

# AGENDA

**Meeting** GLA Oversight Committee

**Date** Thursday 9 July 2015

**Time** 2.00 pm

**Place** Committee Room 4, City Hall, The Queen's Walk, London, SE1 2AA

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## Members of the Committee

Len Duvall AM (Chair)

Tony Arbour AM (Deputy Chairman)

Jennette Arnold OBE AM

Andrew Boff AM

Roger Evans AM

Darren Johnson AM

Joanne McCartney AM

Caroline Pidgeon MBE AM

Navin Shah AM

A meeting of the Committee has been called by the Chair of the Committee to deal with the business listed below.

Mark Roberts, Executive Director of Secretariat  
Wednesday 1 July 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). 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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Certificate Number: FS 80233

**Agenda  
GLA Oversight Committee  
Thursday 9 July 2015**

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

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

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

**The Committee is recommended to:**

- (a) Note the 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 Minutes** (Pages 5 - 48)

**The Committee is recommended to confirm the minutes of the meetings of the Devolution Working Group held on 18 June 2015 and 22 June 2015, to be signed by the Chair as a correct record.**

The appendices to the minutes, set out on pages 7-23 and pages 27-48, are attached for Members and officers only but are available from the following area of the GLA's website: <http://www.london.gov.uk/mayor-assembly/london-assembly/oversight>

**4 Summary List of Actions** (Pages 49 - 52)

Report of the Executive Director of Secretariat  
Contact: John Barry; [john.barry@london.gov.uk](mailto:john.barry@london.gov.uk); 020 7983 4425

**The Committee is recommended to note the completed and outstanding actions arising from previous meetings of the GLA Oversight Committee.**

## 5 **Head of Paid Service Oral Update**

The Head of Paid Service to provide any service updates not covered in the rest of the agenda.

## 6 **People's Question Time** (Pages 53 - 56)

Report of the Director of Communications and External Affairs  
Contact: Dáire Basra; [daire.basra@london.gov.uk](mailto:daire.basra@london.gov.uk); 020 7983 4033

**The Committee is recommended to:**

- (a) Note and comment on the proposals for People's Question Time, on Thursday 26 November contained in the report, particular views are sought on: (i) the geographical area; and (ii) the Chair of the event; and**
- (b) Provide any views, ideas or suggestions on further ways to improve People's Question Time as a consultative event.**

## 7 **Workforce Report** (Pages 57 - 84)

Report of the Head of Paid Service  
Contact: Juliette Carter; [juliette.carter@london.gov.uk](mailto:juliette.carter@london.gov.uk); 020 7983 4194

**The Committee is recommended to note the report.**

## 8 **Research to Support the Housing Committee's Investigation Into The Effect Of Rent Stabilisation Measures On London's Housing Market** (Pages 85 - 88)

Report of the Executive Director of Secretariat  
Contact: Katie Smith; [katie.smith@london.gov.uk](mailto:katie.smith@london.gov.uk); 020 7983 4423

**The Committee is recommended to**

- (a) Approve expenditure up to a maximum of £10,000 from the 2015/16 scrutiny programme budget, to commission external contractors to carry out the technical advice and support outlined at paragraph 3.3 of the report, namely to conduct research into rent stabilisation models in London.**
- (b) Note that the Executive Director of the Secretariat, in consultation with the Chair of the Housing Committee, will commission the external contractors, subject to the Committee approving this expenditure.**

## **9 Annual Governance Statement 2014-15** (Pages 89 - 122)

Report of the Head of Paid Service and Executive Director of Resources  
Contact: Tom Middleton; [tom.middleton@london.gov.uk](mailto:tom.middleton@london.gov.uk); 020 7983 4257

**The Committee is recommended to comment on the draft GLA Annual Governance Statement for 2014-15.**

The appendix to the report, set out on pages 143 to 174, is attached for Members and officers only but is available from the following area of the GLA's website:  
<http://www.london.gov.uk/mayor-assembly/london-assembly/oversight>

## **10 Transport for London Board Governance** (Pages 123 - 132)

Report of the Executive Director of Secretariat  
Contact: Katie Smith; [katie.smith@london.gov.uk](mailto:katie.smith@london.gov.uk); 020 7983 4423

**The Committee is recommended to note the report and discussion.**

## **11 Work Programme for the GLA Oversight Committee** (Pages 133 - 138)

Report of the Executive Director of Secretariat  
Contact: John Barry; [john.barry@london.gov.uk](mailto:john.barry@london.gov.uk); 020 7983 4425

**The Committee is recommended to note its work programme for 2015-16 and identify any additional issues it wishes to consider at future meetings.**

## **12 Date of Next Meeting**

The next meeting of the Committee is scheduled to be held on Thursday 17 September 2015 at 2.00pm in the Chamber.

## **13 Any Other Business the Chair Considers Urgent**

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# Subject: Declarations of Interests

**Report to: GLA Oversight Committee**

**Report of: Executive Director of Secretariat**

**Date: 9 July 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	Chairman of LFEPA; Chairman of the London Local Resilience Forum; Member, LB Bexley
John Biggs AM	Mayor of Tower Hamlets (LB)
Andrew Boff AM	Member, LFEPA; Congress of Local and Regional Authorities (Council of Europe)
Victoria Borwick AM MP	Member of Parliament; Member, Royal Borough of Kensington & Chelsea
James Cleverly AM MP	Member of Parliament
Tom Copley AM	Member, LFEPA
Andrew Dismore AM	Member, LFEPA
Len Duvall AM	
Roger Evans AM	Deputy Mayor; 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 MP	Member of Parliament
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	
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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Contact Officer: John Barry, Principal Committee Manager
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# MINUTES

**Meeting: Devolution Working Group**  
**Date: Thursday 18 June 2015**  
**Time: 9.30 am**  
**Place: Chamber, City Hall, The Queen's Walk, London, SE1 2AA**

Copies of the minutes may be found at:

<http://www.london.gov.uk/who-runs-london/the-london-assembly/meetings/whole-assembly>

**Present:**

Darren Johnson AM (Chair)  
Andrew Boff AM  
Caroline Pidgeon MBE AM  
Joanne McCartney AM

## **1 Apologies for Absence and Chair's Announcements (Item 1)**

- 1.1 An apology for absence was received from Len Duvall AM, for whom Joanne McCartney AM substituted.

## **2 Declarations of Interests (Item 2)**

- 2.1 The Working Group received the report of the Executive Director of Secretariat.

2.2 **Resolved:**

**That the list of Assembly Members' appointments, as set out in the table at Agenda Item 2, be noted as disclosable pecuniary interests.**

## **3 Devolution and Public Service Reform (Item 3)**

- 3.1 The Working Group received the report of the Executive Director of Secretariat.

3.2 The following guests were in attendance for this item:

- Sir Robin Wales, Mayor of the London Borough of Newham; and
- Cllr Stephen Alambritis, Leader of Merton Council and Chair of the South London Partnership.

3.3 During the course of the discussion, Cllr Alambritis undertook to provide the Working Group with the South London Partnership's Joint Committee terms of reference and the Partnership's apprenticeship statistics, in relation to the case for devolving skills and employment budgets.

3.4 A record of the discussion is attached as **Appendix 1**.

3.5 **Resolved:**

**That the report and discussions be noted.**

#### **4 Date of Next Meeting (Item 4)**

4.1 The next meeting of the Working Group was scheduled to be held Monday 22 June 2015 at 4.00pm in Committee Room 5.

#### **5 Any Other Business the Chair Considers Urgent (Item 5)**

5.1 There were no items of business the Chair considered urgent.

#### **6 Close of Meeting**

6.1 The meeting finished at 10.28am.

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Chair

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Date

**Contact Officer:** John Barry, Principal Committee Manager; Telephone: 020 7983 4425;  
Email: john.barry@london.gov.uk; Minicom: 020 7983 4458

## Devolution Working Group – 18 June 2015

### Transcript of Agenda Item 3 – Devolution and Public Service Reform

**Darren Johnson AM (Chair):** That brings us on to item 3, which is our main item today. Welcome to both of you. Before we discuss your proposals for devolution to your respective sub-regions, can we just set out your views generally as to why London as a whole, at all its levels, should be seeking a further set of devolution measures? Who wants to start?

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** Thank you for inviting me here today. I think the grouping of London boroughs is not about party politics, it is about group politics and partnerships. We know our neighbourhoods best and I think that is why we think there should be further devolution. To be told that you have devolution in the form of the Mayor of London and that is your devolution is not enough. We need to keep probing. It is about allowing us and giving us the ability to create more jobs, to build more houses and, especially those who are unemployed, to link the training elements and the skills elements, because we know our employers best. Further devolution will allow us to create more jobs, build more houses and have a greater connectivity of transport issues within our boroughs.

**Darren Johnson AM (Chair):** Thank you. Sir Robin, in terms of devolution for London generally. Anything you want to add?

**Sir Robin Wales (Mayor of Newham):** What he said. I would say it is fairly obvious from the devolution we have had that we can deliver much better at a local level. We have demonstrated that. Public health has been amazing. Also there has to be an understanding that London was in the lead. We have the Mayor of London, we were in the lead of devolution. Scotland has passed us, Manchester is passing us and everybody is passing us. The passing is for a reason. The passing is because people can see, as you get closer, as you move power down. I do not think it just stops at sub-regions: it is regions of London it is sub-regions and it is councils and it is neighbourhoods. We need to be very clear about that.

One of my arguments is if we are going to devolve power and ask for devolved power, we must be willing to devolve it to neighbourhoods as well, because otherwise it does not make sense. It should stop where it is best to deliver. If you have the right structures in place there is plenty of evidence that we can do things much better, much more efficiently, on behalf of our residents. The evidence is considerable on that that is already set out.

**Darren Johnson AM (Chair):** Are you concerned then that London is getting left behind when you read the Manchester Agreement and the Scotland stuff?

**Sir Robin Wales (Mayor of Newham):** Oh yes. They have forged ahead. Well done to them. This is not a criticism, well done them. You have to understand we got moving on that as well and we are not well served in the city.

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** On Manchester, I was speaking to Sir Richard Leese [Leader of Manchester City Council] and it is about talking and that is what he has done brilliantly, talking constantly with the local authorities around Manchester. That is what London boroughs are good at, talking to each other, and we have put aside party politics. In my South London Partnership there is the Liberal Democrat Council, Sutton, there is Conservative, Labour and we just

want what is best for our residents. In terms of getting it down to the lowest level we have community forums within our wards. It is not nice when you inform the residents that we cannot do that because it is Transport for London (TfL) or because it is someone else, or because it is central Government. Residents feel very frustrated about that, so the more we can say to them, "Yes, we are in charge of that. We can make that happen" that goes down to the level that Sir Robin was talking about.

**Darren Johnson AM (Chair):** Thank you. Certainly part of the motivation for doing this piece of work through the Assembly was exactly that point, that we were at risk of getting left behind if we do not move the agenda forward.

**Andrew Boff AM:** On that point that was raised, are you possibly talking about parishes?

**Sir Robin Wales (Mayor of Newham):** I do not think parishes particularly in London. We have nine community forum areas. We now carry a number of things out there that we have devolved and it is not just about community activity and sport: there is play we are looking at; we are looking at pushing down adult care in a very different kind of model. We are also working on a model of externalising what we do for small businesses and creating small businesses. We have a very different model from anybody else. The power is massive, the savings we are making are massive and the delivery is considerable and we are looking at pushing everything down. We will be launching shortly, five wards will have their own company doing their cleaning, which will be our staff going into a different company, but being given freedom to operate as they see fit and given the opportunity to take benefits by working harder and being productive, so they take a slice of that. The idea is to get it down into local areas and then the idea is that those people working there will be better able to talk to local members.

You have to be careful of democratic deficits. I want devolution to the lowest level of democratic structure. People need to be elected. If they are not elected we do not know who they represent - we should have learned that from some of the things we have done in the past. We are looking at devolving lots of stuff down to a much lower level. Parishes --

**Andrew Boff AM:** You are kind of describing a parish, that is all.

**Sir Robin Wales (Mayor of Newham):** Yes, we could call it a parish instead of a forum, yes, quite.

**Darren Johnson AM (Chair):** Generally can you say which powers and services should come down to the Mayor, in your view, and which should come down to either individual boroughs or sub-regions of boroughs?

**Sir Robin Wales (Mayor of Newham):** That is part of the discussion we have to have. Just reminding yourselves, we have examples of where people have worked together. In the Olympics the host boroughs got together and actually we were very, very successful at delivery. I have seen little in terms of credit going, but the local delivery stuff was a really good partnership. London did its bit, the local area did its bit and it was a fantastic example of everybody playing a role and devolving the powers down to the place that they should be devolved down to. Perhaps we could had a little more devolved down us but the International Olympic Committee (IOC) was not really up for some of that.

I would argue that what you do is you bring stuff down and then say, "Where is it best?" My example would be skills: of course you need a London-wide skills element, but if you think that will work in East London of course it will not, we need an East London skills offer. Then you need a skills offer in my borough, because I know the employers.

I can give you an example of that. We run something called Workplace, which is way more successful than the Department of Work and Pensions (DWP), way more successful and much cheaper. We put 4,500 people into work last year, half of them were long-term unemployed.<sup>1</sup> We have had 25,000 move into work with absolutely no support or help from anybody, we do it ourselves with our own money. The way we do it, we go to the employers and say, "What jobs have you got? We will match our people with you". You start with employers and it is voluntary. We have 86% still in work after six months, way better performing than DWP. I would say it is laughable that we are not doing the employment element and that is a low-skill element. For the higher-skill element there should be an appropriate sub-region and appropriate local element, whatever works. It should just be whatever works. We will do our best.

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** On skills, we in Merton have a very successful programme for apprenticeships, linking them with employers, and we have a programme called Take One, because a lot of employers, smaller employers in particular, sometimes worry about the bureaucracy, the red tape, the cost of apprenticeships. They should not but they do and that is their wont. Therefore what have done is created a scheme with the local Chamber of Commerce called Take One and 150 apprenticeships were created last year with small employers. Skills job can be devolved down to groupings, into regions.

Bus routes, bus frequency, bus stops are very simple things. We know our neighbourhood and that kind of area can be devolved easily down to regions and boroughs.

**Darren Johnson AM (Chair):** You could argue that those are the classic examples of where you have some clear local drivers and local needs in terms of the siting of bus stops, but you also have some very clear strategic drivers in terms of running an efficient and effective transport operation across London. Some would argue that bus mapping and so on is a properly strategic function rather than a local one.

**Sir Robin Wales (Mayor of Newham):** TfL works very well, but in strategic transport the boroughs much be must more heavily involved, because TfL will always go for transport solutions that suit them. Crossrail is a good example: we want an eastern line because that is where the jobs are. It may not relieve congestion in the network but it will give us the jobs, the growth, the employment and the housing. We should have a role in making that sub-regionally. Bus routes, yes of course we should have an input into that, we should be listened to more. Nobody would ever suggest it would be run by anybody other than TfL. Transport is a great example of we should have more influence in what is going on, but we should not be running it, because that would be nuts.

**Darren Johnson AM (Chair):** That is helpful. I am going to bring in Joanne now.

**Joanne McCartney AM:** Thank you. Can I ask about the two different sub-regions that we have information on? What were the drivers that brought together those different boroughs into your new sub-regional groupings? Stephen, perhaps I could start with you.

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** Yes. The South London Partnership does not include Wandsworth. I think you have Wandsworth in there.

What drove us together was our angst to build more houses and create more jobs. We came together because we began to share quite a number of services. Four of the South London partner boroughs created the first four-borough legal shared service and that is going really, really well. We are sharing a number of services. We have seen the hunger for devolution. We know that the Chancellor will not give much to an individual

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<sup>1</sup> Subsequently corrected to: "We fielded 4,500 jobs with Newham residents last year, half of them were long-term unemployed."

borough, so by grouping together there is greater opportunity to have devolved powers and perhaps seek a bit more money like business rates in particular. It is the fact that we feel that although there is a perception that the South London Partnership boroughs are affluent and everything is OK there are pockets of deprivation there as well, but we feel we know our neighbourhoods best. We feel we can create jobs. The start-up rate amongst the South London Partnership is six times higher than the per head average population of other areas. The survival rate of small and medium-sized enterprises (SMEs) within our sector is 93% within the first three years. That is again a great survival rate. We just feel we have the opportunity, by getting together, to put our hand up, ask for permission to be more in control of our destiny.

**Sir Robin Wales (Mayor of Newham):** We have a slightly different story. We of course came together, six of us, as the Olympic boroughs and did a lot of work on that, as I mentioned earlier. Subsequent to that we are a joint authority and we work together very well on a number of issues. When we looked around some of us felt that we needed to extend a little bit more. We think if it comes to devolution we need to be looking at geographic areas that people can understand and we did not have Enfield, Redbridge or Havering in it and so we wanted to expand, so we are looking to expand. There is also North East London Strategic Alliance (NELSA) which exists with a number of those boroughs, so I guess we will evolve over a period. As we keep talking – as Sir Richard Leese did – we will evolve into something that can deliver.

Then when you look at it, there is a complete logic of us coming together because we are the growth powerhouse for London. By 2030 we will have 34% of the population, 2.2 million people and all the land in development. Stuff is moving eastwards, that is where the opportunities are going to be and so bringing all those boroughs together we felt was looking forward to the future as well. Newham at the moment is on the cusp of everything but it will not be long before Barking and Dagenham is the really interesting place. Maybe a decade. They are getting it and understanding. We also thought in terms of London, bringing that grouping together it would make some sense. We have a good friend south of the river with Greenwich, because we are told that there are even people south of the river, so we are willing to work with anybody! No, we have worked with Greenwich for years, so it works quite well.

**Joanne McCartney AM:** That is one of my questions that looking at the map of North London, Greenwich does stick out as being south of the river. How can you deliver services across boroughs that do not have geographical boundaries? Particularly when we talk about transport, for example?

**Sir Robin Wales (Mayor of Newham):** When we get it together to build the bloody bridge that should have been built eight years ago, between us and Greenwich, it will be even better in terms of our links. Of course we have the Jubilee Line and things, plus Greenwich is a major development opportunity. There is going to be a lot of stuff happening there too. We recognise that they are a big part of what we are trying to do. They want to the part of it, we want them part of it and it works very well. Also they share a vision about wanting to see jobs and skills and so they fit comfortably in the kind of ethos that we are looking for, which is opportunity and aspiration for our residents. Greenwich fits very well and they are certainly one of the South London boroughs we are happy to work with.

**Joanne McCartney AM:** Obviously it has a geographical boundary with Stephen's [Cllr Stephen Alambritis] patch. Would it not be better in there? Was that discussed?

**Sir Robin Wales (Mayor of Newham):** You could end up with everybody. I tell you what, we will put all 32 boroughs together and we will call them London Councils.

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** We would love Wandsworth to be in the South London Partnership and we are continually talking to them and talking to Bromley as well.



It is about being promiscuous in a nice way by getting together - the more partners you have it may be the better. Also we have the term research and development, but it is research and duplicate. If we are together and working together and someone does something good there is no harm in copying and there should be no shame in that. It is strength in numbers, the more partners the better and that is why I think you are seeing these groupings now flourish. We are a joint committee as well, which gives us the legal vehicle to get things done.

**Joanne McCartney AM:** Robin, a question for you. Hackney decided not to take part. Looking at the map it seems to be the obvious one that is missing. Is there a reason for that?

**Sir Robin Wales (Mayor of Newham):** Not necessarily. I think Hackney is still looking at this. There is a perfectly good argument for Hackney looking westwards or looking eastwards. You would have to ask them, but I can well understand why you are making --

**Joanne McCartney AM:** For transport corridors, it does seem to be on that.

**Sir Robin Wales (Mayor of Newham):** People make decisions. The whole thing of the groupings coming together is people are making decisions about where they want to be. As I say, we had a choice, many years ago, about Thames Gateway or the Lee Valley and we had to make a decision at that point and we decided Thames Gateway, because that was where things were happening. Sometimes you look in a direction. We happen to be in a particular place where things are happening. Hackney has maybe not so much land and not so many opportunities in those ways. You would have to ask Hackney, but certainly we are still talking to them and they are still looking and considering what to do. Remember they are still part of the growth boroughs, the Olympic boroughs, so that continues. It will evolve, but I can understand them not being there.

We have high hopes now of Tower Hamlets, now that it is sane we have high hopes!

**Joanne McCartney AM:** So have we.

**Sir Robin Wales (Mayor of Newham):** Don't we all? You just want to get rid of John [John Biggs AM - recently elected Mayor of Tower Hamlets], that is all it is!

**Joanne McCartney AM:** No we do not.

You have obviously looked at this in setting up your own particular sub-regional groups, but is there a particular number of boroughs that are needed to get those efficiencies and to be effective?

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** No, I think it is a meeting of minds. It could be three, four or five. If Wandsworth come in that will be six, Bromley seven. That is logical. It could be any number as long as you are getting on and you share a vision. Our vision in the South London Partnership is over the next decade 500,000 new jobs, 23,000 new houses, so it is quite an ambitious approach but I think it is about getting together with a vision. There is no minimum or maximum number, it is what works.

**Joanne McCartney AM:** In part you have answered my next question, Robin, but I am going to ask it anyway. Obviously the Government is not going to devolve any further powers unless it can be assured that there are cost savings or improvements to service delivery, so they will want to see an evidence base. Are you collecting that evidence base together across all your different asks? Can you just give us some key examples perhaps? I think, Robin, you did about job schemes before and skills.

**Sir Robin Wales (Mayor of Newham):** It is laughable for a Government to even ask if we can run things better than them. Laughable. The Government are absolutely incapable of running it. We should ask them what makes them think they should be running things. Did the Prime Minister not say, before the 2010 election, that local government was the most efficient part of the government structure? Since then we have taken huge chunks of money out and we are by and large trying to protect services.

If I was looking at examples I would point you to Workplace [Newham Workplace]. Workplace found jobs for 4,500 people last year, half of them long-term unemployed. We compared ourselves for two years to the DWP Work Programme, where in Newham, they got 350 young people in and we got 1,500 young people into work. We start by going to employers. We go to employers and we say, "What are you looking for and we will present people to you?" We do not have target incentives. The jobs are the jobs that are created by employers. Our task is to try to get our people in front of those employers and give them a change to be selected.

When we send out CVs 2% of residents get work, because there is international competition in a city like this. When we present people, 90% - 95% of the jobs are filled by our people. That tells you quite a lot. It tells you that when they actually get in front of employers people can demonstrate they are good because we prepare them. We will do two or three weeks training, whatever it takes to get them ready. When they get the job - a good example was John Lewis was talking to us some time ago and they filled all the jobs from Workplace and the head of the store there said to me, "Normally by this time we have had 10% wastage". Yes? He said, "We haven't had that here, we have had one". Not 1%, one person has left. The people get in and they stay. 86% are still in jobs six months later, I think it is 76% after a year. It is enormously successful and much cheaper than DWP. We think it is partly because it is voluntary. We really invest time in people, unlike Jobcentre Plus. All we have to do is walk into Jobcentre Plus, you do not even have to talk to them, just look at what they are doing and you will see the difference between that and what we do. We can give that as the example. We could talk public health and the massive improvements we think we are making in public health once we get hold of that.

I have talked a bit about devolving to neighbourhoods. My view is we are going to try to set up some social options for mental health. They do not exist, they are not part of anything anybody does. Our big selling point is we are in the communities. We are in there with them, so anything that needs to go there can be much better done. Anything that is delivered locally - we have a lot of people locally - we are much better to do it. We can just look across the whole of England, well the Prime Minister said it so --

**Joanne McCartney AM:** Do you think it has a good evidence base?

**Sir Robin Wales (Mayor of Newham):** Yes. Then I would say that it is then to negotiate what is going on. My argument would be, for example, the model should be it should be devolved to London, London should then devolve but the Mayor should be saying, "I will devolve to you but these are the results I expect" which is not unreasonable. That, if I may say, is one of the roles that I think the Assembly should play, which is then to scrutinise that in a whole range of different areas, rather than just some of the ones you have at the moment. There should be a whole range of additional stuff coming in that I think the Assembly should play a role in.

**Joanne McCartney AM:** I am coming to Stephen [Cllr Stephen Alambritis] in a second. Are you, as part of this, asking for any of the powers that are currently devolved to the Mayor to come down to local authorities?

**Sir Robin Wales (Mayor of Newham):** I would argue we have not done enough to share those things. I think it can go both ways. The Mayor should be saying, "You have got the powers, you deliver them". I think the Mayor should be actively looking at that. It cuts both ways. We should be looking at some of the things

we have responsibility for and saying, "Is it better than a sub-region or pan-London role?" If you think of London Councils, which is operating successfully since the Mayor was appointed, there is a real attempt to work things on a London-wide basis there too, some of the things. Whatever works best, wherever it works best to deliver that is where it should go.

**Joanne McCartney AM:** Stephen, I am aware that I have taken up a bit of time. My last question. I presume you are saying you have an evidence base. You mentioned housing particularly before, which I think is useful. Are you actually seeking additional powers from Government which might require legislative changes, or is it more a matter of devolved budgets and co-commissioning around national programmes?

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** We have to look for what is achievable. We must not ask for too much too quickly. There is the dangling of stamp duty, capital gains tax and national insurance. The business rate is there, that is achievable in terms of asking to keep more the business rates. That is far down the line. We must not scare the horses, so I think we should do what is achievable.

**Darren Johnson AM (Chair):** Is there a danger that so far London has concentrated too much on those big prizes in terms of fiscal devolution and kept its eye off the ball in terms of some of the smaller programmes that could potentially be more deliverable?

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** Yes, with skills and employment we can do a better job than Jobcentre Plus. That is achievable, very, very possible. Capital gains tax, stamp duty, business rates, they are all postcoded, so that is the attraction that we know where the money is coming from, but I think you need to just take it easy. Let us get the groupings working, let us show we are serious and let us show we are talking to each other, because central Government does hopefully want to give over for it not to come back. We need to debate about finances, about those taxes and what happens to them in the future. That is down the line, that is down the motorway. There are some tributaries we should be exploring at the moment, that are achievable, where we can arrive at.

**Darren Johnson AM (Chair):** I will bring in Caroline now.

**Caroline Pidgeon MBE AM:** I just want to move on to my set of questions. Robin, you gave very, very clear examples of the evidence base around jobs and stuff and that really is a very strong case. You said, "Public health, yes, we do that better". What is the evidence you do it better? We could potentially argue that while there is talk about top-slicing the public health money so that the Greater London Authority (GLA) could some London-wide campaigns and sub-regional, what is it that you are delivering on the ground? I am not aware of it in the same way.

**Sir Robin Wales (Mayor of Newham):** To be fair, we are still working through some of the contracts and some things that were there.

**Caroline Pidgeon MBE AM:** Right.

**Sir Robin Wales (Mayor of Newham):** The sexual health and the substance misuse stuff is just atrocious, absolutely hopeless. The other argument we would have is, and we once asked our health colleagues, "What is the single best thing you can do for public health?" The answer was, "Get somebody a job" or, "Get somebody into work". Single best thing in public health. We do massive amounts of public health and we should understand that. We have looked at what they do and the things they were doing were ineffective, they were expensive. We have just been looking at the smoking stuff and they are just pouring money into, at that point, the GPs. We are saying now we will do pharmacy-led things. We have not had it long but we can see the

money that we have saved from the way things were being done. We are using that then to support things like Workplace, support more sporting activity. We are trying not to cut those things. Even at a difficult time we want to keep doing those things, because the legacy from the Olympics we're supposed to be keen on, and it is important in terms of trying to keep encouraging people to get healthy. It is a bit early, if I am being fair, to show you that, but we can see the money we have saved and the programmes we have stopped that are completely ineffective.

**Caroline Pidgeon MBE AM:** Presumably cross-borough you can look at that, and presumably you might be working with some of your neighbouring boroughs.

**Sir Robin Wales (Mayor of Newham):** We do. We question things like campaigns. Preaching to people does not work. What are you actually trying to do? One of the questions we had is what about smoking - do you run a campaign against smoking? I do not need to. You cannot go anywhere without seeing it. People smoke for other reasons, so what do we do? We have the biggest number of trading standard checks for the sale of tobacco to young people, certainly in London, and we prosecute every time. We stop them from selling cigarettes to kids, or stop them selling knives and alcohol and all the rest, and you are doing a really important public health service, but it is trading standards that is doing it, not public health. It makes a huge difference - potentially we think. To be fair that the evidence base on that, you think that is right, but sometimes one of the frustrating things in public health is getting an evidence base, because there is not one. One of the things we should be very careful of is "first do no harm". We have got the Sir Ludvig Guttman Centre with University College London Hospitals as partners. They did some research that said kids whose birthweight is a bit low you should feed them, should you not? No. Because they then are more likely to be obese later on. "First do no harm" in public health, that is a complete failure. We fail on a whole lot of things, but public health and social care and elsewhere we do things that may damage people, not help them. Sorry, that is me preaching things.

**Caroline Pidgeon MBE AM:** No, but the evidence will be interesting. Stephen, have you got any examples?

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** On public health I agree it is early days but we are working very, very closely with neighbouring boroughs. For example, one of the pushes we have is obviously on litter. Someone is smoking, they have a cigarette butt, they throw it on the floor and they are fined £75. We are going then to introduce an opportunity not to fine them if they go on to a smoking ceasing course, rather like the motorway fines and points.

**Caroline Pidgeon MBE AM:** Yes, that is interesting.

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** That is the kind of innovation that local authorities can come up with.

**Caroline Pidgeon MBE AM:** Yes, fantastic. It will be good to get --

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** You do not get your fine but you go on a course to stop smoking.

**Sir Robin Wales (Mayor of Newham):** That is the way local government works. That is a great idea. I am going to go back and say, "Why are we not doing that?" That is great.

**Caroline Pidgeon MBE AM:** That would be good to share. That is fantastic. Right, I am going to move on to my questions which are around governance. Obviously the Mayor and London Councils are discussing putting a London package, as it were, to Government about what our ask is and for devolution for the capital. Are you separately, with your partnerships, making your representations to ministers?

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** There was a piece in the *Local Government Chronicle* following a series of write-ups there about the groupings of boroughs. Rt Hon Greg Clark MP [Secretary of State for Communities and Local Government] apparently has gone on record to say he wants to meet groupings of boroughs. We do not know whether he wants to meet us together or individually. Yes, the London Councils' policy at the moment is to look at the Bill, because it does not mention London.

**Caroline Pidgeon MBE AM:** Absolutely.

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** That is where our officer time will be expended in making sure London is mentioned in that Bill.

**Caroline Pidgeon MBE AM:** At the moment you have not made separate representations to Government?

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** No. We are getting that evidence base, as you say.

**Caroline Pidgeon MBE AM:** Getting it together.

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** It is important to get that evidence base.

**Caroline Pidgeon MBE AM:** What about you, Robin, for yours?

**Sir Robin Wales (Mayor of Newham):** I think you have all had copies of this. We are just trying to build from ground up the sort of things we want. We really, really welcome what the Mayor and London Councils are doing. It is very positive and it is the right thing to do. We are seeking representation from us separately, just to keep putting pressure on. It is really important that we are aligned across London and we are very clear about that. We think we are adding to the voices. We do not think we have a separate voice. Indeed, if you go back, some of the papers said we are going to have to look at groupings of boroughs to devolve powers to. One of the things we are saying is if we get people that devolve down to the Mayor, which is the logical place to go, we are ready to step in and do things and we are getting ourselves ready. We are setting structures up that can handle things. Yes, we are seeking representation, but we very much want it to be very clear that it is within supporting the London initiative. We do not see ourselves as separate from that. If I thought that was the case we would not seek separate. We need to be lined up as London. We need to be joined up and they need to understand that we are joined up and speaking with one voice. Therefore, I think what is happening with the Mayor and the London Councils is very good at the moment, very helpful.

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** The fact that the Bill is going through the House of Lords first that is good. Sir Robin is quite right: when you are looking at a Bill you can amend, you can delete, you can change, but when you add clauses it is much better received because you are adding value and we want to add London's voice into that Bill.

**Caroline Pidgeon MBE AM:** You are very, very clear that everything you are doing fits in with what the Mayor and London Councils are asking and you are just trying to add value to that and show that you are ready to take on.

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** Yes.

**Caroline Pidgeon MBE AM:** That is reassuring, because when you suddenly hear groups popping up here, there and everywhere you think, “Hang on, where is this all --”

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** The group is like forming your battalions and then, when we are all ready, hopefully we will be led by Jules Pipe (Chair, London Councils and Mayor of Hackney).

**Caroline Pidgeon MBE AM:** The Bill that you have talked about, the Cities and Local Government Bill, talks about devolution to combined authorities. You have talked about you have set up formal joint committees. Are there any intentions in your partnerships to create more formal links, such as combined authorities?

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** No, that is a step too far. We are not combining, we are not merging, we are sharing and we are grouping together and we are partnering together. Partnering, sharing, grouping. Those are the terms we are using. We are not combining or merging.

**Caroline Pidgeon MBE AM:** Robin?

**Sir Robin Wales (Mayor of Newham):** I thought we were not able to in London anyway. One of the lessons from Manchester is that if you are offered enough power you are quite prepared to do whatever you have to do. Therefore, mayors are suddenly acceptable in Manchester, where they were not before. That makes sense. We are all politicians, we are all sensible if we have an opportunity to do something better for our residents. If the Government came to us and said, “If you join as combined authorities I will give you power in a few things” I would bite their hand off. Do I want to do it? Not particularly, we work quite well together and we are very happy with the way we work. It comes down to what is the price that we have to pay to improve things for our residents and we would be saying together it is whatever improves residents’ experiences is what we have to be saying.

**Caroline Pidgeon MBE AM:** Your intention at the moment is that is not the route you would be looking to go down.

**Sir Robin Wales (Mayor of Newham):** If that was the price that is the price. Yes?

**Caroline Pidgeon MBE AM:** Yes.

**Sir Robin Wales (Mayor of Newham):** Government are entitled to the exact price. I think it is a foolish price. The price the Government should exact should be, “We want the following outcomes”.

**Caroline Pidgeon MBE AM:** Outcomes.

**Sir Robin Wales (Mayor of Newham):** If I am going to give you employment, what are you going to give me in terms of getting it to work? That is an outcome that is worth asking for. Saying you have to form a structure is, I am afraid, fairly typical of Government, that they resort to structures. I can prove that by pointing to the health service reorganisations that happen every so often. It is what Government does because they do not know how to run thing and the politicians who run Government do not know how to run things.

**Caroline Pidgeon MBE AM:** Yes, that is very helpful.

**Sir Robin Wales (Mayor of Newham):** Central Government, by the way.

**Caroline Pidgeon MBE AM:** Yes, that is very helpful. For me, I am quite reassured actually from your comments about how this is all of us different tiers working together for the common goal to get more powers and funding down to London so we can have local solutions. Thank you.

**Darren Johnson AM (Chair):** Before I move on to Andrew [Andrew Boff AM], Joanne wanted to come in.

**Joanne McCartney AM:** I did actually. In your respective groupings, are you currently delivering services across that group? If you are, what scrutiny arrangements do you have in place to check what is being done across those wider groups?

**Caroline Pidgeon MBE AM:** Good question.

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** We are supplicants. We are seeking funding from the European Social Fund, in terms of training. I do not think we are running services together, apart from where we share services like legal with four boroughs. That is as far as it goes. However, we are ambitious, we want to be imaginative and innovative and that is probably where it would lead to without that combination or merger.

**Sir Robin Wales (Mayor of Newham):** Because the growth boroughs have been around longer, we both put a bid in for European Social Funding for employment and skills. We have also done a transport strategy that we have all signed up to. That is interesting. In fact it was for growth boroughs, but the other boroughs now within the East London grouping have signed up that as well. We are in a shared service with Havering on support services so we are working with Havering to develop that.

I will just caution again and say one of the things that we have come to believe is that the delivery of services is best done through smaller independent organisations. As I said, we are currently in the process of taking everything we deliver, the services we do, to small businesses. Initially we did not really want to do that, but it will free them up to operate in a very different way.

Technically our savings are 25% - 40% getting them ready to go out. You have to grow them embryonically for a while. The opposition to it is insane. The number of hoops you have to jump through that Government put in your way is incredible. We think we have a very different way of working which will also remove most of our middle management. I do not think the private sector is very efficient. It is a bit more efficient than us but they take a profit. Middle management is not an effective system of working, as a system. We have some interesting thoughts, so we are actually going down a route that we think is quite radically different. We will work with anybody. Where we think it makes sense we will work with people and we have some evidence on that.

**Joanne McCartney AM:** I assume your scrutiny arrangements are with your individual committees and individual boroughs. Is that right?

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** The joint committee element does allow for each individual borough to continue to do what it wants to do itself, where it is for itself, but it does allow a scrutiny role as well there. The joint committee terms of reference, and we can send those to you and you can have a look at those, that does allow a joint scrutiny element to it.

**Joanne McCartney AM:** That would be helpful. Thanks.

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** What has changed with local authorities that perhaps has not been realised by central Government is our readiness to

work with anyone and not be possessive or organisationally jealous. Years ago if an organisation volunteered to run libraries we would tell them to go and take a running jump. Now we are looking for those organisations to run things for us wherever possible. Love Wimbledon, for example, is the Business Improvement District (BID) organisation for Wimbledon and we love them to bits and they do things. Our libraries are all kept open because of the Merton Voluntary Service Council. In the old days councils kept everything to themselves. These days we are very, very happy to see whether others can run things for us. It is that lack of organisational jealousy that should allow mayors and the Chancellor to relax about giving us more to do.

**Joanne McCartney AM:** OK.

**Darren Johnson AM (Chair):** Thank you. Before Stephen has to go, I am going to move on to Andrew's area of questioning and then we will obviously let you go in a few minutes time.

**Andrew Boff AM:** I am going to cover the skills and employment budgets. The alliances have indicated that they want those devolved. We have heard some anecdotes and we have heard you say that it is much better local. Do you have an evidence base for that assertion, or is it just anecdotes?

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** We have the evidence base on apprenticeships throughout the boroughs. We have the evidenced base based on survival rates amongst SMEs. We have the evidence base based on getting a job, staying in a job, getting on in that job, so we can get that to you. We are continually collecting. We just feel that we would do a much, much better job than central Government and Jobcentre Plus.

**Andrew Boff AM:** For the North East Alliance as well, do you have an evidence base that it is better done locally?

**Sir Robin Wales (Mayor of Newham):** Workplace is the best jobs brokerage in the country by a country mile, if you look at it. The other thing I will say is that skills is harder, because getting access to the money and we have to change the nature of how we do skills because it is just "send them on a course and that is it". The skills offering in the country is hopeless. Newham won the national award for apprenticeships, for our apprentice scheme.

**Andrew Boff AM:** With respect, that is just Newham.

**Sir Robin Wales (Mayor of Newham):** Yes.

**Andrew Boff AM:** We are talking about devolving powers down to all the boroughs and then the boroughs may have different views. They may not want to set a Workplace. We have been to Workplace, we have come to see it and it is a fine institution. Very expensive.

**Sir Robin Wales (Mayor of Newham):** It cost us £6 million but it gets 4,500 people into work. Yes, it is expensive in the sense we put a lot of money into it, but that is because we believe in it.

**Andrew Boff AM:** Per job.

**Sir Robin Wales (Mayor of Newham):** The actual cost per job is about £1,000 less than I think DWP do. I need to check the figures but we are much, much cheaper than anything else, because we start with employers. That is Newham.



I will give you an example that may be easier. We started doing borough-wide licensing on the private rented sector. All the other boroughs around us are starting to do it as well now, because that is what happens. If we get to a place where money is devolved, I would expect people to be saying, "We will take the Workplace model and do it for some of our employers". We would also then be talking about sub-regional employers. One of the conversations I would love to have now, and will be able to have with the new Mayor of Tower Hamlets, is the role of Canary Wharf in pulling employment skills forward across East London, just as Westfield does it; just as the role of Westfield is very similar to that. Therefore, yes, we will do that. Given the money and the opportunities that is exactly the things we would want to do.

We put a bid in across the growth boroughs for European money so that we can work together in different areas. We are looking at different areas of work. It might be a local authority, it might be health. There is a high tech end. Of course in the growth boroughs Hackney would lead on that. You would be nuts not to have Hackney leading on it. Yes, there is plenty of evidence we can do that and we are trying to build it, but at the moment it is mostly down to individual boroughs because we do not have the --

**Darren Johnson AM (Chair):** Just on the skills agenda, what is your main ask then? Is it about devolving specific programme budgets from national to the local and the sub-regional rather than formal powers, legislative change, whatever? Can you just be a bit more specific about what the main aspects are?

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** It would be a combination of both. It is allowing us, as local authorities and as groups of local authorities to match employers with potential employees, allowing us to work more closely with further education colleges, so we know the kind of skills that our employers want and we know the employers better. Then there is the funding element, so the training and funding element. We can run Jobcentre Plus better than Jobcentre Plus itself can.

**Andrew Boff AM:** Forgive me, I absolutely agree with you and pushing an open door on that one, but this is about making a case to Government, is it not? For instance, Workplace is a good example. Has the North East Alliance in its ask to Government said that it has a policy over those boroughs to introduce a certain way of working? Or are you just saying, "Look at Workplace, that is a good example, now give us the money"?

**Sir Robin Wales (Mayor of Newham):** I am a great fan of people doing things the way it works best for them. Barking and Dagenham is very different from us and they would approach it in a different way but it would work for their area. My view is you devolve to sub-regions and then as a sub-region you say, "Well what is it we want to do sub-regionally?" There are some big things like --

**Andrew Boff AM:** I get what you are saying but if you are asking for a devolution of power down to a sub-region and then you are saying all the boroughs are going to do everything differently, then do we not just devolve down to the boroughs?

**Sir Robin Wales (Mayor of Newham):** Because Government has to deal with something of that, yes, we get that. It does not follow everything would just be devolved to boroughs. What we are saying is that as a sub-region we will decide the best way of delivering things. Some things will be best done sub-regionally, some skills will be best done sub-regionally and some things will be best done locally. If you were doing, for example, skills in retail, you would probably come to us because we have lots of experience in that with Westfield there. As I say, on the tech stuff you might say, "Hackney will you run that for the sub-region?" It is about looking at the best way of doing things and not saying, "We must have the same model all the time". As a group of boroughs we understand that we will deliver it the best way we can.

It is what I said the other day as well, some stuff should be delivered in neighbourhoods. I think mental health and large elements of care need to be delivered through the neighbourhoods.

**Darren Johnson AM (Chair):** We are going to come on to health in a few moments. What I want to do is thank Stephen for his contribution.

**Councillor Stephen Alambritis (Leader of Merton Council; Chair, South London Partnership):** You are very welcome.

**Darren Johnson AM (Chair):** We will let you go now so you are not late for your next appointment. Thank you.

Andrew, was there anything else you just wanted to do on skills, and then we will move on to health?

**Andrew Boff AM:** Yes, just on skills, the very last thing I want to do is one of the things that you have accepted is that devolution to the London Enterprise Panel (LEP) on skills funding is a necessary first step. Does the LEP need to reform in order to better represent the views of the boroughs? Are you on the same page with the LEP or are there some changes that are required?

**Sir Robin Wales (Mayor of Newham):** The answer would be of course you need a London-wide body. There are some London-wide sills they should do. The LEP is the obvious body. I would change it, others might not. It is one of those things.

**Andrew Boff AM:** You would change it how?

**Sir Robin Wales (Mayor of Newham):** Yes. I think the sub-regions should be reflected in a different way. If we are going to get significant devolution of power and money then our structures need to change to reflect that. I said earlier that if that happens the Assembly needs to think what its role is in what would be, hopefully, if we get everything right, a massive shift. That takes the Assembly to a different place, because you have to think about the new structures. Similarly, if you are looking at the LEP and you think, "If we are devolving down to sub-region, where do the sub-regions fit into this in terms of having a sensible voice?" One of the arguments we have, for example, is we think Newham should have a place on the LEP because of our particular position at the moment. Much of the money is being generated by us.

**Andrew Boff AM:** Can I be clear though? We are in danger of agreeing on too many things, which is unfortunate. Are you arguing for basically the North East Alliance to be a LEP itself?

**Sir Robin Wales (Mayor of Newham):** Kind of, if you want to call it that, yes.

**Andrew Boff AM:** It is fine. It is just that we do not agree or disagree with on the Mayor on anything, my group, but one of the things we do disagree with him on is the shape of the LEPs. We thought it should much more represent the economic centres.

**Sir Robin Wales (Mayor of Newham):** It should.

**Caroline Pidgeon MBE AM:** Could it also be though that the LEP, if it is restructured, should represent all the different sub-regional partnerships?

**Sir Robin Wales (Mayor of Newham):** I may think that, but I think one of the things that is really important is to try to get consensus around this. Stephen [Cllr Stephen Alambritis] made a really important point:

Manchester just kept talking; just talking to each other. They are quite lucky because transport is so diffuse there that that has given them a driver to bring things together. If only TfL was an inept as the transport there we would have a driver to bring things together. To some extent we did, and that is why we got the Mayor. We took the first step and now we are being bypassed.

I would probably view that as being a logical step, but I would not wish to take that step unless everybody was kind of agreeing and saying, "Yes, that makes more sense". Does that structure deliver anything better for you in terms of outcomes is the only question I would ask. I would have thought it is fairly obvious that devolving to sub-regions that they need to then have a place back at the central table.

**Caroline Pidgeon MBE AM:** On the LEP, yes.

**Darren Johnson AM (Chair):** Joanne quickly wanted to come in on this before we move on to health.

**Joanne McCartney AM:** It is sort of the same question. The London Development Agency that existed did have sub-regions of activity. I remember at that stage Enfield argued that it should not be in the North East sub-region, actually it should be in the North West sub-region. I suppose my question is does the LEP operate on sub-regions at the moment? Looking at the website it does not seem to, but it would seem it would be sensible to. Secondly, if we have these conglomerations of boroughs what is going happen to the rest of the boroughs in London? Are they talking to each other as well, as far as you are aware, about setting up sub-regions or not?

**Sir Robin Wales (Mayor of Newham):** Interestingly, we have made arrangements to meet the West London Alliance boroughs after the next London Councils, when they meet. We are going to join them and talk to them. There is quite a few alliances and when you get that they will cover most of the boroughs. There are one or two boroughs that are very difficult to work with, and at least one that we have no intention of working with, not that far away from us. We are quite prepared to go south of the river to some extent. We are not working with Bexley. They did not want our bridge, we have had enough. Yes. Does that help?

**Darren Johnson AM (Chair):** Right. Let us then move on to health, the final topic. Andrew.

**Andrew Boff AM:** To get this covered, and Councillor Alambritis almost mentioned it earlier, but the Greater Manchester Agreement sets out the proposals for integrating health and social budgets across the region. Should that be a goal for London's sub-regions? If it is, what do you see as the necessary first steps?

**Sir Robin Wales (Mayor of Newham):** It is happening now anyway. It is happening certainly with us. We are aligning the care budgets with health and with the council. I think we have to be a little careful not to be too big. I have a view that we have a democratic mandate and a democratic mandate puts us in a place that should be recognised. One of the weaknesses we have is we are seen as an arm of government and we should be seen as something more. We have a democratic legitimacy to be involved in the sessions that affect our residents and, therefore, it makes sense to pool these budgets because it should be recognised. Especially once you get into the community that is where we have our strength. Yes, the budgets should be pooled and we should be getting together.

The one we never talk about is mental health, which is a disaster, in my opinion. You can get the pharmacology stuff, but people are sitting isolated in their homes and we do nothing about it. The only people that can do something about that are councils, because we have those links.

**Darren Johnson AM (Chair):** Has the North East region talked about this as a serious bid to Government, or is it just, "We have observed what Manchester has done and we are going to wait"?

**Sir Robin Wales (Mayor of Newham):** We would be foolish to reinvent the wheel. Manchester is in there, they are leading the charge. We should be saying, “Yes, we are really interested in doing that and developing the same things”. We are saying we are interested in the developments and we are interested in seeing what Government is willing to do. It is about having conversations with them. Once it is Manchester why is that not right for London? Our sub-region is 2.2 million people. That is an awful lot of people. London is too big to handle some of these things. That is why you need sub-regions. The size of it is Manchester or Liverpool or East London. My view is that as Manchester have led on this let us not reinvent the wheel. We would like what they are getting please because we fundamentally believe we can do it better and we have got plenty of evidence on that.

**Darren Johnson AM (Chair):** Would that be acute care as well as primary care?

**Sir Robin Wales (Mayor of Newham):** No, it gets more difficult there. Our justification for that becomes less because the acute services are not community based. There is less of a case. There is a stronger case for us to be in saying, “We do not think you are doing a very good job on this”.

**Darren Johnson AM (Chair):** Is there not then a danger that we start then much better aligning social care and primary care but then we have a disjoint then between primary care and acute?

**Sir Robin Wales (Mayor of Newham):** Indeed. One of the problems I have is the health service talks about saving money and it cannot. Therefore, if we go in and do stuff for primary care and free up beds in the local hospital there are no savings because the hospital will not be able to take the people out and do the things it has to do. Therefore, there is an argument about aligning some of that. It is a very, very big ask to be doing that straightaway. For me, I would like to see us organically grow.

When we started Workplace we spent three years pumping money into it and building the relationships. We knew it would take time and at times some of our members were saying, “We are not getting anything”. We said, “No, no, but we are building the relationships. We are building forward. It takes time to do these things sometimes”. Nobody will ever turn down power, but I would just be nervous about too much, but if you can get the social care element and the mental health social aspects, if you could move those forward you would then have an organisation that could say now we could maybe see how we could interact with the acute services.

**Andrew Boff AM:** If I can move on from health. It is going over a question I did earlier. You have been a great advocate for Newham. One would expect that, but I am not getting a message from you that there is a North East London agenda: a set of policies that are agreed. I am hearing about how things are done better by the boroughs. I get that, but I am not hearing how this group will have a set of policies. Tell me I am wrong, this is just from what you say, but it looks to me like you are arguing for the North East London area to be a stop for the money until it then gets handed out into the boroughs, which is a completely different thing from having a sub-regional organisation.

**Sir Robin Wales (Mayor of Newham):** No. Again, I would point you in the direction what happened with the growth boroughs and the Olympic boroughs, when we operated together we did it jointly. We had a joint team that worked and we brought things together in a different way. My answer would be it depends on each area. For some skills: I know we need a sub-regional aspect of that, but I also know there is a local aspect to it. I believe we will need a structure that will work in a sub-region. I have mentioned for example the high tech stuff that Hackney does. Clearly you would want to do that across the sub-region. If you are doing hospitality we may lead on that, but it depends on each area what you are trying to do. I am entirely a fan of you do the thing where it works best. I believe that in skills you need a London-wide thing as well.

I believe you should push things down to the lowest level you can possibly manage at all times, which is why I have talked about, and we really must not miss it, it should not just come to boroughs but go down further and down lower. I am entirely a fan of delivering where things are best. We have talked about the small business stuff that we are doing, which I think is a radical, radical innovation that delivers things in quite a different way from anything anybody has ever done and it would take it down to lower, lower levels. I have come across that way I do not mean to. There is a role for the sub-region it does not exist at the moment because we do not have those powers but I can point to the transport plan and I can point to the European bid that came from the growth boroughs because we came together and we worked on that together.

**Andrew Boff AM:** One of the reasons that the Manchester bid actually worked, after I personally looked into it, is that there is between the ten councils in the Manchester Agreement, there is actually a Manchester message.

**Sir Robin Wales (Mayor of Newham):** Yes.

**Andrew Boff AM:** All of those local authorities sign up to that. Is there a North East London message?

**Sir Robin Wales (Mayor of Newham):** Yes. We think we are the growth area for London. As a group of councils we come together on things like aspiration. You know resilience is what we push very hard in Newham. That is what we believe we should be there for. I think many of us sign up to that kind of vision of the future. We would sign up to a vision that there is quite a lot of common ground across us in terms of what we want to do and where we want to go and we want to do things better on behalf of our residents. Most of us do not care whether that is sub-region, regional, we will do whatever is best and we will look at each thing that comes down and say, "Well, who is best to do this? What is the best way to do it?" I think there is a message there. The only other thing, I have always thought we should make a bid for is defence procurement, because we could do that so much better.

**Darren Johnson AM (Chair):** On that note, moving things forward, so thank you very much, Robin.

**Sir Robin Wales (Mayor of Newham):** Thank you.

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# MINUTES

**Meeting: Devolution Working Group**

**Date: Monday 22 June 2015**

**Time: 4.00 pm**

**Place: Committee Room 3, City Hall, The Queen's Walk, London, SE1 2AA**

Copies of the minutes may be found at:

<http://www.london.gov.uk/who-runs-london/the-london-assembly/meetings/whole-assembly>

**Present:**

Darren Johnson AM (Chair)

Len Duvall AM (Deputy Chair)

Andrew Boff AM

Caroline Pidgeon MBE AM

**1 Apologies for Absence and Chair's Announcements (Item 1)**

1.1 There were no apologies for absence.

**2 Declarations of Interests (Item 2)**

2.1 The Working Group received the report of the Executive Director of Secretariat.

**2.2 Resolved:**

**That the list of Assembly Members' appointments, as set out in the table at Agenda Item 2, be noted as disclosable pecuniary interests.**

### **3 Devolution and Public Service Reform (Item 3)**

- 3.1 The Working Group received the report of the Executive Director of Secretariat.
- 3.2 The following guests were in attendance for this item:
- Professor Tony Travers, Director, London School of Economics, and Chair of the London Finance Commission; and
  - Andrew Eyres, Chief Officer, NHS Lambeth Clinical Commissioning group.
- 3.3 A record of the discussion is attached as **Appendix 1**.

3.4 **Resolved:**

**That the report and discussion be noted.**

### **4 Date of Next Meeting (Item 4)**

- 4.1 The next meeting of the Working Group would be scheduled as necessary.

### **5 Any Other Business the Chair Considers Urgent (Item 5)**

- 5.1 There were no items of business the Chair considered urgent.

### **6 Close of Meeting**

- 6.1 The meeting finished at 5.35pm.

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Chair

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Date

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## Devolution Working Group – 22 June 2015

### Transcript of Agenda Item 3 – Devolution and Public Service Reform

**Darren Johnson AM (Chair):** Obviously, we heard from you at the time you initially published the London Finance Commission (LFC) report back in May 2013. Can you set out for us what has happened since the launch of the report two years ago?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** Sure. I would be very happy to do that. Thank you for inviting me this afternoon.

When the report was initially published we had a programme of visits and meetings with officials and politicians, actually - some of them in office still, some of them not - to go and explain what was in the report and to try to put the case for an interest, particularly in Government but not only in Government, for the ideas that were in it. The ideas were, broadly, that there should be a measure of tax devolution to London and that that devolutionary move would be one that would clearly have implications for the Treasury and for other parts of the country, but we thought that the report had described those or at least tried to cover off all the questions that might be asked. We went to talk to Ministers and civil servants at the Department for Communities and Local Government (DCLG) and at the Treasury and, beyond that, sought to ensure that other parts of the country continued to share London's desire to continue down the route of city or, in this case in London, city-regional devolution.

It would be wrong to pretend that - in fact, it would be right to say that - in many ways the devolution-to-cities debate has taken on a life all of its own since then.

**Darren Johnson AM (Chair):** Just on that point, we were very strong supporters of the LFC's proposals when the report was first published on the Assembly and, cross-party, we all welcomed it. However, is there a danger that City Hall has been so focused on the fiscal devolution proposals that we have really taken our eyes off the ball in terms of the wider devolution agenda and that places like Manchester have now stolen a march on us on public service reform?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** It would be fair to the executive here to say - and this is me speaking more as me than as the Chair of the LFC - that the dynamic of the Greater Manchester, in particular, City Deal and the relationships that have built up between central and subnational government there are unique to themselves. That is not to say that other city regions are not now seeking to follow on from that particular relationship.

For London's government - by which I mean the Mayor, the Assembly and the London boroughs - there is a challenge. Again, this is me speaking as me rather as the Chair of the LFC. There is just a slight sense outside London that the London arrangements put in place in 2000 are London's city devolution and now something has to be done about other parts of the country. Of course, that is slightly reinforced by what has been happening in Scotland and Wales, particularly the fallout from the Scottish independence referendum last year, which has created a greater urgency to try to find a solution for England. A whole number of things are now tied up in the future of city-regions and devolution in England.

However, if I can answer a slightly different question to the one you have put, do I think there is a need for London's government to ensure it keeps right at the front of this debate, the answer would be absolutely yes. It definitely needs to keep doing it from now.

**Darren Johnson AM (Chair):** Does that mean they can get more than simply the fiscal devolution agenda, apart from business-rate reform, if the Government is so dead-set against that? Do lobbying strategies on other devolution matters make more sense?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** All Governments are set against all reforms of anything to do with local government finance and so we must not upset ourselves that this is unusual. Actually, in some ways things are more propitious and there is a greater chance that something can happen today than at any time in modern history, partly because of a number of things coming together, one of which is the devolutionary move to Scotland and Wales, even partly to Northern Ireland. London, if it chooses to, can align with those. They are actually nations rather than subunits within England, but it can align itself with those, partly because of course it is bigger in economic terms than Wales, Scotland and Northern Ireland put together and it is a much bigger unit. That has happened.

However, as I said, beyond that, the unique arrangements for Greater Manchester, which we did discuss briefly in the LFC's report because we thought they were a robust element in England's future governance, are ones that have clearly attracted national Government even to the point of some form of health devolution being a possibility. What has slightly happened - again, this is me speaking as me rather than as Chair of the LFC - is that the possibility of devolving service spending is now clearly and obviously a greater possibility than the ever-difficult business of trying to get national Government of any party or mixture of parties to concede there needs to be some fiscal devolution.

However, we will go for what we can get here. This is England in the UK, the most centralised large democracy in the world. If we must take small steps to get where we are trying to go, then we must take small steps to get where we are trying to go. If you ask me personally, there needs to be fiscal devolution to city-regions in England, absolutely, because England within the UK as a whole remains the most fiscally - and in other ways - public finance-centralised country of any large country in the world.

**Darren Johnson AM (Chair):** What economic arguments can we use to support that call for fiscal devolution?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** Here I have to be careful because the report explicitly looked at and had a chapter on the question of the academic evidence about whether devolution leads to greater growth or improved economic performance and, to be absolutely honest, the evidence is mixed. It does not necessarily drive higher growth but, on the other hand, it does not reduce growth. You can flip that argument around and say, "If we devolve heavily to London, it would not reduce growth". You could play that argument either way, actually. The evidence at the time was not conclusive, it is fair to say. It was not conclusively the case that if there were devolution to London, it would produce higher levels of economic output and therefore higher tax yields.

However, we made the common-sense assumption that if London controlled its own tax base or more of its own tax base, it would then have a vested interest in making developments that would over time increase the tax yield. It would make sense and that would drive growth. Anyway, that was the logic both of the previous Labour Government's Local Authority Business Growth Incentives scheme and the Coalition Government's New Homes Bonus and business rate retention scheme. We can discuss those another time, but that was the logic that lay behind them. We were just following that logic.

The other thing to say is that we know how it has come about, but the Treasury's Stalinist grip on the UK economy from the centre is now being challenged by Scotland and then by Wales. We have discovered from devolution to Scotland, to Wales and to this building that the sky does not fall in if powers are transferred

downwards; quite the opposite, actually. Government takes place in smaller, more manageable units and taxes are better used.

**Andrew Boff AM:** Can I just ask, Tony? This is directly on that because we had a meeting *in camera* with some people and they said --

**Darren Johnson AM (Chair):** We cannot tell you any more than that.

**Andrew Boff AM:** Because it was *in camera*, we cannot tell you who it was. It was stated there that the Treasury is concerned about, for example, Spain, where they have very strong regional governments and they attribute some of the financial problems that they have to the capital overspending of their individual regions. They are using that as a reason to stand up against any further devolution. What do you say to that point?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** I would say three things. Firstly, British municipalities are not allowed to budget for a deficit and so they do not by law. Secondly, British municipalities are held in check by the prudential borrowing rules, which ensure that they cannot borrow beyond what is prudential. Thirdly, to be slightly more provocative, the whole of the UK deficit was written and signed and the Treasury agreed to it. Insofar as there is any discipline here, if more of British government had been in the hands of subnational government, the deficit would not have grown as big as it has.

**Andrew Boff AM:** OK. That is a good point. Thank you. Thanks, Chair.

**Darren Johnson AM (Chair):** In terms of the fiscal devolution, one area that does seem to be more open than others is on business rates and there is certainly a broad consensus in London that local government should be given more control to set business rates and retain all the revenue. What legislative or other changes will be needed in order to make that happen?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** I am sorry. I am not sure I can give you an absolute 100% answer. I should know the answer to this and I am not sure I can. I suspect that it might not even require legislation. It might require some legislative change but it is not going to be much, partly because this would be a back-to-the-future reform. This would be just getting us back to the world of 1989/90 when at least some sitting around this table may already have been in local government and may actually have set business rates. Is that true?

**Len Duvall AM (Deputy Chair):** I was in the *Twilight Zone*.

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** It is a back-to-the-future reform. I think I am right in saying that Eric Pickles [Rt Hon, now Lord Eric Pickles, former Secretary of State for Communities and Local Government] wanted to devolve or at least to allow retention of 100% of business rates when this reform was first mooted. He actually wanted that and was trying to move in that direction, in fairness to him. It is not as if there are not those in Government who would like to go in this direction. Anyway, the earn-back type of model of Greater Manchester with something similar in Cambridge actually envisages an even broader base of taxes where the growth on the yield is retained locally. Everybody is sort of on the same page here.

One of the obstacles to 100% retention - and personally I would prefer 100% setting but with the rate of the business rate linked to the council tax, but just park that difference - is purely the complexities in a world where local government spending has been brought down very fast. The point would come all too soon when income from council tax and business rate was bigger than the local government spending that remained that

was not education. Then you would be in the slightly odd position, which we might reach in this Parliament, where the yield of council tax and business rate was bigger than all local government spending. What would you do then? The Treasury needs in its terms to manage the spending figure down. If it gives local government a tax base that is bigger than its total spending or at least the spending figure the Treasury wants for the next three or four years, it would have to start taking money away with a kind of precept or possibly giving local government more responsibilities.

That is, of course, a very interesting portal opened by the Greater Manchester National Health Service (NHS) deal. That raises a question for London of whether there would be a bid that could be put in to the Government to take over more responsibilities in exchange for keeping 100% of the business rate and other levies, which takes us back to the LFC's report. At which point, for those things or some of them - and it would not be true if the whole of the NHS were transferred, but depending on what was transferred to subnational government in London - it could be 100% locally funded. That sounds radical, but actually it would be as if there were a Barnet-formula type of ring-fence around London's money of the kind that Scotland now wants to preserve and Wales wants reformed, understandably. Actually, you could achieve something similar for London with its resources ring-fenced to fund the services for which it was then responsible.

**Len Duvall AM (Deputy Chair):** You mentioned setting the business rate. Just out of interest, who would set that, then, London-wide or the boroughs? Would they do it in partnership?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** Everything we did with the LFC, which of course, as you know, was a production of City Hall and was a Mayoral commission, had London Councils much involved. The detail of how this would be handled would need to be finalised and worked out when the deal was done, but we envisaged that certainly with a tax like the non-domestic rate, in the end it could not be wholly at the borough level.

That was what was problematic about business rate retention because you ended up then with a completely new version of a national redistribution system so that boroughs with very large rate bases like Westminster and Camden and the City of London do not suddenly gain enormously. Almost all of their money is then taken away from them and rerouted through a national pooling arrangement to the authorities where, to put it at its simplest, the grant they lost would have been bigger than the extra business rate they gained.

This could be done within London. Indeed, again, for the more mature around the table - and I include myself in this - there used to be something called the London Rate Equalisation Scheme, which effectively took money from the rich central boroughs and redistributed it to all the others. I am not saying that should be reinvented. However, if this were handled within London, it would be possible for the boroughs and the Greater London Authority (GLA) to share the business rate base - to come back to your question - but for a lot of the redistribution to be handled through the GLA, which after all raises the money from all of London and then spends it across the whole of London. It is an automatic equaliser. However, in a sense, given that the boroughs are the planning authorities, it would be jolly odd not to give them an element. After all, the council tax base is shared and the business rate was shared before. In a sense, they both share the base, but the precise sharing and what it then funded would be up for negotiation at the point the reform was made. That is not meant to be an obscure answer, but there is an element of obscurity about it.

**Len Duvall AM (Deputy Chair):** To be fair, out of all the fiscal devolution, this is the one where the door is not ajar but there is a little crack. I cannot get my fingers in it to push it open more and put my boot in it to get it open, but there is a crack. In theory, do you think it is important then that the London governments, as you described earlier on, the players, start to work out what in practice that would look like? Is it borough-to-

borough or is it sub-regional? They are developing some of those issues about painting some pictures about how that would work in detail.

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** Absolutely.

**Len Duvall AM (Deputy Chair):** We take it from your previous answer, but work out that detail. Do you think there is a sense of urgency about that?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** I do. I am not party to any of the negotiations or whatever negotiations are going on and so I can say this with absolute openness and not certainty because I do not know. The thing that has made the Greater Manchester deal so attractive to Ministers is that the ten Greater Manchester districts have developed from the bottom up a working system that they all sign up to. They can sign up to the Chancellor. They can sign up to something and deliver it. The nearest analogue in London would be that City Hall and the boroughs would have to have an answer to the question, "What would you do if this were offered?" That has always been the case. London's government needs to be ready for a radical Government coming along and saying, "What would you do if we offered you this", whatever 'this' is, services or taxation.

**Len Duvall AM (Deputy Chair):** My last question. We can around the table see what the win-win situation for London governance could be. What would be the arguments we would make that it is actually good for the wider UK? Is it our performance? Is it our growth? We talked about the problems of the impact on growth and trying to explain what that could be. What do you think we might say about business rates?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** The rest of the UK can hardly lose out of this for the following reason. If the LFC's proposals - which were pretty modest in the great scheme of things, certainly by comparison with other cities and other countries - were pushed through, then perhaps 12% or 13% of the taxes paid in London would then be kept in London and determined by London's government.

Let us assume that happened and let us assume that London's economy then grew faster because this largely property-based tax base was in the hands of London government, which then saw it as in its own best interest to manage the economy and to drive up growth. If it did that, the other 87% of taxes - which the Chancellor is still receiving on a happy year-to-year basis as he does now - would simply grow as well. All those other taxes would grow. That would mean more money for the Chancellor to spend in London and in the rest of the country.

If, on the other hand, on this tax base London did not do so well - perhaps the London economy faltered and did not grow as fast as that in the UK as a whole - then the losses would be kept in London and actually the rest of the country would then be protected from those losses. I am making it slightly more simplistic but it could be, but in the end London would have to look after itself and think a lot harder about how it managed its own taxation to ensure its own property tax was protected. Actually, that is what all cities in countries like the United States that have their own tax bases have to think very hard about, "How do we protect the tax base? How do we grow the tax base?" However, if it did grow, the Chancellor would get most of the extra cash.

**Darren Johnson AM (Chair):** OK. In New York, as an example, there is a much greater level of fiscal devolution but also a more balanced relationship between the Mayor and the City Council. What role do you see for the Assembly in this in terms of checks and balances?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** This was not covered by the LFC's report and so this is, again, me speaking as me. There is no question that the more

powerful London government becomes - and if one assumes a spectrum from the London government model of 2007 as amended and the governments of Wales and Northern Ireland, which are not really a spectrum - and, clearly, the more that London becomes akin to a devolved government in Wales and Scotland, then the more the balance of power between the executive and the scrutiny part of this system would have to be re-examined, it seems to me.

I have said this elsewhere. The London government model is partly based on American city government, but of course we all know that in American city government there is a split between the executive and the legislature. This system has elements of it, but it is not that American system. That is just not the way we do things in Britain. We like to have a powerful executive in Parliament or in local government. There is often an executive that is powerful and a scrutiny body that can over-ride and this system has moved slightly in this direction since 2000 --

**Darren Johnson AM (Chair):** The two-thirds over-ride has been expanded into other areas and so there has been an ever-so-slight rebalancing. Would you see this as simply rolling out the two-thirds potential veto further or would you see a more radical change in terms of the relationship between the Mayor and the Assembly if this was to be --

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** No. All I would say is that the more the system moves towards something nearer to Wales and Scotland, the more it would be necessary to rethink the legislative-executive split, which is a big change, potentially. There is a whole range of issues that are brought into play as London's government becomes more powerful, depending on whether the Mayor or the boroughs or both get some of the additional powers.

However, as I have said ever since the system was created, there are elements of an American city government in the London city government system but there are definitely elements missing. The elements that are missing are in this conventional legislature-executive split where the mayor, in an American system and certainly in New York, would have to get the city council, in effect, to pass legislation to allow the mayor to function. It does not make the city council as powerful as that makes it sound, of course, because that leads to all sorts of deals between the mayor and the city council.

Definitely, as I said, to simplify, the more powerful the executive gets within the GLA, the more it begs the question of whether the Assembly is powerful enough to oversee the budgets and the scale of operation.

**Darren Johnson AM (Chair):** Given the scale will get so much bigger?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** Absolutely.

**Darren Johnson AM (Chair):** Andrew?

**Andrew Boff AM:** On that line about scrutiny and accountability, do you see any merits in creating an independent budget office for London? Is that something that might assist our arguments in devolving powers?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** I think I have written advocating this but I cannot remember.

**Andrew Boff AM:** You have.

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** Then yes. If you tell me I have written advocating it, then yes. Thank you, Andrew, for reminding me.

**Darren Johnson AM (Chair):** You have advocated so many things that it is sometimes hard keeping track of them.

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** I know. Without being self-loving, I cannot remember sometimes. Yes, I do.

**Andrew Boff AM:** If I can try to tweak your memory --

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** Go on.

**Andrew Boff AM:** -- I just wondered how you would see an independent office for London actually working practically. Are there international parallels to this idea?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** The idea came down to the imbalance of power. There were two things, really. When the GLA was set up by a Government that was trying very hard not to recreate the Greater London Council, I am not being critical of any of the people concerned but it set it up with a core of staff that would end up, inevitably, serving both the Mayor and the Assembly. I presume this is still true to some degree but I may have missed a change. I know that there are dedicated staff who work for the Assembly and Assembly Members can have their own researchers and so on. However, there is not a formal separation in the way that the Government has the civil service and the Opposition does not in Parliament.

Given how important the budget function is and how much money there is particularly running through Transport for London's (TfL) books and the Metropolitan Police Service's books, trying to oversee that on the basis of broadly the same staff at City Hall providing both the Mayor, who sets the budgets, and the Assembly, which is supposed to oversee them, with the information was complicated. It is not to say they could not do it. It is that wonderful word 'complicated'. There would be an argument for a dedicated budget office of the kind that has been set up - although it is independent and philanthropically funded - in New York, which would then allow continuous running financial scrutiny of the major functional bodies, which are huge. TfL and the Metropolitan Police Service, I do not need to tell you, are very large administrations in their own right. The need for effective oversight of the way the resources are used to allow full understanding by the Assembly - and therefore by the public - seems to be something that we definitely need. If I may say so, I am not criticising the Assembly Committee that does this, but a Committee of the Assembly trying to do that does not quite have the firepower that is on the other side. That is the point.

**Andrew Boff AM:** Yes, I absolutely get that. Do you think it might assist in the arguments with the Treasury for them letting go some of the purse strings?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** It is a very interesting argument.

**Andrew Boff AM:** Obviously, if there is an independent analysis - and we have now accepted, for example, the Office of Budget Responsibility and that is now accepted and nobody seems to want to abolish that - I just wondered if it might help us in our arguments with the Treasury.

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** It might well. Although, in fairness to the GLA and its functional bodies, compared with some of the - how shall I put it - less

well-controlled examples of spending by Whitehall, the GLA and its functional bodies are actually well run. However, that does not mean that your point does not hold, which is whether the Treasury would be a bit more confident if it had better oversight of the way the multi-billion budget of the GLA were handled. It probably would. Whether that is enough to get around their fundamentalist orthodoxy is another matter.

**Andrew Boff AM:** Just to help you out, not only do you back the idea but also the Communities and Local Government Select Committee is supportive of the idea, as was the GLA Conservatives' report that we published in January. It sounds like everybody agrees, which is great.

**Darren Johnson AM (Chair):** Good. One final question on fiscal devolution, Tony, before we move on. Stamp duty is quite a volatile tax prone to fluctuations in the housing market. The Mayor recently proposed the possibility of London having additional stamp duty raised on a project-by-project basis, funding Crossrail 2, for example. Do you think this is a practical proposal? Do you think that might get us somewhere with the Treasury?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** I can see that - wisely - the Mayor thinks, given the world we are in, every little helps and taking small steps. If I understand what the proposal was, it would mean that the extra yield generated by a new project like Crossrail 2 would then be held by London in order to help fund the project. That at least has the merit from the Treasury's point of view of being money that it did not have in the first place and so it is not losing anything. It is an opportunity cost, but it does not lose anything.

We have all learned to be pragmatic about these things and, if we have to take a small step in order to take a bigger step, so be it. That is why, personally, I am very strongly in favour of the Greater Manchester reforms and experiment. If these things in any way are made to work for Greater Manchester, it would be very hard, in my personal view, for them not to happen in other major cities. Therefore, I am strongly supportive of the reforms in Manchester and I would be supportive of this kind of change as well if it is another step towards a better future.

**Darren Johnson AM (Chair):** That is really helpful. All right. We will move on and Caroline is going to look at public service reform and governance arrangements. Caroline?

**Caroline Pidgeon MBE AM:** Yes. Apologies, Andrew [Eyles]. We are focusing on Tony to start off with. I wanted to pick up on the Cities and Local Government Devolution Bill. The Government is looking at this package of measures, but London is not mentioned at all. Do you think there is any chance that the aspirations we have for London and the ideas that have been coming forward can fit into this draft legislation or do you think we need to be looking elsewhere?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** Technically, the legislation that has been introduced into the House of Lords cannot immediately and obviously work in London because it appears to require the existence of a combined authority and a directly elected Mayor to make it function. London is not allowed to create combined authorities under the earlier legislation that allowed that. However, separately, in fairness to Greg Clark [Rt Hon Greg Clark MP], the Communities Secretary, he has made the point that he would be willing to entertain proposals made about London but quite how they would then be enacted I do not know.

More to the point, the legislation that is going through the Lords about the cities and counties in the rest of the country is itself a pretty portmanteau piece of legislation and it is possible for different arrangements to emerge separately for all cities differently under this legislation. A lot of it, as I understand it, will be done under orders and regulations rather than directly by the same system existing everywhere.



Therefore, London is left out of it, except that the Minister said that he would entertain proposals made about London. I have to believe that that is what he means.

**Caroline Pidgeon MBE AM:** For the areas where we need legislative change, you think it would be better for us to hook that on to other legislation that is going through rather than through this, where there are clearly some issues?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** Again, there are rules in Parliament about how legislation can be amended and I definitely do not understand what they are. This legislation does mention the London boroughs by name at one point, interestingly. It does actually mention them on the face of the bill. However, what would happen if a Member of Parliament (MP) put down an amendment to say, "And this shall happen in London", I do not know. Whether that would be ruled out of order by the clerks' department or by the Speaker or something, I am not certain.

It is always possible for London to ask for its own legislation. There have been changes made since 2000 on two occasions when London's government has been altered somewhat. It might be possible to do it under this legislation but I suppose, if it were to be done, to go back to a question that was asked earlier on, it would be necessarily for London - broadly defined - to have a convincing case for what it wanted and to be able to convince Ministers that that was good not only for London but for the country as a whole.

**Caroline Pidgeon MBE AM:** The Manchester model that we talked about earlier and these new mayoral models have not really had the sort of public consultation that London, Scotland and Wales did when their governance and devolution was set up. Do you think that was a mistake?

Also, what are your thoughts on the scrutiny arrangements for Greater Manchester? I know the Liberal Democrat peers today or this week have put down an amendment saying that they should have assemblies in these cities such as we have in London, which is great. However, the Combined Authority's scrutiny pool is very weak in Manchester and clearly they have not thought about when there might be conflicts or when there are differences in opinion and the actual proper scrutiny of it. What are your thoughts on all of that?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** The Greater Manchester model, like so many things in British government, is unique. It came about when the Manchester authorities started to work together formally back in 2004. It was in 2011 under legislation that the last Labour Government passed or it may have been just during and at the end of the last Labour Government. They were allowed to create the Combined Authority and then there were further discussions. Eventually, they convinced the Chancellor, in the way I was discussing earlier, to pass greater powers to them.

In fairness to them, it is very much a bottom-up model. There are ten districts in Manchester. To use a London parallel, it would be as if in the interregnum between 1986 and 2000 the 33 London authorities had created a combined authority and then voluntarily worked together as if they were mimicking city-wide government, which they almost began to in the latter years when the warring local representative bodies combined again. Finally, of course, if London had decided under some pressure from the Government to appoint temporarily somebody as the interim mayor and to then hold an election for a mayor who would share power with the 33 leaders, it would be a broad analogue for what has happened.

The Manchester system came up, very much created in that way by the Manchester districts. It is not a big secret. I am not sure they would have gone for a directly elected mayor if the Government did not really want one. That was added on because the Government wanted it and they came up with a power-sharing

arrangement between the ten leaders and this new mayor interim and, after 2017, elected. Those were all the conditions of getting a deal with the Government.

Trying to fit an Assembly into the middle of all of that has obviously hitherto not been part of anybody's best way forward. I have given evidence to the Communities and Local Government Select Committee, where this point came up. There are MPs who wonder whether the scrutiny arrangements, as you have described them, will be enough. In commenting in advance on a Greater Manchester arrangement that has not got going, I would want to be a bit cautious for the time being. However, I can see that a scrutiny body of backbench councillors from all the districts trying to oversee a collective of ten borough leaders and a directly elected mayor is going to have to work hard.

**Andrew Boff AM:** With a huge budget.

**Caroline Pidgeon MBE AM:** Yes, and therefore maybe local mandate.

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** With a large budget. It might be including the health budget by then.

**Andrew Boff AM:** Including health, it is a huge budget.

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** I agree. All city governments definitely, particularly these days, need to think about absolute crystal clarity and transparency in the way accountability is delivered.

**Caroline Pidgeon MBE AM:** Yes. It just seems to me that they all have very local mandates and will not necessarily have the support behind them to be able to scrutinise all of these big decisions.

The other concern - and I wonder if you have any comments on this - is that you have this Greater Manchester mayor being able to offer leadership and all of this, but they can be outvoted by the boroughs. It is a very strange model.

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** That is probably a compromise. The politicians around the table will know better than me that compromises have to be made from time to time and I suspect this was a compromise between politicians who probably did not really want a directly elected mayor and a Government that was insisting. This is a way that gives them both half of what they want.

**Darren Johnson AM (Chair):** When a directly elected mayor comes into the mix, it is a whole new dynamic, then. They have their own mandate and their own lobbying powers and so on.

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** I suspect that that is widely understood. As I said, I am a bit cautious talking in advance about the Manchester city government model before it has really got going, but I agree with what you said. Once there is a directly elected mayor of Greater Manchester, it will have an authority and a power to go where it wants to. It may be that the ten district leaders there will become more comfortable with it when they see how it runs and may want it to become a more visible representation of Manchester. These things are very much step by step. The whole thing is pretty remarkable to have got this far. It is pretty cool, actually.

**Len Duvall AM (Deputy Chair):** Can we go back to the policy landscape and the strong case for devolution of services to London government? Just looking broadly across those issues, can the benefits to Londoners of

the services being devolved down to more than one level be really evidenced as such? You will be aware of some of those sub-regional partnerships that the boroughs have produced, some of their perspectives and some of the joint work between the Mayor and those boroughs.

In your mind, as the second part of the question, what needs to happen in order to bring delivery of those services to London and what barriers would you identify?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** I absolutely take the underlying logic of the question, which is that there has to be at least some public interest in this happening. Experts talking about why it would be constitutionally better - and I say this; I do quite a lot of that - is not quite good enough if the public does not broadly feel that it would either have greater access or get better services delivered by a transfer of provision from one level of government to another. I absolutely agree with the spirit of your question, which is that there does need to be public understanding and support for the change.

Actually, if you look around the landscape, it is very hard to disentangle how they have worked over 15 years now from what would have happened anyway. If you take TfL over that period, it is hard to disentangle the accountability for it resting with the Mayor and how it has improved over that period from the large amounts of central Government money that have been given to TfL. It is hard to disentangle.

Of course, you could always test this with an opinion poll, but I suspect most people in London if asked today would probably think it is better to have transport run in London by London politicians than run by national Government because it was not as good when it was run by national Government. They can get at the Mayor - be it [Ken] Livingston or [Boris] Johnson - more easily than they can get at the Secretary of State for Transport, with due respect to him.

Would that be true of other services? Actually, yes, it would be true. I do not want to trample on the next speaker's world here, but with the kind of mess that national Government occasionally gets into when it tries to reorganise the NHS in London - or anywhere else, for that matter - it would be easier for government nearer to people to reform elements of the NHS than for national Government to do it. Local government is used to making complex, difficult and unpopular reorganisational decisions and has to sell them on the ground. It is more difficult for national politicians to do that because they are simply too distant from Manchester, London, Leeds or wherever it is, even if the national Government is based here. Therefore, the closer accountability for running a service means that the service itself can be improved.

I was at an event not so long where a national politician was asked to quote two good examples of major Government computer and information technology (IT) procurements that had gone right, as opposed to ones that had gone wrong. The two that this national politician quoted were the congestion charge in London and the Oyster card in London.

**Caroline Pidgeon MBE AM:** In London. I love it.

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** I will spare the blushes of anybody else in the room if I talk about any other part of the public sector that does not have IT systems quite right. The truth is that something like the Oyster card is an unusual example of a large, complex computer system that was got right. You do have to ask yourself if it would have worked quite so well and if it would have been tried at all if it had been in the hands of national Government. The congestion charge would never have been tried if it were not for being done at a subnational level.

Another example I have given in the past is the smoking ban. Whatever you think about smoking and smoking bans, in 1997 when the Labour Government took office, there was pressure for some city councils, particularly Liverpool, to introduce a smoking ban. Northern Ireland and then Scotland and Wales introduced them. Eventually, England introduced one all over England at once in 2007. Why did they not pass permissive legislation in 1997 and let Liverpool City Council try it out? Then we would have seen if it worked. As it turned out, it did. Actually, more people would have been made healthier quicker. As I said, I am not making a particular bid for smoking bans, but it is just a good example. Why not do that with other public health experiments, which we could if there were more decentralised powers? I know public health has been devolved to local government subsequently, but I am making a more generalised point.

I take your point entirely that people in London - in a city - have to feel that the service will be better if it is devolved from national Government to them. It is possible to make a pretty convincing argument for that, given the way London's government at the city-wide level and Scotland's government has worked.

**Len Duvall AM (Deputy Chair):** You mentioned earlier on the issue around the mayoralty and the Assembly devolution. Is there anything that you have seen in the past that you think is missing around existing powers that we could make the case to strengthen our agenda in terms of devolution to this institution?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** Personally, nothing to do with the LFC, I am in favour of radical devolution. Scotland, Wales and Northern Ireland - even more remarkably, in some ways - have shown that you can devolve extraordinary amounts of power within the UK and that there is a political class in Edinburgh, Cardiff and Belfast that perfectly adequately can run services. The sky has not fallen in. These places, these countries and these nations within the UK have highly effective government and there is no reason at all why London, whose population is 8½ million, could not do the same or, indeed, the Leeds city-region, the Greater Manchester city-region and so on. I am confident that there are enough politicians of calibre and officials of calibre to run these things at more than one level in England.

Personally, I am very attracted by what the last Labour Government called 'total place' and what the present Government calls 'community budgets'. They are different terms of art for the same thing. In fairness, there are parts of Whitehall that would do this, but the main obstacles are the great baronies of the service departments. If you are the Secretary of State, you want to preserve your existing position and your existing powerbase.

**Darren Johnson AM (Chair):** Thanks. That has led us nicely on to the second part of the meeting now and the public health agenda.

Welcome, Andrew, as Chief Officer for the NHS Lambeth Clinical Commissioning Group (CCG). I believe you are leading on devolution work within that.

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** I lead across the CCG chief officers across London. I have been working with NHS England on that.

**Darren Johnson AM (Chair):** Thank you.

**Andrew Boff AM:** The Mayor has statutory duties to promote improvements in health in London and also to do something about reducing health inequalities, but he has no dedicated budget committed to that task. Can the Mayor do anything at present to influence healthcare in London?

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** Can I start with health more than healthcare? That is the critical bit. Cities and governments of cities have a critical role to play in people's health.

There is an absolutely fundamental role for the Mayor and the people who work with the Mayor to have a really serious conversation with local people, with local employers, with local partner organisations and so on about health. Tony was talking about fiscal freedoms, in a sense, but with that comes responsibility about how you will spend money well. How you spend money well in health is by preventing ill health and by keeping people as well as possible. Therefore, there is an absolutely fundamental role for the Mayor in that conversation with the city and all its parts.

There are clearly some direct areas where you need co-ordination and where issues go right across citywide populations. Air quality would be an obvious one and transport. These are critical areas that impact on how people feel about their health and so on around police, around housing, around the urban environment and around planning. All of those things are critically important for not just how people perceive but how well they are. All of those things are really important.

If I could turn to care and healthcare, there are some really big asks for us in the NHS in particular. Our biggest challenge, probably, at the moment is where we get our workforce from and how we support people to stay in the city and to work in the city in the jobs we need them doing to look after people. Areas around housing are critically important for us at the NHS.

All of those areas are really important to us as an NHS. The Mayor has a role to play in all of those. They are the areas that will have a huge impact. If you think of us as a city, how do we tap into the massive assets we have and the investment we have and the opportunities we have? We have a huge focus on wealth in this city. Health is an important bit of that. The two come together. A healthy city will probably be a wealthier one and *vice versa*. Those aspects of the role of the Mayor are really important for us in health and will play out in healthcare.

The final bit would be around - and Tony [Travers] has already alluded to it - some of the challenges of reconfiguring and transforming health services. Absolutely, lending a shoulder to the need to change and the need to transform is really important, not just for the Mayor but for other political leaders across the capital.

**Andrew Boff AM:** Thank you. The London Health Commission proposed the establishment of a London health commissioner and a refocused health board. What has happened since that was published last year? What are the barriers to taking forward proposals to ensure that there is strategic leadership in London?

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** Perhaps I will start off by saying that the report, speaking on behalf of CCGs and the NHS England London team, was well received almost comprehensively by the NHS in London. We have been thinking right from even while it was being shaped, really, about how we were going to respond to it.

What we have done is we have brought together what we call our Healthy London Partnership, which has come up with a range of programmes to think about how we take forward specifically the recommendations in *Better Health for London* that relate to the NHS. We have a set of 13 programmes ranging from what we do about healthcare or cancer-care to what we do about things like workforce or connectivity and so on. We have set up across London's NHS a way of doing that that allows every single CCG - ie every single borough, 32 CCGs - to contribute in a way that allows us to do it on a London-wide basis and also to get traction and ownership in every single borough. That is the programme we have set out.

One thing I would mention about that really is about thinking about it. It is not just a single, if you like, "This is what we are doing London-wide". It builds on what is happening in boroughs as well and much of that is around how we work with local government and local authorities. When we put it together at a London-wide level, there is a tier of that, which is the only things we can do on a London-wide basis through our collaboration. That is an important bit of that programme. The programme is there and, if people want to take it, there is a prospectus here of what we do.

**Len Duvall AM (Deputy Chair):** Can I just interrupt you there? I am aware of that programme and it is a very important part of delivering an effective health strategy for London.

However, in some lines - not that I am anti quango-led transparency or engagement with the public - when you take some of those decisions that impact on healthcare or changes healthcare and you have a big agenda in the coming years, should that not be led politically rather than by the man or woman in the Ministry via a quango? You can see where it getting divorced in terms of the political direction. Some politicians might want to run away from some of the decisions they have to take. Should that not be led by politicians, either locally or regionally, giving you some direction, still within the NHS framework but about those London-wide strategies at a London level?

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** The development of this absolutely needs to have resonance with local politicians and needs to be part of the discussions we have on health and wellbeing boards and so on and so forth. When it comes to, then, a decision, say, about a configuration of health services and so on, it would be locally led through the processes we would follow at a local level. If I take my example, in southeast London at the moment, we are doing work across CCGs in southeast London and working with our local Government colleagues around the shape of services in southeast London. This programme is more about enabling all 32 CCGs in London to share their learning, to think about what models they might want to think about, to take that back into their local geographies and to think about how they would implement that working with their partners.

**Len Duvall AM (Deputy Chair):** Even at your level in Lambeth, you are working hard for the Lambeth residents, but some decisions you are not taking in Lambeth. They are being taken London-wide and they impact how you deliver those services. Should the residents of Lambeth know that? I do not mind working in partnership. I have worked in partnership before. However, who controls you - generally, not you personally - and who really are you accountable to? Should there not be a bit more hands-on in some of the agenda that you are doing? The NHS now is not going to be the same NHS in ten years' time. It is going to look very different. Do we do that by stealth --

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** No, obviously not.

**Len Duvall AM (Deputy Chair):** -- or do we do that in a more open way? Is it not better if that is led politically rather than by your good selves? No disrespect to you, but you mentioned earlier about the Mayor taking a role and speaking out in conversations across London. Actually, he is a great influencer, but he has no authority or direction over your budgets or your services. Politicians will not buy in. They will stand on the side-lines chucking hand grenades in, rather than leading a process of change and trying to explain to people that change actually might be good and might not be all bad for them, as some would suggest.

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** I absolutely take those points. I will give you one example: the primary care programme in here, which is probably the first one out of the blocks in this. The shape of that has been shaped by all 32 CCGs and the expectation is that those 32 CCGs will have spoken to their local stakeholders about how we would shape a new offer from general practice and, more widely, primary care at a local level. They will have been informed by discussions at health and

wellbeing boards and informed in the normal way that we would plan with our local partners in local government and beyond.

The difference about this is that in the past London-wide plans have been designed in London central, if you like, but this has actually been shaped and designed by the 32 boroughs working across the NHS and, where it makes sense, with local government. It makes more sense in some than in others. Some of them are much more medically focused, not all of them. There is much more local engagement with this. There is much more political, local and public involvement in it.

That is purely because what we are trying to do is to build up from the bottom. If I look at the example of the primary care programme, I know in all 32 CCGs who has taken the responsibility to take that engagement back into their local communities. If I look in Lambeth, I am doing that by working with my local Healthwatch, with the council and with my integrated commissioning team. It is as much a part of the work I am doing with local government as, say, thinking about social care and the Better Care Fund.

The danger is that you flatten everything and it all becomes a single-size solution. This is much more bottom-up grown. The decisions we take around this are partly around setting standards as opposed to how you would then go and implement in a particular locality. In Lambeth, I may have a different approach in actually three localities in Lambeth, not even on a borough basis. It will not be perfect and the approach we have taken should give us much more localised input and an opportunity to involve local people in that.

**Len Duvall AM (Deputy Chair):** Sorry to interrupt you. You were in full flow. You were about to highlight some other bits of work that you are doing.

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** Yes, the other bit I was going to reflect on is the London Health Board. That is the, if you like, NHS's contribution into *Better Health for London* and how we might take that forward. The London Health Board has refocused itself and reconstituted itself. The Mayor is chairing it and it is now meeting with London Councils, the CCG, the Local Government Association and Public Health England representatives to think about in particular London-wide. Where does it make sense to do things at some scale? What are the things where we want to put a London voice on things? How can we articulate that? That obviously requires parties who do not just operate at a London level to think about how they are going to collaborate and come up with a shared voice when there is one as well. That is much of the work we have been doing in the CCG in Lambeth and obviously working with London Councils. They are important areas.

One other bit I will just very briefly mention is not an area that I am involved in personally a lot. There are academic health science networks particularly working in the area of innovation around MedCity and so on. London is a place where we can really drive innovation and there is something about how we get the whole city behind not just medical innovation and also thinking about the population and some of the more behavioural aspects as well. That might help.

**Andrew Boff AM:** One of the recommendations was a health commissioner. That would imply, would it not, a certain 're-revolution' of power? With the title of 'commissioner', one would expect that a commissioner would then take on the responsibilities that are currently being exercised by CCGs.

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** We had some discussions at time about the word 'commissioner'. I am a commissioner, I have a budget, I procure things and I do needs assessments and all of that kind of stuff. My understanding is that that was not the nature of the way it was being expressed within the report. It was much more of a figurehead.

**Andrew Boff AM:** A convener?

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** A convener, yes, exactly. There is the thing about how you convene these conversations and about how you improve health in as many aspects as possible.

**Andrew Boff AM:** A commissioner is a specific thing, somebody who commissions things.

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** Yes. In a sense, our response in the NHS to bring system leaders together is a way of addressing some of the leadership challenge. In terms of having a convener, it is probably something the London Health Board needs to continue to take stock on about the voice for health in London.

**Andrew Boff AM:** Thank you.

**Len Duvall AM (Deputy Chair):** We have had evidence around the public health agenda and one of the issues that have been raised by the mayoralty here is the London-wide programmes and the 3%. This has obviously been a focus of the London Health Board at some stages.

Do you think there is a case for a strategic budget to be held, top-slice, London-wide, over and above the boroughs, to be used on the public health agenda? Is there a case in terms of devolvement and a return to this particular issue?

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** It depends on what you are trying to achieve and the scale you want to do it at. I am not going to answer for local government. Local councils will need to come to a view on that in terms of whether they have a shared set of priorities and whether they want to operate at the tier of the city-wide population. From the NHS perspective, in CCGs, we have put some of our resources into a shared pool to do this kind of enabling work that allows us at local borough level to share our learning and, where it makes sense, to co-ordinate.

Particularly around the public health agenda, the question is whether there is a common set of priorities coming out of local councils that would lead you to the value proposition, really, that if you combine you will get a bigger bang for your bucks.

**Len Duvall AM (Deputy Chair):** OK. I suppose it is too early from a health practitioner's point of view to comment about whether that devolution has proved its worth in terms of devolvement to local authorities and evidence of outcomes that it is working. Sorry to put you on the spot but, if I looked at it in five years' time, would that be fair then to take stock? When I think about some of the fashions and fads like the smoking campaign and what has pushed it on and what has really made a difference, it has been going for a number of years. Is five years too early to look at what local government is doing to say, "Actually, that devolvement is really working well and the outcomes are there"?

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** It probably is too early to say on the specifics on it. However, what I would say is that I have worked in Lambeth since the 1990s. I was in charge of public health in Lambeth and I worked with my council colleagues. Therefore, it does not feel like devolution. It feels like a sideways transfer. Actually, all the big gains we made in Lambeth in public health were where we worked in partnership with others whether it was with schools or with the council or with the police, all sorts of people. I am not sure just the transfer of accountability will change anything.



What it has brought is an opportunity for public health thinking around early intervention and prevention and access to other areas of public business like housing, parts of education we could not reach before, etc. It has opened up the doors to thinking of public health much more holistically and across a wider range of services. I have great hope for that, actually. In Lambeth, we did quite a lot of that. My great hope would be that by transferring responsibility to local government, it opens up that opportunity in many boroughs to think a lot more holistically.

I am worried about resources. I am worried about local councils' ability to sustain preventative and early intervention measures. It goes back to the point about how much resource is in the system and where it comes from. Certainly, from my perspective, it will be whether we are really getting the right partnerships to drive public health, informed by good public health capability and expertise. That would be my answer to that. It is probably a bit early, but certainly the opportunities are there, I would say.

**Len Duvall AM (Deputy Chair):** I suppose my final questions are around some of the international experience, particularly the New York governance model that enabled the City Council to legislate on public health matters. Do you think there is some merit in London government having a look at some of those powers to either undertake pilots or not push on into certain areas?

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** The powers bit goes back to the fiscal bit. If you think of a tax on fizzy drink and those kinds of areas, in a sense, it is in the realm of that. Those kinds of measures can have a big impact. The smoking ban and whether Liverpool could have done it quicker without waiting for the national stuff is probably a very good example. Obviously, it is reflective of the current position across the country at the moment. I do think those kinds of interventions can make a difference.

**Darren Johnson AM (Chair):** Can we put the same question to Tony about governance relations in health?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** There are two things. The government system in New York City, although it is not quite as unrestricted as it is easy to see from here, if you go to New York, the city is forever complaining about the state government getting in its way as if it were a bit like Westminster and Whitehall here. Just aiming off for that, the city does have greater freedom to direct its own destiny on a whole range of issues - criminal justice, health - but not transport, interestingly, where it is the other way around. Therefore, even though Mayor Bloomberg [former Mayor of New York City] did not in the end find it possible to introduce his tax on fizzy drinks, it was discussed. I think I am right in saying it did not actually happen for reasons that were beyond his control, but the fact is that the city could discuss a radical health intervention of that kind - whatever you think about it - and push the idea as Bloomberg also had with the smoking ban.

Whether you think these things are a good idea or not, at least the fact that the city can discuss them opens up and frees government to experiment. One of the things that would come out of a more devolved system of government, of which London would be a part, is that you would get more experimentation rather than just waiting for one national reform when we find out whether something works or not.

The other thing, of course, if I can just use the opportunity of having the floor to say this, is that the fact is that it is hard to think of a greater barrier to NHS and local government joint working than the current separate funding arrangements for the two of them. If you take social care, local government has its resources being taken away from it very fast and has to charge, certainly, for older people's care. The NHS has, broadly, protected budgets and its care is not charged for. Trying to get those services to work --

**Darren Johnson AM (Chair):** The Greater Manchester agreement is supposed to address that, is it not?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** I think it is. You almost certainly know more about it than I do, but yes. You can see it from both sides. From the NHS's point of view, this is not the most tempting offer. From local government's point of view, you think, "What will the Department of Health do to our money if they get hold of it and so on?" One of the real problems that comes out of the current arrangements is you get misuse of resources as compared with what would happen if it were possible rationally to bring them together. That is a separate issue, though.

**Len Duvall AM (Deputy Chair):** Can we just follow up and go back to Andrew on the primary healthcare agenda? I am a great believer in 1,000 blooms blooming in certain circumstances, but one of the challenges that we are facing in terms of the partnership work between the NHS and local government is that we have some boroughs with very good best practice - probably some of the best nationally, if we were honest, here in London - and some not so good and raising that agenda.

Whilst you talk of different issues within boroughs and different levels of service interaction and maybe primary healthcare in general, the interaction of some of that local government function working with the NHS function is up for discussion. What would be wrong with a combined authority in London of local government overseeing that aspect of it and bringing that co-ordination of it and direction and also the rest of the primary care agenda?

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** We are already seeing the joining up of budgets for populations because that is what we are talking about here rather than different bits of a pathway, if you like. Only last week in southeast London, we took on co-commissioning of primary care with NHS England. That puts commissioning of primary care back into the business of CCGs. In Lambeth, my borough, I have integrated commissioning teams and budgets with the local authority. I can achieve an awful lot of that joining up through the current ways of working, through pooled budgets and section 75 co-commissioning. That is a stated direction of travel and we would absolutely want to progress that.

Wherever the governance of that sits or the regulation of it, in a sense, the accountability needs to sit back to the population. Thinking carefully about that is important for all of us. My accountability goes in two directions, one nationally and one locally to the people of Lambeth. How do I join that up?

What we do have to face in the NHS, though, is that we cannot do everything at a borough level. We cannot do everything when it comes to hospitals. Our hospitals in London serve a population that is far bigger than the population of London. In southeast London, King's Health Partners' catchment area goes down to the coast in Kent and so on. There is something about how you co-ordinate and how you operate at different scales.

The way we design ourselves at the moment allows us to do that by working very locally where it makes sense with local government partners and we can pool all the work together and have joint governance in there, or I can work with other CCGs on a bigger scale as well and put governance around that. We can work within the existing system, but it is about being really clear about the set of decisions and what it is you are trying to transform at that point in time in terms of which set of partners you are wanting to work with.

That probably does not answer your question fully about why it is not just one set of arrangements or one set of governance, but that is the system we are working with at the moment.

**Len Duvall AM (Deputy Chair):** I am a great believer in localism. I can see the CCG and all the partnership. But why can local authorities London-wide not come together, particularly on primary healthcare, and say, "Fine, we will give you added direction"? Do not replace that group because it is an interesting group of

people coming together and sharing the dilemmas, but when you are making changes and making sure those changes stick and taking on maybe some people refusing to change or moving at the pace of change that is required, then you need some clear direction. The public has a right to know where that clear direction is. I am not very clear even as a politician in some ways, if I can relate the experience of Lewisham Hospital, where that decision ultimately lies in terms of who does what. It is a bit bitty and a bit fragmented.

I can understand the local bit, but once we get to sub-regional it gets a bit blurrier and you get a bit distanced from where those people whom you are meant to be servicing and taking decisions and including your borough because not everything can be done at local level, as you have said. If you get to London-wide, where strategic decisions about finances are taken, it becomes even blurrier. I do not think that is helpful for the period of transition or change that you are embarking on, actually almost immediately, but over the next five to ten years.

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** That is the main challenge for us. It is not just worrying about necessarily the decision-making. It is how you are taking the population with you. That is probably the bit that the NHS has struggled the most with, whether it is the political stakeholders or the community at large. Lewisham is a prime example from the last set-up. How do we actually do that in a way that is much more outward-facing and is making the case, whether it is about primary care or whether it is about hospitals?

The one bit I would be worried about is if we started to chunk up the health service into different bits again. I am a firm believer that you look at what is required, whether it is health, social care or other bits of public investment and public services, across the generic needs of a population as much as possible and then around individuals and individual communities. Anything you can do that joins up the responsibilities around the needs of those populations is a critical thing, rather than thinking of hospitals, primary care, social care, etc.

**Len Duvall AM (Deputy Chair):** One last question, then, on the Darzi Report [Professor the Lord Darzi of Denham KBE, HonFREng, FmedSci, *High Quality Care For All, NHS Next Stage Review Final Report.*]. Some politicians have different views and the Mayor has his own view about the health services. If the Mayor of London, whoever that happens to be in the future, was the figurehead over whatever the regional structure is - I am unclear about that; you are reinventing it and it is good that you are because it is quite important - should the Mayor of London be that figurehead? Or is there some NHS minister for London - I do not think there is but there probably is someone who has it in their portfolio as they develop the regions - to say, "There is that"? Should that not be devolved to London?

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** I am not sure that most of the decisions are London-wide decisions. Most of them are very close to local communities. You mentioned earlier how local governments are used to taking difficult decisions about services and so on. Very few of those are London-wide decisions. Some very big, wide-ranging decisions around hospitals might be taken at a certain levels. Others are much more local to a much more localised service. The express aim of what we are trying to do in the NHS is support people to be in their homes, not to be in hospitals and institutions. That is much more about how most people's care is provided by themselves and their families, not by doctors and hospitals. The localisation of that is critically important and it is about making the case for a wellness agenda as much as a hospital and treatment agenda.

**Andrew Boff AM:** Can I just take a couple of steps back to when we were having the discussion about the health interventions that you can take at a London-wide level? It appears to me that that overlaps with the kinds of responsibilities that boroughs have with licensing and the fact that it is more and more difficult to pull together a London Local Authorities Act such as the type that gives the local authorities the ability to license, for example, on alcohol and things like that.

Rather than waiting for a gap in the parliamentary timetable for them to rule about what is going to happen in London, is there something better that could be devolved down on a London-wide level to the GLA, perhaps the London Assembly rather than the Mayor? What do you think about that idea?

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** I do not know, to be honest. I suspect it is about how quickly you can make change.

Again, in Lambeth, the example I know, with licencing we have put alcohol saturation zones in Clapham. We have done things around 24-hour off-licences and really important things around not just the health of individuals impacted by alcohol but of the community and people's relationships with people drinking alcohol and so on. Those are important. We managed to get some traction in that by working, again, with public health colleagues, with planning officials, with people interested in the economy.

I do not know the specific answer. Do you get a bigger bang for your bucks if you do it in a different geography? We managed to get some benefit --

**Andrew Boff AM:** It is not so much that. The London Local Authorities Act on licensing gives the authorities the authority to be able to enact parts of it on things like street licensing and selling alcohol and stuff like that. However, it has to wait for a full parliamentary debate to take place and that is proving more and more problematic if you talk to London Councils. If the GLA had a general competence to rule specifically on licensing and health issues, it would allow those health interventions to be done.

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** It goes back to the thing about smoking in Liverpool. If we can have a way to push on faster, it is really helpful.

**Darren Johnson AM (Chair):** Tony?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** Clearly, absolutely. I am not on top of the complexities of the London Local Authorities Act or the bill process but, clearly, if it were possible to broaden out the capacity of the councils in the GLA to operate as licensing authorities and indeed to make small charges for things and greater freedoms there, both of these are potential tools in an array of carrot-and-stick types of interventions that can be seen to help to change behaviour, if that is what people want to do.

**Andrew Boff AM:** Nudging?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** Yes, absolutely. If that is what we are left with when there is not much money left, then why not?

**Andrew Boff AM:** Thank you.

**Darren Johnson AM (Chair):** Thanks. One issue that I want to pick up as well is the London Ambulance Service (LAS). In New York, there is much closer working between the fire department and the ambulance service. Is that a service that we could envisage being devolved to London government or could it come in only if there was much wider devolution of NHS functions, Andrew?

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** In NHS terms, CCGs are the commissioners of the LAS and so it is already devolved to borough level. We choose to work together as the 32 CCGs in London to commission the LAS and so it already is in accountability terms. I am responsible as

the Chief Officer for Lambeth for the LAS services provided to patients in Lambeth and I discharge that through working with the other 31 CCGs so that we can talk to the LAS collectively. To that extent, it is already devolved to the local NHS and we are aggregating back up because it makes sense to.

**Darren Johnson AM (Chair):** Tony, any thoughts?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** The LAS was run by London's government until it was, as elsewhere in the country, taken away. You have to say it is another of these classic British oddities to have two of the three blue-light services run by subnational government and one, in effect, run by national Government. If you ask where the accountability lines go in the end for the LAS, they go back to the Secretary of State for Health. Would you arrange it like that in a sensible world?

**Darren Johnson AM (Chair):** Would you change it in a sensible world?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** It is easy for me to say this because I am not enmeshed in running the NHS in London, but I am just doing a bit of a back-of-the-envelope calculation here. I have not looked at these numbers and they are not really available, which is the point, but the NHS nationally spends about £110 billion a year. Even if it were just *pro rata* to population, the London NHS spend in total must be something in the order of £15 billion. It is a huge sum. Actually, it is probably nearer £20 billion. A lot of that goes through CCGs but not all of it. A lot of it is held back in other ways.

The path on which it finds itself from the £110 billion that the Secretary of State holds to the way it turns up in Greenwich or Lewisham or any other area of London is, as you said, Len [Len Duvall AM], almost impossible to get your mind around. I am not being critical of the NHS here. I am just saying that there is a pot at the national level that then finds its way down to CCGs and they make decisions - and correct me if I have this wrong - about how they buy in services from providers, usually trusts and hospitals and so on.

However, of course, trying to work out what is being spent in any one area over any period of time is just not possible, whereas you can with transport or the police or borough services. You can work out what is spent. The only way you can do this retrospectively through Treasury figures in the Public Expenditure Statistical Analyses to see what was spent on health in London as a whole. Therefore, the question of how resources are used is not under accountability pressures - not only in London - of a kind that makes it easy for politicians at any level other than in the Secretary of State's office to work out what is going where. As I said, I am not being critical certainly of Andrew [Andrew Eyres], who is working inside the system. It is just the system we have ended up with. Again, there are accountability weaknesses in this. Do we know whether London or a part of London is having more spent on it than other parts of the country than last year relatively or less? We do not know. For other services, we could work that out.

Of course, if London's government were responsible for most of the NHS, it would have to have a budget for it and decide what to do with it. Of course, there are other players, too, whom we do not hear very much about like big universities, which are very powerful and are rarely discussed, and the grandee university trusts who also have a powerful role inside this. Accountability in the NHS is actually pretty difficult for most of us to understand and that must apply to the money as well.

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** Just on the money and the importance of NHS England co-commissioning with CCGs, I would hope that would re-join up the accountability on the money back to the population or, in our instance in London, back to boroughs. The two bits you cannot see in my accounts as a CCG are primary care commissioning and specialist services

commissioning. The rest you can see in terms of what is spent on the population in Lambeth. If that gets added back through co-commissioning, then you can start to build up a population-based budget and you can add to that social care in the local government's accounts, etc.

The bit that is different about London is we import a lot of money into our hospitals because that budget is for my population. We bring a lot of income into London for treating people from outside of London and that will appear in the budgets of CCGs from around the rest of the country, but it is actually spent largely in our hospitals.

**Darren Johnson AM (Chair):** In terms of clarity, are there elements of the Greater Manchester model with the emphasis on integration between health and social care something that could work for London, Andrew?

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** These are bespoke arrangements to some extent. London is very different and we are much bigger and much more complex and diverse.

**Darren Johnson AM (Chair):** Would we be looking at maybe sub-regional? Is regional far too big with 32 different boroughs? Would we be looking at sub-regional?

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** Possibly. That is why in our programme we looked at boroughs, we looked at what we called the strategic planning groups and then we looked at London. There are some attractive bits about it, particularly looking beyond one year. The ability to plan over a longer timeframe is really important and one we do not necessarily benefit from at the moment. That would be very good.

What is interesting in Manchester is the extent to which it is also progressing integration at a borough level. What they are doing in Manchester is coming up with health and social care plans for every borough. That is really interesting and, across London, you see quite a lot of that, whether it is the Better Care Fund or not. That is where the big dividend is. It is the extent to which we join up health and social care and beyond that into other bits of councils and then potentially we can, equally, work in not just integrated ways but collaborative ways and work at different geographies as well. As CCGs, we are already working at different geographies. Local government is starting to think about that now as well in London and it would be helpful for us as well. Not everything is going to be suited to either a London-wide or a borough-based scale. Many things will fit somewhere in between.

**Darren Johnson AM (Chair):** Sub-regional may be much easier to organise, potentially, than trying to get things to--

**Andrew Eyres (Chief Officer, NHS Lambeth Clinical Commissioning Group):** It depends on what the subject is. You talked earlier about the LAS working with the police. That might present a different geography than, say, a hospital configuration. It depends on where you drive best value.

**Darren Johnson AM (Chair):** OK. Any additional comments from Tony on this?

**Professor Tony Travers (Director, LSE London and Chair, London Finance Commission):** No.

**Darren Johnson AM (Chair):** Otherwise, we will draw to a close. Thank you both, Andrew and Tony, for coming along today. That has been incredibly useful.

# Subject: Summary List of Actions

**Report to: GLA Oversight Committee**

**Report of: Executive Director of Secretariat**

**Date: 9 July 2015**

**This report will be considered in public**

## 1. Summary

- 1.1 This report updates the Committee on the progress made on actions arising from previous meetings of the GLA Oversight Committee.

## 2. Recommendation

- 2.1 **That the Committee notes the completed and outstanding actions arising from previous meetings of the Committee, as listed below.**

### Actions Arising from the Meeting Held on 24 February 2015

Item	Topic	Action	Action By
6	<p><b>Consultation on Shared Committee Services with the Old Oak and Park Royal Development Corporation</b></p> <p>As part of its annual review of GLA shared services, the Committee receives an update on the proposed arrangements, with particular reference to financial costs and potential conflicts of interest.</p>	To be dealt with at the Shared Services items during the 2015/16 work programme.	Committee Officer

Item	Topic	Action	Action By
8	<p><b>London Assembly Annual Report</b></p> <p>Authority delegated to the Chair (MDA 580), in consultation with the Deputy Chairman and Group Lead Members, to approve the publication of the London Assembly annual report 2014-15.</p>	In progress.	Head of Scrutiny and Investigations.

### Actions Arising from the Meeting Held on 27 January 2015

Item	Topic	Action	Action By
8	<p><b>Consultation on Pan-GLA Group Collaborative Procurement Function</b></p> <p>The Committee requested an update in 2015/16 addressing the issues raised during the meeting:</p> <ul style="list-style-type: none"> <li>• Named individuals in each organisation to be held to account;</li> <li>• Clearly set out milestones showing what would be achieved in the first two years;</li> <li>• More ambitious, but achievable targets for savings over a reasonable timescale, with clarity about what savings were being made;</li> <li>• The planned approach to ethical and fair trade procurement; and</li> <li>• A focus on ensuring that TfL's approach to efficiency would be closely monitored.</li> </ul>	To be dealt with as part of the Committee's 2015/16 work programme.	Executive Director of Resources



## Actions Arising from the Meeting Held on 11 December 2014

Item	Topic	Action	Action By
10	<p><b>State of London Debate</b></p> <p>The Committee to review at a future meeting the format of the State of London Debate with a view to assisting the next Mayoral administration.</p>	To be dealt with through the Committee's work programme for 2015-16.	Committee Officer

## Actions Arising from the Meeting Held on 11 September 2014

Item	Topic	Action	Action By
6	<p><b>Shared Services: Consultation on Shared Treasury Management Functions</b></p> <p>It was agreed that the GLA Oversight Committee reviews the shared treasury management arrangement between the GLA and the London Pensions Fund Authority after a year of operation.</p>	To be dealt with through the Committee's work programme for 2015-16.	Committee Officer

## Actions Arising from the Meeting Held on 25 June 2014

Item	Topic	Action	Action By
18	<p><b>Consultation on Proposed Restructuring of the Committee Services Team</b></p> <p>The Head of Committee and Member Services to further explore the possibility of shared Committee Services arrangements with MOPAC and to provide a note to a future meeting setting out MOPAC's decision-making structure and processes.</p>	To be dealt with at the Shared Services item during the 2015/16 work programme.	Head of Committee and Member Services

### 3. Legal Implications

3.1 The Committee has the power to do what is recommended in this report.

## 4. Financial Implications

4.1 There are no financial implications arising from this report.

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### List of appendices to this report:

None.

<b>Local Government (Access to Information) Act 1985</b>
List of Background Papers: None.
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# Subject: People's Question Time

**Report to: GLA Oversight Committee**

**Report of: Director of Communications and External Affairs**

**Date: 9 July 2015**

**This report will be considered in public**

## 1. Summary

- 1.1 This report updates and consults the Committee on the proposals for the 31<sup>st</sup> People's Question Time (PQT).

## 2. Recommendations:

- 2.1 **That the Committee notes and comments on the proposals for People's Question Time, on Thursday 26 November contained in this report, particular views are sought on: (i) the geographical area; and (ii) the Chair of the event; and**
- 2.2 **That the Committee provides any views, ideas or suggestions on further ways to improve People's Question Time as a consultative event.**

## 3. Background

- 3.1 The purpose of this report is to update and consult the Assembly on plans for People's Question Time in the **London Borough of Hillingdon on Thursday 26 November 2015**. This will be the 31<sup>st</sup> PQT the GLA has held.
- 3.2 By way of recap, the selection of PQT locations for this Mayoral term were determined in October 2012 and shared with the Assembly via email. The full schedule of PQT dates and locations was presented to GLA Oversight Committee in July 2013.
- 3.3 People's Question Time is one of the statutory requirements under the GLA Act 1999. It is a joint event between the Mayor and the Assembly. PQTs are organised and funded by the External Relations Directorate through a Project delivery team, which also involves the External Relations Team, the Mayor's Office and the Assembly Secretariat.

## **4. Issues for Consideration**

### **4.1 Chair, time and date**

The proposed chair of this PQT event will be Dr Onkar Sahota AM. The meeting will be held from **7pm – 9pm on Thursday 26 November 2015.**

### **4.2 PQT venue**

The External Relations Team has identified **The Beck Theatre**, Grange Road, Hayes, Middlesex UB3 2UE as the preferred venue. The venue has a capacity of 600 people and has acceptable local transport links.

### **4.3 Agenda**

The proposed agenda for this event is as follows:

1. Growing London's economy;
2. Housing;
3. Transport & Environment;
4. Policing & Community Safety; and
5. Other issues

### **4.4 Public Engagement**

The PQT Project team will work with the host local authority (London Borough of Hillingdon) to target specific groups within the area to enable the GLA to further leverage their established consultation networks.

4.5 Use of such local networks and a number of other marketing and promotional initiatives, using both traditional marketing techniques (such as posters, leaflets and local press) and digital marketing techniques (listed below) will ensure that PQTs continue to reach out to potential new audiences, whilst continuing to ensure audiences reflect the host boroughs and London's diversity.

4.6 A number of digital marketing initiatives are currently being used and developed, including:

- Widening the use of social media tools, including Twitter to engage with Londoners to have their say prior to, during and post event;
- Specific channels targeted at younger Londoners, such as internal newsletters/databases including Capital Child and the Children and Young People's Unit, populating online listing sites via Bullseyehub, and schools and library email lists;
- More robust and responsive email databases gathered from policy areas, local authorities and previous events;
- Opportunities for Londoners who are unable to attend in person to view/access the event online (via podcasts, video and transcripts); and
- Offering the chance for people to request and receive e-tickets via on-line registration.

### **4.7 Assembly Consultation**

We continue to address the Committee's previous concerns regarding the lack of consultation with

constituency Assembly Members on venue choices; Dr Sahota AM, as chair of the event, has been consulted on the choice of date and venue. The date has been set around his availability and he has approved the venue choice.

#### 4.8 **Accessibility**

In selecting the Beck Theatre as the proposed venue, the External Relations Team will undertake an accessibility audit, to ensure that the event is accessible to all. As with all PQT events, there will be access facilities such as British Sign Language and palantypist translation. The PQT programme will be available, on request, in alternative formats, eg braille and large print.

#### 4.9 **Feedback**

The External Relations Team encourages people to complete feedback forms at the end the event, data which is compiled as an evaluation report. E-flyers including an online feedback survey are also sent out post event.

#### 4.10 **Strategy Implications**

PQT is an important part of the consultation calendar providing an excellent forum for Londoners to communicate with the organisation on the issues that are important to them. The consistency of delivering this event twice a year means that it contributes to establishing the GLA as an organisation that is listening to Londoners. As already indicated, PQT is a corporate and joint statutory responsibility for the Mayor and Assembly.

#### 4.11 **Future Dates**

The borough and date identified for the last PQT of this Mayoral term is Croydon, a paper will be tabled at a future meeting later this year.

## 5. **Legal Implications**

5.1 Twice in every financial year, the Mayor and the Assembly must hold and attend a meeting that will be open to all members of the public, called “the People’s Question Time” (“PQT”). The purpose of PQT is to afford an opportunity to members of the public to put questions to the Mayor and Assembly members, and to enable them to respond. Section 48 of the GLA Act 1999 sets out various requirements for the meeting:

- The Mayor approves the form of the PQT meeting, and can make formal procedures about how it is to be held, following consultation with the Assembly about them. These procedures can regulate how the public can put questions, and could include provisions for suppressing or preventing disorderly conduct or other misbehaviour at the meeting, including a power of exclusion.
- Members of the public who attend or speak at PQT do so subject to, and in accordance with, those procedures.
- The Mayor decides the date of PQT meetings, following consultation with the Assembly, the date of which must be not less than one month before or one month after the State of London Debate.
- The Mayor must decide the venue for the meeting not later than one month prior to the date on which the PQT is to take place.

- The Mayor must give adequate notice of the date and place of the meetings to members of the public at least one month prior to it taking place.
- Following consultation with the Assembly the Mayor may appoint any person to preside at the PQT meeting, whether or not that person has a connection with the GLA.

## 6. Financial Implications

6.1 For 26 November 2015 it is envisaged that that the costs for the event will be up to £25,000, which can be met from the existing PQT budget, which is managed by the External Relations Team.

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### List of appendices to this report:

None

<h3>Local Government (Access to Information) Act 1985</h3>
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<p>List of Background Papers:</p>
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<p>None</p>
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<b>Subject: Workforce Report</b>	
<b>Report to: GLA Oversight Committee</b>	
<b>Report of: Head of Paid Service</b>	<b>Date: 9 July 2015</b>
<b>This report will be considered in public</b>	

## 1. Summary

1.1 This is the workforce report for the period 1 April 2014 to 31 March 2015.

## 2. Recommendation

2.1 **That the Committee notes the report.**

## 3. Background

3.1 This is the eleventh workforce report following the creation of the current organisation structure and covers the year ending 31 March 2015 and contrasts with the year ending 31 March 2014. It also covers complaints monitoring and recruitment for this period.

3.2 The attached appendix is presented in a concise, reader friendly format, with additional information included as requested by the Committee. Background data is available from Human Resources and Organisational Development (HR & OD) on request.

3.3 The Greater London Authority (GLA) payroll service is provided directly by LFEPA. The core human resources (HR) system is provided by Midland HR Systems.

3.4 Following the procurement of the Midland HR System in 2014, Human Resources and Organisational Development have implemented both Employee Self Service and People Manager providing employee access to their personal details with the ability to amend them, ability to book annual leave and learning on line and complete performance reviews.

## 4. Issues for Consideration

4.1 Detailed data for the year ending 31 March 2015 is set out in the attached document (**Appendix 1**). Throughout the report, commentary has been included on the data highlighting the headline issues.

The comparative benchmarking data in this report is taken from the Chartered Institute for Personnel and Development (CIPD) and Xpert HR reports.

## **5. Turnover**

- 5.1 Total annualised turnover for the GLA for the year ending 31 March 2015 was 11% with voluntary turnover running at 7% which is higher than the figures published for the public sector in the CIPD's Resourcing and Talent Planning Survey 2013. This report shows median turnover rates for the public sector as 9.4% with voluntary turnover as 4.2%. Highest median rates for 2013 were in the private sector services at 16.3% with voluntary turnover at 11.8%.
- 5.3 Of leavers for the period, 75% completed part one of the questionnaire which is a significant increase in the number of staff completing the exit questionnaire. The data shows that 88% of those completing part one of the questionnaire would return to work for the GLA in the future.
- 5.4 The exit data shows that, of those declaring their destination after leaving the GLA, 32% took roles in the private sector, 35% in the public sector and 21% in the voluntary sector. The main reason given for leaving the GLA was promotion.

## **6. Workforce Composition**

- 6.1 Total staff numbers has increased from 727 as at 31 March 2014 to 787 as at 31 March 2015. The distribution of staff across the directorates has remained broadly similar with no significant changes. The increase in staffing numbers reflects a number of additional short-term positions, including more apprentices and staff to support the set-up of new Mayoral Development Corporation.
- 6.2 Equal Life Chances for All Framework aims for a workforce at the GLA which is representative of London's communities at all levels of the organisation.
- 6.3 The workforce composition in terms of Black, Asian and Minority Ethnic (BAME) ethnicity has remained at 24% for the period in question. The overall turnover for BAME staff is broadly proportionate in comparison to the overall GLA profile at 20%. The proportion of BAME staff has remained fairly stable from 2008 to date.
- 6.4 Across the directorates, Resources has the highest number of BAME staff with 38% of the directorate total. The percentage of BAME staff in other directorates ranges from 11% in the Secretariat to 31% in External Affairs.
- 6.5 The number of female staff has remained relatively stable at 52%.
- 6.6 The percentage of disabled staff has remained at 5%.
- 6.7 As at 31 March 2015, 8% of the total workforce were part time. Of these, 76% were female and 20% were BAME. The part time employees are evenly spread across all directorates. 52% earn between £40,001 and £50,000 pro rata.



6.7 In the year ending 31 March 2015, 19 commenced maternity leave. There were 20 employees due to return from maternity leave during the reporting period of which two did not return.

## **7. Equalities Taskforce Initiatives**

7.1 The Equalities Taskforce continues to drive forward the action plan which was agreed with the Corporate Management Team. The taskforce comprises of representatives from HR, Unison and senior managers from each directorate. The action plan focuses on addressing diversity and inclusion issues and improving representation in the organisation.

7.2 The GLA is committed to promoting a workforce profile representative of London's population, at all levels of the organisation. To help BAME staff currently in grades 7-10 with their career development, the GLA piloted Coaching Squared programme. The Coaching Squared programme is based on the concept of cross-organisational co-coaching partnerships supported by three facilitated workshops over a nine-month period. Participants meet regularly to coach each other on their goals and aspirations. Seven BAME staff members from the GLA completed the pilot programme running between January-September 2014.

7.3 Coaching Squared carried out an evaluation of the programme. All participants said they would recommend the programme, 83% felt they had increased self-awareness 70% increased confidence and 70% gained new ideas on better ways of working as a result of taking part in the programme.

On an anecdotal level, from evidence collected by the GLA HR & OD team benefits experienced by GLA participants have included:

- help in focusing on goals and encouragement in working towards them;
- working through problems;
- help managing difficult work relationships;
- space to talk in a non-judgmental environment and with supportive feedback;
- improved self-confidence;
- effective networking; and
- being able to identify goals and ambitions.

7.4 The follow on evaluation of GLA participants only six months after the programme completion had more mixed results. Of the five respondents only one person felt they were more able to progress their career as a result. And only two people would recommend the programme to colleagues. The long term impact is also mixed. Since undertaking the programme, one participant has left the GLA, one is on an internal secondment, three are in the same job as they were when they started the programme and one has been awarded an honorarium for taking on additional responsibilities.

7.5 The Equalities Taskforce have agreed to investigate other opportunities for cross organisational coaching support for BAME staff.

7.6 The Equalities Taskforce are working in partnership with Timewise, a company that specialises in offering part time opportunities and works with organisations to develop a strategy to aid career

progression. Over the next 12 months, we will be hosting 4 quarterly meetings with Timewise to learn, share and develop ideas for how the GLA can take a more inclusive approach to recruitment and career progression for part time staff. The aim is to continue to develop a culture where flexible working is not a bar to career progression.

7.7 The GLA is currently running an Inclusive Leadership programme where managers discuss issues of inclusion prompted by video-based scenarios which exemplify non-inclusive behaviours. The programme has already been rolled out to all senior managers through:

- small group workshop discussions chaired by members of the Equalities Taskforce taking place between July-September 2014 (attended by Heads, ADs and Directors); and
- Senior Management Team-wide discussion on 14 October 2014.

7.8 Individual directorates are now cascading the Inclusive Leadership programme to all managers. Feedback so far has been very positive. The videos have been a useful tool to stimulate discussion and there is broad consensus that the GLA is a very open and inclusive place to work. There have also been good suggestions about how the GLA could improve further such as raising awareness of equalities considerations through blogs and lunchtime presentations by appropriate role models.

## **8 Salaries**

8.1 58% of staff are in the £30,000 – £50,000 salary bracket. The number of staff earning over £60,000 has remained at 13%, staff earning over £100,000 has also remained stable at 3%. The comparison between lowest and highest is 7.4:1, the highest paid is 3.7 times the average salary. The average salary has remained reasonably stable at £45,978.

8.2 The percentage of BAME staff earning above £60,000 has increased remained stable at 15% since March 2014. BAME staff represent 26% of staff earning between £30,000 –£40,000, and 26% between £40,000 –£50,000.

8.3 The salary levels for female and male staff are broadly representative up to £60,000. Females earning £60,000+ has remained stable at 40%.

8.4 The percentage of promotions by ethnicity, gender and disability is in line with the overall GLA profile and in the case of gender and ethnicity exceeds the profile at 27% BAME and 56% female respectively.

8.5 The City Hall Women's Network meets regularly and is currently planning a programme of activity for 2015 to offer learning and networking opportunities for GLA female staff at al. There is a well developed programme of events for 2015, supported by the HR and OD team.

8.6 To support staff career development, the GLA continues its Career Pathways programme which consists of a range of workshops on topics such as effective applications, interview skills, networking, personal impact and access to 1:1 career guidance and coaching

8.7 To support staff career development, the GLA continues its Career Pathways programme which consists of a range of workshops on topics such as effective applications, interview skills, networking, personal impact and access to 1:1 career guidance and coaching. In May 2015 we held

the annual Learning and Work fair showcasing the Learning and Career development offer available at the GLA. The fair was supported by a wide range of training and development providers and was well attended by staff.

- 8.8 Parents of children born or placed for adoption on or after 5 April 2015 are entitled to Shared Parental Leave (SPL). SPL is designed to give parents more flexibility in how to share the care of their child in the first year following birth or adoption; parents are able to share 50 weeks leave (with up to 37 weeks of statutory shared parental leave pay) between them. They may choose to take the time together or separately.
- 8.9 The HR&OD unit have launched a trial SPL policy that entitles GLA employees to enhanced shared parental leave pay in line with the GLA maternity pay. In June 2016, the HR&OD unit will conduct a review of the policy which will include data on employee take up, associated costs and any further guidance or changes to the legislation.

## **9. Sickness Absence**

- 9.1 The findings in this report are based on sickness data for the year ending 31 March 2015. The HR team are using the Midland HR System to record sickness absence and output all management information. The roll out of the recording of sickness absence through People Manager is due for July 2015, this will enable managers to record all sickness absence for their teams and will give them, access to real time management information. As the Midland HR System enables accurate management reporting details of absence data broken down by equality groups is included in appendix 1 as requested by the Committee.
- 9.2 Annualised figures show an average absence of 3.16 days per employee for the year ending 31 March 2015. The GLA average is significantly lower than published benchmark figures from the CIPD Absence Management Survey 2014 which report Central and Local Government who have reported 7.4 and 8.2 days respectively and has remained lower than the Private Sector average reported as 5.5 days.
- 9.3 HR & OD continues to support line managers in the application of the Sickness Absence policy which helps to ensure absence is reported by managers and encourages proactive intervention resulting in managers engaging with staff much earlier than before, leading to an improving picture of sickness absence.

## **10. Recruitment**

- 10.1 The current reporting period (April 2014 – March 2015) has been a busy period of recruitment with a total of 238 vacancies recruited to. Vacancies are advertised internally first and from that process 98 (41%) of appointments were made from the existing workforce. On 28 April 2014, the HR&OD unit launched the online Applicant Tracking System (EngageATS) and all vacancies from this date were advertised and managed using the online recruitment system.

### BAME

- 10.2 The number of BAME applicants applying for external vacancies has increased by 3% to 33%, the number of applicants moving through to shortlist stage increased by 2% to 25% and appointments has increased by 1% up to 24%. In the same reporting period, internal BAME applications is 33%, the number of shortlisted and appointments both decreased by 4% (25% and 18% respectively). The internal recruitment figures have decreased but remain higher than 2013 reporting period figures.

### Female

- 10.3 Females made up 54% of the applicant pool for posts advertised externally and 53% of posts advertised internally which is consistent with previous reporting periods. There has been an increase in the number of females interviewed externally (54%) and small decrease of females interviewed internally (53%). The number of external appointments increased by 1% to 59% and decreased by 7% to 60% for internal appointments.

### Disability

- 10.4 The number of applicants from disabled groups for external (5%) and internal (4%) adverts has remained the same as previous reporting. The number of applicants moving through to the shortlist stage has increased by 1% to 5% for both external and internal adverts. The number of external appointments has remained at 4% whereas there has been a decrease of 1% for internal appointments (1%).

### Sexual Orientation

- 10.5 The workforce report includes recruitment and retention figures in relation to sexual orientation, and this data is reviewed in the context of existing employee workforce data. In the current reporting period 8% of staff that have made a response declared their sexual orientation as lesbian, gay, bisexual, and transgender (LGBT).
- 10.6 The number of external LGBT applicants is 7% and remains at the same figure through to the shortlist stage and external appointments. The number of internal LGBT applicants is 7% and increases to 8% for shortlisting stage with internal LGBT appointments at 5%.

### Faith

- 10.7 The current number of employees with Christian faith is 34%; this is the largest faith group – apart from those declaring no faith (42%). For external and internal recruitment, the highest number of applications, shortlisted and appointments are Christian. The number remains consistent through the different stages and is proportionate to the current number of existing employees. With regards to external appointments, 46% declared 'no faith' and for internal appointments, 46% declared 'no faith'. These figures are in line with the current workforce figures.

### Age

- 10.8 Of current employees the highest number fall in age band 30-39 years (39%), followed by age band 40-49 years (25%). The highest number of external applications fall in the 20-29 years (43%) age band. Statistically, applicants are very likely to be shortlisted in the 30-39 age band (37% being the highest number shortlisted), followed by the 20-29 (35%) age band. The highest number of external appointments are in the 20 – 29 age band (34%). The highest number of internal applicants are in the 30-39 (44%) age band and remains proportionate at shortlisting (45%) and appointment (42%) stage.

- 10.9 Over the course of the reporting period the HR&OD unit has continued to review the use of different advertising media using the information captured via the Applicant Tracking System (EngageATS) to understand where applicants see job opportunities with the GLA.
- 10.10 The HR&OD unit have improved the existing shortlisting review process with a comprehensive template being devised for managers to conduct reviews. The template contains information on the process and includes data analysis showing where the vacancy was advertised and how each advert source performed in relation to attracting a diverse applicant pool (BAME, Disability and Gender). This has been well received by managers and Equalities Task Force.

## **11. Organisational Development and Engagement**

11.1 The key programmes and tools include:

- Cornerstone Module - to explain the management development programmes on offer and provide tools to help managers plan their development.
- Management and Leadership Diagnostic Tool – to enable managers to assess their skills against the GLA management and leadership standards and behaviours to inform their development choices.
- Management Essentials – a range of workshops and courses focusing on specific skills areas, for example, recruitment and selection, performance management, delegation, team development and coaching.
- Institute of Management (ILM) accredited qualifications programmes
  - ILM Level 3 Into Management – for first line managers
  - ILM Level 5 Into Middle Management – for middle managers
  - We are in the process of designing an Into Leadership Programme for senior managers

11.2 Since October 2014, a total of 112 managers have attended Management Essentials courses to date. During the same period, 35 managers have been studying for ILM levels 3 and 5. The take up from women and BAME managers is good. More female managers have accessed the offer than male managers and the take up from BAME managers is at a higher percentage level than their percentage in the GLA manager population.

11.3 Recruitment for the second cohort of the GLA traineeship scheme is underway. We expect to host around 5 trainees from August to October. The trainees undertake 2 weeks intense training programme, followed by 10-week work experience placement at the GLA (3-4 days/week).

11.4 A healthier and happier workforce is linked to better productivity and higher levels of staff engagement, impacting positively on business performance. The GLA is committed to supporting staff health and wellbeing and empowering employees to care for their own health. The Wellbeing Network, made up of staff representatives from across the GLA, has been supporting this objective by coordinating a range of health initiatives run by and for staff.

11.5 The Wellbeing Network went through a rigorous accreditation process against the Mayor's three step Healthy Workplace Chartermark charter and were awarded the Excellence level in October 2014. The London Healthy Workplace Charter provides a framework to support employers develop good

practice by promoting health in their organisation in a practical way. The verifiers praised the GLA for having “achieved excellent outcomes” on workplace health “with clear enthusiasm from staff”.

## 12. Grievances/ Disciplinary

12.1 During the period 01/04/14 to 31/03/2015 there were three disciplinary cases and three grievances. Equalities data for disciplinary and grievance cases has been withheld to preserve the anonymity of the individuals.

## 13. Complaints Monitoring

13.1 Complaints received from 1 October 2014 to 31 March 2015.

13.2 For the period 1 October 2014 to 31 March 2015 a total of 34 complaints were received.

13.3 Of the 34 complaints received by the GLA;

- 31 were responded to within the GLA’s standard (20 working days).
- 1 complaint was marked for no further action (NFA) within the deadline as no address was provided.

The percentage of requests known to be handled within deadline was therefore 91% of all complaints received. This is above our 90% target.

13.4 Of the 34 complaints, 21 were not upheld and 12 were upheld and 1 was NFA’d as there was no address given. 30 were stage one complaints, 2 complaints were at stage two and 1 complaint was at stage three. Some common themes were complaints relating to:

- Correspondence about pollution levels;
- Chasing correspondence;
- Complaints against member(s) of staff;
- Parliament Square;
- NYE ticket sales; and
- Staffing at MQT.

Summary of 2014/15 performance to 31 March 2015

13.5 **Table 1 below shows performance against the standard for the two 2014/15 monitoring periods**

2014/15 (Q1 & Q2)		2014/15 (Q3 & Q4)	
Target	Actual Performance	Target	Actual Performance
90%	<b>88%</b>	90%	<b>91%</b>

13.6 A total of 51 complaints were received during 2014/15, of these, 46 complaints (90%) were responded to within the standard 20 working day deadline (GLA’s local target of 90%). For Q3 and

Q4 there has been a marked improvement in responding to complaints on time, bringing our annual performance to 90%, meeting our performance target.

13.7 Table two below shows the number of complaints received by each Directorate during 2014/15.

**Table 2: Complaints received by directorate**

Directorate	2014/2015				Total
	Q1	Q2	Q3	Q4	
Mayor's Office	0	0	0	0	0
Corporate Management Team	1	2	1	2	6
Resources	1	0	5	3	9
External Affairs	0	9	11	7	27
Communities & Intelligence	1	0	1	1	3
Development, Enterprise & Environment	0	1	2	0	3
Housing & Land	1	1	0	0	2
<b>Total received</b>	<b>4</b>	<b>13</b>	<b>25</b>	<b>13</b>	<b>55</b>

## 14. Improving performance

- 14.1 The GLA will continue to monitor complaint handling performance in 2015/16 as part of its performance management framework. In order to improve performance further, the indicator will continue to be monitored internally on a monthly rather than quarterly basis to ensure interventions are put in place in a timely manner.
- 14.2 Correspondence and complaints performance is presented to Corporate Management Team Meetings on a quarterly basis. Where performance has not reached the local standard (90%), improvement measures are discussed and senior managers are responsible for ensuring those measures are introduced.
- 14.3 The Public Liaison Unit has allocated individual officers to each directorate to assist with improving performance. This has proved to have had a positive impact on our performance.
- 14.4 The Authority will continue to improve upon complaint handling performance through 2015/16 in order to maintain our performance in achieving the 90% target for responding to complaints within 20 working days.

## 15. Financial Implications

- 15.1 There are no financial implications for the GLA arising from this report.

## 16. Legal Implications

- 16.1 The Committee has the power to do what is recommended in this report.

**List of appendices to this report:**

Appendix 1 - Workforce Report – An annual digest of employment data and statistics – period 01/04/14 to 31/03/2016.

Local Government (Access to Information) Act 1985

List of Background Papers: None

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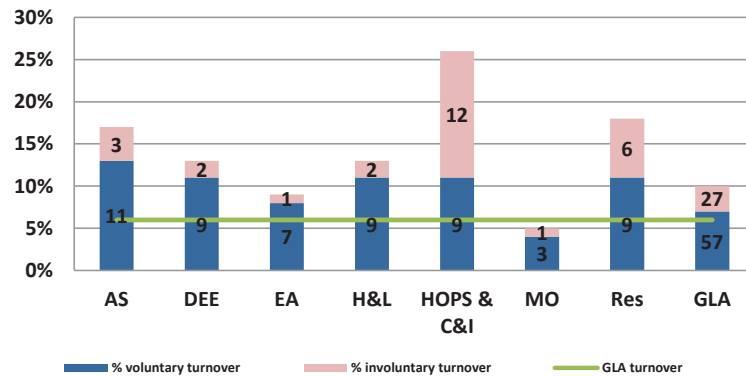


# **GLA Workforce Report**

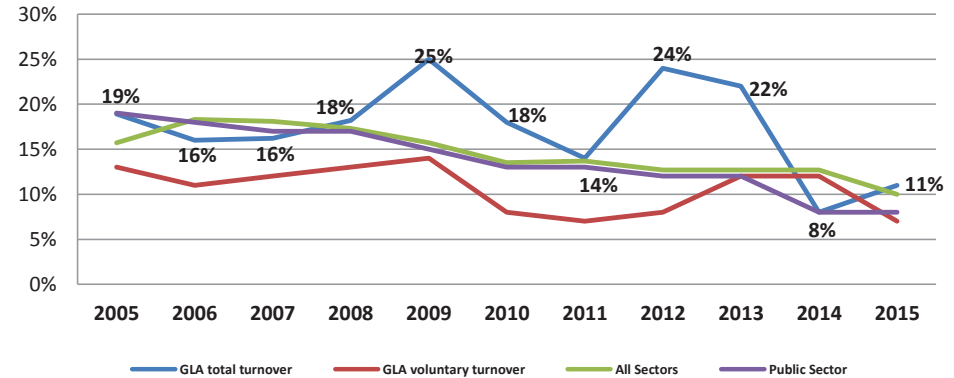
**An annual digest of employment data and statistics for year ending 31  
March 2015**

# Turnover - overview

## Turnover by Directorate



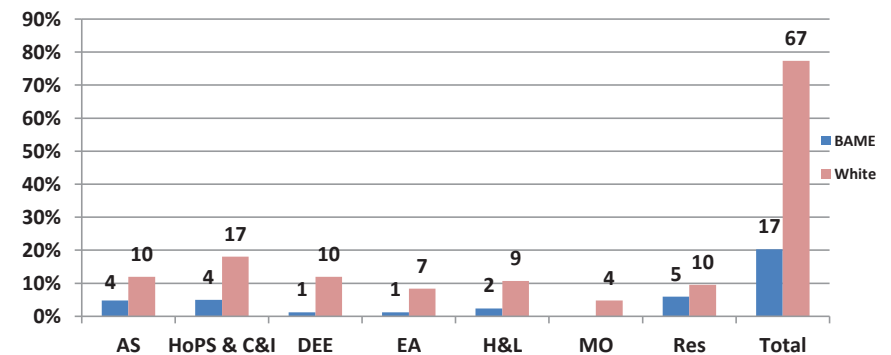
## Turnover benchmarking



## Reasons for leaving

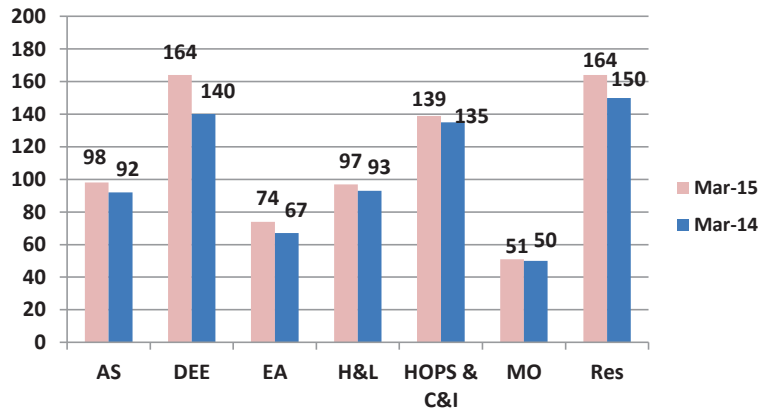
Reason	Number	%
Dismissed	2	2%
End of Contract	14	17%
Redundancy	8	10%
Resignation	57	68%
TUPE Transfer	3	4%
<b>Total</b>	<b>84</b>	<b>100%</b>

## Leavers by Directorate and ethnicity

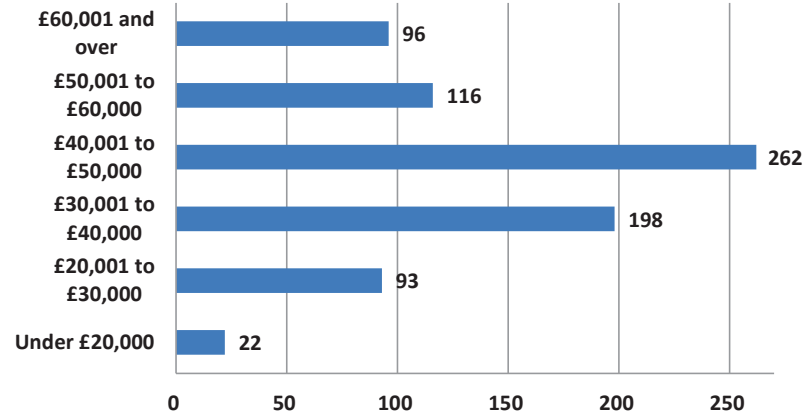


# Staffing profile

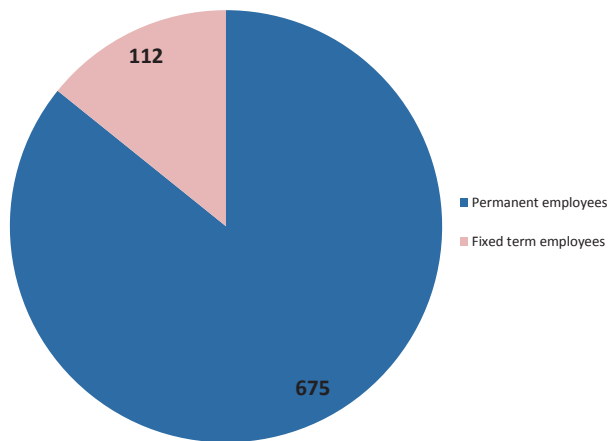
Staffing profile by directorate 2014 and 2015



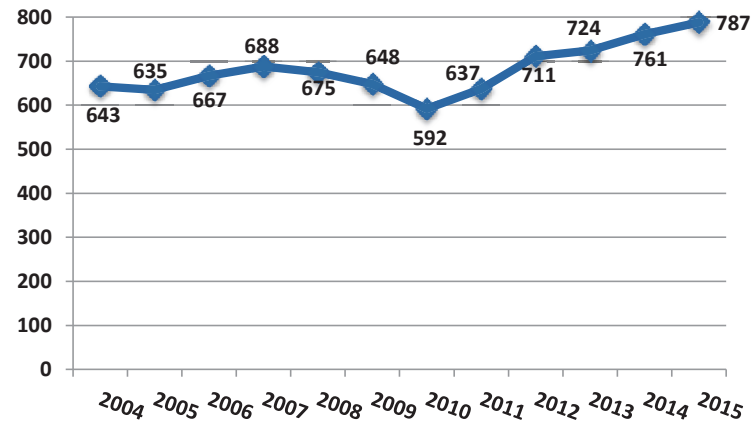
Number of staff by salary band



Staffing profile by contract type

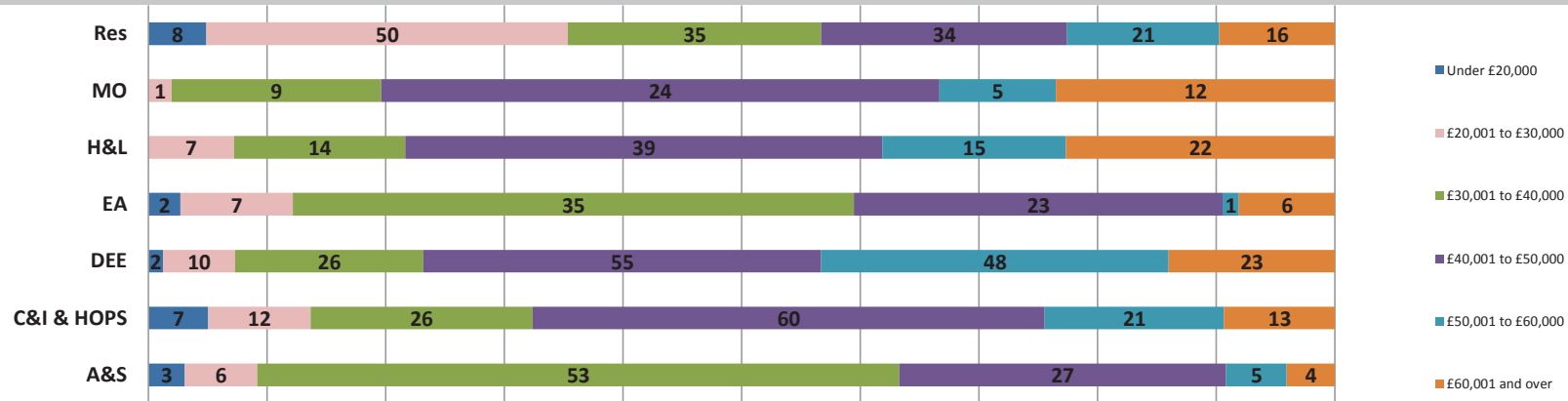


GLA staff 2004 to 2015

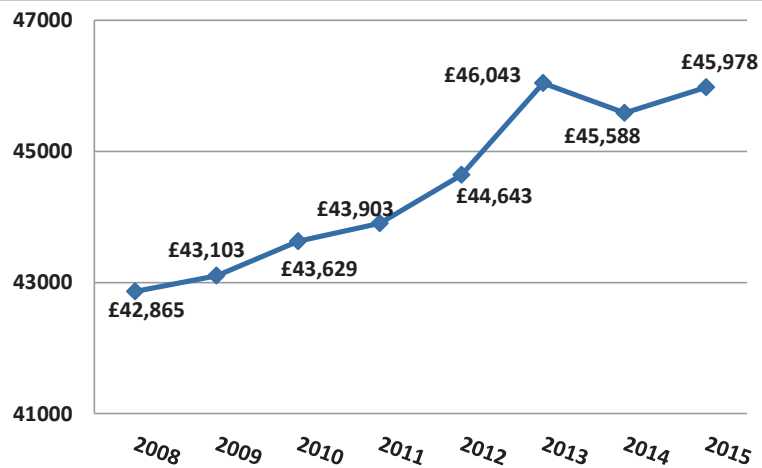


# Salary profile

## Salary breakdown by Directorate



## Average salary since 2008

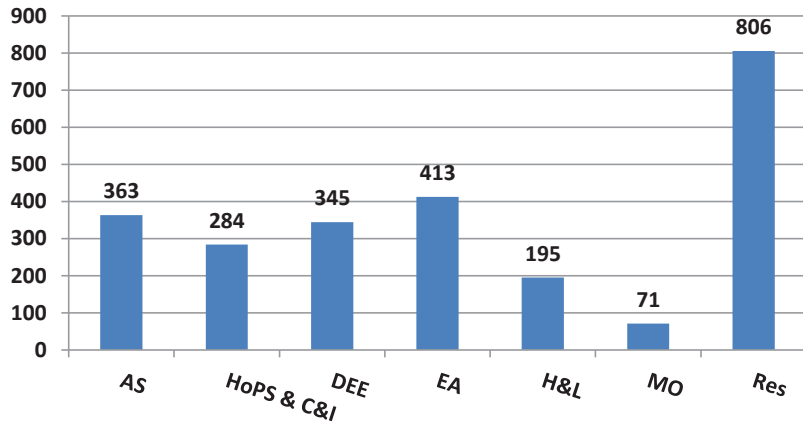


## Comments

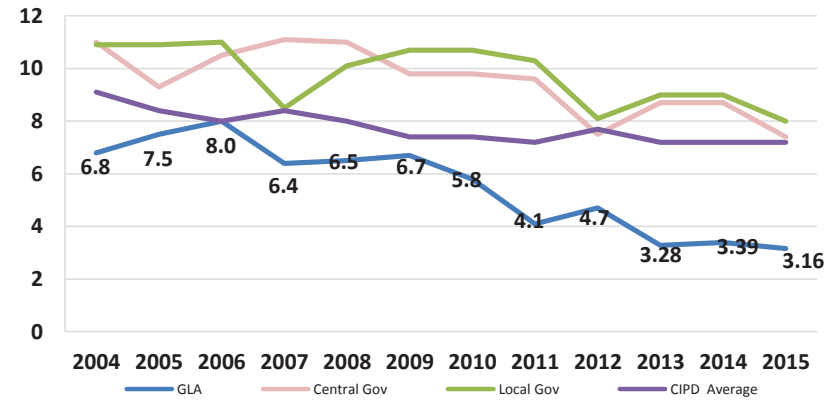
The majority of employees at the GLA earn between £30,000 and £50,000. The employees earning less than £20,000 are all Apprentices or Interns earning London's Living Wage. The average salary was £45,978 as at the 31 March 2015.

# Sickness

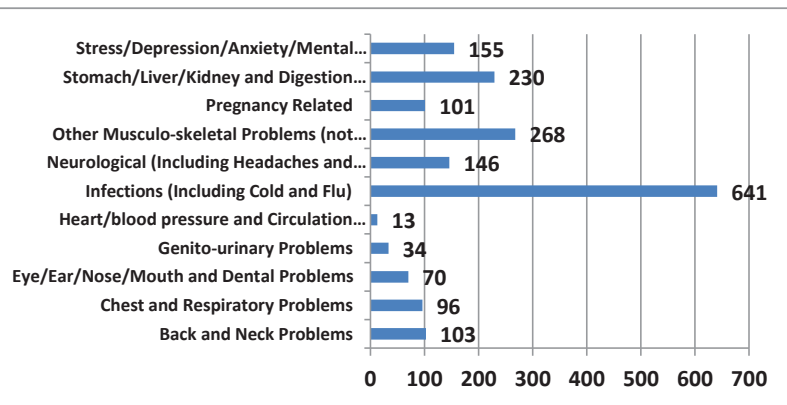
Total days taken by Directorate for year ending March 2015



Average days taken 2004 to 2015 with benchmarking



Days taken by Reason

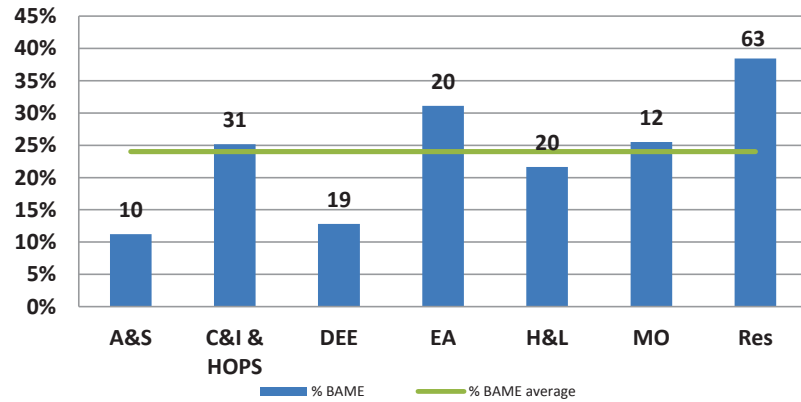


Comments

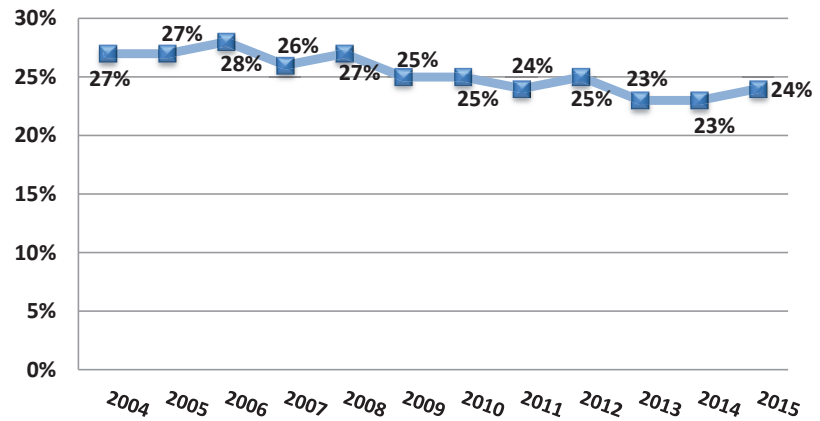
The number of average days taken due to sickness for the year ending 31 March 2015 was 3.16 this continues to be lower than published benchmark figures from the Chartered Institute of Personnel and Development (Absence Management Survey 2014) for Central Government, Local Government and Private Sector who have reported 7.4, 8.2 and 5.5 average days per employee. Of the total sickness absence 28% was BAME staff which is broadly in line with the overall BAME staff %. Days taken by reason do not include data where no specific reason is selected or where multiple reasons are given.

# BAME workforce analysis

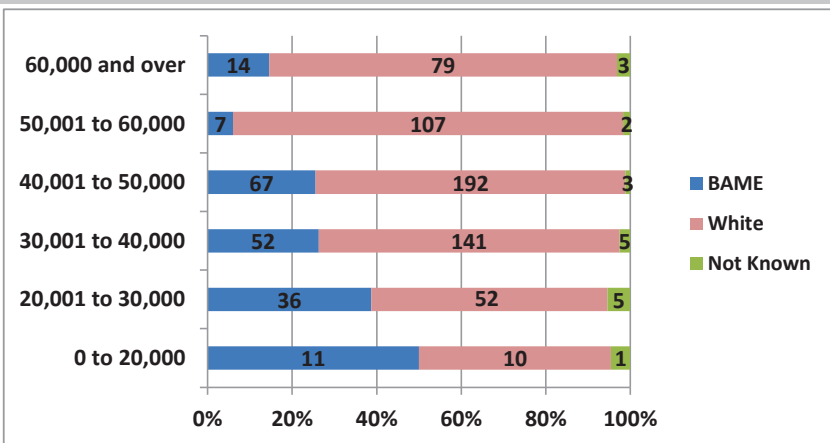
BAME staff by directorate (% and number)



BAME employees 2004 to 2015



BAME staff by salary (% and number)

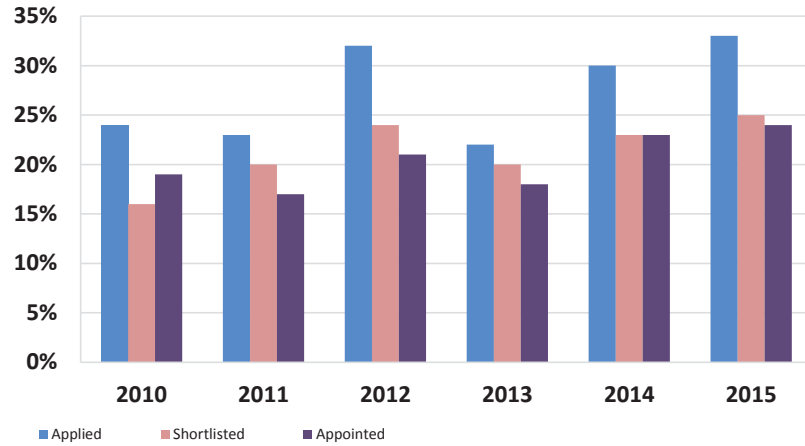


## Comments

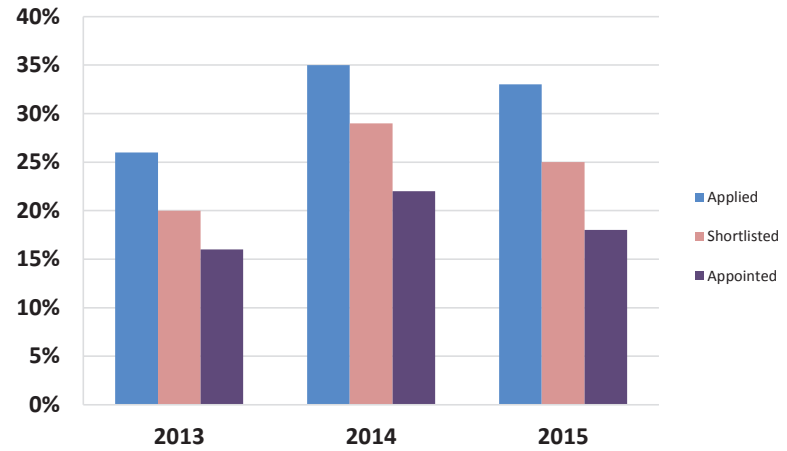
The BAME profile at the GLA has remained fairly stable between 23% and 27% since 2004. The Equalities Taskforce continue to drive forward measures to improve representation at all levels of the organisation.

# Recruitment - BAME staff

## External Recruitment



## Internal Recruitment



## Promotions

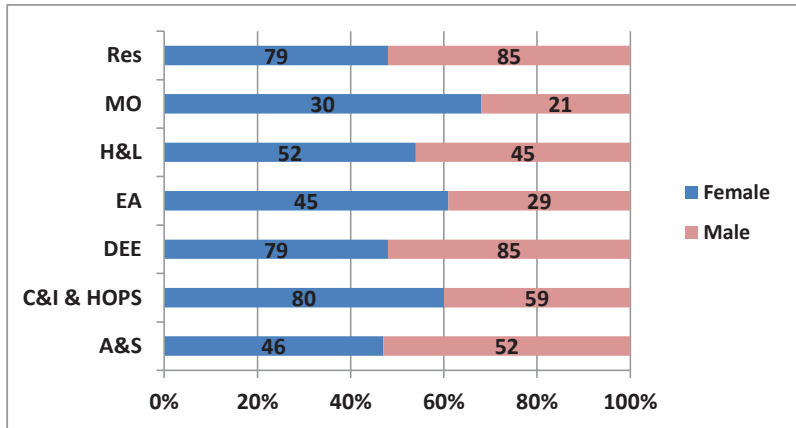
Ethnicity	GLA profile at 31/03/15	Promotions in year
BAME	24%	27%
White	74%	73%

## Comments

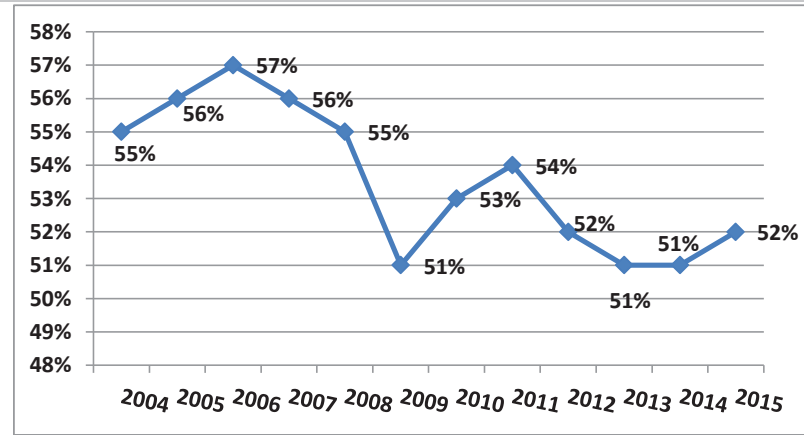
The number of external applications received from BAME Groups has increased to 33% whilst the number shortlisted and appointed has increased from 23% to 25%. The number of internal applications received is 33%, shortlisted is 25% and appointments 18%. Internal figures have decreased slightly compared to 2014 reporting period but drop off at each stage remains proportionate.

# Gender workforce analysis

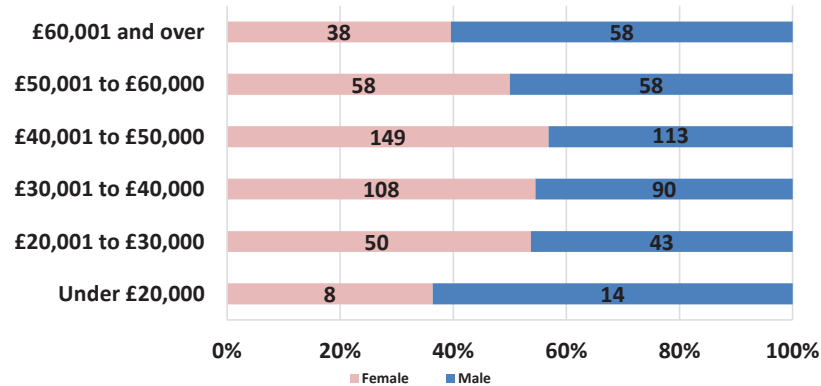
Female staff by directorate (% and number)



Female employees 2004 to 2015



Salary by gender



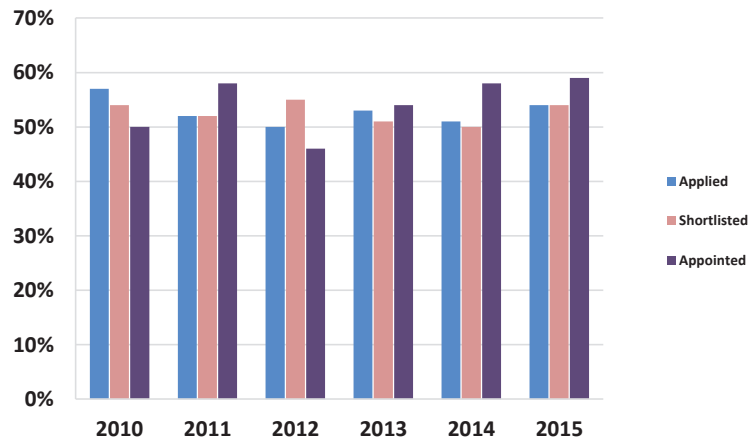
Comments

The gender profile at the GLA has remained stable since 2004 from 51% to 57% and is currently 52%. The number of female employees earning £60,000 + has remained stable at 40%.

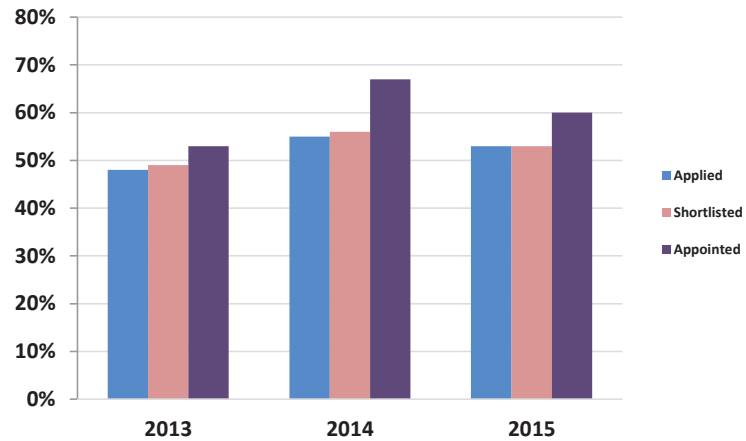


# Recruitment - female staff

## External Recruitment



## Internal Recruitment



## Promotions

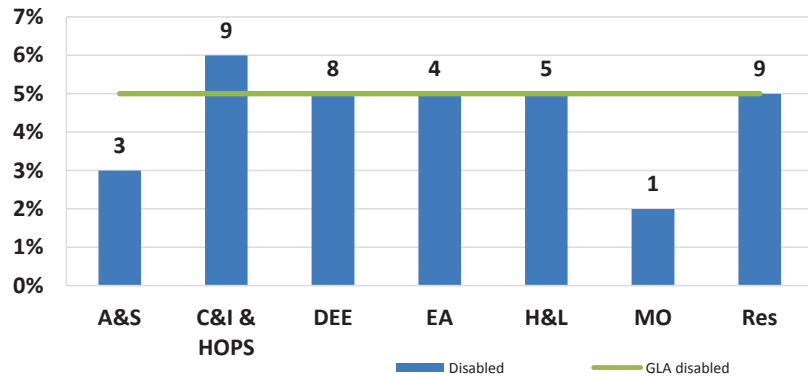
Gender	GLA profile at 31/03/2015	Promotions in year
Male	48%	44%
Female	52%	56%

## Comments

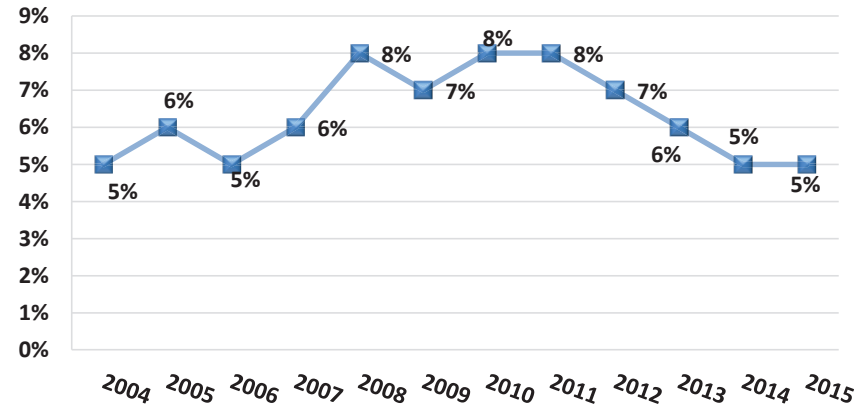
The number of external applications received from female staff has increased from 51% to 54% as well as an increase in the number shortlisted from 50% to 54% and a slight increase in the number appointed to 59%.

# Disability analysis

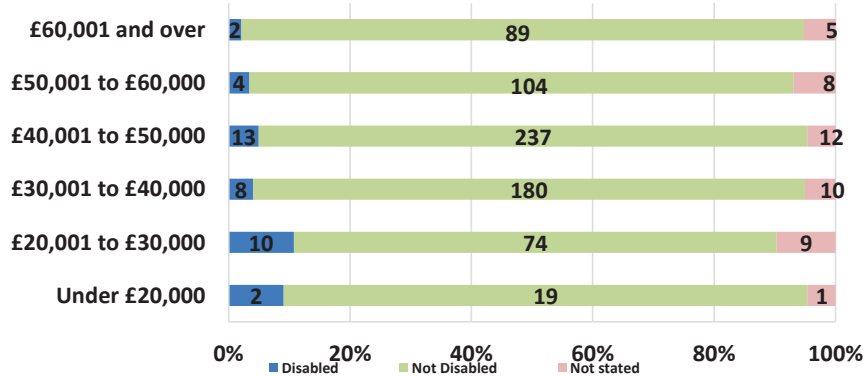
Disabled staff by directorate



Disabled employees 2004 to 2015



Disabled staff salary breakdown

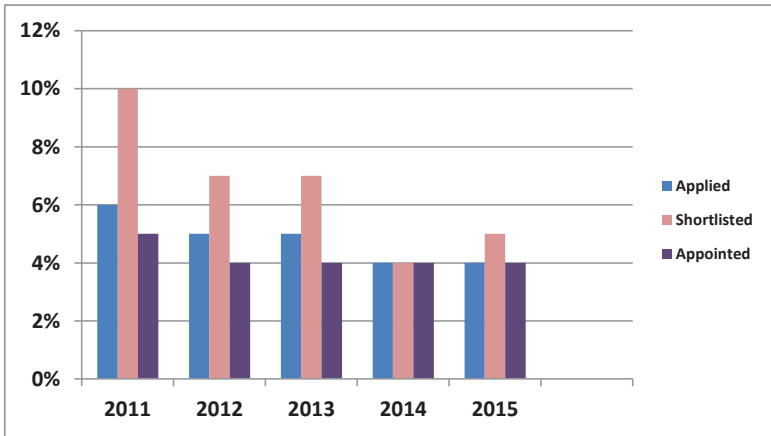


## Comments

The disability profile of the GLA has remained at around 5% since 2004. From January 2015 staff have had the ability to update their personal details via employee self service. It is hoped that this will result in greater self declaration.

# Recruitment - disabled staff

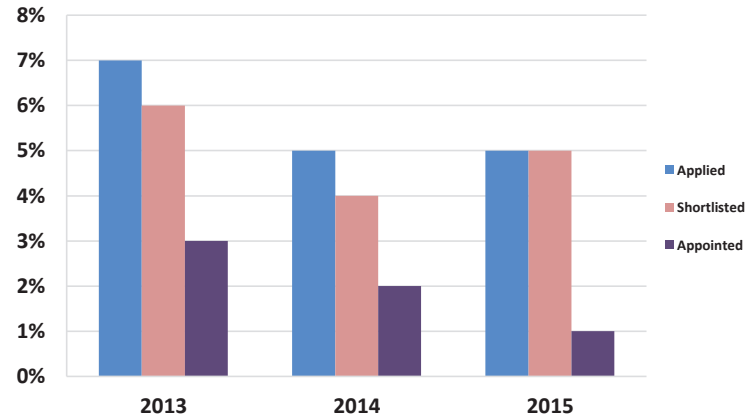
## External Recruitment



## Promotions

Disability	GLA profile at 31/03/2015	Promotions in year
Disabled	5%	3%
Not disabled	89%	88%
Not stated	6%	9%

## Internal Recruitment

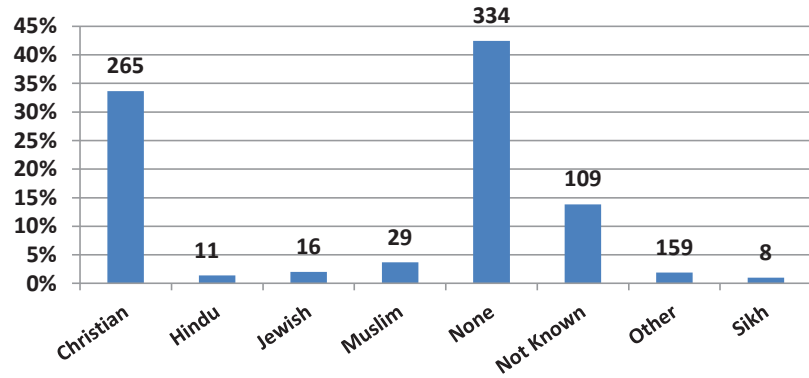


## Comments

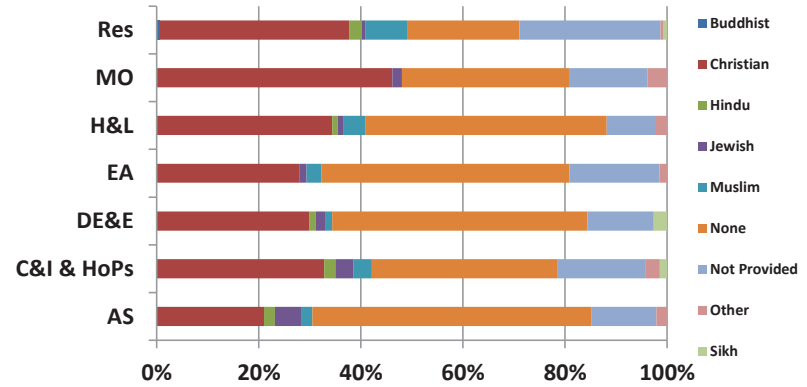
The number of external applications received from disabled applicants is consistent with previous reporting periods and the number external applicants appointed is proportionate to the number of applications received. For internal recruitment, there is no drop off between applicants and those shortlisted. It should be noted that for internal applications in particular the actual numbers are very small.

# Faith analysis

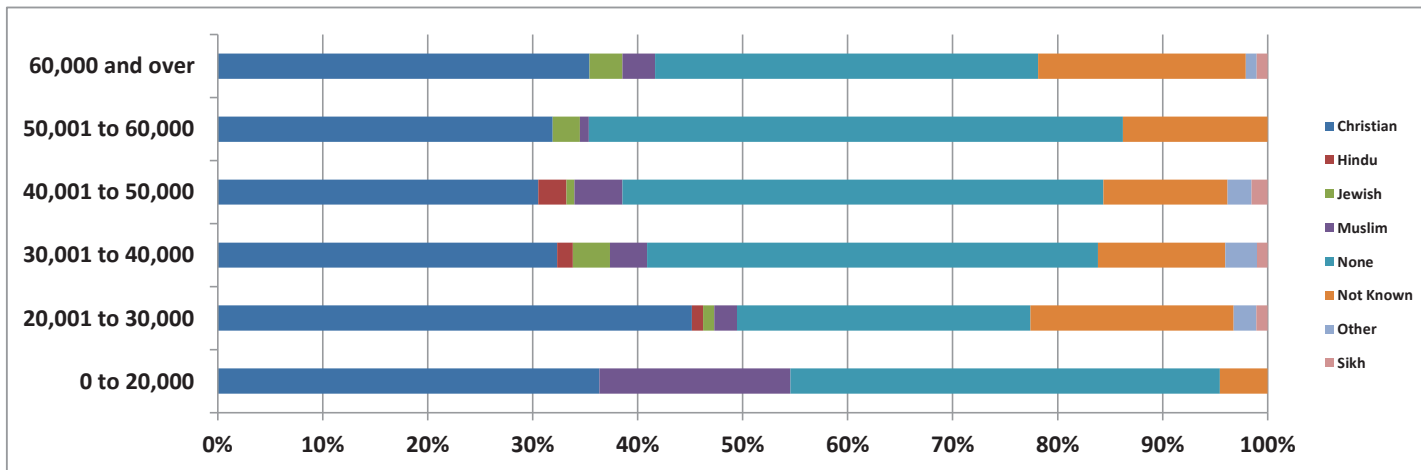
Faith overall by % and number



Faith by Directorate

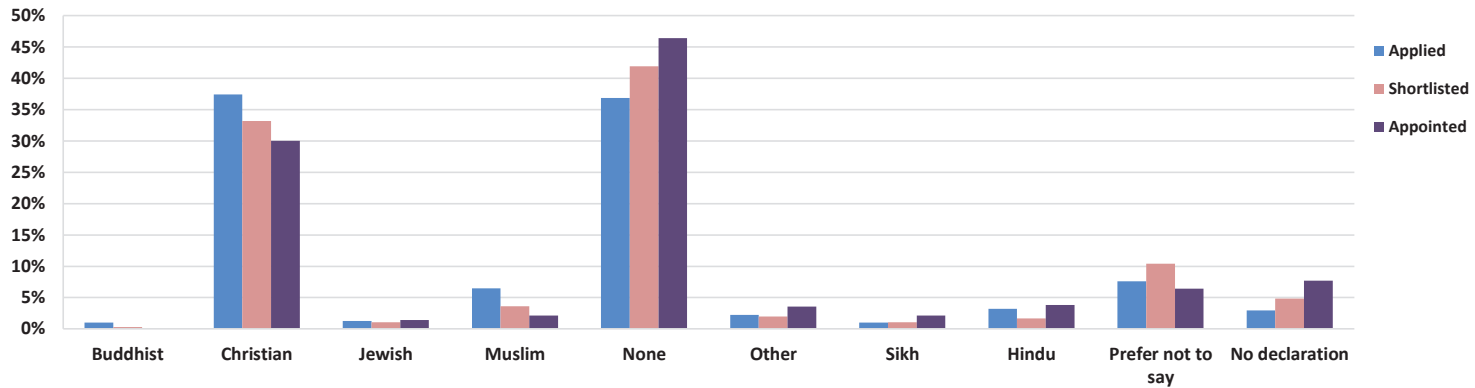


Faith by salary band

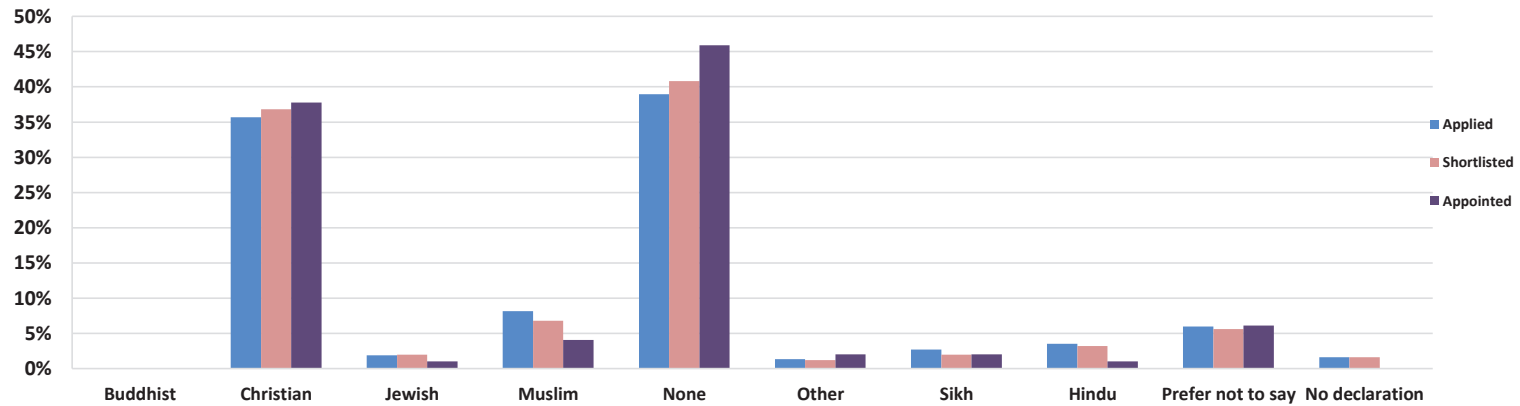


# Recruitment - Faith

## External Recruitment

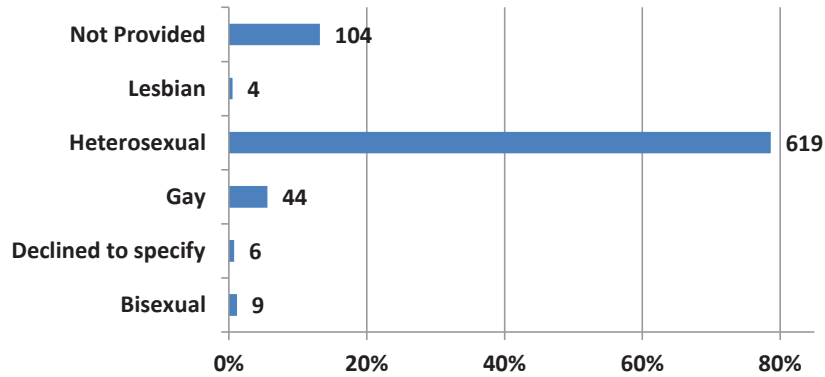


## Internal Recruitment

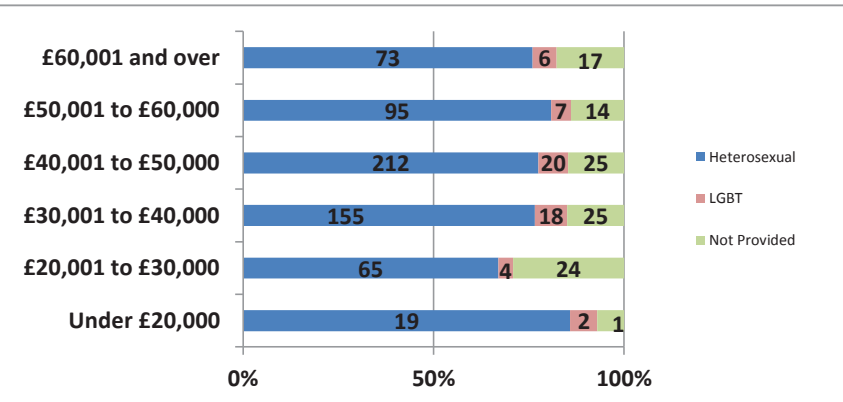


# Sexual Orientation analysis

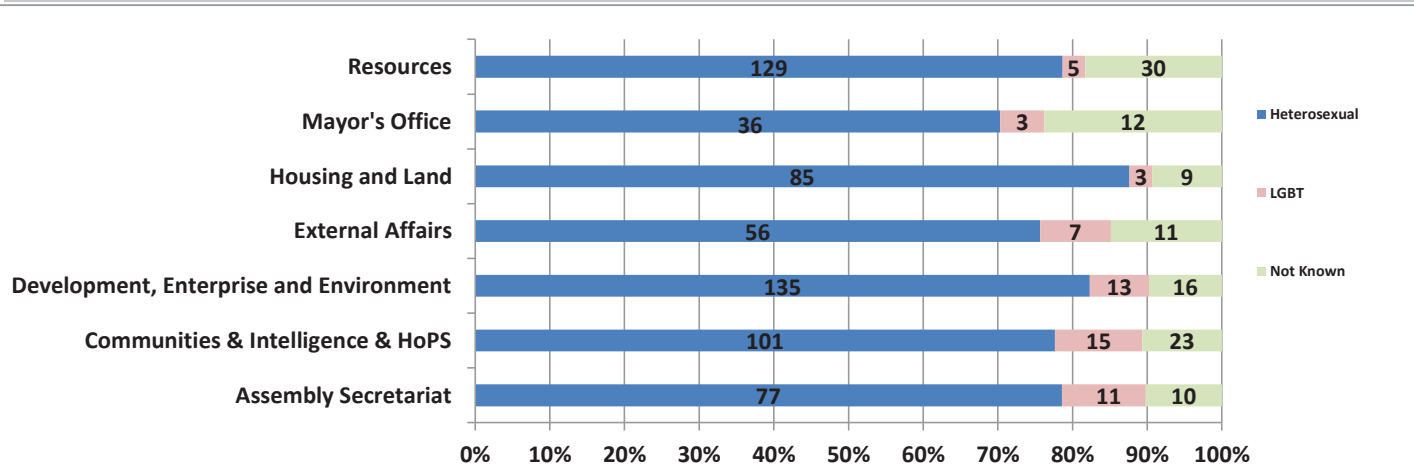
Sexual Orientation overall by % and number



Sexual Orientation by salary band by % and number

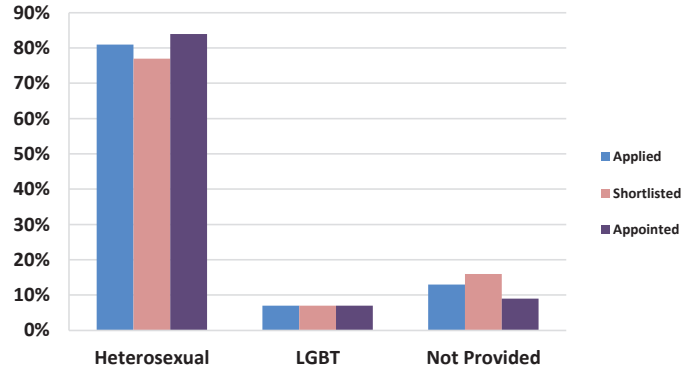


Sexual Orientation by Directorate % and number

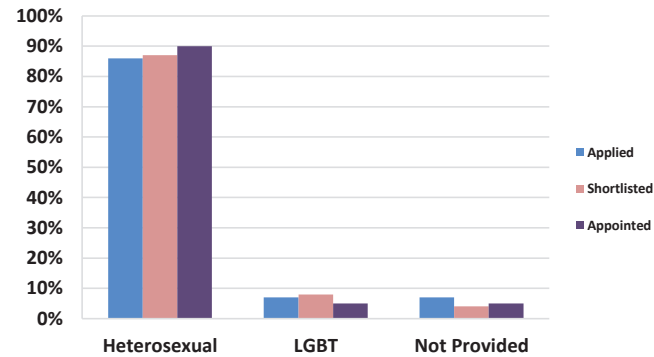


# Recruitment - Sexual orientation

## External Recruitment



## Internal Recruitment



## Promotions

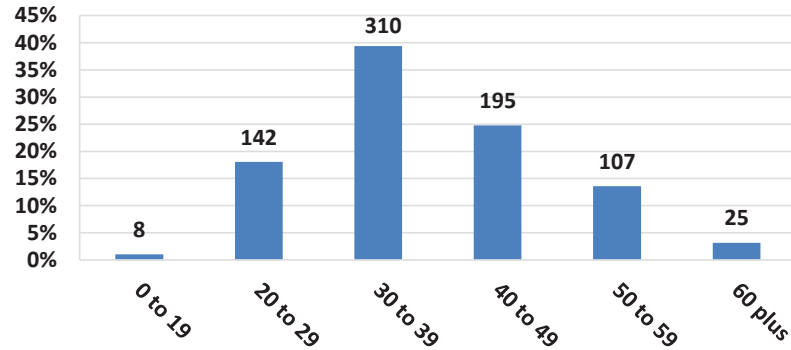
Sexual Orientation	GLA profile at 30/03/15	Promotions in year
Heterosexual	79%	80%
LGBT	8%	7%
Not provided	13%	12%

## Comments

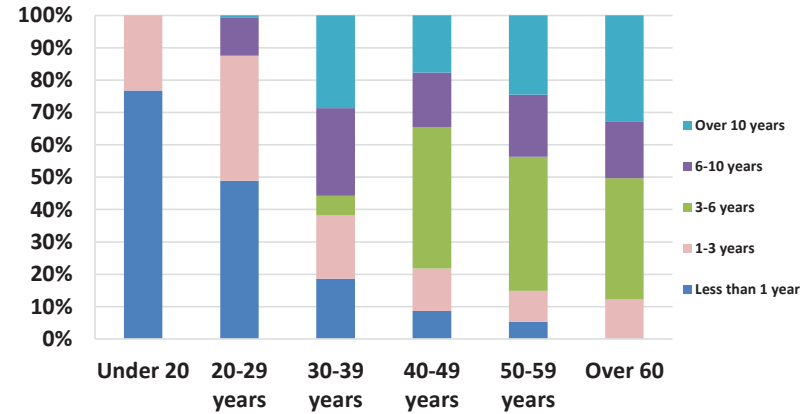
The number of external LGBT applications is a consistent 7% through to shortlisting stage and appointment. The number of internal LGBT applications received is 7% and although increases to 8% at shortlisting stage this decreases to 5% for appointment.

# Age analysis

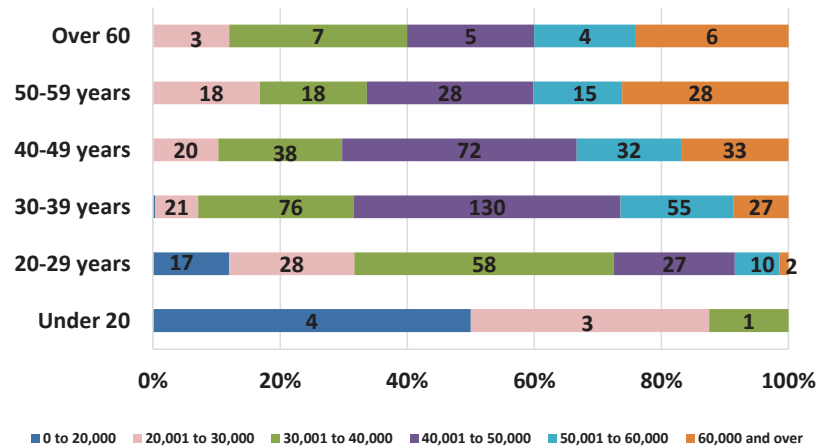
Staff breakdown by age (% and number)



Staff length of service by age band



Salary breakdown by age (% and number)



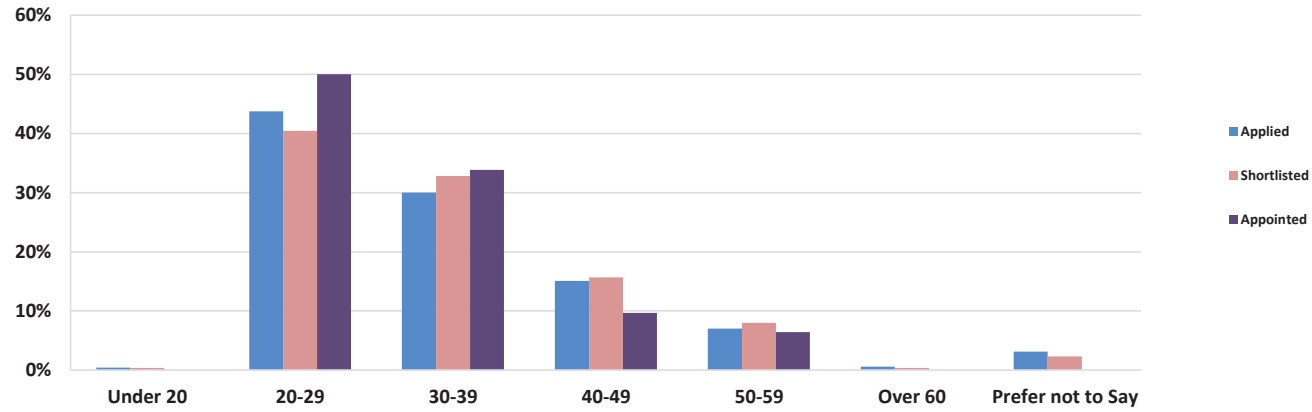
## Comments

The greatest number of employees are within the 30-39 age band. The average age has remained stable at 39 years.

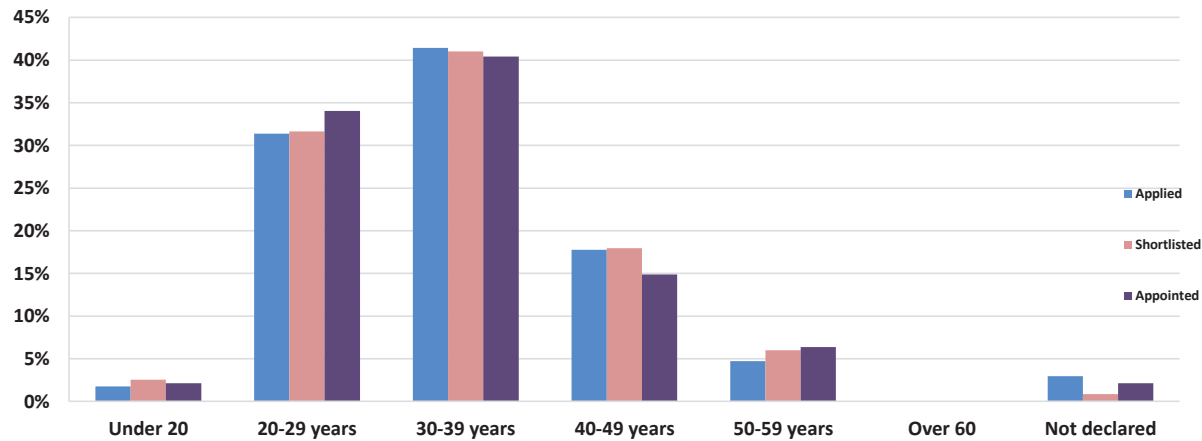


# Recruitment - Age

## External Recruitment

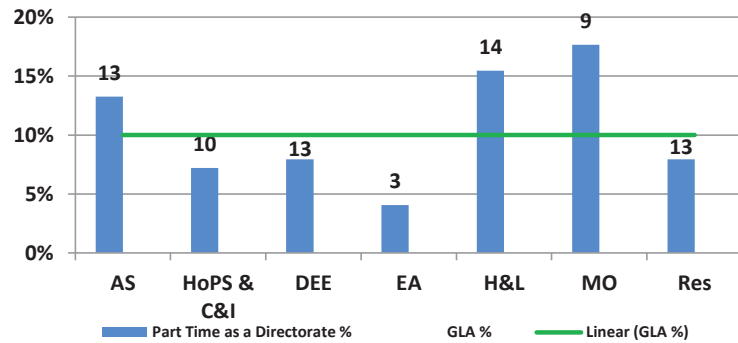


## Internal Recruitment

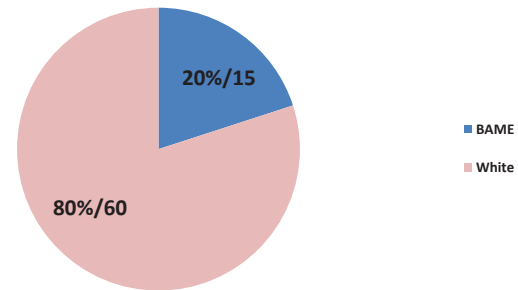


# Part time staff analysis

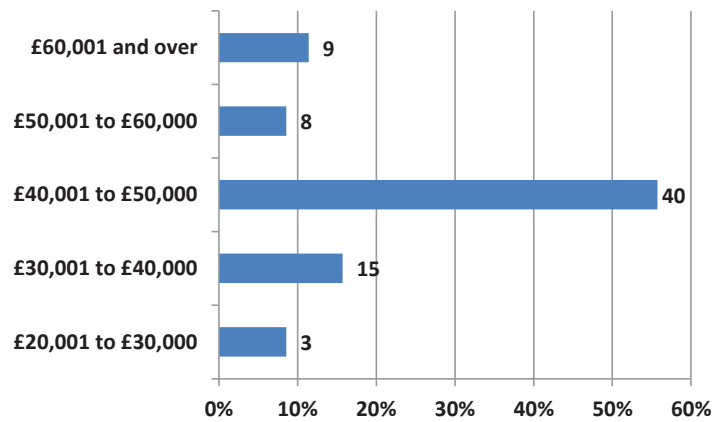
Part time staff by Directorate % and number



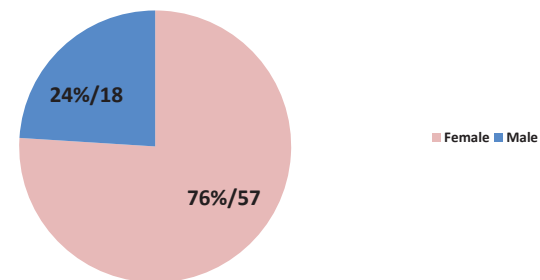
Part time staff by ethnicity % and number



Part time staff by salary band % and number



Part time staff by gender % and number



# Subject: Research to Support the Housing Committee's Investigation Into The Effect Of Rent Stabilisation Measures On London's Housing Market

**Report to: GLA Oversight Committee**

**Report of: Executive Director of Secretariat**

**Date: 9 July 2015**

**This report will be considered in public**

## 1. Summary

- 1.1 This report seeks approval for expenditure to commission an external contractor to undertake research work to support the Housing Committee's investigation into the effect of rent stabilisation measures on London's housing market.

## 2. Recommendations

- 2.1 **That the Committee approves expenditure up to a maximum of £10,000 from the 2015/16 scrutiny programme budget, to commission external contractors to carry out the technical advice and support outlined at paragraph 3.3, namely to conduct research into rent stabilisation models in London.**
- 2.2 **That the Committee notes that the Executive Director of the Secretariat, in consultation with the Chair of the Housing Committee, will commission the external contractors, subject to the Committee approving this expenditure.**

## 3. Background

- 3.1 In line with its terms of reference, the GLA Oversight Committee has the power to approve all scrutiny-related Assembly expenditure and proposals for use of rapporteurs, in conformity with the Assembly's decision-making framework procedure. The Committee is therefore being asked to consider the use of resources to facilitate the investigation, rather than to discuss the details of the investigation.
- 3.2 The Housing Committee agreed, at its meeting of 23 June 2015, to conduct an investigation into the effect of rent stabilisation measures on London's housing market and to use its September and October meeting slots for the subject.

- 3.3 To support the Housing Committee's investigation and to gain as robust an understanding as possible of what London landlords would do if faced with a range of rent stabilisation scenarios (for example, increased length of tenure or the potential for indexing rental increases within & between tenancies) it is proposed to commission the following research:
- econometric modelling to model the effect of different kinds of rent stabilisation measures in London on rental prices and supply. This would enable us to look specifically at the London effects of different stabilisation measures based on recent price and supply trends.
  - a representative quantitative survey among current London landlords, exploring their likely response to a range of different rent stabilisation scenarios.
  - research into the perspectives of new professional landlords on the different scenarios (given the direction of policy towards encouraging more commercial and institutional landlords).
- 3.4 The starting point in conducting primary research for an investigation is always to consider whether it is possible to undertake the research in-house. Given the specialist nature of the work (the need for econometric modelling expertise) and the need for access to databases of landlords, it would not be possible to undertake this work in-house. An external contractor would, however, be able to design, conduct and analyse critically the modelling and survey work necessary to achieve the research aims.
- 3.5 We have carried out a detailed review of literature to determine what research already exists. There are several studies which identify and describe a range of rent stabilisation measures applied in other countries. And at the London level, there has been a single study undertaken for a London borough. However, this explored the principles of rent stabilisation and features of different models which might be applied, rather than quantifying their effects. On the other hand, the work we propose, would allow the Committee to understand in some detail the nature and size of the potential effects of different measures London-wide on rental levels and supply. It would focus on what London landlords would do if faced with a range of rent stabilisation scenarios, looking both at increased length of tenure and the potential for indexing rental increases within and between tenancies.
- 3.6 We have researched the market to establish which suppliers would be best placed to undertake this work. There are only a few consultancies and universities which specialise in this type of econometric modelling. Some robust work of this kind has recently been undertaken by one supplier, using modestly-sized regional samples to build a national picture. The most cost effective route therefore is to ask the same supplier to use their established methodology to undertake a small piece of extra work, boosting the sample size in London, to ensure representativeness, for the purpose of focusing on London specifically. They would also undertake the research into the perspectives of commercial landlords.

## **4. Issues for Consideration**

- 4.1 The Housing Committee agreed to recommend to the GLA Oversight Committee that it approves expenditure to a maximum of £10,000 to commission external contractors to provide research to support the rent stabilisation investigation. Provisional discussions with specialists in the field suggest this sum would enable the Committee to procure the technical advice and support required to undertake all three elements of the research identified above into the effects on price and supply

of a range of rent stabilisation scenarios. If the Oversight Committee approves this expenditure, the contract would be awarded in mid-July and the research would inform the Housing Committee's early Autumn investigation.

### **Assembly Decision Making Framework**

- 4.2 The Assembly's Decision Making Framework includes a requirement that all four of the following criteria be considered by committees in deciding whether external technical assistance is required and appropriate on any given project:
- That the proposed project requiring technical assistance is clearly and tightly defined. This would ordinarily mean that the consultant would be used for a discrete piece of technical analysis or research rather than simply as an adviser for the whole of a scrutiny.
  - That the proposed project cannot be readily undertaken by in-house staff, either because of a lack of necessary expertise or because of a lack of capacity.
  - That the analysis required from consultants is not readily available and cannot be acquired elsewhere.
  - That the information required from consultants would be a significant contribution to the aims of the scrutiny.
- 4.3 Paragraphs 3.3-3.6 above are designed to demonstrate that all four of the criteria set out in the previous paragraph have been addressed and that external support for this project is necessary and appropriate.

## **5. Legal Implications**

- 5.1 The Committee has the power to do what is recommended in this report.

## **6. Financial Implications**

- 6.1 All costs arising from the appointment of an external contractor would be met from the 2015/16 scrutiny programme budget. Subject to approval, there is provision of up to £10,000 for commissioning this external support during 2015/16.
- 6.2 The contract would be awarded and managed in accordance with relevant GLA policies and procedures. As this project is consultancy based, the requirements of the GLA's Expenses and Benefits Framework and the Financial Regulations would also be adhered to.

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**List of appendices to this report:** None

<b>Local Government (Access to Information) Act 1985</b>
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List of Background Papers: None
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<b>Subject: Annual Governance Statement 2014-15</b>
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<b>Report to: GLA Oversight Committee</b>
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<b>Report of: Head of Paid Service and Executive Director of Resources</b>	<b>Date: 9 July 2015</b>
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<b>This report will be considered in public</b>
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## 1. Summary

- 1.1 Each year the GLA's Annual Governance Statement is presented in draft to the Assembly for Members' views. The current draft of the 2014-15 Statement is appended to this report.

## 2. Recommendation

- 2.1 **That the Committee comments on the draft GLA Annual Governance Statement for 2014-15.**

## 3. Background

- 3.1 The Annual Governance Statement is provided in draft to the Authority's external auditors by the end of June each year. At about the same time, the Assembly's Audit Panel and GLA Oversight Committee are consulted on the Statement. The Mayor and the Head of Paid Service sign off the final version by the end of September.
- 3.2 The scheduled Assembly committee sessions to look at the Statement are as follows:
- 30 June 2015 GLA Oversight Committee;
  - 9 July 2015 GLA Oversight Committee (to consider issues added from the 30 June meeting); and
  - 14 July 2015 Audit Panel.

## 4. Issues for Consideration

- 4.1 The issues arising are highlighted in the Statement attached as **Appendix 1**. The Statement attempts to provide a balanced view of the Authority's governance arrangements, incorporating assessments and feedback received from its internal auditors and from the Assembly. The content of the Statement is ultimately a matter for the Mayor, acting on the professional advice of suitably qualified officers.

- 4.2 The GLA Oversight Committee on 30 June raised a series of issues relating to the Mayor entering into commercial partnerships. Section 5 of the Statement now incorporates those issues as a sub-section in their own right entitled 'Commercial partnerships'.

## **5. Legal Implications**

- 5.1 There are no specific legal issues directly arising from this report.

## **6. Financial Implications**

- 6.1 Financial issues are integral to the Statement, particularly those relating to the development of robust financial systems and of sound financial management practices.

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### **List of appendices to this report:**

Appendix 1 – Draft GLA Annual Governance Statement 2014-15

### **Local Government (Access to Information) Act 1985**

List of Background Papers: None

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**DRAFT**

**Greater London Authority**  
**Annual Governance Statement 2014-15**

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## 1. Scope of responsibility

- 1.1. The Greater London Authority (GLA) is responsible for ensuring that its business is conducted in accordance with the law and proper standards; and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The GLA also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2. In discharging this overall responsibility, the GLA is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for managing risk.
- 1.3. The GLA has a corporate governance framework consistent with the principles of the 2007 CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* (and its 2012 addendum) and two sets of other CIPFA guidance:
  - *Application Note to Delivering Good Governance in Local Government: a Framework*; and
  - *Statement on the Role of the Chief Finance Officer in Local Government*.
- 1.4. This Statement explains how the GLA delivers good governance and meets the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 in relation to the consideration and approval of a statement on internal control. It also describes the most significant work undertaken in the year to review and strengthen governance at the GLA and notes issues arising.
- 1.5. The commitments given in this Statement will be monitored during the course of 2015-16 (where appropriate) and will be revisited in the GLA's Annual Governance Statement for 2015-16.

## **2. The purpose of the governance framework**

- 2.1. The governance framework comprises the systems and processes, culture and values by which the GLA is directed and controlled, and its activities through which it accounts to, engages with and leads the community. It enables the GLA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, and in accordance with legislative requirements.
- 2.2. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 2.3. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the GLA's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.
- 2.4. The governance framework has been in place at the GLA for the year ended 31 March 2015 and up to the date of approval of the annual report and statement of accounts.

### **3. The governance framework**

3.1. The key elements of the systems and processes that comprise the GLA's governance arrangements reflect the unique nature of the GLA, with a number of agents involved in the delivery of the GLA's objectives. So while this Statement is the GLA's alone – the bodies with which the GLA works have their own governance statements – the GLA's work cannot be viewed in isolation. That is particularly the case in respect of the operations of the GLA Group, encompassing the GLA and its functional bodies. The agents include:

- the executive Mayor and the Mayor's appointed advisors;
- the London Assembly;
- the functional bodies through their boards;
- the officers of the GLA and the functional bodies; and
- London's local authorities and other external stakeholder organisations.

3.2. There is a clear separation of powers within the GLA between the Mayor, who has an executive role and makes decisions on behalf of the GLA, and the London Assembly, which has a scrutiny role and reviews Mayoral policy and decisions. The Assembly is also able to investigate other issues of importance to Londoners, publish its findings and recommendations, and make proposals to the Mayor. The Assembly has a number of committees, with the GLA Oversight Committee, the Confirmation Hearings Committee, the Audit Panel, the Budget and Performance Committee and the Budget Monitoring Sub-Committee having explicit governance roles.

3.3. An important aspect of the governance framework within which the GLA operates is the relationship between London government and national government; more specifically the relationship between the GLA and its sponsor department in Whitehall, the Department for Communities and Local Government (DCLG). DCLG has set out how it views the systems governing that relationship by issuing, in October 2012 through its Accounting Officer, an 'Accountability System Statement for the Greater London Authority'. The Statement was issued with the GLA's endorsement and is available via:

[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/128876/2238554.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/128876/2238554.pdf)

#### **Identifying and communicating the GLA's vision of its purpose and intended outcomes for citizens and service users**

3.4. The Mayor identifies and communicates his vision and intended outcomes for Londoners and service users through a number of published statutory and non-statutory strategies, programmes and project plans. These are informed by and reflect regular and meaningful consultation, and the GLA uses a number of types of communication to present them, including: its website and social media channels; press briefings and press releases; and meetings with stakeholders and agents.

- 3.5. The Mayor's programme forms the basis of an Authority-wide corporate plan, known as the Business Plan. The Business Plan translates the Mayor's ambitions into priorities and actions for the GLA and its constituent units and makes clear who is accountable for what. It is publicised to staff and published for external stakeholders on london.gov.uk. The work of the Assembly and its Secretariat forms part of the plan.

### **Reviewing the GLA's vision and its implications for the GLA's governance arrangements**

- 3.6. Mayoral strategies are subject to regular review with reference to both the Mayor's vision and the GLA's operating environment. As circumstances demand, strategies and/or their associated action plans are updated.
- 3.7. There is an annual GLA Group-wide budget setting process. This process, which is subject to continuous scrutiny by the Assembly, as well as consultations with stakeholders, has the important purpose of seeking to ensure there are sound medium and longer-term financial plans within which Mayoral priorities and objectives are adequately funded, while recognising areas of risk and uncertainty will inevitably exist.
- 3.8. The budget reflects the Mayor's vision and ambitions, set out variously in his Vision 2020, the London Infrastructure Plan 2050 and the Long Term Economic Plan for London, among others. The budget and the Mayor's vision and ambitions in turn inform the GLA's Business Plan, which is refreshed annually.
- 3.9. The GLA's governance arrangements are flexed as the vision and the plans that flow from it change so that they are robust but also support delivery. That includes making changes to the GLA's decision, performance and risk frameworks.

### **Measuring the quality of services for users, to ensure they are delivered in accordance with the GLA's objectives and to ensure that they represent the best use of resources and value for money**

- 3.10. The GLA has well-embedded corporate performance management systems which support and are supported by arrangements at programme and unit levels.
- 3.11. Quarterly financial management information is reported to and reviewed with directors and cost centre managers. Progress against corporate initiatives, key performance indicators and against budgets is formally reported quarterly. Project reporting is on a monthly basis to the Mayor's Investment and Performance Board (IPB). This is complemented by both regular and exception based reporting to the Mayor and his advisors by senior officials.
- 3.12. The GLA publishes an annual report and assurances are provided by internal and external auditors on key controls and indicators.

- 3.13. Performance is also managed and monitored at a GLA Group level, again through formal quarterly reports detailing financial and service performance, for each functional body, and through reporting to the Mayor and his team.
- 3.14. In addition to the regular and periodic performance monitoring activities, the Assembly's scrutiny function encourages constructive challenge and impetus for enhancing performance.

**Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the GLA and partnership arrangements**

- 3.15. The Mayor's principal role as the executive of the strategic Authority for London is to promote economic development and wealth creation, social development, and the improvement of the environment. The Mayor has strong executive powers to provide strategic leadership and a range of duties and responsibilities designed to ensure that the programme on which he was elected can be delivered.
- 3.16. The exercise of Mayoral functions by officers within the GLA is documented in and governed by the Scheme of Delegation. It reserves the required and otherwise appropriate responsibilities to the Mayor and provides managers with the authority necessary to conduct routine business. The Scheme is reviewed and updated periodically and presented at least annually to the Assembly for its information. There is also a documented Scheme of Delegation in respect of the Head of Paid Service's statutory staffing responsibilities for the GLA.
- 3.17. The Assembly's committees have published terms of reference and there is a documented Scheme of Delegation for the exercise of Assembly functions within the GLA.
- 3.18. A Corporate Governance Framework Agreement for the GLA Group covers the Group's powers and duties and sets out both the respective roles and responsibilities of each body within the Group and the core governance requirements they are to adhere to.

**Developing, communicating and embedding codes of conduct, defining the standards of behaviour for Members and staff**

- 3.19. The GLA (the Mayor and Assembly acting jointly) has established a Standards regime, under the provisions of the Localism Act 2011, which has been in operation in its current form since 1 July 2012. Within the regime, all complaint-related functions are delegated to the GLA's Monitoring Officer whose role it is also to oversee the GLA's Code of Conduct for elected Members. In addition to handling complaints, the

Monitoring Officer is responsible for the extant framework governing the registration and disclosure of interests and of gifts and hospitality and for providing related advice.

- 3.20. A revised version of the Authority's Gifts and Hospitality Policy was issued in May 2014 following a comprehensive review and having consulted with the Mayor, London Assembly and GLA Group functional bodies.
- 3.21. In accordance with his commitment to promote transparency and accountability within the Mayoralty and across the GLA Group, the Mayor has published details of all of his advisors on the GLA website together with their declarations of interest and of gifts and hospitality. The Head of Paid Service has done likewise for GLA directors and has also published a GLA organogram together with details of senior managers' pay and responsibilities.
- 3.22. The GLA's Protocol for Mayoral Appointments sets down the process by which Mayoral appointments are made and details the conduct requirements for such appointees
- 3.23. At the end of 2014-15 and in the run up the General Election, the Monitoring Officer re-circulated the guidance document on the proper use of the Authority's resources to the Mayor's Office, Assembly party groups and all senior managers, and provided briefings on the rules relating to the pre-election period to a number of teams across the organisation.
- 3.24. The GLA also has a Code of Ethics and Standards for its staff. The Code seeks to promote the highest standards of conduct in public service and ensure that its standards and statutory obligations are fully met. The Code features prominently in formal induction processes and is published on london.gov.uk.

### **Reviewing the effectiveness of the GLA's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality**

- 3.25. A revised Mayoral Scheme of Delegation was published in June 2014. The key changes were as follows.
  - The financial decision-making thresholds were revised so that the following were required:
    - Delegated Authority Record (DAR) for spending 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); and
    - Mayoral decision form (MD) for over £150,000 (previously £125,000).
  - The Head of Government & EU Relations and the International Relations Manager were specified as senior managers following the change in their reporting line.



- As requested by Internal Audit, an explicit reference was made to arrangements which apply when senior officers are on leave.
- Consequential changes were made to ensure consistency with the other key governance documents.

The June 2014 version of the Scheme remained in force for the remainder of 2014-15. Concurrently, a review was undertaken which informed further refinements to the scheme for 2015-16.

- 3.26. As a related development, and to ensure that the GLA follows best practice, from 1 June 2014 equalities implications have been captured in GLA decision forms.
- 3.27. The GLA's Financial Regulations are an important companion to the Scheme. The Regulations are kept under review and were updated and approved for the year covered by this Statement. Changes included clarifying roles and responsibilities following the finance team restructure and making the Regulations consistent with the Mayoral Scheme of Delegation and other key governance documents.
- 3.28. The London Assembly's Scheme of Delegation is reviewed annually and reaffirmed at its annual meeting.
- 3.29. The GLA's most important partnerships are those that exist within the GLA Group. Bodies within the Group have their own decision making arrangements and the Group's Corporate Governance Framework Agreement requires that each organisation codifies these arrangements and reports its decisions.
- 3.30. Where issues of interest to the Mayoral team arise, and which may result in or bear upon a decision, these are flagged by the body in question and discussed. Such discussions may lead to a formal Mayoral delegation or direction. The use of the power of direction is kept under ongoing review and a list of all directions is appended to this Statement.
- 3.31. GLA companies are another avenue through which decisions may be taken. The process is defined by the Mayoral Scheme of Delegation, integrated with the GLA's decision making arrangements, and reviewed periodically alongside the regular review of that document.
- 3.32. For other partnerships the GLA's guiding principle is to ensure that decisions concerning its resources, including resources for which it is accountable, remain subject to the Authority's own decision making processes. The GLA maintains a register of its key partnerships and categorises each according to its decision making role – as defined by the GLA's partnership guidance. Periodically the efficacy of these partnerships is reviewed.
- 3.33. The London Enterprise Panel is one of the GLA's most important partnerships. Although it does not formally take decisions, it does have significant influence over decisions that are ultimately taken by the GLA. The governance of the LEP was reviewed in the year

covered by this Statement. That included an assessment of the LEP's in principle decision making processes. The review led to:

- a refresh of membership, including the Chair of London Councils becoming a deputy chair;
- exploration of working relationships at a sub-regional level in the capital; and
- strengthened arrangements to ensure the LEP is able to add maximum value, such as streamlining of agendas. One manifestation was a LEP letter to the Chancellor, post-election, setting out priorities.

3.34. The GLA's Use of Statistics Code of Practice and Data Quality Framework (DQF) exist to ensure the GLA produces, makes use of and publishes data which meet widely recognised and exacting standards. The DQF was reviewed and updated at the start of 2014-15.

### **Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability**

3.35. The GLA's approach to risk management is set out in its Risk Management Framework (RMF). It describes how the GLA realises the benefits of risk management by:

- communicating the value derived from, and the importance the GLA places on, effective risk management;
- setting out ten principles to underpin the GLA's approach to risk management;
- highlighting the practices and mechanisms that are at the core of the GLA's risk management framework;
- being clear about what the GLA expects of its staff – their roles and responsibilities – in managing risk; and
- providing practical guidance, grounded in best practice, for staff to follow.

3.36. The Framework was most recently reviewed and refreshed for March 2015. The review was informed by a prior assessment of the GLA's risk management practices against a risk maturity model. The refreshed RMF includes a new requirement that Executive Directors provide an annual 'risk management assurance statement'.

3.37. The RMF identifies four specific levels, or perspectives, as a focus for GLA risk management: corporate risks; programme risks; project risks and risks associated with decision-making. Mechanisms are embedded to monitor risk at all these levels. In the year, the Corporate Risk Register – concerned primarily with corporate and programme risks – was updated twice and considered by the Corporate Management Team, the Investment and Performance Board and Audit Panel. Project risk was captured and reported as part of regular reports to the Investment and Performance Board; and assessed at the project initiation stage. Risks associated with decisions were outlined on the related decision form. These corporate mechanisms were supplemented by processes at the departmental level.

### **Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained**

- 3.38. The GLA continues to place a high priority on its anti-fraud work and officers have worked with Internal Audit to identify areas which have the highest potential for fraud. In the year, Internal Audit undertook reviews of the use of corporate credits cards and of grants issued by the GLA. The outcome of these reviews have been reported to the Audit Panel Members.
- 3.39. Flowing from the review of the grant award process, the GLA acknowledged that there was a need to create systems which monitored grant awards across all of its programmes and projects. To address Internal Audit's recommendations, work is underway to establish a database of organisations in receipt of grants from the GLA, including a data matching exercise. The database will ensure that any issues with a recipient, or prospective recipient, are recorded, providing an audit trail and ensuring issues identified by one part of the business inform decisions made by other parts. The database will be operational and in use by 1 April 2016.
- 3.40. Internal Audit also identified some specific issues relating to the Super Connected Cities Programme. Those issues are being thoroughly investigated and a confidential audit report will be shared in due course with the Mayor and Audit Panel Members.
- 3.41. As well as the two reviews cited above, a report on the receipt of gifts and hospitality will be completed in 2015-16.
- 3.42. The GLA will continue to take a proactive approach to identifying and reviewing areas where the risk of fraud is relatively high.
- 3.43. Internal audit supported the biennial National Fraud Initiative in 2014-15 which is an exercise run by the Audit Commission that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

### **Ensuring effective management of change and transformation**

- 3.44. The GLA's Management of Change procedure provides the framework for dealing with reorganisations and restructures arising from:
- management reviews;
  - the introduction of new or revised working practices;
  - changes to political administration; and
  - changes in the Authority's business or policy priorities.

The procedure aims to ensure such change is fair, transparent and carried out systematically.

- 3.45. Following a period of major change in and initiated by events in 2012 – devolution of functions to the GLA, the London 2012 Games and the GLA elections – revised staffing structures have bedded down. Where changes to the establishment have taken place, they have been subject to appropriate consultation including with staff, UNISON and the GLA Oversight Committee.
- 3.46. The GLA has robust arrangements for managing projects, programmes and risk, and these are deployed to ensure any major transformation is undertaken effectively. A case in point is the establishment in April 2015 of the Old Oak and Park Royal Development Corporation (OPDC).

### **Ensuring the GLA's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)**

- 3.47. CIPFA's Statement on the Role of the Chief Financial Officer lists five principles, set out below together with how the GLA meets each.
- *Principle 1: The Chief Financial Officer in a public service organisation is a key member of the Leadership Team, helping it to deliver and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest*
    - The Executive Director of Resources is the GLA's Chief Financial Officer and is a member of both the Corporate Management Team (CMT) which meets weekly and the Investment & Performance Board which meets monthly. He also chairs the officer level Governance Steering Group. All Mayoral and Director Decision Forms must be signed by the Executive Director of Resources – an additional check to ensure probity in the GLA's expenditure of public funds.
  - *Principle 2: The Chief Financial Officer in a public service organisation must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's overall financial strategy*
    - As noted above, all MD and DD Forms must be signed by the Executive Director of Resources, ensuring that all material decisions have the input of the GLA's Chief Financial Officer. The decision pro formas include sections on both risks and financial implications. The organisation's financial strategy is overseen by the Executive Director of Resources with the support of the Head of Financial Services and his team. The strategy and its implementation are scrutinised by the Assembly and its Budget & Performance Committee and Budget Monitoring Sub-Committee.

- *Principle 3: The Chief Financial Officer in a public service organisation must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively*
  - The Executive Director of Resources is accountable to both the Mayor and the Assembly for the good financial management of the organisation's finances. Value for money is a key principle underlying the GLA's approach and its Chief Financial Officer has led on delivering efficiency programmes, including the shared services initiatives, in the period since May 2008. The Assembly meets in public and regularly questions the Executive Director of Resources and other senior officials on their stewardship of funds.
- *Principle 4: The Chief Financial Officer in a public service organisation must lead and direct a finance function that is resourced to be fit for purpose*
  - The Executive Director of Resources line manages both the Head of Financial Services (GLA focus) and the Assistant Director of Group Finance (GLA Group focus) under whom the GLA's finance staff sit. Finance staff focus on key priorities such as treasury management, budget monitoring, financial advice and presentation of financial information. The team includes suitably qualified and experienced individuals covering a wide range of technical, GLA and GLA Group financial issues.
- *Principle 5: The Chief Financial Officer in a public service organisation must be professionally qualified and suitably experienced*
  - The role description for the post of Executive Director of Resources requires the post-holder to be a qualified accountant with suitable experience. The current post-holder is a member of CIPFA and has over thirty years' experience of working in public sector finance. There is also significant experience of financial administration in the public sector within the finance team.

### **Ensuring the GLA's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010)**

- 3.48. CIPFA's Statement on the Role of the Head of Internal Audit lists five principles, set out below together with how the GLA meets each.
- *Principle 1: The Head of Internal Audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments.*
    - The GLA's Internal Audit Service is provided by the Mayor's Office for Policing and Crime (MOPAC) and the Head of MOPAC's Internal Audit Function is also Head of Internal Audit for the GLA.

- The Head of Internal Audit advises senior management and the Audit Panel on the principles of good governance and provides an annual assessment of the adequacy and effectiveness of GLA governance and risk management arrangements, based on an approved programme of work. Regular meetings are held between the GLA's senior managers and senior representatives of Internal Audit to discuss emerging risks and proposed developments.
- The annual work programme can be amended, in discussion with the Audit Panel, to reflect additional work identified in order to address significant emerging issues.
- *Principle 2: The Head of Internal Audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.*
  - The Head of Internal Audit provides an objective annual opinion on the adequacy and effectiveness of governance, risk management and internal control to senior management and the Audit Panel. This draws on evidence from an annual work programme, which is reported in the public domain.
  - Internal Audit reviews and the annual audit opinion inform the GLA's Annual Governance Statement and improvement plans.
- *Principle 3: The Head of Internal Audit must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee.*
  - The Head of Internal Audit is a senior manager who engages regularly with and attends meetings involving the Corporate Management Team, other senior managers and the Audit Committee. The Head of Internal Audit provides reports to the Head of Paid Service and Chief Finance Officer.
- *Principle 4: The Head of Internal Audit must lead and direct an internal audit service that is resourced to be fit for purpose.*
  - The Head of Internal Audit conducts an annual assessment of resources required to deliver an appropriately scoped and diverse risk based audit plan. Any concerns or issues would be raised with senior management and as required the Audit Committee.
- *Principle 5: The Head of Internal Audit must be professionally qualified and suitably experienced.*
  - The Head of Internal Audit is a member of the Chartered Institute of Internal Auditors and has thirty years' internal audit experience.

### **Ensuring effective arrangements are in place for the discharge of the monitoring officer function**

- 3.49. The GLA's Monitoring Officer works with the Authority's elected politicians and chief officers to promote high standards of ethical conduct.
- 3.50. The Monitoring Officer has specific and formal duties underpinning this role:
- To deal with any alleged breach by the Mayor or Member of the London Assembly of the formal Code of Conduct for GLA Members, and to make decisions as to whether or not any such allegations are valid.
  - To operate the Authority's wider Standards regime, including the registration and declaration of interests, gifts and hospitality received.
  - To report (to the Mayor and London Assembly) on contraventions or likely contraventions by any part of the Authority of any enactment or rule of law.
  - To report on any maladministration or injustice where the Local Government Ombudsman has carried out an investigation into GLA-related matters.
  - Working with the Authority's other statutory officers and the Head of Governance, to provide advice to the Authority on corporate governance matters, including matters relating to the proper use of the Authority's resources.
- 3.51. The Monitoring Officer seeks to be fully transparent in the conduct of his work by: publishing all decisions made on complaints received against Members, providing a public update on all MOPAC-related complaints to each meeting of the Assembly's Police and Crime Committee and by presenting an annual report to the Assembly. The Monitoring Officer's report for 2014-15 report can be found at item 8 of the agenda for the 17 March 2015 meeting of the Assembly's Audit Panel:

[www.london.gov.uk/moderngov/documents/s44900/13%20-%20Annual%20Report%20of%20the%20Monitoring%20Officer%20Regarding%20Complaints%20Against%20Elected%20Members.pdf](http://www.london.gov.uk/moderngov/documents/s44900/13%20-%20Annual%20Report%20of%20the%20Monitoring%20Officer%20Regarding%20Complaints%20Against%20Elected%20Members.pdf)

### **Ensuring effective arrangements are in place for the discharge of the head of paid service function**

- 3.52. The Head of Paid Service (HOPS) is the GLA's most senior official and leads the Corporate Management Team. He 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.
- 3.53. The HOPS cannot sensibly exercise all of those functions falling to the role personally and so has made delegations to other officers in the GLA. These are set out in the HOPS Scheme of Delegations – Staffing. The Scheme is supported by a protocol

describing the procedures that should be followed by the HOPS or officers with delegated powers when using the staffing powers vested in the HOPS.

- 3.54. The Assembly has delegated its role as a consultee in this regard to the GLA Oversight Committee. In 2014-15 the HOPS continued to provide regular updates to the Committee on staffing matters and on the Authority's workforce; and to consult with it on proposed changes to the GLA establishment.
- 3.55. The roles of HOPS and Greater London Returning Officer (GLRO) are vested in the same individual. Appropriate arrangements are in place to ensure the GLRO role is discharged effectively, including: a dedicated budget; a dedicated and formal decision making process (through GLRO decision forms); and a structured programme approach to effectively delivery the 2016 elections

### **Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities**

- 3.56. The roles and responsibilities of the Audit Committee are discharged, as a function of statute, by the Mayor. He is supported in this regard by the Assembly's Audit Panel.
- 3.57. The Audit Panel has well-established terms of reference, informed by CIPFA guidance. The Audit Panel: provides challenge; raises the profile of internal control, risk management and financial reporting; provides a forum for the discussion of issues raised by internal and external auditors; and bolsters transparency. The Panel also monitors the effective development of risk management, whistleblowing, and anti-fraud and corruption policies.
- 3.58. In March 2015 the Audit Panel agreed an improved process for making in-year changes to internal and external annual audit plans. The Panel's Chair and Deputy Chair are now informed in writing of any changes at the first opportunity.

### **Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful**

- 3.59. The GLA's decision-making framework requires compliance with relevant laws, internal policies and procedures, and the GLA's Executive Director of Resources and Head of Governance & Performance are responsible for ensuring that appropriate professional advice on finance and legal matters is available and properly recorded.
- 3.60. All payments over £250 are published on the GLA's website along with all Mayoral, Director and Assistant Director decision forms. These arrangements are at the heart of the GLA's transparency arrangements.



- 3.61. Internal Audit's risk based programme of audit work aims to provide assurance on both the effectiveness of the management of risks to the achievement of agreed objectives and on compliance with GLA policies and procedures and externally arising regulations and the law.
- 3.62. Following the devolution of housing and regeneration functions to the GLA in April 2012, it became apparent that there was an unintended deficiency in the GLA Act which barred the GLA from incurring expenditure on the transport related elements of those housing and regeneration programmes and projects. The Government acknowledged that this deficiency should have been addressed during the passage of the Localism Act 2011 through Parliament and rectified the oversight – with fully retrospective force – through the Infrastructure Act 2015. The matter has therefore been satisfactorily resolved. But it points to the need for the GLA to continue to monitor legislation affecting London as closely as possible.

### **Arrangements for whistle-blowing and for receiving and investigating complaints from the public**

- 3.63. The GLA is committed to the highest standard of openness and accountability. In line with that commitment, the GLA encourages employees and others with serious concerns about any aspect of the GLA work to come forward and voice those concerns. It does this through a clear statement of its policy on london.gov.uk which can be accessed by all staff and the public and which sets out definitions and key points of contact. Internal Audit analyses areas likely to be susceptible to fraud and provides support to managers in investigating allegations of fraud, theft or impropriety. The GLA also maintains a facility for people to report matters confidentially to an independent third party.
- 3.64. The GLA has clear guidance on its complaints procedure, which also sets standards for responding to any complaints. Complaints are recorded by the Public Liaison Unit and that process includes recording which officer is responsible for handling the complaint and the timeliness of individual responses. Complaints' statistics are reported to the Assembly's GLA Oversight Committee on a six-monthly basis.

### **Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training**

- 3.65. The GLA has robust and thorough processes for appraising and developing its staff, backed by a well-embedded competency framework and a training and development programme. The programme supports the achievement of the organisation's aims and objectives and a high performance culture at the GLA. In October 2014 the GLA launched a new management and leadership development strategy and has over the year improved significantly the resources and training available to managers and senior staff.

- 3.66. Good corporate governance principles are incorporated into induction training for all staff and elected members. On-line corporate governance training has been made mandatory for all staff and take-up is monitored. The content is refreshed regularly to reflect developments in practice.

**Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation**

- 3.67. In addition to the considerable consultation required by law on his statutory strategies and budget proposals, and consultation undertaken during the development of other programmes and plans, the Mayor has a range of arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the work of the GLA.
- 3.68. The arrangements include People's Question Time, which are meetings that give Londoners an opportunity to ask the Mayor and the Assembly about their plans, priorities and policies for London, and the State of London Debate, which is the Mayor's annual conference and largest mechanism for debate and direct engagement with policy makers, opinion formers and Londoners.
- 3.69. The GLA has also developed Talk London, an online research community of presently 10,000 Londoners, to promote and facilitate debate about improving London. In addition, and through the London Datastore, the London Dashboard provides regular updates on key indicators of London life. Improved versions of the Datastore and Dashboard were launched in October 2014.
- 3.70. Other channels of consultation include: the periodic London Survey, most recently conducted in November 2014; a regular 'Talking Points' survey; telephone surveys; and consultation on specific plans and policies.
- 3.71. The External Affairs directorate works to ensure that all communication to Londoners is audience-focused, meaning that it is relevant to the audience and is written in plain language. A major review of the GLA's website has been ongoing during 2014-15, and following a period in beta, a new site is expected to go live towards the end of 2015.
- 3.72. The GLA also has well-developed arrangements and standards for dealing with and monitoring Mayoral correspondence and Freedom of Information requests.
- 3.73. The Assembly carries out consultations and engagement with Londoners in order to inform its investigations. This includes a programme of site visits and informal meetings, written consultations, online surveys and consultation and formal committee meetings. The Assembly also hosts a programme of receptions and events at City Hall.

**Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the GLA's overall governance arrangements**

- 3.74. As already alluded to, the GLA has three principal groups of partners or stakeholders:
- the company it has established – GLA Land and Property (GLAP) – to manage its land and property transactions;
  - its permanent functional bodies and the Mayoral Development Corporations (MDCs) it has created in accordance with the provisions of the Localism Act; and
  - London boroughs and other key public sector and business stakeholders across London and beyond.
- 3.75. GLAP is a company wholly owned by the GLA. The company's activities have been fully integrated into the Mayor's Scheme of Delegation for the GLA and regular board meetings are held to ensure compliance with company law. The GLA is not aware of any governance issues arising in relation to GLAP.
- 3.76. There are a series of arrangements in place, mainly defined by legislation and differing slightly according to each organisation, governing the GLA's relationship with Transport for London (TfL), MOPAC, the London Fire and Emergency Planning Authority (LFEPA) and the MDCs. There are currently two MDCs: the London Legacy Development Corporation (LLDC) and the OPDC.
- 3.77. The GLA has strengthened its oversight governance arrangements of LLDC by establishing:
- regular Finance and Policy Liaison meetings at an officer level chaired by the GLA's Head of Paid Service; and
  - monthly Finance meetings between key senior staff of the GLA and the LLDC.
- In addition, with Government and key Olympicopolis partners, the GLA and the LLDC have developed a shared approach and shared funding to provide oversight, assurance and risk management of the Olympicopolis project. Central to this is the Olympicopolis Programme Board (OPB).
- 3.78. The OPDC was established on 1 April 2015 and preparatory work included laying the foundation for effective governance and oversight, and constituting and appointing members to the body's Board.
- 3.79. In the case of LFEPA, the Mayor has asked the Department for Communities and Local Government (DCLG) to reform its governance to reflect the Mayor's accountability for resourcing. DCLG has undertaken a consultation exercise on the Mayor's proposed reforms.

- 3.80. As referred to previously, the Corporate Governance Framework for the GLA Group covers its powers and duties, sets out respective roles and responsibilities and how they should relate to each other. The framework is based on the seven established 'Nolan principles' that underpin effective and ethical corporate governance in public service.
- 3.81. The other partnerships in place (ie. with boroughs, voluntary organisations, business and others) vary tremendously in role, size and resourcing. Oversight of these partnerships is at team level. The GLA maintains partnership guidance to promote effective oversight of partnerships. It also maintains a register of the Authority's most significant partnerships.

## **4. London Assembly scrutiny of governance issues**

- 4.1. The London Assembly has a key role to play in holding the Mayor to account and scrutinising GLA governance, services and functions.
- 4.2. The Assembly provides regular challenge of the GLA's governance arrangements in a number of key ways:
  - Mayor's Question Time, where the Mayor is required to attend ten meetings of the Assembly per year to answer Assembly Members' questions;
  - responses to statutory consultations, principally relating to Mayoral strategies and the Mayor's budget;
  - confirmation hearings for key appointments (see below);
  - the work of scrutiny committees; and
  - other work on internal corporate governance.
- 4.3. Mayoral nominees for nine offices are subject to non-binding confirmation hearings conducted by the London Assembly. The purpose of the confirmation hearing, which is held in public, is to establish whether a candidate has the ability to do the job and is fit for office. The Assembly does not have the power to veto an appointment and its recommendations are not binding on the Mayor. In the case of a tenth office, the Deputy Mayor for Policing and Crime, the Assembly confirmation hearing is binding for candidates who are not Assembly Members.
- 4.4. The nine offices to which non-binding confirmation hearings apply are:
  - Chair and Deputy Chair of Transport for London;
  - Chair of the London Fire and Emergency Planning Authority;
  - Chair of the London Cultural Strategy Group;
  - Chair and Deputy Chair of the London Pensions Fund Authority;
  - Chair of the London Waste and Recycling Board; and
  - Chair of a Mayoral Development Corporation (of which there are currently two).
- 4.5. Appendix C provides details of governance and related issues raised by the Assembly in 2014-15.

## 5. Extant risks and future governance challenges

### Extant risks

5.1. At the time of the most recent update to the corporate risk register (March 2015), there were 18 corporate risks. The most serious risks were:

- Air quality: EU policy such that London is at risk of penalties arising from EU infraction processes.
- London 2012 Legacy: The GLA is exposed to financial risk due to overspends on, or reduced income from, existing LLDC projects, requirement to underwrite risks and provide cash-flow support for the cultural and higher education quarter (Olympicopolis).
- Health & Safety - City Hall and Squares: Breach in processes/procedures (or procedures not rigorous enough) leading to a health and safety or security incident (including an act of terrorism).
- Funding constraints: Government grant and other external funding – including the New Homes Bonus topslice allocated to the London Enterprise Panel – falls, placing significant constraints on the GLA's budget that cannot be managed without impacting on services and Mayoral priorities.
- GLA budget setting: The unique process for setting the GLA Group / GLA budgets – involving the Mayor, Assembly and functional bodies – creates complexity that means statutory requirements are not fulfilled, either by the Mayor or by the Assembly, and budgetary priorities are not adequately reflected.

### Governance challenges

5.2. Governance challenges centre on:

- Continued resource pressures arising from the constrained funding environment, and in particular:
  - the GLA has yet to receive a full financial settlement from Government for the period 2016-17 and beyond;
  - the GLA's exposure to the risks arising from the financial standing of its functional bodies, particularly the LLDC and the OPDC given the GLA is their principal funder and funder of last resort.
- Related to the above, working with Government to provide oversight, assurance and risk management for the Olympicopolis project led by LLDC; and to ensure the success of the OPDC.
- Responding to a new Government's agenda, which will have significant funding and policy implications.
- Identifying and managing the risks arising from the GLA's financial transactions portfolio; and in particular ensuring the GLA is able to both maximise outcomes and meet its commitment to repay Government loan funding for Housing Zones and the London Housing Bank.

- Preparing so as to manage effectively the likely significant transformation and change following the GLA elections in 2016.
- Monitoring a suite of 100 GLA programmes which cut across a wide variety of subject areas and account for £100m of revenue spend and £0.8bn of capital spend in 2015-16:
  - the GLA's Investment and Performance Board (IPB) takes an active role in ensuring value for money is achieved, proper governance arrangements are in place and areas of underperformance are challenged;
  - key performance indicators and Mayoral commitments are also tracked to identify, and take action, on any areas of underperformance.
- Maintaining a large amount of data on the GLA website and ensuring that it remains timely, accurate and easily accessible, particularly during the period a newly designed website is developed and goes live in late 2015.
- Addressing issues raised by Internal Audit in their review of the GLA's grants process, referred to at paragraph 3.39 above.

### **Commercial partnerships**

- 5.3. The Assembly has raised the issue of the Mayor entering into commercial partnerships with specific reference to certain recent examples:
- The Zhongrong Group and Crystal Palace Park;
  - The sale of the former fire station at Southwark;
  - TfL's handling of the Garden Bridge design procurement process; and
  - Future OPDC projects and their interaction with the planning process.
- 5.4. The issues arising from these examples can be categorised as:
- Ability to demonstrate value for money has been achieved, particularly in circumstances where the GLA has engaged with a single commercial entity;
  - Clarity in terms of roles and responsibilities, including the importance of avoiding any perceived or actual conflicts of interest on planning issues; and
  - The management of risk for high profile and sensitive projects, assessing the reputational and legal risks to which the GLA is being exposed.
- 5.5. While each initiative will have its own specific characteristics and therefore a generic approach will not always be possible, it is clear that there are common themes and principles emerging. Some of these can be addressed during the forthcoming review of the Group Corporate Governance Framework. Others are covered through existing corporate governance policy documents – for example, the GLA's Contracts and Funding Code – and will be reviewed as part of their regular refresh. The overriding principle is that, at a minimum, the Mayor should be fully briefed on the risks arising before making any commitments on behalf of the GLA.

## **6. Disclosure**

- 6.1. No significant developments or events relating to the governance system have occurred between the end of the 2014-15 financial year and the signing off of the Authority's financial statements in September 2015.

**Boris Johnson**  
Mayor of London

Date: September 2015

**Jeff Jacobs**  
Head of Paid Service

Date: September 2015



## Appendix A: Internal audit assurance ratings in 2014-15

### Overview

No 'limited assurance' ratings were received in the year, compared with two in the previous year.

Of the 17 risk and assurance reviews conducted, eight received a 'substantial assurance' rating and nine an 'adequate assurance' rating. Of the 18 follow up reviews, 14 were rated substantial and four adequate.

Internal Audit's Annual Opinion for 2014-15 states:

*The GLA has an effective internal control environment with an improved risk management framework supporting the achievement of its overall strategic objectives.*

### Risk and Assurance Reviews

Audit Title	Rating
Delivery of Mayor's Outer London Fund & Mayor's Regeneration Fund	Substantial
Youth European Social Fund (ESF) Projects	Substantial
Housing - Compliance Audit Programme	Substantial
Sports Legacy Programme	Substantial
Mobile Portable Devices	Substantial
Budgeting Control Framework	Substantial
Treasury Management	Substantial
Royal Albert Dock Procurement Review	Substantial
Income from the GLA Estate	Adequate
Performance Management Analytical Review	Adequate
Procurement	Adequate
London's European Office	Adequate
Sundry Income/Debtors (incl. Fees & Charges)	Adequate
Creditors - Ordering, Receiving & Payments	Adequate
Rough Sleepers Project	Adequate
Growing Places Fund	Adequate
Payroll - Review of Main Areas	Adequate

## Follow Up Reviews

Audit Title	Rating
Decision Making Framework - Mayoral & Directorate	Substantial
General Ledger	Substantial
Energy and Environmental Policy Development and Implementation	Substantial
London Plan Implementation	Substantial
Sickness Monitoring & Control (aka Attendance Management)	Substantial
Mayor's Mentoring Programme	Substantial
Performance Management Framework	Substantial
Regeneration Funding & Control	Substantial
ICT Procurement	Substantial
Housing Grants Monitoring & Control	Substantial
Recruitment Control Framework	Substantial
Financial Control Framework	Substantial
Delivery of Mayor's Outer London Fund & Mayor's Regeneration Fund	Substantial
Performance Management Analytical Review	Substantial
Estates Strategy & Management of Assets	Adequate
Decent Homes Programme	Adequate
Mayor's Economic Development Strategy	Adequate
Procurement	Adequate

## Appendix B: Mayoral directions issued to the GLA's functional bodies in 2014-15

Good GLA governance involves full transparency over any directions issued to the GLA's functional bodies. The GLA is careful to issue directions only when it is appropriate to do so. Directions are published on the GLA website as part of the routine publication of all Mayoral decision forms.

In 2014-15 seven directions were issued to TfL; one direction was issued covering both TfL and LLDC; and five were issued to the LFEPA.

MD No.	Body	Title	Date	Decision
1334	TfL	Aviation	9/4/14	<p>1. Extend until 30 September 2015 the Direction given to Transport for London (TfL) on 13 May 2011 (MD806, as amended by MD1037 and MD1080) under section 155(1)(c) of the Greater London Authority Act 1999 ('the GLA Act'). This Amended Direction (attached as Annex 1) will be reviewed on or around 30 September 2015.</p> <p>2. Authorise TfL under section 38(1) of the GLA Act to exercise the Mayor's powers under sections 30 and 34 of the GLA Act to do all things necessary and expedient to undertake the works required by the Amended Direction in accordance with the terms of the annexed delegation.</p> <p>3. Authorise Daniel Moylan as a member of the TfL Board to oversee the work that TfL will undertake pursuant to the Amended Direction.</p>
1359	LFEPA	8 Albert Embankment	16/6/14	<p>That the Mayor directs LFEPA in the manner set out at Appendix 3 to this decision form, namely:</p> <ul style="list-style-type: none"> <li>• Not to proceed to, or take any preparatory steps in relation to, the disposal of 8 Albert Embankment except for and pending completion of the actions set out below;</li> <li>• To write to all members of the London Development Panel, no later than 31 July 2014, inviting them to provide informal advice and input on issues relating to the development and its viability, by way of soft market testing; and</li> <li>• Within eight weeks of the receipt of the information from the soft market test, to report back to the Mayor of London on the conclusions reached as a result of that test and to await the Mayor of London's response before taking any action in relation to the disposal of 8 Albert Embankment.</li> </ul>
1368	TfL	Travel provisions for Team London volunteers	18/6/14	<ul style="list-style-type: none"> <li>• To direct TfL under sections 155 and 174 of the Greater London Authority Act 1999 to provide 550 Oyster cards to enable the Team London volunteers and managers to travel on the TfL Network and National Rail (where the Train Operating Companies accept Oyster) to their training day and volunteering at assigned venues during the period of 1 July to 31 August, and</li> <li>• To delegate to TfL the necessary powers to deliver the proposals specified in the Direction under sections 30, 34 and 38 of that Act; and</li> <li>• To approve the GLA providing a revenue grant of up to £7,730 to TfL pursuant to section 121 of the GLA Act to reimburse TfL for the cost of National Rail journeys taken using the Team London Oyster cards.</li> </ul>

MD No.	Body	Title	Date	Decision
1355	TfL	Garden Bridge Development Proposals	27/6/14	<p>1. Delegates to TfL the exercise of the Mayor's powers under sections 30 and 34 of the Greater London Authority Act 1999 ("the GLA Act") in accordance with the Delegation contained in Appendix A to this Decision.</p> <p>2. Directs TfL to use its powers and the powers delegated to it under (1) above to:</p> <p>(i) provide funding of up to £30 million to the Garden Bridge Trust ("GBT"), for the purposes of securing the delivery and construction of the Garden Bridge, on such terms and conditions and in such form or manner as considered appropriate by TfL;</p> <p>(ii) do anything that it necessary or expedient for the purposes of (i) above; and</p> <p>(iii) do anything that is conducive or ancillary to the above activities.</p> <p>in accordance with the Direction contained in Appendix A, and to make budgetary provision in that regard.</p>
1369	LFEPa	Disposal of 9 former fire stations	11/7/14	<p>The Mayor directs LFEPa in the manner set out at Appendix B to this decision form; namely in relation to the sale by LFEPa of nine of its former fire stations at Belsize, Bow, Clerkenwell, Downham, Kingsland, Silvertown, Southwark, Westminster and Woolwich:</p> <p>1. To report to the Mayor of London with all available information on the bids submitted to LFEPa within twelve weeks of their receipt; and</p> <p>2. To await the Mayor of London's response before entering into any agreements to dispose of the nine former fire stations.</p>
1380	LLDC & TfL	Invictus Games	18/7/14	<p>In recognition of the significance of London playing host to the 2014 Invictus Games and as a city contribution towards the staging of the event, the Mayor:</p> <ul style="list-style-type: none"> <li>• Directs the LLDC to waive fees, totalling £585,808, relating to the staging of the 2014 Invictus Games on Queen Elizabeth Olympic Park as at Appendix B to this form; and</li> <li>• Directs TfL to provide 1,000 'pay as you go' Oyster cards at a cost to TfL of approximately £66,000, for use by carers, families and friends of the athletes who will be participating in the 2014 Invictus Games as at Appendix D to this form.</li> </ul>
1318	TfL	Contactless Payments and Oyster Cap	8/8/14	<p>The Mayor approves:</p> <ol style="list-style-type: none"> <li>1. The introduction of daily caps for bus fares paid by contactless payment cards (CPCs), at the same values as the equivalent Bus &amp; Tram Oyster daily caps, and</li> <li>2. The introduction of weekly (Monday to Sunday) caps for bus fares paid using CPCs, at the same values as the equivalent 7 Day Bus &amp; Tram Pass, on a date determined by TfL; and approves</li> <li>3. The extension of acceptance of CPCs to the Underground, Docklands Light Railway, London Overground, trams and National Rail services where Oyster is accepted, at the rates published in MD1299 for Adult PAYG using Oyster,</li> <li>4. The introduction of multimodal daily caps for fares paid using CPCs at the same value as the equivalent Oyster daily caps, and weekly (Monday to Sunday) caps for fares paid using CPCs at the same values as the equivalent 7 Day Travelcard, and</li> <li>5. The introduction of a new maximum fare which may be applied in the event of a failed tram revenue inspection, as set out below, from the 16 September 2014 or a later date determined by TfL; and</li> <li>6. Signs the attached Direction to TfL under section 155 (1)(c) of the Greater London Authority Act 1999 to implement the proposal.</li> </ol>

MD No.	Body	Title	Date	Decision
1385	LFEPa	Partial performance	22/7/14	<p>The Mayor directs LFEPa in the manner set out at Appendix B to this decision form; namely:</p> <ul style="list-style-type: none"> <li>• To instruct the London Fire Commissioner to take a report to the 2 October 2014 LFEPa meeting investigating the benefits and risks to LFEPa associated with withholding payment from firefighters for part or the whole period of duty on which they are on strike;</li> <li>• To provide the Mayor of London with copies of the ballot result and the notification of the industrial action for the Fire Brigade Union's current action on its pension dispute with Government; and</li> <li>• To provide the Mayor of London with a copy of the employment contract LFEPa has in place with its firefighters.</li> </ul>
1418	TfL	January 2015 Fare Changes	10/11/14	<p>(i) Approves the proposed revisions to TfL fares to be implemented from 2 January 2015 as set out below; and</p> <p>(ii) Signs the attached Direction to TfL issued pursuant to the power in section 155 (1)(c) of the Greater London Authority Act 1999 to implement these fares on 2 January 2015.</p>
1439	TfL	MOPAC TfL Delegation ANPR	27/1/15	<p>The Mayor delegates to Transport for London the exercise of the power in section 30 of the Act for the Mayor, acting on behalf of the GLA, to do anything which the Mayor considers will further the promotion of social development in London, in order for TfL to provide the Metropolitan Police Service with general access to a feed of the data collected by and through TfL's ANPR cameras.</p> <p>This is on the basis that doing so will further the promotion of social development in Greater London by assisting with the detection and prevention of crime.</p> <p>The Mayor directs TfL to provide such access as set out in Appendix E.</p>
1464	LFEPa	Bow and Silvertown fire station	10/3/15	<ul style="list-style-type: none"> <li>• Directs LFEPa in relation to the disposal former fire station sites at Bow and Silvertown in the form attached at Appendix B to this decision form; and</li> <li>• Provides a letter of comfort to LFEPa as to its financial position in the form attached at Appendix C to this decision form.</li> </ul>
1486	LFEPa	Disposal of fire station at Southwark Hadston	26/3/15	<p>That the Mayor directs the London Fire and Emergency Planning Authority (LFEPa) in relation to the disposal of Southwark former fire station site in the form attached at Appendix B to this decision form.</p> <p>That the Mayor provides a letter of comfort to LFEPa as to its financial position in the form attached at Appendix C to this decision form.</p>
1478	TfL	Croxley Rail Link	26/3/15	<ol style="list-style-type: none"> <li>1. Directs TfL to take over responsibility for delivering the entire project including civil engineering works, systems and the procurement of additional rolling stock.</li> <li>2. Directs TfL to provide £46.5m of funding towards the costs for delivering Croxley Rail Link based on a total cost of the project of £284.5m on the basis that the Government increases TfL's overall borrowing requirement by £30m and that £16m will be funded from the TfL capital budget (the remaining costs of £238m are to be funded from Hertfordshire County Council and the Department for Transport).</li> <li>3. Directs TfL to be responsible for any cost overruns above the current project estimate of £284.5m.</li> </ol>

## **Appendix C: Governance and related issues raised by the Assembly**

### **2015/16 Budget for the GLA Group**

In accordance with the requirements of the GLA Act 1999 (as amended), there is a two-stage budget-setting process. At the draft budget stage the Assembly is able to amend the statutory figures that make up the consolidated budget requirement in the GLA Act by a simple majority. The Mayor is under a duty to respond to any amendments passed when he presents his final budget.

At the final draft Budget stage, the Assembly is able to amend the statutory figures that make up the consolidated budget requirement by a two thirds majority of Assembly Members present and voting. At this stage, amendments agreed by the requisite majority are binding.

At its meeting in January 2015, following consideration of the draft Budget, the Assembly agreed one amendment and four Budget Related Motions. These are set out in the published minutes of the meeting.

At its meeting in February 2015, following consideration of the final draft Budget, the Assembly did not agree any amendments to the Budget by the requisite majority, and in accordance with Paragraph 8(5) of Schedule 6 to the GLA Act 1999 (as amended), the Assembly was deemed to have approved, without amendment, the Final Draft Consolidated Budget for 2015/16. The Assembly did agree two Budget Related Motions and those are set out in the published minutes of the meeting.

### **Strategies and plans**

The Mayor is statutorily required to consult the Assembly on certain key strategies. Assembly committees usually respond to such consultations on the Assembly's behalf and the consultation responses are published on [london.gov.uk](http://london.gov.uk).

In addition, the Mayor must lay before the London Assembly the final versions of those key strategies prior to their publication. Under the provisions of Section 42 of the GLA Act 1999 (as amended), the Assembly has the power to consider and potentially reject draft strategies within 21 days of their submission, including the date the draft strategy is laid before the Assembly.

On 6 February 2015, the Assembly considered the Further Alterations to the London Plan (FALP) and agreed a motion to reject the alterations; however, the motion only attracted a simple majority of votes cast in its favour and not the two-thirds majority required in law formally to reject the draft Strategy. The motion and the additional formal proposals to the Mayor, under section 60(1) of the GLA Act 1999 (as amended) in relation to the contents of the FALP represented the Assembly's comments on the strategy.

## **Confirmation Hearings**

During 2014-15 the London Assembly held one confirmation hearing, in February 2015. This related to the proposed appointment of Gareth Bacon AM to the office of Chairman of LFEPA. The Confirmation Hearings Committee recommended that the Mayor should proceed with the appointment.

The transcript of the question and answer session held with Gareth Bacon AM and the letter of recommendation to the Mayor in relation to the appointment are published on [london.gov.uk](http://london.gov.uk).

## **Mayoral Development Corporations**

Section 197 of the Localism Act 2011 gives the Mayor powers to designate any area of land in Greater London as a Mayoral Development Area for the purposes of setting up an MDC. In relation to the proposal to designate a Mayoral Development Area covering Old Oak and Park Royal, the Mayor laid his proposals before the Assembly at its meeting on 17 December 2014. Under Section 197 of the Act, the Assembly may reject the Mayor's proposal by a two-thirds majority of Assembly Members present and voting. The Assembly did not agree by the requisite majority to reject the proposal, but it did agree a motion which called on the Mayor formally to respond to some specific concerns raised and to develop an MDC proposal which addressed the issues identified.

## **Improving transparency and governance**

The Assembly's committees play a key role in scrutinising policy areas and delivery in depth and in bringing information into the public domain. The Assembly, through several of its committees, has maintained its focus on the transparency of the GLA Group, for example recommending the Mayor insist on transparency commitments from organisations (such as London & Partners) which receive significant funding from the GLA.

The Budget & Performance Committee supports the Assembly's scrutiny of the Mayor's budget. In January 2015 the Mayor responded to the Budget & Performance Committee's Pre-Budget Report, accepting a number of recommendations to improve the quality of the budget document and to provide further information on issues such as housing, policing and apprenticeships to help the Assembly's scrutiny.

Assembly work at several committees influenced the Mayor and TfL in introducing flexible ticketing arrangements to help encourage part-time working, leading to the introduction of a price cap on peak time pay as you go travel. Following further work at the Budget Committee, the Mayor also agreed that TfL should review the impact of the introduction of the Pay As You Go daily cap after six months.

Following a Channel 4 News report about the redevelopment of Royal Albert Dock, on 19 November 2014, the London Assembly considered a motion relating to the procurement process of the redevelopment. After the debate at Mayor's Question Time, the Assembly's

Audit Panel considered a report prepared by the GLA's Internal Audit service (the Interim Review of Royal Albert Dock Procurement) and at its meeting on 24 March 2015. The GLA Oversight Committee put questions on the matter to a number of guests including the Chairman and Chief Executive of London & Partners.

Improved transparency on senior employee remuneration has also been a focus for the Assembly this year. At its meeting of 23 July 2014, the GLA Oversight Committee put questions to invited guests on senior pay in the GLA Group, including the Mayor and the Transport for London Commissioner. The Committee subsequently called on the Mayor to establish a consistent approach to exit payments across the GLA Group and asked for greater transparency in terms of pay policies, senior employee remuneration and payments for loss of office.



# Subject: Transport for London Board Governance

**Report to: GLA Oversight Committee**

**Report of: Executive Director of Secretariat**

**Date: 9 July 2015**

**This report will be considered in public**

## 1. Summary

- 1.1 This report provides information to the Committee as background to putting questions to invited guests on Transport for London (TfL) Board governance arrangements.

## 2. Recommendation

- 2.1 **That the Committee notes the report and discussion.**

## 3. Background

- 3.1 The Chair of the Assembly's Transport Committee wrote to the Chair of the GLA Oversight Committee proposing that the GLA Oversight Committee undertakes a review on behalf of the Assembly on TfL's corporate governance arrangements with a view to assessing whether they are fit for purpose. The letter is attached as **Appendix 1**.
- 3.2 In March 2015, the GLA Oversight Committee responded on behalf of the Assembly to TfL's consultation on transparency, which TfL is using to inform the development of a Transparency Strategy. The response highlighted the Assembly's concern with how conflict of interest had been dealt with at the TfL Board meeting in February 2015, when an investment proposal for Cycle Superhighway Schemes was discussed. The Assembly's response is attached as **Appendix 2**.

## 4. Issues for Consideration

- 4.1 At this meeting, the Committee will put questions to:
- Isabel Dedring – Deputy Chair, TfL;
  - Howard Carter - General Counsel, TfL; and

- Graeme Craig - Director of Commercial Development, TfL.

4.2 It is proposed that the discussion in particular focusses on the following specific areas:

- the composition and membership of TfL's Board;
- how TfL deals with conflicts of interest; and
- the governance arrangements in relation to TfL's growing role in commercial development.

## 5. Legal Implications

5.1 The Committee has the power to do what is recommended in this report.

## 6. Financial Implications

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

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### List of appendices to this report:

**Appendix 1** - Letter from the Chair of the Transport Committee

**Appendix 2** - The Assembly's response to TfL's consultation on transparency

<b>Local Government (Access to Information) Act 1985</b>
List of Background Papers: None
Contact Officer: Katie Smith, Head of Scrutiny & Investigations Telephone: 020 7983 4423 E-mail: <a href="mailto:Katie.smith@london.gov.uk">Katie.smith@london.gov.uk</a>

Valerie Shawcross CBE AM, Chair of the Transport Committee

London Assembly  
City Hall  
The Queen's Walk  
London, SE1 2AA

**Len Duvall AM**

Chair  
GLA Oversight Committee  
London Assembly  
City Hall  
The Queen's Walk  
London, SE1 2AA

22 May 2015

Dear Len

**GLA Oversight Committee: investigation into Transport for London's corporate governance arrangements**

I am writing to you as Chair of the Transport Committee in relation to the governance of Transport for London.

The Transport Committee's continuing work to scrutinise TfL has revealed a number of potential avenues for further enquiry on the subject of its corporate governance arrangements. In particular, TfL is undertaking a new set of activities in commercial development, which require proper oversight.

As you will be aware, TfL is currently undertaking an external review of the effectiveness of its Board and decision making processes, examining the performance of the Board and of its Committees, Panels and individual Members with the intention of reporting its conclusions in September 2015.

I believe the Assembly should review TfL's corporate governance arrangements with a view to assessing whether they are fit for purpose. In order for such an investigation to be as effective as possible, I believe that this review should take place at the first opportunity and, as any issues or concerns of such a review will principally concern the manner in which TfL is governed, I would like to suggest that this investigation would be more effectively organised by the GLA Oversight Committee.

Yours sincerely



**Valerie Shawcross CBE AM**  
Chair of the Transport Committee

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Len Duvall AM, Chair of the GLA Oversight Committee

**Sir Peter Hendy CBE**

Commissioner,  
Transport for London  
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Ref:

9 March 2015

Dear Sir Peter

**Transport for London consultation on transparency – Assembly response**

Please find attached the response to the TfL consultation on transparency, undertaken on behalf of the London Assembly by the GLA Oversight Committee.

Yours sincerely



**Len Duvall AM**

Chair of the GLA Oversight Committee



### Recognising progress

TfL has become a more transparent organisation in recent years, and we recognise the progress that has been made. Improvements that the Assembly and its committees have particularly welcomed include:

- Changes to the quarterly operational and financial performance report and investment programme report, which now provide useful information in an accessible format.
- More information published in the papers of TfL's Board, committees and panel meetings.
- The publication of TfL's fares advice to the Mayor for his 2015 fares decision, and the commitment to publish this routinely in future.
- The commitment to include transparency clauses in contracts, and the publication of sponsorship contracts such as for the cycle hire scheme (with Santander) and the baby on board badges (with Not on the High Street).
- More detailed and considered responses to recommendations made by the Assembly's committees.

### TfL's organisational culture

These improvements have enabled the Assembly and others to scrutinise TfL's activities more effectively. It should be noted that many of these changes have taken place because of the Assembly's pressure over a number of years, most notably on the annual fares decision. And it is not yet clear that TfL's organisational culture is changing to fully embrace the transparency agenda. True transparency is more than strictly adhering to a list of rules about what information needs to be published. It must start from a belief that TfL and the public are on the same side. TfL should be publishing information on the basis of what the public would like to know instead of what TfL is required to tell them.

We therefore feel that the next challenge for TfL is to think about how it can explain its decisions in a more open manner. For example, when a major or potentially contentious new contract is agreed, TfL should publish its evaluation of the bids and the basis for making the decision. We were pleased to see TfL's commitment to publish this information for the new cycle hire sponsorship deal, and we look forward to seeing it.<sup>1</sup> This approach should become routine across the organisation.

### The Independent Investment Programme Advisory Group (IIPAG)

The Transport Committee and the Budget and Performance Committee have both expressed concerns about the lack of transparency at IIPAG – particularly at the refusal to publish more than a single report each year summarising its work. In response, the Mayor has stated that “the interests of transparency of course 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>2</sup> The argument about commercial confidentiality is

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<sup>1</sup> Letter from Graeme Craig, TfL Director of Commercial Development, to John Biggs AM, Chair of the Budget and Performance Committee, 5 February 2015 [www.london.gov.uk/sites/default/files/TfL%20response.pdf](http://www.london.gov.uk/sites/default/files/TfL%20response.pdf)

<sup>2</sup> Letter from the Mayor to John Biggs AM, Chair of the Budget and Performance Committee, 12 January 2015 [www.london.gov.uk/sites/default/files/John%20Biggs%20AM%20Letter%20from%20the%20Mayor.pdf](http://www.london.gov.uk/sites/default/files/John%20Biggs%20AM%20Letter%20from%20the%20Mayor.pdf)

frequently rolled out to defend the status quo, but we can see no reason why underperformance by TfL or its contractors should be hidden from sight.

We believe that greater transparency would enable the Assembly to scrutinise TfL and its contractors more effectively, and provide the public with greater confidence that its fares and taxes are being put to best effect. For example, the public is still in the dark about the management of the Bombardier signalling contract and why it went so wrong. The Transport Committee wrote to the Mayor in October 2014 to express its concern that IIPAG's views were not made public at the time.<sup>3</sup> Sight of IIPAG's reviews would help clarify how early the risks associated with the signal contract were identified and how quickly management responded. Without a full picture of what went wrong and why, the public cannot be confident that a similar situation will not occur again in the future

### **Freedom of Information Act requests**

TfL answers approximately 2,500 Freedom of Information Act (FOI) requests each year, with nine out of ten answered within the statutory deadlines. This is good performance compared to many other organisations in the public sector. It seems a waste that this information is not made more widely available, and we recommend that TfL should publish this information within the Transparency section of its website. As a minimum it should publish a log of requests and responses, as the core GLA does (see [www.london.gov.uk/mayor-assembly/gla/governing-organisation/freedom-information/disclosure-log/2015](http://www.london.gov.uk/mayor-assembly/gla/governing-organisation/freedom-information/disclosure-log/2015)).

It would be more helpful, however, if TfL made this information fully searchable to make it easier for users to track down relevant material. As well as being a help for users, this could reduce the administrative burden for TfL in reducing requests for the same information. If Redbridge Council is able to provide a simple FOI search facility (see <http://data.redbridge.gov.uk/View/council-information/freedom-of-information-requests>) we do not see why TfL – and other bodies within the GLA Group – cannot do this as well.

### **TfL Board meetings**

The Budget and Performance Committee has previously expressed concerns about the transparency of the decision-making processes at the TfL Board and its committees – most notably in its report into sponsored transport schemes. More recently, a TfL Board meeting was adjourned in the middle of an item on cycle superhighways to allow Board Members with a conflict of interest to present their opinions. This was an unusual and unwelcome development. While the discussion is recorded on the webcast, it will not be included in the meeting minutes and does not form part of the public record. We hope that, in future, conflicts of interest are managed more carefully to avoid the perception that standards of governance are being deliberately circumvented. As part of its planned examination into the Board's effectiveness this year, TfL needs to look at ways to maximise its transparency.

### **TfL's relationship with the Assembly**

TfL must work harder to fulfil its commitment to respond to requests for information from the Assembly within 20 days, as agreed in response to the GLA Oversight Committee's report on GLA Transparency. TfL has failed to achieve its 20 day response target more often than it has achieved it regarding requests for information from the Budget and Performance Committee.

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<sup>3</sup> Letter from Caroline Pigeon AM, Chair of the Transport Committee, to the Mayor, 23 October 2014 [www.london.gov.uk/sites/default/files/Letter%20to%20Mayor%20on%20Tube%2023%20October%202014%20%28%29.pdf](http://www.london.gov.uk/sites/default/files/Letter%20to%20Mayor%20on%20Tube%2023%20October%202014%20%28%29.pdf)



Given the importance of timeliness for effective scrutiny – particularly where information is needed in advance of committee meetings – it can appear as though TfL is deliberately stifling the Assembly’s scrutiny activities.

TfL has struggled to consistently meet deadlines for responding to reports from the Assembly’s committees. For example, TfL did not respond to the Transport Committee’s October 2013 report, *Bus Services in London*, until April 2014. And it did not respond to the Transport Committee’s April 2014 report, *Feet First*, until August that year. TfL needs to ensure that it responds to the Assembly more quickly in future – it may need to look at streamlining its internal clearance processes as part of this.

TfL is also failing to respond to questions from Members – both in terms of Mayor’s Questions and casework – quickly enough. Holding replies are sent out but Members are forced to chase for responses, and there is a perception that TfL’s performance in this regard is getting worse, not better. The speed with which information is provided is something that TfL needs to bear in mind as it develops its strategy.

### **Confidentiality agreements**

Perhaps unsurprisingly, little is known about TfL’s use of confidentiality agreements. These can be used to prevent employees and former employees from publicly discussing issues relating to themselves, for example the circumstances of employment tribunals. They can also be used to prevent contractors and suppliers from releasing information that might be in the public interest. It would be helpful if TfL’s transparency strategy could outline how TfL currently uses these kinds of agreements, and how it intends to use them in the future.

### **The importance of transparency**

The Assembly understands that TfL’s primary focus should be on meeting the needs of its passengers. But public accountability and transparency play an important part in making that happen. We believe that greater transparency encourages better decision-making, and that this will ultimately benefit passengers. We recognise that TfL has become more transparent in recent years, and we applaud the individuals within TfL and the GLA that have driven that change. But TfL needs to become an organisation that behaves transparently not simply because it has to, but because it really understands the value in doing so. We welcome the development of a new transparency strategy at TfL, and hope to be invited to comment on a draft strategy in due course.

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# Subject: Work Programme for the GLA Oversight Committee

**Report to: GLA Oversight Committee**

**Report of: Executive Director of Secretariat**

**Date: 9 July 2015**

**This report will be considered in public**

## 1. Summary

- 1.1 This report provides details of some proposed work and the schedule of meetings for the current Assembly year (2015/16). The Committee has a rolling work programme so work may continue beyond each Assembly year.

## 2. Recommendation

- 2.1 **That the Committee notes its work programme for 2015/16, as set out in this report and identifies any additional issues it wishes to consider at future meetings.**

## 3. Background

- 3.1 The GLA Oversight Committee has the following overall functions:
- Management and administration of the budget of the Assembly and Secretariat, and overseeing the Assembly's scrutiny work programme;
  - Having oversight, on behalf of the London Assembly, of the Greater London Authority's (GLA) corporate governance policies and activities;
  - Maintaining a watching brief in respect of the activities of the senior officers appointed by the Mayor; and
  - Responding to consultations from the Head of Paid Service and scrutinising the Head of Paid Service function.
- 3.2 Additionally, it was agreed at the Annual Assembly meeting of 11 May 2012 that the GLA Oversight Committee's terms of reference include provision to scrutinise any actions or decisions taken by the Mayor on matters relating to education. The Committee can also scrutinise civil contingency arrangements in London, the provision of services to the public and the performance of utilities in London.

## **4. Issues for Consideration**

4.1 The main work areas of the Committee are summarised below.

### **Assembly Budget and Scrutiny Work Programme**

4.2 The Committee allocates the Assembly's budget and receives a report in March each year on that subject (following the approval of the overall amount of the budget and in advance of the start of the financial year in question).

4.3 The Committee receives quarterly monitoring reports from the Secretariat, scheduled for the Committee meetings in June, September, November and January.

4.4 The Committee approves individual proposals for non-routine expenditure from the scrutiny programme budget which are referred to the Committee by the subject-related committees during the year. The timing of these reports depends upon when the subject-related committees approve projects and refer proposals for expenditure.

4.5 The Committee approves proposals for rapporteurships referred from subject-related committees during the course of the year.

4.6 The Committee also has the power to consider any issue which does not fall into the remit of one of the subject-related committees (for instance, cross-cutting equalities and governance issues).

### **Staffing Consultations and Appointments**

4.7 The Committee will be invited to respond to consultations from the Head of Paid Service (HoPS) from time to time during the year. The Committee's role in relation to these consultations is reactive and therefore the work programme does not predict what reports will be presented and when.

4.8 The Assembly has a role in appointing the statutory officers to the Authority, and this Committee has delegated authority to fulfil that role as and when the need arises. At its meeting of 22 May 2012, the GLA Oversight Committee agreed that the Head of Paid Service Performance Review Panel be established as a working group, and this meets annually (with the most recent meeting held 16 December 2014).

### **Other Items of Consideration**

4.9 At the Committee's meeting of 29 January 2013, it was proposed that the Committee receives quarterly updates on the evaluation of the Mayor's Mentoring Programme. It was agreed subsequently, given the Committee's level of contentment with the progress and direction of the programme over the previous year, that updates be provided bi-annually for 2014/15. Following the update received by the Committee at its meeting of 11 December 2014, the Committee agreed to have a further update following the final phase of the programme in autumn 2015 (scheduled for October 2015).

4.10 At its meeting on 21 March 2013, the Committee asked that it be consulted formally on the annual staff pay review; as the settlement reached in 2014 covered a two-year period, the annual pay review has not been scheduled as an item on the work programme for this Assembly year.

- 4.11 At its meeting on 25 February 2014, the Committee agreed to receive details of the progress made to address GLA workforce equalities issues, dealt with as part of the Committee's regular Workforce Monitoring Report and update.

### **Scrutiny of the Head of Paid Service Function**

- 4.12 The Committee usually receives reports on the following issues during the course of the year:
- Annual Workforce Monitoring Report, incorporating complaints monitoring (plus a six-monthly update); and
  - Governance.
- 4.13 The Committee also receives a report on the Draft Annual Governance Statement (dealt with elsewhere on this agenda).

### **Shared Services**

- 4.14 Having previously considered a number of consultation proposals from the Mayor for shared services, the GLA Oversight Committee continues to receive an annual update on the progress of shared services across the Group and considers any proposals that may come forward. Following its consultation on shared services proposals in relation to the Old Oak and Park Royal Development Corporation (OPDC) at its meeting in February 2015, the Committee also requested that as part of its annual shared services report it receives an update on the proposed arrangements for the OPDC, with particular reference to financial costs and potential conflicts of interest. It is proposed that shared services be dealt with over the course of three separate meetings to consider a range of pan-GLA group collaborations.

### **Treasury Management**

- 4.15 It was agreed at its meeting of 11 September 2014, that the GLA Oversight Committee reviews the shared treasury management arrangement between the GLA and the London Pensions Fund Authority after a year of operation. The item will be considered as part of the Committee's annual update on shared services.

### **Mayor's Fund for London**

- 4.16 At the November 2014 meeting of the Committee, it was proposed that the Committee considers scrutinising the Mayor's Fund for London; this item has been scheduled for consideration at its meeting on 17 December 2015.

### **State of London Debate**

- 4.17 The Committee is consulted annually on arrangements for the State of London Debate but following the discussion at its 11 December 2014 meeting, it was agreed that it should undertake a broader review of the way in which the event is organised, with a view to assisting the next Mayoral administration. The State of London Debate is scheduled for consideration at the Committee's meeting on 17 December 2015.

### **Older People**

- 4.18 In addition to fielding a cross-party panel of Assembly Members to attend the national Age Friendly Cities conference on 16 March 2014, organised jointly by the GLA, Positive Ageing in London and the UK Urban Ageing Network, it was agreed that the GLA Oversight Committee considers the

Mayor's work on older people in London as part of the Committee's 2015/16 work programme and the matter has therefore been scheduled for the Committee's meeting on 10 March 2016.

#### **Pan-GLA Group Collaborative Procurement Function**

4.19 Following discussion of the procurement shared service function at its meeting in January 2015, the Committee requested an update in 2015/16 addressing the issues that had been raised during the meeting, namely:

- Named individuals in each organisation to be held to account;
- Clearly set out milestones showing what would be achieved in the first two years;
- More ambitious, but achievable targets for savings over a reasonable timescale, with clarity about what savings were being made;
- The planned approach to ethical and fair trade procurement; and
- A focus on ensuring that TfL's approach to efficiency would be closely monitored.

4.20 This item has been scheduled for discussion at the Committee's meeting on 17 September 2015.

#### **Transparency of the GLA Group**

4.21 In June 2013, the GLA Oversight Committee published *Transparency of the GLA Group* – authored by its rapporteur, John Biggs AM. At its meeting in March 2015, the Committee agreed a proposal to appoint John Biggs AM as rapporteur to carry out a follow-up investigation to assess the progress that has been made since the original report and to make recommendations to improve transparency in the GLA Group and the wider GLA family.

#### **Transport for London (TfL) Board Governance**

4.22 Following a request from the Assembly's Transport Committee, it was agreed that the GLA Oversight Committee undertakes a review on behalf of the Assembly on the TfL Board's corporate governance arrangements with a view to assessing whether they are fit for purpose. This is dealt with elsewhere on this agenda.

#### **Garden Bridge**

4.23 Following the passing of a motion at the London Assembly (Plenary) meeting in June 2015, which called on the Mayor to carry out a full audit of the Garden Bridge project's procurement, and to remove Transport for London funding, it has been proposed that the Committee considers the matter at its meeting in September.

### Meeting Dates

4.24 The table set out below shows the Committee's proposed meeting dates for the 2015/16 Assembly year and anticipated agenda items. This timetable and agenda items are reviewed and updated as appropriate.

Date of meeting	Main Agenda Items (subject to agreement)
Thursday, 17 September 2015 at 2.00pm in the Chamber	<ul style="list-style-type: none"> <li>• HoPS Oral Update</li> <li>• HoPS Consultation Reports (if any)</li> <li>• Secretariat Quarterly Monitoring Q1</li> <li>• Shared Services – General/Collaborative Procurement</li> <li>• The Garden Bridge</li> </ul>
Thursday, 22 October 2015 2.00pm Committee Room 5	<ul style="list-style-type: none"> <li>• HoPS Oral Update</li> <li>• HoPS Consultation Reports (if any)</li> <li>• Assembly/ Secretariat Budget 2016/17</li> <li>• The Mayor's Mentoring Programme</li> <li>• The Mayor's Annual Equalities Report 2014/15</li> <li>• London Pensions Fund Authority</li> </ul>
Wednesday, 25 November 2015 at 10.00 am in Committee Room 5	<ul style="list-style-type: none"> <li>• HoPS Oral Update</li> <li>• HoPS Consultation Reports (if any)</li> <li>• Draft Committee Timetable of Meetings 2016/17</li> <li>• Secretariat Quarterly Monitoring Report Q2</li> <li>• Shared Services – MOPAC/MPS</li> </ul>
Thursday, 17 December 2015 at 2.00pm in Committee Room 5	<ul style="list-style-type: none"> <li>• HoPS Oral Update</li> <li>• HoPS Consultation Reports (if any)</li> <li>• State of London Debate Consultation</li> <li>• Mayor's Fund for London</li> </ul>
Thursday, 21 January 2016 at 2.00pm in Committee Room 5	<ul style="list-style-type: none"> <li>• HoPS Oral Update</li> <li>• HoPS Consultation Reports (if any)</li> <li>• People's Question Time</li> <li>• Secretariat Quarterly Monitoring Report Q3</li> <li>• Assembly's Requirements for Information to be Included in the Mayor's Annual Report</li> <li>• Transparency of the GLA Group</li> </ul>
Thursday, 25 February 2016 at 2.00pm in Committee Room 5	<ul style="list-style-type: none"> <li>• HoPS Oral Update</li> <li>• HoPS Consultation Reports (if any)</li> <li>• The Mayor's Annual Equalities Report 2014/15</li> <li>• Assembly Annual Report</li> <li>• Shared Services - Treasury Management/Single Property Unit</li> </ul>

<b>Date of meeting</b>	<b>Main Agenda Items (subject to agreement)</b>
Thursday, 10 March 2016 at 2.00pm in Committee Room 5	<ul style="list-style-type: none"> <li>• HoPS Oral Update</li> <li>• HoPS Consultation Reports (if any)</li> <li>• Allocation of Assembly Budget</li> <li>• Workforce Report (update)</li> <li>• Older People</li> </ul>

## 5. Legal Implications

- 5.1 The Assembly has the power to establish committees to discharge its functions, and the GLA Oversight Committee is one such committee. The work programme is in accordance with the GLA Oversight Committee's terms of reference.

## 6. Financial Implications

- 6.1 There are no financial implications for the purposes of this report.

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**List of appendices to this report:** None

<b>Local Government (Access to Information) Act 1985</b>	
List of Background Papers: None	
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