

# GREATER LONDON AUTHORITY ACT 1999

---

## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### Part Iii: Financial Provisions

#### *Chapter Ii: Grants and Redistributed Non-Domestic Rates*

#### *Sections 100 and 101: Grants*

181. *Sections 100 and 101* create two new central government grants. Section 100 provides for the Secretary of State to pay to the Authority a general-purpose grant. It is at present envisaged that this grant would cover the majority of the costs of the Mayor and Assembly, with London council tax payers covering the remainder. The grant will be paid annually. The Secretary of State will consult the Mayor before settling the amount. It may be paid in instalments.
182. *Section 101* provides for the Secretary of State to pay to the Authority a grant which draws together existing streams of funding for transport in London: the GLA Transport Grant. This is to be an annual grant, payable in instalments. The amount of the grant will be determined after consultation by the Secretary of State with the Mayor.
183. *Subsection (2)* of section 101 provides that this grant is paid for the purposes of TfL, which include both the services it runs itself and the support it will provide to London borough councils. *Section 103(1)* compels the Mayor to pay GLA Transport Grant received from the Secretary of State directly to TfL. The grant is thus not available to the Mayor for spending on other purposes or for allocation to another functional body.

#### *Sections 102 and 103: Distribution of grants etc.*

184. *Sections 102 and 103* deal with the distribution of grants. The GLA will receive general grants on behalf of itself and the four functional bodies. These will include Revenue Support Grant, additional grant, relevant special grant, the general GLA grant, redistributed non-domestic rates, and income from the GLA precept. The GLA will have a duty to pay the functional bodies in instalments their share of the sums it receives in accordance with their budgets. The GLA must ensure that the amount and timing of instalments would allow a functional body to fulfil its functions, and will have a duty to pay the instalments punctually.
185. The GLA will also receive grants intended for a specific functional body (e.g. police grant) and will have to pay those grants to the relevant body forthwith.