



Local Government etc. (Scotland) Act 1994

1994 CHAPTER 39

PART IV

MISCELLANEOUS

Social work

139 Report by local authority for purpose of investigation preliminary to children's hearing

(1) In section 38 of the Social Work (Scotland) Act 1968 (initial investigation of cases by the reporter), after subsection (1), there shall be inserted—

“(1A) For the purposes of making any initial investigation under subsection (1) above, the Principal Reporter may request from the local authority a report on the child and his social background and it shall be the duty of the authority to supply the report which may contain information from any such person as the Principal Reporter or the local authority may think fit.

(1B) A report requested under subsection (1A) above may contain information additional to that given by the local authority under section 37(1A)(b) of this Act.”.

(2) In section 39 of that Act (action on initial investigation), after subsection (4), there shall be inserted the following subsection—

“(4A) A report requested under subsection (4) above may contain information additional to that given in a report under section 38(1A) of this Act.”.

*Voluntary organisations***140 Power of local authorities to provide assistance to voluntary organisations**

In section 88 of the 1973 Act (provision of information etc. on matters relating to functions of local authority), after subsection (2) there shall be inserted—

“(3) A local authority may assist voluntary organisations to provide for individuals—

- (a) information and advice concerning those individuals' rights and obligations; and
- (b) assistance, either by the making or receiving of communications or by providing representation to or before any person or body, in asserting those rights or fulfilling those obligations.”.

*Byelaws***141 Byelaws under section 121 of Civic Government (Scotland) Act 1982**

In section 121 of the Civic Government (Scotland) Act 1982 (control of the seashore, adjacent waters and inland waters)—

- (a) in subsection (5), for paragraph (b) there shall be substituted—
 - “(b) the local authority have given notice in writing of their proposal to make byelaws to each person having a proprietorial interest such as is mentioned, in relation to the byelaws, in paragraph (a) above whose identity has been ascertained as mentioned in the said paragraph (a);”;
- (b) in subsection (6) the words from “and of” to “that proposal” shall cease to have effect; and
- (c) in subsection (7)—
 - (i) the words from “but the” to “his consent”; and
 - (ii) the word “nevertheless”,
 shall cease to have effect.

*Polling districts***142 Organisation of polling districts**

(1) Section 18 of the Representation of the People Act 1983 (polling districts and places at parliamentary elections) shall be amended in accordance with this section.

(2) In subsection (3)—

- (a) for the words from “returning officer's” to “places”, where it first occurs, there shall be substituted the words “duty of every local authority to divide their area into polling districts for the purpose of parliamentary elections for so much of any constituency as is situated in their area and to designate the polling places for those polling districts”;
- (b) in paragraph (a)—
 - (i) for the words “returning officer” there shall be substituted the words “local authority”;

Status: This is the original version (as it was originally enacted).

- (ii) for the words “the constituency” there shall be substituted the words “so much of the constituency as falls within their area”; and
 - (iii) for the word “he” there shall be substituted the words “the local authority”;
- and
- (c) in paragraph (b), for the words from the beginning to “constituency”, where it last occurs, there shall be substituted the words “each electoral ward, within the meaning of section 5 of the Local Government etc. (Scotland) Act 1994, which is wholly or partly within so much of any constituency as falls within their area”.
- (3) In subsection (5)—
- (a) the words “any interested authority or” and “(or in Scotland, the returning officer)” shall cease to have effect;
 - (b) the words “or returning officer”, in both places where they occur, shall cease to have effect; and
 - (c) in the definition of “interested authority”, sub-paragraph (iii) shall cease to have effect.
- (4) In subsection (6), the words “or returning officer” shall cease to have effect.

Education

143 Self-governing schools: certain proposals under Education (Scotland) Act 1980

For subsection (1) of section 21 of the Self-Governing Schools etc. (Scotland) Act 1989 (effect of pending procedure for acquisition of self-governing status on certain proposals for that school) there shall be substituted—

“(1) Subject to section 14(2) of this Act, where a proposal to do any thing to a school, being a proposal to which this section applies—

- (a) is published under section 22A of the 1980 Act (consultation on certain changes in educational matters), but before a decision is reached on the proposal the education authority receive written notice such as is mentioned in subsection (6) of section 13 of this Act, either of a first resolution or of a request, as regards that school, they shall not decide on the proposal;
- (b) is submitted under section 22B, 22C or 22D of the 1980 Act (consent for certain changes in educational matters or for certain changes affecting denominational schools), but before the Secretary of State consents to the proposal the education authority receive such notice as is mentioned in paragraph (a) above as regards that school, the consent cannot validly be given,

unless and until one of the conditions specified in section 24(2) of this Act is satisfied as regards that school.

(1A) This section applies to a proposal—

- (a) to discontinue the school; or
- (b) to do any one of such other things to the school as the Secretary of State may by order prescribe.”.

144 Denominational schools: proposals under section 22D of Education (Scotland) Act 1980

In section 22D of the Education (Scotland) Act 1980 (further provisions relating to denominational schools)—

- (a) in subsection (2)(a), for the word “the” there shall be substituted “an”;
- (b) in subsection (2)(c)—
 - (i) for the words “the education authority”, where they first occur, there shall be substituted “any education authority affected by it”;
 - (ii) in sub-paragraph (i), for the words “the result” there shall be substituted “any of the results”; and
 - (iii) in sub-paragraph (ii), after the word “authority”, there shall be inserted “submitting the proposal under subsection (1) above”; and
- (c) for subsections (3) and (4) there shall be substituted the following subsection—

“(3) The results referred to in subsection (2)(c)(i) above are—

- (a) a significant deterioration for pupils belonging to the area of the education authority submitting the proposal under subsection (1) above; or
- (b) a significant deterioration for pupils belonging to the area of any other education authority; or
- (c) where neither paragraph (a) nor paragraph (b) above applies, such a deterioration for pupils as mentioned in the said paragraph (a) and pupils belonging to the area of another education authority as, taken together, amounts to a significant deterioration,

in the provision, distribution or availability of school education in schools of the kind referred to in subsection (2)(a) above compared with such provision, distribution or availability in other public schools.”.

145 Provision of school transport and other facilities

- (1) The Education (Scotland) Act 1980 shall be amended in accordance with this section.
- (2) In section 50(3) (power of education authority to provide transport and other facilities in exceptional circumstances)—
 - (a) in paragraph (a)—
 - (i) after the word “with”, where it first occurs, there shall be inserted “—
(i);
and
 - (ii) after the word “Act” there shall be inserted “—
(ii) any arrangements made by them under section 23(1A) of this Act; or
(iii) the arrangements subsisting before the establishment of new local government areas under Part I of the Local Government etc. (Scotland) Act 1994 and continuing by virtue of section 23(1C) of this Act”; and

Status: This is the original version (as it was originally enacted).

- (b) in paragraph (b), after the word “them” there shall be inserted “or another education authority”.
- (3) In section 51 (provision of transport and other facilities)—
- (a) in subsection (2A)—
- (i) in paragraph (a)—
- (A) after the word “with” there shall be inserted “—
- (i);
- and
- (B) after the word “Act” there shall be inserted—
- “(ii) any arrangements made by them under section 23(1A) of this Act; or
- (iii) the arrangements subsisting before the establishment of new local government areas under Part I of the Local Government etc. (Scotland) Act 1994 and continuing by virtue of section 23(1C) of this Act”; and
- (ii) in paragraph (b), after the word “them” there shall be inserted “or another education authority”; and
- (b) after subsection (2AC) there shall be inserted the following subsection—
- “(2AD) Without prejudice to the generality of subsection (1) above, the duty imposed by that subsection applies in cases where a pupil attends a school or educational establishment under the management of another education authority—
- (a) in accordance with any arrangements made by them under section 23(1A) of this Act;
- (b) in accordance with the arrangements subsisting before the establishment of new local government areas under Part I of the Local Government etc. (Scotland) Act 1994 and continuing by virtue of section 23(1C) of this Act; or
- (c) if at the time when the pupil was placed in that school or educational establishment it was under the management of the education authority for the area to which the pupil belonged, and is under the management of another education authority as a consequence of the establishment of such new local government areas.”.

Roads

146 Definition of “road”

In section 151 of the Roads (Scotland) Act 1984 (interpretation), after subsection (1) there shall be inserted the following subsection—

- “(1A) A way to which the public has access (by whatever means and whether subject to a toll or not) which passes over a bridge constructed in pursuance of powers conferred by, or by an order made under or confirmed by, a private Act shall, for the purposes of the definition of “road” in subsection (1) above, be treated as if there were a public right of passage over it.”.

147 Provisions consequential on making of special road order

After section 113 of the Roads (Scotland) Act 1984 there shall be inserted the following section—

“113A Dissolution of certain bodies in consequence of order under section 9

- (1) Where—
- (a) an order under section 9 of this Act transfers to a special road authority a road for the management and maintenance of which a body other than a roads authority was, prior to the coming into force of the order, responsible under any enactment; and
 - (b) the functions of that body relate solely to that road,
- the Secretary of State may by order (in this section referred to as a “dissolution order”) dissolve the body.
- (2) A dissolution order may transfer or provide for the transfer to—
- (a) the special road authority referred to in subsection (1)(a) above; or
 - (b) such other person as the Secretary of State considers appropriate,
- of such of the property, rights and liabilities of the body dissolved by the order as the Secretary of State considers appropriate.
- (3) A dissolution order may make provision in connection with the transfer of staff employed by or for the purposes of the body.
- (4) Without prejudice to the generality of subsection (2) above, a dissolution order may make provision regarding liability for the payment of any pensions, allowances or gratuities which would otherwise have been the responsibility of the body.
- (5) A dissolution order may make incidental provision as to the interests, rights and liabilities of third parties with respect to property, rights and liabilities transferred by the order.
- (6) In subsection (5) above the reference to third parties is a reference to persons other than the body and the persons referred to in subsection (2)(a) and (b) above.
- (7) A dissolution order may repeal or amend—
- (a) any enactment in a private Act; and
 - (b) any provision of an order made under or confirmed by a private Act, which, in consequence of the making of the order, is no longer required or, as the case may be, requires to be amended.”.

148 Toll orders

- (1) In paragraph 14D(1) of Schedule 1 to the Roads (Scotland) Act 1984 (procedure for making and confirming toll orders), at the end of paragraph (a) (and before the word “and” immediately following it) there shall be inserted the following paragraph—
- “(aa) that existing road is free of toll,”.

- (2) In section 27 of the New Roads and Street Works Act 1991 (toll orders), after subsection (9) there shall be inserted the following subsection—

“(9A) On the date when a toll order comes into force any provision of any enactment (other than an enactment contained in this Act) which confers a power or imposes a duty to charge tolls for the use of all or part of any road to which the toll order relates shall cease to have effect.”.

149 Road works register

In section 112 of the New Roads and Street Works Act 1991 (road works register)—

- (a) in subsection (4), for the words from “of road” to “section” there shall be substituted the words “under this section of such road works authorities as he may specify”;
- (b) after subsection (4) there shall be inserted the following subsection—

“(4A) Before making any arrangements under subsection (4) the Secretary of State shall consult—

- (a) any road works authority having duties under this section which he intends not to specify for the purposes of the arrangements; and
- (b) any undertaker (other than a person having permission under section 109 to execute road works) having apparatus in a road for which such road works authority is responsible.”; and
- (c) in subsection (5), after the word—
- (i) “require” there shall be inserted the word “the”; and
- (ii) “authorities” there shall be inserted the words “so specified”.

150 Traffic signs

- (1) Notwithstanding the provisions of section 67 of the Road Traffic Regulation Act 1984 (persons empowered to place traffic signs on road in emergency etc.), the Secretary of State may, with the consent of the chief officer of police for the area concerned as respects a road or any structure on a road, place on that road, or on any structure on that road, traffic signs (of any size, colour and type prescribed or authorised under section 64 of the said Act of 1984), indicating prohibitions, restrictions or requirements relating to vehicular traffic, as may be necessary or expedient to prevent or mitigate congestion or obstruction of traffic, or danger to or from traffic, in consequence of extraordinary circumstances; and the power to place signs conferred by this subsection shall include power to maintain a sign for a period of 7 days or less from the time when it was placed, but no longer.
- (2) Section 36 of the Road Traffic Act 1988 (drivers to comply with traffic signs) shall apply to signs placed in the exercise of the power conferred by subsection (1) above.
- (3) In this section—
- “road” has the meaning given by section 151(1) of the Roads (Scotland) Act 1984; and
- “traffic sign” has the meaning given by section 64(1) of the Road Traffic Regulation Act 1984.

Valuation and rating

151 Exclusion from valuation roll of shootings, deer forests, fishings and fish counters

- (1) On and after 1st April 1995 no shootings, deer forests, fishings or fish counters shall be entered in the valuation roll.
- (2) Nothing in subsection (1) above shall affect any right of a district salmon fishery board (within the meaning of section 40(1) of the Salmon Act 1986) to require the assessor to value and enter any rights of salmon fishing in the valuation roll for the purposes of fishery assessments only.
- (3) For the purposes of this section—
 - “fish counter” means any weir or other structure in inland waters primarily used for the purpose of counting fish; and
 - “inland waters” has the same meaning as in section 24(1) of the Salmon and Freshwater Fisheries (Protection) (Scotland) Act 1951.

152 Amendment of definition of “lands and heritages”

- (1) The Lands Valuation (Scotland) Act 1854 shall be amended as follows.
- (2) In section 42 (interpretation), in the definition of “lands and heritages”, for the words from “all machinery fixed” to the end of the first proviso substitute the words “such class or classes of plant or machinery in or on any lands and heritages as may be prescribed by the Secretary of State by regulations”.
- (3) After section 42 add—

“43 Regulations

- (1) Regulations under section 42 of this Act may, if made so as to take effect other than at the beginning of a year of revaluation (within the meaning of the Local Government (Scotland) Act 1975), provide for the revaluation of any lands and heritages affected by the regulations.
- (2) The power to make regulations under the said section 42 shall be exercisable by statutory instrument.
- (3) Any statutory instrument containing regulations made under the said section 42 shall be subject to annulment in pursuance of a resolution of either House of Parliament.”.

153 Power of Secretary of State to prescribe amount of non-domestic rate

- (1) For any financial year, the Secretary of State may by regulations prescribe that the amount payable as non-domestic rate in respect of any lands and heritages shall be such amount as may be determined in accordance with prescribed rules.
- (2) Rules prescribed under this section may be framed by reference to such factors as the Secretary of State thinks fit and such factors may, without prejudice to that generality, include the circumstances of persons by whom rates are payable.

- (3) Regulations under this section may make different provision in relation to different areas and different classes of lands and heritages and, without prejudice to that generality, may make different provision in relation to lands and heritages whose rateable value exceeds, and those whose rateable value does not exceed, a prescribed figure.
- (4) Where regulations under this section apply in relation to any lands and heritages or class of lands and heritages, the non-domestic rate for the financial year to which the regulations relate shall be levied in respect of such lands and heritages, or class of lands and heritages, in accordance with the regulations.
- (5) The power to make regulations under this section shall be exercisable by statutory instrument.
- (6) Any instrument containing regulations under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.

154 Rating of unoccupied lands and heritages

For section 24 of the Local Government (Scotland) Act 1966 (liability to be rated in respect of certain unoccupied property) substitute—

“24 Unoccupied lands and heritages

- (1) Subject to subsection (2) below, no rates shall be payable in respect of lands and heritages which are unoccupied.
- (2) The Secretary of State may by regulations prescribe a class or classes of lands and heritages such as are mentioned in subsection (1) above for which the rates payable shall be the rates mentioned in subsection (3) below.
- (3) A person entitled to possession of lands and heritages which fall within a class prescribed by regulations under this section shall be liable to pay a rate equal to one half of the amount of the non-domestic rate which would have been payable if such lands and heritages had been occupied; and the enactments relating to rating shall apply with any necessary modifications as if the lands and heritages were occupied by that person.
- (4) Where any lands and heritages fall within a class prescribed by regulations under subsection (2) above, such lands and heritages shall be treated for the purposes of section 4 of the Local Government (Financial Provisions etc.) (Scotland) Act 1962 as if they are being used for the purpose for which they were used when they were last occupied.
- (5) Any statutory instrument containing regulations made under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.”.

155 Rating of lands and heritages partly unoccupied for a short time

After section 24 of the Local Government (Scotland) Act 1966 insert—

“24A Lands and heritages partly unoccupied for a short time

- (1) If it appears to the rating authority that part of any lands and heritages included in the valuation roll is unoccupied but will remain so for a short time only, the authority may request the assessor to apportion the rateable value between the occupied and unoccupied parts and on being thus requested the assessor shall apportion the rateable value accordingly.
- (2) As from whichever is the later of the following—
- (a) the date on which lands and heritages the rateable value of which has been apportioned under subsection (1) above became partly occupied;
 - (b) the commencement of the financial year in which the request under that subsection relating to those lands and heritages was made,
- until whichever of the events specified in subsection (3) below first occurs, the value apportioned to the occupied part of the lands and heritages shall, subject to subsection (4) below, be treated for rating purposes as if it were the rateable value ascribed to the lands and heritages in the valuation roll.
- (3) The events mentioned in subsection (2) above are—
- (a) the reoccupation of any of the unoccupied part;
 - (b) the end of the financial year in which the request was made;
 - (c) a further apportionment of the value of the lands and heritages taking effect under subsection (1) above;
 - (d) the lands and heritages to which the apportionment relates becoming completely unoccupied.
- (4) Where any lands and heritages fall within such class or classes of lands and heritages as may be prescribed by the Secretary of State by regulations, the value to be treated for rating purposes as if it were the rateable value ascribed to the lands and heritages in the valuation roll shall be the sum of—
- (a) the value apportioned to the occupied part of the lands and heritages; and
 - (b) one half of the value apportioned to the unoccupied part of the lands and heritages.
- (5) Notwithstanding paragraph (b) of subsection (3) above, if it appears to the rating authority that the part of the lands and heritages which was unoccupied at the date of an apportionment of the rateable value thereof under subsection (1) above has continued after the end of the financial year referred to in that paragraph to be unoccupied but will remain so for a short time only, the authority may direct that the apportionment shall continue to have effect for the next financial year; and subsections (2), (3)(a), (c) and (d) and (4) above shall have effect in relation to that year accordingly.
- (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.
- (7) In this section “financial year” has the meaning assigned to it by section 96(5) of the Local Government (Scotland) Act 1973.

24B Certain lands and heritages to be treated as unoccupied

- (1) For the purposes of section 24 of this Act, lands and heritages shall be treated as unoccupied if, apart from this section, they would fall to be treated as occupied by reason only of there being kept on the lands and heritages plant, machinery or equipment—
- (a) which was last used on the lands and heritages when they were last in use; or
 - (b) which is intended for use on the lands and heritages.
- (2) Subsection (1) above applies to the unoccupied part of lands and heritages for the purposes of section 24A of this Act as it applies to unoccupied lands and heritages for the purposes of the said section 24.”.

156 Remission of rates on account of hardship

After section 25 of the Local Government (Scotland) Act 1966 insert—

“Exemption from payment of rates

25A Remission of rates on account of hardship

Every rating authority may, on the application of any person liable to pay any rate levied by the authority, remit payment (in whole or in part) of the rate if the authority are satisfied that—

- (a) the person would sustain hardship if the authority did not do so; and
- (b) it is reasonable for the authority to do so, having regard to the interests of persons liable to pay council tax set by them.”.

157 Certain orders relating to valuation not to be treated as hybrid

In section 6 of the 1975 Act (valuation by formula of certain lands and heritages), after subsection (7) add—

- “(8) An order under this section shall, if apart from the provisions of this subsection it would be treated for the purposes of the standing orders of the Lords House of Parliament as a hybrid instrument, proceed in that House as if it were not such an instrument.”.

158 Grants in respect of certain rate rebates

In section 69 of the Local Government, Planning and Land Act 1980 (grants in respect of rebates under the Rating (Disabled Persons) Act 1978)—

- (a) after subsection (1) insert—

“(1A) Subject to subsection (1B) below, no grant shall be paid to any authority in respect of any rebates granted by that authority on or after 1st April 1995.

Status: This is the original version (as it was originally enacted).

(1B) A grant shall be payable to any authority granting rebates under the said Act of 1978 in respect of non-domestic water and sewerage rates for the year beginning with 1st April 1995.”; and

(b) after subsection (2) insert—

“(2A) Subsections (1A) and (1B) above extend to Scotland only.”.

159 Rating of enterprise zone

(1) Schedule 32 to the Local Government, Planning and Land Act 1980 shall be amended in accordance with this section.

(2) In paragraph 33(2) (meaning of exempt lands and heritages for purpose of paragraph 33)—

(a) paragraph (a) shall cease to have effect; and

(b) for paragraph (b) substitute—

“(b) the rateable values of the lands and heritages are prescribed under or determined by virtue of an order under section 6 of the Local Government (Scotland) Act 1975 (valuation by formula of certain lands and heritages),”.

(3) In paragraph 34 (grants to compensate rating authorities for loss of revenue)—

(a) in sub-paragraph (1)—

(i) at the beginning insert the words “For the financial year 1995-96,”; and

(ii) after “revenue” insert the words “in respect of the non-domestic sewerage rate”.

160 Further provision as to valuation by formula

In section 6 of the 1975 Act (valuation by formula of certain lands and heritages), after subsection (5) there shall be inserted the following subsection—

“(5A) An order under this section may provide that the assessor for any specified valuation area shall carry out such functions in relation to the operation of a formula as may be specified in the order, notwithstanding that such functions may include the valuation of lands and heritages in another valuation area.”.

161 Power of Secretary of State to combine and divide lands and heritages

After section 6 of the Valuation and Rating (Scotland) Act 1956 there shall be inserted the following section—

“6A Power of Secretary of State to combine and divide lands and heritages

(1) The Secretary of State may by order provide that, for all purposes of the Valuation Acts—

(a) lands and heritages specified in the order which would, apart from the order, be treated as justifying separate entries in the valuation roll shall be treated as justifying only one such entry; and

(b) lands and heritages so specified which would, apart from the order, be treated as justifying only one entry in the valuation roll shall be treated as justifying separate entries,
and an order under paragraph (b) above shall specify which parts of the lands and heritages concerned are to be treated as justifying separate entries.

(2) An order under this section shall be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.”.

162 Abolition of Scottish Valuation Advisory Council

(1) The Scottish Valuation Advisory Council constituted under section 3 of the Valuation and Rating (Scotland) Act 1956 (“the 1956 Act”) shall cease to exist immediately before 1st April 1996.

(2) In the 1956 Act—

(a) section 3; and

(b) in section 43(1) (interpretation), the definition of “Advisory Council”, shall cease to have effect.

Amendment of Transport Act 1968

163 Guarantees by Strathclyde Passenger Transport Authority

After section 13 of the Transport Act 1968 there shall be inserted the following section—

“13A Guarantees by Authority

The Authority may guarantee any obligation entered into by the Executive with the approval of the Authority.”.

Finance

164 Calculation of limits on spending

(1) Section 83 of the 1973 Act (power of local authorities to incur expenditure not otherwise authorised) shall be amended in accordance with this section.

(2) In subsection (1)—

(a) after the words “in the interests of” there shall be inserted the words “and will bring direct benefit to”;

(b) after the words “incur any expenditure” there shall be inserted “(a)”; and

(c) at the end there shall be added the words—

“nor

(b) unless the direct benefit accruing to their area or any part of it or to all or some of the inhabitants of their area will be commensurate with the expenditure to be incurred.”.

(3) Subsection (3A) shall cease to have effect.

(4) For subsection (4) substitute—

“(4) The expenditure of a local authority under this section in any financial year shall not exceed the amount produced by multiplying—

- (a) £3.80, or such other sum as may from time to time be specified in an order made by the Secretary of State; by
- (b) the relevant population of the authority’s area.

(4AA) For the purposes of subsection (4)(b) above the relevant population of a local authority’s area shall be determined in accordance with regulations made by the Secretary of State.”.

(5) For subsections (5) and (6) substitute—

“(5) A statutory instrument containing an order or regulations made under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.”.

165 Powers of authorities to borrow and lend money

(1) The Secretary of State may by regulations made with the consent of the Treasury make provision with respect to the powers of authorities—

- (a) to borrow and lend money; and
- (b) to establish and operate loans funds.

(2) Regulations under this section may make different provision in respect of different authorities and may include such incidental, supplemental and consequential provision as the Secretary of State considers appropriate.

(3) Without prejudice to the generality of the powers conferred by subsections (1) and (2) above, regulations under this section may—

- (a) specify the purposes for which an authority may borrow money;
- (b) place limits on amounts which an authority may borrow;
- (c) specify the means by which an authority may borrow;
- (d) make provision for—
 - (i) the means by which money borrowed by an authority may be secured; and
 - (ii) the protection of persons borrowing from an authority;
- (e) specify from whom an authority may borrow or to whom they may lend;
- (f) specify the terms on which an authority may lend;
- (g) make provision as to what assets and liabilities may be paid or transferred into or out of a loans fund and on what terms;
- (h) provide for investigations to be carried out at the instance of the Secretary of State into the administration of a loans fund;
- (i) place requirements on an authority to obtain such consent as may be prescribed before taking prescribed actions; and
- (j) where an authority have failed to comply with the regulations, provide for the Secretary of State to apply to the Court of Session for an order ordaining compliance, and for the court to grant such an application if they think fit.

- (4) Where it appears to the Secretary of State to be necessary or expedient, in the light of any regulations made under this section, to amend any reference in any enactment, whether passed before or after the coming into force of this section—
 - (a) to a loans fund; or
 - (b) to any provision in Schedule 3 to the 1975 Act,he may by regulations make such amendment.
- (5) Regulations under this section shall be made by statutory instrument, but shall not be made unless a draft of any such statutory instrument has been laid before and approved by resolution of each House of Parliament.
- (6) For the purposes of this section “authority” means a local authority, a joint board, a river purification board or the Strathclyde Passenger Transport Authority.

166 Grants in relation to ethnic minorities

For section 11 of the Local Government (Scotland) Act 1966 substitute—

“11 Grants for certain expenditure in relation to ethnic minorities

- (1) Subject to the provisions of this section, the Secretary of State may pay to local authorities which in his opinion are required to make special provision in the exercise of any of their functions in consequence of the presence within their area of persons belonging to ethnic minorities whose language or customs differ from those of the rest of the community, grants of such amounts as he may, with the consent of the Treasury, determine on account of expenditure in respect of the employment of staff.
- (2) No grant shall be paid under this section in respect of expenditure incurred before 1st April 1993.”.

167 Special grants

After section 108 of the Local Government Finance Act 1992 insert—

“108A Special grants

- (1) The Secretary of State may, with the consent of the Treasury, pay a grant (in this section referred to as a “special grant”) in accordance with this section to a local authority.
- (2) Where the Secretary of State proposes to make a special grant to one authority he shall, before making the grant, make a determination stating—
 - (a) the authority to which the grant is to be paid;
 - (b) the purpose for which the grant is to be paid; and
 - (c) the amount of the grant which is to be paid or the manner in which that amount is to be calculated.
- (3) Where the Secretary of State proposes to make special grants to more than one authority he shall, before making the grants, make a determination stating—
 - (a) to which authorities they are to be paid;
 - (b) the purpose for which they are to be paid; and

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- (c) either—
 - (i) the amount which he proposes to pay to each authority or the manner in which the amount is to be calculated; or
 - (ii) the total amount which he proposes to distribute among the authorities and the basis upon which he proposes to distribute that amount.
- (4) A determination under subsection (2) or (3) above shall be made with the consent of the Treasury and shall be specified in a report (to be called a special grant report) which shall contain such explanation of the main features of the determination as the Secretary of State considers to be desirable.
- (5) A special grant report shall be laid before the House of Commons and, as soon as is reasonably practicable thereafter, the Secretary of State shall send a copy of it to any authority to which he proposes to make a special grant in accordance with the determination.
- (6) No special grant shall be paid unless the special grant report containing the determination relating to the grant has been approved by a resolution of the House of Commons.
- (7) A special grant report may specify conditions which the Secretary of State may with the consent of the Treasury impose on the payment of, or of any instalment of, any special grant to which the report relates; and the conditions may—
 - (a) require the provision of returns or other information before a payment is made to the authority concerned; or
 - (b) relate to the use of the amount paid, or to the repayment in specified circumstances of all or part of the amount paid.
- (8) Without prejudice to compliance with any conditions imposed as mentioned in subsection (7) above, a special grant shall be paid at such time or in instalments of such amounts and at such times as the Secretary of State may, with the consent of the Treasury, determine.”.

168 Direct Labour Organisation/ Direct Services Organisation Accounts

- (1) After section 15 of the 1975 Act there shall be inserted the following section—

“15A Direct Labour Organisation/ Direct Services Organisation Accounts

- (1) A local authority may establish, in accordance with the provisions of this section, Direct Labour Organisation/Direct Services Organisation Funds (to be known as “DLO/DSO funds”) for the purpose of dealing with surpluses and deficits which may occur in respect of—
 - (a) any revenue account kept by the authority under section 10(1) (accounts relating to construction or maintenance work) of the Local Government, Planning and Land Act 1980; or
 - (b) any account kept by the authority under section 9(2) (accounts) of the Local Government Act 1988.
- (2) Any interest earned on money transferred to a reserve fund established under subsection (1) above may be credited to that fund.

- (3) Any surplus credited to a fund established under subsection (1) above and which is, in the opinion of the authority, not required for the purpose of dealing with deficits in any such fund, may be transferred by them to the general fund maintained by them under section 93 of the Act of 1973 (general fund).
 - (4) This section is without prejudice to any specific limitation imposed by or under any enactment as to the manner in which money may be paid into or out of any specific account.”.
- (2) Paragraphs 22(1)(c) and 24A of Schedule 3 to the 1975 Act shall cease to have effect.

169 Statements of support services costs

- (1) The Secretary of State may by regulations require any authority defined for the purposes of section 1(1) of the Local Government Act 1988 (“the 1988 Act”) to publish a statement, to be known as a statement of support services costs (hereinafter referred to as a “statement”), of the cost to the authority of each of the activities to which this section applies.
- (2) This section applies to—
 - (a) any activity which is a defined activity within the meaning of section 2(2) of the 1988 Act;
 - (b) any other prescribed activity.
- (3) A statement shall—
 - (a) show the cost to the authority of the activity to which it applies, whether or not that activity, or any part of it, is carried out by employees of the authority; and
 - (b) show how that cost is allocated amongst the public services provided by the authority.
- (4) A statement shall—
 - (a) be in such form;
 - (b) be published on or by reference to such date;
 - (c) contain such information;
 - (d) be made available for inspection by the public in such manner; and
 - (e) be supplied to the public on such terms as to payment,as may be prescribed, and different provision may be made in relation to the matters mentioned above in relation to different authorities.
- (5) Such of the information contained in the statement as may be prescribed shall be included within the annual abstract of accounts (or any equivalent to such an abstract) produced by an authority.
- (6) For the purposes of this section the cost of any activity shall be calculated in such manner and by reference to such factors as may be prescribed.
- (7) In this section—
 - “activity”, where it is an activity such as is mentioned in—
 - (a) subsection (2)(a) above, has the meaning given to it by or under the 1988 Act; and
 - (b) subsection (2)(b) above, has such meaning as may be prescribed;
 - “prescribed” means prescribed in regulations under this section; and

“public services” means such services provided by the authority as may be prescribed.

- (8) Regulations under this section shall be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

Resources

170 Effective use of resources

After section 122 of the 1973 Act there shall be inserted the following section—

“122A Duty of local authority to use resources efficiently

It shall be duty of each local authority to make proper arrangements for securing economy, efficiency and effectiveness in their use of resources.”.

Economic development

171 Functions to include promotion of economic development

After section 171 of the 1973 Act there shall be inserted—

“PART XVIII

ECONOMIC DEVELOPMENT

171A Functions to include promotion of economic development

- (1) Subject to section 171B of this Act, the functions of a local authority shall include the taking of such steps as they may from time to time consider appropriate for promoting the economic development of their area.
- (2) Subject to the said section 171B, and without prejudice to any other provision made by or under this Act, those steps may include participation in and the encouragement of, and provision of financial and other assistance for—
 - (a) the setting up or expansion of any commercial, industrial or public undertaking—
 - (i) which is to be or is situated in the authority’s area; or
 - (ii) the setting up or expansion of which appears likely to increase the opportunities for employment of persons living in that area; and
 - (b) the creation or protection of opportunities for employment with any such undertaking or with any commercial, industrial or public undertaking, opportunities for employment with which have been or appear likely to be made available to persons living in that area.
- (3) For the purposes of this section, the cases in which a local authority shall be treated as providing financial assistance to any person shall include the cases where they do or agree to do any of the following, that is to say—

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- (a) make a grant to that person;
 - (b) make a loan to that person or provide him with any further form of credit;
 - (c) guarantee the performance of any of that person's obligations;
 - (d) indemnify that person in respect of any liability, loss or damage;
 - (e) invest in that person's undertaking, in the case of a body corporate, by acquiring share or loan capital in that body or otherwise;
 - (f) provide that person with any property, services or other financial benefit (including the remission in whole or in part of any liability or obligation) for no consideration or for a consideration which is less than the best that could reasonably be obtained;
 - (g) join with any other person in doing anything falling within paragraphs (a) to (f) above.
- (4) The power conferred on a local authority under subsection (1) above includes power for such authority to engage in activities outside their area for the purpose of promoting the economic development of their area.
- (5) Where, in any financial year, a local authority propose to engage in activities such as are mentioned in subsection (4) above outside the United Kingdom, they shall, before the beginning of that financial year—
- (a) prepare a document setting out their proposals for engagement in such activities; and
 - (b) submit that document to the Secretary of State for approval.
- (6) Where the Secretary of State approves the proposals set out in any document submitted under subsection (5) above, he may make his approval subject to such conditions as he considers necessary or expedient.
- (7) At any time during the financial year to which a document such as is mentioned in subsection (5) above relates—
- (a) a local authority may submit to the Secretary of State amendments of the proposals contained in that document; and
 - (b) subsection (6) above shall apply in relation to those amendments as it applies in relation to proposals submitted in pursuance of subsection (5) above.
- (8) The exercise by a local authority of any of their powers under this section shall be subject to the provisions of section 90 of this Act.

171B Restrictions on promotion of economic development

- (1) The powers of a local authority by virtue of section 171A above, and their powers by virtue of any of the other provisions of this or any other enactment, shall not include power, for the promotion of the economic development of their area, to take any such steps as may be specified or described for the purposes of this section in regulations made by the Secretary of State.
- (2) Without prejudice to the generality of subsection (1) above, the Secretary of State may by regulations impose such conditions (including conditions requiring consultation by the local authority of such persons as may be prescribed), and such other restrictions, as may be specified in or determined under the regulations on the exercise, for the purpose of promoting the

economic development of their area, of any power of a local authority by virtue of the said section 171A or any other enactment.

- (3) The Secretary of State may by order impose such a financial limit as may be specified in or determined under the order on expenditure which—
 - (a) is, or is of a description, so specified or determined; and
 - (b) is, by virtue of section 171A above or a provision of this or any other enactment, incurred in any financial year for the purpose of promoting the economic development of their area by a local authority so specified or determined.
- (4) A statutory instrument containing regulations under subsection (1) or (2) above or an order under subsection (3) above shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (5) Regulations under subsection (1) or (2) above may contain such incidental provision and such supplemental, consequential and transitional provision in connection with their other provisions as the Secretary of State considers appropriate.

171C Exercise of certain powers to be subject to provisions of sections 171A and 171B

The exercise by a local authority of any power which they have—

- (a) under section 7 of the Local Government (Development and Finance) (Scotland) Act 1964 (power to make advances for erection of buildings);
 - (b) under section 102 (power to acquire compulsorily certain land) or 109 (power to acquire certain land by agreement) of the Town and Country Planning (Scotland) Act 1972; or
 - (c) under section 70, 74 or 78 of this Act,
- is subject to the provisions of sections 171A and 171B of this Act.”.

Tourism

172 Duty of Secretary of State to establish area tourist boards

- (1) The Secretary of State shall, in accordance with the provisions of this section and not later than 1st April 1996, by order make schemes for the establishment for such areas as may be specified in the order of area tourist boards (hereafter referred to as “boards”).
- (2) The principal function of a board shall be to carry on activities relating to tourism.
- (3) A scheme under this section shall—
 - (a) make provision for the constitution of a board;
 - (b) specify the area for which the board is established;
 - (c) provide that the board shall be a body corporate with a common seal;
 - (d) provide that the Secretary of State shall appoint the first members of the board and, from among those members, the first members of the controlling body of the board; and thereafter the members of such controlling body shall be appointed by the board;

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- (e) contain provision stating that it shall not, without the express or general consent given in writing of the Secretary of State (or such body as he may direct the board to consult), carry on activities relating to the promotion of tourism outside the United Kingdom; and
 - (f) make, where applicable and to such extent as the Secretary of State considers appropriate, transitional provision such as is mentioned in subsection (5) below.
- (4) A scheme under this section may—
- (a) for the purposes of enabling a board to carry on its principal function, confer additional functions and powers on a board, including power to hold property and to employ staff;
 - (b) subject to the provisions of this section, provide who may be appointed to be members of the board;
 - (c) make provision for the payment of remuneration, allowances, pensions and gratuities to members of the board;
 - (d) subject to the provisions of this section and such conditions as may be specified in the scheme, enable a board to form or acquire a company;
 - (e) make provision for the board to regulate its own procedure;
 - (f) make provision for the board to appoint committees (including committees composed of persons who are not members of the board) and for the payment to persons appointed to such committees of such remuneration and allowances as the board may determine;
 - (g) make provision enabling the board to delegate any of its duties to any of its members who or committees which are authorised (generally or specifically) for the purpose;
 - (h) make provision as to the method of authentication of documents by the board; and
 - (i) make provision for such other matters as the Secretary of State thinks fit.
- (5) The transitional provision mentioned in paragraph (f) of subsection (3) above is provision for—
- (a) the revocation of any scheme made under section 90A of the 1973 Act (schemes for formation of area tourist organisations etc.) by an islands or district council whose area lies wholly or partly within the area of the proposed board;
 - (b) the winding up and dissolution of any area tourist organisation (whether a body corporate or not) formed by or for the purposes of any scheme made under the said section 90A;
 - (c) the transfer of any staff of any such area tourist organisation to such board established under this section as may be specified in the order; and
 - (d) the transfer to and, with effect from the date on which the scheme under this section takes effect, vesting in such board or boards established under this section as may be specified in the order of such property, rights and liabilities of any such tourist organisation as may be so specified.
- (6) The number of persons representative of a local authority appointed as members of the controlling body of a board (in this section referred to as “local authority members”) shall not exceed the number of subscribing members appointed as members of such a controlling body; and where local authority members are appointed the total number

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of voting rights accorded to them shall not exceed the total number of voting rights accorded to subscribing members.

- (7) For the purposes of subsection (6) above, a subscribing member is a member of a board who—
- (a) is such member of the board by reason of his—
 - (i) being resident, or carrying on business, in the area of the board; and
 - (ii) carrying on, or having an interest in, activities relating to tourism in the area of the board; and
 - (b) pays a membership subscription to the board,
- and includes, where the subscribing member is a body corporate, a person representative of that body corporate.
- (8) A board shall not—
- (a) be regarded as a servant or agent of the Crown;
 - (b) have any status, immunity or privilege of the Crown; or
 - (c) be exempt from any tax, duty, rate, levy or other charge whatsoever, whether general or local,
- and its property shall not be regarded as property of, or held on behalf of, the Crown.
- (9) A board shall not—
- (a) form or promote, or join with any other person in forming or promoting, any body corporate (including a company (within the meaning of the Companies Act 1985)); or
 - (b) acquire the majority of the voting rights in such a body corporate,
- unless the constitution of any such body corporate contains a provision stating that it shall not, without the express or general consent given in writing of the Secretary of State (or such body as he may direct the board to consult), carry on activities relating to the promotion of tourism outside the United Kingdom.
- (10) Before making a scheme under this section the Secretary of State shall consult—
- (a) the Scottish Tourist Board; and
 - (b) any—
 - (i) district or islands council; and
 - (ii) new local authority,
- whose area lies wholly or partly within the area of the proposed board.
- (11) A scheme made by an order under this section shall not take effect before 1st April 1996 except in relation to—
- (a) the constitution of a board;
 - (b) the carrying out by that board of any functions necessary to bring the scheme into operation on that date; and
 - (c) the winding up of an existing board.
- (12) An order under this section shall be made by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.
- (13) In this section and in sections 173 and 174 of this Act “new local authority” means a council constituted under section 2 of this Act.

173 Power of Secretary of State to amend and revoke schemes

- (1) The Secretary of State may by order amend or revoke a scheme made under section 172 of this Act and the provisions of the said section 172 shall, so far as applicable, have effect in relation to any such amending or revoking scheme, subject to any necessary modifications and to the provisions of this section.
- (2) Without prejudice to the generality of the provisions of subsection (1) above, provision may be made in an amending or revoking scheme—
 - (a) for altering the area for which a board (hereafter referred to as the “original board”) is constituted under the scheme, whether or not that board is dissolved by virtue of the subsequent scheme;
 - (b) for the dissolution and winding up of an original board;
 - (c) for the transfer to such board as may be specified in the subsequent scheme of staff employed by the original board;
 - (d) for the transfer to and, with effect from the date on which the subsequent scheme takes effect, vesting in such board or boards as may be specified in that scheme of such property, rights and liabilities of the original board as may be so specified;
 - (e) for any other matters incidental to or consequential on the provisions of such scheme.
- (3) The power conferred on the Secretary of State by subsection (1) above may be exercised in relation to an amending or revoking scheme made or, as the case may be, approved by order under this section or section 174 of this Act.
- (4) Before making a scheme under this section the Secretary of State shall consult—
 - (a) the bodies mentioned in section 172(10)(a) and (b)(ii) of this Act; and
 - (b) where the subsequent scheme alters the area of the original board, any new local authority whose area lies wholly or partly within such altered area.
- (5) An order under this section shall be made by statutory instrument; and such instrument shall, where it contains provision such as is mentioned in subsection (2)(a) above, be subject to annulment in pursuance of a resolution of either House of Parliament.

174 Power of local authority to submit amending schemes to Secretary of State

- (1) A new local authority whose area lies wholly or partly within the area of a board established by virtue of a scheme made under section 172 or 173 of this Act may, together with any other such authority whose area lies wholly or partly within the area of that board, submit to the Secretary of State for his approval a scheme for the amendment or revocation of such a scheme.
- (2) The provisions of sections 172 and 173 of this Act shall, so far as applicable, have effect in relation to an amending or revoking scheme made under this section subject to any necessary modifications and to the provisions of this section.
- (3) Before making an amending or revoking scheme under this section, the authority or authorities concerned shall consult the Scottish Tourist Board.
- (4) The power conferred on new local authorities by subsection (1) above may be exercised in relation to an amending or revoking scheme approved by order under this section.

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- (5) The Secretary of State may by order approve any scheme submitted to him under this section.
- (6) An order under this section shall be made by statutory instrument; and such instrument shall, where it contains provision such as is mentioned in section 173(2)(a) of this Act, be subject to annulment in pursuance of a resolution of either House of Parliament.

175 Provision of assistance to boards by old authorities

District, islands and regional councils may provide financial and other assistance to any area tourist board established by a scheme made under section 172 of this Act whose area lies wholly or partly within the areas of such councils in respect of anything done in pursuance of subsection (11) of that section before 1st April 1996.

176 Powers to carry on tourism-related activities

For section 90 of the 1973 Act there shall be substituted the following section—

“90 Powers of local authority to carry on tourism-related activities

- (1) A local authority may—
- (a) provide, or encourage any other person to provide, facilities for leisure, conferences, trade fairs and exhibitions or improve, or encourage any other person to improve, any existing facilities for those purposes;
 - (b) promote, by advertisement or otherwise, facilities provided by that local authority (whether such facilities are owned by the authority or otherwise);
 - (c) organise, or assist others in the organisation of, and promote, by advertisement or otherwise, conferences, trade fairs and exhibitions;
 - (d) participate in the area tourist board whose area includes the area of that authority.
- (2) Subject to subsection (3) below, a local authority shall not have power to—
- (a) encourage persons, by advertisement or otherwise (and whether inside or outside the United Kingdom)—
 - (i) to visit their area for purposes relating to leisure; or
 - (ii) to hold conferences, trade fairs or exhibitions within their area;
 - (b) provide information about accommodation and facilities and services relating to leisure in their area or provide a booking service for such accommodation, to persons visiting their area;
 - (c) carry on such other activities relating to those mentioned in paragraphs (a) and (b) above as the Secretary of State may by regulations specify.
- (3) A local authority shall have power to do any of the things mentioned in paragraphs (a) to (c) of subsection (2) above—
- (a) in so far as it is necessary to do any of those things for the purposes of carrying on the activities mentioned in paragraphs (a) and (b) of subsection (1) above; or
 - (b) where the Secretary of State has given his prior consent (subject to such conditions as he considers necessary or expedient) in writing.

- (4) A local authority shall not, for the purposes of carrying on activities relating to tourism other than—
- (a) those such as are mentioned in paragraphs (a) to (d) of subsection (1) above; or
 - (b) by virtue of subsection (3) above, those such as are mentioned in subsection (2) above,
- form, acquire or join with any person or body corporate.
- (5) Without prejudice to subsection (1) above, a local authority may contribute towards expenses incurred by any person—
- (a) doing anything mentioned in paragraph (a) of that subsection; or
 - (b) organising and holding a conference, trade fair or exhibition.
- (6) A local authority may appoint officers for the purposes of enabling the authority to carry out any of their powers under this section; and section 65 of this Act shall apply in relation to any officers appointed under this subsection subject to the following modifications—
- (a) references to “another local authority” shall be construed as if they were references to an area tourist board; and
 - (b) in subsection (2), the words from “but” to the end shall be omitted.
- (7) A statutory instrument containing regulations under subsection (2)(c) above shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (8) In this section—
- (a) “area tourist board” means a board established by virtue of an order made or, as the case may be, approved under section 172, 173 or 174 of the Local Government etc. (Scotland) Act 1994;
 - (b) “participate” means participation in any one or more of the following ways—
 - (i) a local authority or any person representative of a local authority being a member of the area tourist board whose area includes the area of that authority;
 - (ii) provision by a local authority to such a board of financial assistance for the purposes of the board’s carrying out activities relating to tourism;
 - (iii) provision by a local authority to such a board of staff; and
 - (c) section 171A(3) of this Act shall apply to this section with the substitution for any references to a person of references to an area tourist board.”.