



Cities and Local Government Devolution Act 2016

2016 CHAPTER 1

Mayoral combined authorities

5 Financial matters

- (1) In section 39 of the Local Government Finance Act 1992 (precepting and precepted authorities), in subsection (1) after paragraph (aa) insert—

“(ab) a mayoral combined authority, as defined by section 107A(8) of the Local Democracy, Economic Development and Construction Act 2009;”.

- (2) In section 40 of that Act (issue of precepts by major precepting authorities), after subsection (10) insert—

“(11) Where the precepting authority is a mayoral combined authority—

- (a) a precept may be issued under this section only in relation to expenditure incurred by the mayor for the authority's area in, or in connection with, the exercise of mayoral functions (as defined by section 107G(7) of the Local Democracy, Economic Development and Construction Act 2009), and
- (b) the issuing and calculation of a precept under this Chapter is subject to any provision made in an order under that section.”

- (3) After section 107F of the Local Democracy, Economic Development and Construction Act 2009 (inserted by section 4 above) insert—

“107G Mayors for combined authority areas: financial matters

- (1) The Secretary of State may by order make provision for the costs of a mayor for the area of a combined authority that are incurred in, or in connection with, the exercise of mayoral functions to be met from precepts issued by the authority under section 40 of the Local Government Finance Act 1992.

Changes to legislation: There are currently no known outstanding effects for the Cities and Local Government Devolution Act 2016, Section 5. (See end of Document for details)

- (2) The function of issuing precepts under Chapter 4 of Part 1 of the Local Government Finance Act 1992 in respect of mayoral functions is to be a function exercisable only by the mayor acting on behalf of the combined authority.
- (3) The Secretary of State may by order modify the application of Chapter 4 or 4ZA of Part 1 of the Local Government Finance Act 1992 so far as applying to cases where the precepting authority in question under that Chapter is a mayoral combined authority.
- (4) Where the mayoral functions of a mayor include PCC functions—
 - (a) the provision made by virtue of subsection (3) must include provision to ensure that the council tax requirement calculated under section 42A of the Local Government Finance Act 1992 consists of separate components in respect of the mayor's PCC functions and the mayor's general functions, and
 - (b) the function of calculating the component in respect of the mayor's PCC functions is itself to be treated as a PCC function for the purposes of this Part.
- (5) The Secretary of State may by order make provision—
 - (a) requiring the mayor to maintain a fund in relation to receipts arising, and liabilities incurred, in the exercise of general functions;
 - (b) about the preparation of an annual budget in relation to the exercise of general functions.

(For power to make corresponding provision in relation to PCC functions, see paragraph 6 of Schedule 5C.)
- (6) Provision under subsection (5)(b) may in particular include provision for—
 - (a) the mayor to prepare a draft budget;
 - (b) the draft to be scrutinised by—
 - (i) the other members of the combined authority, and
 - (ii) a committee of the authority appointed in accordance with paragraph 1(1) of Schedule 5A;
 - (c) the making of changes to the draft as a result of such scrutiny;
 - (d) the approval of the draft by the combined authority (including a power to veto the draft in circumstances specified in the order and the consequences of any such veto);
 - (e) the basis on which such approval is to be given.
- (7) In this section “mayoral functions”, in relation to a mayor, means—
 - (a) the mayor's general functions, and
 - (b) if the mayor exercises PCC functions, the mayor's PCC functions.”

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