



# Greater London Authority Act 1999

## 1999 CHAPTER 29

### PART III

#### FINANCIAL PROVISIONS

#### CHAPTER I

#### COUNCIL TAX

##### *Different categories of dwellings*

#### **81 Amounts for different categories of dwellings**

In section 30 of the Local Government Finance Act 1992 (amounts for different categories of dwellings) there shall be added at the end—

“(10) Where the major precepting authority in question is the Greater London Authority, subsections (2)(b) and (4) above shall have effect as if the references to sections 43 to 47 below were references to the appropriate Greater London provisions.

(11) In this section, “the appropriate Greater London provisions” means—

- (a) sections 85 to 90 of the Greater London Authority Act 1999 and section 47 below; or
- (b) in the case of calculations by way of substitute, sections 85, 86 and 88 to 90 of, and Schedule 7 to, that Act and section 47 below.”

*Precepts***82 Authority to be a major precepting authority**

- (1) Section 39 of the Local Government Finance Act 1992 (precepting and precepted authorities) shall be amended as follows.
- (2) In subsection (1) (major precepting authorities) after paragraph (a) there shall be inserted—
  - “(aa) the Greater London Authority;”.
- (3) Paragraphs (e) and (f) of that subsection (which relate to the London Fire and Civil Defence Authority and the Receiver for the Metropolitan Police District) shall cease to have effect.

**83 Issue of precepts**

In section 40 of the Local Government Finance Act 1992 (issue of precepts by major precepting authorities) there shall be added at the end—

- “(9) Where the precepting authority is the Greater London Authority, this section shall have effect with the following modifications—
  - (a) in subsection (2)(a), for the reference to sections 43 to 47 below there shall be substituted a reference to the appropriate Greater London provisions;
  - (b) in subsection (3), for the reference to sections 43 to 47 below there shall be substituted a reference to the appropriate Greater London provisions;
  - (c) in subsection (6), for the reference to item T in section 44(1) below there shall be substituted a reference to item T in section 88(2) of the Greater London Authority Act 1999; and
  - (d) also in subsection (6), for the reference to item TP in section 45(3) below there shall be substituted a reference to item TP2 in section 89(4) of that Act.
- (10) In this section, “the appropriate Greater London provisions” means—
  - (a) sections 85 to 90 of the Greater London Authority Act 1999 and section 47 below; or
  - (b) in the case of calculations by way of substitute, sections 85, 86 and 88 to 90 of, and Schedule 7 to, that Act and section 47 below.”

**84 Substituted precepts**

- (1) Section 42 of the Local Government Finance Act 1992 (substitute precepts) shall be amended as follows.
- (2) In subsection (1) (duty to issue substitute precepts on making of substitute calculations under certain provisions specified in paragraph (b)) in paragraph (b), after “section 51 below” there shall be inserted “or section 95 of the Greater London Authority Act 1999”.

*Budget requirements***85 Calculation of component and consolidated budget requirements**

- (1) Section 43 of the Local Government Finance Act 1992 shall not apply in relation to the Authority, and the following provisions of this section and section 86 below shall have effect in relation to the Authority in place of that section.
- (2) In relation to each financial year, the Authority shall make the calculations required by this section.
- (3) The Authority must, in the case of each constituent body, that is to say—
  - (a) the Authority, and
  - (b) each of the functional bodies,
 calculate the aggregates required by virtue of subsections (4) and (5) below.
- (4) The aggregate required by virtue of this subsection in the case of a constituent body is the aggregate of—
  - (a) the expenditure the Authority estimates the body will incur in the year in performing its functions and will charge to a revenue account for the year, other than expenditure which the Authority estimates will be so incurred in pursuance of regulations under section 99(3) of the 1988 Act;
  - (b) such allowance as the Authority estimates will be appropriate for contingencies in relation to expenditure to be charged to a revenue account for the year;
  - (c) the financial reserves which the Authority estimates it will be appropriate for the body to raise in the year for meeting the body's estimated future expenditure; and
  - (d) such of the body's financial reserves as are sufficient to meet so much of the amount estimated by the Authority to be a revenue account deficit of the body for any earlier financial year as has not already been provided for.
- (5) The aggregate required by virtue of this subsection in the case of a constituent body is the aggregate of—
  - (a) the sums which the Authority estimates will be payable to the body for the year and in respect of which amounts will be credited to a revenue account for the year, other than sums which the Authority estimates will be so payable—
    - (i) in respect of redistributed non-domestic rates, revenue support grant, additional grant, relevant special grant, police grant or general GLA grant;
    - (ii) in respect of any precept issued by the Authority; or
    - (iii) in pursuance of regulations under section 99(3) of the Local Government Finance Act 1988; and
  - (b) the amount of the body's financial reserves which the Authority estimates that the body will use in order to provide for the items mentioned in paragraphs (a) and (b) of subsection (4) above.
- (6) If, in the case of any constituent body, the aggregate calculated under subsection (4) above exceeds that calculated under subsection (5) above—
  - (a) the Authority must calculate the amount equal to the difference; and
  - (b) the amount so calculated shall be the body's component budget requirement for the year.

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- (7) If, in the case of any constituent body, the aggregate calculated under subsection (4) above does not exceed that calculated under subsection (5) above, the body's component budget requirement for the year shall be nil.
- (8) The Authority must also calculate the aggregate of the component budget requirements of each of the constituent bodies and that aggregate shall be the Authority's consolidated budget requirement for the year.
- (9) References in this section to expenditure incurred by a body shall be construed in accordance with section 41(3) of the Local Government and Housing Act 1989.

## **86 Provisions supplemental to section 85**

- (1) An amount must not be brought into account under subsection (4) or (5) of section 85 above in the application of the subsection in relation to the Authority as a constituent body if the amount (or an amount which represents it) falls to be brought into account under the same subsection in its application in relation to a functional body.
- (2) In estimating under subsection (4)(a) of section 85 above in the case of any constituent body other than the Metropolitan Police Authority, the Authority shall take into account the amount of any levy issued to the body for the year, but (except as provided by regulations under section 74 of the Local Government Finance Act 1988) shall not anticipate a levy not issued.
- (3) In estimating under subsection (4)(a) of section 85 above in the case of the Metropolitan Police Authority, the Authority shall take into account the amount of any levy issued to the Metropolitan Police Authority under section 17 or 62 of the Police Act 1997 (levies issued by the Service Authority for the National Criminal Intelligence Service and the Service Authority for the National Crime Squad) for the year, but (except as provided by an order under either of those sections) shall not anticipate a levy not issued.
- (4) For the purposes of subsection (4)(c) of section 85 above a body's estimated future expenditure is—
  - (a) that which the Authority estimates the body will incur in the financial year following the year in question, will charge to a revenue account for the year and will have to defray in the year before the following sums are sufficiently available, namely, sums—
    - (i) which will be payable to it for the year; and
    - (ii) in respect of which amounts will be credited to a revenue account for the year; and
  - (b) that which the Authority estimates the body will incur in the financial year referred to in paragraph (a) above or any subsequent financial year in performing its functions and which will be charged to a revenue account for that or any other year.
- (5) 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 subsection (4) or (5) of section 85 above (whether by adding, deleting or amending items);
  - (b) alter the rules governing the making of any calculation under subsection (4) or (5) of section 85 above (whether by deleting or amending subsections (2) to (4) above, or any of them, or by adding other provisions, or by a combination of those methods).

- (6) Subsection (9) of section 85 above applies for the purposes of this section as it applies for the purposes of that section.

## **87 Procedure for determining the budget requirements**

Schedule 6 to this Act (which contains procedural requirements for determining the component budget requirements and the consolidated budget requirement) shall have effect.

### *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—

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

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,
- (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.

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- (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—
- (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—

$$\frac{S2 - P2}{TP2}$$

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;

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;

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- (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
  - (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”.

## **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—

$C \times T$

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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.”

*Substitute calculations etc.*

#### **94 Substitute calculations under section 49 of the 1992 Act**

(1) Section 49 of the Local Government Finance Act 1992 (substitute calculations) shall be amended as follows.

(2) For subsection (1) (power to make substitute calculations) there shall be substituted—

“(1) A major precepting authority which has made calculations in relation to a financial year in accordance with—

- (a) sections 43 to 48 above (originally or by way of substitute),
- (b) sections 85 to 90 of the Greater London Authority Act 1999 and sections 47 and 48 above, or
- (c) sections 85, 86 and 88 to 90 of, and Schedule 7 to, that Act and sections 47 and 48 above (by way of substitute),

may make calculations in substitution in relation to the year in accordance with the relevant provisions.

(1A) For the purposes of subsection (1) above, the relevant provisions are—

- (a) in a case falling within paragraph (a), the provisions specified in that paragraph; and
- (b) in a case falling within paragraph (b) or (c), the provisions specified in paragraph (c).”

(3) In subsection (2) (cases where substitute calculations do not have effect)—

- (a) at the beginning of paragraph (a) there shall be inserted “in the case of a major precepting authority other than the Greater London Authority,”; and
- (b) after paragraph (a) there shall be inserted—

“(aa) in a case where the major precepting authority is the Greater London Authority—

- (i) the amount of any component budget requirement calculated under subsections (4) to (7) of section 85 of the Greater London Authority Act 1999,
- (ii) the amount calculated under subsection (8) of that section, or
- (iii) any amount calculated under section 88(2) or 89(3) of that Act as the basic amount of council tax applicable to any dwelling,

would exceed that so calculated in the previous calculations; or”.

- (c) in paragraph (b), after “fails to comply with subsection (3)” there shall be inserted “or (3A)”.

- (4) After subsection (3) (requirement to use previous values of T and TP) there shall be inserted—

“(3A) In making substitute calculations under section 88(2) or 89(3) of the Greater London Authority Act 1999, the authority must use any amount determined in the previous calculations for item P1 or T in section 88(2) of that Act or for item P2 or item TP2 in section 89(4) of that Act.”

- (5) After subsection (4) (permitted increases for the purposes of subsection (3)) there shall be inserted—

“(4A) For the purposes of subsection (3A) above, the authority may treat any amount determined in the previous calculations—

(a) for item P1 in section 88(2) of the Greater London Authority Act 1999, or

(b) for item P2 in section 89(4) of that Act,

as increased by the relevant portion of any new additional grant.

- (4B) For the purposes of subsection (4A) above, “the relevant portion of any new additional grant” means the amount of any additional grant payable to the authority for the year which was not taken into account by the authority in making the previous calculations, but—

(a) in the case of item P1, reduced, as may be prescribed, by such sum as the Secretary of State considers represents the portion of the amount which relates to defraying the special item in whole or in part; and

(b) in the case of item P2, restricted, as may be prescribed, to such sum as the Secretary of State considers represents the portion of the amount which relates to defraying the special item in whole or in part;

and “special item” has the same meaning in this subsection as in sections 88 and 89 of the Greater London Authority Act 1999 (see section 89(2) of that Act).

- (4C) In subsection (4B) above, “prescribed” means specified in, or determined in accordance with, either—

(a) the report under section 85 of the Local Government Finance Act 1988 relating to the amount of additional grant in question, or

(b) regulations made by the Secretary of State under section 88(3)(b) of the Greater London Authority Act 1999 (in relation to item P1) or under section 89(5)(b) of that Act (in relation to item P2),

as the Secretary of State may determine for the purposes of paragraph (a) or (b) of that subsection and any particular financial year or years.”

- (6) After subsection (5) (cases where previous calculations quashed for non-compliance with sections 43 to 48) there shall be inserted—

“(6) Subsections (2) and (3A) above shall not apply if the previous calculations have been quashed because of a failure to comply with the appropriate Greater London provisions in making the calculations.

- (7) For the purposes of subsection (6) above, “the appropriate Greater London provisions” means—

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- (a) in the case of calculations required to be made in accordance with sections 85 to 90 of the Greater London Authority Act 1999 and sections 47 and 48 above, those provisions; and
- (b) in the case of calculations required to be made in accordance with sections 85, 86 and 88 to 90 of, and Schedule 7 to, that Act and sections 47 and 48 above, those provisions.

(8) Where the major precepting authority is the Greater London Authority, any substitute calculations under this section shall be made in accordance with Schedule 7 to the Greater London Authority Act 1999.”

## **95 Minimum budget for Metropolitan Police Authority**

- (1) This section applies where the Authority—
  - (a) has made calculations in relation to a financial year in accordance with sections 85 to 90 above and sections 47 and 48 of the Local Government Finance Act 1992, or
  - (b) has made substitute calculations in relation to a financial year in accordance with sections 85, 86 and 88 to 90 above and Schedule 7 to this Act and sections 47 and 48 of that Act,
 but it appears to the Secretary of State that the Metropolitan Police Authority, in order to restore or maintain an efficient and effective police force for its area, requires a greater component budget requirement than that previously calculated under section 85 above.
- (2) Where this section applies, the Secretary of State may direct the Authority that there must be a component budget requirement for the Metropolitan Police Authority for the year which is not less than such amount as may be specified in the direction.
- (3) The amount specified in a direction under subsection (2) above shall be that which the Secretary of State considers the minimum necessary in order for the Metropolitan Police Authority to restore or maintain an efficient and effective police force for its area.
- (4) Where a direction is given under this section, the Authority shall make calculations in substitution in relation to that year under subsections (4) to (7) of section 85 above in relation to—
  - (a) the Metropolitan Police Authority alone; or
  - (b) the Metropolitan Police Authority and one or more other constituent bodies.
- (5) If the result of the substitute calculations is such that—
  - (a) there is an increase in the Authority’s consolidated budget requirement for the year, or
  - (b) there is no such increase, but the results of calculations in substitution made in accordance with sections 85, 86 and 88 to 90 above and Schedule 7 to this Act and sections 47 and 48 of the Local Government Finance Act 1992 would be different from the last relevant calculations in relation to the year,
 the Authority shall make calculations in substitution in relation to the year in accordance with those provisions.
- (6) In subsection (5) above, “the last relevant calculations” means the last calculations made by the Authority in relation to the year in accordance with—

- (a) sections 85 to 90 above and sections 47 and 48 of the Local Government Finance Act 1992, or
  - (b) sections 85, 86 and 88 to 90 above and Schedule 7 to this Act and sections 47 and 48 of that Act.
- (7) None of the substitute calculations shall have any effect if—
- (a) the amount calculated under section 85(6) or (7) above for the Metropolitan Police Authority is not in compliance with the direction; or
  - (b) there is an increase in the Authority's consolidated budget requirement for the year (as last calculated) which exceeds the minimum increase required to be made to the component budget requirement for the Metropolitan Police Authority (as last calculated for the year) to comply with the direction under subsection (2) above; or
  - (c) in making substitute calculations under section 88(2) or 89(3) above, the Authority fails to comply with subsection (8) below.
- (8) In making substitute calculations under section 88(2) or 89(3) above, the Authority must use any amount determined in the previous calculations for item P1 or T in section 88(2) above or for item P2 or item TP2 in section 89(4) above.
- (9) For the purposes of subsection (8) above, the Authority may treat any amount determined in the previous calculations for item P1 in section 88(2) above or item P2 in section 89(4) above as increased by the relevant portion of any new additional grant.
- (10) For the purposes of subsection (9) above, “the relevant portion of any new additional grant” means the amount of any additional grant payable to the Authority for the year which was not taken into account by the Authority in making the previous calculations, but—
- (a) in the case of item P1, reduced, as may be prescribed, by such sum as the Secretary of State considers represents the portion of the amount which relates to defraying the special item in whole or in part; and
  - (b) in the case of item P2, restricted, as may be prescribed, to such sum as the Secretary of State considers represents the portion of the amount which relates to defraying the special item in whole or in part;
- and “special item” has the same meaning in this subsection as in sections 88 and 89 above (see section 89(2)).
- (11) In subsection (10) above, “prescribed” means specified in, or determined in accordance with, either—
- (a) the report under section 85 of the Local Government Finance Act 1988 relating to the amount of additional grant in question, or
  - (b) regulations made by the Secretary of State under section 88(3)(b) above (in relation to item P1) or under section 89(5)(b) above (in relation to item P2),
- as the Secretary of State may determine for the purposes of paragraph (a) or (b) of that subsection and any particular financial year or years.
- (12) Subsections (7)(c) and (8) above shall not apply if the previous calculations have been quashed because of a failure to comply with the appropriate Greater London provisions in making the calculations.
- (13) For the purposes of subsection (12) above, “the appropriate Greater London provisions” means—

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- (a) in the case of calculations required to be made in accordance with sections 85 to 90 above and sections 47 and 48 of the Local Government Finance Act 1992, those provisions; and
- (b) in the case of calculations required to be made in accordance with sections 85, 86 and 88 to 90 above and Schedule 7 to this Act and sections 47 and 48 of that Act, those provisions.

(14) Any substitute calculations under this section shall be made in accordance with Schedule 7 to this Act.

## **96 Provisions supplemental to section 95**

- (1) The Authority must—
  - (a) make the substitute calculations required by section 95 above, and
  - (b) where applicable, issue any precepts in substitution required in consequence under section 42 of the Local Government Finance Act 1992,
 before the end of the period of 35 days beginning with the day on which it receives the direction under section 95 above.
- (2) If the Authority fails to comply with the requirements mentioned in paragraph (a) or (b) of subsection (1) above within the period mentioned in that subsection, any authority to which it has power to issue a precept shall have no power during the period of restriction to pay anything in respect of a precept issued by the Authority for the year.
- (3) For the purposes of subsection (2) above, the “period of restriction” is the period which—
  - (a) begins at the end of the period mentioned in subsection (1) above; and
  - (b) ends at the time (if any) when the Authority complies with the requirements mentioned in paragraphs (a) and (b) of subsection (1) above.
- (4) The following provisions of this section apply in relation to substitute calculations other than those made pursuant to section 95 above.
- (5) Subject to variation or revocation, a direction under section 95 above shall have effect in relation to any substitute calculations made under any enactment by the Authority—
  - (a) in accordance with sections 85, 86 and 88 to 90 above and Schedule 7 to this Act and sections 47 and 48 of the Local Government Finance Act 1992;
  - (b) in relation to the year to which the direction relates; and
  - (c) at any time after the giving of the direction.
- (6) Where a direction under section 95 above has effect in relation to any substitute calculations by virtue of subsection (5) above, none of the calculations shall have any effect if the amount calculated under section 85(6) above for the Metropolitan Police Authority is not in compliance with the direction.

## **97 Emergencies and disasters**

- (1) Where—
  - (a) the Authority has made calculations in accordance with subsections (4) to (7) of section 85 above (whether originally or by way of substitute), and

- (b) the Mayor is of the opinion that, because of an emergency or disaster involving destruction of or danger to life or property, it is appropriate to recalculate any component budget requirements,  
the Authority may make calculations in substitution in relation to the year in accordance with those subsections.
- (2) None of the substitute calculations shall have any effect if they involve—
  - (a) any change in the sums paid or to be paid to any of the functional bodies otherwise than out of the aggregate specified in subsection (2) of section 102 below; or
  - (b) any change in the Authority's consolidated budget requirement for the year.
- (3) Any substitute calculations under this section shall be made in accordance with Schedule 7 to this Act.

## **98 Procedure for making substitute calculations**

Schedule 7 to this Act (which contains procedural requirements for the making of substitute calculations by the Authority) shall have effect.

### *Supplementary*

## **99 Interpretation of Chapter I**

In this Part—

“component budget requirement” has the meaning given in section 85(6) above;

“consolidated budget requirement” has the meaning given in section 85(8) above;

“constituent body” has the meaning given in section 85(3) above;

“local government finance report” means such a report under section 78A of the Local Government Finance Act 1988;

“police grant” has the meaning given by section 32(12) of the Local Government Finance Act 1992;

“relevant special grant” has the meaning given by section 32(12) of the Local Government Finance Act 1992.