

REQUEST FOR MAYORAL DECISION – MD1333

Title: The GLA Business Plan & key governance documents

Executive Summary:

The Mayor's approval is sought for the GLA's Business Plan for 2014-15 to 2015-16, incorporating the GLA Budget for 2014-15. Decisions relating to the GLA budget for 2014-15 include a delegation to agree GLA carry forwards from 2013-14 to future years and an updated schedule of GLA fees and charges.

The Mayor's approval is also sought for revised versions of the following key governance documents: Mayoral Scheme of Delegation, Financial Regulations, Contracts & Funding Code and Expenses & Benefits Framework.

Decision:

That the Mayor approves:

- (a) The GLA Business Plan for 2014-15 to 2015-16 at Appendix A to this decision form;
- (b) The GLA budget lines for 2014-15 contained within the directorate sections of the Business Plan and also within Annexes A and B to the Plan;
- (c) The re-profiled Mayor's Sports Legacy Programme and Youth ESF Programme budgets;
- (d) The technical accounting adjustment in GLA Land & Property (GLAP) to transfer the Development Stock budgets from capital to revenue in 2013-14 and 2014-15;
- (e) A delegation to the Executive Director of Resources to agree GLA budget carry forwards from 2013-14 to future years on the basis that the agreed carry forwards will be reported to a future meeting of the Investment & Performance Board;
- (f) The schedule of GLA fees and charges for 2014-15 at Appendix B to this decision form;
- (g) The Mayoral Scheme of Delegation at Appendix C, the Financial Regulations at Appendix D and the Contracts & Funding Code at Appendix E;
- (h) (jointly with the Assembly) the Expenses & Benefits Framework at Appendix F insofar as it applies to the Mayor, Assembly Members and the Authority's statutory officers; and that the Mayor agrees that the Expenses and Benefits Framework be applied to members of staff appointed by the Mayor under Section 67(1) of the GLA Act 1999; and
- (i) A response to the Head of Paid Service on the Expenses & Benefits Framework indicating that the Mayor is content for it to be applied to staff appointed by the Head of Paid Service under Section 67(2) of the GLA Act 1999.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:

Date: 8 May 2014

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. The GLA Business Plan & key governance documents

- 1.1 The Mayor's approval is sought for the GLA's Business Plan for 2014-15 to 2015-16, incorporating the GLA Budget for 2014-15. Decisions relating to the GLA budget for 2014-15 include a delegation to agree GLA carry forwards from 2013-14 to future years and an updated schedule of GLA fees and charges.
- 1.2 The Mayor's approval is also sought for revised versions of the following key governance documents: Mayoral Scheme of Delegation, Financial Regulations, Contracts & Funding Code and Expenses & Benefits Framework.

Budget 2014-15 and Business Plan

- 1.3 The GLA introduced a new-style business plan for 2013-14. Covering the period to the end of this Mayoral term, it sought to be clearer about the GLA's priorities and activities – flowing from those of the Mayor – and how it would monitor and track progress. As part of the latter, the plan included a suite of Key Performance Indicators. This was the first time the GLA had sought to identify its top outcome measures in this way.
- 1.4 The framework developed for 2013-14 has been retained for the 2014-15 plan. However, priorities and content have been reviewed in detail and refreshed where necessary to account both for progress in 2013-14 and new and emerging priorities. The Plan is primarily intended as an internal document, but it is made public in line with the Mayor's commitment to transparency.
- 1.5 Progress against Key Performance Indicators will continue to be reported to the Investment and Performance Board and the Assembly's Budget Monitoring Sub-Committee on a quarterly basis. Corporate Management Team will also continue to track progress against milestones.
- 1.6 Pages eight and nine of the Plan set out the GLA Key Performance Indicators which aim to encompass all key Mayoral activities based in the GLA and seek to pick up key activities within the GLA's major programmes of work.. They will be reported to the Investment & Performance Board and the Assembly's Budget Monitoring Sub-Committee on a quarterly basis.
- 1.7 The Business Plan also sets out budgets at programme, team, directorate and Authority level. During the budget setting process, project managers were consulted and requested to re-profile programme budgets to reflect revised spending profiles, as a result of which the Mayor's Sports Legacy Programme and Youth ESF Programme budgets were re-profiled, as follows;

Table 1 - Mayor's Sports Legacy Programme

	2013-14	2014-15	2015-16	2016-17	Total
	£000	£000	£000	£000	£000
Current Revenue Budget	3,000	3,000	0	0	6,000
Revised Revenue Budget	1,078	2,041	1,725	450	5,294
Current Capital Budget	1,269	500	0	0	1,769
Revised Capital Budget	1,674	700	800	0	3,174

Table 2 - Youth ESF Programme

	2013-14	2014-15	2015-16	2016-17	Total
	£000	£000	£000	£000	£000
Current Revenue Budget	2,695	1,634	327	0	4,656
Revised Revenue Budget	937	1,928	624	0	3,489

1.8 In terms of the London Assembly budget allocation, approval was provided by the Assembly's GLA Oversight Committee at its meeting of the 12th March 2014.

1.9 The Plan is at Appendix A to this decision form.

Development Stock Budgets

1.10 A technical accounting adjustment is also being requested for approval in GLAP to transfer the Development Stock budgets from capital to revenue; £4.173m in 2013-14 and £3.813m in 2014-15.

1.11 As at the 1st April 2012 the GLA inherited a portfolio of land and property assets and budgets were approved for incorporation into the GLA and GLAP accounts for both revenue and capital.

1.12 At that time it was determined that much of the Land & Property portfolio would continue to be accounted for as capital expenditure, and therefore these budgets were incorporated into the GLAP capital programme for 2012-13. However, as part of the closure of the 2012-13 accounts it was found that much of this expenditure related to disposal costs which cannot be capitalised, and their budgets are therefore required to be transferred to revenue.

1.13 All of these budgets were accounted for as part of the GLAP capital programme and financed from asset sales income. Once they are transferred to Revenue in GLAP they will continue to be financed in the same way, and the budget transfer will have a net nil impact.

Strategic Land Interventions

1.14 There is an aspiration from the Mayor's office to commence a programme of land acquisitions to assemble stalled sites, unlock and accelerate development. This has not yet been fully costed or developed.

1.15 It is proposed that development work would commence in 2014-15 with the first expenditure expected in 2015-16.

1.16 As this project has not yet been costed or business cases prepared, it is impossible at this stage to forecast the sales income and or investment income that such a project would deliver. As such it has been excluded from the Capital Programme and individual business cases will be considered and their fundability assessed when they are submitted.

1.17 As this project would be likely to operate in GLAP, it will have revenue and tax implications.

Carry forwards

1.18 In keeping with the practice of previous years, a delegation is sought to the Executive Director of Resources to agree budget carry forwards from 2013-14 to future years. To ensure transparency, the agreed carry forwards will be reported to a future meeting of the Investment & Performance Board.

Fees and charges

- 1.19 As part of the budget setting process, GLA Financial Services conducted a review of fees and charges in place across the Authority for 2014-15.
- 1.20 The schedule of fees and charges is at Appendix B to this decision form.

Key governance documents

- 1.21 At the beginning of each year financial year, the following GLA documents are revised:
- The Mayoral Scheme of Delegation;
 - The Financial Regulations; and
 - The Contracts & Funding Code.
- 1.22 The Expenses & Benefits Framework is also subject to regular review.

The Mayoral Scheme of Delegation

- 1.23 The following changes have been made to the Mayoral Scheme of Delegation:
- The financial decision-making thresholds have been revised so that:
 - Delegated Authority Record (DAR) for up to £10,000 (previously £5,000)
 - Assistant Director decision form (ADD) for up to £50,000 (unchanged)
 - Director decision form (DD) for up to £150,000 (previously £125,000)
 - Mayoral decision form (MD) for over £150,000 (previously £125,000);
 - The Head of Government & EU Relations and the International Relations Manager are now specified as senior managers following the change in their reporting line;
 - As requested by Internal Audit, an explicit reference has been made to arrangements which apply when senior officers are on leave (paragraph 2.3);
 - Consequential changes to ensure consistency with the other key governance documents; and
 - Minor drafting changes.

The Financial Regulations

- 1.24 The following changes have been made to the Financial Regulations:
- A clarification of roles and responsibilities following the finance team restructuring;
 - Consequential changes to ensure consistency with the other key governance documents; and
 - Minor drafting changes.

The Contracts & Funding Code

- 1.25 The following changes have been made to the Contracts & Funding Code:
- The procurement thresholds for goods and services have been revised so that:
 - Up to £10,000 (previously £5,000): secure value for money (either through a single supplier or via a competitive process)
 - Up to £150,000 (previously £125,000): formal tender process
 - Over £150,000 (previously £125,000): OJEU compliant process;
 - Consequential changes to ensure consistency with the other key governance documents; and
 - Minor drafting changes.

The Expenses & Benefits Framework

1.26 The following changes have been made to the Expenses & Benefits Framework:

- GLA air travel arrangements have been revised from the current position of all air travel being economy class to:
 - Up to 3 hours – economy class
 - 3 to 6 hours – premium economy or equivalent
 - Over 6 hours – business class;
- A new initiative has been included whereby staff will be able to access an interest free loan to assist them with paying deposits for rented accommodation known as a ‘tenancy loan’;
- An extension of the interest-free loans available to staff to include gym membership as this would be of benefit where there is a discount available for those paying annual membership fees in one lump sum;
- A clarification of roles and responsibilities following the finance team restructuring;
- Consequential changes to ensure consistency with the other key governance documents; and
- Minor drafting changes.

Equalities implications

1.27 As a related development, and to ensure that the GLA follows best practice, from 1 June 2014 equalities implications will be included in all GLA decision forms (DAR, ADD, DD, MD and GLRO approval forms).

2 Financial comments

2.1 Financial issues are integral to this decision.

3 Legal comments

Business Plan and Fees and Charges

- 3.1 Section 30 of the Greater London Authority Act 1999 (the GLA Act) allows the Mayor, acting on behalf of the GLA, and after appropriate consultation, to do anything which the Mayor considers will further the promotion of the economic and social development of Greater London and the improvement of the environment within Greater London.
- 3.2 Under amendments to the GLA Act by the Localism Act 2011, the GLA has acquired further powers in respect of housing, land and regeneration.
- 3.3 Section 31 of the GLA Act contains certain limitations on the exercise of the power under section 30 which may need to be borne in mind when pursuing specific policies. Under section 34A of the GLA Act and the Greater London Authority (Specified Activities) Order 2013, the management and exploitation of land on a commercial basis with a view to the realisation of a profit in connection with the GLA’s housing, regeneration and economic development functions may only be carried out through a taxable body.
- 3.4 The proposed business plan is relevant to all the purposes mentioned above, and the preparation of the Plan and also decisions (a-d) of the Mayoral Decision form are within the powers of the GLA.

- 3.5 A delegation is proposed to the Executive Director of Resources to agree GLA budget carry forwards from 2013-14 to 2014-15. Under section 38 of the GLA Act, any function exercisable on behalf of the GLA by the Mayor shall also be exercisable by bodies or persons including any member of staff of the GLA, if or to the extent that the Mayor so authorises.
- 3.6 Legal advice should be taken in respect of issues as to the precise extent of, and any limitations on, the powers of the GLA, and as to any possible further legal requirements applying to their exercise for the purposes of implementing the Plan, for example in relation to consultation, equalities, procurement and state aid.

Scheme of Delegation, Contracts Code and Financial Regulations

- 3.7 The GLA Act 1999 contains two provisions enabling the Mayor to authorise members of GLA staff to undertake functions exercisable by him ("Mayoral powers") on a general basis, whether given in the name of the Mayor or to the GLA, which by operation of s 35, GLA Act 1999, are exercisable by him on the GLA's behalf. Section 380(1) allows him to delegate his functions (with certain exceptions) concerning culture, media and sport under Part X of the GLA Act 1999 to members of staff of the GLA subject to conditions. Section 38(1) permits the Mayor to delegate to GLA staff his remaining functions (with certain exceptions) under that Act and also under any other applicable legislation, again subject to conditions. The proposed revised Scheme complies with both provisions. The matters listed in Part 1 of Annex 1 of the proposed Scheme (Mayoral Reserved Matters) reflect the functions that must by law be exercised by the Mayor personally; these cannot be delegated under any circumstance.
- 3.8 The proposed revised Scheme continues to impose a number of conditions on the authorisations he grants. These conditions are designed to continue to provide clarity, scrutiny and co-ordination as to the operation of the Scheme including the General Delegation to specified Senior Members of Staff. The General Delegation is intended to be all encompassing, allowing the post holder to exercise the Mayoral power in question and to do anything that facilitates, is conducive or incidental to doing so. The conditions also reflect the longstanding public law principle that decisions that are essentially procedural or administrative in nature can be delegated to others:
- In certain circumstances a particular postholder must be informed and their views sought e.g. the Head of Paid Service or the Executive Director of Resources, Mayoral policy leads;
 - Consultation continues to be required under the Urgency etc. procedures (paragraph 3.3) which allow the chief of staff and head of paid services to act in cases of urgency, and now permit the Directors and members of the Mayoral Team listed in Annex 2 to act where the Mayor considers it is inappropriate for him to exercise a power normally reserved by policy to him (Annex 1, part 2) e.g. because there is a potential conflict of interest or the Mayor wishes to reserve his position on an issue etc.;
 - Potentially novel, contentious or repercussive decisions (with certain exceptions) must be referred to the Mayor for decision, even if of nil value, who may choose to take the decision himself or give permission the member of Staff to proceed – for practical reasons permission to proceed can also now be given by the Chief of Staff, Head of Paid Service and Executive Director of Resources;
 - Decision-making in general, the type of decision form to use is linked to the individual's particular level of authorisation to incur financial commitments on behalf of the GLA under GLA Financial Regulations;
 - The delegation must also be exercised in accordance with all applicable laws and approved GLA policies and procedures;

- Although designed to be comprehensive the Scheme confirms that under the General Delegation those authorised may take a range of actions (e.g. procurement, setting fees, publishing documents, negotiating agreements, signing documents etc.) that facilitate the power's exercise; and
- Local government law does not allow decisions to be delegated to local authority companies but does permit an authority to act through its company and for the latter to take action to implement the authority's decisions. The proposed revised Scheme confirms that GLA subsidiary companies and their directors are authorised to implement decisions taken on the GLA-side under the Scheme by the GLA, and that the GLA decision form (if required) is sufficient to authorise the company to take appropriate implementing action. The companies and their directors may take decisions around how the GLA decision is to be implemented.

3.9 Section 127 of the GLA Act requires the Authority to make arrangements for the proper administration of its financial affairs; and secure that one of its officers (its chief finance officer) has responsibility for the administration of those affairs. The Scheme of Delegations, the Contracts Code and the Financial Regulations are consistent with, and assist the Authority in meeting, the requirements of that section.

Expenses and Benefits Framework

- 3.10 Section 24 of the GLA Act 1999 (as amended) provides that the Authority shall pay salaries and expenses to the Mayor and Assembly Members as the Authority (by the Mayor and Assembly acting jointly) shall determine.
- 3.11 The Mayor and the Assembly acting jointly are also responsible for appointing and determining the terms and conditions of the three statutory officers – the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer.
- 3.12 There is no express power within the GLA Act (as amended) for the Mayor and the Assembly to delegate functions that are exercisable jointly by them. Accordingly, the full Assembly must take any decision which relates to expenses for elected Members or to the terms and conditions of three statutory officers, including changes to the Expenses and Benefits Framework.
- 3.13 Under section 70(1) of the GLA Act 1999 (as amended) the Mayor may employ staff appointed by him under section 67(1) on such terms and conditions as he thinks fit.

4 Investment & Performance Board

- 4.1 The Investment & Performance Board will monitor the delivery of the Business Plan.

Appendices and supporting papers:

Appendix A: GLA Business Plan for 2014-15 to 2015-16

Appendix B: GLA Fees and Charges for 2014-15

Appendix C: The Mayoral Scheme of Delegation

Appendix D: The Financial Regulations

Appendix E: The Contracts & Funding Code

Appendix F: The Expenses & Benefits Framework

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the GLA website within 1 working day of approval.

Part 1 deferral: Any fact or information whose release before a specific date would compromise the implementation of the decision may be included in Part 1, with Part 1 being deferred until after that date. Deferral periods should be kept to the shortest length strictly necessary.

Is the publication of this approval to be deferred? NO

If YES, for what reason:

Until what date:

Part 2 confidentiality: Any fact and advice that should not be automatically made public should be in the separate Part 2 form, together with the rationale for confidentiality.

Is there a part 2 form – NO**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

Drafting officer:

Tom Middleton has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

Tom Middleton has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Sponsoring Director:

Martin Clarke has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Sir Edward Lister has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

Date