

**EXPLANATORY MEMORANDUM TO  
THE GREATER LONDON AUTHORITY (SPECIFIED ACTIVITIES)  
ORDER 2013**

**2013 No. 973**

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 To specify activities which the Greater London Authority (the GLA) may carry on for a commercial purpose only if done through a taxable body.
3. **Matters of special interest to the Joint Committee on Statutory Instruments**
  - 3.1 None
4. **Legislative Context**
  - 4.1 This Order is made under section 34A of the Greater London Authority Act 1999 (as inserted by section 224 of the Localism Act 2011). Section 34A states that the GLA may carry on specified activities for a commercial purpose only via a taxable body. It states that the body must either be a subsidiary company of the GLA or, for activities authorised to be carried out on behalf of the GLA, through certain other types of taxable body specified in section 34A. Subsection 4 of section 34A states that “specified activity” means an activity specified in an order made by the Secretary of State with the consent of the Treasury.
5. **Territorial Extent and Application**
  - 5.1 This instrument applies to England.
6. **European Convention on Human Rights**

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.
7. **Policy background**
  - What is being done and why
  - 7.1 These changes are necessary because, through the Localism Act 2011 and subsequent transfer schemes, the GLA now has a wide range of assets (as well as rights and liabilities) which were used by the Homes and Communities Agency (the HCA), the London Development Agency (the LDA) and the

London Thames Gateway Development Corporation (the LTGDC) for commercial activities: (a) assets in London of the HCA, (b) the full range of assets of the LDA and (c) most assets of the LTGDC<sup>1</sup>. Without this statutory instrument this series of transfers would result in commercial activities being carried out in a non-taxable environment which would be counter to the long standing policy that commercial activities should be taxed regardless of whether these are carried on by the public or private sectors.

- Consolidation

7.3 This is the first Order made specifying activities for the purposes of section 34A. There are no plans to make a further order nor therefore for any form of consolidation.

## **8. Consultation outcome**

8.1 The GLA and Her Majesty's Revenue and Customs (HMRC) have been extensively consulted on the Order and support this statutory instrument. The Treasury has consented to the laying of this order.

## **9. Guidance**

9.1 As the Order only affects one organisation – the GLA - no guidance will be issued.

## **10. Impact**

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

10.2 The impact on the public sector, with the exception of the operation of the GLA and its subsidiary companies, is nil.

10.3 An Impact Assessment has not been prepared for this Instrument.

## **11. Regulating small business**

11.1 The legislation does not apply to small business.

## **12. Monitoring & review**

12.1 The scope of the legislation is restricted to one organisation and the Order is being made for the reasons set out at paragraph 7.1. As such the legislation will not be formally monitored or reviewed.

## **13. Contact**

**Jeannette Henderson** at the Department for Communities and Local Government Tel: 0303 444 4321 or email:

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<sup>1</sup> The assets of the LTGDC that surround the Olympic Park area are transferring to a separate Mayoral Development Corporation.

jeannette.henderson@communities.gsi.gov.uk can answer any queries regarding the instrument.