



Greater London Authority Act 2007

2007 CHAPTER 24

PART 1

GENERAL FUNCTIONS OF THE AUTHORITY

The annual budget

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—
 - (a) the effect of implementing the amendments is to increase the amount of the first 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 first 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)).

Changes to legislation: There are currently no known outstanding effects for the Greater London Authority Act 2007, Section 14. (See end of Document for details)

- (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 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—

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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—
 - (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,

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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 the “final draft component budget requirement” for any constituent body is the component budget requirement for that body as stated in the final draft.”.

Commencement Information

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

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