

LOCALISM ACT 2011

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

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.

Chapter 2: Mayoral development corporations

Sections 196 to 200: Establishment and areas

421. **Section 197** provides for the Mayor of London to designate any area of land in Greater London, including separate parcels of land, as a mayoral development area provided the Mayor has consulted, where necessary, the individuals and bodies specified in the Act. The Mayor must submit a document detailing the proposal for designation to the London Assembly and allow them 21 days to consider. If a two-thirds majority of the London Assembly object to the proposal then they can veto it. If the Mayor designates a mayoral development area successfully, the Mayor must publicise the designation and notify the Secretary of State of both the designation and the name to be given to the mayoral development corporation for the area.
422. **Section 198** provides that if the Secretary of State is notified of the designation of a mayoral development area, the Secretary of State must, by order, establish a mayoral development corporation for the area giving it the name notified by the Mayor. A mayoral development corporation will be a body corporate. The section introduces Schedule 21 which makes provision about the constitution and governance of a mayoral development corporation.
423. **Section 199** provides that the Mayor may alter the boundaries of a mayoral development area to exclude any area of land. Prior to this, the Mayor must consult the London Assembly and any other person the Mayor considers appropriate.
424. **Section 200** provides that the Secretary of State may, at any time, make a scheme transferring (to a mayoral development corporation) property, rights and liabilities of the persons specified in the Act, once the Secretary of State has consulted with the persons concerned and the Mayor. The Mayor may make a scheme transferring property, rights and liabilities of the Greater London Authority or a functional body, other than the mayoral development corporation, to a mayoral development corporation.

Section 201: Object and powers

425. **Section 201** provides that a mayoral development corporation's object is to secure the regeneration of its area. It may do anything it considers appropriate for that purpose or incidental purposes. A mayoral development corporation can also have specific powers, which must be exercised for that purpose or incidental purposes.

Sections 202 to 205: Planning and infrastructure functions

- 426. **Section 202** makes provision for a mayoral development corporation to become the local planning authority for the purposes, separately or collectively, of plan-making, development control and neighbourhood planning.
- 427. **Section 203** provides that a mayoral development corporation may make arrangements for the discharge of its development control functions, in whole or part, by the relevant council(s). The mayoral development corporation may also seek the relevant council's or councils' assistance in the discharge of its plan-making functions.
- 428. **Section 204** provides that if an order establishing a mayoral development corporation has been made, the Mayor may decide to remove the mayoral development corporation's planning functions or apply restrictions to their use.
- 429. **Section 205** provides that a mayoral development corporation may provide or facilitate the provision of infrastructure. It may do so by way of acquisition, construction, conversion, improvement or repair.

Sections 206 to 210: Land functions

- 430. **Section 206** provides that a mayoral development corporation may carry out or facilitate a range of specified activities including the regeneration or development of land and bringing about the effective use of land.
- 431. **Section 207** provides that a mayoral development corporation can acquire land within its area or elsewhere by agreement. With the authorisation of the Secretary of State, and the prior consent of the Mayor, a mayoral development corporation can acquire compulsorily land or new rights over land within its area or elsewhere within Greater London.
- 432. **Section 208** provides for Schedules 3 and 4 to the Housing and Regeneration Act 2008 to apply in relation to a mayoral development corporation and its land. The powers include powers to override easements and extinguish public rights of way, powers in relation to burial grounds and consecrated land, and powers in relation to, and for, statutory undertakers. Where a mayoral development corporation wishes to extinguish rights of way, it requires the Mayor's agreement.
- 433. **Section 209** provides that a mayoral development corporation is not permitted to dispose of land for less than best consideration, unless the Mayor consents, but this does not apply to granting or assigning a short tenancy of seven years or less.
- 434. **Section 210** provides that a mayoral development corporation can: authorise a person to enter land in connection with a proposal by the mayoral development corporation to acquire that land or other land, or a claim for compensation in respect to the acquisition of land; and exercise this power for the purposes of surveying land or estimating its value.

Sections 211 to 214: Other functions

- 435. **Section 211** provides that if street works in a mayoral development corporation's area are needed and involve a private street, the mayoral development corporation can serve an adoption notice on the street works authority – making the street (or part of it) a highway maintainable at public expense. The authority may appeal against a notice and ask the Secretary of State to decide how to proceed.
- 436. **Section 212** provides that a mayoral development corporation may carry on any business and, if the Mayor agrees, set up or take a stake in bodies corporate. Mayoral development corporation subsidiaries cannot take part in activities which mayoral development corporations themselves cannot. A subsidiary of a mayoral development

corporation cannot borrow from, or raise money by issuing shares or stock to, a person other than the mayoral development corporation without the Mayor's approval.

437. [Section 213](#) provides that with the Mayor's consent, a mayoral development corporation can give financial assistance to any person and in any form.
438. [Section 214](#) provides that the Mayor may decide, subject to prior consultation, that the power to grant discretionary relief from business rates should be transferred from the relevant local authorities to a mayoral development corporation.

Sections 215 to 217: Dissolution

439. [Section 215](#) provides that the Mayor is obliged to review, from time to time, the continuing existence of a mayoral development corporation.
440. [Section 216](#) provides for the Mayor to transfer any mayoral development corporation property, rights or liabilities to: the Greater London Authority; a subsidiary company of the Authority; a functional body of the Greater London Authority other than the mayoral development corporation; or a London borough council; the Common Council of the City of London or any other body - with their agreement.
441. [Section 217](#) provides that the Mayor can ask the Secretary of State to revoke the order that established a mayoral development corporation, provided the mayoral development corporation has no property, rights or liabilities. The Secretary of State must make an order giving effect to any such request from the Mayor.

Sections 218 to 222: General

442. [Section 218](#) sets out general provisions for the transfer of property, rights or liabilities (including in relation to a contract of employment) under a transfer scheme.
443. [Section 219](#) provides that the Mayor can, following consultation, issue guidance or revoke or vary previous guidance to mayoral development corporations. A mayoral development corporation must have regard to any guidance issued to it by the Mayor.
444. [Section 220](#) provides that the Mayor may give directions or revoke or vary previous general or specific directions to a mayoral development corporation.
445. [Section 221](#) provides that the Mayor can give consent under this Chapter unconditionally or subject to conditions; and generally or specifically. The Mayor may vary or revoke such consents, subject to various conditions and limitations.
446. [Section 222](#) introduces Schedule 22 which makes consequential amendments.

Chapter 3 – Greater London Authority Governance

Sections 223 to 231 – Greater London Authority Governance

447. [Sections 223 to 231](#) reform miscellaneous aspects of the Greater London Authority's governance framework under the Greater London Authority Act 1999.
448. [Section 223](#) gives Government Ministers the power to delegate certain functions to the Mayor of London. The functions which can be delegated are those which do not consist of a power to make regulations or other instruments of a legislative character, or a power to set fees or charges and which the Secretary of State considers can appropriately be exercised by the Mayor. Section 409 of the Greater London Authority Act 1999 enables a Minister to transfer associated property, rights or liabilities and this section amends that section to enable these to be transferred back if a delegation is revoked.
449. [Section 224](#) requires the Greater London Authority, if it carries on specified activities for a commercial purpose, to do so through a taxable body, to ensure tax parity with the private sector. This could be through a subsidiary company of the Authority or the

*These notes refer to the Localism Act 2011 (c.20)
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delegation of the activity to a taxable body using the Mayor's powers of delegation under section 38 of the Greater London Authority Act 1999.

450. Specified activities will be defined in regulations made by the Secretary of State with the consent of the Treasury and may include activities such as development of land. If any specified activity is not carried out through a taxable body, the Authority (or body acting under a delegation) will not be treated as exempt from income tax, corporation tax and capital gains tax in respect of that activity.
451. [Section 225](#) consolidates the six current statutory environmental strategies which the Mayor must publish into a strategy known as "the London Environment Strategy". The Secretary of State may give guidance to the Mayor on the content and preparation that strategy, and subject to conditions, may give the Mayor a direction as to its content. Schedule 23 makes amendments to the Greater London Authority Act 1999 to reflect this consolidation.
452. [Section 226](#) repeals the duty on the Mayor to publish four-yearly reports on the state of environment in Greater London.
453. [Section 227](#) amends the general provisions in relation to the Mayor's strategies. The Mayor when preparing a strategy must have regard to the need to ensure consistency with the UK's EU obligations and other international obligations as well as national policies. The Mayor must also have regard to the strategies listed in section 41(1) of the Greater London Authority Act 1999.
454. [Section 228](#) removes the duty on the Mayor to carry out a two-stage consultation process in relation to each of the statutory strategies, by removing the obligation to consult the Assembly and functional bodies first, before conducting a wider public consultation.
455. [Section 229](#) provides the London Assembly with a power to reject any of the Mayor's statutory strategies if a two-thirds majority of Assembly members vote against its publication. No power of veto applies, however, if a change to a strategy is made to comply with a direction from the Secretary of State.
456. [Section 231](#) extends the provisions of Part 5A of the Local Government Act 1972, which provide for access to meetings and documents of most local authorities, to Transport for London, bringing that body into line with the position of the Greater London Authority. The application of Part 5A to Transport for London is modified in two respects: the requirement to disclose the addresses of members is removed; and the requirement to list the titles of officers to whom functions are delegated is limited to those officers who have a function delegated to them directly by Transport for London or a committee of Transport for London (and does not include any further sub-delegations).