

EXPLANATORY MEMORANDUM TO

THE LOCALISM ACT 2011 (HOUSING AND REGENERATION FUNCTIONS IN GREATER LONDON)(CONSEQUENTIAL, TRANSITIONAL AND SAVING PROVISIONS)(No.2) ORDER 2012

2012 No. 702

1. This explanatory memorandum has been prepared by the Department of Communities and Local Government and is laid before Parliament by Command of Her Majesty.
2. **Purpose of the instrument**
 - 2.1 The purpose of the Localism Act 2011 (Housing and Regeneration Functions in Greater London)(Consequential, Transitional and Saving Provisions)(No.2) Order 2012 (“the Order”) is to amend secondary legislation in consequence of the changes brought in by Part 8 of the Localism Act 2011 (“the Act”), namely, the enabling of the Greater London Authority (“the Authority”) to undertake housing and regeneration functions in Greater London formerly carried out by the Homes and Communities Agency (“the Agency”).
 - 2.2 The Order also provides for continuity in the exercise of functions transferred to the Authority which were formerly carried out by the Agency.
3. **Matters of special interest to the Joint Committee on Statutory Instruments**
 - 3.1 None.
4. **Legislative context**
 - 4.1 This Order is made to ensure that, by transitional and saving provisions, the Authority is able to continue to carry out functions that were previously carried out by the Agency and to add references to the Authority in secondary legislation.
5. **Territorial Extent and Application**
 - 5.1 This instrument applies to England.
6. **European Convention on Human Rights**
 - 6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.
7. **Policy background**
 - 7.1 In order to improve democratic accountability for major housing and regeneration investment and strategic decisions in London, the Government decided to remove legislative restrictions on the Greater London Authority (the “Authority”) from performing this role and to transfer the powers and functions, previously undertaken in London by the Homes and Communities Agency (a Non-Departmental Public Body of the Department for Communities and Local Government) to the Authority.
 - 7.2 This activity arose as a result of a joint request to the Government from the Mayor of London and London Councils.

7.3 The policy objective is that the Mayor can be held to account by London's electorate and by the London Assembly providing greater transparency and accountability for decision-making in London. In addition the Mayor will be able to bring together the assets of the former London Development Authority and other parts of the GLA group (e.g. Transport for London) to deliver efficiencies and improved outcomes for Londoners.

8. Consultation outcome

8.1 As described above, this policy was brought forward following a request from the Mayor of London and London Councils. In addition, these proposals were discussed at length in Parliament during the passage of the Localism Act. As such, it was not felt necessary to carry out a consultation.

9. Guidance

9.1 The amendments made by this Order do not require guidance. The giving of these functions to the Greater London Authority has been high profile within the housing and regeneration sector and so stakeholders and interested individuals will already be aware of the reasoning for this change.

10. Impact

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

10.2 There will be no impact on the public sector other than the transferring of property rights, liabilities and staff etc from the Homes and Communities Agency to the Greater London Authority. These amendments allow for the Greater London Authority to have the same rights and responsibilities as previously held by the Homes and Communities Agency and will not affect the continued delivery of services in the short term. In the longer term this transfer of powers is expected to have a positive impact.

10.3 As part of the Parliamentary passage of the Localism Act an Impact Assessment was published for the wider London reforms. The IA is attached below.

11. Regulating small business

11.1 The legislation has no impact on small business.

12. Monitoring & review

12.1 The changes delivered by the 2011 Act will take some time before they can be measured.

12.2 The Impact Assessment for the London reforms specified that there are no plans for a post implementation review, as this is considered to be a structural change transferring existing powers and will not impose an annual cost of more than £5m on the public sector.

13. Contact

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