

GREATER LONDON AUTHORITY ACT 1999

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part Xi: Miscellaneous and General Provisions

Section 387: The Trustee Investments Act 1961

589. *Section 387* brings the GLA and the functional bodies within the scope of the Trustee Investments Act 1961. That Act makes provision about the investment powers of trustees where these are not specifically set out in a trust deed. It imposes restrictions on the range of investments that trustees might select, particularly on wider range investments such as equities.

Section 388 : The Local Authorities (Goods and Services) Act 1970

590. *Section 388* provides that the GLA, TfL, the London Fire and Emergency Planning Authority and the London Development Agency will be local authorities and public bodies for the purposes of the Local Authorities (Goods and Services) Act 1970. This means they will be able to supply goods and services to local authorities and other public bodies, or receive goods and services from other local authorities. The Metropolitan Police Authority will, like police authorities generally, be defined only as a public body and not as a local authority under the 1970 Act (see Schedule 27, paragraph 77) and will be able to receive goods and services but not supply them.

Section 389: The Superannuation Act 1972

591. *Section 389* provides for Schedule 1 of the Superannuation Act 1972 to be amended so as to add the Greater London Authority, Transport for London, the London Development Agency, the Metropolitan Police Authority and the London Transport Users' Committee to the list of bodies whose staff are entitled to be members of the Principal Civil Service Pension Scheme (PCSPS). As a result, staff transferring to these bodies who are currently members of PCSPS will be able to retain their membership on transfer.

Section 390: The Superannuation Act 1972: delegation of functions

592. *Section 390* allows the Minister for the Civil Service to delegate responsibility for overseeing the operation of the PCSPS in relation to the Greater London Authority, London Development Agency, Transport for London, Metropolitan Police Authority and London Transport Users' Committee to such persons as he deems appropriate. At present the ruling legislation for the PCSPS - the Superannuation Act 1972 - only allows responsibility to be delegated to a Minister or an officer of the Crown. The section also allows each of those bodies to contract out responsibility for the administration of the PCSPS to other organisations, including private sector ones, should it wish.

Section 391: The Race Relations Act 1976

593. *Section 391* brings the GLA, the Metropolitan Police Authority and the London Fire and Emergency Planning Authority within the scope of the Race Relations Act 1976. It will ensure that the same duties that apply to all local authorities under this Act will also apply to the GLA and the police and fire authorities.

Section 392: The Stock Transfer Act 1982

594. *Section 392*, by amending the Stock Transfer Act 1982, provides that any securities issued by the GLA or the functional bodies may be settled through the Central Gilts Office (CGO) of the Bank of England. That Act gives the Treasury power to make provision permitting the transfer of specified securities through the CGO system established by the Bank of England and the Stock Exchange. Responsibility for the CGO was transferred from the Bank of England to CRESTCo (the private sector company responsible for the settlement of equities and corporate bonds) on 24 May 1999. Full integration is planned to take place in 2000.

Section 393: Companies in which local authorities have interests

595. *Section 393* brings the Greater London Authority and the four functional bodies within section 67(3) of the Local Government and Housing Act 1989. It thereby makes them subject to Part V of the 1989 Act, which contains certain requirements and controls with respect to companies in which local authorities have interests. The effect of the section is that the new London bodies will be subject to those requirements and controls in relation to companies controlled or influenced by them. But there is also a financial consequence. The Local Authorities (Companies) Order 1995, made under section 39(5) of the LGHA 1989, provided that a local authority would be treated, for the purpose of capital finance controls, as having undertaken certain transactions of companies under their control or subject to a specified level of influence (“regulated companies”). Any regulated company of the GLA or a functional body will be covered by this order, with the result that capital transactions, including borrowing, credit arrangements, and anything that affects the company’s net liabilities, will be reflected in the capital finance limits and resources of the relevant authority. Equally, if a company builds up cash through profitable trading, the relevant authority’s capital spending power will be increased.

Section 394: Investigation by the Commission for Local Administration

596. *Section 394* adds the London Development Agency, TfL, the London Fire and Emergency Planning Authority and the Metropolitan Police Authority to the list of bodies that are subject to investigation by the local government ombudsman.

Section 395: Provision of information, advice and assistance by functional bodies

597. *Section 395* provides that the Mayor will be able to require information, advice and assistance to be provided to him by any of the functional bodies. The Secretary of State will have the power to make regulations to establish categories of information which the bodies may refuse to give to the Mayor, and to restrict the purposes for which the Mayor may require information, assistance and advice.

Sections 396 to 399: Research and collection of information; information schemes; London Research Centre etc.

598. *Section 396* provides that the GLA has power to carry out research and to collect information relating to the Greater London area or any part of it, and to make arrangements for making the research or information available to government departments, London Boroughs, other bodies and the public.

599. These powers are exercisable by the Mayor who must consult each London local authority at least once a year about their exercise.
600. The London Research Centre will be abolished, but the GLA will continue to have the power to provide information and data services to London borough councils using its powers under the Local Authorities (Goods and Services) Act 1970 (see section 388). The Secretary of State has the power to make regulations to make particular research and information collection exercises mandatory. The Secretary of State is also able to make regulations requiring that information arising from GLA research, or from research carried out by its predecessor bodies, is made available to government departments, other bodies or the public.
601. *Section 397* provides that the Mayor may make schemes for the collection of information relating to any matters concerning Greater London or any part of it. Such schemes may require each London local authority (defined in subsection (10)) to provide information in accordance with its terms. Schemes will be capable of covering, for example, all aspects of the activities that would normally be involved in a research proposal, and all areas on which the Mayor or London local authorities might wish to carry out research. The provisions that may be included within a scheme relate to, amongst other things, descriptions of the information required, the collection, format and ownership of the information, who will bear the costs of the scheme and access to the information collected.
602. The Mayor will be required to consult the boroughs on the content of any scheme. If at least two-thirds of London local authorities agree to a proposed scheme, it will be binding on all of them.
603. *Section 398* provides that, if the agreement of at least two-thirds of London local authorities can not be obtained to a scheme, the Mayor may apply to the Secretary of State for a direction requiring them nevertheless to comply with the scheme. The Secretary of State may only make such a direction if satisfied that the Mayor's proposed scheme is both necessary to enable the exercise of functions of the Authority and does not place an unreasonable financial burden on London local authorities. This section also provides that London local authorities shall have the power to collect any information they are required to provide under section 397.
604. *Section 399* provides that information schemes may be revoked by the Mayor, or varied by agreement of at least two-thirds of London local authorities or under the terms of the scheme. Before deciding whether to revoke or vary a scheme the Mayor must consult each London local authority.

Section 400: Overseas Assistance

605. *Section 400* provides for the GLA and LDA to be able to provide advice and assistance under the Local Government (Overseas Assistance) Act 1993. Subsection (3) adds the GLA to the list of authorities empowered to give advice and assistance under that Act. Subsection (2) provides that the GLA may also provide advice and assistance in matters where it otherwise could not do so, if the LDA has the requisite expertise and provides the necessary advice and assistance to the GLA.
606. TfL has wider powers to provide advice and assistance under *paragraph 9* of *Schedule 11* of this Act; the abilities of the MPA and LFEPA to offer advice and assistance are already covered by existing legislation as amended or applied by the Act.

Section 401: Accommodation for Authority and functional bodies

607. Subsection (1) provides that the Secretary of State is under a duty to provide accommodation for the Authority and each of the functional bodies for a period of 5 years from Royal Assent ("the 5 year period"). Under subsections (2) and (3), the Secretary of State may make an Order reducing the 5 year period for a body falling

within subsection (1), (the Authority and each of the functional bodies), if he is satisfied that appropriate accommodation is provided for that body; this reduced period can be extended by the Secretary of State making a further order, substituting a longer period if he considers it necessary, expedient or desirable to do so, although the longer period cannot extend beyond the 5 year period.

608. Subsections (4) and (5) provide that the Secretary of State need not provide accommodation for a body under subsection (1), for any period during which that body notifies him that it does not require accommodation. The provision of accommodation under subsection (1) is on such financial and other terms as the Secretary of State may determine.

Section 402 and 403: London Pensions Fund Authority

609. *Sections 402 and 403* deal with the London Pensions Fund Authority (the “LPFA”). The LPFA administers former GLC pensions and employer liabilities and the pensions of certain other bodies admitted to the Fund under the Local Government Pension Scheme Regulations 1995.
610. *Section 402* provides that for each financial year the LPFA shall prepare two statements, one containing a draft budget for the LPFA for that financial year and specifying the amount of levy the LPFA proposes to make, (the budget statement) and the other containing the LPFA’s strategic plans for that financial year and the two following financial years (the second statement). The LPFA must submit the budget statement and the second statement to the Mayor on or before 31 December in the financial year preceding the financial year to which the budget relates. The LPFA must have regard to any comments received from the Mayor regarding the budget statement when setting its budget, provided these comments are received on or before 31 January following the submission of the budget statement to the Mayor.
611. *Section 403* provides that various functions imposed on the Secretary of State in connection with the LPFA should transfer to the Mayor. The functions are the appointment and termination of appointments of members of the board of the LPFA, the determination of the remuneration of members, and the receipt of annual reports and other information from the LPFA. Subsection (3) provides that the consent of the Treasury is not required for any determination of the Mayor relating to remuneration etc for members; and subsection (4) provides that copies of the LPFA’s annual report are no longer required to be laid before each House of Parliament.

Section 404: Discrimination

612. *Section 404* requires the GLA, MPA and LFEPA, in exercising their functions, to have regard to the need to:
- promote equality of opportunity for all persons irrespective of their race, sex, disability, age, sexual orientation or religion;
 - eliminate unlawful discrimination; and
 - promote good relations between persons of different racial groups, religious beliefs and sexual orientation.