

## **21 Exchequer transitional grants for first five years.**

- (1) The Secretary of State shall estimate in relation to each county and large burgh in Scotland the sums specified in subsections (2) and (3) of this section, being, in every case, sums estimated for the year 1947-48.
- (2) The Secretary of State shall first estimate—
  - (a) the aggregate of all Exchequer Grants payable under the Local Government (Scotland) Acts, 1929 to 1946, to the council of the county or large burgh, less any contributions payable by the council of the county or large burgh under section sixteen of the Old Age and Widows' Pensions Act, 1940;
  - (b) in the case of a burgh being a county of a city, the grant payable to the council in accordance with regulations under paragraph (12) of section seventy of the Education (Scotland) Act, 1946; in the case of a county, the grant payable as aforesaid to the council under deduction of the proper proportion thereof applicable to any large burgh situate in the county; and in the case of a large burgh not being a county of a city, the proper proportion applicable thereto of the grant payable as aforesaid to the council of the county in which such burgh is situate; and
  - (c) the product of a rate of four and four-fifths pence in the pound for the county or large burgh.
- (3) The Secretary of State shall then estimate—
  - (a) the aggregate of so much of the expenditure incurred by the council of the county or large burgh in—

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- (i) providing services which it will be the duty of the Secretary of State to provide under Part II of the National Health Service (Scotland) Act, 1947; and
  - (ii) performing any functions falling to be discontinued by virtue of any Act of the present Session terminating the existing poor law, as would have had to be met out of rates levied in the county or large burgh if no Exchequer Grants under the Local Government (Scotland) Acts, 1929 to 1946, and no contributions under section sixteen of the Old Age and Widows' Pensions Act, 1940, had been payable;
- (b) the sum which would have been the sum required to be estimated in accordance with paragraph (b) of subsection (2) of this section if for the regulations under the enactment mentioned in that paragraph there had been substituted the provisions of such regulations made thereunder as determined the grants payable for the year 1948-49;
- (c) the Exchequer Equalisation Grant, if any, which would have been payable to the council of the county or large burgh if—
- (i) this Part of this Act had applied to the year 1947-48 and the third fixed grant period had terminated on the sixteenth day of May, nineteen hundred and forty-seven; and
  - (ii) the sum estimated under paragraph (b) of this subsection had been payable under paragraph (12) of section seventy of the Education (Scotland) Act, 1946, in lieu of the sum mentioned in paragraph (b) of subsection (2) of this section; and
  - (iii) the sixteenth day of May, nineteen hundred and forty-seven had also been both the appointed day for the purposes of Part II of the National Health Service (Scotland) Act, 1947, and the day appointed for the discontinuance of the functions falling to be discontinued by virtue of any Act of the present Session terminating the existing poor law, and the relevant local expenditure in relation to the county or large burgh had been diminished accordingly.
- (4) If for any county or large burgh the total of the sums estimated by the Secretary of State under subsection (2) of this section exceeds the total of the sums so estimated under subsection (3) thereof, there shall be payable out of moneys provided by Parliament to the council of the county or large burgh grants for the year 1948-49 and each of the four following years.
- (5) The amount of the grant for the year 1948-49 shall be the amount of the said excess and the amounts of the grants for the four following years shall be respectively four-fifths, three-fifths, two-fifths and one-fifth of the amount of the said excess.
- (6) Grants under this section are in the subsequent provisions of this Part of this Act referred to as " Exchequer Transitional Grants " .

## **22 Power to reduce Exchequer Grants.**

- (1) The Secretary of State may, subject to the provisions of this section, reduce any Exchequer Equalisation Grant or Exchequer Transitional Grant payable to a council by such amount as he thinks just, if—
- (a) he is satisfied, either upon representations made to him or without any such representations, that the council have failed to achieve or maintain

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a reasonable standard of efficiency and progress in the discharge of their functions, regard being had to the standards maintained in other areas; or

- (b) he is satisfied that the expenditure of the council has been excessive and unreasonable, regard being had to the financial resources and other relevant circumstances of the area.

- (2) Before reducing any grant by virtue of this section the Secretary of State shall make and cause to be laid before Parliament a report stating the amount of the reduction, and the reasons therefor, and he shall not make the reduction until the said report is approved, by a resolution of the Commons House of Parliament.

### **23 Provisions as to Health Service Exchequer Grants.**

- (1) The amount of any grant payable out of moneys provided by Parliament under subsection (1) of section fifty-three of the National Health Service (Scotland) Act, 1947, to a local health authority shall, in lieu of being determined by regulations under the said subsection (1), be one-half of the expenditure in respect of which the grant is made.
- (2) The provisions of the last preceding section shall apply in relation to grants payable under the said section fifty-three as they apply in relation to Exchequer Equalisation Grants and Exchequer Transitional Grants, subject to the following modifications, that is to say—
  - (a) the reference in paragraph (a) of subsection (1) of that section to the discharge of their functions by the council shall be construed as a reference to the discharge of their functions under the National Health Service (Scotland) Act, 1947, by the local health authority; and
  - (b) the reference in paragraph (b) of the said subsection (1) to the expenditure of the council shall be construed as a reference to the expenditure of the local health authority under the said Act.

### **24 Power to pay council's contributions to voluntary association out of sum payable as Exchequer grants.**

- (1) Upon application being made to the Secretary of State by the council of any county or large burgh requesting that the contributions of the council towards the expenses of any voluntary association having as its object the promotion of public health services should be paid directly to the association out of an Exchequer Equalisation Grant or an Exchequer Transitional Grant to the council, the Secretary of State may pay such contribution accordingly, and any payment so made by him shall be deemed to be a payment to the council on account of the Grant.
- (2) References in any enactment to section sixty-eight of the Local Government (Scotland) Act, 1929, and to the General Exchequer Grant, shall be construed respectively as references to the last foregoing subsection, and to the Exchequer Equalisation Grant or Exchequer Transitional Grant.