

# LOCALISM ACT 2011

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## EXPLANATORY NOTES

### COMMENTARY

#### **Part 8: London**

#### *Chapter 1: Housing and Regeneration Functions*

#### *Section 186: Removal of limitations on Greater London Authority's general power*

407. Section 30 of the Greater London Authority Act 1999 empowers the Greater London Authority to do anything which supports its three principal purposes of promoting economic development and wealth creation, promoting social development and improving the environment in Greater London. In the exercise of this general power of competence, the Greater London Authority may carry on activities in the field of economic development and regeneration, which the London Development Agency and Homes and Communities Agency might otherwise have undertaken.
408. The Greater London Authority's general power of competence is limited by section 31 of the Greater London Authority Act. Section 186 removes the prohibition against housing expenditure in section 31 and provides that the prohibition against expenditure on education services does not apply to expenditure on sponsoring or facilitating the sponsorship of academies.

#### *Section 187: New housing and regeneration functions of the Authority*

409. **Section 187** makes the following provisions by amending Part 7A of the Greater London Authority Act 1999 (housing):
- It empowers the Greater London Authority compulsorily to acquire land and new rights over land for housing and regeneration purposes, subject to authorisation by the Secretary of State.
  - It applies Part 1 of Schedule 2 to the Housing and Regeneration Act 2008 to compulsory acquisition by the Greater London Authority. Part 1, as applied to the Greater London Authority, applies the standard procedural model (contained in the Acquisition of Land Act 1981) to the compulsory acquisition of land by the Greater London Authority and makes provision for the extinguishment of private rights over land, with compensation to be paid.
  - It applies Schedule 3 to the Housing and Regeneration Act 2008 to land of the Greater London Authority held for housing and regeneration purposes. Schedule 3, as applied to the Greater London Authority, makes provision that: enables the Greater London Authority to override easements; enables the Greater London Authority to apply to the Secretary of State for a public right of way to be extinguished and prescribes the statutory procedure that must be followed; and enables the Greater London Authority to use land that is, or forms part of, a burial ground, consecrated land and other land connected to religious worship, and includes power for the Secretary of State to make regulations prescribing

requirements about the disposal of such land and about the removal and reinterment of human remains.

- It applies Schedule 4 to the Housing and Regeneration Act 2008 to land held by the Greater London Authority for housing and regeneration purposes. Schedule 4 makes provision for powers in relation to, and for, statutory undertakers including when notices can be served and representations made to the Secretary of State and appropriate Minister for an extension or modification to the functions and obligations of statutory undertakers.
- It makes provision to prohibit the Greater London Authority from disposing of land held for housing and regeneration purposes for less than the best consideration which can reasonably be obtained unless the Secretary of State consents (with the exception of certain disposals by way of a short tenancy). It provides that the Secretary of State may give consent, where required, generally or specifically.
- It provides that the Greater London Authority may authorise a person to enter and survey land in connection with a proposal by the Greater London Authority to acquire that land or other land for housing and regeneration purposes, or a claim for compensation in respect of the acquisition of such land.
- It places duties on the Greater London Authority in relation to social housing when it acquires, constructs or converts any housing or land for use as low cost rental accommodation and when it disposes of housing or land, or it provides infrastructure or gives financial assistance, on condition that low cost rental accommodation is provided. This is to ensure that when the accommodation is made available for rent the landlord is a “relevant provider of social housing” and thus subject to regulation. It provides that in relation to social housing located in Greater London, repayments of grant are made to the Greater London Authority and not the Homes and Communities Agency and that repaid grant monies received by the Greater London Authority may only be spent by it on providing social housing financial assistance to registered providers.
- It sets out the relationship between the Regulator of Social Housing and the Greater London Authority. The Regulator is given the power to direct the Greater London Authority not to give financial assistance in connection with social housing to a specified registered provider. The purpose of this power is to prevent financial assistance from being given to a registered provider where there are serious concerns about mismanagement or about the viability of that organisation.
- It enlarges the powers of the Greater London Authority to deal with certain property, rights and liabilities transferred to it from an urban development corporation, or transferred to it under section 190 from the Homes and Communities Agency having previously been transferred to that Agency from either an urban development corporation or the Commission for the New Towns.
- It provides that the Secretary of State may, with the consent of Treasury, pay grants to the Greater London Authority for its housing and regeneration functions. A grant may be paid in such instalments and at such times and subject to such conditions as the Secretary of State may determine.

### ***Section 188: The London housing strategy***

410. **Section 188** concerns the London housing strategy and makes changes to sections 333A and 333D of the Greater London Authority Act 1999 to reflect that the Greater London Authority is responsible for exercising housing functions in Greater London rather than the Homes and Communities Agency.

***Section 189: Modification to the Homes and Communities Agency's functions***

411. **Section 189** introduces a definition of England in respect of the Homes and Communities Agency's objects which excludes Greater London. It also makes other amendments to Part 1 of the Housing and Regeneration Act 2008 to exclude Greater London from references to "England".

***Section 190: Transfer of property of the Homes and Communities Agency etc***

412. **Section 190** empowers the Secretary of State to make schemes to provide for the transfer of property, rights and liabilities from the Homes and Communities Agency or the Secretary of State to the Greater London Authority, a functional body, a subsidiary company of the Authority, the Secretary of State, a London Borough or the Common Council of the City of London. The Secretary of State may also specify by order any other persons to whom the property, rights and liabilities may be transferred.

***Section 191: Abolition of the London Development Agency***

413. **Section 191** abolishes the London Development Agency. The date of abolition will be the date on which the section comes into force as specified by commencement order. Schedule 20 contains amendments to primary legislation required in consequence of the Agency's abolition. Part 32 of Schedule 25 contains repeals of primary legislation required in consequence of the Agency's abolition.
414. **Section 191** also makes provision for the Secretary of State to make schemes for the transfer of the property, rights and liabilities of the London Development Agency. A scheme may be made in favour of the Greater London Authority, a functional body, a subsidiary company of the Authority, the Secretary of State, a London borough council, the Common Council of the City of London or any body specified by order made by the Secretary of State. The Secretary of State is required to consult the Mayor of London about the contents of a transfer scheme.

***Section 192: Mayor's economic development strategy for London***

415. **Section 192** amends the Greater London Authority Act 1999. It requires the Mayor to prepare and publish an Economic development strategy for London. This will replace section 7A of the Regional Development Agencies Act 1998, under which the London Development Agency must prepare and publish an equivalent strategy under the supervision of the Mayor.
416. The Economic development strategy must contain an assessment of the economic conditions of London and the Mayor's policies and proposals for the economic development and regeneration of London. In preparing the strategy, the Mayor is required to consult representatives of employers and employees in London. The functional bodies must have regard to the strategy in the exercise of their functions.
417. This section empowers the Secretary of State to issue guidance about the matters to be covered by the strategy and issues to be taken into account in preparing or revising it. It also empowers the Secretary of State to direct the Mayor to revise the strategy if it is inconsistent with national policies or has a detrimental effect on any area outside London.

***Section 193: Transfer schemes: general provisions***

418. **Section 193** makes general provision about transfer schemes that the Secretary of State may make to transfer property, rights and liabilities of the Homes and Communities Agency and London Development Agency. General provision includes provision applying the Transfer of Undertakings (Protection of Employment) Regulations 2006 to contracts of employment transferred by a transfer scheme (whether or not they would otherwise be transferred under those Regulations). It also allows provision to be made

*These notes refer to the Localism Act 2011 (c.20)  
which received Royal Assent on 15 November 2011*

in a transfer scheme to enable section 36(3)(c) of the London Olympic Games and Paralympic Games Act 2006 to continue to apply to any land transferred: this is to ensure no enactment regulating the use of commons, open spaces or allotments prevents or restricts the use, for Olympic purposes, of land transferred.

***Section 194 and 195: Consequential provision***

419. **Section 194** empowers the Secretary of State to make consequential, transitory or transitional provision or savings for the purposes of or in consequence of the other provisions in Chapter 1 of Part 8 of the Localism Act. An order may, in particular, provide for the continuation, of things started by or in relation to the Homes and Communities Agency or the London Development Agency, by the Greater London Authority or another recipient of property, rights and liabilities under a transfer scheme.
420. **Section 195** introduces Schedules 19 and 20, which make amendments to legislation that are consequential on the other provisions in Chapter 1 of Part 8. Schedule 19 includes provision for any function exercisable on behalf of the Greater London Authority by the Mayor of London to be exercised, if so authorised by the Mayor, by the Homes and Communities Agency.