STATUTORY INSTRUMENTS

1975 No. 777 (S. 125)

LOCAL GOVERNMENT, SCOTLAND

The Local Government (Transitional Rating) (Scotland) Order 1975

Made - - - -	*5th May* 1975
Laid before Parliament	*12th May* 1975
Coming into Operation	*16th May* 1975

In exercise of the powers conferred on me by section 215 of the Local Government (Scotland) Act 1973(**a**) and of all other powers enabling me in that behalf, I hereby make the following order:—

Citation and Commencement

1. This order may be cited as the Local Government (Transitional Rating) (Scotland) Order 1975 and shall come into operation on 16th May 1975.

Interpretation

2.—(1) The Interpretation Act 1889(**b**) shall apply for the interpretation of this order as it applies for the interpretation of an Act of Parliament.

(2) In this order, unless the context otherwise requires—

"the Act of 1947" means the Local Government (Scotland) Act 1947(**c**):

"the Act of 1966" means the Local Government (Scotland) Act 1966(**d**):

"the Act of 1973" means the Local Government (Scotland) Act 1973;

"council" means a town council of a burgh or a county council;

"estimated expenditure" in relation to any council means the total expenditure after deduction of all income receivable, including specific grants, in respect of the relevant services (being either regional services or other services) of which account was taken by the council in determining the rate levied in their area for the year 1974–75, and includes sums payable by that council to any other local authority, joint board or joint committee under any requisition issued by any such authority but disregards any reduction or increase in such expenditure attributable to the application of any credit or debit balance carried forward from the accounts of the authority for the year 1973–74;

(a) 1973 c. 65.
(b) 1889 c. 63.
(c) 1947 c. 43.
(d) 1966 c. 51.

"notified" means notified by the Secretary of State to the council in April 1975 under regulation 9(1) of the Rate Support Grant (Scotland) Regulations 1967(**a**);

"notional regional rate" has the meaning assigned to it by article 5(*a*)(i);

"other services" means services other than regional services provided by or to the council;

"penny rate product" and "standard penny rate product" mean estimates of the product of a rate of one penny in the pound and the standard penny rate product for the year 1974–75 made by the Secretary of State under section 12 of the Act of 1966;

"pooled expenditure" means expenditure to which paragraph 5 of Part I of the First Schedule to the Act of 1966 applies;

"regional services" means services provided by or to the council in relation to education (excluding libraries), police, fire, valuation of lands and registration of electors, registration of births, social work, sewers and drains, school crossing patrols, trading standards, public water, and, in the case of a large burgh, streets and bridges and lighting, or, in the case of a county, roads (classified), roads (unclassified) and roads lighting;

"weighted average rate" has the meaning assigned to it by article 5(*b*);

"year" means the financial year of a local authority and references to the year 1974–75 or to any other year shall be construed accordingly.

(3) References in this order to local or other authorities or their areas have the same meanings as in the Acts of 1947 and 1973 as the case may be and references to a large burgh include references to a county of a city.

(4) Any reference in this order to a provision identified without reference to any enactment is to a provision of this order.

3. For the purposes of this order the regional council shall take as the basis for the calculations to be made under articles 4 to 6 in relation to each of the years 1975–76, 1976–77 and 1977–78, the amount in the pound of the regional rate determined by them under section 108(1) of the Act of 1973 which would but for this order fall to be levied in the region for that financial year.

4.—(1) Before levying the regional rate for each of the years 1975–76, 1976–77, and 1977–78 the regional council shall—

(*a*) make such adjustments to the amount thereof as are necessary to ensure that in relation to any area within the region to which article 5(*c*) is applicable the amount in the pound of the rate levied in that area is reduced from the amount determined as respects that area under section 108(1) of the Act of 1973 to the amount obtained by deducting therefrom the appropriate amount shown in the Schedule;

(*b*) calculate the total amount of the loss of rate income arising from the adjustments falling to be made under this article, apportion that amount among the areas to which article 5(*d*) applies in proportion to the amounts ascertained thereunder in relation to each such area, and make such corresponding increases in the amount in the pound of the rate to be levied in each of those areas as are necessary to meet the said loss.

(2) For the purposes of this article, a fraction of less than ½p shall be disregarded and a fraction of ½p or more shall be taken as 1p in relation to any reduction or increase.

(a) S.I. 1967/715 (1967 II, p. 2162).

5. For the purposes of article 4 the regional council shall, subject to the requirements of article 6—

(*a*) (i) in relation to each area within the region which prior to 16th May 1975 comprised a large burgh or the landward area of a county (whether or not situated wholly within the region) determine in accordance with article 6 the amount in the pound of the rate which was required to be levied by the town council or the county council for the year 1974–75 in order to meet the estimated expenditure of the council for that year on regional services, and such a rate shall be referred to as the "notional regional rate";

(ii) in relation to each area within the region which prior to 16th May 1975 comprised a small burgh determine the notional regional rate at the same amount as the notional regional rate determined under article 5(*a*)(i) in respect of the landward area of the county in which the burgh is situated;

(*b*) in relation to the area comprising the whole of the areas within the region to which article 5(*a*)(i) and (ii) applies (but in the case of the landward area of a county only to the extent to which that area is situated within the region) determine the amount in the pound of the rate required to be levied for the year 1974–75 by dividing the total estimated expenditure of all the councils in the region as ascertained under article 6(1)(*a*), (*c*), (*d*) and (*e*) and 6(2) by the sum of the penny rate products and the standard penny rate products used in making the determinations required by article 6(1)(*f*) and 6(2), and such a rate shall be referred to as the "weighted average rate";

(*c*) in relation to each of the areas within the region to which article 5(*a*)(i) or (ii) applies ascertain the number of pence in the pound, if any, by which the notional regional rate for the area falls short of the weighted average rate;

(*d*) in relation to each area within the region to which article 5(*a*)(i) or (ii) applies ascertain the number of pence in the pound, if any, by which the notional regional rate for the area exceeds the weighted average rate, and for the purposes of article 4(1)(*b*) multiply the amount of that excess by the penny rate product for the area.

6.—(1) For the purpose of making the determinations required by article 5 in the case of an area to which article 5(*a*)(i) applies the following operations shall be carried out in sequence:—

(*a*) the estimated expenditure of each area within the region on regional services for the year 1974–75 shall be determined;

(*b*) the estimated expenditure of each area within the region on other services for the year 1974–75 shall be determined;

(*c*) the net adjustment for pooled expenditure notified in respect of 1974–75 shall be determined in relation to each area within the region and the appropriate addition to or deduction from the amount determined under article 6(1)(*a*) in respect of regional services shall be made;

(*d*) any provision in a council's estimates for 1974–75 for contingencies which was not allocated to regional or other services shall be divided in proportion to the total estimated expenditure of that council in respect of regional services and other services and the appropriate amount shall be added to the amount determined under article 6(1)(*a*) in respect of regional services;

(*e*) the whole of the roads portion and four-fifths of the general portion of the needs element of the rate support grants notified as payable in respect of the year 1974–75 shall be treated as payable in respect of regional services and deducted from the amount determined in respect thereof under article 6(1)(*a*);

(*f*) the amount in the pound of the notional regional rate required to be levied by each council to meet its estimated expenditure in respect of regional services adjusted in accordance with the foregoing provisions of this article shall be determined by dividing the amount of the expenditure so adjusted by the penny rate product or the standard penny rate product for the area whichever is the higher.

(2) For the purpose of making the determinations required by article 5(*b*) in the case of an area to which article 5(*a*)(ii) applies the estimated expenditure of the council on regional services for the year 1974–75 shall be ascertained by multiplying the penny rate product or the standard penny rate product of the burgh whichever is the higher by the notional regional rate determined for the burgh in accordance with article 5(*a*)(ii).

7. For the purposes of any calculation of the product of a rate of one penny in the pound for any area for any year required by this order the regional rate applicable to that area shall be deemed to be the amount in the pound determined by the regional council in accordance with article 3.

William Ross,
One of Her Majesty's Principal Secretaries of State.

St. Andrew's House,
Edinburgh.

5th May 1975.

SCHEDULE Article 4

In this Schedule, P means the number of pence in the pound by which the notional regional rate for the area falls short of the weighted average rate for the region within which the area is situated.

Deduction to be made in respect of the year 1975–76	$\frac{3}{4} \times P$
Deduction to be made in respect of the year 1976–77	$\frac{1}{2} \times P$
Deduction to be made in respect of the year 1977–78	$\frac{1}{4} \times P$

EXPLANATORY NOTE

(*This Note is not part of the Order.*)

This Order makes provision for differential rating in the new regions, and ensures that uniformity of rate poundage in each region will be achieved not later than 1st April 1978.

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