

LOCALISM ACT 2011

EXPLANATORY NOTES

COMMENTARY

Part 5: Community Empowerment

Chapter 1: Council Tax

Section 77 – Calculation of basic amount of council tax by the Greater London Authority

207. *Section 77* makes amendments to sections 88 and 89 of the Greater London Authority Act 1999 and the way in which the Greater London Authority calculates its basic amounts of tax under those sections. These amendments are consequential to the amendments made by section 76 of the Localism Act.
208. The Metropolitan Police Authority (currently) exercises functions in relation to the metropolitan police district. That area constitutes part only of the Greater London Authority's area and as a result the Greater London Authority is required to calculate two basic amounts of council tax-
- a basic amount (calculated under section 88 of the Greater London Authority Act 1999) for that part of its area which is outside the metropolitan police district, and
 - a basic amount (calculated under section 89 of the Greater London Authority Act 1999) for that part of its area which is within the metropolitan police district.
209. As previously drafted the basic amount calculated under section 88 of the Greater London Authority Act 1999 does not include the component budget requirement of the Metropolitan Police Authority, whereas that calculated under section 89 of that Act does.
210. In addition, the Greater London Authority Act 1999 enables the Secretary of State to prescribe amounts in relation to certain grants which represent the portion of those grants which relate to defraying the Metropolitan Police Authority's budget requirement in whole or in part (see items P1 and P2 in sections 88(2) and 89(4) of that Act). In other words, the Secretary of State is able to prescribe amounts of grant which the Greater London Authority must allocate to the Metropolitan Police Authority.
211. The amendments to section 88 of the Greater London Authority Act 1999 (see section 77(1) to (5) of the Localism Act) alter the way in which the basic amount of council tax is calculated under that section. The basic amount of council tax under section 88 is calculated by dividing the Greater London Authority's consolidated council tax requirement by the Greater London Authority's council tax base for the whole of its area. However, the council tax requirement of the Mayor's Office for Policing and Crime¹ is excluded from the calculation (see generally new subsection (2) of section 88 of the Greater London Authority Act 1999).

¹ As mentioned above, the Metropolitan Police Authority is to be replaced by the Mayor's Office for Policing and Crime.

*These notes refer to the Localism Act 2011 (c.20)
which received Royal Assent on 15 November 2011*

212. The amendments to section 89 of the Greater London Authority Act 1999 (see section 77(6) to (9) of the Localism Act) also alter the way in which the basic amount of council tax is calculated under that section. What in effect is the basic amount of council tax payable in respect of the Mayor's Office for Policing and Crime is calculated by dividing the council tax requirement for that body by the council tax base for the metropolitan police area (see generally new subsection (4) of section 89 of the Greater London Authority Act 1999).
213. As part of the amendments made by sections 76 and 77 of the Localism Act, items P1 and P2 are omitted from sections 88 and 89 of the Greater London Authority Act 1999 and replaced by new subsections (4D) to (4F) of section 86 of that Act. These new subsections will play a similar role in relation to the calculations for the Mayor's Office for Policing and Crime as items P1 and P2 currently play in relation to the calculations for the Metropolitan Police Authority.