

GREATER LONDON AUTHORITY ACT 2007

EXPLANATORY NOTES

COMMENTARY

Part 1: General Functions of the Authority

Payments on loss of office

Section 1: Payments on ceasing to hold office as Mayor or Assembly member

22. *Section 1* inserts into the GLA Act 1999 a new section 26A. Sections 24 to 26 of the 1999 Act provide for the Mayor and Assembly members to be paid salaries and expenses and to establish a pension scheme. The new section enables the Authority to establish and administer schemes allowing for a Mayor or Assembly member to receive a payment on ceasing to hold office. A scheme may be set up if the Mayor and Assembly, acting jointly, decide to establish one.
23. The Assembly is required to include in its standing orders provision for publishing each determination made in relation to a scheme set up under this section.

The Mayor's strategies

Section 2: Consultation

24. The GLA Act 1999 requires the Mayor to produce a number of strategies, and to carry out consultations in preparing or revising them. The Mayor consults in the first instance the Assembly and the four functional bodies before consulting more widely.
25. *Section 2* inserts into the GLA Act 1999 a new section 42A. It requires the Mayor to have regard to any comments submitted to him by the Assembly or any of the functional bodies in response to consultation on his strategies. The Mayor shall also respond in writing to the Chair of the Assembly setting out which of the Assembly's comments he accepts for implementation in the strategy and, where he has not accepted a comment, giving the reasons why.

The Assembly

Section 3: The Mayor's periodic report to the Assembly

26. Section 45 of the GLA Act 1999 requires the Mayor to make a report to the Assembly at least three clear working days before each of the ten 'monthly' meetings the Assembly must hold each year.
27. *Section 3* amends section 45 to require the Mayor to submit his report to the Assembly at least five clear working days before each Assembly meeting.

Section 4 & Schedule 1: Confirmation hearings etc for certain appointments by the Mayor

28. **Section 4** inserts into the GLA Act 1999 a new section 60A which lists the offices to which confirmation hearings will apply. They are:

- chairman, or deputy chairman, of Transport for London
- chairman, or deputy chairman, of the London Development Agency
- chairman, or vice chairman, of the Metropolitan Police Authority
- chairman of the London Fire and Emergency Planning Authority
- chair of the Culture Strategy Group for London
- chairman, or deputy chairman, of the London Pensions Fund Authority

The Secretary of State may by order amend that list, and must consult the Mayor and the Assembly before making an order.

29. **Schedule 1** sets out a new Schedule 4A to the GLA Act 1999 which provides for the Assembly to hold confirmation hearings for appointments to the offices mentioned above. The Mayor must not make any of the above appointments until the confirmation hearing process has ended. He must notify the name and details of the proposed appointee to the Assembly and they may call that person before them. The Assembly must notify the Mayor stating whether it recommends the proposed appointee or not. The Mayor need not accept the recommendation.

Section 5: Power to require attendance at Assembly meetings: time limits

30. Section 61 of the GLA Act 1999 contains powers for the Assembly to summon certain categories of people to give evidence at its meetings and to produce documents e.g. a person who is a senior member of staff of the Authority, the chairman or a member of the board or a senior member of staff of one of the functional bodies, or a person who has a contractual relationship with the Authority. The Authority may summon such a person up to 3 years after the end of their period in office, contractual relationship, etc.
31. **Section 5** amends section 61 to extend the period during which the Assembly may summon a person from 3 years to 8 years.

Section 6: Annual report by the Assembly

32. This section inserts into the GLA Act 1999 a new section 65A. It requires the Assembly to prepare an annual report on its work and achievements during the year. The Assembly must send the report to the Mayor before publishing it.

Officers and staff

Sections 7 to 11: Officers and staff

33. **Sections 67 to 73** and section 127 of the GLA Act 1999 provide for the appointment of employees of the Authority.
34. Under the provisions of section 67(1)(a) and (b) the Mayor is able to appoint two political advisers and not more than 10 other members of staff. Under the provisions of section 67(2) the Assembly appoints all other staff, following consultation with the Mayor.
35. **Section 7** replaces section 67(2) so as to provide for the Authority's staff to be appointed by the Authority's Head of Paid Service, except for the appointments of the Head of Paid Service himself, the Monitoring Officer and the Chief Finance Officer. The Head of Paid Service must consult the Mayor and Assembly before making appointments,

and must have regard to available resources and the priorities of the Authority in making them. The section also amends section 70(2) of the GLA Act 1999 to provide for the Head of Paid Service to set the terms and conditions of those staff he appoints after consulting the Mayor and Assembly. The appointments, and terms and conditions, of the Authority's existing staff have effect as if they had been appointed or set by the Head of Paid Service.

36. [Section 8](#) amends section 72 of the GLA Act 1999. Under the provisions of that section as amended, the Mayor and Assembly acting jointly will appoint the Authority's Head of Paid Service, and set his terms and conditions. *Subsection (6)* inserts into section 72 of the 1999 Act a new subsection (11) which allows the Head of Paid Service to delegate to a member of staff of the Authority (other than a member of staff appointed under section 67(1)) his functions of making appointments and setting terms and conditions.
37. [Section 9](#) amends section 73 of the GLA Act 1999 to require the Mayor and Assembly, acting jointly, to appoint the Authority's Monitoring Officer and set his terms and conditions.
38. [Section 10](#) amends section 127 of the GLA Act 1999 and inserts a new section 127A to make similar provision with respect to the Authority's Chief Finance Officer.

The annual budget

Sections 12 to 16: The annual budget

39. Part 3 of the GLA Act 1999 makes provision about the budget of the Authority. The Authority does not raise council tax directly from individual council taxpayers, but the 1999 Act instead requires each London borough council to raise a certain amount (the "precept") from council taxpayers in its area. The 1999 Act sets out rules which the Authority must follow in calculating its consolidated annual budget requirement. For each constituent body, that is the Authority and each of the four functional bodies, the Authority must calculate the component budget requirement – the difference between the sum of expenditure items and the sum of income items as described in the 1999 Act. The Authority must then calculate the consolidated budget requirement by adding together the component budget requirements of each of the constituent bodies. The Mayor must present the consolidated budget in draft to the Assembly, which may amend the budget.
40. [Section 12](#) amends section 85 of the GLA Act 1999 to provide for separate component budget requirements for the Assembly and the Mayor. The Assembly's component budget requirement is the requirement in relation to the Assembly's functions, including in particular estimates of expenditure, allowance for contingencies and use of reserves, in respect of Assembly members and staff; goods and services procured solely for the purposes of the Assembly; and in relation to the London Transport Users' Committee. The Mayor's component budget requirement is everything else which would otherwise make up the Authority's component budget requirement.
41. [Section 13](#) amends Schedule 6 to the GLA Act 1999 to include the separate component budget requirements for the Assembly and the Mayor in the procedure for determining the Authority's consolidated budget requirement. Schedule 6 provides for the Assembly to be able to amend the draft consolidated budget, and the draft component budgets comprised in it, by a simple majority of the Assembly members voting, and the final draft consolidated budget by at least a two-thirds majority.
42. *Subsections (5) and (7)* insert into Schedule 6 new paragraphs 5A and 8A respectively, limiting the Assembly's powers to increase its own component budget requirement by amendment. The Assembly may not amend its own component budget requirement so that its annual percentage increase is greater than the annual percentage increase in the Mayor's component budget requirement. In order to deal with unusual one-off payments, the Authority's Chief Finance Officer may direct that specified amounts are

to be left out of the budget requirement calculations for the purpose of determining this limit. The Secretary of State may give guidance to the Chief Finance Officer with respect to his exercise of the power.

43. [Section 14](#) amends Schedule 7 to the GLA Act 1999 to make similar changes to the procedures for carrying out substitute budget calculations by the Authority.
44. [Section 15](#) provides for amounts to be designated as the component budget requirements of the Assembly and the Mayor for the financial year preceding the first financial year in which the new arrangements are to operate. The designation is needed so that the limit on the amount by which the Assembly's component budget requirement may be increased by Assembly amendments in the first year of operation of the new provisions can be calculated. *Subsection (4)* requires the Authority's Chief Finance Officer to make the designation by 31 December of the year preceding the first financial year in which the new arrangements operate. He must consult the Mayor and Assembly before making the designation.
45. Schedule 4 to the GLA Act 1999 provides for the Deputy Mayor to be able to exercise functions of the Mayor where the Mayor is unable to do so. At present this provision does not cover the Mayor's functions under Schedules 6 and 7 in relation to the setting of the Authority's budget. So if the Mayor is temporarily unavailable, the Assembly must set the budget as if the Mayor had failed to exercise his functions. Section 16 changes this by providing that the Deputy Mayor may exercise the Mayor's budget-setting functions if the Mayor is temporarily unable to act.