EXPLANATORY MEMORANDUM TO

THE GREATER LONDON AUTHORITY (CONSOLIDATED COUNCIL TAX REQUIREMENT PROCEDURE) REGULATIONS 2016

2016 No. 1248

1. Introduction

1.1 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 2017 ("2017-18") the Mayor must prepare and present a draft consolidated budget to the Assembly on or before 15th February.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

Other matters of interest to the House of Commons

3.2 As this instrument is subject to the negative procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

4. Legislative Context

4.1 In relation to 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].

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[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, Mayoral Development Corporations, the Mayor's Office for Policing and Crime and the London Fire and Emergency Planning Authority (section 424(1) of the GLA Act).

[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

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. Extent and Territorial Application

5.1 The extent of this instrument is England, Wales and Scotland.

5.2 This instrument applies in relation to England only.

6. European Convention on Human Rights

6.1 The Minister for Local Government, Marcus Jones, has made the following statement regarding Human Rights:

"In my view the provisions of the Greater London Authority (Consolidated Council Tax Requirement Procedure) Regulations 2016 are compatible with the Convention rights."

7. Policy background

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 In relation to 2017-18 the details of the Local Government Finance Settlement will be available too late for the Mayor to prepare and present a draft consolidated budget to the Assembly by the date required in the legislation. The consultation on the provisional settlement, which goes to all local authorities including the GLA and London boroughs, is not expected to end until mid-January and the final settlement will not be presented to the House of Commons for approval until early February. As

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paragraph 40 of Schedule 7, to the Localism Act 2011).

a result, it would not be possible for the Mayor to prepare and present a draft consolidated budget to the Assembly in line with the timeframe for doing this as set out in the legislation.

7.3 Consequently, in relation to 2017-18 the Secretary of State has substituted 15th 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.

7.4 Similar modifications have been made to the draft consolidated budget deadline in the previous four financial years.

Consolidation

7.5 These Regulations only apply in relation to the financial year beginning on 1st April 2017. 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 2017-18. The 15th February date is consistent with the GLA's plans for that year. As is always the case London borough councils need to know the level of the GLA precept before they send out council tax bills, but since there is no change to the final deadline for the GLA to set their precept there is no effect on London borough councils.

9. Guidance

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

10. Impact

10.1 There is no impact on business, charities or voluntary bodies.

The impact on the public sector is as follows:

In relation to 2017-18, 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 2017 to 15th February 2017.

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

11. Regulating small business

11.1 The legislation does not apply to activities that are undertaken by small businesses.

11.2 The Regulations do not include a review provision under section 28 of the Small Business, Enterprise and Employment Act 2015 because the Regulations do not make any regulatory provision in relation to a qualifying activity carried on by business or voluntary and community bodies.

12. Monitoring & review

12.1 Since the Regulations only apply in relation to the financial year 2017-18, there are no plans to undertake a formal review of the Regulations.

13. Contact

13.1 Charles Coleman at the Department for Communities and Local Government telephone: 0303 444 1839 or email: charles.coleman@communties.gsi.gov.uk can answer any queries regarding the instrument.