EXPLANATORY MEMORANDUM TO

THE GREATER LONDON AUTHORITY (CONSOLIDATED COUNCIL TAX REQUIREMENT PROCEDURE) REGULATIONS 2012

2012 No. 15

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 Under the Greater London Authority Act 1999 ("the GLA Act") each financial year the Greater London Authority ("the GLA") is required to calculate component council tax requirements[1] for each of the constituent bodies[2] and a consolidated budget for the GLA as a whole.

2.2 The procedure by which these amounts are determined is set out in Schedule 6 to the GLA Act ("Schedule 6"). As part of that procedure the Mayor must prepare and present a draft consolidated budget to the Assembly on or before 1st February in the financial year preceding that to which the draft consolidated budget relates.

2.3 These Regulations modify Schedule 6 so that in relation to the financial year beginning on 1st April 2012 ("2012-13") the Mayor must prepare and present a draft consolidated budget to the Assembly on or before 11th February 2012.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Context

[1] The Localism Act 2011 amended both the Local Government Finance Act 1992 and the GLA Act so that when calculating their council tax for a financial year billing and precepting authorities in England prepare a council tax requirement rather than a budget requirement.

[2] The constituent bodies are the Mayor, the Assembly and the functional bodies (section 85(3) of the GLA Act). The functional bodies are Transport for London, the London Development Agency, the Metropolitan Police Authority and the London Fire and Emergency Planning Authority (section 424(1) of the GLA Act). From a date yet to be appointed, the Metropolitan Police Authority will be replaced by the Mayor's Office for Policing and Crime as a functional body (see section 3(9) of the Police Reform and Social Responsibility Act 2011).

4.1 Each financial year section 85 of the GLA Act requires the GLA to calculate component and consolidated council tax requirements. The procedure by which these amounts are determined is set out in Schedule 6[3].

4.2 The first stage of the procedure is for the Mayor, having consulted the Assembly and the functional bodies about their relevant component budgets, to draw up a draft consolidated budget (paragraph 2 of Schedule 6). The Mayor will then consult the Assembly about the draft consolidated budget before presenting it to the Assembly at a public meeting on or before 1st February (paragraph 3 of Schedule 6). The Assembly may approve this draft, or may amend it before returning it to the Mayor (paragraph 5 of Schedule 6).

4.3 The Mayor must then prepare a final draft consolidated budget and present it to the Assembly at a public meeting before the end of February (paragraphs 6 and 8 of Schedule 6). If the final draft does not include the amendments which the Assembly made to the first draft, the Mayor must give reasons. The Assembly must either approve the final draft consolidated budget or amend it.

4.4 If the Mayor fails to present a draft consolidated budget on or before 1st February, or a final draft budget before the last day of February, the Assembly will determine the GLA's budget (paragraphs 4 and 7 of Schedule 6).

4.5 The Secretary of State is able to change the 1st February date by regulations (paragraph 10 of Schedule 6). This power was taken in the GLA Act so that any delay to the Local Government Finance Settlement can be accommodated within the procedure set out in Schedule 6 (paragraph 166 of the Explanatory Notes to the GLA Act).

5. Territorial Extent and Application

5.1 This instrument applies in relation to England only.

6. European Convention on Human Rights

6.1 Baroness Hanham, Parliamentary Under Secretary of State at the Department for Communities and Local Government has made the following statement regarding Human Rights:

"In my view the provisions of the Greater London Authority (Consolidated Council Tax Requirement Procedure) Regulations 2012 are compatible with the Convention rights."

7. Policy background

[3] Schedule 6 has been amended by the Localism Act 2011 to reflect the introduction of both council tax referendums and the calculation of council tax requirements (see paragraph 37 of Schedule 6, and paragraph 40 of Schedule 7, to the Localism Act 2011).

- What is being done and why

7.1 The policy objectives of section 85 of, and Schedule 6 to, the GLA Act are to ensure that the component council tax requirements of the constituent bodies and the consolidated council tax requirement of the GLA are properly calculated and fully debated by the Assembly.

7.2 Normally the details of the Local Government Finance Settlement are available in sufficient time to enable the Mayor to prepare and present a draft consolidated budget to the Assembly on or before 1st February in the financial year preceding that to which the draft consolidated budget relates. However, in relation to 2012-13 the details of the Local Government Finance Settlement will be available later than usual.

7.3 Consequently, in relation to 2012-13 the Secretary of State has substituted 11th February for the 1st February date which would otherwise apply. This later date will ensure that the procedure in Schedule 6 operates as intended; namely, that the Mayor has time to prepare and present a draft consolidated budget to the Assembly, and that the Assembly is able fully to consider this draft consolidated budget.

- Consolidation

7.4 The Regulations only apply in relation to the financial year beginning on 1st April 2012. Consolidation is not, therefore, a relevant issue.

8. Consultation outcome

8.1 The Department has contacted the GLA about its plans for presenting and finalising a draft consolidated budget for 2012-13. The 11th February date is consistent with the GLA's plans for that year.

9. Guidance

9.1 The Secretary of State has no plans to issue any guidance about these Regulations.

10. Impact

10.1 The impact on business, charities or voluntary bodies is nil.

10.2 The impact on the public sector is as follows:

In relation to 2012-13, the date on or before which the Mayor must prepare and present a draft consolidated budget to the Assembly has been modified from 1st February 2012 to 11th February 2012.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 Since the Regulations only apply in relation to the financial year 2011-12, there are no plans to undertake a formal review of the Regulations.

13. Contact

Andrew Lock at the Department for Communities and Local Government Tel: 0303 444 2137 or email: andrew.lock@communities.gsi.gov.uk can answer any queries regarding the instrument.