



# Local Government (Financial Provisions etc.) (Scotland) Act 1962

## 1962 CHAPTER 9

An Act to provide in respect of the year 1961-62 for revision of the apportionment of expenditure and of general grants among local authorities in Scotland; to make further provision as respects Scotland with respect to the amounts payable in lieu of rates or by way of rates by the British Transport Commission, Electricity Boards and Gas Boards, with respect to relief from rates of charitable and other similar bodies, with respect to sums borrowed by local authorities and with respect to Valuation Appeal Committees, demand notes for rates, and corrections of the valuation roll; and for purposes connected with the matters aforesaid. [21st February, 1962]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### **1 Revision of apportionment of expenditure and general grants among local authorities**

- (1) Having regard to the results of appeals against, complaints in respect of, and adjustments made to entries in the valuation roll for the year 1961-62, the assessor for each valuation area shall, not later than the fifteenth day of March, nineteen hundred and sixty-two, re-estimate for that year the net annual valuation and the rateable valuation of the landward area of each county and of each burgh situated within the valuation area and shall send certified copies of such estimate to the rating authority of such county or burgh and to the Secretary of State who shall thereupon re-estimate the standard rateable value of each of the said areas for that year.
- (2) Subsection (8) of section fifteen of the Act of 1956 (which relates to the apportionment and allocation of expenditure among local authorities for the year 1961-62) shall have effect as if the references in paragraphs (a) and (b) to estimates of rateable valuation, net annual valuation and standard rateable value were references to the estimates made

under the foregoing subsection, and accordingly the apportionment and allocation of expenditure in respect of the year 1961-62 among local authorities under section two hundred and fourteen of the Act of 1947 or any other enactment, statutory order or agreement affected by the said subsection (8) shall be revised according to the last mentioned estimates, and any adjustment required with respect to a requisition for the year 1961-62 shall be made in the requisition for the year 1962-63.

- (3) (a) Sub-paragraph (2) of paragraph 5 of the Second Schedule to the Local Government and Miscellaneous Financial Provisions (Scotland) Act, 1958 (which relates to apportionment of general grants among local authorities), and paragraph 6 of that Schedule shall respectively have effect in relation to the year 1961- 62 as if in the said sub-paragraph (2) the references to the year immediately preceding the grant year were references to the grant year and as if in the said paragraph 6 the reference to amounts estimated by the assessor and the Secretary of State were a reference to the estimates made under subsection (1) of this section.
- (b) The apportionment of general grants for the year 1961-62 among local authorities shall be revised according to the said Second Schedule, as modified for that year by the foregoing paragraph, and any adjustment required with respect to such apportionment shall be made in the general grant payable to each authority for the year 1962-63.

## **2 Payments in lieu of rates by British Transport Commission and Electricity Boards in Scotland**

- (1) For the purpose of calculating the payments which are, under the provisions of Part V of the Local Government Act, 1948, to be made year by year by the British Transport Commission for the benefit of local authorities in Scotland for the year 1962-63 and subsequent years, the standard amount referred to in sections ninety-three and ninety-four of that Act shall be such sum as is certified by the Secretary of State to be the estimated amount which, when adjusted in accordance with the provisions of sections ninety-four and ninety-five of that Act, will secure that the amount payable for the year 1962- 63 is as near as may be the same as the amount paid for the year 1961-62.
- (2) (a) For the purpose of calculating the payments which are, under the provisions of Part V of the Local Government Act, 1948, to be made year by year by the South of Scotland Electricity Board and the North of Scotland Hydro-Electric Board respectively for the benefit of local authorities in Scotland for the year 1962-63 and subsequent years, the standard amount referred to in sections ninety-six to ninety-eight of that Act (which relate to payments by the South of Scotland Board) shall be the sum of eight hundred and twenty-two thousand pounds increased by the percentage first mentioned in the following paragraph and the standard amount referred to in section ninety-nine of that Act (which relates to payments by the Hydro-Electric Board) shall be the sum of two hundred and eight thousand pounds increased by the percentage next mentioned in that paragraph, the resultant figure in each case being calculated if it includes a fraction of a thousand pounds to the nearest thousand pounds or if the fraction is five hundred pounds the fraction being disregarded.
- (b) (i) The Secretary of State shall ascertain and certify the percentage increase in the rateable valuation for the year 1961-62 of so much of Scotland as is outside the North of Scotland District over the rateable valuation of that area for the year 1960-61 as certified by him under

the said Part V, and shall similarly ascertain and certify the percentage increase in the rateable valuation of the North of Scotland District.

- (ii) For the purposes of the foregoing sub-paragraph, the rateable valuations for the year 1961-62 of the areas therein mentioned shall be calculated by the Secretary of State from the estimates made under subsection (1) of the foregoing section.

### **3 Rating of Gas Boards**

As respects the levying of rates for the year 1962-63 and any subsequent year—

- (a) for the purposes of the Fourth Schedule to the Act of 1956 (which relates to the rating of Gas Boards), the standard number of therms of a Gas Board shall be taken to be the number estimated under paragraph 3 or paragraph 8 of that Schedule, as the case may be, reduced by one-half of the number of therms purchased by the Board in the periods of twelve months respectively described in those paragraphs, and the number of therms estimated under sub-paragraph (2) of paragraph 4 of that Schedule shall be subject to a similar reduction;
- (b) gas produced by a Gas Board by the application, to gas purchased by the Board, of any process not consisting only of purification or blending with other gases, or both, shall be treated for the purposes of the Act of 1956 as gas manufactured by the Board, and the reference in subsection (1) of section twenty-four of that Act to the manufacture of gas shall be construed accordingly;
- (c) in estimating for the purposes of sub-paragraph (1) of paragraph 5 of the Fourth Schedule to the Act of 1956 the number of therms manufactured by a Gas Board, the number of therms in gas produced by the Board as aforesaid shall be treated as half the actual number thereof;
- (d) the reference in section five of the Water (Scotland) Act, 1949 (which relates to the levy of domestic water rate on public utility undertakings, etc.), to lands and heritages occupied as gasworks shall be construed as a reference to lands and heritages which a Gas Board is, under section twenty-four of the Act of 1956, to be treated as occupying.

### **4 Reduction and remission of rates payable by charitable and other organisations**

- (1) This section shall apply to rates leviable for the year 1962-63 and any subsequent year.
- (2) If notice in writing is given to the rating authority not later than the thirtieth day of June in any year that any lands and heritages—
  - (a) are occupied by, or by trustees for, a charity and are wholly or mainly used for charitable purposes (whether of that charity or of that and other charities); or
  - (b) are held on trust for use as an almshouse,

then, subject to the provisions of this section, any rate leviable in respect of the lands and heritages for any period, beginning not earlier than the year in which the notice is given, during which the lands and heritages are within the categories described in either paragraph (a) or paragraph (b) of this subsection, shall not exceed one-half of the rate which would be leviable apart from the provisions of this subsection:

Provided that where lands and heritages cease to be within the said categories, a previous notice given for the purposes of this subsection shall not have effect as

respects any subsequent period during which the lands and heritages are within either of those categories.

- (3) No relief under the foregoing subsection shall be given in the case of lands and heritages within the category described in paragraph (a) thereof for any period during which the lands and heritages are occupied by an institution specified in the First Schedule to this Act.
- (4) The Secretary of State may by order amend the provisions of the First Schedule to this Act by adding any institution which in his opinion ought to be classified with the institutions mentioned in that Schedule or omitting any institution or altering the description of any institution.

An order under this subsection may be made so as to have effect from any date not earlier than the beginning of the year in which it is made, and any statutory instrument containing an order under this subsection shall be subject to annulment in pursuance of a resolution of either House of Parliament.

- (5) Without prejudice to the powers conferred by section two hundred and forty-four of the Act of 1947, a rating authority shall have power to reduce or remit any rate leviable in respect of—
- (a) any lands and heritages within the categories described in paragraph (a) or (b) of subsection (2) of this section ;
  - (b) any lands and heritages occupied for the purposes of one or more institutions or other organisations (whether corporate or unincorporate) which are not established or conducted for profit and whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts;
  - (c) any lands and heritages occupied for the purposes of a club, society or other organisation not established or conducted for profit, and which are wholly or mainly used for purposes of recreation,

for any such period as is mentioned in the following subsection:

Provided that any such reduction or remission shall cease to have effect on a change in the occupation of the lands and heritages in respect of which it was granted.

- (6) Any reduction or remission of rates determined under the foregoing subsection may, at the discretion of the rating authority, be granted—
- (a) for the year in which, or the year next following that in which, the determination to grant it is made; or
  - (b) for a specified term of years, not exceeding five, beginning not earlier than the year in which the determination is made nor more than twenty-four months after the date of the determination; or
  - (c) for an indefinite period beginning not earlier than the year in which the determination is made, subject, however, to the exercise by the rating authority of their powers under the following subsection.
- (7) Where any such reduction or remission is granted for an indefinite period, the rating authority may, by not less than twelve months' notice in writing given to the occupiers of the lands and heritages, terminate or modify the reduction or remission as from the end of a year specified in the notice.
- (8) Lands and heritages belonging to or held by or on behalf of a religious body, being the residence from which a full-time clergyman or minister of any religious denomination

performs the duties of his office, or which are being held available to provide such a residence, shall be treated for the purposes of this section as occupied by a charity and wholly or mainly used for charitable purposes, whether apart from this provision they would be so treated or not.

- (9) The foregoing provisions of this section shall not apply to any lands and heritages described in paragraph (a) or (b) of subsection (1) of section twenty-two of the Act of 1956, or to lands and heritages occupied by a local authority (otherwise than as trustee), or by any body to whom section two hundred and seventy of the Act of 1947 applies.
- (10) In this section—
- (a) "charity" means an institution or other organization established for charitable purposes only, "organisation" includes any persons administering a trust, and "charitable" is to be construed in the same way as if it were contained in the Income Tax Acts ;
  - (b) "rate" does not include a domestic water rate.

## **5 Provisions supplementary to foregoing section**

- (1) On the sixteenth day of May, nineteen hundred and sixty-two, the following enactments shall cease to have effect, that is to say—
- (a) section twenty-three of the Act of 1956 (reductions and remissions of rates payable by charitable and other organisations);
  - (b) the Scientific Societies Act, 1843 (exemption for societies instituted for the purposes of science, literature or the fine arts exclusively);
  - (c) the Sunday and Ragged Schools (Exemption from Rating) Act, 1869 ;
  - (d) section one hundred and forty-one of the Education (Scotland) Act, 1946 (exemption of special schools and orphanages).
- (2) Where an exemption from liability for rates in respect of lands and heritages subsisted immediately before the sixteenth day of May, nineteen hundred and sixty-two, by virtue of the Scientific Societies Act, 1843, and subsection (2) of section twenty-three of the Act of 1956 or by virtue of section one hundred and forty-one of the Education (Scotland) Act, 1946, and, but for the foregoing subsection, an exemption in respect of the lands and heritages would have continued to subsist after that date.—
- (a) no rate shall be leviable in respect of the lands and heritages as respects the year 1962-63 ; and
  - (b) as respects each of the next four succeeding years, the amounts of rates payable in respect of the lands and heritages shall (without prejudice to any reduction or remission under subsection (5) of the foregoing section) be respectively one-fifth, two-fifths, three-fifths and four-fifths of the rate which would be leviable apart from the provisions of this subsection and that subsection:

Provided that paragraphs (a) and (b) of this subsection shall not apply in relation to any lands and heritages except as respects any period as respects which an exemption for those lands and heritages would have subsisted but for the foregoing subsection.

- (3) The Secretary of State may, on the application of any local authority appearing to him to be concerned, by order repeal or amend any local Act which confers an exemption in whole or in part from, or a power to reduce or remit a payment of, rates in respect of any particular lands and heritages or of lands and heritages of any class, if it appears to

him that a right to relief arises in respect thereof under subsection (2) of the foregoing section, or that a reduction or remission may be granted in respect thereof under subsection (5) of that section, and may by that order make such other amendments to any other local Acts as appear to him to be necessary in consequence of the repeal or amendment and such transitional provision as appears to him to be necessary or expedient in connection with the matter.

## **6 Suspension of annual provision for repayment of sums borrowed by local authorities**

Subsection (2) of section two hundred and sixty-two of the Act of 1947 (which relates to suspension of loan repayments on certain works) shall apply to a sum borrowed by a local authority to meet expenditure on such revenue producing services or schemes as the Secretary of State may by order designate as it applies to a sum so borrowed to meet expenditure on works described in that subsection, and where any annual provision required to be made for repayment of any sum has been suspended under that subsection, or under that subsection as applied by this section, a local authority may borrow for the purpose of payment, during the period of the suspension, of interest on that sum.

## **7 Deputy secretary of Valuation Appeal Committee**

The secretary of any Valuation Appeal Committee may appoint a person approved by the sheriff to act as his deputy, and the provisions of section five of the Act of 1956 shall apply to the person so appointed as they apply to the secretary of the Committee.

## **8 Amendment of s. 237 (2) of Act of 1947**

For paragraph (b) of subsection (2) of section two hundred and thirty-seven of the Act of 1947 (which relates to the information contained in demand notes for rates) there shall be substituted the following paragraph:—

“(b) the rateable value of the lands and heritages and, if different from the rateable value, the amount of the annual value thereof according to which domestic water rate is levied and the provisions of the Water (Scotland) - Act, 1949, under which that amount is determined; and”.

## **9 Alteration of valuation roll**

- (1) Notwithstanding any provision made by or under the Valuation Acts limiting the period during which the assessor for a valuation area may alter the valuation roll, the assessor may in any year, not later than one month before the last date fixed by or under the said Acts for the disposal of appeals by the Valuation Appeal Committee, make or cause to be made in the valuation roll any alteration which is necessary to correct any clerical or arithmetical error therein.
- (2) Before making or causing to be made any alteration under the foregoing subsection the assessor shall send notice thereof to the proprietor, tenant and occupier of any lands and heritages affected and shall allow fourteen days to elapse during which any person concerned may appeal against the proposed alteration to the Valuation Appeal Committee as in manner provided by or under the said Acts, apart from any provision as to dates other than the last date for disposal of appeals.

## **10 Provisions as to orders**

Any power to make an order conferred on the Secretary of State by this Act shall be exercisable by statutory instrument and shall include power, exercisable in like manner, to vary or revoke an order by a subsequent order.

## **11 Financial provisions**

Any increase attributable to this Act in the sums payable by way of Exchequer Equalisation Grant under the enactments relating to local government in Scotland shall be defrayed out of moneys provided by Parliament.

## **12 Consequential amendments and repeals**

- (1) The enactments specified in the Second Schedule to this Act shall have effect subject to the amendments specified in that Schedule, being amendments consequential on the foregoing provisions of this Act.
- (2) The enactments specified in the Third Schedule to this Act are hereby repealed to the extent specified in the third column of that Schedule:

Provided that the repeal of the enactments mentioned in subsection d) of section five of this Act shall, as provided in that subsection, take effect on the sixteenth day of May, nineteen hundred and sixty-two.

## **13 Interpretation**

- (1) In this Act " the Act of 1947 " means the Local Government (Scotland) Act, 1947, "the Act of 1956" means the Valuation and Rating (Scotland) Act, 1956, " general grants " has the same meaning as in the Local Government and Miscellaneous Financial Provisions (Scotland) Act, 1958, and, unless the context otherwise requires, other expressions used in this Act and the Act of 1956 have the same meanings respectively in this Act as in that Act.
- (2) Except in so far as the context otherwise requires, any reference in this Act to an enactment shall be construed as a reference to that enactment as amended or extended by or under any other enactment, including this Act.

## **14 Citation and extent**

- (1) This Act may be cited as the Local Government (Financial Provisions etc.) (Scotland) Act, 1962.
- (2) This Act shall extend to Scotland only.

## SCHEDULES

### FIRST SCHEDULE

Section 4.

#### INSTITUTIONS EXCLUDED FROM MANDATORY RELIEF

The Universities of Aberdeen, Edinburgh, Glasgow and St. Andrews.

### SECOND SCHEDULE

Section 12.

#### CONSEQUENTIAL AMENDMENTS

##### *The Local Government Act, 1948*

- 1 In section ninety-three of the Local Government Act, 1948 (which relates to payments by the British Transport Commission), in subsection (3), for paragraphs (a), (b) and (c) there shall be substituted the words " be payments of the standard amount adjusted, in accordance with the provisions of the two next succeeding sections, for changes in the average rates levied in Scotland and for changes in the circumstances of the British Transport Commission ", and, in subsection (4), for the words from " to be the estimated amount" to the end of the subsection there shall be substituted the words " in accordance with the provisions of subsection (1) of section two of the Local Government (Financial Provisions etc.) (Scotland) Act, 1962 ".
- 2 For section ninety-six of the said Act of 1948 (which relates to payments by the South of Scotland Electricity Board) there shall be substituted the following section :—

**“96 Amount of payments by South of Scotland Electricity Board.**

- (1) The payments which are, under the preceding provisions of this Part of this Act, to be made year by year by the South of Scotland Electricity Board for the benefit of local authorities shall be payments for the benefit of local authorities in Scotland with areas outside the North of Scotland District and shall be payments of the standard amount adjusted, in accordance with the provisions of the two next succeeding sections, for changes in the average rates levied in Scotland outside the North of Scotland District, and for changes in the amount of electricity supplied.
- (2) In this and the two next succeeding sections, ' the standard amount' means the sum calculated in accordance with the provisions of subsection (2) of section two of the Local Government (Financial Provisions etc.) (Scotland) Act, 1962.”
- 3 In section ninety-nine of the said Act of 1948 (which relates to payments by the Hydro-Electric Board), in subsection (1), paragraph (a), and in paragraph (b) the



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words " in the case of any subsequent year", shall cease to have effect, and for the words from " such sum" to the end of the subsection there shall be substituted the words " the sum calculated in accordance with the provisions of subsection (2) of section two of the Local Government (Financial Provisions etc.) (Scotland) Act, 1962. "

*The Valuation and Rating (Scotland) Act, 1956*

- 4 In section nine of the Act of 1956 (which relates to the duties of assessors), after paragraph (b) of the proviso to subsection (1) there shall be inserted the following words—

“or

- (c) any alteration relating to value of lands and heritages made under section nine of the Local Government (Financial Provisions etc.) (Scotland) Act, 1962”.

*The Recreational Charities Act, 1958*

- 5 In section six of the Recreational Charities Act, 1958 (which relates to the application of that Act to Scotland), at the end of subsection (2), there shall be added the words " or, without prejudice to the foregoing generality, of the Local Government (Financial Provisions etc.) (Scotland) Act, 1962 ".

THIRD SCHEDULE

Section 12.

ENACTMENTS REPEALED

Session and Chapter	Short Title	Extent of Repeal
6 & 7 Vict. c. 36.	The Scientific Societies Act, 1843.	The whole Act.
32 & 33 Vict. c. 40.	The Sunday and Ragged Schools (Exemption from Rating) Act, 1869.	The whole Act.
9 & 10 Geo. 6. c. 72.	The Education (Scotland) Act, 1946.	Section one hundred and forty-one.
11 & 12 Geo. 6. c. 26.	The Local Government Act, 1948.	In section ninety-four, in paragraph (b) of subsection (4), the word "by"; in section ninety-nine, in subsection (1), paragraph (a) and, in paragraph (b), the words " in the case of any subsequent year ".
12 & 13 Geo. 6. c. 31.	The Water (Scotland) Act, 1949.	In section seventeen, subsection (4).

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Session and Chapter	Short Title	Extent of Repeal
4 & 5 Eliz. 2. c. 60.	The Valuation and Rating (Scotland) Act, 1956.	Section twenty-three.

TABLE OF STATUTES REFERRED TO IN THIS ACT

Short Title	Session and Chapter
Scientific Societies Act, 1843	6 & 7 Vict. c. 36.
Sunday and Ragged Schools (Exemption from Rating) Act, 1869.	32 & 33 Vict. c. 40.
Education (Scotland) Act, 1946	9 & 10 Geo. 6. c. 72.
Local Government (Scotland) Act, 1947	10 & 11 Geo. 6. c. 43.
Local Government Act, 1948	11 & 12 Geo. 6. c. 26.
Water (Scotland) Act, 1949	12 & 13 Geo. 6. c. 31.
Valuation and Rating (Scotland) Act, 1956	4 & 5 Eliz. 2. c. 60.
Recreational Charities Act, 1958	6 & 7 Eliz. 2. c. 17.
Local Government and Miscellaneous Financial Provisions (Scotland) Act, 1958.	6 & 7 Eliz. 2. c. 64.