

Budget and Performance Committee – 3 July 2014**Transcript of Item 5: Scheme of Delegation of Mayoral Functions of the GLA**

Valerie Shawcross CBE AM: Had you visited the GLA three times last year in April, May and June, every month you would have found there was a different scheme of financial delegation in place. Can you just perhaps explain to me, Martin, why the GLA fiddled around changing its scheme of delegation twice in such short quarters?

Martin Clarke (Executive Director of Resources): I had not appreciated that we were changing them that frequently. The framework is that annually the Mayor updates the scheme of delegation, and the first real significant change was the 2012/13 which was to totally revamp the scheme delegation for mayoral functions on the back of all the devolution of housing and regeneration functions. That was the first time there was a step change in the level of delegation. At that stage there was the new style but the old expenditure thresholds, which you could say at director level you could spend up to £50,000. Then there followed a year later to now when we have an understanding of the new functions, what they were, to I would say to a more appropriate level of delegation where, if you take the standard level directors and the delegated authority in that scheme, you could spend up to £125,000. This year, going forward, the £125,000 has increased to £150,000.

Valerie Shawcross CBE AM: Martin, we have the figures, so thank you for that.

Martin Clarke (Executive Director of Resources): One was that we changed it for the new functions but kept the thresholds relating to how you could say the GLA used to operate. Then when we understood those new functions and we knew we had control over those functions, we had the increase 12 months later and now we have had another increase 12 months later. That is just to align the top thresholds, to rationalise it with procurement thresholds because we always try to align what directors can do up to the [thresholds for public sector procurement covered by the] Official Journal of the European Union (OJEU) level.

Valerie Shawcross CBE AM: Is the mayoral delegation up £150,000 before it goes up to the Mayor? Is that now aligned with the OJEU? I thought it was £125,000.

Martin Clarke (Executive Director of Resources): Yes. The OJEU limit has increased, so we have just increased it.

Valerie Shawcross CBE AM: All right, so that has a clear rationale?

Martin Clarke (Executive Director of Resources): Yes.

Valerie Shawcross CBE AM: The manager level went from £10,000 down to £5,000 and then up again to £10,000, which is the bit we found a bit peculiar because (a) it seems to be going in the wrong direction in terms of trying to increase delegations and (b) £5,000 had a reason. There were the three bids --

Martin Clarke (Executive Director of Resources): Again, that aligned.

Valerie Shawcross CBE AM: What does that align with? The rationale for that was not clear to us.

Martin Clarke (Executive Director of Resources): That was then aligning to the then procurement code because over £5,000 the procurement code required some sort of competitive process.

Valerie Shawcross CBE AM: Yes, you took it down to £5,000.

Martin Clarke (Executive Director of Resources): Just to make it simpler for the officers.

Valerie Shawcross CBE AM: Why is it now back up again?

Martin Clarke (Executive Director of Resources): To align with procurement thresholds again.

Valerie Shawcross CBE AM: You shifted the procurement threshold up again?

Martin Clarke (Executive Director of Resources): It is administrative rationalisation rather than that it is not catching that spend or we want to give people this extra freedom.

Valerie Shawcross CBE AM: Do you think you are going to be changing this again in short order?

Martin Clarke (Executive Director of Resources): Each year there is an annual review and at this stage I see no reason to change it. I do not see the procurement thresholds changing in such a short period of time, so I would expect this to stay for the rest of the mayoral term.

Valerie Shawcross CBE AM: That is well answered, thank you.

Tom Middleton (Head of Governance and Resilience): Could I just say that OJEU changes every two years, so it will be an extra year before that, so that means it will not change.