



# Greater London Authority Act 2007

## 2007 CHAPTER 24

### PART 1

#### GENERAL FUNCTIONS OF THE AUTHORITY

##### *The annual budget*

#### **12 Separate component budgets for Assembly and Mayor**

- (1) Section 85 of the GLA Act 1999 (calculation of component budget requirements) is amended as follows.
- (2) In subsection (3) (which identifies the constituent bodies) for paragraph (a) (the Authority) substitute—
  - “(a) the Assembly,
  - (aa) the Mayor, and”.
- (3) After subsection (3) insert—

“(3A) In subsection (3) above—

  - (a) the reference to the Assembly is a reference to the Authority as respects the Assembly's functions (see subsection (14)),
  - (b) the reference to the Mayor is a reference to the Authority except as respects the Assembly's functions,

and other references in this Chapter to the Mayor or the Assembly, in their capacity as constituent bodies for the purposes of the budgetary provisions, or to their functions (in that capacity), are to be construed accordingly.”.
- (4) In subsection (4)(a) (expenditure of constituent bodies)—
  - (a) for “the body will incur” substitute “ will be incurred by the body ”,
  - (b) for “will charge” substitute “ will be charged ”,
  - (c) at the end insert “ (but, in the case of the Mayor or the Assembly, see also subsections (10) to (13)) ”.

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*Changes to legislation: There are currently no known outstanding effects for the Greater London Authority Act 2007. Cross Heading: The annual budget. (See end of Document for details)*

- (5) In subsection (4)(c) (financial reserves of constituent bodies) for “appropriate for the body to raise” substitute “appropriate to be raised by or in respect of the body”.
- (6) In subsection (4)(d) (financial reserves to meet revenue account deficit of earlier year not provided for)—
- (a) for “the body's financial reserves” substitute “the financial reserves of, or in respect of, the body”,
  - (b) for “revenue account deficit of the body” substitute “revenue account deficit of or in respect of the body”.
- (7) In subsection (5)(a) (sums payable to constituent bodies) after “payable to” insert “or for”.
- (8) In subsection (5)(b) (financial reserves likely to be used by constituent bodies) for “that the body will use” substitute “will be used by or in respect of the body”.
- (9) In subsection (9) (expanded meaning of expenditure incurred by a body in a financial year)—
- (a) in paragraph (a) (money set aside to meet credit liabilities) for “set aside by the body” substitute “set aside by or in respect of the body”,
  - (b) in paragraph (b) (money set aside as provision for certain liabilities or losses) for “by the body” substitute “by or in respect of the body”.
- (10) After subsection (9) insert—
- “(10) Subsections (11) to (13) below have effect for the purposes of the budgetary provisions in their application in relation to the Mayor and the Assembly in their capacity as constituent bodies.
- (11) The expenditure that is to be regarded for the purposes of subsection (4)(a) above as incurred by the Assembly in the performance of its functions includes any expenditure by the Authority in the performance of its functions which is incurred in respect of any of the following—
- (a) the Assembly members,
  - (b) the Assembly secretariat (see subsection (14)),
  - (c) goods or services procured solely for the purposes of the Assembly,
  - (d) the London Transport Users' Committee (see section 247 and Schedule 18),
- but does not include any expenditure falling within subsection (12) below.
- (12) That expenditure is expenditure by the Authority in respect of any of the following—
- (a) accommodation provided or procured in whole or in part for the conduct of the business of the Assembly or Assembly members,
  - (b) goods or services provided or procured for the Authority in general.
- (13) The expenditure that is to be regarded for the purposes of subsection (4)(a) above as incurred by the Mayor in the performance of his functions is any expenditure—
- (a) which is incurred by the Authority in the performance of its functions, and
  - (b) which does not fall to be regarded for the purposes of subsection (4)(a) above as incurred by the Assembly in the performance of its functions.

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(14) In this section—

“the Assembly secretariat” means employees of the Authority who normally work as support staff for the Assembly or Assembly members;

“the Assembly's functions” means—

- (a) such of the functions of the Authority as are exercisable only by the Assembly acting on behalf of the Authority, and
- (b) the Assembly's function of acting jointly with the Mayor in the case of those functions of the Authority which are exercisable only by the Mayor and the Assembly acting jointly on behalf of the Authority;

“the budgetary provisions” means sections 85 to 87 of, and Schedule 6 to, this Act.

(15) All such apportionments as may be necessary for the purpose of calculating the aggregates required by subsections (4) and (5) above in the case of the Mayor and the Assembly are to be made on a just and reasonable basis.”.

(11) Section 86 (provisions supplemental to section 85) is amended as follows.

(12) In subsection (1) (amounts not to be brought into account in relation to the Authority if brought into account in relation to functional body)—

- (a) for “the Authority” substitute “ the Mayor or the Assembly ”,
- (b) after “in its application in relation to” insert “ the other of them or ”.

(13) After subsection (2) (treatment of levies issued to constituent bodies) insert—

“(2A) For the purposes of subsection (2) above, any levy issued to the Authority shall be treated as a levy issued to the Mayor.”.

(14) In subsection (4) (body's estimated future expenditure for section 85(4)(c)) in paragraph (a)—

- (a) for “the body will incur” substitute “ will be incurred by ”,
  - (b) for “will charge” substitute “ will be charged ”,
  - (c) for “will have to defray” substitute “ will have to be defrayed ”,
  - (d) in sub-paragraph (i), for “payable to it” substitute “ payable to or for it ”,
- and in paragraph (b), for “the body will incur” substitute “ will be incurred by ”.

(15) In section 99 (interpretation of Chapter 1 of Part 3) insert the following definition at the appropriate place—

““budgetary provisions” has the meaning given in section 85(14) above;”.

(16) In section 424(1) (general definitions)—

- (a) in the definition of “the Assembly” insert at the end “ (but see also section 85(3A) above) ”;
- (b) in the definition of “the Mayor” insert at the end “ (but see also section 85(3A) above) ”.

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#### **Modifications etc. (not altering text)**

- C1** S. 12 having effect as specified (with effect in accordance with art. 3 of the commencing S.I.) by [Greater London Authority Act 2007 \(Commencement No.1 and Appointed Day\) Order 2007 \(S.I. 2007/3107\)](#), [art. 3](#)

#### **Commencement Information**

- II** S. 12 has effect in relation to financial years beginning on or after an appointed day, see [s. 59\(6\)](#)

### **13 Procedure for determining Authority's consolidated budget requirement**

- (1) Schedule 6 to the GLA Act 1999 (procedure for determining the Authority's consolidated budget requirement) is amended as follows.
- (2) In paragraph 2, for sub-paragraph (2) (consultation before preparing draft component budget for the Authority) substitute—
  - “(2) The Mayor shall consult the Assembly—
    - (a) before preparing the draft component budget for the Mayor, and
    - (b) before preparing the draft component budget for the Assembly.”
- (3) In paragraph 4 (duty of Assembly if Mayor fails to comply) in sub-paragraph (1) for paragraph (b) substitute—
  - “(b) prepare a draft component budget for the Mayor;
  - (bb) prepare a draft component budget for the Assembly; and”.
- (4) In paragraph 5 (Assembly consideration of Mayor's draft budget) in sub-paragraph (3) (Assembly to approve budgets with or without amendment) after “with or without amendment” insert “ (but see paragraph 5A below) ”.
- (5) After paragraph 5 insert—

#### **5A “Limit on Assembly's powers to amend Mayor's draft budget for the Assembly**

- (1) In exercising its powers of amendment under paragraph 5(3) above, the Assembly must not make amendments affecting the amount of the draft component budget requirement for the Assembly if those amendments, taken together, contravene sub-paragraph (2) below.
- (2) Amendments contravene this sub-paragraph if—
  - (a) the effect of implementing the amendments is to increase the amount of the draft component budget requirement for the Assembly, and
  - (b) the condition in sub-paragraph (3) below is met.
- (3) The condition is that—
  - (a) the draft component budget requirement for the Assembly, after implementing the amendments, exceeds
  - (b) the adjusted previous component budget requirement for the Assembly.

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(4) Find the adjusted previous component budget requirement for the Assembly as follows.

(5) Find NM and OM, where—

NM is the draft component budget requirement for the Mayor, before implementing any amendments under paragraph 5(3) above;

OM is the component budget requirement for the Mayor for the previous financial year.

(6) If NM is greater than OM—

(a) find the percentage by which NM is greater than OM, and

(b) increase the amount of the component budget requirement for the Assembly for the previous financial year by the same percentage.

The result is the adjusted previous component budget requirement for the Assembly.

(7) If NM is less than OM—

(a) find the percentage by which NM is less than OM, and

(b) reduce the amount of the component budget requirement for the Assembly for the previous financial year by the same percentage.

The result is the adjusted previous component budget requirement for the Assembly.

(8) If NM equals OM, then—

(a) the adjusted previous component budget requirement for the Assembly,

equals

(b) the amount of the component budget requirement for the Assembly for the previous financial year.

(9) The Authority's chief finance officer may direct that such amounts as he may specify in the direction are to be left out of account for the purpose of determining the adjusted previous component budget requirement for the Assembly.

(10) The Secretary of State may give the chief finance officer guidance with respect to the exercise of the power to give a direction under sub-paragraph (9) above.

(11) The chief finance officer must have regard to any such guidance.

(12) For the purposes of this Schedule the “draft component budget requirement” for any constituent body is the component budget requirement for the body as stated in the draft component budget for the body.”.

(6) In paragraph 8 (approval of Mayor's draft budget by Assembly) in sub-paragraph (3) (Assembly to approve final draft budget with or without amendment) after “with or without amendment” insert “ (but see paragraph 8A below) ”.

(7) After paragraph 8 insert—

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**8A “Limit on Assembly's power to amend Mayor's final draft budget for the Assembly**

- (1) In exercising its powers of amendment under paragraph 8 above, the Assembly must not make amendments affecting the amount of the final draft component budget requirement for the Assembly if those amendments, taken together, contravene sub-paragraph (2) below.
- (2) Amendments contravene this sub-paragraph if—
  - (a) the effect of implementing the amendments is to increase the amount of the final draft component budget requirement for the Assembly, and
  - (b) the condition in sub-paragraph (3) below is met.
- (3) The condition is that—
  - (a) the final draft component budget requirement for the Assembly, after implementing the amendments, exceeds
  - (b) the adjusted previous component budget requirement for the Assembly.
- (4) Find the adjusted previous component budget requirement for the Assembly as follows.
- (5) Find NM and OM, where—
 

NM is the final draft component budget requirement for the Mayor, before implementing any amendments under paragraph 8(3) above;

OM is the component budget requirement for the Mayor for the previous financial year.
- (6) If NM is greater than OM—
  - (a) find the percentage by which NM is greater than OM, and
  - (b) increase the amount of the component budget requirement for the Assembly for the previous financial year by the same percentage.

The result is the adjusted previous component budget requirement for the Assembly.
- (7) If NM is less than OM—
  - (a) find the percentage by which NM is less than OM, and
  - (b) reduce the amount of the component budget requirement for the Assembly for the previous financial year by the same percentage.

The result is the adjusted previous component budget requirement for the Assembly.
- (8) If NM equals OM, then—
  - (a) the adjusted previous component budget requirement for the Assembly, equals
  - (b) the amount of the component budget requirement for the Assembly for the previous financial year.

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- (9) Sub-paragraphs (9) to (11) of paragraph 5A above (power of chief finance officer to direct amounts to be left out of account) also have effect for the purposes of this paragraph.
- (10) For the purposes of this Schedule the “final draft component budget requirement” for any constituent body is the component budget requirement for the body as stated in the final draft budget.”.

**Modifications etc. (not altering text)**

- C2** S. 13 having effect as specified (with effect in accordance with art. 3 of the commencing S.I.) by Greater London Authority Act 2007 (Commencement No.1 and Appointed Day) Order 2007 (S.I. 2007/3107), art. 3

**Commencement Information**

- I2** S. 13 has effect in relation to financial years beginning on or after an appointed day, see s. 59(6)

**14 Substitute calculations**

- (1) Schedule 7 to the GLA Act 1999 (procedure for making of substitute calculations by the Authority) is amended as follows.
- (2) After paragraph 4 (Assembly consideration of Mayor's first draft) insert—

**4A “Limit on Assembly's powers to amend Mayor's first draft budget for the Assembly**

- (1) In exercising its powers of amendment under paragraph 4(3) above, the Assembly must not make amendments affecting the amount of the first draft component budget requirement for the Assembly if those amendments, taken together, contravene sub-paragraph (2) below.
- (2) Amendments contravene this sub-paragraph if—
- the effect of implementing the amendments is to increase the amount of the first draft component budget requirement for the Assembly, and
  - the condition in sub-paragraph (3) below is met.
- (3) The condition is that—
- the first draft component budget requirement for the Assembly, after implementing the amendments, exceeds
  - the adjusted previous component budget requirement for the Assembly (see sub-paragraph (5)).
- (4) This paragraph is without prejudice to section 49(2) of the Local Government Finance Act 1992 (substitute amount not to exceed previous amount (but see section 49(6) of that Act)).
- (5) Find the adjusted previous component budget requirement for the Assembly as follows.
- (6) Find NM and OM, where—

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NM is the first draft component budget requirement for the Mayor, before implementing any amendments under paragraph 4(3) above;  
 OM is the component budget requirement for the Mayor for the previous financial year.

- (7) If NM is greater than OM—
- (a) find the percentage by which NM is greater than OM, and
  - (b) increase the amount of the component budget requirement for the Assembly for the previous financial year by the same percentage.

The result is the adjusted previous component budget requirement for the Assembly.

- (8) If NM is less than OM—
- (a) find the percentage by which NM is less than OM, and
  - (b) reduce the amount of the component budget requirement for the Assembly for the previous financial year by the same percentage.

The result is the adjusted previous component budget requirement for the Assembly.

- (9) If NM equals OM, then—
- (a) the adjusted previous component budget requirement for the Assembly,
- equals
- (b) the amount of the component budget requirement for the Assembly for the previous financial year.

- (10) Sub-paragraphs (9) to (11) of paragraph 5A of Schedule 6 to this Act (power of chief finance officer to direct amounts to be left out of account) also have effect for the purposes of this paragraph.

- (11) For the purposes of this Schedule—
- (a) “component budget” has the same meaning as in Schedule 6 to this Act;
  - (b) the “first draft component budget” for any constituent body is the draft component budget for that body comprised in the first draft;
  - (c) the “first draft component budget requirement” for any constituent body is the component budget requirement for the body as stated in the first draft component budget for the body.”.

- (3) After paragraph 7 (approval of Mayor's final draft by Assembly) insert—

**7A “Limit on Assembly's power to amend Mayor's final draft budget for the Assembly**

- (1) In exercising its powers of amendment under paragraph 7 above, the Assembly must not make amendments affecting the amount of the final draft component budget requirement for the Assembly if those amendments, taken together, contravene sub-paragraph (2) below.

- (2) Amendments contravene this sub-paragraph if—



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- (a) the effect of implementing the amendments is to increase the amount of the final draft component budget requirement for the Assembly, and
  - (b) the condition in sub-paragraph (3) below is met.
- (3) The condition is that—
  - (a) the final draft component budget requirement for the Assembly, after implementing the amendments, exceeds
  - (b) the adjusted previous component budget requirement for the Assembly (see sub-paragraph (5)).
- (4) This paragraph is without prejudice to section 49(2) of the Local Government Finance Act 1992 (substitute amount not to exceed previous amount (but see section 49(6) of that Act)).
- (5) Find the adjusted previous component budget requirement for the Assembly as follows.
- (6) Find NM and OM, where—

NM is the final draft component budget requirement for the Mayor, before implementing any amendments under paragraph 7(3) above;  
OM is the component budget requirement for the Mayor for the previous financial year.
- (7) If NM is greater than OM—
  - (a) find the percentage by which NM is greater than OM, and
  - (b) increase the amount of the component budget requirement for the Assembly for the previous financial year by the same percentage.

The result is the adjusted previous component budget requirement for the Assembly.
- (8) If NM is less than OM—
  - (a) find the percentage by which NM is less than OM, and
  - (b) reduce the amount of the component budget requirement for the Assembly for the previous financial year by the same percentage.

The result is the adjusted previous component budget requirement for the Assembly.
- (9) If NM equals OM, then—
  - (a) the adjusted previous component budget requirement for the Assembly, equals
  - (b) the amount of the component budget requirement for the Assembly for the previous financial year.
- (10) Sub-paragraphs (9) to (11) of paragraph 5A of Schedule 6 to this Act (power of chief finance officer to direct amounts to be left out of account) also have effect for the purposes of this paragraph.

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- (11) For the purposes of this Schedule the “final draft component budget requirement” for any constituent body is the component budget requirement for that body as stated in the final draft.”.

**Modifications etc. (not altering text)**

- C3** S. 14 having effect as specified (with effect in accordance with art. 3 of the commencing S.I.) by [Greater London Authority Act 2007 \(Commencement No.1 and Appointed Day\) Order 2007 \(S.I. 2007/3107\)](#), [art. 3](#)

**Commencement Information**

- I3** S. 14 has effect in relation to financial years beginning on or after an appointed day, see [s. 59\(6\)](#)

VALID FROM 30/10/2007

**15 Deemed component budget requirements for last old financial year**

- (1) This section has effect for the purpose of implementing Schedules 6 and 7 to the GLA Act 1999 in the first new financial year.
- (2) The Authority's chief finance officer must for that purpose designate for the last old financial year amounts which are respectively to be regarded as—
  - (a) the component budget requirement for the Mayor for that year, and
  - (b) the component budget requirement for the Assembly for that year.
- (3) The chief finance officer must consult the Mayor and the Assembly before making any such designation.
- (4) The chief finance officer must make the designations required by this section no later than 31st December in the last old financial year.
- (5) For the purposes of this section—
 

“the first new financial year” is the first financial year in relation to which paragraph 5A or 8A of Schedule 6 to the GLA Act 1999 (see section 13) has effect;

“the last old financial year” is the financial year immediately preceding the first new financial year.

VALID FROM 30/10/2007

**16 Exercise of Mayor's functions when temporarily unable to act**

- (1) Part 3 of Schedule 4 to the GLA Act 1999 (exercise of functions when Mayor temporarily unable to act etc) is amended as follows.
- (2) In paragraph 15(1) (exceptions to rule that Deputy Mayor is to exercise Mayor's functions) omit paragraph (a) (functions under Schedule 6 or 7).
- (3) For paragraph 16 (setting the budget during the period) substitute—

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“16

If and so long as any functions of the Mayor under Schedule 6 or 7 to this Act are exercisable by the Deputy Mayor pursuant to paragraph 14 above, the Deputy Mayor shall not act as an Assembly member in relation to any functions of the Assembly under either of those Schedules.”

(4) Paragraph 18 (exercise of Deputy Mayor's functions by Chair) is amended as follows.

(5) In sub-paragraph (2)(a) (which provides for paragraphs 14 and 15 to have effect with the substitution of references to the Chair of the Assembly) after “Chair of the Assembly” insert “ (but see sub-paragraph (2A) below) ”.

(6) After sub-paragraph (2) insert—

“(2A) The Chair of the Assembly shall not by virtue of sub-paragraph (2)(a) above exercise any functions of the Mayor under Schedule 6 or 7 to this Act.”

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