EXPLANATORY MEMORANDUM TO

THE GREATER LONDON AUTHORITY (CONSOLIDATED COUNCIL TAX REQUIREMENT PROCEDURE) REGULATIONS 2025

2025 No. 1238

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 His Majesty.

2. Declaration

2.1 Alison McGovern MP, Minister of State (Local Government and Homelessness), at the Ministry for Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.

2.2 Elsa Esberger, Deputy Director for Local Government Funding Strategy, at the Ministry for Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Ellie Staines at the Ministry for Housing, Communities and Local Government (email: eleanor.staines@communities.gov.uk) can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This Statutory Instrument modifies the date by which the Mayor of London must present a draft consolidated budget to the London Assembly. This change has been made to prevent the Mayor from failing to meet this requirement in 2026 as a result of a later agreement of the 2026-27 Local Government Finance Settlement. The final Local Government Finance Settlement is not expected to be presented to the House of Commons for approval until early-February 2026.

Where does the legislation extend to, and apply?

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales and Scotland.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England only.

5. Policy Context

What is being done and why?

5.1 The Greater London Authority ("the GLA") is formed of constituent bodies who each have a role in the governance of London. The Mayor provides City-wide leadership, the Assembly ensures that the Mayor's policies, actions and strategies are in the public interest, and the functional bodies (Transport for London, Mayoral Development

Corporations, the Mayor's Office for Policing and Crime, the London Fire and Emergency Planning Authority, and the London Fire Commissioner) deliver specific services.

5.2 The GLA is funded by the Local Government Finance Settlement – monies agreed by Parliament – and by council tax. The GLA places a precept on council tax that is collected by the London Boroughs. Each financial year, a budget must be agreed. This must include component council tax requirements for each of the constituent bodies and a consolidated budget for the GLA as a whole. The procedures that apply to the budget process are designed to ensure that 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.

5.3 The consultation on the provisional Local Government Finance Settlement for the financial year beginning on 1 April 2026 ("2026-27"), which goes to all local authorities including the GLA and London Boroughs, is not expected to end until mid-January 2026 and the final Local Government Finance Settlement is not expected to be presented to the House of Commons for approval until early-February 2026.

5.4 Consequently, these Regulations modify the budget setting procedures of the GLA as set out in Schedule 6 to the Greater London Authority Act 1999 ("the GLA Act") so that in relation to 2026-27, the Mayor must prepare and present a draft consolidated budget to the Assembly on or before 15 February 2026, rather than 1 February 2026, the date otherwise specified in the legislation. In short, these Regulations provide that the Mayor has adequate time to prepare and present a draft consolidated budget to the Assembly for 2026-27, and that the Assembly has adequate time to fully consider the draft consolidated budget.

What was the previous policy, how is this different?

5.5 The GLA Act requires the Mayor to present a draft consolidated budget to the Assembly on or before 1 February each year. These Regulations change this deadline to 15 February in respect of the draft consolidated budget for 2026-27. Similar regulations have been laid in respect of the draft consolidated budget for each financial year since 2012-13.

6. Legislative and Legal Context

How has the law changed?

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[1].

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 1 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).

[1] 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).

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 1 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 modify the 1 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).

Why was this approach taken to change the law?

6.6 This is the mechanism provided by the GLA Act to allow the Mayor to present a draft consolidated budget to the Assembly having taken account of a later final Local Government Finance Settlement.

7. Consultation

Summary of consultation outcome and methodology

7.1 The Department has consulted the GLA about its plans for presenting and finalising a draft consolidated budget for 2026-27, who have confirmed that a revised deadline of 15 February is consistent with their plans for that year. As is always the case, London Boroughs 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 (1 March) there is no effect on London Boroughs.

8. Applicable Guidance

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

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because the impact is limited to the GLA who have been consulted and agree with the change being made by this instrument.

Impact on businesses, charities and voluntary bodies

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

9.3 The legislation does not impact small or micro businesses.

9.4 The impact on the public sector is limited to the GLA. For 2026-27, the date on or before which the Mayor must prepare and present a draft consolidated budget to the Assembly has been modified from 1 February 2026 to 15 February 2026.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 Since the Regulations only apply in relation to the financial year 2026-27, there are no plans to undertake monitoring of this legislation.

10.2 The instrument does not include a statutory review clause because the Regulations only apply in relation to the financial year 2026-27 and do not contain regulatory provision.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 The Minister of State (Local Government and Homelessness), Alison McGovern MP, has made the following statement regarding Human Rights:

"In my view the provisions of the Greater London Authority (Consolidated Council Tax Requirement Procedure) Regulations 2025 are compatible with the Convention rights."

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform Act 2023 ("relevant European Union Acts").