

EXPLANATORY MEMORANDUM TO
THE GREATER LONDON AUTHORITY (CONSOLIDATED COUNCIL TAX
REQUIREMENT PROCEDURE) REGULATIONS 2021

2021 No. 1278

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department for Levelling Up, Housing and Communities and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

- 2.1 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 as a result of a later agreement of the Local Government Finance Settlement. The final settlement is not expected to be presented to the House of Commons for approval until early 2022.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

4. Extent and Territorial Application

- 4.1 The territorial extent of this instrument is England and Wales and Scotland.
4.2 The territorial application of this instrument is England only.

5. European Convention on Human Rights

- 5.1 The Minister for Local Government, Kemi Badenoch, has made the following statement regarding Human Rights:

“In my view the provisions of the Greater London Authority (Consolidated Council Tax Requirement Procedure) Regulations 2021 are compatible with the Convention rights.”

6. Legislative Context

- 6.1 In relation to each financial year, section 85 of the Greater London Authority Act 1999 (“the GLA Act”) requires the Greater London Authority (“the GLA”) to calculate component and consolidated council tax requirements. The procedure by which these amounts are determined is set out in Schedule 6¹.
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

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).

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).

- 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).

7. Policy background

What is being done and why

- 7.1 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 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.
- 7.2 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.
- 7.3 The consultation on the provisional settlement, which goes to all local authorities including the GLA and London boroughs, is not expected to end until early January and the final settlement is not expected to be presented to the House of Commons for approval until at the end of January at the earliest.
- 7.4 Consequently, these Regulations modify the Budget setting procedures of the GLA as set out in Schedule 6 to the GLA Act so that in relation to the financial year beginning on 1 April 2022 (“2022/23”) the Mayor must prepare and present a draft consolidated budget to the Assembly on or before 15 February 2022, rather than 1 February 2022, the date otherwise specified in the legislation.
- 7.5 In short, these Regulations provide that the Mayor has time to prepare and present a draft consolidated budget to the Assembly for 2022/23, and that the Assembly is able to fully consider this draft consolidated budget.

8. European Union Withdrawal and Future Relationship

8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

9. Consolidation

9.1 These Regulations only apply in relation to the financial year beginning on 1 April 2022. Consolidation is not, therefore, a relevant issue.

10. Consultation outcome

10.1 The Department has consulted the GLA about its plans for presenting and finalising a draft consolidated budget for 2022/23, who have confirmed that 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 there is no effect on London Boroughs.

11. Guidance

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

12. Impact

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

12.2 The impact on the public sector is limited to the GLA, and for 2022/23, 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 2022 to 15 February 2022.

12.3 A full Impact Assessment has not been prepared for this instrument because the impact is limited to the GLA and this instrument is expected by them.

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 2022/23, there are no plans to undertake monitoring of this legislation.

14.2 Similarly, the instrument does not include a statutory review clause because the Regulations only apply in relation to the financial year 2022/23.

15. Contact

15.1 Shimron Walters at the Department for Levelling Up, Housing and Communities (email: Shimron.Walters@communities.gov.uk) can be contacted with any queries regarding the instrument.

15.2 Patrick Flack, Head of Local Government Finance Strategy & Resources Team, at the Department for Levelling Up, Housing and Communities can confirm that this Explanatory Memorandum meets the required standard.

15.3 Minister of State Kemi Badenoch at the Department for Levelling Up, Housing and Communities can confirm that this Explanatory Memorandum meets the required standard.