

## **Localism: the Implications for London**

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1. This talk is about the proposed implications of the Localism Bill for London. As all the other speakers have said, the Bill is subject to change and this talk cannot attempt to gaze into a crystal ball. However, it is unlikely that the main provisions in the Bill which relate to London will change, and this talk will therefore focus on:
  - The new provisions, in summary form
  - The new powers of the Mayor, focussing on MDCs – how they are established, their powers and functions
  - The loss of some powers of the Mayor – has he really lost any?
  - Some other implications of the Bill, more generally

### **Specific Implications: Provisions of the Bill which apply to London**

2. Part Seven of the Bill is the part which specifically relates to London (Clauses 157-200). All the relevant clauses are annexed to this paper.

3. This talk cannot hope to discuss every single change and potential implication. However, in very general terms, these parts aim to provide the Mayor of London with additional housing and regeneration powers.

#### *Who Has Been Abolished?*

4. The London Development Agency (LDA) and GOL (Government for London) have been abolished and the Homes and Community Agency (HCA) will transfer its functions to the GLA.

### **The Mayor's New Powers**

#### *New GLA Powers: In General Terms*

5. The Greater London Authority (GLA) will be given a range of new powers, to include:
  - The removal of various limitations on their general power
  - Housing and regeneration powers, to include compulsory purchase powers
  - Homes and Community Agency (HCA) functions and holdings in London
  - The LDA's functions for regeneration and management of European funding
  - Powers to set up Mayoral Development Corporations (MDCs) with planning powers for identified regeneration area (more of this in a moment).

- A new (and wide) general power to ministers which allow them to delegate their functions to the Mayor, where such functions do not consist of a power to make regulations or other instruments of a legislative character, or a power to set fees or charges.
6. As such, it can be said that the aim is that the GLA will become an all-purpose strategic authority for investment in housing and regeneration in London.

#### *MDCs – Establishment*

7. Mayoral Development Corporations are a completely new concept, and therefore this talk dedicates a little time to them. Chapter 2 in Part 7 deals with MDCs, and they are intended to be the Mayor’s new tool for securing regeneration of areas of London, as he sees fit. The powers and functions of these corporations are, at least in theory, very wide indeed. In theory at least, these MDCs can become the local planning authority for the area which they represent. We also already know that the Mayor is planning one MDC – relating to the Olympic site (see further below).
8. First a relevant area needs to be identified. Clauses 168-171 deal with the establishment of MDCs and allow the Mayor to designate **any** area (or parcel of areas) in London as a “**mayoral development area**”. Before doing so, he must ensure that:
- (a) He has consulted the various individuals and bodies specified in the Bill<sup>1</sup> and taken into account their comments<sup>2</sup>; and

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<sup>1</sup> See clause 168(4): The London Assembly, each constituency member of the London Assembly affected, each MP affected, each London Borough Council affected, the Common Council of the City of London if affected, Inner and Middle Temple if affected and any other person whom the Mayor considers it appropriate to consult.

(b) He considers that the designation of the area is **expedient** for furthering any one or more of the GLA's principal purposes<sup>3</sup>. These "**principal purposes**" are:

- (1) Promoting economic development and wealth creation in Greater London;
  - (2) Promoting social development in Greater London; and
  - (3) Promoting the improvement of the environment in Greater London<sup>4</sup>.
9. If the Mayor does decide to designate a Mayoral Development area, he must give it a name, publicise it, and tell the Secretary of State of the designation<sup>5</sup>. Thereafter the Mayor can alter the boundaries of such an area, so as to exclude land only (not add land), subject to consultation<sup>6</sup>.
10. In order to establish a Mayoral Development Corporation, the Secretary of State becomes involved. Once the Mayor has informed him of a relevant designation, the Secretary of State (by order) establishes an MDC, must give it the name the Mayor has chosen and it then becomes a body corporate<sup>7</sup>. If the Mayor wishes to make alterations to the relevant area, the Secretary of State has power to amend the relevant order<sup>8</sup>.

*MDCs: Object and Main Power: Clause 172*

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<sup>2</sup> See clause 168(3)(c).

<sup>3</sup> See clause 168(3)(a).

<sup>4</sup> Principal purposes of the GLA are set out at section 30(2) of the Greater London Authority Act 1999.

<sup>5</sup> See clause 168(5).

<sup>6</sup> Clause 170.

<sup>7</sup> See clause 169.

<sup>8</sup> Clause 170(4)(b).

11. So what are these MDCs actually for? Clause 172(1) provides that “the object of a MDC is to secure the regeneration of its area” and 172(2) that it “may do anything it considers appropriate for the purposes of its object or for purposes incidental to those purposes” – so in theory at least, a pretty wide general power. It also has “specific powers” (which have to be exercised for the purpose of its object), some of which are defined further in the Bill.

*MDCs: Planning and Infrastructure Functions: Clauses 173-176*

12. These clauses make provision for the MDC to become the local planning authority for the purposes of Plan-making, development control and neighbourhood planning. In theory at least, local authorities who previously held those roles would have no further part to play in the regeneration of their own area. However, the Bill provides for a number of ways in which the Mayor may choose not to wrestle power away from the authorities.
13. First, note that the Bill provides that the Mayor “**may**” decide that the MDC should be the authority for these purposes – presumably he may decide that it should not, or should only be the authority for some of these purposes. Again, he may only make such decisions subject to consultation requirements<sup>9</sup>. Presumably therefore, a case can be made at that stage as to why in particular circumstances, the MDC should not be the planning authority for all purposes.
14. Further, clause 174 specifically provides that the Mayor may enter into arrangements for “discharge of, or assistance with” planning functions. In

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<sup>9</sup> See clause 173(8)-(10).

essence, the Mayor may make arrangement with relevant London boroughs for the discharge of its development control functions, in whole or in part, or alternatively may ask for assistance from the relevant London Boroughs in the discharge of any of its functions. What “assistance” means in this context – no one knows as yet. Planning functions may also be removed from an MDC or restricted (clause 175).

15. Finally under planning functions, an MDC “may provide infrastructure” and “may facilitate the provision of infrastructure” by way of acquisition, construction, conversion, improvement or repair. Infrastructure is defined in the Bill (clause 176(4)) and includes services, roads, retail or business facilities, health or educational facilities and social or community facilities.

*Land Functions: Clauses 177-181*

16. The land functions enable an MDC to carry out (or facilitate) a range of specified activities including the regeneration or development of land and the bringing about of the effective use of land<sup>10</sup>. An MDC may also acquire land by agreement in its area or elsewhere.
17. With the authorisation of the Secretary of State and consent of the Mayor, an MDC can compulsorily acquire land or new rights over land within its area<sup>11</sup>. Again, this can be in its area or elsewhere in Greater London.<sup>12</sup>. Further, the GLA may over-ride easements, extinguish public rights of way and have powers in

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<sup>10</sup> Clause 177.

<sup>11</sup> Clause 178.

<sup>12</sup> Clause 178(7).

relation to burial grounds and consecrated land<sup>13</sup>. An MDC would not be entitled 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<sup>14</sup>.

*Other Functions: Clauses 182-185*

18. There are then various additional powers, which can be summarised briefly as follows:

(a) An MDC can adopt a private street by the service of an adoption notice, making it a highway maintainable at public expense. A local authority can appeal this (by way of section 157 of the Local Government, Planning and Land Act 1980);

(b) An MDC can carry on any business, and form or acquire bodies corporate<sup>15</sup>;

(c) An MDC may give financial assistance to any person, in any form and on such terms as it considers appropriate<sup>16</sup>; and

(d) An MDC may be given powers in relation to discretionary relief from non-domestic rates<sup>17</sup>, presumably in pursuit of its regeneration powers.

*Dissolution: Clauses 186-188*

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<sup>13</sup> Clause 179.

<sup>14</sup> Clause 180.

<sup>15</sup> Clause 183.

<sup>16</sup> Clause 184.

<sup>17</sup> Clause 185

19. Clause 186 provides that the Mayor is obliged to review the continuing in existence of MDCs, and by Clause 187 he may also transfer any MDC property, rights or liabilities to (1) the GLA; (2) a functional body other than the MDC; (3) a London borough council; (4) the Common Council of the City of London; or (5) (rather beautifully) anyone else. This must be with the consent of the body concerned.
20. It is proposed that an MDC may only dissolved if it has no property, rights or liabilities vested in it, and can only be dissolved if the Mayor requests the Secretary of State to revoke the order which established it. However, if the Secretary of State receives such a request, he must give effect to it<sup>18</sup>.

*Clauses 189-193*

21. Peruse these at your leisure; they contain general provisions for the transfer of rights, property and liabilities under a transfer scheme, and for guidance and/or directions to be given to the MDC by the Mayor.

*So what are these MDCs all about?*

22. They are intended to speed up regeneration of London in certain areas, which is certainly the case with some areas where a large number of local authorities and bodies are currently involved in the relevant decision-making.

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<sup>18</sup> Clause 188.



23. Boris Johnson has been talking up the prospect of MDCs for a considerable period of time now. At a meeting of the London Congress in May 2010 on 15 June 2010, the Mayor set out his vision on the future powers of the GLA and noted that in London, the Olympic Park development and regeneration of the surrounding areas involved seven different bodies, which he said led to delays, confusion and duplication. He welcomed the proposed creation of MDCs and noted that the the Olympic Park Legacy Company (OPLC) should be reformed as an MDC, reporting directly to the Mayor and which would be democratically accountable to Londoners. The Government confirmed in October 2010 that the powers and functions of the OPLC would be transferred to an MDC<sup>19</sup>. No further MDCs have been confirmed as in the pipeline as yet.
24. It should be noted that the approach to the Olympic site has not met with universal approval. Directly in response to the Mayor's vision set out at the London Congress, the umbrella body London Council wrote a letter to Communities secretary Eric Pickles, setting that the capital's local authorities wanted any new MDC's planning powers to be be shared with the Olympic boroughs. As we have seen, this would be possible under the current provisions – but whether it will happen remains to be seen.

*Clause 194*

25. Tucked in away at the end is a very general provision that ministers will now have the power to delegate their functions to the Mayor, where the functions do

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<sup>19</sup> See Statement of Bob Neill, Parliamentary Under Secretary of State for Communities and Local Government, on the 20 year vision of the OLPC on 7 October 2010.

not consist of a power to make regulations or other instruments of a legislative character or to set fees or charges. I will leave you to speculate as to the sorts of functions ministers might want to delegate to the Mayor, but potentially this is a very wide power indeed.

### **Has the GLA Lost Anything in Return?**

26. So Boris Johnson has some significant new planning powers, if he chooses to use them. But has he lost any?
  
27. Interesting this one. For many months prior to the publication of the Bill, it was said that the GLA would retain powers to consider only the largest planning applications and that powers to consider many of the other major schemes currently considered by the Mayor would be returned to the London boroughs. This power to call in applications of strategic importance for his own determination was given to the Mayor by section 2A of the Town and Country Planning Act 1990 (as amended).
  
28. The Localism Bill was published with a Media Briefing Note, stated to be a briefing note on the provisions of the Bill, which specifically says<sup>20</sup>:  
  
“Boroughs will be given control over more of the major local planning decisions that affect their local communities. The Mayor will only consider the largest planning applications in future”.
  
29. However, a close examination of the Bill discloses no provisions to that effect<sup>21</sup>, and indeed the only amendment to section 2A of the 1990 Act is contained within

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<sup>20</sup> To be found at <http://www.communities.gov.uk/news/newsroom/1794971>

Schedule 22 of the Bill, paragraph 29 of which provides that the Mayor's call in powers will not apply if the authority in question is an MDC – this would make sense, as the Mayor would presumably not wish to call in his own applications which his own MDC was determining. However, there is no other amendment to section 2A.

30. So presumably this has been shelved for the moment, or alternatively perhaps it is being considered for amendment separately. So no *quid pro quo* for local authorities on this one at the moment.
31. The Bill does introduce some limited new powers of scrutiny. London Assembly members will be given powers to reject Mayoral Strategies<sup>22</sup> (with a two-thirds majority). This is the first time the members will have any real power<sup>23</sup>.

### **Localism Bill Generally: Implications for London**

32. There is no doubt that the Bill has a long way to go and contains a large number of rather unanswered questions. I would hazard a guess that some key questions for London are as follows:

(1) Will the Mayor actually use his powers to set up MDCs? The short answer is yes. It has been confirmed that one will be set up for the Olympic site,

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<sup>21</sup> I personally undertake to provide whoever can find the provision in the Bill with £20 and a drink. I've tried, and I can't see it.

<sup>22</sup> Introduced by the section 41 of the Greater London Authority Act 1999.

<sup>23</sup> See clause 199 of the Bill.

although there are no others in the pipeline. Potentially, they could be set up everywhere, and span a large number of boroughs – is this in fact anti-localism?

(2) This talk has not focussed on 'neighbourhoods', as this was the remit of Stephen in his earlier talk. However, new 'neighbourhoods' are a key concept in the Localism Bill. Are these really needed in London? London already has more than 600 'wards' – is there a need for an even smaller area of democratic control? There is a lack of detail about how neighbourhood planning would work, but will we simply see the more well off neighbourhoods taking advantage of this new concept?

(3) Assets of Community Value – again these are outside the remit of this talk, but which a local community will have priority in taking over. This concept can be used by groups seeking to stifle development, for example if a key building or open space within a development area were added to the register. Local people will be able to campaign for certain spaces and places to be on the register as a way of suppressing value and development potential. Interestingly for London, it may also make large scale land assembly more difficult as large sites in London tend to have some 'community asset' within them which may need to be re-provided in a different form to facilitate regeneration;

(4) Will referenda be used in London, and what for? As you know, 5% of the population of a designated area will need to request a referendum. The average ward population in London is about 12,000. 5% of this is 600 people.

On a controversial issue, it should be very easy to obtain this number of signatories (and the Bill allows people to sign up for a referendum electronically). No doubt, political parties will call for such referenda on a regular basis, but they may also be triggered on any issue, by anyone;

(5) Who are London's winners and losers? As set out above, the Mayor has done very well. Active local residents have done well. London boroughs have done less well – the threat of MDCs looms and their local residents will have a bigger say in everything. As for developers in London, it is a mixed bag. MDCs may speed things up. No third party right of appeal is introduced. Neighbourhood plans and Community assets may yet prove to be serious spokes in the wheels of speedy development in the capital.

Carine Patry Hoskins

Landmark Chambers

**PART 7**  
LONDON

**CHAPTER 1**  
HOUSING AND REGENERATION FUNCTIONS

**157 Removal of limitations on Greater London Authority's general power**

(1) Section 31 of the Greater London Authority Act 1999 (limits of the Authority's general power) is amended as follows.

(2) In subsection (3) (prohibition on the Authority incurring expenditure in providing housing or other services) omit paragraph (a) (provision of housing).

(3) Omit subsection (4) (interpretation of reference to provision of housing).

(4) Before subsection (5) insert—

“(4A) The reference in subsection (3) above to providing any education services does not include sponsoring Academies or facilitating their sponsorship.”

**158 New housing and regeneration functions of the Authority**

(1) Part 7A of the Greater London Authority Act 1999 is amended as follows.

(2) In the heading to that Part, after “HOUSING” insert “AND REGENERATION”.

(3) Before section 333A insert—

*“Functions in relation to land*

**333ZA Compulsory acquisition of land**

(1) The Authority may acquire land in Greater London compulsorily for the purposes of housing or regeneration.

(2) The Authority may exercise the power in subsection (1) only if the Secretary of State authorises it to do so.

(3) The power in subsection (1) includes power to acquire new rights over land.

(4) Subsection (5) applies where—

(a) land forming part of a common, open space or allotment is being acquired under subsection (1), or

(b) new rights are being acquired under subsection (1) over land forming part of a common, open space or allotment.

(5) The power under subsection (1) includes power to acquire land compulsorily for giving in exchange for that land or those new rights.

(6) Part 1 of Schedule 2 to the Housing and Regeneration Act 2008 (compulsory acquisition of land by the Homes and Communities Agency) applies in relation to the acquisition of land under subsection (1) as it applies in relation to the acquisition of land under section 9 of that Act.

(7) In that Part of that Schedule as applied by subsection (6)—

(a) references to section 9 of that Act are to be read as references to subsection (1),

(b) references to the Homes and Communities Agency are to be read as references to the Authority, and

(c) references to Part 1 of that Act are to be read as references to this Part.

(8) The provisions of Part 1 of the Compulsory Purchase Act 1965 (other

than section 31) apply, so far as applicable, to the acquisition by the Authority of land by agreement for the purposes of housing or regeneration.

(9) In this section—

“allotment” means any allotment set out as a fuel allotment, or a field garden allotment, under an Inclosure Act;

“common” has the meaning given by section 19(4) of the Acquisition of Land Act 1981;

“open space” means any land which is—

- (a) laid out as a public garden,
- (b) used for the purposes of public recreation, or
- (c) a disused burial ground.

### **333ZB Powers in relation to land held for housing or regeneration purposes**

(1) Schedule 3 to the Housing and Regeneration Act 2008 (powers in relation to land of the Homes and Communities Agency) applies in relation to the Authority and land held by it for the purposes of housing or regeneration as it applies in relation to the Homes and Communities Agency and its land.

(2) In that Schedule as applied by subsection (1)—

(a) references to the Homes and Communities Agency are to be read as references to the Authority, and

(b) references to the Homes and Communities Agency’s land are to the Authority’s land held by it for the purposes of housing or regeneration.

(3) Schedule 4 to that Act (powers in relation to, and for, statutory undertakers) applies in relation to the Authority and land held by it for the purposes of housing or regeneration as it applies in relation to the Homes and Communities Agency and its land.

(4) In that Schedule as applied by subsection (3)—

(a) references to the Homes and Communities Agency are to be read as references to the Authority,

(b) references to the Homes and Communities Agency’s land are to the Authority’s land held by it for the purposes of housing or regeneration,

(c) references to Part 1 of that Act are to be read as references to this Part, and

(d) references to the functions of the HCA under Part 1 of that Act are to be read as references to the functions of the Authority relating to housing or regeneration.

### **333ZC Disposal etc of land held for housing and regeneration purposes**

(1) The Authority may not dispose of land held by it for the purposes of housing or regeneration for less than the best consideration which can reasonably be obtained unless the Secretary of State consents.

(2) Consent under subsection (1)—

(a) may be general or specific;

(b) may be given unconditionally or subject to conditions.

(3) Subsection (1) does not apply to a disposal by way of a short tenancy if the disposal consists of—

(a) the grant of a term of not more than 7 years, or

(b) the assignment of a term which, at the date of assignment, has not more than 7 years to run.

(4) A disposal of land by the Authority is not invalid merely because any consent required by subsection (1) has not been given.

(5) A person dealing with—

(a) the Authority, or

(b) a person claiming under the Authority,

in relation to any land need not be concerned as to whether any consent required by subsection (1) has been given.

### **333ZD Power to enter and survey land**

(1) Sections 17 and 18 of the Housing and Regeneration Act 2008 (power to enter and survey land) apply in relation to the Authority and land in Greater London as they apply in relation to the Homes and Communities Agency and land outside Greater London.

(2) In those sections as applied by subsection (1)—

(a) references to Homes and Communities Agency are to be read as references to the Authority,

(b) references to land are to land in Greater London, and

(c) the reference to a proposal for the Homes and Communities Agency to acquire land is a reference to a proposal for the Authority to acquire land for the purposes of housing or regeneration.

### *Social housing*

#### **333ZE Social housing**

(1) Subject to subsection (2), sections 31 to 36 of the Housing and Regeneration Act 2008 (social housing functions) apply in relation to the Authority as they apply in relation to the Homes and Communities Agency.

(2) In those sections as applied by subsection (1)—

(a) references to the Homes and Communities Agency are to be read as references to the Authority,

(b) the definition of “social housing assistance” in section 32(13) is to be read as if the reference to financial assistance given under section 19 of that Act were to financial assistance given by the Authority,

(c) section 34 is to be read as if subsection (1) were omitted, and

(d) section 35(1) is to be read as if the reference to section 19 of the Housing and Regeneration Act 2008 were omitted and as if the reference in paragraph (b) to a dwelling in England outside Greater London were to a dwelling in Greater London.

(3) Sums received by the Authority in respect of repayments of grants made by it for the purposes of social housing are to be used by it for those purposes.

#### **333ZF Relationship with the Regulator of Social Housing: general**

(1) The Authority must, in the exercise of its housing and regeneration functions, co-operate with the Regulator of Social Housing (referred to in this Part as “the Regulator”).

(2) In particular, the Authority must consult the Regulator on matters



likely to interest the Regulator in the exercise of its social housing functions.

(3) The Regulator must, in the exercise of its social housing functions, cooperate with the Authority.

(4) In particular, the Regulator must consult the Authority on matters likely to interest the Authority in the exercise of its housing and regeneration functions.

### **333ZG Relationship with the Regulator of Social Housing: directions**

(1) The Regulator may direct the Authority not to give financial assistance in connection with social housing to a specified registered provider of social housing .

(2) A direction may be given if—

(a) the Regulator has decided to hold an inquiry into affairs of the registered provider of social housing under section 206 of the Housing and Regeneration Act 2008 (and the inquiry is not concluded),

(b) the Regulator has received notice in respect of the registered provider of social housing under section 145 of that Act, or

(c) the Regulator has appointed an officer of the registered provider of social housing under section 269 of that Act (and the person appointed has not vacated office).

(3) A direction may prohibit the Authority from giving assistance of a specified kind (whether or not in pursuance of a decision already taken and communicated to the registered provider of social housing).

(4) A direction may not prohibit grants to a registered provider of social housing in respect of discounts given by the provider on disposals of dwellings to tenants.

(5) A direction has effect until withdrawn.

(6) In this section the following terms have the same meaning as in Part 2 of the Housing and Regeneration Act 2008—

“disposal” (see section 273 of that Act);

“dwelling” (see section 275 of that Act);

“tenant” (see section 275 of that Act).

### **333ZH Relationship with the Regulator of Social Housing: further provisions**

(1) Subsection (2) applies if the Authority is proposing to give financial assistance on condition that the recipient provides low cost home ownership accommodation.

(2) The Authority must consult the Regulator about the proposals.

(3) The Authority must notify the Regulator at least 14 days before exercising, in relation to a registered provider of social housing, any of the powers conferred by section 32(2) to (4) of the Housing and Regeneration Act 2008 (recovery etc of social housing assistance).

(4) The Authority must consult the Regulator before making a general determination under section 32 or 33 of the Housing and Regeneration Act 2008.

(5) For the purposes of this section a person provides low cost home ownership accommodation if (and only if) the person acquires, constructs or converts any housing or other land for use as low cost

home ownership accommodation or ensures such acquisition, construction or conversion by another.

(6) In this section “low cost home ownership accommodation” has the meaning given by section 70 of the Housing and Regeneration Act 2008.

*Exercise of functions in relation to certain property etc*

**333ZI Exercise of functions by the Authority in relation to certain property etc**

(1) The Authority may do in relation to any property, rights or liabilities, or any undertaking, to which this section applies anything that the Commission for the New Towns or (as the case may be) an urban development corporation could do in relation to the property, rights or liabilities or the undertaking.

(2) This section applies to—

(a) any property, rights or liabilities that—

(i) have been or are to be transferred to the Authority from the Homes and Communities Agency by virtue of section 161 of the Localism Act 2011, and

(ii) were transferred to the Homes and Communities Agency from the Commission for the New Towns by virtue of section 51 of and Schedule 6 to the Housing and Regeneration Act 2008,

(b) an undertaking, or part of an undertaking, of an urban development corporation that has been or is to be transferred to the Authority by virtue of an agreement under section 165 of the Local Government, Planning and Land Act 1980,

(c) any property, rights or liabilities of an urban development corporation that have been or are to be transferred to the Authority by virtue of an order under section 165B of the Local Government, Planning and Land Act 1980, and

(d) any property, rights or liabilities that—

(i) have been or are to be transferred to the Authority from the Homes and Communities Agency by virtue of section 161 of the Localism Act 2011, and

(ii) were transferred to the Homes and Communities Agency from an urban development corporation by virtue of an order under section 165B of the Local Government, Planning and Land Act 1980.

(3) In any enactment (whenever passed or made) references to the Authority’s new towns and urban development functions means its functions in relation to any property, rights or liabilities, or any undertaking, to which this section applies (whether exercisable by virtue of this section or otherwise).

(4) In subsection (4) “enactment” includes an enactment comprised in subordinate legislation (within the meaning of the Interpretation Act 1978).

*Grants for housing and regeneration purposes*

**333ZJ Grants to the Authority for housing and regeneration purposes**

(1) *The Secretary of State may pay to the Authority grants of such amounts as the*

*Secretary of State may, with the Treasury's consent, determine in respect of the exercise of the Authority's functions relating to housing and regeneration.*

*(2) A grant under this section may be paid at such times, or in such instalments at such times, as the Secretary of State may, with the Treasury's consent, determine.*

*(3) A grant under this section may be made subject to such conditions as the Secretary of State may determine.*

*(4) Conditions under subsection (3) may, in particular, include—*

*(a) provision as to the use of the grant;*

*(b) provision as to the use of any funds generated by activities funded by the grant;*

*(c) provision as to the circumstances in which the whole or part of the grant must be repaid."*

*(4) After section 333D insert—*

*"Interpretation*

### **333E Interpretation of Part 7A**

In this Part—

"building" means a building or other structure (including a houseboat or caravan);

"caravan" has the meaning given by section 29(1) of the Caravan Sites and Control of Development Act 1960;

"housing" means a building, or part of a building, occupied or intended to be occupied as a dwelling or as more than one dwelling; and includes a hostel which provides temporary residential accommodation;

"land" includes housing or other buildings (and see also the definition in Schedule 1 to the Interpretation Act 1978);

"the Regulator" has the meaning given by section 333ZF(1);

"social housing" (except as part of the expression "social housing functions") has the same meaning as in Part 2 of the Housing and Regeneration Act 2008 (see section 68 of that Act)."

### **159 The London housing strategy**

(1) Before section 333A of the Greater London Authority Act 1999 (the London housing strategy) insert—

*"The London housing strategy".*

(2) That section is amended as follows.

(3) In subsection (2)(d) for "recommendations" substitute "proposals".

(4) In subsection (3)—

(a) in the opening words for "recommendations" substitute "proposals",

(b) in paragraph (a) for "Homes and Communities Agency" substitute "Authority", and

(c) for paragraph (b) substitute—

"(b) proposals as to the exercise by the Authority of its functions of giving housing financial assistance (see subsection (4) below);".

(5) For subsection (4) substitute—

"(4) Proposals under subsection (3)(b) above may include—

(a) proposals as to the amount of housing financial assistance to be given for different activities or purposes;

(b) proposals as to the number, type and location of houses to be provided by means of housing financial assistance.”

(6) In subsection (10) in the definition of “housing financial assistance” for the words from “under” to “2008” substitute “by the Authority”.

(7) Section 333D (duties of Homes and Communities Agency) is amended as follows.

(8) In the heading for “Homes and Communities Agency” substitute “the Authority”.

(9) In subsection (1) for the words from “Greater London” to “Agency” substitute “housing or regeneration, the Authority”.

### **160 Modification to the Homes and Communities Agency’s functions**

(1) The Housing and Regeneration Act 2008 is amended as follows.

(2) In section 2(2) (objects of the Homes and Communities Agency) before the definition of “good design” insert—

““England” does not include Greater London;”.

(3) Section 13 (power of Secretary of State to make designation orders) is amended as follows.

(4) In subsection (1) after “England” insert “outside Greater London”.

(5) In subsection (6)—

(a) after “England” insert “or”, and

(b) omit the words from “, a London” to the end of the subsection.

(6) In section 14(7) (content of designation orders) in paragraph (a) of the definition of “relevant functions” omit the words from “, a London” to “of London,”.

(7) In section 26(2) (duty to act as agent in respect of regeneration and development) after “England” insert “outside Greater London”.

(8) In section 35(1)(b) (duty to give financial assistance in respect of certain disposals) after “England” insert “outside Greater London”.

### **161 Transfer of property of Homes and Communities Agency etc**

(1) The Secretary of State may at any time make a scheme (a “transfer scheme”) transferring the property, rights and liabilities of the Homes and Communities Agency (“the HCA”) or the Secretary of State that are specified in the scheme to—

(a) the Greater London Authority,

(b) a functional body,

(c) the Secretary of State,

(d) a London borough council, or

(e) the Common Council of the City of London.

(2) The Secretary of State may by order specify another person, or a description of other persons, to whom property, rights or liabilities of the HCA or the Secretary of State may be transferred by a transfer scheme.

(3) In this section—

“functional body” has the meaning given by section 424(1) of the Greater London Authority Act 1999;

“rights” and “liabilities” include rights, or (as the case may be) liabilities, in relation to a contract of employment.

### **162 Abolition of London Development Agency and transfer of its property etc**

- (1) The London Development Agency ceases to exist on the day on which this subsection comes into force.
- (2) The Secretary of State may at any time make a scheme (a “transfer scheme”) transferring the property, rights and liabilities of the London Development Agency that are specified in the scheme to—
  - (a) the Greater London Authority,
  - (b) a functional body,
  - (c) the Secretary of State,
  - (d) a London borough council, or
  - (e) the Common Council of the City of London.
- (3) Before making a transfer scheme, the Secretary of State must consult the Mayor of London.
- (4) The Secretary of State may by order specify another person, or a description of other persons, to whom property, rights or liabilities of the London Development Agency may be transferred by a transfer scheme.
- (5) In this section—

“functional body” has the meaning given by section 424(1) of the Greater London Authority Act 1999;

“rights” and “liabilities” include rights, or (as the case may be) liabilities, in relation to a contract of employment.

### **163 Mayor’s economic development strategy for London**

- (1) The Greater London Authority Act 1999 is amended as follows.
- (2) After section 333E (which is inserted by section 158) insert—

#### **“PART 7B**

##### **ECONOMIC DEVELOPMENT**

### **333F Economic development strategy for London**

- (1) The Mayor shall prepare and publish a document to be known as the “Economic development strategy for London”.
- (2) The Economic development strategy for London is to contain—
  - (a) the Mayor’s assessment of the economic conditions of Greater London, and
  - (b) the Mayor’s policies and proposals for the economic development and regeneration of Greater London, including the Mayor’s strategy for—
    - (i) promoting business efficiency, investment and competitiveness in Greater London,
    - (ii) promoting employment in Greater London, and
    - (iii) enhancing the development of skills relevant to employment in Greater London.

The references in this subsection to Greater London include its rural parts as well as its non-rural parts.
- (3) In preparing or revising the Economic development strategy for London the Mayor must consult—
  - (a) such persons as appear to the Mayor to represent employers in Greater London, and
  - (b) such persons as appear to the Mayor to represent employees in Greater London.
- (4) Each of the functional bodies must in the exercise of any function have regard to the Economic development strategy for London.

- (5) The Secretary of State may give guidance to the Mayor about the exercise of the Mayor's functions in relation to the Economic development strategy for London with respect to—
- (a) the matters to be covered by that strategy or that strategy as revised, and
  - (b) the issues to be taken into account in preparing or revising that strategy.
- (6) The issues mentioned in subsection (5)(b) above include issues relating to any one or more of the following—
- (a) Greater London,
  - (b) any area of England outside Greater London, and
  - (c) any part of the United Kingdom outside England.
- (7) The Mayor is to have regard to any guidance given under subsection (5) above.
- (8) Where the Secretary of State considers—
- (a) that the Economic development strategy for London (or any part of it) is inconsistent with national policies, or
  - (b) that the Economic development strategy for London or its implementation is having, or is likely to have, a detrimental effect on any area outside Greater London,
- the Secretary of State may direct the Mayor to make such revisions of the strategy as may be specified in the direction in order to remove the inconsistency or, as the case may be, the detrimental effect or likely detrimental effect.
- (9) Where the Secretary of State gives the Mayor a direction under subsection (8) above, the Mayor must revise the Economic development strategy for London in accordance with the direction.
- (10) Where the Mayor revises the Economic development strategy for London in accordance with subsection (9) above, subsection (3) above and section 42 above do not apply.
- (11) For the purposes of subsection (8) above “national policies” are any policies of Her Majesty's government which are available in a written form and which—
- (a) have been laid or announced before, or otherwise presented to, either House of Parliament, or
  - (b) have been published by a Minister of the Crown.”
- (3) In section 41(1) (strategies to which section applies) for paragraph (b) (the London Development Agency strategy) substitute—
- “(b) the Economic development strategy for London prepared and published under section 333F below,”.

#### **164 Transfer schemes: general provisions**

- (1) In this section—
- “transfer scheme” means a scheme under section 161(1) or 162(2);
- “transferee”, in relation to a transfer scheme, means the person to whom property, rights or liabilities are transferred by the scheme;
- “transferor”, in relation to a transfer scheme, means the person from whom property, rights or liabilities are transferred by the scheme.
- (2) The things that may be transferred under a transfer scheme include—
- (a) property, rights or liabilities that could not otherwise be transferred;
  - (b) property acquired, and rights and liabilities arising, after the making of

the scheme.

- (3) A transfer scheme may make consequential, supplementary, incidental or transitional provision and may in particular—
- (a) make provision for certificates issued by the Secretary of State to be conclusive evidence that property has been transferred;
  - (b) create rights, or impose liabilities, in relation to property or rights transferred;
  - (c) make provision about the continuing effect of things done (or having effect as if done) by or in relation to the transferor in respect of anything transferred;
  - (d) make provision about the continuation of things (including legal proceedings) in the process of being done by, on behalf of or in relation to the transferor in relation to anything transferred;
  - (e) make provision for references to the transferor in an instrument or other document in respect of anything transferred to be treated as references to the transferee;
  - (f) make provision for the shared ownership or use of property;
  - (g) provide for section 36(3)(c) of the London Olympic Games and Paralympic Games Act 2006 to continue (until repealed) to apply to land transferred to which it applied immediately before the transfer.
- (4) The Transfer of Undertakings (Protection of Employment) Regulations 2006 (S.I. 2006/246), as from time to time amended, apply to a transfer under a transfer scheme where the transfer relates to rights or liabilities under a contract of employment (whether or not it is a relevant transfer for the purposes of those regulations).
- (5) A transfer scheme may provide—
- (a) for modifications by agreement;
  - (b) for modifications to have effect from the date when the original scheme came into effect.
- (6) In this section “rights” and “liabilities” include rights, or (as the case may be) liabilities, in relation to a contract of employment.

### **165 Power to make consequential etc provision**

- (1) The Secretary of State may by order make such consequential provision or such transitory or transitional provision or savings as the Secretary of State considers appropriate for the purposes of or in consequence of this Chapter.
- (2) The provision that may be made under subsection (1) includes, in particular—
- (a) provision for things done (or having effect as if done) by or in relation to a predecessor to have effect as if done by or relation to a successor;
  - (b) provision about the continuation by, on behalf of or in relation to a successor of things (including legal proceedings) in the process of being done by, on behalf of or in relation to a predecessor;
  - (c) provision for references to a predecessor in an instrument or other document to be treated as references to a successor.
- (3) In subsection (2)—
- “predecessor” means a person from whom property, rights or liabilities may be transferred by a scheme under section 161(1) or 162(2);
- “successor” means a person to whom property, rights or liabilities may be transferred by a scheme under section 161(1) or 162(2).

### **166 Consequential amendments**

- (1) Schedule 19 (housing and regeneration: consequential amendments) has effect.
- (2) Schedule 20 (amendments in consequence of the abolition of the London Development Agency) has effect.

## **CHAPTER 2**

### **MAYORAL DEVELOPMENT CORPORATIONS**

#### *Introductory*

#### **167 Interpretation of Chapter**

In this Chapter—

“the Mayor” means the Mayor of London;

“MDC” means a Mayoral development corporation (see section 169).

#### *Establishment and areas*

#### **168 Designation of Mayoral development areas**

- (1) The Mayor may designate any area of land in Greater London as a Mayoral development area.
- (2) Separate parcels of land may be designated as one Mayoral development area.
- (3) The Mayor may designate a Mayoral development area only if—
  - (a) the Mayor considers that designation of the area is expedient for furthering any one or more of the Greater London Authority’s principal purposes,
  - (b) the Mayor has (whether before or after the passing of this Act) consulted the persons specified by subsection (4),
  - (c) the Mayor has had regard to any comments made in response by the consultees, and
  - (d) in the event that those comments include comments made by the London Assembly that the Mayor does not accept, the Mayor has published a statement giving the reasons for the non-acceptance.
- (4) The persons who have to be consulted before an area may be designated are—
  - (a) the London Assembly,
  - (b) each constituency member of the London Assembly whose Assembly constituency contains any part of the area,
  - (c) each Member of Parliament whose parliamentary constituency contains any part of the area,
  - (d) each London borough council whose borough contains any part of the area,
  - (e) the Common Council of the City of London if any part of the area is within the City,
  - (f) the sub-treasurer of the Inner Temple if any part of the area is within the Inner Temple,
  - (g) the under treasurer of the Middle Temple if any part of the area is within the Middle Temple, and
  - (h) any other person whom the Mayor considers it appropriate to consult.
- (5) If the Mayor designates a Mayoral development area, the Mayor must—
  - (a) publicise the designation,
  - (b) notify the Secretary of State of the designation, and
  - (c) notify the Secretary of State of the name to be given to the Mayoral development corporation for the area.
- (6) Section 30(2) of the Greater London Authority Act 1999 (interpretation of references to the Authority’s principal purposes) applies for the purposes of



subsection (3)(a).

#### **169 Mayoral development corporations: establishment**

- (1) Subsection (2) applies if the Secretary of State receives notification under section 168(5) of the designation of a Mayoral development area.
- (2) The Secretary of State must by order—
  - (a) establish a corporation for the area,
  - (b) give the corporation the name notified to the Secretary of State by the Mayor, and
  - (c) give effect to any decisions notified under section 173(8) (decisions about planning functions, but see also sections 170(4) and 185(6) as regards other decisions to which effect has to be given).
- (3) A corporation established under subsection (2) is a Mayoral development corporation.
- (4) A Mayoral development corporation is a body corporate having the name given to it by the order establishing it.
- (5) In exercising power under subsection (2) to make provision of the kind mentioned in section 201(2)(b), the Secretary of State is to have regard to any relevant representations received from the Mayor.
- (6) Schedule 21 (further provision about MDCs) has effect.

#### **170 Exclusion of land from Mayoral development areas**

- (1) The Mayor may alter the boundaries of a Mayoral development area so as to exclude any area of land.
- (2) Before making an alteration, the Mayor must consult—
  - (a) the London Assembly, and
  - (b) any other person whom the Mayor considers it appropriate to consult.
- (3) If the Mayor makes an alteration, the Mayor must—
  - (a) publicise the alteration,
  - (b) notify the Secretary of State of the alteration, and
  - (c) notify the MDC for the area (if an MDC has been established for that area).
- (4) If the Secretary of State receives notification under subsection (3) of an alteration, the Secretary of State must give effect to the alteration—
  - (a) when making the order under section 169(2) that establishes an MDC for the Mayoral development area concerned, or
  - (b) by exercising the power to amend that order (see section 14 of the Interpretation Act 1978).

#### **171 Transfers of property etc to a Mayoral development corporation**

- (1) The Secretary of State may at any time make a scheme transferring to an MDC property, rights and liabilities of a person within subsection (3).
- (2) Before making a scheme under subsection (1), the Secretary of State must consult—
  - (a) the person whose property, rights or liabilities would be transferred, and
  - (b) the Mayor.
- (3) A person is within this subsection if the person is—
  - (a) a London borough council,
  - (b) the Common Council of the City of London in its capacity as a local authority,

- (c) the Homes and Communities Agency,
  - (d) a development corporation established under the New Towns Act 1981 for a new town all or part of whose area is in Greater London,
  - (e) an urban development corporation for an urban development area all or part of which is in Greater London,
  - (f) the Olympic Delivery Authority,
  - (g) any company, or other body corporate, which is a wholly-owned subsidiary of the Olympic Delivery Authority,
  - (h) any company, or other body corporate, which—
    - (i) is a subsidiary of the Olympic Delivery Authority, and
    - (ii) is a subsidiary of at least one other public authority, and
    - (iii) is not a subsidiary of any person who is not a public authority,
  - (i) a Minister of the Crown or a government department,
  - (j) any company all the shares in which are held by a Minister of the Crown, or
  - (k) any company whose members—
    - (i) include the Mayor and a Minister of the Crown, and
    - (ii) do not include anyone who is neither the Mayor nor a Minister of the Crown.
- (4) The Mayor may at any time make a scheme transferring to an MDC property, rights and liabilities of—
- (a) the Greater London Authority, or
  - (b) a functional body other than that MDC.
- (5) The Mayor must publish a scheme under subsection (4) as soon after it is made as is reasonably practicable.
- (6) The Secretary of State may by order specify another person, or a description of other persons, from whom property, rights or liabilities may be transferred under subsection (1) or (4).
- (7) In subsection (2)(g) “wholly-owned subsidiary” has the meaning given by section 1159 of the Companies Act 2006.
- (8) For the purposes of subsection (2)(h) and paragraph (b) of this subsection, a body corporate (“C”) is a “subsidiary” of another person (“P”) if—
- (a) P, or P’s nominee, is a member of C, or
  - (b) C is a subsidiary of a body corporate that is itself a subsidiary of P.
- (9) In this section—
- “functional body” has the meaning given by section 424(1) of the Greater London Authority Act 1999;
- “Minister of the Crown” has the same meaning as in the Ministers of the Crown Act 1975;
- “public authority” means a public body or a Minister of the Crown or other holder of a public office;
- “urban development corporation” means a corporation established by an order under section 135 of the Local Government, Planning and Land Act 1980.

*Object and main power*

**172 Object and powers**

- (1) The object of a MDC is to secure the regeneration of its area.
- (2) An MDC may do anything it considers appropriate for the purposes of its object or for purposes incidental to those purposes.
- (3) In this section “specific power”, in relation to an MDC, means any of the

MDC's powers other than its powers under subsection (2).

(4) An MDC's specific powers are to be exercised for the purposes of its object or for purposes incidental to those purposes.

(5) Each of an MDC's specific powers may be exercised separately or together with, or as part of, another of its specific powers.

(6) None of an MDC's specific powers limits the scope of its other specific powers.

(7) None of an MDC's specific powers limits the scope of its powers under subsection (2).

(8) But—

(a) subsections (4) and (5) do not apply to an MDC in its capacity as a local planning authority as a result of decisions under section 173 or in its exercise of other functions as a result of decisions under that section, and

(b) the powers conferred by subsection (2) must not be used to override a restriction imposed on the exercise of a specific power.

#### *Planning and infrastructure functions*

#### **173 Functions in relation to Town and Country Planning**

(1) Subsections (2) to (4) apply if the Mayor designates a Mayoral development area.

(2) The Mayor may decide that the MDC for the area ("the MDC") is to be the local planning authority, for the whole or any portion of the area, for the purposes of any one or more of the following—

(a) Part 3 of the Town and Country Planning Act 1990,

(b) Part 2 of the Planning and Compulsory Purchase Act 2004,

(c) Part 3 of that Act, and

(3) The Mayor may decide that the MDC is to have, in the whole or any portion of the area, the functions conferred on the local planning authority by the provisions mentioned in Part 1 of Schedule 29 to the Local Government, Planning and Land Act 1980.

(4) The Mayor may decide that the MDC is to have, in the whole or any portion of the area, the functions conferred on the relevant planning authority by Schedule 8 to the Electricity Act 1989 so far as applying to applications for consent under section 37 of that Act.

(5) If the Mayor makes a decision under subsection (3), the Mayor may decide that the provisions specified in Part 2 of Schedule 29 to the Local Government, Planning and Land Act 1980 are to have effect, in relation to land in the whole or any portion of the area and to the MDC, subject to the modifications specified in that Part of that Schedule.

(6) The Mayor may, at any time before the order establishing the MDC is made, decide that a decision under any of subsections (2) to (5) (whether as originally made or as varied under this subsection) should be subject to variations specified in the decision under this subsection.

(7) The Mayor may make a decision under any of subsections (2) to (6) only if—

(a) the Mayor has consulted the persons specified by section 168(4) in relation to the area,

(b) the Mayor has had regard to any comments made in response by the consultees, and

(c) in the event that those comments include comments made by the London Assembly that the Mayor does not accept, the Mayor has published a statement giving the reasons for the non-acceptance.

(8) If the Mayor makes a decision under any of subsections (2) to (6), the Mayor must—

- (a) publicise the decision, and
- (b) notify the Secretary of State of the decision.

(9) A decision under subsection (2), or a decision under subsection (5) varying a decision under subsection (2), may make different provision for different portions of the area.

(10) For the purposes of subsection (6) “variation”, in relation to a decision, includes a variation that involves—

- (a) revocation of all or part of the decision, or
- (b) substitution of something new for all or part of the decision, including substitution of something wholly unlike what it replaces.

#### **174 Arrangements for discharge of, or assistance with, planning functions**

(1) Where an MDC, as a result of being the local planning authority for purposes of Part 3 of the Town and Country Planning Act 1990 in relation to any area, has functions in place of a London borough council or the Common Council of the City of London, the MDC may make arrangements for the discharge of any of those functions by that council.

(2) Where arrangements are in force under subsection (1) for the discharge of any functions of an MDC by a council—

- (a) that council may arrange for the discharge of those functions by a committee, sub-committee or officer of the council, and
- (b) section 101(2) of the Local Government Act 1972 (delegation by committees and sub-committees) applies in relation to those functions as it applies in relation to the functions of that council.

(3) Arrangements under subsection (1) for the discharge of any functions do not prevent the MDC from exercising those functions.

(4) Subsection (5) applies where an MDC, as a result of being the local planning authority for purposes of Part 2 or 3 of the Planning and Compulsory Purchase Act 2004 in relation to any area, has functions in place of a London borough council or the Common Council of the City of London.

(5) The MDC may seek from that council, and that council may give, assistance in connection with the MDC’s discharge of any of those functions.

#### **175 Removal or restriction of planning functions**

(1) This section applies if an order establishing an MDC (“the MDC”) has been made.

(2) The Mayor may decide in relation to a function conferred on the MDC as a result of a decision under section 173(2) or (3)—

- (a) that the MDC is to cease to have the function, whether in all respects or in respects specified in the decision, or
- (b) that the exercise of the function by the MDC is to be subject to restrictions specified in the decision.

(3) If the Mayor makes a decision under subsection (2) (“the new decision”), the Mayor may decide that any provision made under section 169(2) in consequence of a decision under section 173(4) should, in consequence of the new decision, be amended or revoked as specified in the decision under this subsection.

(4) A reference in subsection (2) or (3) to a decision under a provision of section 173 is, where that decision has been varied (whether once or more than once)

under section 173(5), a reference to that decision as varied.

(5) If the Mayor makes a decision under subsection (2) or (3), the Mayor must—

- (a) publicise the decision, and
- (b) notify the Secretary of State of the decision.

(6) The Secretary of State must give effect to a decision notified under subsection (5) by exercising the power to amend the order under 169(2) that establishes the MDC (see section 14 of the Interpretation Act 1978).

#### **176 Powers in relation to infrastructure**

(1) An MDC may provide infrastructure.

(2) An MDC may facilitate the provision of infrastructure.

(3) In this section “provide” includes provide by way of acquisition, construction, conversion, improvement or repair (and “provision” is to be read in the same way).

(4) In this section “infrastructure” means—

- (a) water, electricity, gas, telecommunications, sewerage or other services,
- (b) roads or other transport facilities,
- (c) retail or other business facilities,
- (d) health, educational, employment or training facilities,
- (e) social, religious or recreational facilities,
- (f) cremation or burial facilities, and
- (g) community facilities not falling within paragraphs (a) to (f).

#### *Land functions*

#### **177 Powers in relation to land**

(1) An MDC may regenerate or develop land.

(2) An MDC may bring about the more effective use of land.

(3) An MDC may provide buildings or other land.

(4) An MDC may carry out any of the following activities in relation to land—

- (a) acquiring, holding, improving, managing, reclaiming, repairing or disposing of buildings, other land, plant, machinery, equipment or other property,
- (b) carrying out building and other operations (including converting or demolishing buildings), and
- (c) creating an attractive environment.

(5) An MDC may facilitate—

- (a) the regeneration or development of land,
- (b) the more effective use of land,
- (c) the provision of buildings or other land, or
- (d) the carrying out of activities mentioned in subsection (4).

(6) In this section—

- (a) a reference to a “building” is a reference to—
  - (i) a building or other structure (including a house-boat or caravan), or
  - (ii) any part of something within sub-paragraph (i);
- (b) “develop” includes redevelop (and “development” includes redevelopment);
- (c) “improve”, in relation to buildings, includes refurbish, equip and fit out;
- (d) “provide” includes provide by way of acquisition, construction, conversion, improvement or repair (and “provision” is to be read in the

same way).

### **178 Acquisition of land**

- (1) An MDC may by agreement acquire land in its area or elsewhere.
- (2) An MDC may acquire land in its area, or elsewhere in Greater London, compulsorily if the Secretary of State authorises it to do so.
- (3) An MDC must obtain the consent of the Mayor of London before submitting a compulsory purchase order authorising an acquisition under subsection (2) to the Secretary of State for confirmation.
- (4) The power under subsection (2) includes power to acquire new rights over land.
- (5) Subsection (6) applies where—
  - (a) land forming part of a common, open space or allotment is being acquired under subsection (2), or
  - (b) new rights are being acquired under subsection (2) over land forming part of a common, open space or allotment.
- (6) The power under subsection (2) includes power to acquire land compulsorily for giving in exchange for that land or those new rights.
- (7) Part 1 of Schedule 2 to the Housing and Regeneration Act 2008 (compulsory acquisition of land by the Homes and Communities Agency) applies in relation to the acquisition of land under subsection (2) as it applies in relation to the acquisition of land under section 9 of that Act.
- (8) In that Part of that Schedule as applied by subsection (7)—
  - (a) references to section 9 of that Act are to be read as references to subsection (2),
  - (b) references to the Homes and Communities Agency are to be read as references to the MDC concerned, and
  - (c) references to Part 1 of that Act are to be read as references to this Chapter.
- (9) The provisions of Part 1 of the Compulsory Purchase Act 1965 (other than section 31) apply, so far as applicable, to the acquisition by an MDC of land by agreement.
- (10) In subsection (5)—

“allotment” means any allotment set out as a fuel allotment, or a field garden allotment, under an Inclosure Act;

“common” has the meaning given by section 19(4) of the Acquisition of Land Act 1981;

“open space” means any land which is—

  - (a) laid out as a public garden,
  - (b) used for the purposes of public recreation, or
  - (c) a disused burial ground.

### **179 Powers in relation to acquired land**

- (1) Schedule 3 to the Housing and Regeneration Act 2008 (powers, in relation to land of the Homes and Communities Agency, to override easements etc, to extinguish public rights of way, and in relation to burial grounds and consecrated land) applies in relation to an MDC and its land as it applies in relation to the Homes and Communities Agency and its land.
- (2) In that Schedule as applied by subsection (1), references to the Homes and Communities Agency are to be read as references to the MDC concerned.
- (3) The power of the Secretary of State under Part 2 of that Schedule

(extinguishment of public rights of way) as applied by subsection (1) is exercisable only with the consent of the Mayor.

(4) Schedule 4 to that Act (powers in relation to, and for, statutory undertakers) applies in relation to an MDC and its land as it applies in relation to the Homes and Communities Agency and its land.

(5) In that Schedule as applied by subsection (4)—

(a) references to the Homes and Communities Agency are to be read as references to the MDC concerned, and

(b) references to Part 1 of that Act are to be read as references to this Chapter.

### **180 Restrictions on disposal of land**

(1) An MDC may not dispose of land for less than the best consideration which can reasonably be obtained unless the Mayor consents.

(2) Subsection (1) does not apply to a disposal by way of a short tenancy if the disposal consists of—

(a) the grant of a term of not more than 7 years, or

(b) the assignment of a term which, at the date of assignment, has not more than 7 years to run.

(3) An MDC may not dispose of land which has been compulsorily acquired by it under this Chapter unless the Mayor consents.

(4) Subject to subsections (1) to (3), an MDC may dispose of land held by it in any way it considers appropriate.

### **181 Power to enter and survey land**

(1) Sections 17 and 18 of the Housing and Regeneration Act 2008 (power to enter and survey land) apply in relation to an MDC as they apply in relation to the Homes and Communities Agency.

(2) In those sections as applied by subsection (1), references to that Agency are to be read as references to the MDC concerned.

### *Other functions*

#### **182 Adoption of private streets**

(1) Where any street works have been executed on any land in a Mayoral development area which was then or has since become a private street (or part of a private street), the MDC for the area may serve a notice (an “adoption notice”) on the street works authority requiring the authority to declare the private street (or part) to be a highway which for the purposes of the Highways Act 1980 is a highway maintainable at the public expense.

(2) Subsections (2) to (5) of section 157 of the Local Government, Planning and Land Act 1980 (appeal against corresponding notice served by an urban development corporation, and deemed adoption where no appeal or compliance) apply in relation to an adoption notice under subsection (1) of this section as they apply in relation to an adoption notice under subsection (1) of that section.

(3) Section 157(6) of that Act (interpretation) applies for the purposes of this section.

#### **183 Businesses, subsidiaries and other companies**

(1) An MDC may carry on any business.

(2) An MDC may with the consent of the Mayor—

- (a) form, or
- (b) acquire interests in,  
bodies corporate.
- (3) An MDC must ensure that no subsidiary of the MDC engages in an activity which the MDC would not be required or permitted to carry on.
- (4) An MDC must ensure that no subsidiary of the MDC—
  - (a) borrows from a person other than the MDC, or
  - (b) raises money by the issue of shares or stock to a person other than the MDC,  
without the consent of the Mayor.
- (5) In subsection (1) “business” includes undertaking.
- (6) In this section “subsidiary” has the meaning given by section 1159 of the Companies Act 2006.

#### **184 Financial assistance**

- (1) An MDC may, with the consent of the Mayor, give financial assistance to any person.
- (2) Financial assistance under this section may be given in any form.
- (3) Financial assistance under this section may, in particular, be given by way of—
  - (a) grants,
  - (b) loans,
  - (c) guarantee or indemnity,
  - (d) investment, or
  - (e) incurring expenditure for the benefit of the person assisted.
- (4) Financial assistance under this section may be given on such terms and conditions as the MDC giving it considers appropriate (including provision for repayment, with or without interest).

#### **185 Powers in relation to discretionary relief from non-domestic rates**

- (1) Subsection (2) applies if the Mayor designates a Mayoral development area.
- (2) The Mayor may decide that the MDC for the area is to have—
  - (a) in relation to qualifying hereditaments in the area, the function of making decisions (under section 47(3) and (6) of the 1988 Act) to the effect that section 47 of the 1988 Act applies as regards a hereditament, and
  - (b) in relation to a hereditament as regards which that section applies as a result of a decision made by the MDC, the function of making the determinations mentioned in section 47(1)(a) of the Local Government Finance Act 1988 (determination of amount of discretionary relief).
- (3) The Mayor may at any time decide that a decision under subsection (2) should be revoked.
- (4) The Mayor may make a decision under subsection (2) or (3) only if—
  - (a) the Mayor has consulted the persons specified by section 168(4) in relation to the area,
  - (b) the Mayor has had regard to any comments made in response by the consultees, and
  - (c) in the event that those comments include comments made by the London Assembly that the Mayor does not accept, the Mayor has published a statement giving the reasons for the non-acceptance.
- (5) If the Mayor makes a decision under subsection (2) or (3), the Mayor must—
  - (a) publicise the decision, and



- (b) notify the Secretary of State of the decision.
- (6) If the Secretary of State receives notification under subsection (5) of a decision, the Secretary of State must give effect to the decision—
  - (a) when making the order under section 169(2) that establishes an MDC for the area, or
  - (b) by exercising the power to amend that order (see section 14 of the Interpretation Act 1978).
- (7) Exercise by an MDC of functions mentioned in subsection (2) requires the Mayor's consent.
- (8) If an MDC has the functions mentioned in subsection (2) it has them in place of the authority that would otherwise have them.
- (9) For the purposes of subsection (2), a hereditament is a "qualifying hereditament" on a day if neither—
  - (a) section 43(6) of the 1988 Act (charities and community amateur sports clubs), nor
  - (b) section 47(5B) of the 1988 Act (certain organisations not established or conducted for profit), applies on that day.

#### *Dissolution*

#### **186 Reviews**

It is the duty of the Mayor to review, from time to time, the continuing in existence of any existing MDCs.

#### **187 Transfers of property, rights and liabilities**

- (1) The Mayor may at any time make a scheme (a "transfer scheme") transferring to a permitted recipient, upon such terms as the Mayor considers appropriate, any property, rights or liabilities which are for the time being vested in an MDC.
- (2) A transfer scheme may provide for a transfer to a person within paragraph (c), (d) or (e) of the definition of "permitted recipient" in subsection (4) only if the person consents.
- (3) The Mayor must publish a transfer scheme as soon after it is made as is reasonably practicable.
- (4) In this section—
  - "functional body" has the meaning given by section 424(1) of the Greater London Authority Act 1999;
  - "permitted recipient" means—
    - (a) the Greater London Authority,
    - (b) a functional body other than the MDC concerned,
    - (c) a London borough council,
    - (d) the Common Council of the City of London, or
    - (e) any other person.

#### **188 Dissolution: final steps**

- (1) Subsection (2) applies if no property, no rights and no liabilities are vested in an MDC ("the MDC").
- (2) The Mayor may request the Secretary of State to revoke the order under section 169(2) which established the MDC.
- (3) If the Secretary of State receives a request under subsection (2), the Secretary of State must make an order giving effect to the request.

- (4) Where the Secretary of State makes an order under subsection (3)—
- (a) the MDC is dissolved on the coming into force of the order, and
  - (b) the Mayor must revoke the designation of the Mayoral development area for which the MDC was established.
- (5) Where the Mayor makes a revocation under subsection (4)(b), the Mayor must—
- (a) publicise the revocation, and
  - (b) notify the Secretary of State of the revocation.

### *General*

#### **189 Transfer schemes: general provisions**

- (1) In this section—
- “transfer scheme” means a scheme under section 171(1) or (4) or 187(1);
- “transferee”, in relation to a transfer scheme, means the person to whom property, rights or liabilities are transferred by the scheme;
- “transferor”, in relation to a transfer scheme, means the person from whom property, rights or liabilities are transferred by the scheme.
- (2) The things that may be transferred under a transfer scheme include—
- (a) property, rights or liabilities that could not otherwise be transferred;
  - (b) property acquired, and rights and liabilities arising, after the making of the scheme.
- (3) A transfer scheme may make consequential, supplementary, incidental or transitional provision and may in particular—
- (a) make provision for certificates issued by the Secretary of State to be conclusive evidence that property has been transferred;
  - (b) create rights, or impose liabilities, in relation to property or rights transferred;
  - (c) make provision about the continuing effect of things done (or having effect as if done) by or in relation to the transferor in respect of anything transferred;
  - (d) make provision about the continuation of things (including legal proceedings) in the process of being done by, on behalf of or in relation to the transferor in respect of anything transferred;
  - (e) make provision for references to the transferor in an instrument or other document in respect of anything transferred to be treated as references to the transferee;
  - (f) make provision for the shared ownership or use of property.
- (4) The Transfer of Undertakings (Protection of Employment) Regulations 2006 (S.I. 2006/246), as from time to time amended, apply to a transfer under a transfer scheme where the transfer relates to rights or liabilities under a contract of employment (whether or not it is a relevant transfer for the purposes of those regulations).
- (5) A transfer scheme may provide—
- (a) for modification by agreement;
  - (b) for modifications to have effect from the date when the original scheme came into effect.
- (6) In this section “rights” and “liabilities” include rights, or (as the case may be) liabilities, in relation to a contract of employment.

#### **190 Guidance by the Mayor**

- (1) The Mayor may give guidance to an MDC as to the exercise of any of the

MDC's functions.

(2) Before giving guidance under this section, the Mayor must consult such persons as the Mayor considers appropriate.

(3) The Mayor must publish any guidance given under this section as soon as reasonably practicable after giving it.

(4) The Mayor may revoke guidance given under this section.

(5) The Mayor must—

(a) consult, before revoking guidance given under this section, such persons as the Mayor considers appropriate, and

(b) publish the fact that guidance given under this section has been revoked as soon as reasonably practicable after the revocation of the guidance.

(6) An MDC must, in exercising its functions, have regard to any guidance given to it under this section that is for the time being in force.

(7) References in this section to giving guidance include references to giving guidance by varying existing guidance.

### **191 Directions by the Mayor**

(1) The Mayor may give an MDC general or specific directions as to the exercise of any of the MDC's functions.

(2) The Mayor must publish any directions given under this Chapter by the Mayor as soon as reasonably practicable after giving them.

(3) The Mayor—

(a) may revoke any directions given under this Chapter by the Mayor, and

(b) must publish the fact that directions given under this Chapter have been revoked as soon as reasonably practicable after the revocation.

(4) An MDC must comply with any directions given by the Mayor under this Chapter that are in force in relation to the MDC.

(5) Subsections (2) and (3)(b) do not apply to directions given under paragraph 8(1) of Schedule 21.

(6) References in this Chapter to the Mayor giving directions include references to the Mayor giving directions by varying existing directions.

### **192 Consents**

(1) A relevant consent may be given—

(a) unconditionally or subject to conditions, and

(b) generally or specifically.

(2) The Mayor may vary or revoke a relevant consent except in the case of anything already done, or agreed to be done, on the authority of it.

(3) A variation or revocation under subsection (2) does not have effect until the Mayor has served notice of it on the person to whom the relevant consent was given.

(4) In this section "relevant consent" means a consent of the Mayor required under this Chapter.

### **193 Consequential and other amendments**

Schedule 22 (Mayoral development corporations: consequential and other amendments) has effect.

## CHAPTER 3

### GREATER LONDON AUTHORITY GOVERNANCE

#### **194 Delegation of functions by Ministers to the Mayor**

- (1) The Greater London Authority Act 1999 is amended as follows.
- (2) After section 39 insert—

*“Delegation to Mayor of Ministers’ functions*

#### **39A Delegation by Ministers**

- (1) A Minister of the Crown may, to such extent and subject to such conditions as that Minister thinks fit, delegate to the Mayor any of that Minister’s eligible functions.
- (2) A function is eligible for the purposes of subsection (1) above if—
  - (a) it does not consist of a power to make regulations or other instruments of a legislative character or a power to fix fees or charges, and
  - (b) the Secretary of State considers that it can appropriately be exercised by the Mayor.
- (3) No delegation under subsection (1) above, and no variation of a delegation under subsection (1) above, may be made without the agreement of the Mayor.
- (4) A delegation under subsection (1) above may be revoked at any time by any Minister of the Crown.
- (5) Section 38 above does not apply in relation to functions delegated under subsection (1) above.”
- (3) In section 409 (schemes for the transfer of property, rights and liabilities)—
  - (a) after subsection (1) (Ministers may make schemes transferring property etc of the Crown) insert—

*“(1A) A Minister of the Crown may make a scheme for the transfer from the Authority to the Crown of such property, rights or liabilities as the Minister of the Crown may consider appropriate in consequence of the revocation of a delegation under section 39A(1) above of a function of any Minister of the Crown.”*, and
  - (b) in subsections (6) and (7) (provision that may be included in scheme under subsection (1) or (2)) after “subsection (1)” insert “, (1A)”.

#### **195 The London Environment Strategy**

- (1) Before section 352 of the Greater London Authority Act 1999 insert—

*“The Mayor’s Environment Strategy for London*

#### **351A The London Environment Strategy**

- (1) The Mayor shall prepare and publish a document to be known as the “London Environment Strategy” (“the Strategy”).
- (2) The Strategy must contain a general assessment by the Mayor of the environment in Greater London, so far as relevant to the functions of the Authority or of the Mayor.
- (3) The Strategy must contain provisions dealing with the Mayor’s policies and proposals in relation to each of the following matters in relation to Greater London—
  - (a) biodiversity;
  - (b) municipal waste management;

- (c) climate change mitigation and energy;
  - (d) adaptation to climate change;
  - (e) air quality; and
  - (f) ambient noise.
- (4) The provisions of the Strategy dealing with a matter specified in a paragraph of subsection (2) must also contain anything required to be included in them by any other provision of this Act.
- (5) The Strategy may also include provisions dealing with the Mayor's policies and proposals in relation to any other matter relating to the environment in Greater London.
- (6) In preparing or revising the provisions of the Strategy dealing with a matter mentioned in subsection (3), the Mayor's duty under section 42(1)(e) applies as if it were a duty to consult any person or body whom the Mayor considers it appropriate to consult in relation to those provisions (and section 42(2) applies accordingly).
- (7) Where the Strategy is revised, the Mayor must publish it as revised.
- (8) In this Act references to the London Environment Strategy include, unless the context otherwise requires, a reference to the Strategy as revised.

### **351B Guidance**

- (1) The Secretary of State may give to the Mayor guidance—
- (a) about the content of the London Environment Strategy;
  - (b) in relation to the preparation or revision of that Strategy.
- (2) The guidance that may be given under subsection (1)(a) includes guidance as to matters which the Secretary of State considers the Mayor should, or should not, consider dealing with by formulating policies and proposals under section 351A(5).
- (3) The guidance that may be given under subsection (1)(b) includes—
- (a) guidance specifying or describing the bodies or persons whom the Secretary of State considers the Mayor should consult in preparing or revising the London Environment Strategy or, as the case may be, the provisions dealing with a matter specified in the guidance;
  - (b) guidance as to the evidence of environmental change or its consequences, or the predictions of environmental change or its consequences, to which the Secretary of State considers the Mayor should have regard in preparing or revising that Strategy or, as the case may be, the provisions dealing with a matter specified in the guidance.
- (4) In preparing or revising the London Environment Strategy the Mayor must have regard to any relevant guidance given under this section.

### **351C Directions as to the content of the London Environment Strategy**

- (1) Where the Secretary of State considers that any of the conditions specified in subsection (2) is satisfied in relation to any provisions of the London Environment Strategy, the Secretary of State may give the Mayor a direction as to the content of those provisions.
- (2) The conditions are—
- (a) that the provisions are inconsistent with any policies announced by Her Majesty's government with respect to the

matters to which they relate and the inconsistency would have a detrimental effect on achieving any of the objectives of those policies;

(b) that the provisions or their implementation are likely to be detrimental to any area outside Greater London;

(c) that the provisions are inconsistent with any EU obligation of the United Kingdom.

(3) A direction under this section may require the Mayor to make specified revisions of the London Environmental Strategy.

(4) The power of the Secretary of State to give a direction under this section may only be exercised after consultation with the Mayor.

(5) Where the Secretary of State gives a direction under this section, the Mayor must comply with the direction.”

(2) Schedule 23 (which contains minor and consequential amendments to the Greater London Authority Act 1999 relating to the London Environment Strategy) has effect.

### **196 Abolition of Mayor’s duty to prepare state of the environment reports**

Section 351 of the Greater London Authority Act 1999 (which provides for four-yearly reports by the Mayor on the environment in Greater London) ceases to have effect.

### **197 Mayoral strategies: general duties**

(1) Section 41 of the Greater London Authority Act 1999 (general duties of the Mayor in relation to his strategies) is amended as follows.

(2) In subsection (5)(a), for “and with such international obligations” substitute “, with the EU obligations of the United Kingdom and with such other international obligations of the United Kingdom”.

(3) After subsection (9) insert—

“(9A) In exercising any function the Mayor must have regard to any strategy mentioned in subsection (1) which is relevant to the exercise of that function.”

(4) Subsection (10) ceases to have effect.

### **198 Simplification of the consultation process for the Mayor’s strategies**

(1) Section 42A of the Greater London Authority Act 1999 (which requires the Mayor to follow a two stage process in preparing or revising a strategy to which section 42 applies) ceases to have effect.

(2) In section 335 of that Act (public participation in preparation of the spatial development strategy)—

(a) subsections (1) to (1B) cease to have effect,

(b) in subsection (2), for the words from the beginning to “finally” substitute “Before”, and

(c) in subsection (3), after paragraph (a) insert—

“(aa) the Assembly and the functional bodies;”.

### **199 London Assembly’s power to reject draft strategies**

Before section 43 of the Greater London Authority Act 1999 (publicity and availability of strategies) insert—

### **“42B Assembly’s power to reject draft strategies**

- (1) This section applies where the Mayor has prepared, and is ready to publish, a draft of any of the strategies to which section 41 applies (including a revised version of the strategy).
- (2) But this section does not apply to a revised version of a strategy containing only revisions which—
- (a) are specified in a direction as to the contents of the strategy which is given to the Mayor under this Act (or which the Mayor considers are necessary in consequence of any revisions so specified); or
  - (b) are not so specified but the Mayor considers to be necessary to comply with such a direction.
- (3) Before publishing the strategy (or, in the case of the housing strategy, before submitting the draft to the Secretary of State) the Mayor must lay a copy of the draft before the Assembly in accordance with the standing orders of the Authority.
- (4) The Mayor must not publish the strategy (or, in the case of the housing strategy, submit the draft to the Secretary of State) if, within the period of 21 days beginning with the day on which the copy is laid before the Assembly, the Assembly resolves to reject the draft.
- (5) A motion for the Assembly to reject a draft strategy—
- (a) must be considered at a meeting of the Assembly throughout which members of the public are entitled to be present; and
  - (b) is not carried unless it is agreed to by at least two thirds of the Assembly members voting.”

**200 Transport for London: access to meetings and documents etc**

- (1) Part 5A of the Local Government Act 1972 (access to meetings and documents) is amended as follows.
- (2) Amend section 100J (application of Part 5A to bodies other than principal councils) in accordance with subsections (3) to (6).
- (3) In subsection (1) (list of authorities treated as principal councils for the purposes of the Part) after paragraph (bd) insert—
- “(be) Transport for London;”,
- (4) In subsection (3) (reference in section 100A(6)(a) to council’s offices includes other premises at which meeting to be held) after “(bd),” insert “(be),”,
- (5) After subsection (3) insert—
- “(3YA) In its application by virtue of subsection (1)(be) above in relation to Transport for London, section 100E(3) has effect as if for paragraph (bb) there were substituted—
- “(bb) a committee of Transport for London (with “committee”, in relation to Transport for London, here having the same meaning as in Schedule 10 to the Greater London Authority Act 1999); or”.
- (6) After subsection (4A) insert—
- “(4AA) In its application by virtue of subsection (1)(be) above in relation to Transport for London, section 100G shall have effect—
- (a) with the substitution for subsection (1)(a) and (b) of—
- “(a) the name of every member of the council for the time being; and
- (b) the name of every member of each committee or subcommittee of the council for the time being.”, and

(b) with the insertion in subsection (2)(b) after “exercisable” of  
“, but not an officer by whom such a power is exercisable at least  
partly as a result of sub-delegation by any officer”.

(7) In section 100K(1) (interpretation of Part 5A) in the definition of “committee or  
sub-committee of a principal council” for “section 100J(3ZA)(b)” substitute  
“section 100J(3YA), (3ZA)(b)”.

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