



Greater London Authority Act 1999

1999 CHAPTER 29

PART III

FINANCIAL PROVISIONS

CHAPTER I

COUNCIL TAX

Calculation of tax payable

88 Calculation of basic amount of tax

- (1) Section 44 of the Local Government Finance Act 1992 shall not apply in relation to the Authority and the following provisions of this section shall have effect in relation to the Authority in place of that section.
- (2) In relation to each financial year the Authority shall calculate the basic amount of its council tax by applying the formula—

$$\frac{R - P1 - A}{T}$$

T

where—

R is the amount calculated (or last calculated) by the Authority under section 85(8) above as its consolidated budget requirement for the year;

P1 is the aggregate of such amounts as may be prescribed, being amounts representing the sums which the Secretary of State estimates will be payable to the Authority for the year in respect of the following items—

- (a) redistributed non-domestic rates,
- (b) revenue support grant,

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- (c) general GLA grant,
- (d) additional grant, and
- (e) relevant special grant,

but in the case of each item reduced, as may be prescribed, by such amount as the Secretary of State considers represents the portion of the item which relates to defraying the special item in whole or in part;

A is the amount of the special item;

T is the aggregate of the amounts which are calculated by the billing authorities to which the Authority issues precepts (“the billing authorities concerned”) as their council tax bases for the year for their areas and are notified by them to the Authority within the prescribed period.

- (3) In the definition of P1 in subsection (2) above, “prescribed” means specified in, or determined in accordance with, either—
- (a) the appropriate report or determination, or
 - (b) regulations made by the Secretary of State,
- as the Secretary of State may determine in the case of any particular item and any particular financial year or years.
- (4) In subsection (3)(a) above, “the appropriate report or determination” means—
- (a) in the case of an item specified in paragraph (a) or (b) of the definition of P1 in subsection (2) above, the local government finance report for the financial year in question;
 - (b) in the case of the item specified in paragraph (c) of that definition, the determination under section 100 below for the financial year in question;
 - (c) in the case of the item specified in paragraph (d) of that definition, the report under section 85 of the Local Government Finance Act 1988 relating to that item; and
 - (d) in the case of the item specified in paragraph (e) of that definition, the report under section 88B of that Act relating to that item.
- (5) The aggregate of the sums mentioned in item P1 in subsection (2) above shall be—
- (a) increased by the aggregate amount of any sums which the Authority estimates will be paid to it in the year by billing authorities in accordance with regulations under section 99(3) of the Local Government Finance Act 1988; and
 - (b) reduced by the aggregate amount of any sums which the Authority estimates will be paid by it in the year to billing authorities in accordance with such regulations.
- (6) The Secretary of State shall make regulations containing rules for making for any year the calculations required by item T in subsection (2) above; and the billing authorities concerned shall make the calculations for any year in accordance with the rules for the time being effective (as regards the year) under the regulations.
- (7) Regulations prescribing a period for the purposes of item T in subsection (2) above may provide that, in any case where a billing authority fails to notify its calculation to the precepting authority within that period, that item shall be determined in the prescribed manner by such authority or authorities as may be prescribed.
- (8) The Secretary of State may by regulations do one or both of the following—

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- (a) alter the constituents of any calculation to be made under subsection (2) above (whether by adding, deleting or amending items);
 - (b) alter the rules governing the making of any calculation under subsection (2) above (whether by deleting or amending subsections (3) to (5) above, or any of them, or by adding other provisions, or by a combination of those methods).
- (9) Any negative amount given by a calculation under subsection (2) above shall be assumed to be nil for the purposes of this Chapter and Chapter IV of Part I of the Local Government Finance Act 1992.
- (10) In this section “special item” has the same meaning as it has in section 89 below (see subsection (2) of that section).

89 Additional calculations: special item for part of Greater London

- (1) Section 45 of the Local Government Finance Act 1992 shall not apply in relation to the Authority, and the following provisions of this section shall have effect in relation to the Authority in place of that section.
- (2) The following provisions of this section apply where for any financial year the item mentioned in section 90(2) below relates to a part only of Greater London; and in this section—
- (a) “special item” means that item; and
 - (b) “the relevant part”, in relation to such an item, means the part of Greater London concerned.
- (3) The Authority shall calculate the basic amount of its council tax for dwellings in any part of its area to which the special item relates by adding to the amount given by the formula in section 88(2) above the amount which, in respect of the special item, is given by the formula in subsection (4) below.
- (4) For dwellings in any part of Greater London to which the special item relates, the amount in respect of the special item is given by the formula—

S2 - P2

TP2

where—

S2 is the amount of the special item;

P2 is the aggregate of such amounts as may be prescribed, being amounts representing the sums which the Secretary of State estimates will be payable to the Authority for the year in respect of the following items—

- (a) police grant,
- (b) redistributed non-domestic rates,
- (c) revenue support grant,
- (d) general GLA grant,
- (e) additional grant, and
- (f) relevant special grant,

but in the case of each item restricted, as may be prescribed, to such amount (if any) as the Secretary of State considers represents the portion of the item which relates to defraying the special item in whole or in part;

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TP2 is the aggregate of the amounts which are calculated by the billing authorities to which the Authority has power to issue precepts as respects the special item (“the billing authorities concerned”) as their council tax bases for the year for their areas and are notified by them to the Authority within the prescribed period.

- (5) In the definition of P2 in subsection (4) above, “prescribed” means specified in, or determined in accordance with, either—
- (a) the appropriate report or determination, or
 - (b) regulations made by the Secretary of State,
- as the Secretary of State may determine in the case of any particular item and any particular financial year or years.
- (6) In subsection (5)(a) above, “the appropriate report or determination” means—
- (a) in the case of the item specified in paragraph (a) of the definition of P2 in subsection (4) above, the police grant report under section 46(3) of the Police Act 1996 for the financial year in question;
 - (b) in the case of an item specified in paragraph (b) or (c) of that definition, the local government finance report for the financial year in question;
 - (c) in the case of the item specified in paragraph (d) of that definition, the determination under section 100 below for the financial year in question;
 - (d) in the case of the item specified in paragraph (e) of that definition, the report under section 85 of the Local Government Finance Act 1988 relating to that item; and
 - (e) in the case of the item specified in paragraph (f) of that definition, the report under section 88B of that Act relating to that item.
- (7) Subsections (6) and (7) of section 88 above, and any regulations made under or by virtue of either of those subsections, shall have effect in relation to the calculation of TP2 in subsection (4) above as they have effect in relation to the calculation of T in subsection (2) of that section.
- (8) Any negative amount given by a calculation under this section shall be assumed to be nil for the purposes of this Chapter and Chapter IV of Part I of the Local Government Finance Act 1992.
- (9) The Secretary of State may by regulations do one or both of the following—
- (a) alter the constituents of any calculation to be made under or by virtue of subsection (3) above (whether by adding, deleting or amending items);
 - (b) alter the rules governing the making of any calculation under or by virtue of that subsection (whether by deleting or amending subsections (3) to (8) above, or any of them, or by adding other provisions, or by a combination of those methods).

90 The special item for the purposes of section 89

- (1) The item referred to in section 89(2) above is the special expense of the Metropolitan Police Authority.
- (2) For the purposes of subsection (1) above, the special expense of the Metropolitan Police Authority is the difference between—
- (a) the aggregate calculated (or last calculated) under subsection (4) of section 85 above in relation to the Metropolitan Police Authority, and

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- (b) the amount calculated (or last calculated) under subsection (5) of that section in relation to that Authority,
unless the aggregate referred to in paragraph (a) above does not exceed the aggregate referred to in paragraph (b) above, in which case the special expense is nil.
- (3) For the purposes of section 89 above, the special item relates to the part of Greater London which consists of the metropolitan police district.

91 Special items: amendments of section 46 of the 1992 Act

- (1) Section 46 of the Local Government Finance Act 1992 (special items for the purposes of section 45 of that Act) shall be amended as follows.
- (2) In subsection (2) (special expenses) paragraph (d) (which relates to inner London etc) shall cease to have effect.
- (3) In subsection (3) (areas to which special expenses relate) paragraph (d) (which relates to inner London etc) shall cease to have effect.
- (4) In subsection (4) (interpretation)—
 - (a) the definition of “inner London area”, and
 - (b) the words from “and any reference” to the end of the subsection (which relate to parts of Greater London),shall cease to have effect.

92 Calculation of tax for different valuation bands

- (1) Section 47 of the Local Government Finance Act 1992 (calculation of tax for different valuation bands) shall be amended as follows.
- (2) After subsection (1) (which contains a formula and definitions of the terms used in the formula) there shall be inserted—
 - “(1A) Where the precepting authority is the Greater London Authority, subsection (1) above shall have effect with the substitution of the following definition for the definition of A—
 - “A is the amount calculated (or last calculated) by the Greater London Authority for that year under section 88(2) of the Greater London Authority Act 1999 or, where section 89 of that Act applies, the amount calculated (or last calculated) by it for that year under subsection (3) of that section in relation to that category of dwellings;”.
- (3) After subsection (2) there shall be inserted—
 - “(3) Where the precepting authority is the Greater London Authority, subsection (2) above shall have effect with the substitution for the reference to section 45 above of a reference to section 89 of the Greater London Authority Act 1999”.

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93 Calculation of amount payable by each billing authority

(1) Section 48 of the Local Government Finance Act 1992 (calculation of amount payable by each billing authority) shall be amended as follows.

(2) In subsection (1) there shall be added at the end “; and—

(a) subsection (1A) below applies in relation to a precept issued by the Greater London Authority; and

(b) subsections (2) to (6) below apply in relation to a precept issued otherwise than by the Greater London Authority.”

(3) After subsection (1) there shall be inserted—

“(1A) Where an amount calculated (or last calculated) for the year under section 88(2) or 89(3) of the Greater London Authority Act 1999 applies to dwellings in the billing authority’s area, the amount payable by that authority shall be calculated by applying the formula—

$$C \times T$$

where—

C is the amount so calculated; and

T is the amount which, in relation to the billing authority, is determined for item T in section 33(1) above.”