

# AGENDA

**Meeting**    **London Assembly (Plenary)**  
**Date**        **Wednesday 28 January 2015**  
**Time**         **10.00 am**  
**Place**        **Chamber, City Hall, The Queen's  
Walk, London, SE1 2AA**

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A meeting of the Assembly will be held to deal with the business listed below. In accordance with GLA Standing Order 6.4, this meeting will be used principally to consider the Mayor of London's 2015-16 Draft Consolidated Budget proposals.

Roger Evans AM  
Chairman of the London Assembly

Jennette Arnold OBE AM  
Deputy Chair  
Tuesday 20 January 2015

## Further Information

If you have questions, would like further information about the meeting or require special facilities please contact: John Barry, Principal Committee Manager; Telephone: 020 7983 4425; Email: [john.barry@london.gov.uk](mailto:john.barry@london.gov.uk); Minicom: 020 7983 4458.

For media enquiries please contact: Alison Bell; Telephone: 020 7983 5769; Email: [alison.bell@london.gov.uk](mailto:alison.bell@london.gov.uk); Minicom: 020 7983 4458. If you have any questions about individual items please contact the author whose details are at the end of the report.

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Proper Officer: Mark Roberts, Executive Director of Secretariat.

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Certificate Number: FS 80233

**Agenda  
London Assembly (Plenary)  
Wednesday 28 January 2015**

**1 Apologies for Absence and Chairman's Announcements**

To receive any apologies for absence and any announcements from the Chairman.

**2 Declarations of Interests (Pages 1 - 4)**

**The Assembly is recommended to:**

- (a) Note the list of offices held by Assembly Members, as set out in the table at Agenda Item 2, as disclosable pecuniary interests;**
- (b) Note the declaration by any Member(s) of any disclosable pecuniary interests in specific items listed on the agenda and the necessary action taken by the Member(s) regarding withdrawal following such declaration(s); and**
- (c) Note the declaration by any Member(s) of any other interests deemed to be relevant (including any interests arising from gifts and hospitality received which are not at the time of the meeting reflected on the Authority's register of gifts and hospitality, and noting also the advice from the GLA's Monitoring Officer set out at Agenda Item 2) and to note any necessary action taken by the Member(s) following such declaration(s).**

**3 Draft Consolidated Budget 2015-16**

**a Report of the Mayor**

(Circulated separately)

The Draft Consolidated Budget 2015-16 has been circulated for the Assembly's consideration.

**The Mayor will present his Report to the Assembly at the meeting.**

**b Response by the London Assembly's Budget and Performance Committee to the Mayor of London's GLA Group Budget Proposals and Precepts 2015-16 Consultation Document (Pages 5 - 32)**

The document sets out the Assembly's Budget and Performance Committee's response to the Mayor's budget proposals for 2015-16, based on evidence taken from the functional bodies and the GLA during the budget development and consultation processes. It highlights the key issues raised during the Committee's deliberations and offers comments to the Mayor on his consultation budget.

The Budget and Performance Committee's comments relate to the Mayor's proposals that were published for consultation on 19 December 2014 and not on the Draft Consolidated Budget published with this agenda.

**The Assembly is recommended to note the response by the London Assembly's Budget and Performance Committee to the Mayor's Draft Consultation Budget for 2015-16.**

**c Questions to the Mayor on his Draft 2015-16 Consolidated Budget Proposals**

Assembly Members will put questions to the Mayor on the six sections of the Draft Consolidated Budget document.

**d Consideration by the London Assembly of the Mayor of London's Draft Consolidated Budget proposals 2015-16**

The Assembly is under a duty to consider the Mayor's Draft Consolidated Budget and to approve it, with or without amendment (paragraph 5(3) of Schedule 6 of the GLA Act 1999 (as amended)).

The following substantive motion is before the Assembly:

**"To approve the Draft Consolidated Budget for 2015-16, together with the draft component budgets comprised within it, with or without amendment."**

[Note: In accordance with GLA Standing Order 6.12 B, the motion set out above shall be considered without being proposed or seconded by a Member. The motion may be amended by a Budget Amendment, in accordance with the procedures described in Standing Orders 6.10, 6.12 and 6.16. The Assembly will consider amendments to the Draft Consolidated Budget, and budget-related motions (if any).

If a Budget Amendment is carried by the requisite majority (at this stage, a simple majority of votes cast) then the substantive motion shall fall and the Draft Consolidated Budget shall be deemed agreed as amended. The Mayor is under a duty to respond to any amendments passed when he presents his Final Budget.

If no amendment is agreed, or if the substantive motion is not passed (whether put to the vote or not) then the Assembly is deemed by law (Paragraph 5(5) of Schedule 6 to the GLA Act 1999) to have approved the Draft Consolidated Budget without amendment.

This is the first part of a two stage budget-setting process and the Assembly is due to make a final decision on the budget at the London Assembly (Mayor's Question Time) meeting on 23 February 2015.]

#### **4 Statutory Officers' Protocol** (Pages 33 - 46)

Report of the Head of Paid Service

Contact: Patrick Alleyne, [patrick.alleyne@london.gov.uk](mailto:patrick.alleyne@london.gov.uk), 020 7983 4140

**The Assembly is recommended to:**

- (a) Confirm (noting that it is a joint decision with Mayor) that the pay award made to GLA staff should also be made to the Statutory Officers and agree that the pay of one of the Statutory Officers should be corrected, as set out in paragraph 4.7 of the report;**
- (b) Note that, in accordance with the Senior Salaries Review Body recommendation (agreed in 2009) to apply future local government awards to the pay of the Mayor and Assembly, the local government pay settlement of 2.2% (from 1 January 2015) will be applied to the pay of Assembly Members and the Mayor; and**
- (c) Agree (noting it is a joint decision with the Mayor) the minor changes to the Statutory Officers' protocol.**

#### **5 Date of Next Meeting**

The next meeting of the London Assembly is currently scheduled to be the London Assembly (Plenary) meeting due to take place at 10.00am on Wednesday 11 February 2015 in the Chamber, City Hall.

However, at the London Assembly (Mayor's Question Time) meeting on Wednesday 21 January 2015, the Assembly will be asked to consider delegating authority to the Chairman of the Assembly to reschedule the existing February London Assembly (Plenary) meeting if/as necessary to an appropriate time and date so that that meeting may be used formally to consider and debate the draft further alterations to the London Plan, once received, and to agree the arrangements for any rescheduled meeting.

#### **6 Any Other Business the Chairman Considers Urgent**

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# Subject: Declarations of Interests

**Report to: London Assembly (Plenary)**

**Report of: Executive Director of Secretariat**

**Date: 28 January 2015**

**This report will be considered in public**

## 1. Summary

- 1.1 This report sets out details of offices held by Assembly Members for noting as disclosable pecuniary interests and requires additional relevant declarations relating to disclosable pecuniary interests, and gifts and hospitality to be made.

## 2. Recommendations

- 2.1 **That the list of offices held by Assembly Members, as set out in the table below, be noted as disclosable pecuniary interests<sup>1</sup>;**
- 2.2 **That the declaration by any Member(s) of any disclosable pecuniary interests in specific items listed on the agenda and the necessary action taken by the Member(s) regarding withdrawal following such declaration(s) be noted; and**
- 2.3 **That the declaration by any Member(s) of any other interests deemed to be relevant (including any interests arising from gifts and hospitality received which are not at the time of the meeting reflected on the Authority's register of gifts and hospitality, and noting also the advice from the GLA's Monitoring Officer set out at below) and any necessary action taken by the Member(s) following such declaration(s) be noted.**

## 3. Issues for Consideration

- 3.1 Relevant offices held by Assembly Members are listed in the table overleaf:

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<sup>1</sup> The Monitoring Officer advises that: Paragraph 10 of the Code of Conduct will only preclude a Member from participating in any matter to be considered or being considered at, for example, a meeting of the Assembly, where the Member has a direct Disclosable Pecuniary Interest in that particular matter. The effect of this is that the 'matter to be considered, or being considered' must be about the Member's interest. So, by way of example, if an Assembly Member is also a councillor of London Borough X, that Assembly Member will be precluded from participating in an Assembly meeting where the Assembly is to consider a matter about the Member's role / employment as a councillor of London Borough X; the Member will not be precluded from participating in a meeting where the Assembly is to consider a matter about an activity or decision of London Borough X.

<b>Member</b>	<b>Interest</b>
Tony Arbour AM	Member, LFEPA; Member, LB Richmond
Jennette Arnold OBE AM	Committee of the Regions
Gareth Bacon AM	Member, LFEPA; Member, LB Bexley
John Biggs AM	
Andrew Boff AM	Congress of Local and Regional Authorities (Council of Europe)
Victoria Borwick AM	Member, Royal Borough of Kensington & Chelsea; Deputy Mayor
James Cleverly AM	Chairman of LFEPA; Chairman of the London Local Resilience Forum; substitute member, Local Government Association Fire Services Management Committee
Tom Copley AM	
Andrew Dismore AM	Member, LFEPA
Len Duvall AM	
Roger Evans AM	Committee of the Regions; Trust for London (Trustee)
Nicky Gavron AM	
Darren Johnson AM	Member, LFEPA
Jenny Jones AM	Member, House of Lords
Stephen Knight AM	Member, LFEPA; Member, LB Richmond
Kit Malthouse AM	Deputy Mayor for Business and Enterprise; Deputy Chair, London Enterprise Panel; Chair, Hydrogen London; Chairman, London & Partners; Board Member, TheCityUK
Joanne McCartney AM	
Steve O'Connell AM	Member, LB Croydon; MOPAC Non-Executive Adviser for Neighbourhoods
Caroline Pidgeon MBE AM	
Murad Qureshi AM	Congress of Local and Regional Authorities (Council of Europe)
Dr Onkar Sahota AM	
Navin Shah AM	
Valerie Shawcross CBE AM	Member, LFEPA
Richard Tracey AM	Chairman of the London Waste and Recycling Board; Mayor's Ambassador for River Transport
Fiona Twycross AM	Member, LFEPA

[Note: LB - London Borough; LFEPA - London Fire and Emergency Planning Authority; MOPAC – Mayor's Office for Policing and Crime]

3.2 Paragraph 10 of the GLA's Code of Conduct, which reflects the relevant provisions of the Localism Act 2011, provides that:

- where an Assembly Member has a Disclosable Pecuniary Interest in any matter to be considered or being considered or at
  - (i) a meeting of the Assembly and any of its committees or sub-committees; or
  - (ii) any formal meeting held by the Mayor in connection with the exercise of the Authority's functions
- they must disclose that interest to the meeting (or, if it is a sensitive interest, disclose the fact that they have a sensitive interest to the meeting); and



- must not (i) participate, or participate any further, in any discussion of the matter at the meeting; or (ii) participate in any vote, or further vote, taken on the matter at the meeting

#### UNLESS

- they have obtained a dispensation from the GLA's Monitoring Officer (in accordance with section 2 of the Procedure for registration and declarations of interests, gifts and hospitality – Appendix 5 to the Code).

- 3.3 Failure to comply with the above requirements, without reasonable excuse, is a criminal offence; as is knowingly or recklessly providing information about your interests that is false or misleading.
- 3.4 In addition, the Monitoring Officer has advised Assembly Members to continue to apply the test that was previously applied to help determine whether a pecuniary / prejudicial interest was arising - namely, that Members rely on a reasonable estimation of whether a member of the public, with knowledge of the relevant facts, could, with justification, regard the matter as so significant that it would be likely to prejudice the Member's judgement of the public interest.
- 3.5 Members should then exercise their judgement as to whether or not, in view of their interests and the interests of others close to them, they should participate in any given discussions and/or decisions business of within and by the GLA. It remains the responsibility of individual Members to make further declarations about their actual or apparent interests at formal meetings noting also that a Member's failure to disclose relevant interest(s) has become a potential criminal offence.
- 3.6 Members are also required, where considering a matter which relates to or is likely to affect a person from whom they have received a gift or hospitality with an estimated value of at least £25 within the previous three years or from the date of election to the London Assembly, whichever is the later, to disclose the existence and nature of that interest at any meeting of the Authority which they attend at which that business is considered.
- 3.7 The obligation to declare any gift or hospitality at a meeting is discharged, subject to the proviso set out below, by registering gifts and hospitality received on the Authority's on-line database. The on-line database may be viewed here:  
<http://www.london.gov.uk/mayor-assembly/gifts-and-hospitality>.
- 3.8 If any gift or hospitality received by a Member is not set out on the on-line database at the time of the meeting, and under consideration is a matter which relates to or is likely to affect a person from whom a Member has received a gift or hospitality with an estimated value of at least £25, Members are asked to disclose these at the meeting, either at the declarations of interest agenda item or when the interest becomes apparent.
- 3.9 It is for Members to decide, in light of the particular circumstances, whether their receipt of a gift or hospitality, could, on a reasonable estimation of a member of the public with knowledge of the relevant facts, with justification, be regarded as so significant that it would be likely to prejudice the Member's judgement of the public interest. Where receipt of a gift or hospitality could be so regarded, the Member must exercise their judgement as to whether or not, they should participate in any given discussions and/or decisions business of within and by the GLA.

## **4. Legal Implications**

- 4.1 The legal implications are as set out in the body of this report.

## 5. Financial Implications

5.1 There are no financial implications arising directly from this report.

<b>Local Government (Access to Information) Act 1985</b>
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List of Background Papers: None
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# Response to the Mayor's Draft Consultation Budget 2015-16

January 2015

# Budget and Performance Committee Members

John Biggs (Chair)	Labour
Stephen Knight (Deputy Chair)	Liberal Democrat
Gareth Bacon	Conservative
Darren Johnson	Green
Joanne McCartney	Labour
Valerie Shawcross	Labour
Richard Tracey	Conservative

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# 1. Introduction

- 1.1. This is the Budget and Performance Committee's response, on behalf of the London Assembly, to the Mayor's Draft Consultation Budget for 2015-16. It draws on the Committee's previous work on the budget, including our review of the Budget Guidance document in July, the core GLA's draft budget in November and the Committee's Pre-Budget Report in December.<sup>1</sup> The Committee also held meetings to discuss the draft consultation budget with the functional bodies (6 & 8 January 2015) and the Mayor (13 January 2015). This response sets out the Committee's views on the key issues arising from the budget and is intended to inform the next stages of the budget-setting process. The Assembly will put questions to the Mayor on his Draft Consolidated Budget and Final Draft Consolidated Budget at its meetings on 28 January and 23 February.

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<sup>1</sup> Budget and Performance Committee, [Pre-Budget Report 2014](#) December 2014.

## 2. Police

### Making savings

- 2.1. The Metropolitan Police Service (the Met) is on course to achieve the savings targets set by the Mayor's Office for Policing and Crime (MOPAC). MOPAC's first Police and Crime Plan challenged the Met to reduce costs by 20 per cent between 2013-14 and 2015-16. Deputy Commissioner Craig Mackey told us that, since 2013-14, the Met has saved £370 million out of the £570 million savings required.<sup>2</sup> The Met's budget for 2015-16 includes a further £206 million of planned savings.<sup>3</sup>
- 2.2. It will become increasingly challenging for the Met to make the savings expected of it. In previous years, the Met has found additional savings by operating with fewer than budgeted police officers. In 2012-13, for example, it underspent its pay budget by £79 million.<sup>4</sup> But the Met plans to operate with all 32,000 budgeted officers throughout 2015-16 and 2016-17.<sup>5</sup> Stephen Greenhalgh, the Deputy Mayor for Policing and Crime, told us that he is confident the Met will be able to close the current budget gap of £189 million in 2016-17. However, he expressed concerns about the impact of further cuts to the Met's budget towards the end of the decade – a problem that would be made even more severe if the cuts expected in the next Spending Review are front-loaded.<sup>6</sup>
- 2.3. By 2020, the Met will have changed significantly as it responds to budget cuts and changes in demand for its services. The trend of falling government funding is set to continue, regardless of the outcome of the general election. The Met expects that it will need to find savings and efficiencies of around £200 million each year between 2016-17 and 2019-20 – a further £800 million in total.<sup>7</sup> At the same time, the demand for police resources is changing. Police-recorded crime continues to fall: there are fewer traditional crimes, such as burglary, than there used to be. But there are also new pressures that the Met faces, such as child safeguarding, crimes committed using the internet, and counter-terrorism activities.

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<sup>2</sup> Deputy Commissioner Craig Mackey, speaking to the Budget and Performance Committee, 6 January 2015.

<sup>3</sup> Mayor's Consultation Budget 2015-16, page 26.

<sup>4</sup> MOPAC/Met Revenue Monitoring Report - Provisional Outturn 2012/13

<sup>5</sup> Mayor's Consultation Budget 2015-16, page 26.

<sup>6</sup> Stephen Greenhalgh, Deputy Mayor for Policing and Crime, speaking to the Budget and Performance Committee, 6 January 2015.

<sup>7</sup> Sir Bernard Hogan-Howe, Met Commissioner, speaking to the London Assembly Plenary, 9 December 2014.

- 2.4. In this context, the Met must maintain focus on its strategic priorities, such as improving public confidence in the police. In its Police and Crime Plan, MOPAC challenged the Met to increase confidence, but, so far, the Met has struggled to make progress.<sup>8</sup> To meet the target, the proportion of Londoners who think the Met are doing a “good or excellent job” would need to increase from 62 per cent in March 2012 to 75 per cent in March 2016. So far, however, the Met has been unable to make any significant improvement: the latest figures available, from June 2014, show that public confidence is virtually unchanged, at 63 per cent.<sup>9</sup> As the Met continues to operate with fewer resources, there remains a risk that public confidence in the police may remain static or even reduce.
- 2.5. We discussed the Met’s medium-term plans to change the organisation – it is currently developing a target operating model for 2020 to guide further reforms. We expect those plans to include a further rationalisation of the Met’s estate, greater use of technology, changes to the ranking structure and the number of police officer ranks, and operational changes, such as giving local officers a bigger role in solving crimes.
- 2.6. A vision of the Met in 2020 will also need to consider how many police officers the Met can afford to fund. The Mayor’s current target of 32,000 police officers means that officer pay – which totals 56 per cent of the Met’s budget – is effectively a fixed cost.<sup>10</sup> When we asked the Mayor about why he wanted to keep officer numbers high, he told us that:

*My anxiety about allowing savings to be made by reductions in headcount of frontline officers is that you will thereby take the pressure off the reductions that you should be making elsewhere. That is my thinking. By putting a political accent or emphasis on the need for high police frontline officers, you will help to keep people focused on the need to make savings.<sup>11</sup>*

The need to make savings can certainly act as a powerful stimulus for organisational reform, but protecting officer numbers in this way removes the incentive to fundamentally challenge many aspects of the Met’s operations. The question of officer numbers

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<sup>8</sup> Police and Crime Plan 2013-16, MOPAC, March 2013, page 70.

<sup>9</sup> Crime Statistics, Year Ending June 2014, Office for National Statistics, Crime Survey for England and Wales Open Data Table 05f – Perceptions Criminal Justice System, 16 October 2014.

<sup>10</sup> Budgeted police officer pay in 2015-16 is £1,859 million, total expenditure is £3,160 million. (Source: MOPAC/Met Budget Submission, 2015-16 to 2016-17, DMPCD 2014-149, November 2014, appendix 1, page 11.)

<sup>11</sup> Speaking at the Budget and Performance Committee, 13 January 2015.



will need to be revisited to make sure the Met is properly organised to meet London's evolving policing challenge. We encourage MOPAC and the Met to continue developing their target operating model, and use it to help facilitate an informed debate about the future of the Met in the run-up to the 2016 Mayoral election.

### Use of technology

- 2.7. The Met's ability to make future savings depends heavily on its technology programme. If done properly, this should cut its technology running costs, drive operational efficiencies and improve performance. This is a sensible approach and we acknowledge that it requires substantial investment in new technology – made possible by the sale of police stations and other properties. But, in light of poor investments in technology that the Met and other police forces have made in the past, the Met needs to improve the way it makes investment decisions. In particular, it is vital that the Met makes robust estimates of financial costs and benefits before those decisions are taken – a weakness flagged up by the Met's auditors.<sup>12</sup>
- 2.8. The Met's technology programme remains a critical risk. The Deputy Mayor for Policing and Crime told us that it is an area that "keeps [him] awake at night".<sup>13</sup> The bumper receipts from selling buildings can only be spent once, and the Met cannot afford to invest unwisely. It has slowed its investment down to try and ensure that the programme is implemented properly. But the longer it takes the Met to improve its technology, the longer it will take to realise any financial or operational benefits. We will review the Met's progress in implementing its new technology strategy later in the year.

### Commercial plan

- 2.9. To help meet future funding reductions, the Met is developing a commercial plan, which could lead to back-office functions being contracted out to private firms. Although it does not yet appear to have an overarching strategy in place, the Met is accelerating its plans: we heard that it has already taken a decision to contract out business support services, including human resources and finance.<sup>14</sup>
- 2.10. There are key lessons that the Met should learn from other areas of the public sector before it decides to contract out large areas of its back-office. These include maximising transparency and ensuring

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<sup>12</sup> Grant Thornton, The Annual Audit Letter for the Mayor's Office for Policing and Crime and the Metropolitan Police Service, October 2014, recommendation 10, page 11.

<sup>13</sup> Stephen Greenhalgh, Deputy Mayor for Policing and Crime, speaking to the Budget and Performance Committee, 6 January 2015

<sup>14</sup> Deputy Commissioner Craig Mackey, speaking to the Budget and Performance Committee, 6 January 2015.

that commercial partners have consistently demonstrated the high ethical standards expected in the conduct of public business – for example, by basing themselves in the UK for tax purposes. The Met should consider other important factors when evaluating bids, such as whether contractors intend to pay their employees the London Living Wage or whether they have plans to move jobs outside of London. When we asked the Mayor about the possibility of these changes resulting in jobs being lost in London, he did not rule it out.<sup>15</sup> We recognise the pressure on the Met to make financial savings, but we are concerned about the wider consequences of the Met’s commercial plan.

- 2.11. The Met must ensure that it has the necessary skills and capacity to extract the greatest value from contracts. It told us that, in the past, it has not always managed contracts well.<sup>16</sup> The Met must demonstrate that it has the capability to negotiate contracts skilfully and manage them effectively or else there is a risk that the savings it has earmarked may not materialise.
- 2.12. The Met must also consider the effect that large scale contracting out might have on the organisation itself. In recent years, the Met’s workforce has already been through significant changes. The number of police staff, for example, has reduced from 14,000 in October 2010 to 11,500 in October 2014.<sup>17</sup> The Deputy Commissioner told us that organisational change is already having a negative impact on staff morale.<sup>18</sup> We have previously warned that, while low morale may not translate into an immediate decline in performance, there is a risk that problems are being stored up for future years.<sup>19</sup> Persistently low morale will inevitably damage performance, and could lead to the Met losing experienced and talented officers and staff. MOPAC needs to demonstrate that organisational changes will be handled carefully so performance does not suffer.
- 2.13. One way to measure workforce morale is to use staff surveys. The Met launched a new version of its staff survey in January 2012 and published the results in November 2012; it has not, however,

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<sup>15</sup> Boris Johnson, Mayor of London, speaking to the Budget and Performance Committee, 13 January 2015.

<sup>16</sup> Deputy Commissioner Craig Mackey, speaking to the Budget and Performance Committee, 6 January 2015.

<sup>17</sup> Metropolitan Police Service Recorded Crime Figures and Associated Data, London Datastore, November 2014.

<sup>18</sup> Deputy Commissioner Craig Mackey, speaking to the Budget and Performance Committee, 6 January 2015.

<sup>19</sup> Budget and Performance Committee, Pre-Budget Report 2013, para 3.5, December 2013.

published the results of subsequent surveys.<sup>20</sup> Making this information available would help the Assembly and others to monitor staff attitudes on a range of issues, including organisational change and their confidence in senior management. The annual civil service survey is published, and provides a wealth of useful information – we can see no reason why the Met’s survey should not be published.<sup>21</sup>

### **Recommendation 1**

The Mayor should direct the Met to publish the results of annual staff surveys since 2012 immediately. He should commit that the Met will publish the results of future surveys on a timely basis (i.e. within three months of conducting the survey).

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<sup>20</sup> The results of the Met’s 2012 staff survey, undertaken between January and February 2012 is available here:

[www.met.police.uk/about/performance/documents/staffsurvey2012.pdf](http://www.met.police.uk/about/performance/documents/staffsurvey2012.pdf)

<sup>21</sup> Available at [www.gov.uk/government/publications/civil-service-people-survey-2014-results](http://www.gov.uk/government/publications/civil-service-people-survey-2014-results)

## 3. Fire

3.1. Since we questioned representatives from the London Fire and Emergency Planning Authority (LFEPA) on 6 January, its Resources Committee has approved proposals to close its budget gap for 2015-16.<sup>22</sup> These will now go to a meeting of the full Authority on 29 January. The budget gap for 2015-16 had increased from £3.2 million to £4.8 million (and from £14.0 million to £15.3 million in 2016-17) because of additional budget pressures, mainly the impact of the rent review on its Union Street headquarters.

### Disposal of former fire stations

3.2. A key part of LFEPA's savings plans over the coming years will be the revenue savings associated with the sale of former fire stations – i.e. using the capital receipts to avoid further borrowing, thereby reducing interest costs. The 2015-16 budget assumes that the disposal of nine former fire stations will be completed by 1 April, but this process is still ongoing. The Mayor has recently agreed to the disposal of six sites to the highest bidders, which LFEPA is confident of completing before then. But, because the Mayor wants LFEPA to dispose of three sites (Bow, Silvertown and Southwark) to free schools, the risk that those disposals could be delayed increases.

3.3. The disposal of those three former fire stations for free schools will mean that LFEPA will receive lower capital receipts than if they were sold to the highest bidder. This is particularly true for the Southwark station, which is much larger and sits on a prime site. A paper to the LFEPA Appointments and Urgency Committee notes the "large disparity between the developer / new school provider bid and the highest bids offered".<sup>23</sup> The Mayor has written to LFEPA, explaining that "My provisional view is that this social need [for an additional secondary school in the area] outweighs the financial loss to LFEPA".<sup>24</sup> This is a contentious issue, and may not be resolved quickly. Ultimately, the decision about priorities is for the Mayor to take. He told us that he will try to increase the value of the bid from the Education Funding Authority, and that he wouldn't allow LFEPA to have a "massive shortfall" in receipts. We

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<sup>22</sup> Paper to the LFEPA Resources Committee FEP 2377, Budget Update, 16 January 2015.

<sup>23</sup> Paper to the LFEPA Appointments and Urgency Committee FEP 2375, Disposal of former fire stations, 12 January 2015, paragraph 10.

<sup>24</sup> Letter from Boris Johnson, Mayor of London, to James Cleverly AM, Chairman of LFEPA, 22 December 2014, page 2.

note, however, that LFEPA's finances will be affected for many years to come should it fail to receive market value.

- 3.4. This is the first instance in which the Mayor has shown a willingness to accept a shortfall in disposal proceeds in order to further wider objectives. The Met has gone through a much larger disposals programme, which could have released sites for schools or other facilities, yet the Mayor did not require it to accept lower offers for its properties. As the Deputy Mayor for Policing and Crime told us last year:

*Our priority is to maximise our capital receipt and it is not to subsidise house-building or schools. Where there is genuine interest and people can pay a fair price for something, we will obviously look for the social value, but at the moment the instruction that we have is to get best consideration and reinvest this into core policing, which is under tremendous budgetary pressure.<sup>25</sup>*

We know that MOPAC will generate far greater capital receipts from its disposals programme than LFEPA. The sale of New Scotland Yard alone will bring in £370 million – some £120 million more than MOPAC expected.<sup>26</sup> And, while LFEPA should also receive more than it originally expected from selling its nine former fire stations, the Mayor is asking it to accept less than it could otherwise achieve. This could damage LFEPA's ability to invest in its capital programme that would help it cut costs and improve performance over the longer term.

- 3.5. We expect that further asset disposals will be needed in the GLA Group over the coming years. Each of the functional bodies will have their own strategies to reflect their own needs and priorities: MOPAC and LFEPA need to maximise receipts to invest in their capital programmes, while TfL is keen to retain and make use of its assets to develop long-term revenue streams. There has been no overall strategy for asset disposals at the GLA Group level, and there is a lack of clarity over when and how assets can be sold at below market price. There should be a clear set of guidelines in place to support that process, setting out how the tension between maximising receipts and meeting wider Mayoral objectives will be managed.
- 3.6. The Mayor is considering offering financial compensation to the highest bidders of the three sites to cover their bidding costs – presumably to protect LFEPA against any legal challenge to the

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<sup>25</sup> Stephen Greenhalgh, Deputy Mayor for Policing and Crime, speaking to the Budget and Performance Committee, 7 January 2014.

<sup>26</sup> Press release, Mayor secures major cash boost for frontline policing in historic Scotland Yard sale deal, 9 December 2014.

decisions.<sup>27</sup> We are not aware of any precedent for such a move, and we question whether this is an appropriate use of taxpayers' money. If compensation is required, we would argue that the Mayor should fund this from the budget of the core GLA, rather than expect LFEPA to pay it.

### Challenges ahead

- 3.7. There are signs that it is becoming harder for LFEPA to find savings, and that the 2016-17 budget will be a real challenge. There are fewer options for making back office savings, meaning that there will be a greater need to find operational savings. Sue Budden, LFEPA's Director of Finance and Contractual Services, told us that:

*It is fair to say, on the headquarters department side, it is becoming harder to find savings and there is no form of buffer left. However, [there are] some options for savings that could be deemed operational savings, but they would not fit with this idea of there being any major frontline realignment, which is the stipulation that we have received from the Mayor for this budget. Therefore, we have savings around the way in which we use operational support units and also the command units.<sup>28</sup>*

- 3.8. Some savings could be possible from investing in capital improvements, for example refurbishing fire stations to improve their energy efficiency and reduce running costs. But it is likely that some cuts will be needed on the operational side – that is, LFEPA's fire prevention and response activities – and we note that the 2015-16 budget includes some cuts to the Fire Safety Regulation department. The Commissioner told us that operational staff could take on more preventive work to mitigate the impact of any cuts:

*Fire stations could be contributing more to the prevention work and maybe could be doing a bit more than they are doing now. They are doing more than they ever did before, but they could certainly be doing more in the future.<sup>29</sup>*

- 3.9. It is important that LFEPA reaches the right balance between preventive and responsive work, and this will be a key element of the Sixth London Safety Plan (LSP6), which LFEPA will be working on this year. James Cleverly AM, the Chairman of LFEPA, told us that LSP6 could involve fundamental changes to the service, made possible by the receipts from former fire station disposals:

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<sup>27</sup> Paper to LFEPA Appointments and Urgency Committee FEP 2375, Disposal of former fire stations, 12 January 2015.

<sup>28</sup> Sue Budden, LFEPA's Director of Finance and Contractual Services, speaking at the Budget and Performance Committee meeting, 6 January 2015.

<sup>29</sup> Ron Dobson, Commissioner for Fire and Emergency Planning, speaking at the Budget and Performance Committee meeting, 6 January 2015.

*We are looking at a situation over the next year or so where we will have an opportunity to have a real root-and-branch assessment of how we deliver preventative and responsive fire safety for London and have a pool of money which could enable LFEPA and LFB [London Fire Brigade] to make the changes to match that assessment. That is the circumstance that none of my predecessors have had that opportunity and possibility because there really was not the capital receipt in one place at one time to be able to do that.<sup>30</sup>*

LSP6 could therefore bring about greater changes to London's fire service than we are currently seeing with LSP5. It is vital that LFEPA makes the best use of its capital receipts as it reshapes the service for the future.

## **Recommendation 2**

The Mayor should publish a set of guidelines regarding the disposal of land and property at below market price, applicable across the GLA Group. This should set out his priorities for how surplus assets should be used (such as affordable housing or education), how functional bodies will be compensated for the financial loss, and how bidding costs will be handled.

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<sup>30</sup> James Cleverly AM, Chairman of LFEPA, speaking at the Budget and Performance Committee meeting, 6 January 2015.

## 4. Transport

### The Pay As You Go daily cap

- 4.1. We welcome the introduction of the lower daily Pay As You Go (PAYG) cap for peak time travel, which is designed to make travel cheaper for part-time workers. Transport for London (TfL) estimates that the cap will benefit 600,000 part-time workers every week, who are statistically more likely to be women and less well-paid than full-time workers.<sup>31</sup> Before this, passengers travelling a few days a week had paid more, per day, than passengers with weekly Travelcards. We are pleased that the Mayor and TfL have listened to calls from the Assembly to help part-time workers, who are becoming an increasingly important part of London's economy.<sup>32</sup>
- 4.2. We are also pleased that TfL has agreed to review the impact of the new cap after six months.<sup>33</sup> We are particularly concerned about the impact the changes might have on off-peak passengers outside zone 3 – some of these could face significant increases in their travel costs as the off-peak discount is eliminated.

PAYG daily caps have increased for off-peak passengers outside zone 3			
	2014	2015	Change
Zone 1-4 PAYG	£7.70	£9.20	19%
Zone 1-5 PAYG	£8.50	£10.90	28%
Zone 1-6 PAYG	£8.50	£11.70	38%
Zone 1-6 Travelcard	£8.90	£12.00	35%

Source: TfL, [Briefing note for Mayor – proposal for 2015 fares](#), tables 3a and 3b

Removing the pricing incentive to travel during the off-peak may encourage more people to travel during peak hours, increasing demand on services that are already busy. It could put people off

<sup>31</sup> TfL, Briefing note for Mayor – proposal for 2015 fares, paragraph 5.8, MD 1418, January 2015 fare changes, paragraph 3.7.

<sup>32</sup> The Budget and Performance Committee's 2013 Pre-Budget Report asked the Mayor and TfL to examine ticketing options to reduce travel costs for part-time workers.

<sup>33</sup> Letter from the Mayor to John Biggs AM, Chairman of the Budget and Performance Committee, 12 January 2015.



travelling altogether, or may encourage some to switch to their cars, particularly at a time of falling petrol prices. So, while we welcome the introduction of the lower PAYG cap, we do have concerns about some of its possible consequences.

#### Devolution of rail services

- 4.3. In May, TfL's Overground network will expand to take in the Inner West Anglia routes between Liverpool Street and Enfield Town, Cheshunt and Chingford. This presents TfL with opportunities and risks. TfL hopes to make a profit on the services, but this is not guaranteed. And the strong Overground brand may be threatened if TfL cannot quickly improve passenger satisfaction – the current trains will not be replaced until 2017, and TfL told us that its £25 million capital budget for the stations is not enough for major improvements.<sup>34</sup>
- 4.4. In running the new routes, TfL must demonstrate to passengers outside London that it will treat them fairly, and not prioritise services within Zones 1-6. One of the reasons the Government decided not to grant TfL control over the Southeastern rail franchise was a concern that passengers outside London would be disadvantaged. In our discussion on the introduction of the new PAYG daily cap, we were therefore surprised by Sir Peter Hendy's comments regarding passengers outside London, who will see their off-peak travel costs increase considerably:

*We have had to find a way of funding that within the total package somehow and we have chosen those fares for a number of reasons, one of which is some of those people can do better on a mixture of pay-as-you-go and contactless than by those Travelcards, and indeed some of the people who buy those are people from outside London.*

All parts of City Hall need to do whatever they can to reassure Government and passengers that this will not happen – the expansion of the Overground network in May is an opportunity to do just that.

#### Savings

- 4.5. The draft budget requires TfL to make an additional £209 million of efficiency savings in 2015-16, but we question whether this target is stretching enough.<sup>35</sup> According to Isabel Dedring, TfL has been able to meet its savings targets to date by “salami slicing” costs. It has not been forced to undergo significant organisational reform since it carried out Project Horizon in 2011-12 – particularly when compared against London's police and fire services. The Met is

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<sup>34</sup> Jon Fox, TfL Director of Rail, speaking to the Budget and Performance Committee, 15 October 2014.

<sup>35</sup> Mayor's Consultation Budget 2015-16, page 37.

about to embark on a major programme of contracting out its back office functions to make the challenging savings required over the coming years. We agree with the Mayor's comment that the need to make savings can stimulate organisational change – this can be a positive driver for reform. There is no sign of TfL being at that stage yet. As Isabel Dedring, Deputy Mayor for Transport, told us:

*The complexity here is that we have this 3% year on year [savings] programme. One of the problems with that programme is that you can end up just salami-slicing all the little things and you miss the big things, because there might be a single programme that could deliver you 3%, but you tend to kind of just slice off, 'Here is a team of ten people. Let's make it a team of nine people.'*

- 4.6. We have not yet been assured that TfL's savings target is sufficiently demanding. In view of the extremely challenging targets for London's police and fire services – and recognising that TfL's services continue to expand as demand grows – we expect greater clarity on how the targets are set, and what TfL is doing to drive out efficiencies.
- 4.7. Unlike in previous years, the draft budget notes that TfL will not have a revenue surplus to support its capital programme, but will instead see £154 million moving from its capital to its revenue budget.<sup>36</sup> When we questioned guests from TfL on this movement, they were unable to explain how this transfer was possible, or what it meant to TfL's capital programme. We ask TfL to provide a clear explanation in advance of the Assembly's meeting on 28 January to discuss the draft consultation budget.

#### Transparency

- 4.8. TfL has just launched a consultation to help it develop a new transparency strategy.<sup>37</sup> We welcome any move towards greater transparency, and will respond formally in due course. But we are disappointed that the Mayor and/or TfL have again refused to improve the transparency around the Independent Investment Programme Advisory Group (IIPAG). As we noted in the Pre-Budget Report, we share the Transport Committee's concerns about IIPAG's ability to provide enough assurance over TfL's capital programme, and there is some evidence that IIPAG is too close to TfL to be truly independent.<sup>38</sup> These concerns are unlikely to be dispelled while IIPAG's work remains cloaked in such secrecy.
- 4.9. In his response our Pre-Budget Report, the Mayor states that:

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<sup>36</sup> Mayor's Consultation Budget 2015-16, page 36.

<sup>37</sup> Available at <https://consultations.tfl.gov.uk/policy/transparency>

<sup>38</sup> Budget and Performance Committee, [Pre-Budget Report 2014](#) December 2014, page 23.

*The interests of transparency have to be balanced against IIPAG's ability to examine and comment frankly on issues, including commercially confidential matters. I would not wish the effectiveness of IIPAG's advice to TfL and the TfL Board to be compromised by a prior agreement to publish their conclusions.*<sup>39</sup>

Similar arguments were previously put forward by TfL when refusing to publish major contracts and its annual fares advice to the Mayor. With some persuasion from the Assembly, TfL now publishes this information, and is, in many ways, a more transparent organisation than even a few years ago. It is therefore disappointing that the Mayor and/or TfL are not yet willing to open up IIPAG in the same way.

- 4.10. As the Mayor has recently demonstrated with his commitment to open up organisations such as London & Partners, he can force the GLA Group to become more transparent when he chooses. We think this is another case where the Mayor needs to step in and force a change.

### **Recommendation 3**

Prior to the Assembly's plenary meeting on 28 January, TfL must provide a clear explanation of the £154 million transfer from its capital to revenue budget in 2015-16.

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<sup>39</sup> Letter from the Mayor to John Biggs AM, Chairman of the Budget and Performance Committee, 12 January 2015.

## 5. Economy

- 5.1. With the abolition of the London Development Agency (LDA) and reductions in direct government funding for economic development, the Mayor has increasingly looked to TfL to fund economic development projects. For example, if the Thames Cable Car or Garden Bridge had been proposed a few years earlier, one might have expected the LDA to fund them, rather than TfL. Without the LDA, TfL was the only option for the Mayor. Looking ahead, we expect TfL will be asked to provide funding to kick-start the Old Oak Common redevelopment, in view of the scale of enabling infrastructure work needed.
- 5.2. As the Mayor's draft budget highlighted, the London Enterprise Panel (LEP) is facing a highly uncertain future. Agreement has been reached regarding how the £70 million from the New Homes Bonus (NHB) will be allocated to boroughs, but the NHB does not extend beyond 2015-16. As Sir Edward Lister, Chief of Staff and Deputy Mayor for Policy and Planning, told the Committee in November, "if we do not get [further NHB funding], then we have to ask the question: where is the LEP going to get any money?".<sup>40</sup> This would obviously threaten the effectiveness of the LEP. And, with the Outer London Fund finishing in 2014-15, and the Mayor's Regeneration Fund ending in 2015-16, it would appear that TfL will become an increasingly important tool for promoting economic growth and regeneration.
- 5.3. We are therefore concerned about the lack of funding streams specifically targeted at economic growth, particularly from 2016-17.<sup>41</sup> While TfL's resources and budget make it an obvious target for any Mayor to make use of, it cannot (and should not) be used to fund every initiative a Mayor wants to promote.

### Apprenticeships

- 5.4. As we noted in the Pre-Budget Report, the GLA is not on course to meet the Mayor's target to create 250,000 apprenticeship opportunities in the four years of this Mayoral term.<sup>42</sup> After more

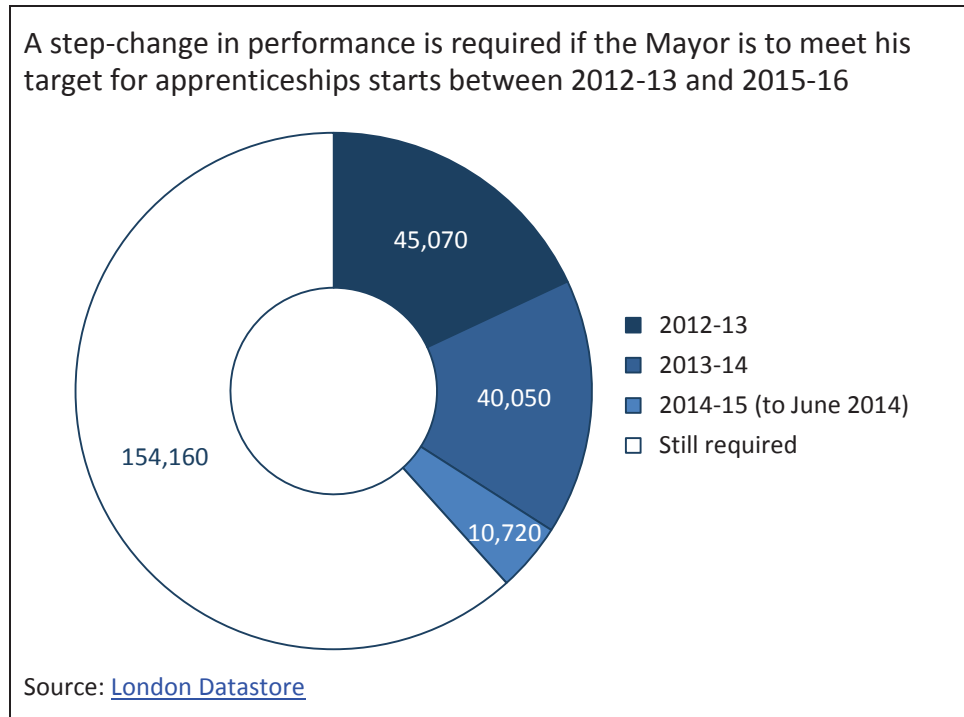
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<sup>40</sup> Sir Edward Lister, Mayor's Chief of Staff, speaking to the Budget and Performance Committee, 20 November 2014.

<sup>41</sup> Next year's budget, which will be made after the announcement of the next Comprehensive Spending Review, will provide greater clarity.

<sup>42</sup> Budget and Performance Committee, Pre-Budget Report 2014, December 2014, page 18.

than two years, approximately 95,000 have so far been created, and the GLA rates the target as amber.<sup>43</sup>



5.5. The consultation budget states that the GLA will itself provide almost £2 million in 2015-16 for apprenticeships: a £1.8 million employer-led apprenticeships programme to create 4,000 new apprentice opportunities, and £0.1 million for the Apprenticeship Information Ambassadors Network to create another 500.<sup>44</sup>

5.6. In addition to these, financial support of up to £3,000 will be offered to small and medium-sized businesses to help them take on an apprentice in 2015. The £14 million Apprenticeship Grant for Employers, running between 1 January and 30 June 2015, is made up of £7 million from the Greater London Authority European Social Fund and £7 million match funding from the Skills Funding Agency.<sup>45</sup> This fund will be used to increase the grant available to SMEs to take on apprentices from the £1,500 already offered by the Government. It is not clear how many apprenticeships will be created with this funding, but assuming all employers received the

<sup>43</sup> GLA Investment and Performance Board paper, Finance and Performance Update – Quarter 2, 2014-15, appendix 4, page 2.

<sup>44</sup> Mayor's Consultation Budget 2015-16, page 17. Apprenticeship numbers from MD1405 Employer-led apprenticeship programme, 11 November 2014, page 1, and DD1266 Apprenticeships Information Ambassadors Network, 17 October 2014, page 4.

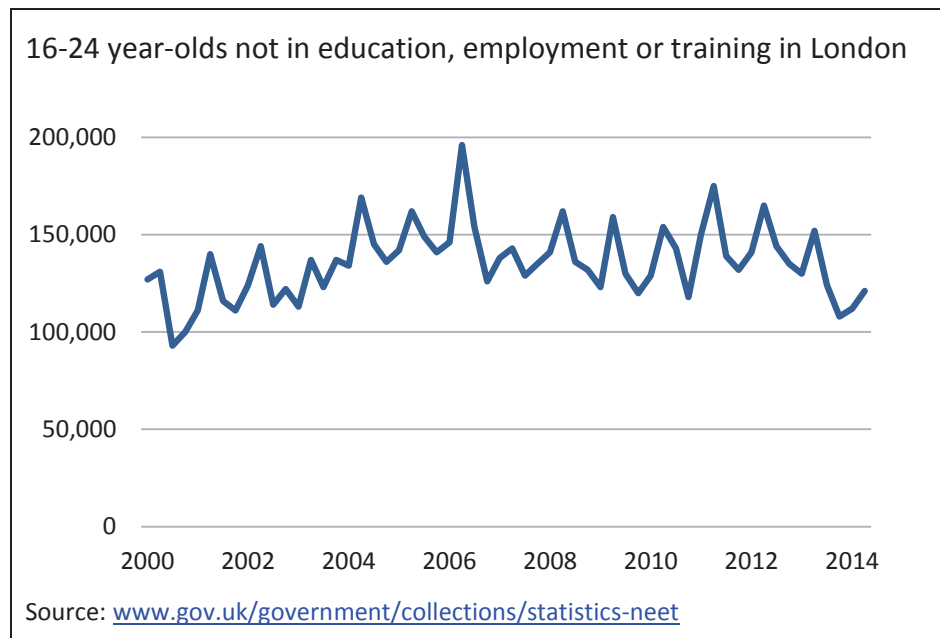
<sup>45</sup> Press release, Mayor delivers New Year boost to apprenticeships drive with £14m fund for small and medium sized businesses, 29 December 2014.

full £3,000 per apprentice, the £14 million would create just over 9,000 additional apprenticeships.<sup>46</sup>

5.7. We are concerned that, even with these initiatives, the Mayor’s target will not be reached. The Mayor appears to share these concerns, pointing to a fall in young adults not in education, employment or training (NEETs) as a key factor behind difficulties in increasing the number of new apprentices. He told us:

*I must be very candid with you. To get to 250,000 is going to be a stretch but we are still fighting for it. The reason though that it is going to be a stretch is a good one or a positive one in the sense that it is because the number of people in work has so greatly increased and the number of people not in education, employment or training (NEETs), the people we’re particularly trying to reach with the apprenticeship scheme, has fallen so low.*

There has been a fall in the number of NEETs in London in the last year, but we are not yet convinced that this is the reason that performance against the apprenticeships target has been below expectations – we suggest that the GLA carries out and publishes further work to understand why more people are not taking up apprenticeships.



5.8. The Mayor has recently agreed, in response to a report from the Economy Committee, to publish an Apprenticeships Action Plan by

<sup>46</sup> The GLA contribution would be £1,500 per apprentice, so its £14 million would create 9,333 apprenticeships.

Spring 2015.<sup>47</sup> This should set out the identified barriers to performance and how the various Mayoral initiatives will address them. It should also include all the relevant funding streams and apprenticeship targets for each element of the plan on an annual basis. We suggest the Mayor reports progress against the plan to the Assembly each year.

**Recommendation 4**

The Mayor's Apprenticeships Action Plan, due to be published in spring 2015, must include evidence to explain the below-forecast performance to date, and details of funding and outcomes for each element of the plan.

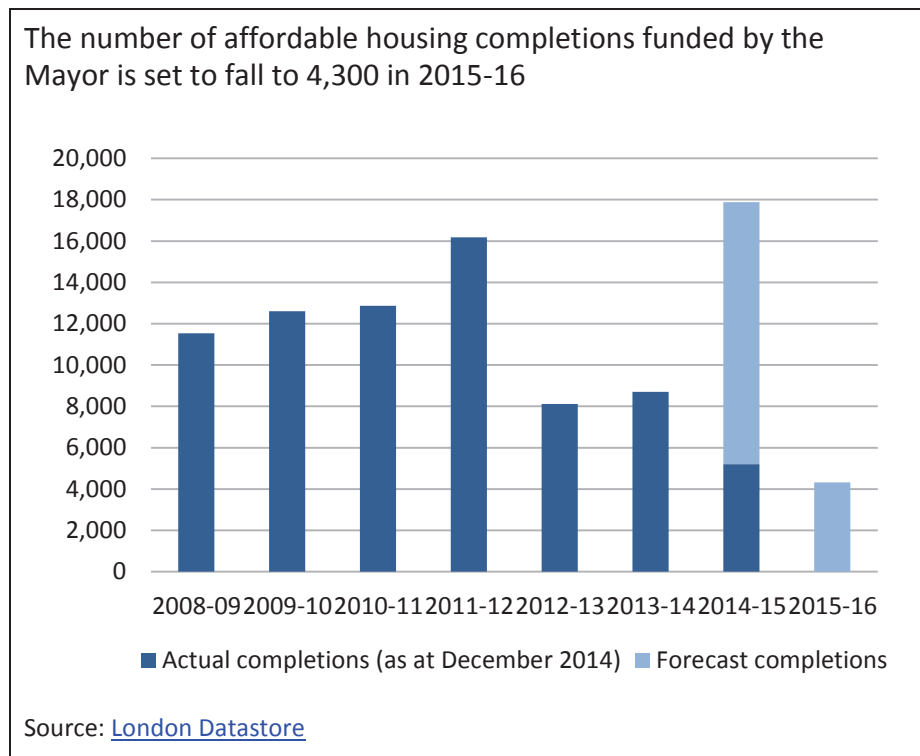
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<sup>47</sup> London Assembly Economy Committee, Trained in London, October 2014.

## 6. Housing

### Affordable housing

- 6.1. One of the Mayor's overarching priorities in this year's budget is to help Londoners to access affordable housing. But, while the Mayor is forecasting to fund 17,890 housing completions in 2014-15, this is scheduled to fall to 4,300 in 2015-16.<sup>48</sup>



- 6.2. The Mayor told us that the peaks and troughs of house-building are connected to the absence of devolved taxation in London:

*It is ridiculous for us endlessly to be going to the Government for packets of funding for London when we should be having a stream of revenue against which we can borrow from London's tax receipts.*<sup>49</sup>

In addition, homes funded in the 2015-18 housing programme are back-loaded towards the end of the programme, so completions should increase in 2016-17 and 2017-18.

<sup>48</sup> GLA Housing Investment Group, Quarterly Affordable Housing Update, para. 3.6, 13 January 2015

<sup>49</sup> Boris Johnson, Mayor of London, speaking to the Budget and Performance Committee, 13 January 2015.



- 6.3. The types of homes being funded are not those that London needs most. The 2015-18 housing programme is currently struggling to fund homes with three bedrooms or more. The Mayor's housing strategy states that 36 per cent of discounted rent homes will have three or more bedrooms.<sup>50</sup> But, based on initial allocations, only 25 per cent of homes will meet this requirement.<sup>51</sup>
- 6.4. We understand that there is a trade-off between maximising the number of affordable housing units built and funding larger, family-sized homes that are more expensive to build. But the Mayor should be as clear as possible about the type of housing that his programmes are supporting. We are therefore glad that the Mayor is considering our recommendation to introduce additional targets for the number of family-sized homes built.<sup>52</sup>

#### Public land

- 6.5. The London Housing Strategy states that the Mayor "is committed to accelerating the disposal of surplus public sector landholdings to boost the development of homes."<sup>53</sup> We pressed the Mayor on the progress he has made in the last year about gaining strategic control of surplus public land owned by central government departments. He said that: "The big win is really going to be on NHS land... We are trying to get as much public land away as we can in London."<sup>54</sup> The Mayor also said that he has been instrumental in setting up a surplus public land programme board, which includes representatives from the GLA, the Treasury, the Department for Communities and Local Government, and the Cabinet Office.
- 6.6. We support the principle of the Mayor having a role in helping other public bodies to dispose of surplus land to help meet London's housing shortage. But, if the Mayor does secure control of this land, we expect him to use these sites to build the kind of affordable homes needed in London.

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<sup>50</sup> London Housing Strategy 2014, GLA, April 2014, page 19.

<sup>51</sup> David Lunts, Executive Director for Housing and Land, GLA, speaking to the Budget and Performance Committee, 20 November 2014.

<sup>52</sup> Budget and Performance Committee, Pre-Budget Report 2014, December 2014, page 28.

<sup>53</sup> London Housing Strategy 2014, GLA, April 2014, page 53.

<sup>54</sup> Boris Johnson, Mayor of London, speaking to the Budget and Performance Committee, 13 January 2015.

## 7. The London Legacy Development Corporation

### Relationship with the GLA

7.1. The GLA's relationship with the London Legacy Development Corporation (LLDC) is evolving as the LLDC's role and operations change. Increasingly, it appears that the Mayor is managing the LLDC's risks through the core GLA. We received some assurances about the LLDC's risks: the LLDC told us it had "covered off" the risk to further calls on taxpayers to fund the costs of converting the Olympic Stadium roof.<sup>55</sup> But there are other risks as well – particularly the Olympicopolis project. This presents an opportunity to boost the Olympic legacy by supporting jobs and growth. But the GLA is exposed to the risks of the project: it will underwrite the overall funding requirements of the project as well as any necessary cashflow funding.

### Transparency

7.2. In some areas, the LLDC could improve its transparency. This year, it did not publish a budget submission before the Mayor published his consultation budget. This meant that there was less information – such as detailed plans for savings and efficiencies – compared to other functional bodies, which has restricted the Assembly's ability to scrutinise the LLDC's plans. The LLDC is close to signing a contract with an operator to run the Olympic Stadium. We expect the LLDC to publish this contract so that the Assembly can assess whether Londoners are getting a good deal. There is a strong precedent for the LLDC to co-operate: in his response to the Assembly's review of the GLA Group's transparency, the Mayor stated that he expected all GLA Group functional bodies to publish as much contractual information as possible.<sup>56</sup> TfL, for example, now publishes all contracts over £5,000 on a searchable website.<sup>57</sup>

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<sup>55</sup> David Goldstone CBE, Chief Executive, London Legacy Development Corporation, speaking to the Budget and Performance Committee, 8 January 2015.

<sup>56</sup> GLA Group transparency – Mayoral response, September 2013.

<sup>57</sup> [www.tfl.gov.uk/corporate/publications-and-reports/contracts-greater-than-5000](http://www.tfl.gov.uk/corporate/publications-and-reports/contracts-greater-than-5000)

**Recommendation 5**

Prior to the Assembly's plenary meeting on 28 January, the LLDC should publish a detailed breakdown explaining how it intends to make savings and efficiencies of £15 million in 2015 16.

**Recommendation 6**

The LLDC should commit to publishing the contract with the Olympic Stadium operator, making limited redactions where necessary for commercial sensitivities.

# Appendix 1 Recommendations

## Recommendation 1

The Mayor should direct the Met to publish the results of annual staff surveys since 2012 immediately. He should commit that the Met will publish the results of future surveys on a timely basis (i.e. within three months of conducting the survey).

## Recommendation 2

The Mayor should publish a set of guidelines regarding the disposal of land and property at below market price, applicable across the GLA Group. This should set out his priorities for how surplus assets should be used (such as affordable housing or education), how functional bodies will be compensated for the financial loss, and how bidding costs will be handled.

## Recommendation 3

Prior to the Assembly's plenary meeting on 28 January, TfL must provide a clear explanation of the £154 million transfer from its capital to revenue budget in 2015-16.

## Recommendation 4

The Mayor's Apprenticeships Action Plan, due to be published in spring 2015, must include evidence to explain the below-forecast performance to date, and details of funding and outcomes for each element of the plan.

## Recommendation 5

Prior to the Assembly's plenary meeting on 28 January, the LLDC should publish a detailed breakdown explaining how it intends to make savings and efficiencies of £15 million in 2015 16.

## Recommendation 6

The LLDC should commit to publishing the contract with the Olympic Stadium operator, making limited redactions where necessary for commercial sensitivities.

# Orders and translations

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### Chinese

如您需要这份文件的简介的翻译本，请电话联系或按上面所提供的邮寄地址或 Email 与我们联系。

### Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

### Greek

*Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.*

### Turkish

Bu belgenin kendi dilinize çevrilmiş bir özetini okumak isterseniz, lütfen yukarıdaki telefon numarasını arayın, veya posta ya da e-posta adresi aracılığıyla bizimle temasa geçin.

### Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

### Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

### Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

### Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا مذکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

### Arabic

الوصول على ملخص لهذا المستند بلغة،  
فجاء الاتصال برقم الهاتف أو الاتصال على  
العنوان البريدي أو عنون البريد  
الالكتروني أعلاه.

### Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઇ-મેઇલ સરનામા પર અમારો સંપર્ક કરો.

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# Subject: Statutory Officers' Protocol

**Report to: London Assembly**

**Report of: Head of Paid Service**

**Date: 28 January 2015**

**This report will be considered in public**

## 1. Summary

- 1.1 This report consults the Assembly on the proposal for the pay award for 2014-2016 for the GLA's Statutory Officers only and rectifies an anomaly in the pay for one Statutory Officer.
- 1.2 The report also seeks the approval of the Assembly for some minor revisions to the Statutory Officers' Protocol

## 2. Recommendations

- 2.1 **That the Assembly confirms (noting that it is a joint decision with Mayor) that the pay award made to GLA staff should also be made to the Statutory Officers and agree that the pay of one of the Statutory Officers should be corrected, as set out in paragraph 4.7 of the report.**
- 2.2 **That the Assembly notes that, in accordance with the Senior Salaries Review Body recommendation (agreed in 2009) to apply future local government awards to the pay of the Mayor and Assembly, the local government pay settlement of 2.2% (from 1 January 2015) will be applied to the pay of Assembly Members and the Mayor.**
- 2.3 **That the Assembly agrees (noting it is a joint decision with the Mayor) the minor changes to the Statutory Officers' protocol.**

## 3. Background

- 3.1 Assembly Members and the Mayor must jointly determine the annual pay award for:
  - The Mayor and Assembly Members; and
  - The three Statutory Officers - the Head of Paid Service, Statutory Finance Officer and Monitoring Officer (noting that for the Monitoring Officer the Mayor and Assembly are only responsible for determining any uplift on the honorarium payment made for Monitoring Officer duties).

3.2 The Mayor has not yet determined whether his appointees should receive a pay increase and will need to determine this following any decision taken on the above.

#### 4. Issues for Consideration

4.1 The Head of Paid Service, following receipt of a pay claim from Unison and consultation with the Mayor and the Assembly at GLA Oversight Committee, has determined that staff in the GLA should receive an increase of 2.2% from 1 January 2015 until 31 March 2016. This broadly mirrors the local government settlement.

4.2 Following consideration by the Mayor and Assembly in 2009 of the last independent review by the Senior Salaries Review Body of GLA elected members' remuneration, it was confirmed that basic salaries should track the local government staff settlements nationally. Therefore 2.2% (the local government settlement) will be applied to Assembly Members and the Mayor's pay from 1 January 2015 to 31 March 2016.

4.3 The Mayor and Assembly must determine the pay award for Statutory Officers in line with section s72, s73 and s127 of the GLA Act 1999 (as amended). The Head of Paid Service has suspended a decision on other senior staff pay (Executive Directors) pending a decision on Statutory Officers' pay. It is likely that the Head of Paid Service will apply the decision taken on the pay award for Statutory Officers (which, in practice, only substantively affects the pay of 2 of the 3 officers) to the remaining Executive Directors. The Mayor will also want to consider this decision when deciding on the pay award for his own appointees.

4.4 By way of background generally, the table below sets out the pay awards to GLA staff, Assembly Members and Statutory Officers since 2008.

	<b>GLA</b>	<b>London local authorities</b>	<b>Assembly Members</b>	<b>Statutory Officers</b>
2013/14	1% for all staff	1%	1%	1%
2012/13	Nil	Nil	Nil	Nil
2011/12	4% for grade 2 0% for all other grades	Nil	Nil	Nil
2010/11	Nil	Nil	Nil	Nil
2009/10	1% (except Executive Directors and Mayoral appointees)	1% (senior officers – 0%)	1%	Nil
2008/09	2.75%	2.75%	2.75%	2.75%

4.5 Following the expansion of the GLA's responsibilities and budget from 1 April 2012, there has been no amendment to the salary of the Executive Director of Resources who is also the Statutory Finance Officer. This salary is lower than that of other Executive Directors such as the Executive Director of Housing and Land, and the Executive Director of Development, Enterprise and Environment due the



times when the Directors were appointed. This is an anomaly that should have been corrected previously for reasons of equity especially given that the GLA Statutory Finance Officer now has financial oversight of a gross GLA budget which has increased from £260m in 2011/12 to £1.1 billion in 2014/15.

- 4.6 However, officers have not just looked at internal GLA pay levels; a benchmarking exercise looking at comparable salaries across the GLA Group and local authorities has been undertaken. Although finance roles differ considerably across different organisations, depending on size and scope of the organisation, it is believed that comparable roles are paid at least the same or considerably more than the proposed spot salary here.
- 4.7 Against this background it is recommended the salary for the Executive Director of Resources (the GLA's Statutory Finance Officer) is increased to £141,400 from its current level of £135,514, which would bring it in line with the Executive Director of Development, Enterprise and Environment. The 2.2% increase for the 2014 -2016 pay claim would be applied to this spot salary as with other staff.

#### **Statutory Officers' Protocol**

- 4.8 At its meeting on 11 November 2009, the Assembly agreed to approve and adopt (noting that it was a joint decision with the Mayor) a staffing protocol in respect of the three Statutory Officers; namely, the Head of Paid Service; the Chief Finance Officer and the Monitoring Officer.
- 4.9 These three posts have unique employment status within the Authority. They are the only three posts to which appointments must be made, and terms and conditions determined, by the Mayor and the Assembly acting jointly.
- 4.10 On 14 December 2011 the post of Greater London Returning Officer (GLRO) was added to the Statutory Officers' Protocol. This was because the roles of GLRO and Head of Paid Service were split and the GLRO responsibilities assigned to a different officer of the authority.
- 4.11 It is proposed the reference to the GLRO is removed from the protocol as the role was reassigned to the Head of Paid Service following the Assembly's Election Review in 2014. (For clarity, this means that the Head of Paid Service now has combined responsibility for these two roles as well as a third role as Executive Director of Communities and Intelligence.) The GLRO is not one of the three named statutory officers in the GLA Act 1999 and it is proposed that the protocol reverts to the position pre-December 2011.
- 4.12 The proposed draft Statutory Officer Staffing Protocol is attached as **Appendix A**.

## **5. Legal Implications**

- 5.1 Under the GLA Act 1999 (as amended) the GLA is required to have three Statutory Officers; a Monitoring Officer, a Chief Finance Officer and the Head of Paid Service. The GLRO is not one of the Statutory Officers. In accordance with section 67(2) of the GLA Act 1999 (as amended) the Head of Paid Service has the power, after consulting the Mayor and the Assembly, to appoint such staff as he considers necessary for the proper discharge of the functions of the Authority, having regard to the resources available and the priorities of the Authority.

- 5.2 The Mayor and the Assembly acting jointly may attribute the role of one of the Statutory Officers to staff appointed under section 67(2).
- 5.3 The Mayor and the Assembly acting jointly have the power to determine the terms and conditions (including as to remuneration) of the Authority's statutory officers in accordance with the GLA Act 1999 (as amended).
- 5.4 The Statutory Officer Protocol sets out the process for appointing Statutory Officers and determining their terms and conditions of employment.
- 5.5 By way of this paper, the Head of Paid Service seeks the agreement of the London Assembly to amend the Statutory Officer Protocol.

## 6. Financial Implications

- 6.1 There is sufficient provision within the Corporate Contingency budget to fund the proposed pay award for the three GLA Statutory Officers, the Mayor and the Assembly, along with the increase in the salary of the Executive Director of Resources.

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### List of appendices to this report:

Appendix A – Statutory Officers' Protocol

<b>Local Government (Access to Information) Act 1985</b>
List of Background Papers: None.
Contact Officer: Patrick Alleyne, Human Resources Manager Telephone: 020 7983 4140 E-mail: <a href="mailto:patrick.alleyne@london.gov.uk">patrick.alleyne@london.gov.uk</a>

# Annex A Statutory Officers – Staffing Protocol

## 1. The Statutory Officers

- 1.1 Under the GLA Act 1999 (as amended)<sup>1</sup> the Authority is required to have “statutory officers” mentioned in paragraph 1.2 below. References in this document to the “staffing committee” are to the *Assembly’s Oversight Committee* unless the Assembly authorises another committee to exercise those functions.
- 1.2 These are the:
- Head of Paid Service<sup>2</sup>;
  - Chief Finance Officer<sup>3</sup>; and
  - Monitoring Officer<sup>4</sup>.
- 1.3 The statutory functions exercisable by these officers are listed in Part I of Appendix 1 to this document. Statutory functions exercisable by officers other than the statutory officers are listed in Part II of Appendix 1.

## 2. Appointment (Designation) without an external recruitment and selection process

- 2.1 The Mayor and the Assembly acting jointly may attribute the function/role of a statutory officer to an existing post occupied by an existing member of staff (and therefore designate that postholder as a statutory officer), without following an external recruitment and selection process (in which case sections 3 and 4 of this protocol do not need to be followed)<sup>5</sup>.
- 2.2 However, in these circumstances, the Assistant Director of Human Resources and Organisational Development should, where appropriate, seek expressions of interest from appropriately senior and experienced officers/postholders as to their posts being attributed with the function of statutory officer, and in the event that there is:
- (i) Only one suitable expression of interest, the that postholder may be permanently designated as a statutory officer if the Mayor and the Assembly agree to the designation and its terms and conditions; or
  - (ii) More than one suitable expression of interest, an appropriate selection and appointment process shall be determined by the Mayor and the Assembly’s staffing committee acting jointly<sup>6</sup>.

<sup>1</sup> All references to the GLA Act 1999 (as amended) are references to the 1999 Act as amended by the GLA Act 2007.

<sup>2</sup> Required under the GLA Act 1999 (as amended) s 72(1)

<sup>3</sup> Required under the GLA Act 1999 (as amended) s 127 and 127A

<sup>4</sup> Required under the GLA Act 1999 (as amended) s 73 (1)

<sup>5</sup> This is provided for in the Local Authorities (Standing Orders) Regulations 1993/202

<sup>6</sup> Note that, whilst the Assembly’s staffing committee can determine this, the full Assembly must take any decision to appoint, and any decision relating to the terms and conditions of the appointment.

### 3. External Recruitment and Shortlisting of the Statutory Officers

- 3.1 Where it is not proposed or possible to designate a statutory officer in accordance with 2.1 above, a recruitment and selection process must be followed and the Assistant Director of Human Resources and Organisational Development shall<sup>7</sup>:
- a. Draw up a job description and person specification which sets out:
    - (i) The duties and accountabilities of the officer concerned; and
    - (ii) Any qualifications, skills and experience required;
  - b. Make arrangements for a copy of the documents mentioned at (a) above to be sent to any person on request; and
  - c. Make arrangements for the post to be brought to the attention of persons who are qualified to apply for it (i.e. through an advertising and/ or search process).
- 3.2 Where a post has been advertised as set out in 3.1 above, the Mayor and the Assembly (through its staffing committee) shall approve the arrangements for the selection of a shortlist of such qualified applicants to be interviewed in accordance with section 4 of this protocol below.
- 3.3 Where no qualified person has applied, the Assistant Director of Human Resources and Organisational Development shall make further arrangements for advertisement in accordance with paragraph 3.1 above.

### 4. Appointment of the Statutory Officers

- 4.1 The Mayor and Assembly are required to make appointments to these statutory officer posts acting jointly.
- 4.2 Subject to any express decision of the Mayor<sup>8</sup> and/or the Assembly to the contrary, the interviews for a vacant statutory officer post should be conducted by the Mayor and Assembly acting together as one panel and taking a joint decision through the use of one of the following options (to be determined by the Mayor<sup>9</sup> and Assembly as necessary):
- A. the Mayor, and a representative of his staff appointed under s 67(1) of the GLA Act acting as an adviser to the Mayor, and a sub-committee of the Assembly's staffing committee, with such membership being politically proportional as per the usual rules as to proportionality; or
  - B. up to two representatives of the Mayor, who must be staff appointed under s 67(1) of the GLA Act, and a sub-committee of the Assembly's staffing committee (with membership as set out in A. above)

WITH

formal decisions being taken *subsequent to the conclusion of the interview process* by the Mayor taking his decision on appointment and terms and conditions via a Mayoral Decision form (following a recommendation from one of his appointees if under option b), and the Assembly's staffing sub-committee making a recommendation to the full Assembly to appoint a candidate upon recommended terms and conditions. (In these circumstances, any offer of employment will need to be made conditional upon and subject to the formal approval of the Mayor and the Assembly).

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<sup>7</sup> The following provisions incorporate the requirements of the Local Authorities (Standing Orders) Regulations 1993/202

<sup>8</sup> In respect of the matters relating to the Mayor within this protocol

<sup>9</sup> With a formal written delegation being made to one of his appointees where this is required by any of the options below

- 4.3 The Head of Paid Service will participate in the interviews of candidates for the posts of Monitoring Officer and Chief Finance Officer (in an advisory capacity).
- 4.4 The Mayor and Assembly (through its staffing committee) may jointly agree to invite any external persons to provide expert, independent advice to them (concurrently) during the recruitment process and/or at the interviews.
- 4.5 Other than in exceptional circumstances, the composition of those conducting the interviews should remain the same for all candidates in all rounds of interviews for a statutory officer vacancy.
- 4.6 Any proposed appointment will be subject to references and the Authority's usual pre-employment checks.

## **5. Terms and Conditions**

- 5.1 The Mayor and Assembly are required, acting jointly, to determine the terms and conditions of the statutory officers.
- 5.2 The full Assembly must decide any changes to the statutory officers' terms and conditions.
- 5.3 By adopting this document the Mayor and Assembly jointly agree that, as a matter of principle, terms and conditions that apply to all staff appointed by the Head of Paid Service<sup>10</sup>, should normally also apply to the statutory officers.
- 5.4 To this end, when the Head of Paid Service (HOPS) consults with Mayor and the Assembly's staffing committee upon proposed changes to terms and conditions of employment that apply to staff appointed by the HOPS,<sup>11</sup> the Mayor should be asked, and the Assembly's staffing committee should also be asked to recommend to the full Assembly, whether or not (upon the HOPS agreeing to the proposed changes) to apply the proposed change to terms and conditions in respect of the statutory officers.
- 5.5 In some circumstances, however, and due to the nature of their offices, the statutory officers do need to have terms and conditions of employment that are different to those that apply to all staff appointed by the HOPS.
- 5.6 Such terms and conditions must be approved by the Mayor and the Assembly acting jointly, and have been so approved as attached at Appendices 2-3 to this document.
- 5.7 Before any proposals to change the terms and conditions of the statutory officers are submitted to the Mayor and the Assembly, the statutory officers themselves must be consulted on the proposals.

## **6. Disciplinary action and investigations**

- 6.1 This is dealt with at Appendix 2 to this document.

## **7. Dismissal**

- 7.1 The statutory officers may only be dismissed by the Mayor and the Assembly acting jointly.

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<sup>10</sup> "Terms and conditions" here includes any employment protocols or policies that confer contractual rights upon all staff appointed by the HOPS.

<sup>11</sup> Or proposed changes to employment protocols or policies that confer contractual rights upon all staff appointed by the HOPS.

- 7.2 Detailed procedures in respect of how the statutory officers may be dismissed as a result of probationary, disciplinary or capability (excluding ill health) action are contained in Appendix 2. Appendix 3 modifies the GLA's sickness policy and sets out a procedure in respect of how the statutory officers may be dismissed as a result of ill health.

### PART I

#### STATUTORY OFFICERS – STATUTORY FUNCTIONS

##### A. The Head of Paid Service

1. Functions of the proper officer of the Authority for the purposes of Parts I and II of the Greater London Authority Act 1999 (as amended), other than those relating to:
  - a. The functions of the Greater London Returning Officer;
  - b. Part VA of the Local Government Act 1972 (access to information) as applied to the Assembly by Section 58 of the GLA Act 1999 (Openness) (see below).
2. Functions of the Authority's head of paid service under the Greater London Authority Act 1999.
3. Functions of proper officer of the Authority for the purposes of Part III of the Local Government Act 1974 (local government administration) as applied to the Authority by Section 74 of the GLA Act 1999.
4. Functions of the proper officer of the Authority for the purposes of Sections 225 (deposit of documents) and 228 (inspection of documents) of the Local Government Act 1972 as applied to the Authority by Section 75 of the GLA Act 1999.
5. Functions of head of paid service under Part I of the Local Government and Housing Act 1989 generally, including under Section 4 (designation and reports of head of paid service) as applied to the Authority by Section 72 of the GLA Act 1999.
6. Functions of the proper officer under the Local Government and Housing Act 1989 generally.
7. The functions under any other enactment (whenever passed) of a proper officer or responsible officer (or other designation used in the enactment) as regards areas not falling within paragraphs 2(d) and 3(d) below.
8. The functions of consulting with the Mayor and the Assembly and appointing staff under s 67(2) of the GLA Act, and determining such staffs' terms and conditions of employment under s 70(2) of the GLA Act.

## **B. The Chief Finance Officer**

9. Functions of the chief finance officer responsible for the proper administration of the financial affairs of the authority under Section 127(1) of the Greater London Authority Act 1999.
10. Functions of the responsible officer under Local Government Finance Act 1988.
11. Functions of the proper officer under the Local Government Finance Act 1988.
12. Functions under any other enactment (whenever passed) of a chief finance officer, proper officer or responsible officer (or other designation used in the enactment) concerning the Authority's accounting practices, audit arrangements or its financial affairs and arrangements.

## **C. The Monitoring Officer**

13. Functions of the monitoring officer for the Authority under Section 5 of the Local Government and Housing Act 1989.
14. Functions of the monitoring officer under Part III of the Local Government Act 2000 (as amended) including the GLA Code of Conduct, and the Standards Committee (England) Regulations 2008/1085, and any rules as to the investigation and determination of alleged breaches of that Code.
15. Functions of the proper officer of the Authority under Sections 229 (photographic copies of documents) and 234 (authentication of documents) of the Local Government Act 1972 as applied to the Authority by Section 75 of the GLA Act 1999.
16. The functions under any other enactment (whenever passed) of a monitoring officer, proper officer or responsible officer (or other designation used in the enactment) concerning the Authority's legal affairs and arrangements, including compliance with the law.



## **PART II**

### **OTHER OFFICERS – STATUTORY FUNCTIONS**

#### **D. The Executive Director of Secretariat**

22. Functions of proper officer of the authority for the purposes of Part VA (Access to Meetings and Documents of Certain Authorities, Committees and Sub-Committees) of the Local Government Act 1972 as applied to the Assembly by Section 58 (openness) of the GLA Act 1999.
23. Functions of the proper officer under Sections 15 to 17 (political balance on committees etc.) of the Local Government and Housing Act 1989 including under the Local Government (Committees and Political Groups) Regulations 1990.

### Statutory Officers – Performance, Disciplinary and Dismissal Procedure

1. This procedure incorporates provisions of the Local Authorities (Standing Orders) (England) Regulations 2001/3384.
2. Those Regulations, and accordingly this procedure, set out the requirements that must be followed when an allegation of alleged misconduct by a statutory officer (which may be contained within a grievance) requires to be investigated, and when proposing to dismiss a statutory officer for any reason other than redundancy, ill health or the non-renewal of a fixed term contract – so, when proposing to dismiss (whether in the probationary period or otherwise) for reasons of poor performance (capability), and misconduct. When proposing to dismiss a statutory officer for some other substantial reason (as referred to in the Employment Rights Act 1996), advice should be sought as it may not be necessary to comply with the requirements of this procedure.
3. For the purposes of establishing whether or not there is case worthy of investigation under 4 below, the Mayor and the Assembly's staffing committee may agree that a preliminary investigation be carried out or commissioned by an appropriately senior officer of the Authority.
4. Where the Mayor and the Assembly's staffing committee:
  - (a) agree that an allegation of alleged misconduct by a statutory officer requires to be investigated;  
or
  - (b) agree to *propose* to dismiss a statutory officer (on the grounds subject to this procedure, set out in paragraph 2 above)they shall jointly appoint - with the agreement of the statutory officer concerned – a designated independent person (“DIP”) to investigate. If the statutory officer will not agree the DIP, that person will be appointed by the Secretary of State. The Mayor and the full Assembly may also jointly agree to suspend the statutory officer for a maximum of up two months, for the purposes of a DIP conducting an investigation.
5. A DIP must produce an investigation report.
6. No action (other than a maximum of a two-month suspension for the purposes of a DIP conducting an investigation) can be taken other than in accordance with a recommendation of a DIP, contained in a DIP's report.
7. The DIP may direct that:
  - the Authority (acting by the Mayor and the Assembly jointly) terminate any suspension of the relevant officer, OR
  - the previously determined suspension period be extended, OR
  - the terms of the previously determined suspension be varied, OR
  - no steps (by or on behalf of the Authority) in respect of an allegation of alleged misconduct by a statutory officer, or proposals to dismiss a statutory officer (on the grounds subject to this procedure, set out in paragraph 2 above) other than in the presence, or with the agreement, of the DIP be taken before a report is made to the Mayor and the Assembly by the designated, independent person.
8. For the purposes of the DIP's investigation, the DIP:

- may inspect any documents relevant to the alleged misconduct, or proposals to dismiss, which are in the possession of the Authority, or which the Authority has the power to authorise the DIP to inspect;
- may require any member of staff of the Authority to answer questions concerning the matters to be investigated by the DIP.

9. In the DIP's investigation report the DIP must:

- state an opinion as to whether (and, if so, the extent to which) the evidence he or she has obtained supports:
  - (a) any allegation of misconduct by the relevant statutory officer, or
  - (b) any proposals to dismiss the relevant statutory officer (on the grounds subject to this procedure, set out in paragraph 2 above)
- recommend any action which appears to the DIP to be appropriate for the Authority (acting by the Mayor and the full Assembly jointly – where the recommended action is dismissal, or where the recommended action is short of dismissal) to take against the relevant statutory officer; and
- provide a copy of the report to the relevant statutory officer no later than the time that the DIP provides it to the Mayor and the full Assembly.

10. The Mayor and the full Assembly (acting jointly) can only take action against a statutory officer in accordance with a recommendation of the DIP, as contained in the DIP's report.

11. The joint decision of the Mayor and the Assembly, made in accordance with paragraph 10 above shall be final, and the statutory officer will have no right of appeal.

### Statutory Officers – Sickness Policy

The GLA's sickness policy applies to the statutory officers but with the following modifications:

- All the statutory officers shall report their sickness absence to their line manager.
- Usually, the Head of Paid Service shall exercise management responsibilities under the procedure in respect of the Monitoring Officer, the Chief Finance Officer (unless the Mayor and the Assembly acting jointly decide to exercise their powers in this regard).
- The Mayor and the Assembly acting jointly (in such a manner as they agree) shall exercise management responsibilities under the procedure in respect of the Head of Paid Service.
- Final formal interviews under the sickness policy should only be conducted in respect of the statutory officers strictly in relation to their ill health (otherwise, for matters of capability and conduct, Appendix 2 above applies). Prior to any final formal interviews, the Authority should consider appointing an independent medical adviser (at its own cost), where the medical opinion of the statutory officer's medical adviser and the Authority's medical adviser are not in agreement. The Mayor and Assembly acting jointly (in such a manner as they agree) will conduct and determine all final formal interviews, and appeals against dismissal, under the sickness policy in respect of all the statutory officers.