

SCHEDULES.

SCHEDULE 1

Section 2.

RATE SUPPORT GRANTS

PART I

THE NEEDS ELEMENT

Apportionment

- 1 The amount of the needs element of rate support grants payable for any year, or such part thereof as may be determined by the Secretary of State, shall first be apportioned to all counties and those burghs which are counties of cities on such basis as may be prescribed.
- 2 The amount apportioned in accordance with the foregoing paragraph of this Schedule to any county shall be further apportioned among the landward area, or in the case of a combined county the landward areas of the county, and the burghs in the county in proportion to their products of a rate of one penny in the pound or their standard penny rate products, whichever is the higher, for the immediately preceding year, or in the case of a year of revaluation, in proportion to their said products, whichever is the higher, estimated in relation to that year under section 12 of this Act.
- 3 Notwithstanding the provisions of the foregoing paragraphs the Secretary of State may, as respects any year, make provision for the apportionment of the needs element or any part thereof among such classes of local authorities and on such basis as may be prescribed.

Adjustment of the needs element payable to local authorities

- 4 The needs element for any year shall be reduced by the expenditure incurred in that year by the Secretary of State in making any payments to the universities of Scotland under section 75(2) of the Education (Scotland) Act 1962.
- 5
 - (1) The needs element for any year shall be subject to adjustment, in accordance with regulations made under this paragraph, in respect of expenditure to which this paragraph applies.
 - (2) The Secretary of State may after consultation with such associations of local authorities as appear to him to be concerned by regulations subject to annulment in pursuance of a resolution of either House of Parliament, provide for ascertaining the aggregate of such expenditure for the year in question of all local authorities and joint county councils of which local authorities are constituent councils, for apportioning the aggregate among the local authorities, and for giving effect to the apportionment by means of increases or decreases in the needs element payable to each authority of such amounts as may be ascertained in accordance with the regulations.

Status: This is the original version (as it was originally enacted).

- (3) This paragraph applies to such expenditure incurred as may be specified in regulations made under this paragraph.

PART II

THE RESOURCES ELEMENT

- 1 The resources element shall be payable to a county council in respect of the landward area of the county and to a town council in respect of the area of the burgh, but shall not be payable to any local authority for any year unless the product of a rate of one penny in the pound for the area of the authority for that year is less than the standard penny rate product for the area.
- 2 The amount of the resources element payable to a local authority for any year shall be the amount which bears to the relevant local expenditure of the authority for that year the same proportion as the difference between the rate products mentioned in paragraph 1 above bears to the standard penny rate product for the area of the authority for that year.
- 3 (1) A county council shall, out of any resources element paid to them for any year, pay to the council of any district in the county an amount which bears to the amount of the resources element which was so paid (or would have been so paid if no reduction under paragraph 4 below had been made) the same proportion as the expenditure of the district council for that year bears to the relevant local expenditure for the landward area of the county for that year.
- (2) In this paragraph—
 " district " has the same meaning as in the Local Government (Scotland) Act 1947;
 " expenditure " in relation to a district council for any year means so much of that council's expenditure for that year as is reckoned in calculating the relevant local expenditure for that year for the landward area of the county in which the district is situated.
- 4 (1) Where for any year the actual rent income of a county council or town council is less than the council's notional rent income, the relevant local expenditure of the council shall be calculated for the purposes of this Part of this Schedule as if the council's notional rent income were substituted for the council's actual rent income.
- (2) In this paragraph " actual rent income " has the same meaning as in section 3(3)(a) of the Act of 1963, and the notional rent income of a council shall be calculated on such basis as may be prescribed.
- 5 For the purposes of this Part of this Schedule the relevant local expenditure in relation to any area for any year is so much of the total expenditure for the year as would fall to be met out of moneys raised by rates levied in the area if no resources element were payable to the local authority concerned.

PART III

THE DOMESTIC ELEMENT

- 1 There shall for each year be prescribed, for the purposes of section 7 of this Act, an amount in the pound which in the opinion of the Secretary of State corresponds to the amount of the domestic element prescribed for that year in pursuance of section 2(4) of this Act.
- 2 The amount of the domestic element payable to a local authority for any year shall be determined in the manner provided by regulations made by the Secretary of State after consultation with such associations of local authorities as appear to him to be concerned.

Any statutory instrument containing regulations made under this paragraph shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- 3 Any amounts payable to a local authority in respect of the domestic element shall be taken into account for the purposes of this and any other Act as if they were payable on account of rates and in computing the product of a penny rate ; and any reduction made in pursuance of section 7 of this Act shall be disregarded in computing the product of a penny rate for those purposes.