EXPLANATORY MEMORANDUM TO

THE GREATER LONDON AUTHORITY (CONSOLIDATED COUNCIL TAX REQUIREMENT PROCEDURE) REGULATIONS 2020

2020 No. 1206

1. Introduction

1.1 This explanatory memorandum has been prepared by the Ministry of Housing, 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 London 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 2021 ("2021-22") 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.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

4.1 The territorial extent of this instrument is England and Wales and Scotland.

4.2 This instrument applies in relation to England only.

[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 Commissioner (section 424(1) of the GLA Act).

5. European Convention on Human Rights

5.1 The Parliamentary Under Secretary of State (Minister for Regional Growth and Local Government) Luke Hall, has made the following statement regarding Human Rights:

"In my view the provisions of the Greater London Authority (Consolidated Council Tax Requirement Procedure) Regulations 2020 are compatible with the Convention rights."

6. Legislative Context

6.1 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].

6.2 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).

6.3 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.

6.4 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).

6.5 The Secretary of State is able to change the 1st February date by regulations (paragraph 10 of Schedule 6). The GLA Act provides this power so that a later Local Government Finance Settlement can be accommodated (paragraph 166 of the Explanatory Notes to the GLA Act).

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 2021-22 the details of the Local Government Finance Settlement may 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 final Local Government Finance Settlement is not expected to be presented to the House of Commons before late January. As a result, it will not be possible for the Mayor to prepare and present a

[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).

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 2021-21 the Secretary of State has substituted 15th February for the 1st February date which would otherwise apply. This later date is intended to 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.

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

8.1 This instrument does not relate to withdrawal from the European Union.

9. Consolidation

9.1 These Regulations only apply in relation to the financial year beginning on 1st April 2021. Consolidation is not, therefore, a relevant issue.

10. Consultation outcome

10.1 The Department has contacted the GLA about its plans for presenting and finalising a draft consolidated budget for 2021-22. 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 its precept there is no effect on London borough councils.

11. Guidance

11.1 No guidance is needed as the Regulations make a technical update which imposes no new obligations.

12. Impact

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

12.2 The impact on the public sector is as follows:

In relation to 2021-22, 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 2021 to 15th February 2021.

12.3 An Impact Assessment has not been produced as this instrument concerns a technical change only.

13. Regulating small business

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

14. Monitoring & review

14.1 Since the Regulations only apply in relation to the financial year 2021-22, there are no plans to undertake a formal review of the Regulations.

15. Contact

15.1 William King at the Ministry of Housing, Communities and Local Government Telephone: 03034443536 or email: William.king@communities.gov.uk can be contacted with any queries regarding the instrument.

15.2 Stuart Hoggan, Deputy Director for Local Government Finance, at the Ministry of Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.

15.3 Minister Luke Hall, at the Ministry of Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.