



Greater London Authority Bill

Regulatory Impact Assessment (RIA)



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On 5th May 2006 the responsibilities of the Office of the Deputy Prime Minister (ODPM) transferred to the Department for Communities and Local Government.

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SECTION 1

Purpose and Intended Effect

Objective

- 1.1 The Greater London Authority (GLA) Bill implements many of the outcomes of the Government's review of the GLA that require primary legislation. The Review fulfilled a 2005 manifesto commitment, by identifying additional powers and responsibilities that would be best exercised by the GLA in order to devolve power from Whitehall to London; improve the delivery of strategic public services in the capital and, crucially, improve the quality of life for all those who live in, work in or visit London.

Background

The Greater London Authority

- 1.2 The GLA was established by the Greater London Authority Act 1999¹ and the first GLA elections took place in 2000. The Authority comprises a Mayor and an Assembly made up of 25 members. The GLA is a focussed and strategic authority with 3 principal purposes. These are to promote economic development and wealth creation; to promote social development and to promote the improvement of the environment. The Mayor oversees four functional bodies with responsibilities for service delivery in particular sectors. They are:
- Transport for London (TfL), managing London's tube and bus systems, and a network of strategic roads;
 - The London Development Agency (LDA), the regional development agency for London, responsible for the capital's economic development;
 - The Metropolitan Police Authority (MPA), which oversees the work of the Metropolitan Police Service; and
 - The London Fire and Emergency Planning Authority (LFEPA), London's fire and rescue authority.
- 1.3 London is a city-region with unique governance arrangements. The Mayor provides strategic direction for London, primarily through his eight statutory strategies covering transport, economic development, spatial development (planning and land use), culture, municipal waste management, biodiversity, noise and air quality.

¹ Available at www.opsi.gov.uk/acts/acts1999/19990029.htm

- 1.4 The Government committed to reviewing the powers and responsibilities of the Mayor and Assembly in its 2005 manifesto.

The GLA Review – rationale for government intervention

- 1.5 The Government believes that the GLA has been a success, providing a voice for London and making a real and positive difference to the capital and to the quality of life of all Londoners. It considers that the Mayor and Assembly have a pivotal role to play in ensuring London's continued success, and that it is crucial that each tier of governance in London has in place the right governance arrangements to meet the capital's strategic challenges over the longer term.
- 1.6 The review of GLA powers therefore looked at whether granting the GLA additional powers and responsibilities would help meet those challenges and bolster the Mayor's strategic leadership of the capital.
- 1.7 The GLA review was informed by the following principles, as expressed in its terms of reference:
- the GLA should remain a focused and strategic authority, as originally conceived, rather than becoming a major service delivery agent;
 - there should be an appropriate balance between national government, the regional tier and local authorities;
 - the review is to focus on the role of the GLA rather than on governance structures as a whole or the role of London boroughs. It should, however, consider the arguments for giving the GLA additional responsibilities for strategic issues which cross borough boundaries.
- 1.8 In November 2005, the Government published a consultation paper *The Greater London Authority: The Government's Proposals for Additional Powers and Responsibilities for the Mayor and Assembly*². The paper set out possible options for additional powers in some fourteen policy areas.
- 1.9 The Government received 337 responses to the consultation exercise. In deciding the final package, the Government carefully considered all of the responses as well as whether change would effect better integrated decision making; whether the function would be undertaken at the right tier of government and is delivered at the right scale, and whether the delivery of the function would be subject to the appropriate level of democratic accountability.
- 1.10 A Policy Statement, published on 13 July 2006, set out the outcomes of the GLA Review. It proposed additional Mayoral powers in housing, adult skills and employment, planning, climate change and energy, health, culture and sport and in making appointments to the Boards of the functional bodies. It also proposed a strengthened role for the Mayor in managing London's waste and more powers for the Assembly to balance the enhanced powers of the Mayor. The Policy Statement can be read on the DCLG website at: www.communities.gov.uk/glapowers

² Available at www.communities.gov.uk/gla/review

- 1.11 Most of the outcomes of the GLA Review require primary legislation in order to be implemented. The majority of these are being taken forward in the GLA Bill. The Mayor's new powers on adult skills are included in a Further Education and Training Bill, introduced to Parliament on 20 November 2006. The broad thrust of the Mayor's new powers to appoint the Chair and Deputy Chair(s) of the MPA are included in the Police and Justice Act 2006, with detail in relation to the powers to follow in regulations. Other outcomes of the review are being implemented using secondary legislation or by agreement.
- 1.12 The Government is committed to meeting the net additional costs of some of the proposals announced in its Policy Statement. Other changes carry minimal additional cost and will not require a transfer of resources. In some cases, the proposals put on a statutory footing activity the Mayor already undertakes on a voluntary basis (for example, the Mayor has published a London Energy Strategy voluntarily). The GLA has committed that it will not be seeking additional funding in such cases.

SECTION 2

Consultation

Within Government

- 2.1 Ministers and officials in the Department for Communities and Local Government (DCLG) – formerly the Office of the Deputy Prime Minister (ODPM) – worked closely with colleagues across Whitehall in preparing the proposals included in the Policy Statement and in the preparation of the GLA Bill. The key Departments are:

Department for Culture Media and Sport (DCMS)

Department for Education and Skills (DfES)

Department for Environment Food and Rural Affairs (DEFRA)

Department of Health (DH)

Department of Trade and Industry (DTI)

Department for Transport (DfT)

Department for Work and Pensions (DWP)

Government Office for London (GOL)

Home Office (HO)

HM Treasury (HMT)

- 2.2 The Ministerial Committee of the Cabinet on Local and Regional Government (LRG) agreed the final package of proposals prior to publication of the Policy Statement, and subsequent additions to the overall package (such as the proposed transfer to the Mayor of functions exercised by the Government in respect of the Museum of London).

Public Consultation

- 2.3 The Government consulted on its proposals for additional powers for the Mayor and Assembly over a 12-week period from 30 November 2005 to 22 February 2006. Copies of the consultation paper were circulated to over 400 organisations and individuals with an interest in London's governance, including all main public libraries in London. The proposals were also publicly available on the ODPM and GLA websites.

- 2.4 The Minister for London hosted two seminars as part of the Review. The first, held on 30 September 2005, looked at the possible options for additional powers that could be taken forward to consultation. The second, on 16 January 2006, enabled stakeholders to feed-in their views on the consultation proposals to complement their formal responses to consultation. Some forty of London's key stakeholders attended the first seminar, and around eighty the second.
- 2.5 These consultation events proved crucial in helping to firm up the proposals presented in the consultation document and in gleaning a better understanding of stakeholders' preferences as to which options they would like to see taken forward. The Government has also worked closely with the GLA, and in particular officials from the Mayor's office, in taking forward the proposals.
- 2.6 Ministers received 337 responses to the consultation. Those organisations who responded are listed at Annex A. The Government published a summary of these responses alongside the Policy Statement and a Regulatory Impact Assessment that accompanied publication of the Statement. The summary can be read on the DCLG website at:
www.communities.gov.uk/glapowers
- 2.7 Ministers announced the final package of additional powers for the GLA on 13 July 2006. The Government has published two further consultation papers on additional Mayoral powers since then:
- (i) In his response to consultation, the Mayor proposed that he take on the Government's functions in respect of the Museum of London (MoL). Ministers agreed the proposal merited public consultation, and published a consultation paper in July on possible changes to sponsorship arrangements for MoL. The consultation closed on 8 September. Ministers received 157 responses to the consultation, mostly concerning the sponsorship of the Horniman Museum; an issue which is not directly related to the GLA Bill. Most of the respondents who commented on the Museum of London favoured giving the GLA more influence, either by granting the Authority the power to appoint some Board members or by transferring the Government's responsibilities to the Authority completely. The Government published a summary of responses to consultation on 7 November. The summary can be read on the DCMS website at:
http://www.culture.gov.uk/Reference_library/Publications/archive_2006/summary_respon_consMoL.htm
 - (ii) In August, the Government published a consultation paper seeking views on the detailed operation of the Mayor's proposed discretionary power to decide a limited number of strategic planning applications. There were 209 responses to the consultation. The responses are helping to inform preparation of secondary legislation which will specify how the Mayor's new development control power will work in practice. The Government intends to publish the secondary legislation in draft to help inform Parliamentary scrutiny of the planning provisions in the Bill, and will publish a summary of the responses to consultation by 2 February 2007.
- 2.8 The GLA Bill has not been published in draft before introduction.

SECTION 3

The GLA Bill

3.1 General Functions of the GLA

Purpose and Intended Effect

3.1.1 The purpose of the Bill in relation to GLA functions is to:

- Strengthen the role of the Assembly to balance the additional powers of the Mayor;
- Make current arrangements for preparing the Mayor's policy framework more robust to better ensure the Mayor has regard to the views of the Assembly;
- Streamline the current arrangements for appointing the GLA's staff; and
- Remove anomalies that hinder the effective working of the Authority.

3.1.2 The key changes are:

- The Assembly will:
 - Be able to set its own budget;
 - Publish an annual report setting out its work and achievements over the previous year; and
 - Be able to hold confirmation hearings with candidates for key appointments made by the Mayor
- The Mayor will:
 - Be subject to an explicit duty to have regard to responses to consultation by the Assembly and the four functional bodies in preparing or revising his statutory strategies; and
 - Be required to provide a timely, written response to the Assembly, providing reasoned justifications where he is not acting on its advice, before consulting more widely on his draft strategies.

3.1.3 The Bill also includes provisions on GLA staff appointments:

- The Mayor and Assembly, acting jointly, will appoint the Authority's three statutory posts: the Head of Paid Service; the Monitoring Officer (Head of Law) and Chief Finance Officer.

- The Head of Paid Service will appoint all other GLA staff (the Mayor will continue to appoint his two political advisers and up to 10 other staff)

3.1.4 Finally, the Bill sets out a range of minor amendments to address anomalies and make the working of the Authority more efficient. They include:

- Extending the period by when the Mayor must submit his report to the Assembly from three to five working days before each Assembly meeting.
- Enabling the Assembly to require the people listed below to attend Assembly meetings and produce documents in their possession or under their control: anyone who has chaired, or been a member of, a functional body, or has been an Assembly member or held the post of Mayor, or has had a contractual relationship with, or received a grant from, the GLA in the previous eight years. The current limit is three years.
- Requiring the Deputy Mayor to exercise the functions of the Mayor in the budget setting process if the Mayor is temporarily unable to act.
- Allowing the Mayor and Assembly to establish a severance scheme.

Cost/Benefit Analysis

- 3.1.5 As part of the annual budget setting process, the Mayor proposes a draft consolidated budget for the GLA Group and draft component budgets for each of its five constituent bodies (the GLA itself and the four functional bodies). The Assembly can amend the final draft of each budget by a two-thirds majority. But it cannot decide its own budget, which forms part of the wider GLA component budget.
- 3.1.6 Giving the Assembly power to set its own budget, subject to certain constraints, will give it greater control and stronger assurance over its own resources. It should ensure that a Mayor would not be able to starve it of resources. The current GLA component budget will be split into two separate component budgets: one for the Assembly (the “Assembly Budget”), the other for the rest of the Authority (the “Mayor’s Budget”). Each of these new budgets will form part of the consolidated GLA budget. As now, the Mayor will propose draft component budgets to the Assembly. The Assembly will be able to amend each final draft budget, including the Assembly final draft budget, by two-thirds majority. But, to limit the resources the Assembly can award itself, it may increase its own budget by no more than the percentage increase of the Mayor’s component budget (the increase may be greater only if proposed by the Mayor).
- 3.1.7 Requiring the Assembly to prepare an annual report is intended to increase its public accountability and raise its public profile. The report will enable the Assembly to set out its work and achievements over the previous twelve months, and will complement the Mayor’s report setting out progress in implementing his strategies and summarising the performance of the Authority.
- 3.1.8 The Assembly’s scrutiny function will also be enhanced by a new, discretionary power to hold non-binding confirmation hearings for key appointments the Mayor proposes to make. These appointments are:
- Chairman or Deputy Chairman of TfL

- Chairman or Deputy Chairman of the LDA
- Chairman or Vice Chairmen of the MPA
- Chairman of LFEPA
- Chair of the Cultural Strategy Group
- Chairman or Deputy Chairman of the London Pensions Fund Authority (LPFA)

This will enhance the democratic accountability of statutory Mayoral appointments, making the appointment process more transparent and open. The Assembly will be able to test and challenge proposed appointments on behalf of Londoners. The Assembly will be able to make recommendations to the Mayor on an appointment, but the Mayor will retain the final say.

- 3.1.9 In preparing or revising any of his (currently) eight statutory strategies, the Mayor is required to consult the Assembly and the four functional bodies before consulting other bodies. The requirement is intended to enable the Mayor to have regard to the views of the GLA Group before consulting publicly. But under current legislation the Mayor is not required to consider the Assembly's response and need not explain him/her self in not taking account of the Assembly's views.
- 3.1.10 The Government believes the Assembly has an invaluable contribution to make in contributing to the development and revision of the Mayor's strategic policy framework – a framework that will broaden with the addition of statutory strategies for housing, tackling health inequalities, climate change mitigation and energy and climate change adaptation. The proposed changes will ensure that the Mayor takes full account of the views of the Assembly in their preparation, and makes clear to the Assembly in cases where he decides against taking forward their recommendations.
- 3.1.11 There are currently four categories of GLA staff:
- Up to 12 staff appointed by the Mayor (two personal appointments and up to ten appointments through open competition);
 - The three statutory officers (the Head of Paid Service; the Monitoring Officer; and the Chief Finance Officer) appointed by the Assembly but statutorily answerable to both Mayor and Assembly;
 - The overwhelming majority of GLA staff who are appointed by the Assembly but work in support of the Mayor; and
 - Assembly Secretariat staff who are appointed by, and work for, the Assembly.
- 3.1.12 The GLA Act 1999 provided for the Assembly to appoint almost all staff. The intention was that this should act as a counter-balance in the Mayor-Assembly relationship to the strong powers of the Mayor. But the measure has produced anomalous outcomes in practice. Most staff rely on the Assembly for their terms and conditions but work to support the Mayor.

- 3.1.13 The proposed change will streamline the current arrangements so that the Mayor will continue to appoint up to 12 staff as now; the three statutory posts will be appointed jointly by the Mayor and Assembly; and other GLA staff will be appointed by the Head of Paid Service. This will provide greater clarity in terms of reporting lines and iron out potential conflicts of interest that could currently arise. The change should not affect the terms and conditions of existing staff.
- 3.1.14 Removing the prohibition on the Mayor and Assembly establishing a severance scheme will remove an anomaly: while the Authority is currently allowed to make pension provision for those who cease to be a Mayor or an Assembly member, there is currently no provision to allow the GLA to provide a severance payment scheme for the Mayor and Assembly members when they leave office. This change will bring the GLA's provision into line with members of the Scottish Parliament and Welsh Assembly.
- 3.1.15 The costs of implementing the changes are negligible.

Risks

- 3.1.16 There are some risks attached to implementing the change to staff appointments. The key risk is the potential for concern by GLA staff that any change in the appointments process would impact on their existing terms and conditions. But GLA staff will remain employees of the Authority, and we do not envisage their terms and conditions being affected by this change.
- 3.1.17 A further risk is the potential for the Head of Paid Service's new appointment role to lead to potential conflict in his relationship with the Mayor and Assembly. But in practice we would expect the Head of Paid Service to exercise his appointment functions in close consultation with both the Mayor and Assembly, and for his new role to build on the close relationship he already has with both. The Mayor and Assembly will also need to co-operate in order to make the three statutory staff appointments, and the Head of Paid Service would need to consult both on staffing matters generally.
- 3.1.18 The risks in implementing the changes to the policy development process are negligible.

Alternative Options Considered

- 3.1.19 The Government consulted on options to empower the Assembly to block the implementation of Mayoral strategies by a two-thirds majority and to extend the Assembly's scrutiny role to London-wide bodies not accountable to the Mayor.
- 3.1.20 The Government decided against taking forward either of these proposals. The former would risk compromising the underpinning principle that the Mayor should continue to own the content of his statutory strategies. It could also risk extending unduly the time taken to prepare or revise a strategy. The changes set out at paragraph 3.1.2 should ensure that the Mayor takes account of the Assembly's views without the need for a blocking mechanism.
- 3.1.21 The option of extending the Assembly's scrutiny role would risk its ability to fulfil effectively its core function of holding the Mayor to account – particularly given the Mayor's enhanced powers and broadened portfolio. It would also risk cutting across existing audit and scrutiny arrangements for the bodies concerned. The Assembly does of course have powers under the GLA Act 1999 to investigate and prepare reports on any matters which it considers to be of importance to Greater London.

Sectors and Groups Affected

3.1.22 These changes are primarily internal to the GLA Group, and affect directly the Mayor, the Assembly, GLA staff and the members and staff of the functional bodies.

3.2 Transport

Purpose and Intended Effect

3.2.1 The Bill sets out two proposed changes in relation to the TfL Board:

- removing the current prohibition on elected members other than the Mayor becoming members of the TfL Board;
- prohibiting Assembly members who sit on the TfL Board, other than those who are Chair or Deputy Chair, from receiving allowances for carrying out their duties (other than for travel or subsistence),

3.2.2 The Bill also proposes a minor change in respect to TfL functions. It changes the way in which the Secretary of State grants consent for TfL to dispose of freehold interests in land from order to letter.

Cost/Benefit Analysis

3.2.3 The removal of the prohibition in appointing elected members to the TfL Board will give the Mayor more discretion to appoint suitable candidates as members. The Mayor could decide to appoint an Assembly member or member from a London borough to the Board. But it does not automatically mean that he would do so.

3.2.4 The proposal closes a potential inconsistency in arrangements for within and outside Greater London. The Railways Act 2005 includes provision to require the Mayor to appoint at least two members to the TfL Board who can represent the interests of people living or working in areas outside Greater London. This requirement would only be brought into effect if the Mayor is granted power over rail services that extend beyond the boundary of Greater London. In spring 2006, the Department for Transport consulted on extending the Mayor's transport powers (mainly relating to railways) outside the Greater London boundary. The consultation included a proposal for there to be two TfL Board places for representatives from outside Greater London. The Department is now finalising the outcomes of the consultation and an announcement is expected shortly.

3.2.5 Prohibiting Assembly members from receiving a payment for being an ordinary member of the TfL Board brings TfL into line with Assembly members sitting on the other functional bodies. Allowing Assembly members who are TfL Chairman or Deputy Chairman to claim allowances for carrying out those roles recognises the significant extra workload the holders of those posts incur and, subject to other provisions in the Bill, delivers a common approach across all four functional bodies.

- 33.2.6 Changing the way in which the Secretary of State grants consent for TfL to dispose of freehold interests in land from order to letter should simplify and speed up the process. Currently the GLA Act prevents TfL from disposing of the freehold interest in any land which is, or has been, operational, or grant a leasehold interest in such land for a term of more than fifty years, without an order made by the Secretary of State.
- 3.2.7 There are negligible cost implications in implementing the changes. The Mayor currently appoints the Board of TfL and these changes merely enhance his discretion in doing so. The costs of paying allowances to chairs and deputy chairs of TfL who are Assembly members will also be negligible.

Risks

- 3.2.8 The proposals carry a relatively low-level of risk. In removing the prohibition on elected members sitting on the TfL Board, there is a possibility that the operation of TfL, seen as a successful role-model for city transport authorities, would become overly politicised. But it remains at the discretion of the Mayor to decide Board appointments. In doing so, he is required under paragraph 2 to Schedule 10 of the GLA Act 1999 to have regard to ensuring TfL members between them have experience in transport, finance and commerce, national and local government, the management of organisations and organisation of trade unions (including matters relating to workers generally). He must also ensure that the membership of TfL also represents interests in relation to transport of women and of persons who require transport which is accessible to persons with mobility problems.

Sectors and Groups Affected

- 3.2.9 The changes will impact on TfL itself, and particularly its Board members; the organisations that fall within its ambit and, indirectly, the customers of its services (including almost all those who live in, work in or visit London).

3.3 London Development Agency

Purpose and Intended Effect

- 3.3.1 The Bill includes a provision to remove the prohibition on a Chair and Deputy Chair of the LDA who is also an Assembly member receiving an allowance for carrying out these roles.

Cost/Benefit Analysis

- 3.3.2 This change is consistent with similar changes set out elsewhere in the Bill in respect to TfL and LFEPA. A similar change in respect to the MPA will be made in secondary legislation resulting from the Police and Justice Act 2006. It will ensure Assembly members who are also Chairmen or Deputy Chairmen of the LDA can claim any allowances to reflect the significant additional workload imposed on them. There are negligible costs in implementing the proposal.

Risks

- 3.3.3 The risks in implementing the proposal are negligible.

Sectors and Groups Affected

- 3.3.4 The change will primarily impact on LDA board members in the specific circumstance of an Assembly member being appointed Chairman or Deputy Chairman of the Agency.

3.4 Health

Purpose and Intended Effect

- 3.4.1 To build on the Mayor's existing responsibility to take the health of Londoners into account, and promote improvements in their health, in exercising his functions, by strengthening the Mayor's public health role.

- 3.4.2 The Bill includes provisions to :

- Extend the Mayor's current duties in regard to public health to include the responsibility for promoting a reduction in health inequalities in London;
- Require the Mayor to work with the Health Adviser and the Strategic Health Authority (SHA) in London and other partners to prepare a health inequalities strategy for London; and
- Formalise the role of the Regional Director of Public Health in London as Health Adviser to the Mayor and GLA Group.

Cost/Benefit Analysis

- 3.4.3 The health provisions in the Bill build on the Mayor and Assembly's current duties in relation to public health and their engagement in health partnerships. A non-statutory Health Strategy for London was developed in partnership in 2000, and the Mayor set up the London Health Commission later that year to take forward its implementation.
- 3.4.4 These provisions put this work on a stronger, statutory footing. They will require the Mayor to explicitly promote a reduction in London's marked health inequalities. The duty will ensure the current Mayor's focus in improving the health of all Londoners is maintained across future administrations, and will be complemented by a requirement on the Mayor to work with the Health Adviser, new London-wide SHA and other partners to prepare a statutory strategy to tackle London's health inequalities.
- 3.4.5 The strategy will take forward and enhance the current non-statutory Health Strategy. It will ensure a sharper focus on tackling the stark health inequalities that characterise the capital and will benefit from the strategic leadership the Mayor provides. It should provide a clearer focus for tackling the relatively poor health of Londoners in some of the capital's most deprived neighbourhoods and improving health in London's Black and Minority Ethnic (BME) communities. It should also bolster the GLA's influencing role on health in relation to other authorities.
- 3.4.6 Its statutory status will place it on an equal footing with the Mayor's other statutory strategies, and ensure strong links between it and, particularly, the Mayor's existing strategies, for example on transport, spatial development (the London Plan) and economic development, and new statutory strategies on housing, climate change and energy.

- 3.4.7 The change in relation to the Director of Public Health in London formalises a role the postholder currently fulfils. It should provide for a strong read-across between national and regional tiers of government on public health in London, and ensure the relationship continues across political cycles.
- 3.4.8 These changes primarily formalise existing functions and arrangements, and therefore their implementation will not result in significant additional costs. As set out above, the Mayor will implement his strategy through partnership working, and will not be able to impose any additional costs of implementing the strategy on London's health or business sectors.

Risks

- 3.4.9 The measures in the Bill build on the GLA's existing duties and formalise partnerships and working relationships that have evolved since the Authority's establishment. The risks in implementing them are therefore considered minimal.
- 3.4.10 One key risk is that the Mayor, in exercising his duty to promote a reduction in health inequalities and seeking implementation of his strategy, places undue burdens on London health providers, public authorities or business. But the Mayor will have no powers to compel health sector or business organisations to implement his strategy or to require them to collect information to monitor the progress of its implementation.
- 3.4.11 The strategy is subject to Secretary of State reserve powers (in line with most of the Mayor's existing strategies). The Assembly will also hold the Mayor to account in exercising his new duties. And perhaps most importantly, the Mayor will be unable to implement his strategy effectively without close partnership working with a range of public and private organisations. He does not have powers to impose his strategy directly on these bodies, and will need to work with them on the basis of co-operation, negotiation and persuasion, to ensure the strategy is delivered. This emphasis on partnership ensures against the Mayor imposing any excessive burdens.

Sectors and Groups Affected

- 3.4.12 The changes will impact on all those with an interest in improving the health of Londoners. These include leading stakeholders in London's health sector – the new, single London SHA; Primary Care Trusts; local authorities and the NHS, and those with an indirect influence over Londoners' health, including housing and transport providers.

3.5 The London Fire and Emergency Planning Authority

Purpose and Intended Effect

- 3.5.1 The Bill includes the following measures in respect to the London Fire and Emergency Planning Authority (LFEPA). They will:
- Allow the Mayor greater freedom of choice in appointing board members; and
 - Give the Mayor more influence over delivery whilst ensuring the arrangements for LFEPA remain broadly compatible with those for fire and rescue authorities elsewhere.

3.5.2 The specific provisions in the Bill are:

- On appointments:
 - enable the Mayor to appoint two members of the LFEPA Board by his own nomination, and to reduce the number of Assembly members and boroughs nominees appointed, by one apiece.
- On influencing delivery:
 - granting the Mayor power to issue directions and guidance to LFEPA, within the overall Fire and Rescue National Framework, and subject to Secretary of State reserve powers.

3.5.3 The Bill also contains provision to remove the prohibition on a Chair or Vice Chair of LFEPA, who is also an Assembly member, receiving an allowance for carrying out these roles. The Bill makes similar provision in terms of TfL and the LDA.

Cost/Benefit Analysis

3.5.4 The changes in LFEPA board appointments will give the Mayor wider discretion to appoint suitable candidates.

3.5.5 As a result, the Mayor's influence over LFEPA will increase. He will appoint two of the Authority's 17 Board members by his own nomination and will be able to direct and give guidance to the Authority within the national framework. The Mayor currently sets the Authority's budget and appoints its membership but otherwise has little influence over delivery. These changes will ensure the Mayor is better able to influence the strategic direction of the Authority.

3.5.6 As with our changes to the rules for Assembly members holding chairman and deputy chairman positions on the TfL and LDA Boards, allowing Assembly members to claim allowances when holding chairman and vice chairman positions on the LFEPA Board recognises the extra workload such posts impose on them in addition to their roles as Assembly members.

3.5.7 There are negligible cost implications in implementing the changes. The Mayor currently appoints the Board of LFEPA, and these changes merely enhance his discretion when doing so. However, the costs of any Mayoral directions and guidance to LFEPA will depend on the nature and frequency of his interventions and cannot be accurately assessed at this stage. The costs of paying allowances to chairmen and vice chairmen of LFEPA who are Assembly members will be negligible.

Risks

3.5.8 The measures carry a relatively low-level risk that the operations of LFEPA could become overly politicised through increased Mayoral influence. But this concern needs to be balanced against the aim of increasing democratic accountability and making clearer the lines of accountability for the Authority. The Mayor would, in any event, be held to account by the Assembly and through the GLA's formal audit arrangements for any disproportionate oversight of his functional bodies.

Alternative Options Considered

3.5.9 The consultation exercise proposed that the Mayor appoint four members of the LFEPA Board, to represent the interests of business, under-represented groups, LFEPA staff and to champion London resilience. LFEPA members from the Assembly and London boroughs would commensurately reduce by two apiece. In light of the consultation response, we proposed the Mayor should make two appointments rather than four, and that neither appointment should be prescribed by constituency.

Sectors and Groups Affected

3.5.10 The changes will impact on LFEPA itself, and particularly its Board members; the organisations that fall within its ambit (including the London Fire Brigade) and, indirectly, the customers of its services (including almost all those who live in, work in or visit London).

3.6 Housing

Purpose and Intended Effect

3.6.1 To require the Mayor to set the strategic framework for housing in London, and to in particular set, in outline, the outputs to be achieved from using funding from the Regional Housing Pot (RHP) for affordable housing.

3.6.2 The specific provisions in the Bill are:

- The Mayor will prepare a statutory Housing Strategy, including a statement of his strategic housing investment priorities for London. The Statement will set out the broad allocation of affordable housing spending and provide advice for Ministers on allocations to London Boroughs to support decent homes and other activities according to the priorities set out in the strategy. The Statement would set out in broad terms outputs sought for different types of affordable housing “products” and their spatial distribution in line with the strategy. This should not mean significantly more work for the Mayor since the GLA already makes a significant contribution to the development of the London Housing Strategy and recommendations on the allocation of housing capital investment.
- The Housing Corporation will put together an affordable housing programme for London which best delivers in line with the Statement of investment priorities for new affordable housing set out in the strategy. This should not result in significant additional work for the Corporation. Rather, it will mean reprioritising to more closely reflect the Mayor’s priorities for new, affordable housing within the available resources determined by the Secretary of State.
- Local housing strategies and any other statement of a London borough’s policies or proposals relating to housing should be in general conformity with the Mayor’s London Housing Strategy.

Cost/Benefit Analysis

Economic

- 3.6.3 A statutory Housing Strategy will place the Mayor's housing functions on an equal footing with his other statutory functions and encourage strong links between them (especially between his Housing Strategy, the London Plan and his Transport and Economic Development Strategies). It should ensure housing as a priority irrespective of changes in the political cycle.
- 3.6.4 It will also enable the Mayor to set the broad allocations of funding for the affordable housing part of the Regional Housing Pot. The current affordable housing programme in London (2006/08) is some £1.7 billion. The Mayor will be able to exercise discretion to reflect London's priorities within the broad national framework for the spatial and product split of funding for new supply of affordable housing managed by the Housing Corporation. This will enable the Mayor to identify his priorities for public expenditure on new supply of affordable housing in London to meet the capital's unique housing challenges.
- 3.6.5 The priorities in the strategy, and the Mayor's investment priorities, will need to be consistent with national policy. The new arrangements will be subject to reserve powers of direction for the Secretary of State. The Mayor's strategy and funding priorities should also support the delivery of national priorities in London – including reducing homelessness and overcrowding, the Sustainable Communities Plan and new housing development in the growth areas within London, such as the Thames Gateway.
- 3.6.6 The changes involve the devolution of administrative responsibilities from central government to the Mayor, and are broadly neutral in terms of costs. A transfer of resources from Government to the Mayor has been made to reflect the existing transfer of Regional Housing Board responsibilities.
- 3.6.7 London boroughs' housing strategies should be in general conformity with the London Housing Strategy.

Environmental

- 3.6.8 The Mayor is likely to apply the policies set out in his existing strategic framework for London to the Housing Strategy. These include making best use of natural resources, increasing housing supply and densities and closer integration of transport and housing development. He will also be able to tie-in many of his new environmental powers to his housing strategy; this is likely to include a strong read across between his new Housing and Climate Change and Energy Strategies, in terms of seeking to increase energy efficiency in new and existing stock, and to help meet his duties in respect to taking action to combat climate change (see section 3.8.2).

Social

- 3.6.9 The changes will allow the Mayor to focus on his priorities for housing in London – for example an emphasis on driving up the supply of housing, including affordable housing, to achieve a better balance between supply and demand (against a context of projected growth in London's population of 800,000 by 2016). It should also enable him to specify the spatial distribution in investment, with a likely emphasis on the growth areas in

London, and the preferred product split. The Mayor's new role should also enable him to focus on meeting the housing needs in London's more deprived areas and amongst the capital's more excluded communities.

Risks

- 3.6.10 There is a risk that the Mayor's Housing Strategy could cut across national priorities. But this is unlikely given that the Secretary of State will have reserve powers to enable the Government to respond flexibly in the event of unforeseen changes in policy or to funding, and to intervene in the event that the Mayor's strategy could have adverse effects on neighbouring regions.
- 3.6.11 There is also the risk that the Mayor's stated priorities will not be delivered by the capital's housing providers. However, the Housing Corporation will be required to prepare and implement an affordable housing programme that best matches the broad priorities set out in the strategy and, subject to value for money considerations, will only provide subsidy through social housing grant to Registered Social Landlords (RSLs) and developers who come forward with developments that meet those priorities.
- 3.6.12 Finally, there is the risk that the policies in the Mayor's housing strategy will not be delivered by London boroughs, which have a key role on housing across all sectors, tackling homelessness and overcrowding, the condition of existing stock, the role of housing in community cohesion, anti social behaviour on housing estates and neighbourhood renewal and regeneration.
- 3.6.13 However, London borough housing strategies and any other statement of a London borough's policies or proposals relating to housing will be required to be in general conformity with the London Housing Strategy. This means that there should not be an inconsistency or omission in a local housing strategy that would cause significant harm to the implementation of the Mayor's London Housing Strategy. But the duty will provide boroughs with ample latitude to prepare local housing strategies that take full account of differing local needs.

Alternative Options Considered

- 3.6.14 The other key options considered as part of the GLA Review were that the Mayor should prepare a non-statutory housing strategy and make recommendations to the Secretary of State for the distribution of the Regional Housing Capital Allocations. However, this option was not taken forward as it did not deliver the degree of devolution to London supported by the public consultation.
- 3.6.15 As mentioned earlier, the transfer of London Housing Board functions to the Mayor is consistent with Government plans to transfer the functions of Regional Housing Boards in all English regions to the regional tier. A "do nothing" option would put London on a different footing compared to other regions, with no devolution in the capital but Regional Housing Board functions devolved to the regional tier elsewhere in England. This would be a perverse outcome, and a "do nothing" option has therefore not been taken forward.

Sectors and Groups Affected

- 3.6.16 The changes would impact on residents, tenants, the homeless, London boroughs, RSLs, housebuilders and other stakeholders in the capital, notably the Housing Corporation, English Partnerships and voluntary sector providers.

3.7 Planning

Purpose and Intended Effect

- 3.7.1 The provisions to give the Mayor additional planning powers will ensure that boroughs fully reflect London's strategic priorities in their work programmes for preparing their Local Development Frameworks, and give the Mayor the discretion to decide whether he or the local planning authority should determine strategic³ planning applications (including applications for waste facilities). These measures build on the Mayor's existing planning powers: preparing the London Plan and the right to direct refusal of strategic planning applications.
- 3.7.2 The provisions in the Bill are:
- The Mayor will be able to direct changes to London boroughs' Local Development Schemes (LDSs), subject to Secretary of State reserve powers;
 - The Mayor will have a discretionary power to determine planning applications of strategic importance in London. He would be the local planning authority for those applications he decides to take on.
 - The Mayor should be the lead party for s106 matters relating to those applications he decides as planning authority.

Cost/Benefit Analysis

Economic

- 3.7.3 The Mayor's power to direct changes to boroughs' LDSs will enable him/her to influence what Local Development Documents (LDDs) boroughs produce. It will ensure that boroughs' Schemes fully reflect London Plan strategic priorities, for example, the economic and social regeneration of London, while taking account of local circumstances. The Mayor will need to have regard to national and local planning issues, and to the resources available to local planning authorities, in exercising his power. The Secretary of State will have powers to override the Mayor's direction if she considers it conflicts with national policy.
- 3.7.4 This new power will be complemented by strengthening the Mayor's role in the public examination of draft Development Plan Documents (DPDs). The starting point for an examination will become the Mayor's opinion as to whether a draft DPD is in general conformity with his London Plan. This change will be implemented by revising the Mayoral Circular 1/2000.
- 3.7.5 The Mayor's discretionary power to decide a limited number of strategically important planning applications will ensure that London Plan policies are properly reflected in decisions on planning applications. It is intended that London boroughs will continue to decide the vast majority of applications, but for a limited number of strategic applications the Mayor will decide whether he should take the decision. In deciding whether to exercise

³ The Mayor currently has powers to direct refusal of "applications of strategic importance" as defined in the schedule to SI 2000 No. 1493, The Town and Country Planning (Mayor of London) Order 2000. Any changes to the definition of "strategic" would need to be set out in a revision to this Order.

his power, the Mayor will be informed by the borough's decision on what they would do with the application. The Mayor must also satisfy a test of how strategically important the application is.

- 3.7.6 The change will ensure that strategic planning decisions, whilst of course having regard to local policies and issues, take full account of strategic planning policy for London as set out in the London Plan – such as in regard to density, design quality and urban renaissance principles. The Mayor, if he wished to, could assume responsibility for the planning aspects of strategically important infrastructure schemes.
- 3.7.7 The discretionary nature of these powers makes costs difficult to assess at this stage. The Mayor may direct boroughs to either add to, or reduce, the number of LDDs they intend to prepare, as set out in their LDS. This should therefore mean either savings or additional costs depending on whether and how the Mayor chooses to exercise his power. In practice, we would expect a Mayoral direction to result in a borough reprioritising its delivery of LDDs within its existing available resources, and therefore for the change to be cost neutral for the borough and other parties.
- 3.7.8 There should be no additional costs arising from the Mayor's strengthened role in relation to DPDs themselves. The proposed change involves a change of emphasis in the examination in public of draft DPDs, rather than any additional burdens on boroughs, developers or the public.
- 3.7.9 Costs resulting from the Mayor's enhanced role in development control are also difficult to quantify at this stage, and will depend on frequency and extent with which he chooses to exercise his new power. It is envisaged the Mayor would decide only a very small number of cases a year given that the new power will give him enhanced influence over how boroughs' consider applications. The number of "strategic" cases referred to the Mayor is defined by thresholds set out in the Mayor of London Order 2000. Currently around 300 cases a year meet these thresholds, and are therefore referred to the Mayor to enable him to decide whether to exercise his power to direct refusal. In 2004/05, the Mayor directed refusal on 4 cases.
- 3.7.10 There will be no additional fees or significant additional costs to applicants as a result of the Mayor exercising his power as applicants already engage in tripartite discussions with the Mayor and the borough on strategic applications, and routinely copy papers to both parties. The borough will continue to receive the application fee from the applicant on the basis that, as now, they will fully consider the application before the Mayor can intervene formally. The applicant would not be charged again if the Mayor intervenes. There may be a cost to the applicant in terms of delay where the Mayor takes over an application, but this would be significantly lower than an appeal to the Secretary of State.

Environmental and Social

- 3.7.11 The environmental or social impacts arising from the Mayor's additional planning powers are likely to be positive. Through his powers, the Mayor will seek to encourage boroughs to prepare local plans in accordance with his London Plan, and will influence the consideration of strategic planning applications in accordance with London Plan policies.
- 3.7.12 The London Plan sets out a wide range of policies which impact on the environment and social fabric of the capital – through changes to the built environment (such as the location of tall buildings or increasing densities in new developments) and the use and management

of natural resources in London (including the efficient use of water, tackling climate change and protection of open space). London Plan policies are subject to Sustainability Appraisal incorporating the requirements of the Strategic Environmental Assessment (SEA) Directive as they are prepared. Sustainability Appraisal aims to promote sustainable development through the integration of social, environmental and economic considerations into the preparation of revisions of Regional Spatial Strategies (RSS) and for new or revised Local Development Documents.

- 3.7.13 In addition, individual planning applications, whether determined by the Mayor or a London borough, are, if likely to have significant impacts, subject to the requirements of the Environmental Impact Assessment (EIA) Regulations which requires the developer to compile an Environmental Statement (ES) describing the likely significant effects of the development on the environment and proposed mitigation measures.

Risks

- 3.7.14 There are risks that additional Mayoral planning powers could emphasise regional, strategic priorities at the expense of local policies and concerns. However, the checks and balances in the planning process are retained under the proposed changes. The Secretary of State has the right to override a Mayoral direction to a borough to alter its LDS. The final decision on whether draft DPDs conform to the London Plan will be taken independently, by an Inspector, rather than by the Mayor himself. On development control, the Secretary of State has the same powers to call-in planning applications in London as elsewhere, and applicants' rights of appeal against refusal of planning permission are unchanged. In deciding applications the Mayor will be required to take account of local policies, including those set out in borough development plans, as well as strategic policies set out in his London Plan. The Assembly also hold the Mayor to account for his planning decisions.
- 3.7.15 A further risk is that London boroughs will invariably appeal to the Secretary of State when the Mayor directs them to change their Local Development Scheme. But we expect the Secretary of State to overrule the Mayor only if he is clear that the Mayor's direction is inconsistent with his London Plan or cuts across national priorities. This is likely to be the exception rather than the rule.

General Planning: Alternative Options Considered

- 3.7.16 We considered a number of alternative options in deciding the suite of enhanced Mayoral planning powers. On plan-making, we considered both a Mayoral power to direct changes to LDSs without a Secretary of State reserve power, and no additional powers for the Mayor. The former was discounted because it would fetter the Secretary of State's ability to ensure wider national interests applied to London, where appropriate. The latter was discounted because it would not strengthen the Mayor's role and ensure greater consistency between the London Plan and Local Development Frameworks.
- 3.7.17 On development control two alternative options were considered and rejected. First, requiring the Mayor to decide whether or not to assume control of a strategic application as soon as that application is submitted to the local planning authority. Second, giving the Mayor a power to direct a borough to approve a planning application.. The first option was rejected because, although it would provide clarity and certainty from the outset as to who the decision maker would be, it would remove any incentive or opportunity for boroughs to apply London Plan policies themselves. The second option was discounted because it would prove unworkable in practice, with excessive duplication and risk that the Mayor would not be held accountable for his decisions.

3.7.18 For both plan-making and development control, the Government considered “do nothing” options (more precisely, it considered a “minimal change” option, which would do no more than modify current arrangements to bring them up to date, rather than make any fundamental change). These options were not taken forward in either case. The Government considered that there is a strong case, as set out above, for strengthening the Mayor’s strategic planning role.

Waste Planning: Alternative Options Considered

3.7.19 Government consulted on five options for the future handling of waste planning decisions, largely mirroring the options for waste management.

3.7.20 Firstly, the Mayor becoming responsible for planning all waste streams in London, undertaking development control functions for waste and compulsorily purchasing land (Option A). This is the Mayor’s preferred option. It has not been taken forward for two key reasons. First, the Mayor is responsible for preparing the London Plan. The current draft Alteration of the Plan, when published in final form, will set out a strategic framework for planning waste infrastructure in London in terms of the broad location of waste sites and number and types of facilities. The Government believes it important that the Mayor retains his strategic role, with more detailed, site specific plans developed at local level. Similarly, the Government believes that all but the most strategic applications in London should be determined by the boroughs (see earlier in this section). It would not be appropriate therefore for the Mayor to become the development control authority for all waste applications.

3.7.21 Secondly, a borough-led statutory joint waste planning authority responsible for planning all waste streams in London, and undertaking development control functions for waste and compulsory purchase of land (Option B). It was considered that a committee comprising London’s 32 boroughs and the City Corporation was unlikely to provide a more effective or efficient decision-making process compared to the status quo. The third option (Option C) would create joint waste planning authorities on a sub-regional basis. It was considered that such an arrangement would prove effective only if a similar London-wide sub-regional structure is established for managing London’s waste (such a structure is not being taken forward – see section 3.8.1).

3.7.22 The Government ruled out the fourth option (Option D) – do nothing. It believes there is a case for some strengthening of the Mayor’s waste planning powers, as set out in Option E of the consultation paper. The Mayor’s strengthened role on waste planning is a consequence of the wider changes in his planning role outlined earlier in this section.

3.7.23 The Government did not consider it justified to take forward some elements of Option E. In particular, the proposal to allow the Mayor to allocate specific sites would undermine the role of boroughs and, given the Mayor’s strategic remit, the Government does not believe that providing for him to be consulted on all waste applications is warranted.

3.7.24 However, in line with planning in general, the Government believes enabling the Mayor to decide strategic waste planning applications and having greater influence over the content of LDSs and the general conformity of DPDs relating to waste is justified to allow the Mayor greater ability to ensure London Plan waste policies are implemented.

Sectors and Groups Affected

- 3.7.25 These proposals impact on a wide range of London organisations. They will primarily impact on London boroughs, both in their plan-making and development control functions. They will also impact on London’s developers.

3.8 Environmental Functions

3.8.1 WASTE

Purpose and Intended Effect

- 3.8.1.1 The provisions requiring waste authorities to deliver their waste functions in “general conformity” with the Mayor’s Municipal Waste Management Strategy along with the strengthened requirement upon boroughs to inform the Mayor if they are going to tender a waste contract will, in conjunction with enhanced Mayoral planning powers and the Mayor’s existing powers of direction, ensure implementation on the ground of the Mayor’s vision and policies for handling London’s waste. This will provide a strong policy framework for delivering sustainable waste management in London, and is being complemented by a range of non statutory changes to strengthen the Mayor’s role in the effective management of London’s waste.

- 3.8.1.2 The Bill states that:

- Waste authorities will be required to deliver functions under Part II of the Environmental Protection Act (1990) in “general conformity” with the Mayor’s Municipal Waste Management Strategy.
- Where waste authorities are not obliged either to send the European Commission a first information notice of their intention to tender a waste contract or publish on the authorities’ buyers profile, but are obliged to send a second information notice, they must inform the Mayor of their intention to tender. They are required to notify the Mayor 108 days before issuing the second information notice.

Cost/Benefit Analysis

Economic

- 3.8.1.3 The Government believes that all sectors have an important role to play in achieving the significant challenge of meeting climate change objectives and landfill diversion targets. The enhanced requirement upon Boroughs with regard to the Mayor’s waste strategy, and the strengthened requirement upon Boroughs to inform the Mayor if they are going to tender a waste contract alongside increased planning powers and existing powers of direction will ensure that the vision and policies set out by the Mayor are implemented locally in the way that waste authorities deliver their functions. This will provide a strong policy framework for delivering sustainable waste management in London.
- 3.8.1.4 The core duties are being complemented by a number of non-statutory changes intended to strengthen the Mayor’s strategic role in handling London’s waste, which are currently being developed. In summary, those changes are:

- A new, London-wide Waste and Recycling Forum, to bring stakeholders together to deliver improved performance on waste minimisation and recycling, promote collaborative action and link waste with other London priorities around climate change, transport and employment;
- A new London Waste and Recycling Fund administered by the above body; and
- A dedicated London Waste Infrastructure Development Programme to get new waste facilities on the ground, led by Defra and with strong GLA involvement.

3.8.1.5 In the context of delivering landfill diversion targets, and meeting climate change objectives, the London-wide Waste and Recycling Forum will bring together key stakeholders to look at strategic issues, facilitate joint working make links to other London-wide strategic issues and improve waste management within the capital.

3.8.1.6 The Forum will administer a London Waste and Recycling Fund, the details of which will be worked up in consultation with stakeholders. The Fund will be created through contributions from the GLA plus re-division of the element of existing London local authority waste funding currently provided by the Waste Performance and Efficiency Grant (WPEG). The precise position will need to be decided in the spending review, but on the basis of current figures, we envisage a £25 million per annum fund, consisting of £19 million from local authority waste funding (WPEG) and £6 million from the GLA. The pre-announced settlement for local authorities in 2007/8 will be unaffected.

3.8.1.7 Delivering strategic waste infrastructure is vital to sustainable waste management in London. A stronger role for the GLA in bringing this infrastructure forward, working collaboratively with Government on a dedicated London element of the new national Waste Infrastructure Development Programme, will help bring forward investment and delivery of facilities that are of regional and sub-regional importance.

3.8.1.8 A key benefit of maintaining the current structure and responsibilities is that waste authorities will be able to continue with their investment in waste services to ensure that the UK is able to meet the challenging targets set out in the EU Landfill Directive in 2010, 2013 and 2020.

Environmental

3.8.1.9 There are no environmental impacts arising. The Mayor will continue to set the strategic framework for delivering waste services in London through his Municipal Waste Management Strategy. The strategy sets out the Mayor's proposals and policies for the recovery, treatment and disposal of waste and must be in line with the Government's national strategy. The waste authorities in London will be required to exercise their waste functions in general conformity with the Mayor's strategy and inform the Mayor when they are going to tender a waste contract. All waste strategies are subject to a Strategic Environmental Assessment (SEA).

3.8.1.10 The Mayor and London waste authorities are required to have regard to the waste management hierarchy when setting their waste strategies and deciding how to manage their waste services. This starts from the premise of least environmental impact (reducing waste), through to highest impact (landfill) as the last resort.

Social

3.8.1.11 The duties on waste authorities set out in the Bill is intended to ensure the implementation of the Mayor's Municipal Waste Strategy on the ground whilst maintaining the current structure for service delivery. This should ensure that waste management services are decided at the local level and are responsive to local issues within the policy framework of a strengthened regional strategy.

Risks

3.8.1.12 There is a risk that under current structures London will fail to improve its waste performance sufficiently for the UK to meet its Landfill Directive targets. However the Landfill Allowance Trading Scheme provides a strong incentive for Authorities to deliver improvements, and there are signs that London waste authorities are responding to this.

3.8.1.13 The Government's view is that, on balance, restructuring London's waste now would pose a far greater risk to achievement of the EU Landfill Directive targets than maintaining current arrangements. The transition to a new system would divert attention and resources away from the priority task of switching to more sustainable waste management options. In addition, creation of a Single Waste Disposal Authority would mean separating the functions of waste collection and waste disposal between different political bodies, making it harder to manage the whole waste cycle in an integrated manner. We therefore judge that the best way to minimise risk to achievement of the Landfill Directive targets is by ensuring a strong strategic role for the GLA, while current authorities maintain responsibility for delivering waste services.

Alternative Options Considered

3.8.1.14 The Government consulted on three options for the future management of London's waste, in addition to the option of no change to current structures. The Mayor's preferred option, a single waste disposal authority for London accountable to him as a functional body of the GLA, has not been taken forward. This is because Government was not convinced that the proposal offered sufficient benefits to outweigh the associated costs and risks, or to justify transferring powers from the boroughs to the GLA.

3.8.1.15 First, the disruption caused by restructuring would impact on the ability of the UK to meet its EU Landfill Directive targets, the first of which bite in 2010. Developing new structures to manage London's waste, and transferring staff, contracts and assets from existing authorities, would divert attention and resources at a crucial time. It would also impact on London's ability to meet its obligations under the Landfill Allowance Trading Scheme. In addition, separating the functions of waste disposal and waste collection between different political bodies would be likely to make it more difficult to manage waste effectively.

3.8.1.16 If London failed to meet its obligations under the Landfill Allowance Trading Scheme, it would face fines of £150 for every tonne of biodegradable municipal waste sent to landfill in excess of its allowances. Furthermore, if the UK failed to meet its targets under the EU Landfill Directive it would face infraction penalties of up to £0.5 million per day. Government has made clear that it will pass any penalties to those authorities that fail to meet their landfill obligations. Ensuring targets are met in both the short and the long term is critical to ensure value for money for the taxpayer.

3.8.1.17 Second, it is possible that creating a single waste disposal authority could increase the overall cost of dealing with London's waste. Any efficiency savings gained look likely to be insufficient to justify the initial set-up costs and disruption. The tables below summarise analysis carried out for the Government by KPMG to estimate the costs of different models as compared to the current system. They show that the greatest efficiencies are likely to be gained around waste collection rather than waste disposal, and suggest that a single waste disposal authority offers at best limited cost savings.

Table 1: Potential Set-Up Costs

(NB these exclude any costs arising from redundancies, transfer of contracts and setting up of a transitional team)			
Costs in £ million	<i>London Integrated Waste Authority (collection and disposal)</i>	<i>London-wide Authority, disposal only</i>	<i>Sub-regional model, disposal only</i>
Set up costs	8.6 – 12.9	4.6 – 7.0	1.7 – 2.5

Table 2: Estimated changes to overhead costs⁴

£ million (<i>italics</i>) = savings, bold = costs	<i>London Integrated Waste Authority (collection and disposal)</i>	<i>London-wide Authority, disposal only</i>	<i>Sub-regional model, disposal only</i>
2008	(0.1) – 7.4	2.35 – 6.95	0 – 1.2
2009	(6.6) – 3.5	0 – 5.5	(0.95) – 0.7
Thereafter	(6.6) – 3.5	0 – 5.5	(0.95) – 0.7

Table 3: Potential service delivery efficiencies

£ million annual savings	<i>London Integrated Waste Authority (collection and disposal)</i>	<i>London-wide Authority, disposal only</i>	<i>Sub-regional model, disposal only</i>
Integration/scaling of waste disposal contracts	0 – 3.8	0 – 3.8	0 – 3.8
Combination of collection contracts	20.2 – 28.9	–	–
Maximum theoretical total	20.2 – 32.7	0 – 3.8	0 – 3.8

3.8.1.18 The second option put forward in the consultation was for a single waste disposal authority for London controlled by a statutory joint committee of the 32 London boroughs and the Corporation of London. This has not been taken forward. It was considered that a committee of 33 councils would be unwieldy and a less effective way to manage the disposal of London's waste.

3.8.1.19 The third option was to extend the model of Joint Waste Disposal Authorities (JWDAs) to the whole of London. This was not taken forward for two reasons. First, most of the 12 boroughs not involved in JWDAs are already engaged in voluntary joint working arrangements. We would see little additional benefit in making these arrangements statutory. Second, there is no evidence that services would be improved by creating new JWDAs in London.

⁴ Figures do not allow for inflation

3.8.1.20 Finally, the Government also considered a London integrated single waste authority for collection and disposal. This option offered the potential for the greatest efficiency savings, particularly through combining waste collection services, and also had the benefit of joining up waste collection and disposal activities across London. However, the option risked increasing the level of disruption and jeopardising the delivery of EU Landfill Directive targets in the same way as the disposal-only option discussed earlier. It also risked reducing local democratic accountability, making services less accountable and responsive to local needs.

Sectors and Groups Affected

3.8.1.21 As existing structures will remain unchanged, no sectors or groups will be significantly affected. The duty of general conformity will impact directly on London's waste authorities – unitary authorities handling collection and disposal of waste; collection-only authorities; and JWDAs.

3.8.2 CLIMATE CHANGE AND ENERGY

Purpose and Intended Effect

3.8.2.1 The proposals are intended to provide a robust strategic framework to encourage the sustainable use of natural resources in London, and to ensure that London continues as a leading world city in taking action to tackle climate change.

3.8.2.2 The key proposed changes are that:

- The Mayor and Assembly are each subject to statutory duties to address climate change. The Mayor, in particular, is required to take action with a view to mitigation of, and adaptation to, climate change.
- The Mayor prepares two new statutory strategies:
 - A Climate Change Mitigation and Energy Strategy for London; and
 - An Adaptation to Climate Change Strategy for London.

Cost/Benefit Analysis

3.8.2.3 The 2003 Energy White Paper made clear that local and regional bodies had a key role to play in delivery of the key objectives of UK energy policy; in particular, long-term cuts in carbon dioxide (the main greenhouse gas) to tackle climate change, and efforts to eradicate fuel poverty and maintain secure energy supplies.

3.8.2.4 In 2004, the Mayor published an Energy Strategy for London that included targets for reducing emissions, the uptake of sustainable energy and the elimination of fuel poverty. The Mayor prepared the strategy on a voluntary basis. The Mayor is also in the process of developing an adaptation to climate change strategy.

3.8.2.5 Placing a statutory duty on the Mayor to address climate change, combined with a statutory Mayoral requirement to produce strategies on climate change mitigation and energy and adaptation to climate change, would ensure an enduring London-wide programme of action to lower emissions of carbon dioxide and to adapt to climate change. In view of the

sizeable proportion of UK emissions which emanate from London, a statutory duty on the GLA to tackle climate change has the potential to contribute significantly to meeting the Government's goals for reducing emissions

- 3.8.2.6 It also has the potential to help establish London as an important beacon of influence on carbon management for other major international cities and bolster the UK's reputation for being at the vanguard of the international effort to combat climate change. A strategy for London to adapt to the expected consequences of climate change is necessary due to the large number of Londoners who are vulnerable to the effects of such change, as well as the broader implications for the national economy and general functioning of the UK as a whole.
- 3.8.2.7 Implementing both strategies would contribute to the GLA fulfilling its duties relating to its principal purposes by contributing towards the achievement of sustainable development in the United Kingdom. As with health, the current energy strategy's non-statutory status reduces its weight, its ability to influence energy providers and consumers, and its potential for integration with the Mayor's other statutory strategies. The non-statutory status of the emerging adaptation strategy for London similarly weakens its effectiveness. The two new strategies' statutory status will send a strong signal to all stakeholders of the importance of energy policy and its impact on climate change, and will reflect the importance of London in the delivery of the Government's climate change and energy agendas.
- 3.8.2.8 These statutory strategies also ensure that clear climate change and energy policies for London are maintained across political cycles.
- 3.8.2.9 The GLA has agreed that it will not require additional funding for the purposes of these duties. The Mayor will not have new, discrete powers to implement either strategy. As with his new health powers, the Mayor will need to work in partnership with a wide range of private and public sector organisations in London to ensure his policies are delivered. Secretary of State reserve powers will ensure both strategies conform to national policy.

Risks

- 3.8.2.10 The proposals carry few actual risks. There may be a perceived risk by London businesses and public sector organisations that the Mayor's new climate change role will result in him imposing additional burdens on them. But, as discussed above, the Mayor will not be able to compel anyone to implement either strategy, and will need to work in partnership with other organisations to ensure they are implemented.

Sectors and Groups Affected

- 3.8.2.11 The primary impact is likely to be on the capital's energy suppliers and key users of energy (households, businesses and public sector bodies). Developers, builders and others involved in the construction industry are also likely to be affected as the Mayor's strategies are likely to call for development which has a low carbon impact and is resilient to climate change. The Mayor will need to work with suppliers and key users in order to implement his strategy successfully. The broader impacts are likely to be felt by all Londoners.

3.9 Culture, Media and Sport

Purpose and Intended Effect

3.9.1 The proposals are intended to strengthen the Mayor's influence over culture and the arts in London and encourage closer links between the Mayor's cultural strategy and strategies prepared by national and regional cultural Non-Departmental Public Bodies (NDPBs).

3.9.2 The Bill includes provision to:

- Transfer the Government's responsibilities for funding and governance of the Museum of London (MoL) to the Mayor.
- Require the Mayor's Cultural Strategy Group (commonly known as the London Cultural Consortium) to consult designated cultural and sporting bodies⁵:
 - before submitting proposed revisions to the Cultural Strategy to the Mayor; or
 - when consulted by the Mayor if (s)he is revising the Cultural Strategy other than in response to revisions proposed by the Group.

The Secretary of State may by order amend the list of designated bodies.

- Require the Mayor to exercise his powers of appointment promptly in relation to a prescribed body (the Mayor will make appointments to the Boards of the Arts Council London; Sport England's London Regional Sports Board; and the Museums, Libraries and Archives (MLA) London. The Mayor's power of appointment to these bodies will be prescribed by order of the Secretary of State).

Cost/Benefit Analysis

3.9.3 The devolution of Government MoL functions to the Mayor will result in the Mayor making nine appointments to the Museum's Board of Governors (half the total) and, with the City Corporation, having responsibility for providing funding to run the Museum. The Board would be directly accountable to the Mayor and the City Corporation. Central Government would have no greater direct influence over MoL than over any other regional museum. The change should enhance the Museum's regional presence and strengthen the relationship between the GLA and the City Corporation.

3.9.4 The Mayor's new powers of appointment involve devolution from the national to the regional level. In devolving these powers, Government has applied two key principles:

- That the Mayor's powers should apply to London's cultural NDPBs, not to national, cultural NDPBs that happen to be based in London; and
- That given the principle of devolution the Mayor should not take away rights of appointments from London boroughs.

⁵ The designated bodies are: Archives, Libraries and Museums, Libraries and Archives London; the Arts Council England; the Commission for Architecture and the Built Environment; the English Sports Council; the Historic Buildings and Monuments Commission for England; the Museums, Libraries and Archives Council; and the UK Film Council.

- 3.9.5 The changes should ensure stronger and more effective partnerships and co-ordination in London's cultural sector. It should ensure that London-wide cultural matters are given voice in the work of Arts Council England (ACE); Sport England and MLA, and the Mayor is better able to fulfil his statutory duty to implement his Cultural Strategy for London.
- 3.9.6 The requirement for designated cultural and sporting bodies to be consulted on proposals for revising the Mayor's Cultural Strategy formalises existing arrangements and ensures read-across between national and regional cultural strategies and the Mayor's Cultural Strategy. The Government is ensuring through non-statutory arrangements similar, reciprocal commitments requiring national strategic cultural NDPBs to consult the GLA on their national strategies that impact on London.
- 3.9.7 There are negligible costs resulting from these changes. The provisions do not take away any powers from the City of London in respect of MoL.

Risks

- 3.9.8 A risk in the Mayor taking on central Government's MoL functions is that it could have a detrimental effect on the efficient running of the Museum in the short-term. But the transfer of functions is a direct devolution of Government responsibilities to the Mayor, and it is not envisaged would lead to significant disruption; only limited transitional arrangements would need to be put in place.
- 3.9.9 A further risk is that the co-sponsors of the museum; the Mayor and the City Corporation, will not work together effectively in exercising their functions. However, the new arrangements should build on the already well-established working relationship between the Mayor and the Corporation. The key management decisions will be taken by the Board of Governors, working collectively, and again it is not envisaged that any disagreements could not be resolved amicably.
- 3.9.10 There is a potential risk that corporate sponsors and private donors may be put off contributing to the museum if it no longer has the status of a nationally-sponsored institution. However, the Museum of London 'brand' is well-established and that, coupled with the prestige of the City of London, should mean that the museum will continue to attract donations.
- 3.9.11 The key risk to a change in the appointments process is that it will have a negative impact on the bodies concerned in the short term. This is considered to be a low level risk and can be mitigated through effective communication between the Government, Mayor and organisations concerned. The duty on the Mayor to exercise his powers of appointment promptly is intended to ensure the vacancy period for any post appointed by the Mayor is kept to a minimum.

Sectors and Groups Affected

3.9.12 The changes will primarily affect:

- Nationally: Sport England; ACE; MLA; UK Film Council; English Heritage; Commission for Architecture and the Built Environment.
- Regionally: Arts Council London; London Regional Sports Board; MLA London; Museum of London; City of London Corporation.

3.10 Miscellaneous and General

Purpose and Intended Effect

- 3.10.1 The proposal will enable the GLA and each of the functional bodies, by agreement, to delegate back office and administrative functions to each other. It clarifies currently inconsistent arrangements, and puts the GLA Group on a similar footing to local authorities, who may delegate the discharge of certain functions to another local authority.

Cost/Benefit Analysis

- 3.10.2 This change will encourage more collaborative working within the GLA Group and encourage efficiency savings being secured by streamlining back-office functions. Neither efficiencies nor cost savings can be assessed accurately at this stage, and will depend on the number and nature of back-office functions delegated.

Risks

- 3.10.3 There are three risks in allowing the GLA and functional bodies to delegate back-office functions to each other. First, that the body to whom the function is to be delegated does not wish to take on the role. But the Bill specifically requires the body concerned to agree to the delegation. Second that core, rather than back-office, functions may be delegated. But the Bill includes a definition of the types of services that may be delegated and a reserve Secretary of State power to include or exclude activities from the definition of back office functions.
- 3.10.4 Finally, that a body would not be able to secure service standards if a service is provided by another body. In such circumstances we would expect the GLA Group bodies concerned to work closely in setting and monitoring service standards, and to have agreements in place specifying how the service should be delivered.

Sectors and Groups Affected

- 3.10.5 The change will primarily affect the five bodies in the GLA Group – the GLA itself and its four functional bodies (TfL, the LDA, MPA and LFEPA).

SECTION 4

Race Equality Impact Assessment

Policy being assessed

- 4.1 This Race Equality Impact Assessment (REIA) focuses on those measures in the Bill where we believe that there is a potential impact on Black and Minority Ethnic (BME) communities. They are housing, health and culture.

Those affected by the Bill

- 4.2 These changes will affect people living and working in London as well as public and private sector bodies who have an interest in the planning and delivery of strategic services in the capital. Affected groups will include:

- London residents
- Greater London Authority and its Functional Bodies
- Local Authorities
- Central Government departments
- Regional housing and planning bodies
- Waste management sector
- Health sector
- Other public sector bodies
- London's business community
- Arts, sports and cultural bodies

Could the Bill have a disproportionate affect on different ethnic group?

- 4.3 We believe that the provisions set out in the Bill will build on the Authority's success in equalities and diversity – addressing the needs of London's diverse communities and having a positive impact on the BME sector in the capital. Since being established in 2000, the

GLA has had a good record in promoting policies and initiatives that impact positively on minority groups in London. The Mayor's Office has continually demonstrated that he is alive to the issues facing BME communities in the capital and transferring an additional suite of powers to the Authority will build on the GLA's successful record to date.

4.4 One of the GLA's three principal purposes is to promote social development in Greater London. The GLA Act 1999 requires that the Authority has due regard to promoting equality of opportunity for all in the formulation of its policies and proposals and in the implementation of its strategies. Furthermore, the Race Relations (Amendment) Act requires public authorities to produce a Race Equality Scheme to ensure that race equality is mainstreamed and delivered across all policy development and implementation. To meet this statutory requirement, the Mayor produces a 3 year strategy setting out what the GLA intends to do over the medium term to promote race equality. He also produces, annually, an equalities report which outlines the Mayor's progress on becoming an equalities champion. The Mayor's equality vision states that the GLA 'will be an equalities champion and leader in: promoting equality challenging and eradicating discrimination; providing responsive and accessible services for Londoners and ensuring that our workforce reflects the diverse population of London.'

4.5 Examples of initiatives taken forward by the GLA include:

- Carrying out Equality Impact Assessments (EQIA) of Mayoral strategies.
- On education, promoting equality of opportunity amongst the BME sector by establishing an Education Commission (through the LDA) to improve the educational attainment of black children in the capital.
- On housing, the GLA set up a website to provide information to London's homeless community. Those from ethnic communities make up a high proportion of the households classed as homeless. The GLA also led, on behalf of the London Housing Board, an EQIA of the London Housing Strategy 2005.
- On planning, writing guidance to help London boroughs recognise the neighbourhood needs of their local ethnic minority communities.
- On crime, working with the police to establish a BME Cracking Crime Board and a Race Hate Crime Forum to look at the impact of race hate crime and how the police tackle it.
- On health, the Mayor launched the London Health Commission in October 2000. It built on the principles set out in the London Health Strategy, published earlier that year. The strategy identified four key priority areas for public health in London: regeneration; inequalities; black and minority ethnic health; and transport.

4.6 We believe that the Mayor's ability to tackle inequality will be strengthened through his/her additional responsibilities in areas such as housing, health and culture (and in adult skills and employment, which is being taken forward in the Further Education Bill).

4.7 On **housing**, a comprehensive review of literature for the Office of the Deputy Prime Minister (Harrison, Malcolm and Deborah Phillips, 2003, *Housing and Black and Minority Ethnic Communities*) revealed widely acknowledged disparities in the experience of housing by different ethnic groups. For example, people from BME groups are more likely

to live in the social rented sector than their white counterparts and are more likely to experience overcrowding – the highest rates being experienced by the Pakistani and Bangladeshi communities. People from ethnic minority groups are also more likely to reside in poor quality housing and have poor living conditions.

- 4.8 The new requirement for the Mayor to prepare a London Housing Strategy and Strategic Housing Investment Plan should give a sharper focus to tackling the housing problems facing the capital's BME communities. London is facing significant housing challenges over the next decade. The capital's population is projected to grow by 800,000 by 2016, and a significant proportion of the new demand for housing will come from BME communities. In relation to housing, black and minority ethnic communities are disproportionately represented on measures of homelessness, overcrowding, disrepair and dissatisfaction with their housing. The Mayor's London Plan has already identified the need for more housing, including affordable homes, to tackle the growing and changing population. Providing the GLA with additional powers across areas like housing and planning will enable the Mayor to better integrate his strategies to meet future housing demand, including that for BME communities.
- 4.9 **Health.** London's overall levels of ill health are similar to the national picture but this masks large health inequalities and disproportionate health needs with respect to some health conditions. This is partly due to the high number of black, Asian and other minority ethnic people living in London who, evidence suggests, tend to suffer from some of the poorest health in the UK. The Department of Health 1999 Health Survey showed that Pakistani and Bangladeshi people generally reported worse health than the general population. It also found that Asians and black Caribbeans were more likely to suffer from certain diseases such as diabetes while Pakistani and Bangladeshi men had higher rates of heart disease than the general population.
- 4.10 Placing a statutory duty on the Mayor to promote a reduction in health inequalities and produce a strategy to tackle them will mean that the GLA must consider health and health inequalities when developing all of its strategies. It puts health on an equal footing with the Mayor's other statutory strategies which should ensure a long-term commitment from the GLA to tackle health inequalities in London.
- 4.11 **Culture.** The Mayor's new powers of appointment to London arts, sport and culture bodies (to be implemented through changes to Royal Charter or amendments to Memoranda and Articles of Association and funding agreements) and the new consultation arrangements for cultural strategies will ensure a closer fit between the Mayor's Culture Strategy and regional and national cultural NDPBs. The Mayor has already shown a determination to celebrate the diverse cultures and communities of the capital and to promote good relations between different groups through the support and promotion of cultural events and festivals. An enhanced strategic role for the Mayor across the arts, sport and culture in London will build on this already impressive record.

Evidence from the GLA Review Consultation (November 2005 to February 2006)

- 4.12 14 BME organisations responded to the Government's consultation on proposals for additional powers and responsibilities for the Mayor of London and London Assembly. The BME sector was also represented at seminars held both before the consultation was

launched and mid way through the consultation exercise. This engagement highlighted strong support for the work that the Greater London Authority has done to date in engaging with BME communities and developing strategies to tackle the inequalities faced by some of these groups.

- 4.13 An overwhelming majority of the BME groups responding to consultation were supportive of the Mayor being given additional powers and responsibilities. On housing, 75% agreed with the maximum devolution approach proposed by the Government; on skills the figure was 85%. On planning 67% felt that the Mayor should have significant additional powers while on waste 78% wanted to see a single waste authority accountable to the Mayor. These figures indicate stronger support for additional powers being transferred to the Mayor from BME communities than from many other groups that responded to consultation.

Consultation evidence from the BME Sector

- 4.14 Many respondents from BME communities offered specific comments on the nature and scope of additional powers the Mayor could take on. Some BME respondents to consultation believed that giving the Mayor responsibility for the London Housing Board and the ability to set the broad allocation of the affordable housing portion of the regional housing pot would help tackle London's housing problems, such as overcrowding, facing some communities.
- 4.15 On health, all BME respondents supported additional powers for the Mayor. There was a recognition of the work that the GLA has done to date to tackle health and social inequalities. Many groups believed that a duty placed on the Mayor to tackle health inequalities would have a positive impact on BME communities. BME respondents thought the cultural sector should accurately reflect London's ethnically diverse population. Some respondents believed that this would more likely be achieved if the Mayor is given a role in appointing Chairs and member of cultural bodies.
- 4.16 In conclusion, the consensus amongst BME groups who responded to the GLA Review consultation and attended the Government's seminars was that the Mayor assuming specific, additional powers would have a positive impact on black and minority ethnic communities in the capital. This view was based on the GLA's track record to date in working with, and meeting the needs of, BME communities and factoring them into its work. There was no suggestion from any respondents that BME communities might be disadvantaged by any of the proposals consulted on.

Monitoring the diversity effects of the policies

- 4.17 The GLA Act and Race Relations Act require that the Authority has due regard to promoting race equality (elimination of discrimination, promoting opportunity for all, and promoting good relations between different groups) in the formulation of its policies and proposals and in the implementation of its strategies. The GLA will continue to meet these statutory obligations as the Government transfers additional responsibilities to the Authority.

SECTION 5

Review of Potential Health Impacts

Introduction

- 5.1 The Regulatory Impact Assessment (RIA) that accompanied publication in July of the Policy Statement setting out the outcomes to the GLA Review explained that a review of the health impacts of the proposals had been undertaken rather than a full health impact assessment (HIA). It was considered that a full assessment would be inappropriate due to the complexity of applying RIA or HIA methodologies to new Mayoral powers which may have major potential impacts on the health of the population.
- 5.2 Rather, the RIA recommended that a review of the health implications of policies (e.g. through HIA) are undertaken at an early stage of implementation of all new, additional powers and that this is undertaken in consultation with the Regional Director of Public Health, the Mayor's Health Advisor. This would need to include plans to mitigate any adverse health impacts that may be identified.
- 5.3 The assessment also noted that the Greater London Authority Act 1999 requires the GLA and the Mayor to have regard to the effect that exercising its general powers will have on the health of Londoners⁶. Therefore the exercising of any additional powers enacted through the GLA Bill would be subject to an assessment of the health impact and public consultation in line with this general regard.
- 5.4 In undertaking the review of health impacts, three points were highlighted:
1. *The majority of the proposed additional powers are in policy areas which the Mayor and the GLA are already actively engaged in influencing policy development and implementation in London.*
 2. *Although the specific proposed additional power may not have a direct impact on health, the Mayoral duty to improve health (and the proposed duty to promote a reduction in health inequalities) may lead to health gains.*
 3. *Many of the policy areas covered do however have major health implications in themselves, e.g. housing and skills, and so it is significant, in respect to health, how the duty is exercised.*
- 5.5 The review was undertaken in two stages:

⁶ The Greater London Authority Act 1999. Chapter 29. Part II. Section 30. Para 4 (1a). 'The Authority shall have regard to the effect which the proposed exercise of the power would have on – (a) the health of persons in Greater London;' and Section 30 Para 5 (1a) 'Where the Authority exercises the power conferred by subsection (1) above, it shall do so in the way which it considers best calculated – (a) to promote improvements in the health of persons in Greater London, and' Referenced on the 27/04/06 at <http://www.opsi.gov.uk/ACTS/acts1999/19990029.htm>

Part One: Application of the RIA Health Filter

- 5.6 The RIA health filter questions were applied specifically to the proposed additional powers, compared to the current status quo, and not to the wider policy areas. The questions were used to assess the potential impact on health inequalities, the general health burden, quality of life and mortality of London's population and public concern.
- 5.7 The filter identified proposed powers in housing, skills, planning, waste, culture, health and climate change which had perceived direct potential to impact on the health of Londoners. The majority of impacts could be positive if implementation of the proposed powers is undertaken with reference to the duty to promote health, and the proposed duty to promote a reduction in health inequalities.

Part Two: Existing Evidence Base and Consultation Responses to Proposed Powers

- 5.8 The review drew on the existing health impact assessments undertaken by the London Health Commission and comments made in response to the consultation, to highlight the potential health impacts through implementation of the powers.
- 5.9 The evidence base illustrated that all of the policy areas being considered for additional powers had a relationship to health and that it was essential that health implications are taken into account (e.g. through use of HIA or similar methodology) throughout the implementation of these powers, to ensure that any negative health impacts can be mitigated and the positive health gains for Londoners can be maximised.

Conclusions and Recommendations

- 5.10 The review highlighted that many of the proposed powers, and all of the policy areas, had the potential to impact on health either directly or through their implementation. Therefore it is recommended that a review of the health implications of policies (e.g. through HIA) is undertaken at an early stage of implementation for all new, additional powers and that this is undertaken in consultation with the Regional Director of Public Health, the Mayor's Health Advisor. This would need to include plans to mitigate any adverse health impacts that may be identified.

SECTION 6

Rural considerations

- 6.1 Most of the provisions in the Bill by definition impact on the urban area of Greater London. However some of the changes, notably in terms of planning, may have implications for London's rural fringe. The Mayor will have a discretionary power to decide strategic planning applications within Greater London, some of which may be in the Green Belt, which surrounds the urban area of the capital. The Mayor would be expected to have regard to the policies set out in his London Plan in determining these applications. Policy 3.D8 of the Plan makes clear that "there is a general presumption against inappropriate development in the Green Belt, and such development should not be approved except in very special circumstances."

SECTION 7

Small Firms Impact Test (SFIT)

- 7.1 In preparing the RIA, published alongside the Policy Statement, we consulted the Small Business Service (SBS), an agency of the Department of Trade and Industry (DTI), to identify any potential impacts of the proposals on small business in London. We also spoke to representatives of small business groups, such as the Federation of Small Businesses, and the Forum of Private Business, to gauge their views on the Government's proposals.
- 7.2 The measures being introduced in the GLA Bill relate primarily to London's strategic services and are not targeted specifically at London's business community. Nevertheless, the views of small business have been important in deciding what the final package of additional powers should comprise.
- 7.3 There was broad support for the package of additional GLA powers. Respondents to consultation from the small business community concluded that the proposals would have little disproportionate impact on London's small businesses, and that the Mayor should take full account of the impact of his strategies on small businesses in the capital. This conclusion was supported in the discussions referred to in paragraph 7.1.

SECTION 8

Competition Assessment

Introduction

- 8.1 The Government does not expect the provisions in the GLA Bill to have a significant impact on competition. Many of the proposed changes are administrative, devolving powers to the most appropriate tier of government – from Whitehall to London or, in certain cases, from London boroughs to the Mayor. Some may have certain impacts on competition, but the specific nature of these impacts would depend on decisions the Mayor takes using his new powers.
- 8.2 To identify how the proposals would impact on competition, the Government has carried out a Competition Assessment using the Office of Fair Trading (OFT) competition filter. The assessment seeks to identify the extent to which Government policy is likely to impact on factors influencing supply and demand, the competitive process and market outcomes.
- 8.3 The OFT filter sets out a number of questions to help determine whether the proposals would impact on the market place and, if so, what those impacts are likely to be and how negative impacts might be mitigated. The filter, and our response to the questions set out in it, is at Annex B.

Assessing the Likely Impact on Competition

- 8.4 Competition will not, of itself, be affected by granting the Greater London Authority additional powers. But it is possible that in certain areas competition may be affected in future by the way in which the Mayor exercises these powers. The specific ways in which markets might be affected and the effects on competition cannot yet be assessed and will depend on the policies of the given Mayor and the ways in which (s)he chooses to exercise his or her powers.
- 8.5 Overall, the risk of additional Mayoral powers resulting in adverse impacts to competition is low. There may be some effects on competition arising from changes in housing and planning. But these impacts are indirect and wholly dependent on the policies the Mayor decides to implement.
- 8.6 The risks of any adverse impacts will be mitigated by a number of factors. First, the Secretary of State will be able to direct and give guidance to the Mayor in the exercise of his powers across a range of areas (e.g. in preparing the statutory Climate Change Mitigation and Energy Strategy). Second, the Mayor must have regard to national policies and strategies in exercising his powers. Third, the Mayor will be held to account by the Assembly for the exercise of his powers.

Housing and Planning

- 8.7 The Mayor's proposed new powers to prepare a statutory Housing Strategy for London and set the broad allocations of funding for new affordable housing will provide a more integrated approach to the supply of new, affordable housing in the capital and enable the Mayor to better link housing delivery with his spatial strategy (the London Plan) and Economic Development Strategy. The priorities the Mayor will set out in his housing strategy will reflect the capital's specific housing needs and take account of national priorities. This new Mayoral role may result in some change to the delivery of affordable housing in London – for example in the spatial and product split of the funding for new build affordable housing managed by the Housing Corporation. This could have a knock-on effect in terms of the type of housing the housebuilding sector in London would be required to deliver. It is much too early to predict accurately the effect on competition but this will be limited, and will not disproportionately impact on certain house builders over others.
- 8.8 The planning measures being introduced will not distort competition in the property development market. The ability of the Mayor to decide key, strategic planning applications will not affect any one firm substantially more than others or change the structure of the London property market – no firm has more than 10% market share. It is intended that the change will ensure that London's key strategic developments comply with the Mayor's spatial development strategy for the capital (the London Plan).

Other Policy Areas

- 8.9 We do not expect the raft of proposals in other policy areas – including culture, health, energy and climate change – to have any significant effects on competition. London's waste authorities will be subject to a strengthened duty to exercise their waste functions under Part II of the Environmental Protection Act (1990) in general conformity with the Mayor's Municipal Waste Management Strategy. The Mayor will have enhanced powers to decide strategic waste applications. But he will have no direct additional powers over managing London's waste. The proposals should not therefore impact directly on London's private sector waste providers.

SECTION 9

Enforcement and Sanctions

- 9.1 We believe the proposals are readily enforceable. The Mayor has a highly visible, high-profile public role in London and, to a lesser extent, nationally. We expect him to comply with any new duties placed on him and to exercise any new powers as and when required.
- 9.2 The Mayor will have limited powers to compel other organisations to implement his new strategies. On housing, the London boroughs will be subject to a duty to ensure their local housing strategies are in general conformity to his London Housing Strategy and Housing Investment Plan. Similarly, the Housing Corporation will be required to prepare and implement an affordable housing programme that best matches the broad priorities set out in the strategy and plan. But, otherwise, the Mayor will implement his new strategies through partnership working. The Mayor's Office undertakes impact assessments whenever the Mayor prepares or revises a strategy. The assessment includes consideration of sustainability, equalities and health issues. All his statutory strategies must be consistent with one another
- 9.3 Many of his additional powers are discretionary, and it will be for the Mayor to decide how and when to exercise them as he thinks fit. The Mayor is however subject to a range of scrutiny measures designed to ensure he is held to account for his actions. These are set out below.
- 9.4 The Assembly also plays a key role in holding the Mayor to account for the exercise of his new powers. The Assembly will, for example, be consulted by the Mayor in preparing his new statutory strategies on housing, tackling health inequalities, climate change mitigation and energy and climate change adaptation. The new duties placed on the Mayor to have regard to Assembly and functional bodies' responses to consultation, and to write setting out his view on its response, will ensure the Assembly's views contribute to the development of the Mayor's strategic framework for the capital.
- 9.5 The Mayor's current duties in relation to public accountability, including his periodic report to the Assembly; Annual Report; annual State of London debate; and twice yearly People's Question Time, will also bite on almost all his proposed additional powers, and ensures the Mayor is subject to scrutiny directly by Londoners in exercising his powers.
- 9.6 In addition, the Secretary of State will have reserve powers in certain instances to ensure that the Mayor complies with national policies and priorities in exercising certain powers. For example, in preparing strategies for housing in London; climate change mitigation and energy; and adaptation to climate change, the Mayor will need to have regard to national policies and strategies. If he does not, the Secretary of State will have powers to direct the Mayor to make changes to the relevant strategy.
- 9.7 These proposals comply with the Human Rights Act.

SECTION 10

Monitoring and Review

- 10.1 In addition to Assembly scrutiny, the GLA and its functional bodies have been audited by the Audit Commission under a similar audit regime to local government. The Commission undertook Initial Performance Assessments (IPA) in 2004 on each of the five organisations in the GLA Group – the GLA itself and the four functional bodies. These assessments were similar to the Commission’s Comprehensive Performance Assessment (CPA) of local authorities.
- 10.2 The White Paper *Strong and prosperous communities*, published in October 2006, announced a more streamlined performance framework for local authorities, and the GLA and its functional bodies will not be subject to further IPA assessment. The GLA Group will, nevertheless, continue to be subject to annual risk, direction of travel and use of resources judgements by the Audit Commission similar to local government.

SECTION 11

Implementation and Delivery

- 11.1 Most of the outcomes of the GLA Review require primary legislation in order to be implemented. The majority of these are being taken forward in the GLA Bill. The Mayor's new powers on adult skills are included in a Further Education and Training Bill, introduced to Parliament on 20 November 2006, and the broad thrust of the Mayor's new powers to appoint the Chair and Deputy Chair(s) of the MPA are included in the Police and Justice Act 2006, with detail in relation to the powers to follow in regulations.
- 11.2 The Bill will ensure Parliamentary scrutiny of the vast majority of the proposed additional powers of the Mayor and Assembly.
- 11.3 Other changes will be implemented using either secondary legislation or by agreement between central Government and the GLA. These changes will be implemented as soon as possible, and include:
- By Order, the Mayor will be made a statutory consultee for applications outside Greater London that may impact on the capital.
 - The GLA, LDA and TfL will be made subject to section 17 of the Crime and Disorder Act 1998 through regulation-making powers in the Police and Justice Act 2006. This will be commenced with effect from April 2007 subject to further discussion with the GLA.
 - The Mayor's power to make appointments to London cultural bodies will be made either through amendments to Royal Charters (in the cases of the Arts Council London and the London Regional Sports Board), or by changes to funding agreements (MLA London).

SECTION 12

Post Implementation Review

- 12.1 The Mayor's new powers, when implemented, will be subject to continual and ongoing review. Many of his new powers are being devolved from central Government, and Ministers will wish to keep a close eye on their implementation as the new powers bed down. Specifically, the Department will wish to review the changes introduced through the Bill within two to three years of the new powers coming into force to measure their effectiveness and establish whether they are working as expected. The extensive scrutiny of the Mayor's actions, summarised in section 9, will also measure how effectively the Mayor and Assembly exercise their new powers.

SECTION 13

Summary

- 13.1 The measures contained in the GLA Bill will strengthen the GLA's ability to deliver quality strategic public services in the capital and improve the quality of life for all those who live in, work in or visit London. The Bill ensures that services are provided at the most appropriate tier of government by devolving powers from Whitehall to City Hall or, in some specific cases, transferring strategic powers from the local to the regional tier.

SECTION 14

Declaration and Publication

I have read the regulatory impact assessment and I am satisfied that the benefits justify the costs.



Signed

Date: 24 November 2006

Yvette Cooper
Minister for Housing and Planning
Department for Communities and Local Government

ANNEX A

Organisations Which Responded to Consultation on the GLA Review

A(i) Organisations which responded to the consultation on proposals for additional powers and responsibilities for the Mayor and Assembly

AGLOW

Alan D Education Ltd

Anschutz Entertainment Group

Archives Libraries and Museums

Arts Council England

Ashwells Engineering

Association of Colleges

Association of Consultant Architects

Association of Learning Providers

Association of London Cleansing Officers

Association of London Government (now London Councils)

Association of Schools and Colleges

Audit Commission

BAA plc

Ballymore Properties Limited

Barnet College

Berkeley Group Holdings plc

Biffa Waste Services Ltd

Big Lottery Fund

BioRegional Development Group

Black Londoners Forum

Bloomsbury Conservation Area Advisory Committee

BM Regard

British Airways

British Deaf Association

British Hospitality Association

British Soft Drinks Association

British Waterways London

British Wind Energy

Bromley Borough Roads Group

Brunswick and Dalkeith Courts Residents' Association

Business in the Community

Bywaters – Recycling and Waste Management

Camden Conservation Area Advisory Committee

Canary Wharf Group

Capel College

CBI

Central London Partnership

Centre for Cities

Centre for Public Scrutiny
Centrica
Centrica (British Gas)
Chartered Institute of Environmental Health
Chartered Institution of Waste Management
Chief Executives' London Committee
Chislehurst Action Group
Chislehurst Society
City of London Corporation
Clapham Society
The Climate Group
Consortium of Bengali Associations
Citizens Advice London
City Property Association
Cleanaway
College of North East London
Combined Heat and Power Association
Commission on London Governance
Confederation of Indian Organisations
Conservative Group London Assembly
Consumer Council for Water
Jeremy Corbyn MP
Covent Garden Community Group
Creative Environmental Networks
Creekside Forum
Crisis
CRISP
Andrew Dismore MP
East London Housing
East London Waste Authority
East of England Regional Assembly
East Thames Housing
EcoCentroGen
EECCO Ltd
EEF South
Empty Homes
Energy Centre of Sustainable Communities
Energy Solutions (NW London)
English Heritage
Environment Agency
Environmental Services Association
Fairview New Homes Ltd
Fed-Bir
Federation of Environmental Trade Associations
Federation of Irish Societies
Federation of Small Businesses
Film London
Fire Brigades' Union
First Base
Fitzrovia Neighbourhood Association
Erick Forth MP
Friends of Manor House

Friends of the Earth
G15 (association of Housing Assns)
GMB
GoSkills
Greater London Action on Disability
Greater London Authority
Green Party London Assembly Group
Grosvenor Waste
Guy's and St Thomas'
GVA Grimley
Harrow College
Harrow Police and Community Consultative Group
Health Link
Hepher Dixon
Heritage Lottery Fund
Higher Education Funding Council of England
Hindu Council
Hindu Forum of Britain
Home Builders Federation
Homeless Link
Horniman Public Museum and Public Park Trust
Hounslow on Homes
Housing Corporation
Institute of Civil Engineers
Institute of Directors
International Institute for Society and Health
Islamic Forum Europe
The Islington Society
John Groom Housing Association
Johnson Matthey plc
Kemp House Residents Association
Kensington Society
Kent County Council
Kings Cross Development Forum
The Knightsbridge Association
Learning and Skills Council
Legal and General
Lesbian and Gay Coalition
Liberal Democrat London Assembly Members
Lifelong Learning UK
Local Government Information Unit
London Assembly
London Borough of Barking
London Borough of Barnet
London Borough of Bexley
London Borough of Brent
London Borough of Bromley
London Borough of Camden
London Borough of Croydon
London Borough of Ealing
London Borough of Enfield
London Borough of Greenwich

London Borough of Hackney
London Borough of Hammersmith and Fulham
London Borough of Haringey
London Borough of Harrow
London Borough of Havering
London Borough of Hillingdon
London Borough of Hounslow
London Borough of Islington
London Borough of Kensington and Chelsea
London Borough of Kingston
London Borough of Lambeth
London Borough of Lewisham
London Borough of Merton
London Borough of Redbridge
London Borough of Richmond
London Borough of Southwark
London Borough of Sutton
London Borough of Tower Hamlets
London Borough of Waltham Forest
London Borough of Wandsworth
London Borough of Westminster
London Citizens
London Civic Forum
London Climate Change Agency
London Community Recycling Network
London Development Centre
London Environment Directors Network
London First
London Forum of Amenity and Civil Societies
London Gypsy and Traveller Unit
London Health Commission
London HECA Forum
London Housing Federation
London Muslim Centre
London Older People's Strategic Group
London Rebuilding Society
London ReMade
London Retail Consortium
London School of Hygiene and Tropical Medicine
London Social Forum
London South Bank University
London Sustainability Exchange
London Tenants Federation
London Thames Gateway Partnership
London TravelWatch
London Voluntary Sector Training Consortium
The Marylebone Association
Metropolitan Police Authority
Metropolitan Police Service
Midi Music
Museums Libraries and Archives
Muslim Council for Britain

NATFHE – University and College Lecturers Union
National Aids Trust
National Black Students Alliance
National Campaign for the Arts
National Employment Panel
National Institute of Adult Continuing Education
National Union of Students
National Union of Teachers
NEA
Newham College of Further Education
NG Properties
North East London Strategic Health Authority (on behalf of all London's SHAs)
North London Waste Authority
Novera Energy Ltd
Nubian UK – Black Gay Men's Advisory Group
Office of Government Commerce
Off the Streets and into Work
OFWAT
One London Party
Open College Network
P&O Estates
Paddington Waterways and Maida Vale Society
Park Royal Partnership
Parkview International London
Partnership UK
Planning Aid for London
Planning Officers Society
Polari in Partnership
Port of London Authority
Primrose Hill Conservation Area Advisory Committee
Princess Court Residents' Assn
Public and Commercial Services Union
Race on the Agenda
Regional Development Agencies (England)
REIT
Renewable Energy
Royal Town and Planning Institute
St John's Wood Society
St Marylebone Society
St Mungo's
Shelter
Sikh Federation (UK)
Skills for Business Network
Soho Society
Solarcentury
Somali Civil Rights Trust
South Bank Centre
South East Bayswater Residents' Assn
South East County Leaders
South East England Regional Assembly
South East London Housing
South East London Workforce Development Confederation

South London Business
South London Learning Partnership
South London Partnership
South London Waste Disposal Authority
Southwark College
South-West London Housing
Sport England, London
Standing Conference on London Archaeology
Stanmore College of Further Education
Surrey County Council
Tesco UK
Thames Gateway London Partnership
Thames Water
Theatre Trust
Think London
Third Sector Alliance
Thurrock Thames Gateway Development Corporation
Trade Union Congress
Transport and General Workers Union
Transport for London
Professor Tony Travers (LSE)
UCATT
UFI Learn Direct
UK Film
UNISON
Waterwise
Westbourne Neighbourhood Assn
Western Riverside Waste Authority
West London Alliance
West London Business
West Waste
The Westminster Amenity Society
Westminster Kingsway College
The Westminster Society
White City Landowners
Willowbrook Centre
Work Based Learning Alliance
Wright Associates
XC02

51 individuals responded to the consultation

A(ii) Organisations Which Responded to the Consultation on Future Sponsorship Arrangements for the Museum of London

Jennette Arnold AM (North-East London)
Association of Independent Museums
Churchill Museum and War Rooms
City of London Corporation
Council for British Archaeology South East
Crystal Palace Community Association
Jim Dowd MP (Lewisham West)
Dulwich Picture Gallery

Dulwich Village School
Edmund Waller School
Eliot Bank School
Fairlawn School
The Forest Hill Society
4Children
Friends of the Horniman
Galpin Society for the study of Musical Instruments
Geffrye Museum
Goldsmiths College, University of London
Goodrich School
Good Shepherd Primary School
Heritage Lottery Fund
Holy Trinity CE School
Horniman Museum
Horniman Primary School
Institute of Field Archaeologists
International Committee of Musical Instrument Museums and Collections, International Council of Museums
Lewisham Borough Council
London Assembly
London Assembly Labour Group
London Councils (formerly Association of London Government)
London Museums Group
Mayor of London
Mayorwatch
Michael Faraday Primary School
Museums Association
Museums, Libraries and Archives Council (joint response with MLA London)
Museum of London
National Maritime Museum
National Museum of Science and Industry
Office of the Commissioner for Public Appointments
Pitt Rivers Museum
Prospect/Public and Commercial Services Union Museum of London branches (joint response)
Sainsbury Family Charitable Trusts
St William of York Primary School
Standing Conference on London Archaeology
The Sydenham Society
Tewkesbury Lodge Estate Residents' Association
Visit London
Wellcome Trust

108 individuals responded to the consultation

A(iii) Organisations Which Responded to Consultation to Changes to the Mayor of London Order 2000

Association of London Borough Planning Officers
BAA plc
Bellway Homes
Better Archway Forum

Biffa plc
British Council for Offices
British Land Company plc
British Property Federation
Bromley Common Action Group
The Camberwell Society
Canary Wharf Group
CBI
Central London Partnership
Chelsfield Advisers LLP
City of London Corporation
The City Property Association
Columbia Tenants and Residents Association
English Heritage
The Environment Agency
Environmental Services Association
The Environment Trust
ExCel London
Friends of the Earth Southwark
The Fulham Society
Hammersmith and Fulham Historic Buildings Group
Hammersmith Society
Haringey Federation of Residents Associations
Hermes Real Estate Investment Ltd
Heron International
Hertsmere Borough Council
Home Builders Federation
The Housing Forum
ISIS Waterside Regeneration
The Islington Society
The Knightsbridge Association
The Law Society
Legal and General
Lennon Planning (for Linden Homes South East Ltd)
London Assembly
London Assembly Conservative Group
London Assembly Green Party
London Assembly Liberal Democrats
London Borough of Barking and Dagenham
London Borough of Barnet
London Borough of Bexley
London Borough of Brent
London Borough of Bromley
London Borough of Camden
London Borough of Greenwich
London Borough of Hackney
London Borough of Hammersmith and Fulham
London Borough of Harrow
London Borough of Kensington and Chelsea
London Borough of Kingston
London Borough of Lambeth
London Borough of Newham

London Borough of Southwark
London Borough of Tower Hamlets
London Borough of Tower Hamlets Lib-Dem Group
London Borough of Wandsworth
London Borough of Westminster
London Councils
London First
London Forum of Amenity and Civil Societies
London RTAB
London Waste Action
Mayor of London
Mayorwatch
Marylebone Association
Metropolitan Police Authority
Nathaniel Lichfield and Partners (for National Grid Property Holdings Ltd)
National House Building Council
North London Waste Authority
Paddington Residents' Active Concern on Transport
Paddington Waterways and Maida Vale Society
P&O Estates
Planning Aid for London
Port of London Authority
Regional Public Health Group (London)
Residents Boroughwide Compact Group (Tower Hamlets)
RPS Planning (for Fairview New Homes Limited)
St Martin's Property Corporation Ltd
St Marylebone Society
St Marylebone Society Planning Committee
SE5 Forum for Camberwell
Sellar Property Group
Shelter
Spitalfields Society
South East Bayswater Residents' Association
Thames Water
Thorney Island Society
Tishman Speyer
Tooley St Tenants' and Residents' Association
Veolia Environmental Services
West Chiswick and Gunnersbury Society
West London Alliance
Westminster Property Owners Association
Wilkes St and Puma Court Neighbours Association
Willowbrook Centre

110 individuals responded to the consultation

ANNEX B

The Competition Assessment Filter

1. Will the proposals limit the freedom of firms active in the markets identified to determine:

- their own prices?
- the product characteristics and/or quality standards?
- their means of advertising the product or service?
- the distribution channels used by firms?
- their own organisational structure?

No

2. Will they affect firms already active in the market in different ways?

No

3. Will they prevent or make it more difficult for new firms to enter any of the markets identified?

No

4. Will they create a licensing regime for market participants, or involve public procurement proposals?

No

5. Will they require firms to exchange or publish information (on prices, capacity, output) either themselves or through a 'regulator'?

No

ANNEX C

Abbreviations Used in the Text

ACE	Arts Council England
BME	Black and Minority Ethnic
CPA	Comprehensive Performance Assessment
DCLG	Department for Communities and Local Government (Formerly ODPM)
DCMS	Department for Culture, Media and Sport
DEFRA	Department for Environment Food and Rural Affairs
DfES	Department for Education and Skills
DfT	Department for Transport
DH	Department of Health
DPD	Development Plan Document
DTI	Department of Trade and Industry
DWP	Department for Work and Pensions
EIA	Environmental Impact Assessment
EQIA	Equality Impact Assessment
ES	Environmental Statement
EU	European Union
GLA	Greater London Authority
GOL	Government Office for London
HIA	Health Impact Assessment
HMT	Her Majesty's Treasury
HO	Home Office
IPA	Initial Performance Assessment
JWDA	Joint Waste Disposal Authority
LDA	London Development Agency
LDD	Local Development Document
LDS	Local Development Scheme
LFEPA	London Fire and Emergency Planning Authority
LPFA	London Pensions Fund Authority
LRG	Local and Regional Government
MLA	Museums, Libraries and Archives Council
MoL	Museum of London
MPA	Metropolitan Police Authority
NDPB	Non Departmental Public Body
OFT	Office of Fair Trading
REIA	Race Equality Impact Assessment
RHP	Regional Housing Pot
RIA	Regulatory Impact Assessment
RSL	Registered Social Landlord
RSS	Regional Spatial Strategy
SBS	Small Business Service
SEA	Strategic Environmental Assessment
SFIT	Small Firms Impact Test
SHA	Strategic Health Authority
SI	Statutory Instrument

TfL	Transport for London
WPEG	Waste Performance and Efficiency Grant