

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2835

Title: Shared Performance and Governance Function for the GLA and OPDC

Executive summary:

This decision form asks the Mayor to approve a shared services arrangement between the GLA and Old Oak and Park Royal Development Corporation (OPDC), through which the GLA will provide governance and performance support, at a management level, to OPDC. This is in some respects a technical change to cement practice that has become established through an existing secondment arrangement.

Shared services arrangements must be approved by the Mayor following consultation with the London Assembly. This consultation took place via the 16 June 2021 GLA Oversight Committee.

Decision:

That the Mayor approves the following:

1. The establishment of a shared-service arrangement between the GLA and OPDC, under section 401A of the Greater London Authority Act 1999, whereby the GLA will provide OPDC with professional governance and performance support at a management level
2. A delegation to the Executive Director of Resources to formalise a shared-service agreement between the GLA and OPDC in respect of (1) above
3. A delegation to the Executive Director of Resources to make amendments to the existing shared-service agreement between the GLA and OPDC, to ensure the efficient and effective sharing of services between the two organisations, noting consultation will be required with the London Assembly if and where this is to include the introduction of new shared-service arrangements.

Mayor of London

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

The above request has my approval.

Signature:



Date:

22/7/21

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

Decision required – supporting report

1. Introduction and background

Background

- 1.1. The GLA and OPDC have identified an opportunity to align, on a more permanent basis, their performance and governance management functions. It is proposed this would be effected by sharing management support for this function across the two organisations by way of a formal shared service arrangement. The GLA would be the lead organisation in this regard, hosting and providing the performance and governance management services to OPDC.
- 1.2. The proposal would cement and build upon the already close working relationship between the two organisations in this area. This has been developed through the current GLA Senior Governance Manager spending three-fifths of his time seconded to the OPDC since Autumn 2019. This arrangement has worked well, in that it has:
 - provided for greater efficiency, joining up work strands common to both organisations (such as governance policy and protocol development, and approaches to performance reporting) as well as reducing duplication
 - facilitated the sharing of best practice and corporate knowledge
 - acted generally as a bridge to greater joint working in areas such as procurement
 - supported the interaction of and liaison with OPDC in regard to governance and decision-making.
- 1.3. The proposals would build also on an existing shared-service agreement¹ between the GLA and OPDC covering certain:
 - financial functions (for example, Treasury support)
 - HR functions (for example, systems support)
 - IT functions
 - web and media-monitoring services
 - government relations services
 - information governance functions
 - data services
 - facilities management functions
 - committee services functions.
- 1.4. OPDC also benefits from similar arrangements with the GLA for shared services with Transport for London (TfL) for legal, procurement and transactional finance services; and with the Mayor's Office for Policing and Crime for internal auditing. Separately, it works closely with TfL's Operational Property team to benefit from its advice and expertise.

¹ The GLA Oversight Committee was consulted on proposals pertaining to these shared services in February 2015.

- 1.5. In addition, OPDC is fully engaged with the GLA Group's collaboration work and will be reviewing, and where efficient and economical pursuing, other opportunities for sharing services, working particularly closely with the GLA in this regard. The most immediate opportunities are in respect of shared human resources and IT services.

The proposal

- 1.6. The proposed shared service will be for the provision of management support of the governance and performance functions at the GLA and OPDC. This will include, but not be limited to, providing OPDC with support to:
- develop and ensure the effective operation of OPDC's corporate governance framework
 - promote the effective operation of OPDC's board and committees
 - ensure robust and transparent decision-making
 - assist OPDC's Chief Executive Officer in strategic planning
 - develop and implement business plans
 - develop and report against OPDC's performance management framework
 - ensure effective and efficient corporate operations.
- 1.7. The shared service provision will constitute two posts:
- a GLA-hosted Grade 14 Head of Performance and Governance post, with the existing Grade 12 Senior Governance Manager post regraded accordingly; and
 - a new GLA-hosted Grade 12 Senior Governance & Performance Manager post.
- 1.8. The two posts will split their time on a 50/50 basis across the GLA and the OPDC; and the OPDC will be recharged on that basis. This will be kept under review. The post regrading and creation of the grade 12 post will be completed separately by the Head of Paid Service in accordance with the GLA Act 1999 and the GLA Staffing Protocol.
- 1.9. The regrading of the GLA-hosted Grade 14 post is necessary to reflect the post's enhanced responsibilities as part of this proposal. This post will lead the shared service and be a key member of OPDC's Senior Management team (equivalent to the GLA's Corporate Management team). In addition, the post's remit and responsibilities have increased at the GLA, with the postholder operating at an SLT level (while still under the guidance of the Assistant Director, Group Finance & Performance), including with significant direct responsibilities in respect of GLA governance arrangements.
- 1.10. An additional post at Grade 12 is required to ensure resilience and sufficient capacity across the two organisations. It should be noted that, as part of this proposal, OPDC will not be recruiting for a Grade 14 post in its organisational structure that would otherwise have held direct responsibilities for governance and performance functions at OPDC.
- 1.11. There are three FTE GLA Governance & Performance Manager posts that also make up the GLA Governance & Performance team (Grade 9). There are also circa 1.25 FTE embedded governance and performance posts at OPDC. It is not proposed, at this stage, for these posts to be formally merged so as to be one team – these posts will therefore remain in their respective organisations. Experience during the period of the Senior Governance Manager's secondment to OPDC has shown it is not necessary to create a single team. Indeed, there are benefits to having a dedicated governance and performance role at OPDC, which also fulfils a wider set of responsibilities than the GLA-equivalent roles.

- 1.12. There are no staffing implications, under TUPE or any other provision, arising from these proposals in either organisation – noting the proposal to regrade one post and create another, as set out above.
- 1.13. As noted above, there is already an existing shared-service agreement in place between the two organisations covering a range of administrative functions. This agreement, also under section 401A of the GLA Act for the ‘provision of administrative, professional or technical services’, could be modified to include governance and performance support; or a standalone agreement could be put in place. The opportunity will, in either case, also be taken to review the existing agreement to ensure it is up to date and reflects, where efficient and effective, the full scale of collaboration opportunities between the two organisations.

Decision-making

- 1.14. Shared-service arrangements under section 401A of the GLA Act 1999 must be approved by the Mayor following consultation with the London Assembly. This consultation took place via the 16 June 2021 Oversight Committee. The points the Committee raised are covered at paragraph 4.4.
- 1.15. The Mayor is being asked to delegate authority to the Executive Director of Resources to enter into an agreement with OPDC covering the terms and working arrangements under which the new shared service will operate.
- 1.16. He is also being asked to delegate authority to the Executive Director to review the existing shared-service agreement between the two organisations, as set out at paragraph 1.13, above. This delegation includes amending the agreement in respect of existing services and incorporating any new shared-service arrangements that may be deemed necessary or desirable. Prior to entering into any new shared services between the GLA and OPDC, the Executive Director will consult the London Assembly.
- 1.17. This and any future changes to shared-service arrangements between the GLA and OPDC will also be approved via OPDC’s decision-making procedures.
- 1.18. The creation of a new post, and the regrading of an existing post, was subject to approval through the GLA’s Establishment Control process. This was approved on 21 June 2021, via a Chief Officer (CO) form.

2. Objectives and expected outcomes

- 2.1. The objective of this proposal is to build on and cement the benefits identified at paragraph 1.2. The overarching intended outcome is a more efficient, effective and resilient governance and performance function across both the GLA and OPDC, delivering better value for money and best practice through economies of scale and enhanced joint working.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, the GLA is subject to the public-sector equality duty (‘the Duty’) and must have ‘due regard’ to the need to: (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status
- 3.2. There are no equalities implications arising from this proposal. The Head of Performance and Governance will be expected to play an active role in promoting diversity and inclusion at a senior level across both the GLA and OPDC.

4. Other considerations

Key risks and issues

- 4.1. The primary risks are set out in the table below. At a high level, risk will be managed by putting in place a shared-service agreement between the GLA and OPDC that sets out expectations, ways of working and with an inbuilt process of review.

Risk	Mitigation	Risk level
There is a mismatch between resource levels and workload	<ul style="list-style-type: none"> The proposal in this form is informed by experience drawn over the past 18 months from the current secondment arrangement. Resource levels to be monitored closely, with formal review arrangements to be put in place under the shared-service agreement. 	Low
The service provided to the OPDC is seen as remote	<ul style="list-style-type: none"> Two posts to be embedded within the OPDC, operating as full members of staff. The Head of Performance & Governance to have a reporting line into OPDC's Chief Executive Officer, and to be a full part of their Senior Management team. 	Low

Links to Mayoral strategies and priorities

- 4.2. This proposal aligns with the Mayor's priority of ensuring a more efficient and effective GLA Group through greater collaboration; and particularly the principles of avoiding doing the same thing across multiple organisations, and driving efficiency through scale.

Consultation and impact assessments

- 4.3. There are no staffing changes arising from this proposal that require formal consultation.
- 4.4. Consultation has taken place with the London Assembly via a paper that went to the 16 June 2021 GLA Oversight Committee. The Committee raised two issues, which are responded to below:

Issue	Response
How will potential conflicts of interests be managed?	<ul style="list-style-type: none"> There is limited scope for conflicts to arise, with a strong alignment between the interests of the two organisations. While the GLA Governance & Performance team has a role in providing governance advice about the interaction of GLA and OPDC decision-making, it does not hold the oversight brief for OPDC. The two individuals that will form part of the shared service have no direct role in allocating OPDC's budget on the GLA side. If issues do arise where there might be potential for a perceived conflict, it will be made clear which organisation the individuals in question are acting for (for example, during quarterly review meetings). Where necessary, the individual in question will 'step away' from any issue where perceived conflicts cannot be managed. The fact that there will be separate teams below management level at OPDC and the GLA facilitates this, as does the ability to escalate matters up the management chain in either organisation.

<p>Why is the Senior Governance Manager being regraded to a G14 and not a G13?</p>	<ul style="list-style-type: none"> • This issue will be monitored on an ongoing basis. • There is an existing Head of Performance & Governance post at OPDC, which has been fully evaluated (using the same methodology as the GLA) and confirmed as Grade 14. The current incumbent has for a significant period of time been required to deliver the accountabilities of this post in both the OPDC and the GLA. Therefore, we are now regrading their post to Head of Performance and Governance (Grade 14) for the shared service. The grade of the post reflects the level of responsibility including: being a part of OPDC's Senior Management team (equivalent to the GLA's Corporate Management team); working closely with OPDC's Chair and CEO at a strategic level; taking senior-level responsibility for the critical governance, performance and risk functions at the two organisations; and a new GLA Group-wide performance reporting remit for the post. • The job description and grade provides for broad parity with other posts on the GLA Senior Leadership team and the OPDC's Senior Management team. • It reflects also that the postholder is managing the additional complexity that arises from running a service that spans two organisations, and will have a role in ensuring the GLA and OPDC work together effectively across areas outside of governance and performance.
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Conflicts of interest

- 4.5. The current Senior Governance Manager has been involved in shaping the proposal for a shared service. The proposed regrading of that role has, however, been progressed separately via the establishment control process and through a Chief Officer form. Input into this process has been managed by the Assistant Director of Group Finance & Performance, with appropriate HR input, rather than by the Senior Governance Manager.
- 4.6. Noting the above, there are no conflicts of interest to note for any of those involved in the drafting or clearance of the decision.

5. Financial comments

- 5.1. The gross increase in recurring costs to the GLA for performance and finance function as a result of this proposal would be £100k, from a gross cost of £287k to £387k. On the basis of a 50 per cent recharge (to OPDC) for both the Grade 14 and Grade 12 posts, however, the net cost of the function to the GLA would be £290k – an increase of £3k from the base position.
- 5.2. The net cost to OPDC (including the recharges noted above) of the revised structure for governance and performance support would be £184k, a saving of £11k compared to the base position (with a current 1FTE vacant Grade 14 position).
- 5.3. Overall, between the GLA and ODPC, there is a saving of £8k from these proposals compared to the base position.

6. Legal comments

- 6.1. Under section 401A of the GLA Act 1999 the GLA can enter into arrangements with specified organisations (including OPDC as a functional body) for the provision of administrative, professional

or technical services between each other, whether for consideration or otherwise. The governance and performance services proposed to be provided by GLA to OPDC fall within that description. The Mayor must consult with the Assembly before entering into any such arrangement involving the GLA; this role was delegated to the GLA Oversight Committee and that consultation took place in June 2021.

- 6.2. The regrading of one post and creation of one post must be undertaken separately to this Mayoral Decision by the Head of Paid Service in accordance with the GLA Act 1999 and the GLA's Staffing Protocol.

7. Planned delivery approach and next steps

Activity	Timeline
Regrading of G12 Senior Governance Manager to a G14 Head of Performance & Governance. Launch recruitment to new G12 post	July 2021
Shared-service agreement put in place	September 2021

Appendices and supporting papers:
GLA Oversight Paper, 16 June 2021

Public access to information

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

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Enver Enver has drafted this report in accordance with GLA procedures and confirms the following: ✓

Sponsoring Director:

David Gallie has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities. ✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations. ✓

Advice:

The Finance and Legal teams have commented on this proposal. ✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 19 July 2021.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

D. Gove

Date

20 July 2021

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

20 July 2021