



Local Government Act 1948

1948 CHAPTER 26

PART II

EXCHEQUER GRANTS AND OTHER FINANCIAL PROVISIONS (SCOTLAND).

Discontinued grants.

17 Termination of certain Exchequer Grants, and of third fixed grant period.

Save as otherwise provided by this Part of this Act—

- (a) no Exchequer grants shall be payable under the Local Government (Scotland) Acts, 1929 to 1946, for the year 1948-49 or any subsequent year; and
- (b) the third fixed grant period shall for the purposes of all enactments be terminated on the sixteenth day of May, nineteen hundred and forty-eight.

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 denoted 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 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

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- 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 or 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—
- (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.

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- (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 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.

Payments out of Exchequer Equalisation Grant to small burghs and landward areas.

25 Payments to small burghs and landward areas.

- (1) For the year 1948-49 and each subsequent year, there shall—
- (a) be paid to the council of each small burgh; and
 - (b) be set aside for behoof of the landward area of each county,
- the sums hereinafter specified.
- (2) The said sums shall be arrived at as follows:—
- (a) a sum equal to one-half of the aggregate of Exchequer Equalisation Grants payable under this Part of this Act for that year to the county councils shall be divided by the aggregate of the populations of the counties;
 - (b) the sum to be paid to the council of a small burgh shall be the sum ascertained under the last foregoing paragraph multiplied by the population of the burgh;
 - (c) the sum to be set aside for behoof of the landward area of a county shall be such sum as amounts to two-thirds of the sum ascertained under paragraph (a) of this subsection multiplied by the population of the landward area.
- (3) The sums payable under the foregoing provisions of this section to the council of a small burgh or to be set aside for behoof of the landward area of a county shall be paid by the Secretary of State to the council of the burgh, or the council of the county as the case may be, and shall be deducted from the Exchequer Equalisation Grant payable to the council of the county comprising the small burgh or the landward area as the case may be:

Provided that, if no such Grant is payable to the county council, or if the Grant so payable is insufficient to pay the sums due to the small burgh and the landward area, those sums, or the balance thereof as the case may be, shall be recoverable by the Secretary of State from the county council, and any sum so recoverable shall be deemed to be expenditure on functions for which small burghs are included within the county.

Miscellaneous.

26 Discontinuance of burden payments on changes of boundary.

No provision shall be made for any payment to a local authority under subsection (1) of section one hundred and forty-two of the Local Government (Scotland) Act, 1947, in respect of any increase of burden due to an alteration of boundaries or other change taking place after the end of the year 1947-48.

27 Continuation of third fixed grant period for certain purposes.

- (1) This section shall have effect as respects the following enactments (which contain financial provisions relating to the third fixed grant period), that is to say section three

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of the Maternity Services (Scotland) Act, 1937 and section two of the Cancer Act, 1939, (under which Exchequer grants are payable in respect of expenditure imposed by those Acts).

- (2) Notwithstanding the preceding provisions of this Part of this Act, the third fixed grant period shall not for the purposes of either of the said enactments be deemed to have terminated until immediately before the day which is the appointed day for the purposes of Part II of the National Health Service (Scotland) Act, 1947, and payments shall be made accordingly.
- (3) If the date on which either of the said enactments ceases to be in force (either by virtue of an Order in Council fixing an appointed day under the National Health Service (Scotland) Act, 1947, or of any Act of the present Session terminating the existing poor law) is a date before the end of the year 1948-49, the enactment in question shall have effect so as to require the sum to be set aside or paid for the said year under that enactment to be the 'appropriate fraction of the estimated amount which would have been so set aside or paid if the said enactment had continued in force for the whole of the said year.

The appropriate fraction is the number of days in the period beginning with the first day of the said year and ending immediately before the date on which the enactment ceases to be in force divided by three hundred and sixty-five.

28 Special provisions as to Exchequer Grants for 1948-49.

- (1) The provisions of this section shall have effect if the appointed day for the purposes of Part II of the National Health Service (Scotland) Act, 1947, is after the beginning of, but-within, the year 1948-49.
- (2) The Secretary of State shall ascertain, in relation to every county and large burgh in Scotland, the total amount of the Exchequer Grants payable under the Local Government (Scotland) Acts, 1929 to 1946, to the council of the county or burgh for the year 1947-48.
- (3) The Secretary of State shall then ascertain, in relation to each such county and large burgh as aforesaid, the amount of the contribution payable under section sixteen of the Old Age and Widows' Pensions Act, 1940, by the council of the county or burgh for the year 1947-48.
- (4) There shall be paid out of moneys provided by Parliament to the council of each such county or large burgh as aforesaid such sum as bears to the excess of the amount estimated under subsection (2) of this section in relation to the county or large burgh over the amount estimated under subsection (3) of this section in relation thereto the like proportion as the number of days in the part of the year 1948-49 which precedes the appointed day for the purposes of Part II of the National Health Service (Scotland) Act, 1947, bears to the number of days in the whole of that year.
- (5) The amounts paid under the last preceding subsection shall be paid in addition to any sum otherwise payable by way of Exchequer Equalisation Grant for the year 1948-49 but shall, subject to the provisions of the two succeeding subsections, be treated for the purposes of this Part of this Act as, or, as the case may be, as part of, the Exchequer Equalisation Grant to the council in question for that year, and references in this Part of this Act to Exchequer Equalisation Grants shall be construed accordingly.

- (6) In computing the amount of the Exchequer Equalisation Grant falling to be made apart from the preceding provisions of this section to any council for the year 1948-49, the relevant fraction for that council shall be ascertained as if the relevant local expenditure were diminished by the amount payable under subsection (4) of this section.
- (7) In computing the amounts of the Exchequer Transitional Grants, the amounts payable under subsection (4) of this section shall be left out of account.

29 Application of grants payable under Part II.

All sums received by a county council by way of Exchequer Equalisation Grant or Exchequer Transitional Grant shall be applied towards meeting the expenditure of the council (other than any part thereof apportioned and allocated to large burghs in respect of education or police) on all purposes for which the county council exercise functions throughout the whole county, including the small burghs therein, and all sums so received by the town council of a large burgh, and all sums received by the town council of a small burgh under section twenty-five- of this I Act, shall be applied proportionately towards meeting the expenditure which but for the said sums would be defrayed out of those portions of the burgh rate as are respectively payable—

- (a) by occupiers and owners in equal proportions;
- (b) wholly by owners; and
- (c) wholly by occupiers.

30 Investigation into working of provisions as to amount of payments to local authorities under Part II.

- (1) In the year 1952-53, or such later year not later than 1955-56 as the Secretary of State may determine, and every fifth subsequent year, the Secretary of State shall, in consultation with such associations of local authorities as appear to him to be concerned and with any local authority with whom consultation appears to him to be desirable, cause investigations to be made into the working of this Part of this Act (due regard being had, amongst other things, to the sums falling to be paid to local authorities under Part V of this Act):

Provided that if the Secretary of State is satisfied on representations made to him by any local authority or by any such association as aforesaid that the first of the said investigations should be made in a year prior to the year 1952-53, he shall cause an investigation to be made in that prior year, and in that event the foregoing provisions of this section shall have effect with the substitution of that prior year for the year 1952-53 or such later year as aforesaid.

- (2) The Secretary of State shall cause a report of the result of any investigation under this section to be laid before Parliament.

31 Supplemental provisions as to Part II.

- (1) The Secretary of State may make regulations for carrying this Part of this Act into effect and in particular—
 - (a) for determining the manner in which, subject to the express provisions of this Part of this Act, any calculation or estimate is to be made for any of the purposes of this Part of this Act and, in particular, for determining—

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- (i) 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;
- (ii) the adjustments to be made for, any abnormal treatment of income or expenditure in accounts;
- (b) for determining the times at which payments in respect of Exchequer Equalisation Grants and Exchequer Transitional Grants and payments by local authorities under this Part of this Act are to be made;
- (c) for providing that the calculations or estimates by reference to which any payments or grants 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 payments or grants already made;
- (d) for modifying the operation of this Part of this Act in relation to any authority if and in so far as any such modification is required in relation to that authority in consequence of any alterations or combinations of authorities or alterations of boundaries:

Provided that regulations shall not be made under paragraph (b) of this subsection with respect to Exchequer Equalisation Grants or Exchequer Transitional Grants except with the consent of the Treasury.

- (2) The population of a county (exclusive of any burgh situate therein) or of any burgh in Scotland and the number of children under fifteen years of age in a county or large burgh in Scotland shall be calculated for the purposes of this Part of this Act by reference to estimates of the Registrar-General of Births, Deaths and Marriages in Scotland, and the road-mileage of an area shall be taken for the purposes of this Part of this Act to be the total mileage of highways maintained and managed by local authorities or by the Minister of Transport in that area as estimated by the Minister of Transport.
- (3) Any reference in any enactment to grants under Part III of the Local Government (Scotland) Act, 1929, shall be construed as a reference to grants under this Part of this Act.
- (4) In this Part of this Act, except where the context otherwise requires, the expression " county " means a county inclusive of any small burgh situate therein; and the expressions " county " and " county council " mean in relation to counties combined for the purposes mentioned in subsection (1) of section one hundred and eighteen of the Local Government (Scotland) Act, 1947, the combined county and the joint county council.

32 Extent of Part II.

This Part of this Act extends to Scotland only.