

# AGENDA

## Meeting Budget and Performance Committee

**Date** Wednesday 16 December 2020

**Time** 2.00 pm

**Place** Virtual Meeting

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### Members of the Committee

Susan Hall AM (Chairman)  
Len Duvall AM (Deputy Chair)  
Siân Berry AM  
Unmesh Desai AM

Tony Devenish AM  
Dr Alison Moore AM  
Caroline Pidgeon MBE AM  
Dr Onkar Sahota AM

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

Ed Williams, Executive Director of Secretariat  
Tuesday 8 December 2020

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### Further Information

If you have questions, would like further information about the meeting or require special facilities please contact: Laura Pelling; Principal Committee Manager; Telephone: 020 7983 5526; Email: [laura.pelling@london.gov.uk](mailto:laura.pelling@london.gov.uk)

For media enquiries please contact Aoife Nolan; External Communications Officer; Telephone: 020 7983 4067; Email: [aoife.nolan@london.gov.uk](mailto:aoife.nolan@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**  
**Budget and Performance Committee**  
**Wednesday 16 December 2020**

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

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

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

Report of the Executive Director of Secretariat

Contact: Laura Pelling; [laura.pelling@london.gov.uk](mailto:laura.pelling@london.gov.uk); 020 7983 5526

**The Committee is recommended to:**

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

**3 Minutes** (Pages 5 - 50)

**The Committee is recommended to confirm the minutes of the meeting of the Budget and Performance Committee held on 24 November 2020 to be signed by the Chairman as a correct record.**

**4 Summary List of Actions** (Pages 51 - 58)

Report of the Executive Director of Secretariat

Contact: Laura Pelling; [laura.pelling@london.gov.uk](mailto:laura.pelling@london.gov.uk); 020 7983 5526

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

## **5 The 2021-22 GLA Group Budget - TfL** (Pages 59 - 60)

Report of the Executive Director of Secretariat

Contact: Gino Brand; [gino.brand@london.gov.uk](mailto:gino.brand@london.gov.uk); 07511 213765

**The Committee is recommended to:**

- (a) Note the report as background to putting questions to invited guests on the 2021-22 Budget Review and note the discussion; and**
- (b) Delegate authority to the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, to agree any output from the meeting.**

## **6 Budget and Performance Committee Work Programme** (Pages 61 - 62)

Report of the Executive Director of Secretariat

Contact: Gino Brand; [gino.brand@london.gov.uk](mailto:gino.brand@london.gov.uk); 07511 213765

**The Committee is recommended to note its work programme for the remainder of 2020/21 Assembly year.**

## **7 Date of Next Meeting**

The next confirmed meeting of the Committee which will be a virtual meeting is scheduled for Tuesday 5 January 2021 at 10.00am.

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

<b>Subject: Declarations of Interests</b>	
<b>Report to: Budget and Performance Committee</b>	
<b>Report of: Executive Director of Secretariat</b>	<b>Date: 16 December 2020</b>
<b>This report will be considered in public</b>	

## 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	
Jennette Arnold OBE AM	
Gareth Bacon AM MP	Member of Parliament, Orpington; Member, LB Bexley
Shaun Bailey AM	
Siân Berry AM	Member, LB Camden
Andrew Boff AM	Congress of Local and Regional Authorities (Council of Europe)
Léonie Cooper AM	Member, LB Wandsworth
Unmesh Desai AM	
Tony Devenish AM	Member, City of Westminster
Andrew Dismore AM	
Len Duvall AM	
Florence Eshalomi AM MP	Member of Parliament, Vauxhall
Nicky Gavron AM	
Susan Hall AM	Member, LB Harrow
David Kurten AM	
Joanne McCartney AM	Deputy Mayor
Dr Alison Moore AM	Member, LB Barnet
Steve O'Connell AM	Member, LB Croydon
Caroline Pidgeon MBE AM	
Keith Prince AM	
Murad Qureshi AM	
Caroline Russell AM	Member, LB Islington
Dr Onkar Sahota AM	
Navin Shah AM	
Peter Whittle AM	

[Note: LB - London Borough]

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 £50 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:  
<https://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 £50, 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>	
List of Background Papers: None	
Contact Officer:	Laura Pelling, Principal Committee Manager
Telephone:	020 7983 5526
E-mail:	<a href="mailto:laura.pelling@london.gov.uk">laura.pelling@london.gov.uk</a>

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# MINUTES

**Meeting: Budget and Performance  
Committee**

**Date: Tuesday 24 November 2020**

**Time: 10.00 am**

**Place: Virtual Meeting**

Copies of the minutes may be found at:

<http://www.london.gov.uk/mayor-assembly/london-assembly/budget-performance>

**Present:**

Susan Hall AM (Chairman)  
Len Duvall AM (Deputy Chair)  
Siân Berry AM  
Unmesh Desai AM  
Tony Devenish AM  
Dr Alison Moore AM  
Caroline Pidgeon MBE AM  
Dr Onkar Sahota AM

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

- 1.1 The Chairman explained that in accordance with Government regulations the meeting was being held on a virtual basis, with Assembly Members and guests attending remotely.
- 1.2 The Clerk read the roll-call of Assembly Member who were participating at the meeting. There were no apologies for absence.

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

2.1 The Committee received the report of the Executive Director of Secretariat.

2.2 **Resolved:**

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

## **3 Minutes (Item 3)**

3.1 **Resolved:**

**That the minutes of the meetings held on 1 October 2020, 14 October 2020 and 22 October 2020 be signed by the Chairman as a correct record.**

## **4 Summary List of Actions (Item 4)**

4.1 The Committee received the report of the Executive Director of Secretariat.

4.2 In accordance with section 100(B)(4) of the Local Government Act 1972, the Chairman agreed to accept a supplementary agenda which contained an additional appendix to Appendix 3 to the report on the grounds that the information was not ready for publication and it was important that it be considered at the earliest opportunity.

4.3 **Resolved:**

**(a) That the ongoing and completed actions arising from previous meetings of the Committee be noted; and**

**(b) That the completed action arising from a previous meeting of the Budget Monitoring Sub-Committee be noted.**

## **5 Draft GLA Budget 2021-22 (Item 5)**

5.1 The Committee received the report of the Chief Officer and Executive Director of Resources.

5.2 In accordance with section 100(B)(4) of the Local Government Act 1972, the Chairman agreed to accept a supplementary agenda which contained the Capital Strategy set out at Appendix D to the draft Greater London Authority (GLA) Budget 2021-22 on the grounds that the information was not available at the time of publication and it was important that it be considered at the earliest opportunity.

**Greater London Authority  
Budget and Performance Committee  
Tuesday 24 November 2020**

5.3 The Committee then put questions on the Draft GLA Budget 2021-22 to the following invited guests:

- David Bellamy, Mayor's Chief of Staff;
- Mary Harpley, Chief Officer, GLA;
- David Gallie, Executive Director of Resources, GLA;
- Rickardo Hyatt, Interim Deputy Executive Director for Housing and Land and Assistant Director for Housing, GLA;
- Phil Graham, Executive Director for Good Growth, GLA;
- Sarah Mulley, Executive Director for Communities and Skills, GLA; and
- Niran Mothada, Executive Director for Strategy and Communications, GLA.

5.4 A transcript of the discussion is attached as **Appendix 1**.

5.5 During the course of the discussion, the Committee requested the following additional information:

- An estimated breakdown of the separate council tax and business rates income reductions of the anticipated £38 million shortfall as expected to apply to the GLA Group;
- An update on anticipated council tax shortfalls expected to be incurred by each billing authority, to be shared on a confidential basis as necessary;
- The leverage of spend the GLA secures from working with partners, as based around the nine missions and whether the GLA will set levels of external income it hopes to achieve in future years;
- Further information on the alternative financing mechanism with the City of London Corporation which is expected to deliver a saving of £1 million, to be shared on a confidential basis as necessary;
- Further information on the financial implications of the memorandum of understanding with the Office of National Statistics;
- The recommendations from the Bloomberg review;
- Further information on the housing zones and monies being recycled to fund further loans, including interest accrued, how such interest is reported within the budget, how much money has come back as grant to be recycled and how much has been paid out again;
- A briefing note on future plans for the Adult Education Budget, including details of any underspends and measures to ensure funding is focused on institutions within London;
- A list of projects or initiatives the GLA has not been able to deliver because of vacancies;

- The number and roles of staff “acting up” to roles above their substantive grades;
- Confirmation of the number of vacancies that are currently being advertised and, of those, how many are new posts; and
- Current estimates of the number of compulsory redundancies to be made across the GLA, to be provided on a confidential basis as necessary.

**5.6 Resolved:**

- (a) That the report and discussion be noted; and**
- (b) That authority be delegated to the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, to agree any output from the meeting.**

## **6 Quarter 2, 2020/21 GLA Group Monitoring Reports (Item 6)**

6.1 The Committee received the report of the Executive Director of Secretariat.

6.2 In accordance with section 100(B)(4) of the Local Government Act 1972, the Chairman agreed to accept two supplementary agendas which contained the Q2 reports for the GLA, the London Legacy Development Corporation, the London Fire Brigade, the Old Oak and Park Royal Development Corporation, the Mayor’s Office for Policing and Crime, and Transport for London, on the grounds that the information was not available at the time of publication and it was important that it be considered at the earliest opportunity.

**6.3 Resolved:**

**That the monitoring report for Quarter 2 of 2020/21 be noted.**

## **7 Budget and Performance Committee Work Programme (Item 7)**

7.1 The Committee received the report of the Executive Director of Secretariat

**7.2 Resolved:**

**That the work programme for the remainder of 2020 be noted.**

## **8 Date of Next Meeting (Item 8)**

8.1 The next meeting of the Committee which would be a virtual meeting was scheduled for Tuesday 8 December 2020 at 10.00am.

## 9 Any Other Business the Chairman Considers Urgent (Item 9)

9.1 There were no other items of business.

## 10 Close of Meeting

10.1 The meeting ended at 12:40pm.

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Chairman

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Date

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Email: [laura.pelling@london.gov.uk](mailto:laura.pelling@london.gov.uk)

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## London Assembly Budget and Performance Committee – Tuesday 24 November 2020 Transcript of Item 5 – Draft GLA Group Budget 2021-22

**Susan Hall AM (Chairman):** That brings us to today's main item of business, the Draft Greater London Authority (GLA) Budget 2021/22.

I would like to welcome our guests: Mary Harpley, Chief Officer; David Bellamy, Mayor's Chief of Staff; David Gallie, Executive Director of Resources; Rickardo Hyatt, Interim Deputy Executive Director of Housing and Land, and Assistant Director of Housing; Phil Graham, Executive Director of Good Growth; Sarah Mulley Executive Director of Communities and Skills; and Niran Mothada, Executive Director of Strategy and Communications.

We are going to start the questions with questions to you, David Gallie, if we may, please. The first question is: what are the specific assumptions that underpin the budgeted level of income for council tax and business rates and how robust are these assumptions?

**David Gallie (Executive Director of Resources):** Thank you, Chairman. The assumptions are still based upon the budget guidance that the Mayor issued back in the summer. We are using the best estimates we have from the returns that billing authorities have made to the Government and they are still showing an overall level of business rates reduction of 11% and council tax of 7%. That is an average figure across London because, clearly, boroughs will have different rates of collection of council tax and business rates.

We have been monitoring those very carefully. There is a monthly return that billing authorities make to the Government. Although there has been marginal change, substantively those estimates remain the best figures that we have. Throughout the whole process since the Mayor's budget guidance, we have kept those assumptions the same.

Clearly, we await a number of announcements from the Government. There is the Spending Review tomorrow and the financial settlements that will come for the whole of the Group for local government, fire and police, hopefully in December. Most crucially, we will still need to await the billing authorities' returns at the end of January [2021] and analyse those in early February. It will not be until that point that we will have final numbers that will then allow the Mayor to make final decisions on allocating resources across the whole Group, including the GLA/Mayor budget.

**Susan Hall AM (Chairman):** Yes. I accept it is a difficult thing. Regarding the expected reduction in council tax and business rates income, the Draft Budget combines both elements to reach a shortfall of £38 million. Can you detail the split between the two elements in terms of where the shortfall is expected to come from?

**David Gallie (Executive Director of Resources):** We have not diagnosed that £38 million reduction for the GLA explicitly across council tax and business rates. Also, as I said earlier, we just need to await the final numbers before making that definitive split. At the moment, it is very much a pro rata reduction based upon the figures of 7% for council tax and 11% for business rates that I mentioned earlier.

**Susan Hall AM (Chairman):** Do you not think it is important to work out the difference and to see where our real issues are?

**David Gallie (Executive Director of Resources):** In aggregate, for the GLA/Mayor, it is probably largely irrelevant. It is more important for other parts of the Group, particularly the Metropolitan Police Service (MPS). They are much more dependent upon council tax precept income than business rates, for instance, and similarly Transport for London (TfL) is virtually wholly dependent on business rates. For them, the split is important. For the GLA/Mayor budget, it is really the aggregate number that emerges that is the most important.

**Susan Hall AM (Chairman):** Surely if it affects the police, TfL, etc, it is important to all of us to know exactly where we are financially.

**David Gallie (Executive Director of Resources):** We know exactly where we are or we make a best estimate of where we anticipate we will be, but we have not explicitly split that £38 million between council tax and business rates in a way that we have for the other functional bodies. The GLA number effectively becomes a balancing number from the original estimate of the £493 million shortfall on business rates and council tax set out by the Mayor's budget guidance back in June [2020].

**Susan Hall AM (Chairman):** Yes. I do not really understand how you can drill down properly if you do not have exact numbers.

**David Gallie (Executive Director of Resources):** As I say, the numbers are derived from the losses of council tax and business rates overall. The way we have allocated the savings targets has then been based upon the explicit funding that the functional bodies have for business rates and council tax. That then derives a number for the GLA. Chairman, I would happily supply you with that split as a notional allocation if that is of help to you.

**Susan Hall AM (Chairman):** It would help all of us to have more specifics around these two figures.

**David Bellamy (Mayor's Chief of Staff):** Chairman, I just would note that this will be set out in the consultation budget issued before Christmas where the Mayor there talks about that split. While the total level of business rates income is variable and the total level of council tax is variable and there are particular constraints around the precept, the Mayor does have options in terms of the non-police precept, how that is allocated and how business rates are allocated. The overall totals that are set out in the budget guidance are based on an approach to that and so, yes, we will set that out in the consultation budget in just a few weeks.

**Susan Hall AM (Chairman):** Yes, I know that, but I am quite alarmed to hear that you do not have the split available to you at the moment. Surely it is important to find out whether it is your council tax that is giving you real issues or actually the business rates. Clearly, you do not know. I hear what you say. I will leave it at that. I do not quite understand that. It would be very helpful for you to know. If you say you cannot tell us for some reason, I doubt I would accept that, but I would have thought that it would be useful for you to know and you are intimating that you do not.

**David Bellamy (Mayor's Chief of Staff):** That was not what David Gallie said at all. He said quite clearly that we are running on estimates of a 7% reduction in council tax on average across London and an 11% reduction in business rates. We absolutely do have those figures.

**Susan Hall AM (Chairman):** You do. OK. We will be asking for those to be drilled down. Which boroughs are currently forecasting the lowest and highest likely returns of either of the elements? Can you provide a London-wide breakdown so that we can see the disparity?



**David Gallie (Executive Director of Resources):** The figures are not publicly available on the individual borough returns, but you can probably gather that the boroughs that are more prosperous would tend to have lower shortfalls on council tax than those in higher need. Chairman, your own particular borough, for instance, has a relatively lower level compared with the average loss across London of 7% on council tax and you will find that replicated across the diverse nature of London boroughs.

**Susan Hall AM (Chairman):** I believe they are working at 2%, but we will see. OK. If it is sensitive, can it be sent to the Committee on a part 2 basis?

**David Gallie (Executive Director of Resources):** I can explore with the billing authorities and the Ministry for Housing, Communities and Local Government (MHCLG) how far I can disclose that. As you will gather, the numbers will emerge publicly as boroughs finalise their billing authority returns at the end of January [2021]. Those numbers will emerge over the next few weeks and months.

**Susan Hall AM (Chairman):** I do accept that. If you could send something on a part 2 basis, we can start to have a look. I see my colleague Len Duvall has indicated. Did you want to come in on this point, Len?

**Len Duvall AM (Deputy Chair):** I have a question to David Gallie. Of course, we have the assumptions around business rates and council tax but that is not the only story that would affect this budget. When do we expect to hear from the Government about support for these areas? What is the word on the grapevine? It is not just us in this boat. There are other local authorities waiting for these ideas and particularly the shire counties. Whilst we are not a shire county, we must be in that classification. What help and support is the Government giving to them and will that affect the budget?

**David Gallie (Executive Director of Resources):** Hopefully, we will get some overall indications of the Government support to MHCLG and to police and fire tomorrow in the Spending Review, but that will be at an aggregate level. As I said earlier, we are anticipating that the police, fire and local government settlements will emerge before Christmas. They may go later. We are in the Government's hands on that. We would hope that those settlements would come through before Parliament goes into recess at the end of December [2020]. It is 18 December, I think.

In those settlements, we would hope that then there would be full details of the level of additional support that local government nationally, and of course here in London, requires to make good some of those assumptions on council tax losses and business rates losses. The Government had earlier indicated that there should be, in its phrase, 'non-trivial support' to business rates and council tax losses. We await the exact details of those. We would hope that that non-trivial number would be significant. I guess we can anticipate a non-trivial number meaning it is not going to be 10% or 20% of the losses. It, hopefully, will be a number that would be over 50%. There are all sorts of pressures on the Government around that and the key thing for us, of course, is the allocation and distribution of a national number of business rates and council tax losses because the really key issue is what our individual numbers are rather than, necessarily, the national figure of percentage increases that the Government might make for the losses we anticipate.

**Len Duvall AM (Deputy Chair):** Sorry, quickly, Chairman, if I may, the impact of a one-year Government Spending Review - I presume some of these announcements will be made in and firmed up in that announcement - on future years, if you get what I mean? Even though they say it is a one-year settlement, it is going to roll on or have an impact in future years. Where in this budget should we be looking for issues concerning future years for the GLA Group budget? How does that work?

**David Gallie (Executive Director of Resources):** Sure. There is probably a perverse benefit for London in having a one-year settlement because that should imply largely a rollover. You will recall that earlier on we anticipated, when there was going to be a Comprehensive Spending Review, that London would be likely to face a series of losses from a business rates reset and from the funding formula reviews, which would likely be adverse to London. There is a degree to which the Spending Review one-year rollover should actually confirm base figures, which hopefully will mean that our losses will be less than we have anticipated. However, as you say, when it comes to then the longer-term financial settlement, it is unclear what the Government's plans for that would be, but we would hope that there would be a proper Comprehensive Spending Review that would emerge, say, this time next year, which would set out the full exemplifications of the impact of those changes. Again, those changes are likely to be adverse to London.

In our budget planning, you will have seen that we have kept our revenue budget projections to only two years, for 2021/22 and 2022/23, because of that degree of uncertainty. We will try to put as much information as we can in the Mayor's final budgets in the New Year once we have the settlements analysed and once we have billing authorities' numbers coming through to try to give a better feel for what the prognosis going forward would be for the whole of a new administration coming in in May of next year.

**Len Duvall AM (Deputy Chair):** Thank you.

**Susan Hall AM (Chairman):** Thank you. I will move on now. I am going back to you, David. How does the budget include assumptions around a second wave?

**David Gallie (Executive Director of Resources):** Explicitly it does not. What we have done is roll with our numbers that we issued in the Mayor's budget guidance back in June. Clearly, as your question indicates, there will be changes that will arise because of the second lockdown and that will compound the issues of business rates and council tax losses. There is no getting around that.

However, in the view that we took - and again, based upon the boroughs' best information, as I explained earlier - we have not moved from that original assumption of that £493 million loss over two years. Largely, we can constantly iterate the numbers, but we felt that on balance it was better to keep with one number, mindful of the fact that that number will change once we have the final numbers in February [2021].

**Susan Hall AM (Chairman):** OK. Given that everybody was saying that there would be a second wave - we were being told about it right from the beginning - do you not think that we should have factored that in?

**David Gallie (Executive Director of Resources):** Going back to the original numbers and, again, one of the things I said earlier, because the figures from the boroughs have remained largely at the same levels - 7% loss for council tax and 11% for business rates - the movement has been very small over the period. That has reflected the fact that we emerged from the initial lockdown. There was a period then when we were back to some lesser levels of constraints on social activity and have now gone back into a lockdown. Things have moved around. For budget planning purposes, it was important that rather than constantly moving a figure, we have a few fixed points around where people can plan and illustrate then the options that the Mayor will need to consider later on. As I say, we will need to, when we have final figures, come to a position on what the ultimate number for our funding will be.

**Susan Hall AM (Chairman):** OK.

**David Bellamy (Mayor's Chief of Staff):** Chairman, I would quickly add on that. The risk of, in some form, a second wave in winter has been long established and so the billing authorities' estimates should take that

into account. The question is how accurately they have done so. There is downside risk if the situation is worse than thought. Equally, there is upside risk in that perhaps the furlough scheme that is now in place for the rest of the financial year is more generous than may have been anticipated. There are swings and roundabouts there. The right thing to do is to look very much at what the billing authorities are telling us because they are the ones closest to the taxpayers and can see what is happening. As David [Gallie] said earlier, their projections have moved slightly but not significantly over the last few months. That does still feel like an appropriate basis on which to plan.

**Susan Hall AM (Chairman):** Thank you. I will go back to David Gallie, if I may. What would the impact be of including a third national lockdown in the new year?

**David Gallie (Executive Director of Resources):** On business rates and council tax levels?

**Susan Hall AM (Chairman):** Yes.

**David Gallie (Executive Director of Resources):** As David Bellamy has just indicated, we are in the hands of the billing authorities around making their estimates of that. It depends on a whole series of things. If there is a third lockdown, presumably the furlough would continue. That has had a beneficial impact upon the council tax losses that boroughs had anticipated. One of the things that has been driving boroughs' figures has been the fact that a lot of that 7% loss has been built around the difficulty in collecting arrears brought forward rather than necessarily collecting council tax in-year. There are certain constants in that number rather than necessarily it being blown around by whether there is a third lockdown or how that may be supported by the Government. For me, the issue is that we need to set out reasonably constant planning assumptions given all the uncertainty, rather than being blown around with information that emerges from issues that arise, to give people a degree of certainty around planning assumptions that then allow exemplifications to be made and Mayor's decisions to be made when we have final information.

**Susan Hall AM (Chairman):** OK. In the event of a third lockdown or a further wave, would you look to make further use of reserves to meet the spending commitments in the budget or would you look to first do more reductions in programme allocations?

**David Gallie (Executive Director of Resources):** We are leaping ahead here. There is a whole set of decisions that we need to finalise around the use of reserves that I am sure we will come on to in the detailed budget. That will ultimately be driven by the work that we are going to be doing over the next few months, which doubtless we will describe shortly, and also coming back to the billing authority key return. The use of reserves will be a key issue for us - for me, particularly - around balancing the fact that reserves are one-off, but at the same time reserves are there for the kind of situation we have experienced over the last eight months and potentially will carry on for another year or so.

**Susan Hall AM (Chairman):** Indeed. Reserves are there for emergencies. I think we all accept that is where we have been for the last nine months. How have you prioritised expenditure to allow you to adapt to different levels of income for 2021/22?

**David Gallie (Executive Director of Resources):** The budget that we have built up has been driven not only by the reductions we are anticipating, as we have discussed, but clearly by setting out a budget that can get London to respond to the pandemic, in particular ensuring that we prioritise resources to missions and foundations as described and also putting pressure on our core costs, as we now describe them. That has been the clear overriding principle. Our budget needs to be meeting the new challenges that have arisen over the last eight months or so.

**Susan Hall AM (Chairman):** We will talk further about that in a while. What actions will you be taking if your assumptions prove to be overly pessimistic? Will you be reinstating some of the £38 million of cuts allocated across the 2020/21 budget?

**David Gallie (Executive Director of Resources):** That is a decision that the Mayor will make as and when we have the final figures, as we have described. Applying that same broad principle I described earlier, clearly, if the numbers are more optimistic than we had assumed, then we would hope then the Mayor would allocate more resources so we can do further work around the missions in particular rather than looking necessarily to reinstate some of the savings that we have made or planned to make. The idea is very much that we will look to use discretionary resources to support those missions.

**Susan Hall AM (Chairman):** Will the missions take priority over the MPS and the Fire Brigade if there are monies free.

**David Gallie (Executive Director of Resources):** No. As I said, the Mayor will need to make allocations across the Group and he will need to determine where the resources that we have available should be spread across police, fire, TfL, the Mayoral Development Corporations (MDCs) and us. From that decision, we will need to make then the best use of resources that we have potentially available. As I say, if the Mayor was to allocate further resources than the ones we have anticipated to date, then we would look to prioritise the missions as being the recipients of that additional money.

**Susan Hall AM (Chairman):** That brings us to the end of the first section. Thank you very much. The second section is being led by my colleague Tony Devenish and so I will hand over to him.

**Tony Devenish AM:** Thank you very much, Chairman. Good morning. My questions are for the Mayor's Chief of Staff, David Bellamy. Good morning, David.

My first question: can this be viewed as a meaningful budget submission when most of the critical elements of the exercise - that is the allocation of £27 million in savings across the GLA's directorates - is actually missing from this submission?

**David Bellamy (Mayor's Chief of Staff):** Good morning, Tony. It can be. A huge amount of work has been done to assess our existing activities, to set out the core work of the GLA and to look at what savings can be made there. That was, rightly, the initial priority: to free up as much money as possible for the recovery missions and the recovery foundations. We have been able to set out a very clear view of that and a very clear view also, for the first time, of the GLA/Mayor's statutory responsibilities and costs. That absolutely is fundamental.

We have taken some very significant decisions in terms of the allocations to each foundation and mission. What that does do is then enable us to make the final choices about the balance of expenditure between individual projects within those and which specific things we can go through, which we will finalise in the months ahead. Necessarily, we can only finalise when we are clear on what the precise level of income is because, as David Gallie just explained, we do not know that at Group level and we do not know what the final budget will be for the GLA/Mayor. Clearly, it would be wrong for us to set out something in great detail and put lots of effort into that, that then would need to change.

**Tony Devenish AM:** Given that you have had five months since the budget guidance was issued, why has it not been possible to give more of an indication of the allocation of the savings? This is £27 million. Surely you are having to do far more detailed work to come up with this. You cannot just wait.

**David Bellamy (Mayor's Chief of Staff):** It is important to remember that the first priority was in fact to create the repurposed budget for this year, which required us to have very significant levels of savings. We needed to do that before we could move on to the budget for next year. It was only in August [2020] when the Mayor signed off the repurposed budget that then we were able to move forward on this. Of course, it is a very different approach and that has meant quite a lot of work for officers and Mary [Harpley] may wish to comment more on that, but we have got through that in reasonable pace bearing in mind of course this is an organisation that is also central in the response to the pandemic that we are facing and starting to do work on the recovery as well. There is an awful lot going on. It is not that this budget is the only thing on our agendas at the moment.

**Tony Devenish AM:** You are saying that you do accept this budget is underdeveloped but you are saying the excuse is COVID?

**David Bellamy (Mayor's Chief of Staff):** I am saying that this is a Draft Budget which sets out our plans in each area. Yes, further details will come forward in the next three months through the process. That is appropriate given both the pressures of COVID and the uncertainties about income that David Gallie has already outlined.

**Tony Devenish AM:** You accept that at the moment savings are proving to be a problem but you are saying that you are going to solve this in the next three months?

**David Bellamy (Mayor's Chief of Staff):** It is clearly an incredibly challenging process. Already we have seen that and there is no doubt about that. What the budget gives us in terms of the allocations to each area is the framework within which we can make those final decisions.

**Tony Devenish AM:** On paragraph 5.8 of your submission, you state, "The actual decisions on savings will be made on a different basis". What do you mean by "a different basis", please?

**David Bellamy (Mayor's Chief of Staff):** That is in the budget guidance. Let me just find the actual budget and then I will look at that paragraph and I can tell you what it means. There we go.

What we are talking about is Appendix B. We realised that it is helpful for scrutiny to set out the best comparison we can at this point against the existing budget for the current year and so we have done that. What we are saying is that because we have not taken decisions between individual projects and given the nature of the recovery structure, some of those cross-unit and indeed directorate boundaries, we have had to take a simple pro rata approach in producing that appendix just so that we can give an indicative position. Then, as I say, we will be finalising that in the Final Budget.

**Tony Devenish AM:** On the timeline, just to be clear, when exactly - by week, ideally, rather than month - will these critical decisions be made and how will this Committee be informed of them, please?

**David Bellamy (Mayor's Chief of Staff):** If I cover the public side of that, Mary [Harpley] might wish to say something about the internal process.

We want to be in a good position at the start of February [2021] on the detail. As David Gallie said earlier, that is when we get the billing authority returns and the Mayor can take a view on allocations to each organisation. We both want to ensure that the Mayor will have all the right information available to him at that point, but we would then need to start, if necessary, staff consultations about implications and then work up the detailed budget, which we can only finalise after the [London Assembly] Plenary [Meeting] on 24 February [2021<sup>1</sup>]. Then we would look to try to set the budget about one week into March. We would look to set the final budget and get that published.

**Tony Devenish AM:** You are saying that we are not really going to get any real detail until the start of February and then it will be finalised by 24 February? Is that correct? That seems rather late in the process.

**David Bellamy (Mayor's Chief of Staff):** This is the process. The process is about a Draft Budget now, then a Group budget process to determine the allocations to each organisation and then a finalisation of that budget.

In normal circumstances, there often is not too much change between the Draft Budget and the Final Budget. The changes have tended to be either because of Government decisions in the settlements. We have seen some moves in the Mayor's Office for Policing and Crime (MOPAC) budget, for instance, which have caused differences between the Draft Budget and what has come forward in the Group process. We have seen additional allocations from billing authorities - business rate growth, council tax growth - and the Mayor then in February has been able to take decisions like allocating them to the Young Londoners Fund or the Green New Deal. That is the process. Then the March budgets across organisations have tended not to be that different. TfL would always update with its latest projection for fares, but they have tended not to be too different.

In the circumstances this year, where we have such huge uncertainty about what our income is and we are going through such a big and challenging process in terms of delivering the very significant savings that we believe are required, it is necessary that this Draft Budget is drafted and there will be higher change between it and where we finish up than has been usual in previous years.

**Tony Devenish AM:** I agree with you on that, which is why I am hoping you could claw some of these dates forward and have what we often call in business those 'red team reviews' so that we have better certainty earlier rather than later. We are almost having an academic discussion, which does not really seem to mean very much. Is there any way you can give me any confidence that this is really a budget rather than a very underdeveloped document?

**David Bellamy (Mayor's Chief of Staff):** Yes. Given the size and the level of detail in it, I would not regard it as an undeveloped document. Clearly, there is more to do. The reality is that we are in the Government's hands regarding the draft settlement. We may - we hope we will - get that before Christmas. We may not. We did not last year. We are in the hands of the billing authorities and the statutory deadline in terms of business rate returns is 31 January [2021]. That is the reality. Those dates are outside our control and it is those dates that determine how much income the Mayor has and everything flows from that. Prior to that, everything we do is necessarily based, as David Gallie described, on the best information we have, but it is not certain.

**Tony Devenish AM:** I guess my final point really is that, Chairman, I am concerned with the lack of transparency in this process. I am not sure we really have very much to discuss. It is more like the back of a

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<sup>1</sup> The final meeting in the Assembly budget review process will be the Mayor's Question Time [Final Budget] meeting on Thursday 25 February 2021.

cigarette packet than it is a budget, from my point of view. I hope Mr Bellamy can give me some more confidence during the process so that we have something, but I will hand over to my colleague Assembly Member Duvall, who I understand wants to do the rest of the section.

**Susan Hall AM (Chairman):** Before we do that, Mary, David [Bellamy] seemed to think you might want to say something. Would you like to comment?

**Mary Harpley (Chief Officer):** Thank you, Assembly Member Hall. I will say just a couple of things.

First, Assembly Member Devenish, you are underestimating somewhat the work that has gone in to get this document to this point. It is a completely different way of presenting the budget than the GLA has done before, reorientating it completely around recovery and recovery outcomes. An awful lot of work has gone into that and into mapping our current activity according to the missions, foundations and core functions structure. We had to do all of that before we could start thinking about where we might make cuts.

Of course, as David Bellamy has said, there has been an awful lot of other things going on, but it is probably also important to point out that the missions, against which we are mapping much of our spend, have been developing themselves over the last few weeks and in fact continue to evolve. Even some of the thinking about recovery that we are mapping this budget to has been developed in recent weeks. That is the first thing.

**Tony Devenish AM:** Sorry, Mary. Can you define for those of us who do not follow your terminology what exactly a mission is? It is not the kind of thing I have ever dealt with in all my years of budgets across major public- and private-sector organisations. It does sound, with great respect, very waffly. Please do define what the hell a mission is, first. It is not what I would normally call a revenue stream or an activity?

**Mary Harpley (Chief Officer):** That language does not come from our budget. It comes from the pan-London recovery programme work, which, as we all know, is co-chaired by the Mayor of London and by the Chairman of London Councils. It is that programme that has created a structure of nine recovery missions, which are laying out some of the key short and medium-term ambitions for London's recovery against nine key themes and objectives. That does not come from our budget.

**Tony Devenish AM:** To be clear, it was your decision to set your budget to those missions. You did not have to, did you?

**Mary Harpley (Chief Officer):** No. It was our decision to focus our budget on supporting London's recovery and --

**Tony Devenish AM:** To use those missions, then, was your decision, not anybody else's?

**Mary Harpley (Chief Officer):** Yes, that is right. It was our decision to create the framework that you see in this budget, which does include those nine missions. If we are serious about focusing our activity and our spend in 2021/22 on recovery and if we are a key contributor to the pan-London work, it seemed to me that it would be very sensible to map our spend against that. Anyway, I make the point that that is the decision that we took, and reorientating our spend around that, has taken some work.

The second thing I would say - and, again, I know Committee Members understand this very well - is that as we develop proposals for savings in detail, we have to be very careful about our legal obligations around consultation with affected staff. This is a very fine line to tread between developing those proposals to the extent that legally they are beginning to put people at risk and not going quite that far before we need to. As

we know, we are trying to make sure that we do not make cuts prematurely. We have heard about the uncertainty on the money. However, I can assure you that detailed work is going on to exemplify where we might make those savings.

**Tony Devenish AM:** Mary, we are going to cover that under section 5 anyway and so we can just leave that.

My final question and then I will hand over to Assembly Member Duvall. In coming up with your missions - you still do not seem to have defined them very clearly - have you been to an outside body like the Chartered Institute of Public Finance and Accountancy (CIPFA) or anybody else with competent financial management skills to make sure that this is a way to set up a budget?

**David Bellamy (Mayor's Chief of Staff):** There are two points there. Firstly, they are defined very clearly. There is a huge amount of information on the GLA website about the missions. I have a PDF open on my screen that sets them out clearly and there is a great deal of transparency about the work of the [London] Recovery Board.

Secondly, we of course have very qualified finance professionals and an entirely appropriate way to proceed is to set out your budget based on the things you are trying to achieve. That is fundamentally the point of a budget. What are the categories of things you are spending on? Then you break it down from there. That is what this budget does.

**Tony Devenish AM:** I will leave it there, Chairman. Over to you, Len.

**Len Duvall AM (Deputy Chair):** Thank you very much. Look, I get it. The point we need to get across here is that at this stage of any other budget, we would have a bit more detail. The fact that we do not have that detail partly is not in your gift and partly is in your gift. At the same time that we do not have this detail, we have introduced a new format, which is no problem. I recognise the issues of ambition, but going back to an earlier answer you gave, it does lend into that the nine missions have overtaken all the other issues in the savings. We have lost the emphasis of the Mayor in wanting to protect the Fire Brigade budget. I presume that is still there. We have lost the emphasis of the Mayor in driving down violent crime and police numbers. The way this format is working with the nine missions is driving everything out. It is crowding everything out. That may be something you are going to address when you bring it back to us in December [2020] when you are able to provide the details, I guess.

Let us go back to the missions and the ambitions with that. How did you decide the spending allocations on each recovery mission? We would like to hear that and how you have arrived at that at this stage, albeit I guess these things can still move as we get closer to your final budget.

**David Bellamy (Mayor's Chief of Staff):** Yes. I am sure Mary could talk a bit about the process there, Assembly Member, but before she does, I want to be clear. This is the GLA/Mayor budget and so it does not talk about expenditure on the Fire Brigade because the GLA/Mayor budget does not include the budget of the Fire Brigade and similarly not the police. Therefore, the Mayor's budget guidance sets out the allocations for each of those organisations. They will be submitting their Draft Budgets to the Mayor next week. They will be published and of course the Committee will be doing scrutiny of those with those organisations in the weeks ahead. Then we intend in December to publish the Mayor's consultation budget, which will bring all of that together and show how the Mayor is balancing the various matters that he has to address for Londoners' benefit.



**Len Duvall AM (Deputy Chair):** Look, I understand that if you take the techno-management approach to budget making, but actually the Mayor of London is the Mayor of London and no budget is an island on its own. It has implications for the other areas, as they will have implications in terms of the economic recovery programme that you are designing. I get that. It just seems to me that you have lost an opportunity in presenting that, which raised that earlier question. I did not ask that earlier question. If that Member was asking that question, then you can bet your life the public is. We have lost something in the narrative about the overall approach and about the interaction between the GLA budget and the Group budget on these nine issues.

Who is going to answer my question? I go back to the original one on spending allocations for each recovery mission. How did we reach that conclusion? What is the methodology behind it? Where are we going? Mary, over to you.

**Mary Harpley (Chief Officer):** Yes, I will go first and then I believe David Gallie might want to come in behind me.

**Len Duvall AM (Deputy Chair):** Sorry, can I just say this before that? David, in passing me to Mary, these have been signed off politically, have they? These are the Mayor's allocations or will that come out in December? Sorry for being dense but I ought to ask that because I am not clear on that. I presume that these allocations in this paper have all been politically signed off by the Mayor before I take Mary in terms of some of the detailed methodology.

**David Bellamy (Mayor's Chief of Staff):** Absolutely. Mary will set it out, but they have been through the Corporate Investment Board with full involvement from the Deputy Mayors. Mary and I sat down with the Mayor to talk about the key decisions that we face and take his steer and direction on them. As has been said already, it is a Draft Budget and there are further things we have to address, but there are big decisions in it we discussed with the Mayor before this was published.

**Len Duvall AM (Deputy Chair):** Good. OK, Mary.

**Mary Harpley (Chief Officer):** Thank you. There are a number of key steps here that we have taken, most of which are different to previous years.

The first important piece is that, clearly, we have talked a lot about the £38 million, but that is to our income derived from business rates, council tax and interest. We have many other sources of funds into the GLA. You will see in section 5 of this that we start out with an allocation of what is in fact our total planned budget for next year of £602 million across the budget framework: across the core functions, across the recovery foundations and across the recovery missions. That is probably the first step here to say. We considered the total money available to us for next year from the very beginning, including our capital programme. I would say we took a rather more integrated view of GLA funding, external revenue and capital funding from the beginning as we considered these allocations, probably differently to how we have done before. That is the first thing.

The second thing is that we wanted to be very explicit that we wanted to protect as much as possible of that £602 million for our outward-facing work on London's recovery, covered both by our recovery foundations and our missions in our framework. We turned our attention in the first instance to the core functions to be clear about the statutory requirements and how much those cost us and what else we need in terms of necessary functions to run the organisation of the GLA. Again, you can see all that laid out, but that was explicitly to say that we need to know how much money we are releasing further up the framework to recovery. You can see

there also that we do exemplify some detailed savings in that area because that was absolutely our first priority.

Then, in terms of recovery foundations and recovery missions, that has been a combination of discussions around the GLA's role here, given this is looking outward to London's recovery. We are only one player in London's recovery. The point of the pan-London work is to ask what London collectively does. We have had to concern ourselves with the GLA's contribution here for each mission and foundation. That is an important overlay. We have clearly had a view to the Mayor's priorities across missions and foundations. We have also had a view to where external funding can be aligned to missions and foundations. You see that most clearly in our early thinking around the adult education budget (AEB), which no doubt we will come back to later. Then there has been some thinking, too, about where we already have commitments on those. Then we have had several passes at this in terms of ultimately the best balance of funding from our own resources - our base funding, our drawdown from reserves, our external income - that can meet our needs, that can meet our contribution to the bigger picture and that we can afford under this budget.

I would say that is quite headline, Assembly Member Duvall, and I can dive into that, but that has broadly been the position. Again, we have taken the view as well that that fairly top-down approach to allocation, with the constant dialogue with the Deputy Mayors, Mayoral Directors, Executive Directors, Assistant Directors and ultimately the Mayor himself, is where we have come to. This is what we are still calling very much our indicative funding. That is how we have got to it. That, then, as you will see through the budget document, gives us an idea of where we currently spend more than we are budgeting or the same as we are budgeting going forward.

I do not know whether David Gallie wanted to add at all to that, but that is how I would characterise the process we have been through.

**Len Duvall AM (Deputy Chair):** Just before David Gallie adds to that, I understand the new formatting and it is not just for Christmas. It will probably be for the next administration that would probably run this. I am very grateful for Appendix B supplying in the traditional format where those issues are. It is very important as we go forward that we do see some of the transparency and tracking through where these are. I get what you are saying. It is a combination of mainstream budgets and of switching programmes into the new areas of work, albeit we are not clear what the new areas of work are. We just had a Plenary last week on the economic recovery programme and it was not very clear then, if I can say so, about some of the activities that we will be doing. I get it on some and it is quite clear cut, but what is going to be different over the next year or two years?

David [Gallie] might still want to come in, but I do want to lead on a question about what is going to change. In terms of pursuing these categorising activities, when we have the detail on the missions, in what way will this change the GLA and how the GLA works? Presumably, because we are working in siloes at the moment - and forgive me, I know some people might not feel comfortable with that - we are now moving to cross-silo working and all those issues. What are we doing? How does that work, then? Like all things, when is the best time to change the way that you work or not change, I suppose? What was your thinking about that when you introduced what is going to be essentially a new way of working for the GLA?

**Mary Harpley (Chief Officer):** You are spot on. You have probably said what I would have said. This Draft Budget is a budget that attempts to look outwards to London's recovery and our contribution to it. It is a budget at the moment that does not worry too much about our internal structure and is not constrained by it. As you say, under each of the missions and the foundations, lots of different teams come into play, sometimes teams from different directorates.

In fact, in a very positive way, the preparation of this Draft Budget has already started to change the way teams are working across the GLA. What we have done is we have had for each mission, each foundation and in fact each core function a lead officer working to develop the thinking and corral the thinking behind each mission and foundation, working with the relevant Deputy Mayors. Of course, if you map the Deputy Mayors against missions and foundations, you have more than one Deputy Mayor in almost every instance. It is already changing the way people come together to focus on the outcome, which is London's recovery.

The question is: how much of that is then going to get translated into either new structures or new ways of working in the GLA? I think that is what you are asking me. It will change both. The extent to which our structure changes will be dependent on some of the decisions we make about where the savings come out. It is likely that we will see some changes to some parts of the organisation's structure, not a wholesale throwing it all up and watching it come down again, but in some parts and then certainly in terms of the way we work. As you said, this is not a structure for Christmas. Future administrations will make decisions about that, but certainly for the time being it is absolutely the structure for 2021/22. It is how I am expecting to report back to the Mayor's Office and to you as the Assembly in terms of performance as well. Therefore, it is going to have a fundamental impact on the way that officers work together.

**Len Duvall AM (Deputy Chair):** OK. I still contend we might need those Appendix Bs to run through it and to follow where changes are. Be very clear with us on where you are ceasing certain programmes and switching them into new programmes. We need to make that assessment to be able to comment on that.

**Mary Harpley (Chief Officer):** You will have them. Sorry, I should have made that absolutely clear.

**Len Duvall AM (Deputy Chair):** I should not do this, but it does lend the question. The £191 million spent on helping Londoners into good work shows that the administration is prioritising jobs over two years, but surely one of the questions we should be asking for is about the capacity to spend and realistically to get the quality of spend or outputs up in terms of doing that.

Am I right in thinking that depending on what you get back in the next three weeks or so that £191 million might change, but that it is quite a large sum of money? I know I should not equate money with priorities, but it is an important area outlined in the recovery programme. Am I wrong in assuming that is a key priority not just in the GLA budget but a mayoral priority? I do not know who to ask this question of, David Bellamy or Mary. I do not know.

**Mary Harpley (Chief Officer):** I will come in behind David, yes.

**David Bellamy (Mayor's Chief of Staff):** Yes. Firstly, you are absolutely right, Assembly Member, to say that getting Londoners into good jobs is absolutely a mayoral priority. You are right about that. The allocations in the GLA/Mayor budget cannot be seen in isolation from (a) our statutory responsibilities and (b) the contributions that boroughs and other partner organisations make. Work in any area has to be looked at in the round.

In terms of this particular mission, overwhelmingly, that contribution is through the AEB, which of course has been devolved to the Mayor. Having got that now very successfully devolved in an administrative sense, it works and providers are happy with us and the relationship we have them. It is then about how we are evolving what is provided through the AEB to meet the needs of London in these circumstances. That ties into the good work mission. It also ties into some of the other missions as well. The allocation we have set out there is indicative but shows how the AEB is a key tool for us in doing that. Of course, Sarah Mulley [Executive

Director of Communities and Skills] is here and, if we have as we go through questions about the AEB, I am sure Sarah would be happy to go into more detail.

**Len Duvall AM (Deputy Chair):** Thank you for that. There are a couple of other areas I need to concentrate on and time is limited. I have about two or three other points that I need you to clarify.

In the council tax and business rates issue, we were going to fund the Green New Deal and probably the New Deal for Young People. We know that is going to go down and that is a cut. Am I right in thinking that the funding for those areas is going to come partly from the reduced business rates pot and partly from whatever we do on council tax to fund whatever missions we are planning to do in those areas or through cuts in other programmes? By 'cuts', I mean ceasing other projects to fund this area of work. Is it as simple as that or are you not ready to share that detail but it will be clearer as we come into the December period?

**David Bellamy (Mayor's Chief of Staff):** The Young Londoners Fund is two things. Firstly, it is the remainder of the £45 million the Mayor allocated from business rates growth a few years ago. Those programmes are still happening today and the rest of the spend on those. That money is received. That is all committed. That is all going to happen and it is profiled in the budget.

The other part of the Young Londoners Fund then is the £25 million that the Mayor allocated in February [2020] and also, at the same time, as you say, the Mayor allocated £50 million to the Green New Deal. Both of those allocations were made in February following the returns from the billing authorities, which showed extra business rates growth and both council tax and business rates collection fund surpluses, which gave us one-off sums that could be allocated to these purposes.

We now know that that business rate growth and council tax growth that they forecast will not happen given the impact of the pandemic. Although the billing authorities legally have to give us that money, next year we have to give it back as we get the figures of what actually happened and discover that that growth in fact did not happen. Essentially, we have none of that money.

What we are trying to do through this budget is protect as much as possible of those initiatives. What we have managed to do is protect the £25 million allocated to the Young Londoners Fund, just over £1 million of which has already been spent this year on additional activities in response to COVID-19, and to protect £22 million of the Green New Deal funding. The £10 million that was in the budget for the current year we managed to protect in the repurposed budget we set in August [2020] and we announced last week how all of that money is being spent. Then we managed to protect a further £12 million, £6 million across each of the next two years.

It is about the balance between protecting that and cuts on the GLA/Mayor budget. Clearly, we wanted to protect the Green New Deal as much as we could. That was the guidance from the Mayor. The judgement we formed through the processes that Mary has described was that we just could not go any further. The cuts to other areas would have been too painful.

**Len Duvall AM (Deputy Chair):** OK. Can I just move on to a last point from me? In the mental health and wellbeing budget, there is only £1.5 million allocated. I realise the pressures we are under. I presume that that £1.5 million allocated reflects the existing budgets for this type of work. It is from, I presume, the public health wing of the GLA. Could this in theory go up or is this likely to be where this is?

Allied to that, look, there are a number of ambitions. This is an ambition agenda. In terms of the confidence and what we can achieve in the coming financial budget that we are dealing with now and beyond, do we

really think that we are being realistic with our ambitions? That is not me being down. I am a great believer in thinking big and sometimes acting small to deliver. In terms of that are we clear? Have we thought that through or is there more work to be done that we will receive back in December about those ambitions and what we think we will realistically reduce in this budget year and then in subsequent budget years?

**David Bellamy (Mayor's Chief of Staff):** Assembly Member, you are right about the need for big ambitions in this situation and the Mayor has those. Equally, in the context of our budgets, we have to deal with the financial reality that we face. We have those constraints and there is no magic money tree. That is the reality. That is why coming through the recovery approach and more broadly is the need to really work in collaboration with partners to bring as much money as possible into these areas and influence the spend of relevant organisations.

In the context of health that you mention, even the entirety of the GLA/Mayor budget is very small in comparison to the National Health Service (NHS) London total budget. It is actually about how we work through the London Health Board with NHS London and with boroughs and their public health responsibilities and funding to deliver the outcomes that the Mayor wishes to see.

It is an enabling budget. We never could pretend that we could put in the volume of money to make a material difference in these areas. We simply do not have the funding to do that. However, it enables us to be at the table and help steer those organisations and work them towards what London needs.

**Len Duvall AM (Deputy Chair):** Thank you very much for that. Chairman, I am going to pass back to you.

**Susan Hall AM (Chairman):** Thank you. I know that Dr Sahota [AM] wants to come in on a specific issue on one of these missions.

**Dr Onkar Sahota AM:** Thank you, Chairman. Assembly Member Duvall gave a good basis for me to come in on the issue of mental health. If this pandemic has shown us anything, it is that we cannot disassociate health from the economy. The Mayor's priority is jobs, jobs and jobs. Health, health and health must underpin that.

The question I'm asking is, here we have a recovery mission budget of a £427 million spend, of which £1.5 million - which is 0.35% of the spend - is going to mental health and wellbeing. What London has suffered most has been on mental health. Mental health has been affected and there has been an increase of 43%.

What I am trying to get at is how did you decide that £1.5 million reflected the priorities of London as we recover from the COVID-19 pandemic in terms of health issues?

**David Bellamy (Mayor's Chief of Staff):** Mary [Harpley] has already set out the process that we went through. It is really important to remember here that the big numbers that you describe include the AEB. That is a ringfenced budget and so there is not the opportunity to move away from spend on training people for jobs to a massive mental health provision. That is the reality.

What the budget document seeks to do, and does quite clearly, is to set out, when you put to one side external ringfenced things that have to be spent on particular matters and when you set aside the statutory and core costs associated with running the GLA and you minimise those as much as you can, what is left for division between the different areas. That is, essentially, why we are where we are.

Sarah, I do not know if there is anything that you want to say in response to the Assembly Member's question in terms of specifically what we are seeking to achieve with the funding and how that compares to what we have been able to do in previous years.

**Sarah Mulley (Executive Director of Communities and Skills):** Thanks, David. Yes, this is a very modest budget in the context of the scale of the challenge London faces with mental health, particularly after the pandemic. As David [Bellamy] said before, the key thing to underline is that we are not expecting to be using this budget to deliver, for example, at-scale services for Londoners because that is not our role and we would never have the resources to do that.

What this budget does is gives us the power to work in partnership with other partners across the system. Coming back to the conversation about the missions, the partnership that is expressed through the London Recovery Board has made absolutely clear that health is, very obviously, a priority for London's recovery. There are two missions related to health of which the mental health mission is one.

This budget reflects some modest growth from current activity levels and so we will be able to do more in this space than we have in the past. We will also be refocusing our work to make sure that we focus our resources on these recovery missions. That will have to be done in partnership with local government, the NHS and the voluntary and community sector. As David [Bellamy] said before, really, this budget is trying to enable that strategic work across London. The GLA has a great track record of piloting, of learning, of spreading best practice and of promoting innovation. That is the sort of activity we would look to continue in this area.

**Dr Onkar Sahota AM:** I accept, David, that health has not been given to the GLA and of course this is the remnant of the Social Healthcare Act 2012 when public health budgets were not given to local authorities.

What we need to do of course is to urge the Mayor to be more ambitious and more brave as we recover from this thing. The lesson to learn from this is that unless we get public health sorted out and unless we get mental health issues sorted out, the recovery will be impeded. I want you to think bigger than you have at the moment. That is the challenge the Mayor will face. Thank you, Chairman.

**Susan Hall AM (Chairman):** OK, thank you, Dr Sahota. I have just a very quick couple because we are running over on this particular section.

A different format makes it very difficult for us to look at budgets because we cannot compare them with the ones before. Are these new nine missions actually missions that can be almost impossible? Do you think that they are either impossible to measure or unrealistic in their ambitions? What is a realistic chance that one in 36 Londoners is going to sign up to become a Wellbeing Ambassador by 2025 when no one even currently knows what that term means, Mr Bellamy?

**David Bellamy (Mayor's Chief of Staff):** Clearly, those involved in the recovery programme and the partnership in terms of the GLA Group, the Mayor, the boroughs and other partners feel that that is achievable. I am sure colleagues who are involved in those programmes could give you more detail. It clearly does meet the definition of a mission in terms of being measurable. We have tried in this Draft Budget to set out the expenditure so that you can make the comparisons, to your first point. That is why we have Appendix B. As we say, it is illustrative at this stage, but it shows a potential £600,000 increase in the health budget at a time at which we face a very significant reduction in income. Whilst indicative and we do not have final numbers, it does allow that transparency. We are keen to do that as far as we can at this stage of the process.

**Susan Hall AM (Chairman):** I hear what you say. Assembly Member Duvall, you have your hand up again. Can you be very brief? We are running over on this section.

**Len Duvall AM (Deputy Chair):** This is to you, Chairman, if we could follow up with this? Look, I recognise that on the economic recovery programme much depends on working with other partners. I would very much like to see in future information provided around these missions, the leverage of spend that the GLA gets from working with other partners in delivering this, so that we can monitor it in the future and again if there is any indication - I do not want an answer right now - around whether we should set or whether the executive should set the levels of external income they are hoping to achieve for the future. It might be a consideration, but I will await that information. If we can follow up on that, it might be important for future years.

**Susan Hall AM (Chairman):** That is a very good idea and we will look into that. Thank you. OK. We are now going to move on to our next section and the first few questions are from my colleague Caroline Pidgeon.

**Caroline Pidgeon MBE AM:** Lovely. Thank you, Chairman. My questions are first of all to the Executive Director of Resources. I am focusing on the corporate savings of £12 million and some of the narrative that is in the information provided. If we could start off with the Museum of London, very specifically, it states:

*“By paying the City of London Corporation through an alternative financing mechanism, the annual contribution for the development can be reduced to £3 million per annum.”*

That is a saving of £1 million. That sounds like excellent news. Can you give us a bit more information on that and how it is going to be achieved?

**David Gallie (Executive Director of Resources):** I would like to give more detail in the public domain, Caroline, but unfortunately I really need to be bound by the confidence of the City of London [Corporation]. Rest assured that the agreement of that £1 million reduction is one that we are discussing and have agreed with the City of London, but the exact detail of how we are to achieve that is one that at this point I cannot put into the public domain.

**Caroline Pidgeon MBE AM:** But it is robust?

**David Gallie (Executive Director of Resources):** Absolutely. I can give you --

**Caroline Pidgeon MBE AM:** Are you able to give it to us on a part 2 basis?

**David Gallie (Executive Director of Resources):** I am sure that within the normal bounds of confidentiality of information, I can give you more detail that would give you that assurance. I would be happy to do that as we have done before.

**Caroline Pidgeon MBE AM:** Lovely, thank you.

**David Bellamy (Mayor’s Chief of Staff):** Also, it is important to reassure you that this essentially is a financial matter. It does not impact in any way on the Museum of London or the project. It is entirely between the GLA and the City of London Corporation as funders as to how we get that money paid across to the project.

**Caroline Pidgeon MBE AM:** Lovely. The Museum of London is a very exciting project and one of those rays of hope we have at the moment.

Let us move on. There are quite different areas I am picking up here. On the finance team, there are lots of lines in this. How will a new treasury system give rise to efficiencies and what level of those efficiencies are you expecting, David?

**David Gallie (Executive Director of Resources):** This is largely a charging mechanism. What we have had in the GLA main budget is a provision for a new treasury system that the treasury team has been implementing. The saving has largely arisen from charging that to our London Treasury Ltd rather than it being a GLA charge. That is where the bulk of that saving comes from.

**Caroline Pidgeon MBE AM:** Can you explain that in a bit more lay terms, please?

**David Gallie (Executive Director of Resources):** Originally, the budget had the cost of a new treasury system in the GLA/Mayor budget and we are now moving that to London Treasury Ltd, our company that runs the treasury service across the Group. That then leads to a saving in the GLA.

**Caroline Pidgeon MBE AM:** You have pushed it somewhere else rather than it itself being more efficient.

**David Gallie (Executive Director of Resources):** The system is legitimately charged to London Treasury Ltd because it is the one that is using that system rather than the residual GLA treasury core.

**Caroline Pidgeon MBE AM:** Yes, OK. I have that one now. Thank you. What scope is there to charge more finance staff time to external parties? That was one line that was mentioned in there. Is there any indication that external parties will simply accept that?

**David Gallie (Executive Director of Resources):** We have to be very careful here, as you know. We need to ensure that any recharges that are made for all support services - finance, human resources (HR), information technology (IT) - are ones that are legitimately available so that any charges that we make, say, to capital, to GLA Land and Property (GLAP) or to AEB are ones that would pass the auditor's scrutiny. They do look very carefully at this. We are very cautious around looking at those charges and they need to be ones that are legitimately to be incurred by those various external parties.

Clearly, there is always scope because activity is changing. For instance, a lot of my team's time is now being spent on Crossrail. There is a lot of Crossrail financing that come from the business rate supplement (BRS). It is a moveable set of charges that are made, some of which are up and some of which are down. That is under constant review.

There are some areas there where we think that there would be some legitimate charges that we can make additionally within finance and also across some of the other support services.

**Caroline Pidgeon MBE AM:** That is very interesting. I am sure Crossrail will be thrilled to have yet more bills coming their way. Let me pick up another point --

**David Gallie (Executive Director of Resources):** Sorry, it would not be a bill to Crossrail. This is because the GLA administers the BRS and the Mayor's Community Infrastructure Levy, it is effectively charging some of my team's time against those sources, as, again, we can legitimately do.

**Caroline Pidgeon MBE AM:** All right, then. I had been reading about Crossrail earlier this morning and I was thinking that that is the last thing it needs.



I have another question. In your paperwork, you make a statement about outdated finance processes. Can you give us some more explanation about that? Presumably, this means you are going to need fewer staff if you are changing your processes and modernising?

**David Gallie (Executive Director of Resources):** There are two things here. There is a series of things coming into the role where it is apparent that we have some rather old-fashioned processes. We tend to have our reconciliations necessary, say, back to various accounts done to the last penny rather than to a reasonable level of materiality. It is looking at reviewing those kinds of things, which would then reduce the staff time taken. There is quite extensive time taken.

It is also looking at a more plausible way in which we recharge some of the costs. Again, we tend to chase our tail quite endlessly on some of our recharges, for instance. We can take a more rounded view, which would reduce workloads but would not endanger any of the financial probity that we need to have when ensuring that all our processes are good. There is a lot of work on that.

Perhaps more importantly, it is also a collaboration project that we have launched around finance services across the Group and looking at the sense in which we can potentially push more of our financial transactions not just within the GLA/Mayor budget but also across the rest of the Group into TfL. We have had a very successful set of financial transactions moved to TfL from the GLA that has been longstanding over the last 10 years and there are further areas that we can potentially move our processes into TfL's structures. There are also then perhaps others across the Group following our example.

**Caroline Pidgeon MBE AM:** That not only would be more efficient in terms of more modern processes and would also lead to you needing fewer staff?

**David Gallie (Executive Director of Resources):** Yes. Ultimately, that would be the case. What I would say is that the finance team, as we have demonstrated in some of the earlier conversations, is working pretty much at full tilt on the challenges we discussed earlier on around not only moving the budget to recovery but also implementing the large savings. The finance team is, in my view, very much under pressure here. Clearly, by rationalising our processes, it means we are more efficient and that must include a consideration of reducing staff numbers.

**Caroline Pidgeon MBE AM:** Yes. Some of this may not be immediate but, longer term, as you move to streamline processes, systems and shared services, ultimately there must be some savings.

**David Gallie (Executive Director of Resources):** And we have to be very careful around when we are, say, looking at how we are moving payroll providers, for instance, as part of the move to integrating our HR function with TfL. We need to make absolutely sure that we do not cut corners on those core basic processes in this transformation work. That is something I am very keen to ensure that we do not cut too early or too quickly to ensure those core processes remain robust.

**Caroline Pidgeon MBE AM:** Yes. That is very helpful. Moving on to HR, this talks about reducing recruitment advertising and training budgets. How are you going to be able to effectively recruit, retain and develop people in the organisation with those kinds of reductions? Also, personally, I would link to that the move out to The Crystal, which is also a huge challenge for people. How are you going to be able to recruit to the posts that you need to?

**David Gallie (Executive Director of Resources):** Maybe Mary [Harpley] might like to provide the detail.

**Caroline Pidgeon MBE AM:** Maybe Mary would like to answer that.

**David Gallie (Executive Director of Resources):** I can answer generally, Caroline. One of the things we are doing is looking very much to recruit internally. Our recruitment advertising will be looking to be reduced and that is an easy, natural saving to be made. You are absolutely right. As part of the whole relocation work, we are looking at that as a means and an opportunity to build on all the benefits of the transformation work that Mary has led over the last years or so.

**Caroline Pidgeon MBE AM:** OK. Mary, do you want to comment on that?

**Mary Harpley (Chief Officer):** Yes, thank you. I would say a couple of things. The first is that this is not the transformation budget. Currently, this Draft Budget remains unchanged and so that money is still there.

We will be doing less recruitment. There is no getting away from that. That helps drive down our recruitment costs.

On training and development, again, there are a number of things in this budget we say we are going to do that we do not really want to do, but in beginning to eat into those savings, we are having to put on the table and say, "OK, we will do this". The training programme budget definitely comes into that category.

However, with all these things, when you are forced to look at it and you are forced to think about where you might make cuts, we can probably design our training programmes more smartly. We can think more smartly about who does what programmes and when. We have moved a lot of our training to digital platforms already and really quite successfully. I did one of our digital modules myself last night. It is a great way of delivering training and is, per person, much cheaper. Those things are coming into play as well.

**Caroline Pidgeon MBE AM:** OK, but it could well have an impact on recruiting and retaining people and being able to develop them in the organisation. Do you accept that?

**Mary Harpley (Chief Officer):** I accept that it is less money to do that. We have to think about how we redesign some of these things to minimise the negative impact.

**Caroline Pidgeon MBE AM:** OK. Let me move on to shared services, something that in my 12 years on the Assembly we have talked about an awful lot, normally at the [GLA] Oversight Committee. In terms of shared services, there is a statement saying:

*"... there may be one-off services that will be required to be purchased directly by the GLA which could not be funded from the lower fee level proposed."*

That would seem to indicate the saving of £710,000 is not fully worked through yet. Are you able to clarify that, David?

**David Gallie (Executive Director of Resources):** Yes, of course. What we set out to all the shared services - legal, procurement, audit, the business services we have from TfL - was an exemplified 15% reduction and we have gone through the level of detail on that. The number quoted there is an aggregate of that 15% less some adjustments because we are still discussing the level of detail with each of the functional bodies responsible for those shared services. It is very much a number that we need to come back to.

The explicit comment is more around the case of legal, for instance, where there is a reduction that needs to be made from their overall budget, but when it comes to, say, that reduction causing them difficulties on implementing a core priority such as some of the housing work, then we will need to look at the sense in which housing can potentially, from its own resources or the resources earmarked for the affordable housing programme, use that as a funding source for additional one-off legal costs that perhaps we did not anticipate in the level of service we specified.

**Caroline Pidgeon MBE AM:** OK. Are you confident with the £710,000 saving in that area of shared services?

**David Gallie (Executive Director of Resources):** Yes. As I said earlier, the 15% number that we have asked them to exemplify is a larger number than that £710,000 and so it allows us flexibility to finalise those numbers over the next month or so.

**Caroline Pidgeon MBE AM:** Great. I misheard. I had not heard the larger answer. OK. That you are assured on.

Let us move on to the estates stuff now and relocating City Hall. Clearly, the market conditions mean that rents are falling in central London in any case. The savings you have down as £61 million over five years, but if you took out what we would have been paying in rent it is more like £37 million.

Can you confirm that the move to The Crystal represents a net cost to the GLA in the year 2021/22?

**David Gallie (Executive Director of Resources):** Yes. We will need to incur the one-off costs we have estimated of £14 million. Some of those costs - we estimate about £3.5 million of that - will be incurred in this financial year and the balance in 2021/22 to make the move in time. Yes, there will be those one-off costs. What we have sought to do in this budget is to provide for those costs to come in and at the same time also advance the full-year savings that will emerge from the relocation. It is a balance between funding from reserves the one-off costs that we need to do as well as an advancement of some of the savings that will accrue. One of the things that we are very keen to ensure is that we do not necessarily overcut. If we were to impose those one-off costs without use of the reserves, it would boost the level of savings. It is getting a balance between the one-off costs being budgeted for properly -- getting a level of savings that can come in to assist the overall budget and at the same time ensuring that the savings we are taking on a full-year basis also allow for those reserves to be replenished. There is a balance we have taken of the full-year saving on a like-for-like basis being £8.2 million estimated on a full-year basis. What we are looking to do is advance that to take £5 million and ensure that the £3.2 million - the balance of £8.2 million less £5 million - is then used to replenish the reserves that are needed to pay for the one-off costs.

**Caroline Pidgeon MBE AM:** OK. In the year 2021/22, just over £10 million, if I have understood what you are saying, is the net cost in that financial year?

**David Gallie (Executive Director of Resources):** That is our forecast at the moment. We are working through the detail of the programmes. That is very much a broad indication. We will be working in detail to finalise that exact programme budget. That £10.5 million may revise and we will reflect that in the final budgets.

**David Bellamy (Mayor's Chief of Staff):** Of course, it is not a net cost because the lease of the current City Hall ends in December 2021 and so we start delivering savings from the move in the last three months of the financial year.

**Caroline Pidgeon MBE AM:** Thank you for that. The final question from me on this is about another bit in the narrative on the analysis and intelligence team. What is meant by “services agreed by a memorandum of understanding with the Office of National Statistics (ONS)”?

**David Gallie (Executive Director of Resources):** Can I ask my colleague Niran Mothada to come in?

**Caroline Pidgeon MBE AM:** Yes. Niran?

**Niran Mothada (Executive Director of Strategy and Communications):** Thank you very much. We have a memorandum of understanding with the ONS to provide information and data. That is an ongoing arrangement that we have with them.

**Caroline Pidgeon MBE AM:** OK. What does this mean financially?

**Niran Mothada (Executive Director of Strategy and Communications):** I would need to check the numbers and come back to you because I do not have those numbers in front of me. I apologise.

**Caroline Pidgeon MBE AM:** OK. It is referenced in there, clearly. Does it give us a saving? Does it mean we need fewer staff at the GLA because we are contracting with the ONS? What does it mean?

**Niran Mothada (Executive Director of Strategy and Communications):** It means that we will make a saving because we will not be spending as much money on the data that we will receive from them, but it does not mean a cut in numbers, no.

**Caroline Pidgeon MBE AM:** Lovely. Thank you very much. Thank you, Chairman.

**Susan Hall AM (Chairman):** Thank you. I have just a slight follow-up on some of those. There is a net saving of £136,000 to come from the Mayor’s Office from reorganising executive support for the Corporate Management Team (CMT) and mayoral appointees and moving this function into the Chief Officer’s Directorate. What does this bring to the total headcount of the Chief Officer’s Directorate, Mary?

**Mary Harpley (Chief Officer):** I do not know off the top of my head, but five or six extra into the Chief Officer’s Directorate is what it will bring.

**David Bellamy (Mayor’s Chief of Staff):** There will be a greater than that reduction in the Mayor’s Office, which is behind the net saving from the proposal. That was a difficult thing to reflect in the budget document because it is not just about the reduction in terms of the number of staff but it is also, as you say, Chairman, about moving staff from one directorate to another. There is probably a larger reduction in budget in the Mayor’s Office but then a corresponding increase in CMT. We are just trying to set out there what is the forecast overall saving from the move.

**Susan Hall AM (Chairman):** OK. The Draft Budget states, “Owing to high workloads, no other savings are proposed for the Mayor’s Office at this point”. In terms of a meaningful reduction, the Mayor’s Office is being cut by around 2% to 3% but will not be cut any further because the Mayor is too busy. Is the Mayor still planning to cut the Assembly, which is required by law to scrutinise what the Mayor is doing, by possibly 20%?

**David Bellamy (Mayor’s Chief of Staff):** The Mayor has received the paper from the [GLA] Oversight Committee regarding the Assembly budget and so he will consider that and come back. We have rehearsed all

the arguments about that in a number of meetings through the year. In terms of the Mayor's Office, as I referenced at a previous meeting, we absolutely have the staff survey data from before Christmas [2019] that showed the workload pressure in the Mayor's Office being far higher than any other directorate in the organisation, and that has only got worse with the impact of COVID-19. That is why we are taking that approach at this time.

**Susan Hall AM (Chairman):** Yes, but you will also accept it is our job to scrutinise what the Mayor is doing. We may have rehearsed it several times, Chief of Staff; it does not mean that we accept what you have come up with. Anyway, I am sure we will rehearse it again.

On the External Relations Team, we note that Bloomberg Associates has concluded that the Press and Digital Teams were acting at capacity pre-the pandemic. What analysis did Bloomberg undertake to conclude that?

**Niran Mothada (Executive Director of Strategy and Communications):** I am happy to share the recommendations from the Bloomberg review. They spent a considerable time with the teams over a couple of months, looking at the way in which we worked, how we dealt with the volumes of work that we needed to do, and so therefore their analysis was based upon the discussions that they had with the teams and also looking at all the work that we did. I am more than happy to share the recommendations from the Bloomberg review that took place earlier this year.

**Susan Hall AM (Chairman):** OK, fair enough. We will accept that, thank you. Do we have confidence in Bloomberg being sufficiently independent from the GLA to offer that view, in the sense that the GLA does other work with Bloomberg?

**Niran Mothada (Executive Director of Strategy and Communications):** I am happy to answer. In terms of the work that Bloomberg did for us, the reason we asked them to come in is because they have a good view of international comparators and also other organisations. What we wanted to do was make sure that we benchmarked and compared ourselves to other organisations, hence using Bloomberg to conduct this review for us.

**Susan Hall AM (Chairman):** OK.

**David Bellamy (Mayor's Chief of Staff):** Sorry, I would just add that, of course, they have an awful lot of money behind them and there is no way that they are beholden to us at all. They, as an organisation, offer *pro bono* services to mayors around the globe. They are set up and funded by Mike Bloomberg [former Mayor of New York City] to do just that. They owe us nothing.

**Susan Hall AM (Chairman):** OK, but it is an appropriate question given what our job is.

**David Bellamy (Mayor's Chief of Staff):** Yes.

**Susan Hall AM (Chairman):** Can you confirm that no savings are coming from the Mayor's Press team, which has grown by a third from £733,000 to £978,000 since the Mayor took office?

**Niran Mothada (Executive Director of Strategy and Communications):** We are not making savings from the Press team. One of the things that I have done since taking up post is review the size and shape of the team, and some of this has come from the recommendations from the Bloomberg review. I believe that the team is comparable to the size of organisation that we have and comparable to other devolved administrations, as well as local authorities. We have 15 full-time equivalents (FTEs) and in terms of the volume of the work

that they do, like I said, they were stretched even before COVID and even more so now. No, we are not making any cuts to the press office.

**Susan Hall AM (Chairman):** OK, I hear what you say but there are many teams that are stretched. We also have a police service that is stretched, and so on, but I hear what you say. Thank you.

On the Government Relations team and the European Office, why has the European Office been included if it is only a possibility?

**Niran Mothada (Executive Director of Strategy and Communications):** One of the things that we need to review over the coming weeks is what services we are going to need from the European team in a post-Brexit world. We need to ensure, in terms of how much the team will cost us, that we will get value for money going forward from having a team in Brussels. The team has been there since 2001. They have made a significant contribution to the GLA and TfL in terms of funding that they have been able to secure for us, but what we now need to look at is the future of the team in terms of us exiting the European Union (EU).

**Susan Hall AM (Chairman):** OK. When will the final decision be made on that European office?

**Niran Mothada (Executive Director of Strategy and Communications):** We are looking to make a final decision on that in line with the budget, with this budget timetable. We will make a final decision when this budget concludes and when we have to put the information in for that.

**Susan Hall AM (Chairman):** On the Planning team, how will £100,000 be saved?

**David Gallie (Executive Director of Resources):** I wonder if Phil Graham might come in on that question.

**Susan Hall AM (Chairman):** Please, Phil?

**Phil Graham (Executive Director of Good Growth):** With regard to the Planning team, the document references the work that is ongoing to review the synergies between the TfL and the GLA Planning teams, and indeed we have already identified a saving as part of that process of having a single Planning Director leading both teams. Critically, also, we have done a lot of work over recent months to introduce new digital tools to support the planning process and we expect that that will allow us to generate some efficiencies, and we will continue to try to maximise the level of external income that we achieve through this to support our planning work. Not everything that we do can be funded or refunded through external income but in a lot of cases there are opportunities to do that, and we charge for the services we provide. Those are the three routes through which we intend to achieve that saving.

**Susan Hall AM (Chairman):** OK, fine. Just before I hand over to my colleague, Assembly Member Moore, can I just ask, Niran, are you now responsible for the Mayor's press team?

**Niran Mothada (Executive Director of Strategy and Communications):** Yes. Strategy and Communications sits under me so External Relations sits within my directorate, yes.

**Susan Hall AM (Chairman):** All right, I am now going to hand over the next questions to my colleague, Alison Moore.

**Dr Alison Moore AM:** Thank you, Chairman. I have a series of final questions on individual areas. The first is on the Fire and Resilience Team. It is a small team and so to be making non-paid budget savings of as much as £100,000 is a challenge. How will they be doing that?

**Niran Mothada (Executive Director of Strategy and Communications):** The Fire and Resilience Team is a very new team and the budget that was set at the very beginning, what we have done is we have revised that, essentially, to look at how much money has been spent in this year and what will be projected into the year and the year after. What we did find is that there was more money than was required in terms of the research and so on that we would need to conduct, particularly on the resilience side, over the next year or so. It was really about taking what we knew a year on from having this team, and actually being quite realistic about the budget that we would need going forward.

**Dr Alison Moore AM:** Thank you, that is helpful. You say it is a new team. Clearly, my limited experience of it, because I am new to the Assembly, is that it has been hugely important in the context particularly of the post-Grenfell work.

**Niran Mothada (Executive Director of Strategy and Communications):** Yes.

**Dr Alison Moore AM:** You have robustly challenged yourselves on that. I would not at this particular juncture want to see that underserved because it is such a critical area for Londoners.

**Niran Mothada (Executive Director of Strategy and Communications):** Absolutely. One of the things I would say is that that team has done some incredible work not just on Grenfell but also on the pandemic as well, in supporting the Deputy Mayor for Fire and Resilience. Where we have needed to, over the last year, we have bolstered that team with resource as and when required, absolutely maximising the pay budget, and we will ensure that that team is properly resourced in order to meet the challenges going forward.

**Dr Alison Moore AM:** All right. It is probably one we will keep an eye on because there is staffing but actually there is a whole set of other things that come with that sort of research and I am assuming that they will be integral to supporting some of the recovery work as well.

**Niran Mothada (Executive Director of Strategy and Communications):** Yes, absolutely.

**Dr Alison Moore AM:** Could I move on then to the City Operations Team? How will the City Operations Team reduce costs and from whom will it generate the income to make that balance of the total £100,000 savings?

**Niran Mothada (Executive Director of Strategy and Communications):** The majority of those savings will come from staffing costs. We are looking at a restructure within the team. One of the things that we set out to do when this team was first set up was look at income generation. Unfortunately, this year, because of COVID and because of the pandemic, we have not been able to explore that, particularly because we have had people working from home and they have not had access to all systems. The team have recently moved to Palestra, they have moved into some secure accommodation, which means that they now have access to all their systems and all the IT that they need. What we will now look to do is explore. We are starting with £30,000. We are starting with a moderate amount, in terms of income that we may be able to generate. That is through our partners. That is about sharing information and also looking at training as well that we could offer. That is how we are looking to generate income.

**Dr Alison Moore AM:** All right, but you are not compromising your ability to raise that income in the future by cutting at this stage?

**Niran Mothada (Executive Director of Strategy and Communications):** No.

**Dr Alison Moore AM:** OK. Finally from me on events, almost £2 million is being saved on events. What is being scaled down? Perhaps some clarity, because we have had a discussion before the meeting, about what has happened about the fireworks and how that will go forward.

**Niran Mothada (Executive Director of Strategy and Communications):** Sure, no problem. In terms of the events, we are focusing on the GLA's core priorities of utilising events to bring the best economic and social benefit to London. This will mean prioritising some of the key national and community faith events, the things that give us a really good international profile and support our communities as well. We are looking across each event individually and considering the format and nature of each of those events, and also reviewing and adapting each budget. Over the coming weeks and months, we will be talking to partners about the impact of the reduced budget that we have and thinking about how we can support some of those events. There will be some events, particularly those such as New Year's Eve and Notting Hill Carnival, where there are public safety issues and that kind of thing, which we will continue to support.

In terms of this year, for New Year's Eve - which was your second question, Assembly Member Moore - there will not be a live audience for firework displays for New Year's Eve this year because of the pandemic. We need to ensure that we keep people safe and put their health first. We are currently working up plans to ensure that we do run a spectacular event for New Year's Eve, one that people can view from their homes and one that we can put onto the international stage. There will be further information coming out about the event in the coming weeks.

**Dr Alison Moore AM:** That is really helpful, thank you, because there was some discussion between us about what was actually happening about that. I am assuming, in doing what you are doing, that you will be looking to restart some face-to-face events when it is safe to do so. You are not compromising your ability to do that.

**Niran Mothada (Executive Director of Strategy and Communications):** No, absolutely not.

**Dr Alison Moore AM:** A lot of this, of course, is couched with uncertainty. A general question to you or to others: what has the impact of the uncertainty over draft financial settlements for the GLA Group and London boroughs, and London boroughs' updated tax returns, had on your ability to provide further detail on the savings for this and all of the other areas?

**David Bellamy (Mayor's Chief of Staff):** Should I start with that, Assembly Member? In terms of the core, we are clear we expect a significant reduction of funding. As we push forward with Group preparation work, we are looking to really maximise the savings from this area in order that recovery foundations and recovery missions can receive as much funding as possible. I do not think the uncertainty has had much impact in our planning there. There may be some bits at the margins where these core services have to flex and provide particular things based on the needs of those working on recovery missions and foundations, but I do not think it has generally impacted the core. What it clearly has had is a very big impact on our ability to plan in terms of the recovery work because that, essentially, is the item that flexes according to the money available.

**Dr Alison Moore AM:** OK, thank you. I will leave it there, Chairman.



**Susan Hall AM (Chairman):** Thank you very much indeed. That has finished that section, so we are now on to our fourth section and this is a question for all the directors. I will lump it together and then if you can come back to me one by one with your biggest concerns and so on. What were the implications of your directorates taking their share of the £27 million in directorate savings, what is the status of these plans and in which areas are you looking to make the savings? Niran, if you want to start? You are there in front of me.

**Niran Mothada (Executive Director of Strategy and Communications):** In terms of the core and the core savings, mine is perhaps more straightforward than the others. It will be absolutely imperative that what we are left with after the cuts is the ability - and this is what we are looking at - to support recovery and support the recovery of London as we go forward. Within my budget there are still some things to be worked through. I include the European Team within that, and there is still some work to do there, but we are confident that we will make the savings that we have been asked to make.

**Susan Hall AM (Chairman):** OK, fine. Your biggest concern for your department?

**Niran Mothada (Executive Director of Strategy and Communications):** The biggest concern will be the fact that as the GLA as a whole - and I have only been here a year - is already an incredibly stretched organisation. The volume of work that goes on here is incredible and we have some really incredible people who do that. We need to make sure that what we do going forward, we are able to do, and we are able to do well.

**Susan Hall AM (Chairman):** OK, fair point. Sarah Mulley?

**Sarah Mulley (Executive Director of Communities and Skills):** Thank you. For our directorate, I would come back to some of the conversations we were having earlier in this session about how we respond to the both very challenging and very uncertain context that we are working in. In our case, in most areas we are not looking at huge cuts in programme budgets, for example, but we are going to be asking people to work very differently and we would expect, in the context we are working in, that our mix of programmes and activities in the future will be very different to how it has been in the past.

My biggest preoccupation at the moment is how we get those decisions right in the face of uncertainty. How do we make sure that we are deploying the resources we do have in absolutely the most strategic way possible to tackle, as we have already discussed, some very challenging issues in a very large city with a very modest budget? How do we use those budgets strategically, whether that is around tackling poverty, mental health or opportunities for young people? That is my main concern.

**Susan Hall AM (Chairman):** OK, fair enough. Thank you very much. Phil Graham?

**Phil Graham (Executive Director of Good Growth):** Thank you. Obviously, the big cuts and the big savings in my area are those that have been identified to some degree in the document that you have seen around the reduction in the amount of funding that we had intended to provide as part of the Green New Deal fund, and also quite a significant reduction in the funding to London & Partners (L&P), but it is important to say that is not the totality of the saving that needs to be found. Beyond that, we are in a similar position to Sarah [Mulley] in that it is about finding smaller, more incremental savings in a number of areas to achieve the remainder of the target.

The concern I have most particularly probably relates to how we manage this within the Regeneration and Economic Development Team. On the one hand, that team has become really critical in the context of the response to COVID because the economic impacts have been so severe. We will need to find a saving in the

staffing and programme budget within that team and we mean to do so, as the document makes clear, in particular by looking at the integration of that team with, on the spatial development side, the work that Housing and Land do, and also how that team works with L&P, with the London Economic Action Partnership (LEAP) and with other organisations in terms of how London's economic business support and economic development landscape is structured. My concern is not, to be honest, that we will not find the savings; the concern is maintaining the delivery of a set of really important programmes and the really important convening work that that group does during the period of uncertainty that that kind of potential structural review and potential structural change might create.

My other concern, which runs alongside all of this, is that alongside looking at savings within my directorate we have been very successful in previous years and, indeed, in this year, at bringing in external funding from Government and from other sources to supplement the GLA's income. That will become more challenging going forward because we are not the only body, either in the public or the private sector, which is going to be under financial pressure. We are going to have to look very hard at how we achieve that.

**Susan Hall AM (Chairman):** There will be some specific questions in a minute about that. I really want to know the status of your plans and how you are looking to make the savings, but that might be picked up in a minute. David Gallie, do you have anything that you would like to comment? I know you have spoken a lot.

**David Gallie (Executive Director for Resources):** Just very briefly, just to reiterate what David [Bellamy] has said, my directorate savings are in core and core is very much a given in well-developed savings, as we have just described.

I would echo some of the pressures that we have talked through. The support services, of course, are absolutely essential to ensure that we can deliver the recovery missions and foundations. The Finance Team, as I said earlier, is under huge pressure delivering the budget, the Facilities Management (FM) Team is going to be under huge pressure in delivering the relocation, the IT Team has been one that has been absolutely central to how we have been able to work successfully over the last eight months, and those resources remain absolutely important and integral. The savings are ones in which we can very much ensure we can deliver those core priorities at the same time as making the savings as described.

**Susan Hall AM (Chairman):** Last but not least, Rickardo Hyatt.

**Rickardo Hyatt (Interim Deputy Executive Director of Housing and Land, Assistant Director of Housing):** Thank you, Chairman. My colleagues have made really good points - always a danger in going last with these things - but from my perspective, we within Housing and Land are responsible for delivering multi-year, long-term programmes that make a massive impact and improvement to people's lives: delivering housing, support rough sleepers. One of the biggest challenges for me going forward and through the lens of recovery is how we continue to channel those programmes accordingly because there is a recognition here that these are complex, large-scale programmes that need to be resourced adequately. Most of them are externally funded, ring-fenced programmes.

The direction we are heading with the virus, uncertainties around how we exit from the EU and what impact that might have on the housing market and construction more widely, and supply chains, are very real challenges and risks. All at the same time, going through a change in the organisation where we are looking to manage our resources with a smaller envelope overall is quite challenging, but as Phil [Graham] says and as we say in the budget document, it does create opportunities for more joint working, looking at how we engage with the outside world, London boroughs and other key stakeholders across London.

**Susan Hall AM (Chairman):** OK. I will keep with you if that is all right, Rickardo, and I will come to your capital bits in a minute. If I can, the Q2 Monitoring Report we have tabled for this meeting states that:

*“Rough Sleeping has undertaken a lot of work to move homeless people into temporary accommodation due to risks associated with the COVID-19 pandemic. This currently has a forecast cost of £38 million in total, most of which has been funded by the MHCLG.”*

When it says “most”, what does that mean? How much has been funded by the Government and how much by the Mayor in terms of allocating his own funds?

**Rickardo Hyatt (Interim Deputy Executive Director of Housing and Land, Assistant Director of Housing):** Roughly £27 million has come from Government and the remainder has come from the GLA’s own budget.

**Susan Hall AM (Chairman):** The GLA has, what, £11 million?

**Rickardo Hyatt (Interim Deputy Executive Director of Housing and Land, Assistant Director of Housing):** Yes.

**Susan Hall AM (Chairman):** All right. If I can then go on to capital, in the forecast of 2020/21 the GLA underspend on capital for the year appears to be unprecedentedly high on £530 million, which comprises just under one-third of the entire capital programme for the year and of which £443 million relates to Housing and Land programmes. This may not present a problem in financing terms but surely it gives serious concerns in terms of delivery.

**Rickardo Hyatt (Interim Deputy Executive Director of Housing and Land, Assistant Director of Housing):** This links back to some of the points I was making earlier about the challenges ahead of us. We cannot underestimate the impact that the closure of the construction sector for most of the first quarter of this financial year has had on our ability to release those capital funds to projects that have been held up in delivery. That is a real concern. There has been a knock-on impact, not just on providers who are onsite and delivering projects but also in their approach to taking on new business and acquiring land to take sites forward, given the level of uncertainty that they are facing.

Throughout the financial year, we have worked quite closely with our providers, firstly to understand, at their own programme organisational level, what their issues are. The thing worth recognising here as well is that it is not just our investment of capital for delivery of new housing; lots of the organisations that we deal with are landlords in their own right and their businesses and income will have been impacted by people they house, their tenants, not being able to pay rent and so on. All of that conversation and robust review has been happening.

You are correct, that has meant we have not been able to release the funds as programmed when the budget was originally agreed towards the end of last financial year, but that is the reality of the situation we are currently in. Our programmes have been rationalised, the affordable housing programme, in particular. This issue is not just specific to London. The Government, through our engagement with them alongside Homes England, have recognised that the current affordable housing programme, to ensure that we are able to deliver the programme targets, have agreed a one-year extension to reflect some of those challenges and the level of uncertainty being faced.

**Susan Hall AM (Chairman):** You have to start an average of 19,000 new affordable homes a year over the next three years, more than the Mayor has ever started in any year before, you have only completed 17,000 of the 116,000 homes the Mayor needs to build, and on top of this, you have the pressure of COVID. At this stage, isn't suddenly splitting Housing and Land's priorities between various missions and foundations the last thing you need? Will it not just complicate things?

**Rickardo Hyatt (Interim Deputy Executive Director of Housing and Land, Assistant Director of Housing):** No, I would not necessarily agree with that statement. How I would respond is that with such large capital programmes it is absolutely right that we look at how that funding is invested to support recovery in its wider sense. Clearly, the funds that we do receive are ring-fenced for specific purposes. You will see through the publication of our latest funding guidance, which has gone out during this meeting, that we are looking at how we can lever and improve best practice around sustainability and building safety. These are wider issues and concerns that Londoners care about and it is absolutely right that we do that., but in practical terms, given how Housing and Land is aggregated and comes together, if you look at the budget document, most of the activity is placed in two or three specific missions or foundations. That being said, going back to what I said at the start of my response, even though practically that is the case, in reality the delivery of housing, affordable housing, and improving existing homes through the Building Safety Fund, as far as I am concerned, should be seen as a cross-cutting theme.

**Susan Hall AM (Chairman):** It will not fundamentally change the way you do things?

**Rickardo Hyatt (Interim Deputy Executive Director of Housing and Land, Assistant Director of Housing):** As I have said, as reflected through our new funding guidance that has gone out today, we are looking to take on some of the challenges going forward and some of the improvements that are needed as we take forward recovery. For the existing affordable housing programme, which will continue to run for the next number of years, those parameters are set and cannot be changed, but we have been negotiating the new programme through the pandemic. We turned it around in two or three months through constructive negotiations with Government and it is right that we have reflected some of the priorities that have stemmed through the work on recovery.

**Susan Hall AM (Chairman):** OK, I will leave it at that. My colleague, Siân Berry, wants to come in at the end of this question. Siân, are you there?

**Siân Berry AM:** Yes, I am. Thank you very much, Chairman. A couple of questions to Rickardo and then to David Bellamy, if that is all right.

Following up on what you have been saying about the new affordable housing programme that has literally been published just now and the question about getting money out of the door, there are a couple of parts of that that seem to be relevant to this question.

Paragraph 78 of the new funding guidance says that with new grant applications into the new programme, if some homes are going to be delivered before 2023, you can put those under the old conditions instead in order to spend that money sooner, which seems quite sensible but obviously people might make bids on the basis of a different programme than the conditions that you have.

The second thing is in paragraph 83, and that is very interesting. It says that the drawdown of grant can happen 40% at land acquisition, 35% at start onsite, and then the final 25% on completion. That is quite different to the current scheme, is it not? It is sometimes start and sometimes completion but you cannot

draw any down at land acquisition under the 2016 programme. Can you explain what changes you have made in order to get more money out the door, essentially? Those two seem to be the ones that I have spotted.

**Rickardo Hyatt (Interim Deputy Executive Director of Housing and Land, Assistant Director of Housing):** Yes. For the current programme, through strategic partnerships with those larger providers who have taken on significant programmes, we have had the arrangement where they could draw funding early though the current programme to acquire land for development. That is about giving certainty, allowing long-term business planning and the ability for them to bid and win sites to deliver them within the programme. We do currently offer the opportunity for funding to be drawn for land acquisition in the current programme.

Going forward to the new programme, the change that we have made is that we are more deliberate in how we spread the tranches of drawdown, trying to absolutely lead funding towards the end of the development, certainly to effectively a performance by results approach so that there is some incentive for schemes to go through and for schemes to be brought forward at the earliest opportunity. You will see that the terms of the new programme also require that homes are completed fully through the programme by 2029, and that is a specific requirement from the Government, hence why we have offered the sort of payment structure that is outlined in the funding guidance.

**Siân Berry AM:** That is really useful.

**Rickardo Hyatt (Interim Deputy Executive Director of Housing and Land, Assistant Director of Housing):** Sorry, I am just conscious that I did not respond to your first point. Yes, it is absolutely right, there is still two-and-a-bit years to run to 2023 on the current programme and we are still very much committed to working with partners to deliver the target associated with the current programme. Through the bid round for the new programme, we will be looking at those schemes that can deliver early and do meet the parameters of the current programme, but unfortunately the parameters that have been set for us mean that we have to maintain the two programmes concurrently for at least the next two years. That being said, the current programme is still open for bidding. That is why we have been clear in the prospectus that we are absolutely not letting anyone off the hook here. Everything that partners have committed to through the current programme, we expect them to deliver. Also, we will be working with them to build up and develop ambitious bids for the new programme as well.

**Siân Berry AM:** That is great. You have mentioned a few times there the conditions from Government, the negotiations you have been doing with Government about the terms on which you can give these grants. I can look at those documents and try to glean what they were but are they published anywhere by MHCLG, the conditions they are giving you the grant based on?

**Rickardo Hyatt (Interim Deputy Executive Director of Housing and Land, Assistant Director of Housing):** They are all set out in the funding guidance. It is clear what the conditions are that we are having to adhere to from Government and what the terms and priorities are that the Mayor is seeking to bring forward for investment from the programme. There is a Mayoral Decision that is being published today, actually, which sets it out, and appended to that are the headline terms of the agreement and the correspondence received from the Secretary of State to open the negotiations.

**Siân Berry AM:** That is really useful. I will be reading those closely. I have another question about housing zones and that part of funding that is reported in the budget documents we have. I am looking at the Capital Strategy at the moment. In the housing zone, we have grant and then we have loans. I understand that the loan facility within the housing zones was intended to be, first of all, interest-bearing loans, and second of all,

potentially recyclable once we get the money back from those loans. That is the principal rather than the interest. People pay it back when they have completed. Once we get that back, we can recycle that into further loans.

Now, there is some confusion there because recycling was talked about and then there was a Regeneration Committee session in 2019 where it was indicated that that was not going so well in terms of negotiations with Government, but then the current budget document does talk about using the money again to fund future loans. Can you clarify where you are with being able to recycle? Just to make my questions as brief as possible, is it possible to get a report of the ins and outs of the housing zone money? How much interest have we had? Where is that stored in terms of the budget? How much has come back in grant that could be recycled and how much has actually been recycled? At the moment, these numbers might be net of all of that. I want to know what is going in and what is going out from the housing zones as a whole.

**Rickardo Hyatt (Interim Deputy Executive Director of Housing and Land, Assistant Director of Housing):** We can certainly take that away and provide a bit more detail around the housing zones. However, what I would say is the housing zones launched in 2014 were supposed to be a ten-year-plus programme, which is why it is still running. The whole purpose of it, alongside the grant element, was to get funding into projects into areas designated by boroughs to unlock housing delivery and regeneration over the long term.

Over the period of the programme, as projects have been taken along the development lifecycle or the planning process – for example, compulsory purchase orders (CPOs) have had to be undertaken and so on – we have worked quite hard with local authorities and other partners to develop what we believe are deliverable projects and programmes. There have been changes. As I said, it was intended to be a ten-year programme.

On the loan element specifically, it is worth flagging that that loan of circa £200 million was transferred to the GLA via a formal agreement at the time with MHCLG, with specific requirements for repayments for Government. The impact of delays through the projects that we have funded has meant that it has been challenging to recycle significant amounts of funding within the timescale required in order for us to be able to make the repayment schedule as agreed with Government at a headline level.

**Siân Berry AM:** Yes.

**Rickardo Hyatt (Interim Deputy Executive Director of Housing and Land, Assistant Director of Housing):** Hopefully that makes sense.

**Siân Berry AM:** It does, yes.

**Rickardo Hyatt (Interim Deputy Executive Director of Housing and Land, Assistant Director of Housing):** It has not been without challenges. But as I said, we can provide a bit more information around that.

**Siân Berry AM:** That would be great. I just want to get clear on what is going in and what is coming out.

My question to David Bellamy. In this Capital Strategy, for the capital investment side, which is mainly housing, there are two tables presented at the end of the document. One is the aspirational spending plan going ahead from 2025, and the other one is the 'what is funded' plan. That is where there is an enormous gap between what we have funding for and what we would like. I know that in your submission to the Comprehensive Spending Review consultation you raised this. My question is: have you had any indication or

are you anticipating any new shorter-term boost in social housing funding from what is going to be a more truncated Spending Review process?

**David Bellamy (Mayor's Chief of Staff):** Of course we will see what the Chancellor of the Exchequer has to say tomorrow. It is now a one-year review and they have said that they will consider multi-year allocations in some areas where they feel that certainty is needed. I would argue we have a lot of areas like that. Transport infrastructure is clearly one of those. Also, infrastructure for our emergency services is as well. Like I have said, capital spend there is really important. Then there are the areas that are set out in the GLA Capital Strategy of vital importance to Londoners.

I have not heard anything to suggest that there are going to be further announcements. As Rickardo [Hyatt] said, we have just announced some of the affordable housing programme today and I have not heard if the Government is going to go any further in that sense. There has been speculation about whether the Government is going to announce a successor scheme to the Housing Infrastructure Fund (HIF) and we will see what tomorrow brings in that regard. In terms of the Old Oak and Park Royal Development Corporation (OPDC) and just generally, a number of significant developments around London, that could be important. We are not aware of anything specifically targeted on affordable housing.

**Siân Berry AM:** OK. You make a good case in your submission.

Finally, the Community Housing Fund, which in the capital spending plan runs out in two more years and then stops, that is money that comes from MHCLG, as far as I understand it from this document. There is no suggestion in your submission to the Comprehensive Spending Review that that is replenished. Why did you leave that out?

**Rickardo Hyatt (Interim Deputy Executive Director of Housing and Land, Assistant Director of Housing):** If I can jump in here, it is worth being clear that even though this community-led housing fund has been made separately available by Government, community-led housing organisations can bid to the main affordable housing programmes, the current one and the new one. Part of the purpose of the community-led housing fund was to work with those organisations to help them to build their capacity so they could have the skills and could meet the requirements of the mainstream programmes. As has been made available by Government, the main affordable housing programme, as far as funding is concerned, is what has been prioritised. We are doing all we can through the Community Housing Hub, through promotion of the main affordable housing programmes and ongoing engagement with community-led housing organisations to encourage them to access the various funding pots that are available.

**Siân Berry AM:** OK. Hopefully other authorities around the country were pressing the Government to increase their investment in community housing specifically, even if we were not. Thank you very much, Chairman, that is all my questions.

**Susan Hall AM (Chairman):** Lovely, thank you very much. We are running short of time but I have some questions for Phil Graham, if I may. The original funding for the Green New Deal is tax receipts which, because of COVID-19, are no longer expected to be received. What core activities are you cutting to fund the £12 million in future allocations of the Green New Deal?

**Phil Graham (Executive Director of Good Growth):** We have the budget for the Green New Deal, which effectively encompasses the totality of our Environment Unit work previously. Leaving aside the £10 million of Green New Deal money that we have recently allocated, it is still an increase on the ongoing funding for the Environment Team over recent years. In terms of cutting core environment programmes, the change to the

Green New Deal fund does not require us to do that. That said, as with all parts of this budget, we will be looking very hard at whether the environment programmes as currently set up really respond to the challenges that we face in the aftermath of COVID. In particular, there is going to be a much stronger focus on green jobs, green finance and supporting the green economy. There will be changes but it is not that there is a reduction in the budget on the environmental side.

What has happened is that the tax receipts that had been assumed as part of what would fund a Green New Deal have had to be taken into account in the broader framework that we have put together. Some of those other savings that I have talked about, and which Sarah [Mulley], Rickardo [Hyatt] and others came up with when you asked us the same broad question, are driven by the fact that we are in that overall position, but there is no direct impact on the core environment budget in the way that you suggest.

**Susan Hall AM (Chairman):** OK, fair enough. The Green New Deal funding was only included in your final Budget of 2020/21 after the Mayor consulted on his Draft Budget. Why does this now have a higher priority than the expenditure in the Mayor's 2021/22 Consultation Budget?

**Phil Graham (Executive Director of Good Growth):** Go ahead, David.

**David Bellamy (Mayor's Chief of Staff):** Sorry, I was just going to say quite simply that we have a climate emergency and the Mayor is committed to putting forward all the resources he can to do our bit to tackle it.

**Susan Hall AM (Chairman):** I was really trying to find out what longer-established programmes would be lost, but we will look into that another time. Going back to Philip, if I may, the Draft Budget says you will likely look to reduce the grant for the PR firm L&P from £13.1 million to £11 million. Setting aside our real concerns about whether they have ever provided value for money, what impact would this have on the work that they do or would the saving be found in another way, such as operating costs?

**Phil Graham (Executive Director of Good Growth):** It would be a combination of the two. The financial hit that L&P will face next year is probably more significant than that because of course they also generate external funding which will be affected, but of course they are already making savings on their operating costs. In particular, the decision that they have recently taken to move into Union Street from next year will save almost £1 million, so is already starting to make a very significant contribution to that.

They have altered their strategy once to respond to COVID this year, and the leadership team is now going to be reviewing its strategy in the light of the budget cut that is proposed. I am not in a position at this stage to say exactly what the impact of that will be but it will require them to make difficult choices, just as the changes that we have seen in the light of COVID have required them to switch towards new ways of delivering their services. Many of the trade missions are still bringing in very significant benefits for London but are now being delivered virtually, and there may well be other ways in which they can generate efficiencies such as that going forward.

**Susan Hall AM (Chairman):** If they are moving to Union Street, they will still be paying a commercial rent, would they?

**Phil Graham (Executive Director of Good Growth):** They will still be paying rent. The near £1 million saving is the saving to them in terms of the rent generated, as I understand it, but there is to some degree a further saving in the sense that that rent is then being paid to a part of the GLA family.



**Susan Hall AM (Chairman):** You ignored the commercial rent bit. They will be paying a proper rent, not a subsidised rent?

**Phil Graham (Executive Director of Good Growth):** My understanding is that yes, it is a commercial rent but it is considerably cheaper than the rent that they were paying -- or in some of the other places that they had considered when they were looking at relocation options.

**Susan Hall AM (Chairman):** Absolutely. I have seen their offices so I can only imagine it would be cheaper to go anywhere, quite frankly. The long-term plan with L&P was that they would eventually become self-sustaining, a goal which has largely been abandoned, unfortunately. They were getting a proportion of their business from external sources, which you have mentioned. We have been told by their Chief Executive Officer (CEO) that there are real issues there. I would be concerned if this were a situation where the GLA was literally propping them up. Will we get to that situation?

**Phil Graham (Executive Director of Good Growth):** I do not know if we will get to that situation. I do not know to what extent that is, in its own right, an aim, because in my view L&P is delivering important benefits for London in terms of the investment that it is helping to bring in, the firms that it is bringing to London, its impact on bringing international students into London, and visitors. What is certainly the case is that its external income has been hit hard by the COVID pandemic. In looking at its strategy going forward we will certainly be pushing them to ensure that they are developing programmes and setting themselves up in a way that allows that external income to regrow and, ideally, to go beyond where they had got previously as the economy rebounds post-pandemic. Whether that means that they should become entirely self-sustaining will be a matter for the Mayor as we look at the long-term future of the company.

**Susan Hall AM (Chairman):** Absolutely, I agree with that, but we are looking at £11 million worth of taxpayers' money. If we are propping them up, why should we not be propping up other businesses? There is a transparency issue with L&P. If we are supplying most of the money to keep them going we need to be looking at that, surely?

**Phil Graham (Executive Director of Good Growth):** Undoubtedly we need to look at what level of funding they require to deliver for London, how that can be best provided and how that balances against other priorities, and we have looked at that in this instance, in the sense that we have taken a view that given the other challenges on the GLA's budget, we are going to have to reduce our funding to L&P. But they are not simply a private sector business operating on a commercial basis. They exist in order to bring investment, tourism and business location decisions into London and to generate activity that supports the growth of London's economy, and they have been successful in that. We need to take that into account in how we continue to look at how they are funded in the future.

**Susan Hall AM (Chairman):** Yes, I agree, but if we are putting £11 million into something we need complete and absolute transparency, which we have not always had. I am sure we will come back to this as a Committee. I would now like to hand over to my colleague, Caroline Pidgeon.

**Caroline Pidgeon MBE AM:** Thank you. My question is for the Executive Director of Communities and Skills. Sarah, I am going to put it into one question because of time. Your directorate has the highest projected underspend for 2020/21, just over £8 million. Can you explain why that is? Can you also, within that explanation, explain why we have just under £3 million underspend in the AEB when we were told there was a fully committed programme and how important that is? There is also a projected underspend of £2 million for construction skills for the year. Perhaps you could give us a bit more context there, please.

**Sarah Mulley (Executive Director of Communities and Skills):** Thank you. The short answer is COVID. As you can imagine, the ability of colleges and skills providers to deliver as they would normally have delivered during recent months has been limited. Broadly speaking, many providers have done a really good job at moving their provision online and helping people to learn in different ways. The team at the GLA have been supporting them to do that and have had really great feedback from colleges and providers, but, inevitably, that has had some impacts on their ability to deliver at the level that they were expecting.

As you will be aware, there are some quite long data lags in terms of when we get detailed information about delivery on the AEB. We are expecting the next set of data to give us a much more accurate picture of exactly how that has been playing out in more recent months. The team are working very closely with providers to make sure that they are doing everything they can to work with them to encourage Londoners to take up the skills offer, because of course in the current context it is more important than ever that people have the opportunity to access training and make sure that they are able to go into those good jobs that we have been talking about.

**Caroline Pidgeon MBE AM:** Will the underspend be moved into your budget next year?

**Sarah Mulley (Executive Director of Communities and Skills):** I can get you some information on that and we will have better information once we have this next round of data. At the moment, it is a little bit uncertain how much catch-up might be possible before the end of the financial year, for example. If it is OK, we can get back to you with some more information on that when we get the next round of data in.

**Caroline Pidgeon MBE AM:** Could you also provide a briefing note to us about your plans to shift the AEB budget? My recollection is that an awful lot of the money was being spent, bizarrely, in colleges outside London. There was a bureaucracy which was allowing colleges elsewhere to make money from money that should be directed to Londoners, and given where we are with the pandemic, the need to reskill our population and new training opportunities, I would like to see detail of how you are making sure we maximise the money spent in the capital at our institutions.

**Sarah Mulley (Executive Director of Communities and Skills):** Yes, very happy to do that. To reassure you, we have already made some significant changes that have reduced that issue significantly, but we can happily provide a further update.

**Caroline Pidgeon MBE AM:** Lovely. Thank you very much. Thanks, Chairman.

**Susan Hall AM (Chairman):** Thank you. Right, we are coming - you will all be very happy to hear - to the last section now, which is going to be taken by my colleague Tony Devenish. Tony?

**Tony Devenish AM:** Thank you, Chairman. Good morning again, Mary. All these questions are for you. Can I ask you to be short and to the point, although we have so little data that should not be a problem? My first question. On the submission, we only have one staff statistic at all. When we have a very high level of outstanding or empty posts, 157 vacant posts, why is that, please?

**Mary Harpley (Chief Officer):** It is for two reasons, Assembly Member Devenish. The first is you will remember there has been the repurposed budget. There is an in-year saving from vacancies, jobs that we are going to hold vacant. That is, in part, the answer, so that we can deliver that saving. The second is that in recent weeks we have been thinking ever harder about whether or not it is right to recruit to vacancies as they come up in advance of making any of the detailed savings decisions in this budget. I do not want to bring

people into the organisation to then find myself cutting jobs, and potentially people who are already here being displaced. Those are the two reasons.

**Tony Devenish AM:** That is your reason for such little progress. Do you have a clear way forward, though, obviously subject to all the things we have discussed?

**Mary Harpley (Chief Officer):** Yes. As we have said, there is some substantial work still to be done to get from the Draft Budget to the Final Budget. The heart of that work is working out how we are going to cut our costs to meet the allocation to each mission, foundation and core function in this budget. That is the job in hand now.

**Tony Devenish AM:** Will you be able to write to the Committee with a list of projects or initiatives that you have been unable to deliver because of this high level of vacancies?

**Mary Harpley (Chief Officer):** I can certainly do that. There are some projects related to these vacancies, but in other cases people working very hard to cover for vacancies and keep projects delivered.

**Tony Devenish AM:** I am glad you came on to that because that was my next question. What has been the general impact on staff from taking on all this additional work?

**Mary Harpley (Chief Officer):** Niran [Mothada] answered it earlier. We are flat out as an organisation. We have been flat out since COVID struck at the end of March [2020]. People are very, very committed to carrying on delivering absolutely everything that we can. We try to take the temperature of the organisation as often as we can. We have done a few pulse surveys through the summer. People are flat out, people are tired, but people want to keep going.

**Tony Devenish AM:** Can you also write to the Committee, please, with the number and roles of the employees that are 'acting up', in inverted commas, in roles above their substantive grades?

**Mary Harpley (Chief Officer):** Yes, if you would like me to. I can do that.

**Tony Devenish AM:** Yes, please. Given the problems we have discussed many times in this Committee with HR data, can you confirm that the 157 figure quoted in the submission is expressed in the industry standard form, which is full-time equivalents, or FTEs for short?

**Mary Harpley (Chief Officer):** I can confirm that, yes.

**Tony Devenish AM:** Can you confirm that around 50 posts are currently out to advertisement or about to go out to advertisement, of which approximately 10 are new posts?

**Mary Harpley (Chief Officer):** I do not know that number off the top of my head, Assembly Member Devenish, but there are a number of posts out for advertisement --

**Tony Devenish AM:** Perhaps you could write to us --

**Mary Harpley (Chief Officer):** Yes, happy to do that.

**Tony Devenish AM:** -- with full details, as soon as possible, not months later. That would be great. How does this recruitment strategy fit with an austere approach to the budget? I guess you have partly answered that. Do you have anything to add to that?

**Mary Harpley (Chief Officer):** I have said that. We are only recruiting where we have to and we are only recruiting externally where we are unable to do so internally.

**Tony Devenish AM:** Will the required savings for next year, 2021/22, increase if the savings for 2020/21, ie this year, are not achieved?

**Mary Harpley (Chief Officer):** Yes, we would have to deliver them next year instead.

**Tony Devenish AM:** OK. I appreciate the next question is very sensitive but what I would say before I ask it is that clearly your staff are very intelligent and they would have already worked out the rough numbers. While being sensitive to the issue, what is your current estimate of the number of compulsory redundancies to be made across the GLA? I will accept a range in your answer because of the sensitivity.

**Mary Harpley (Chief Officer):** I do not even want to give a range at the moment because I am going to do everything I can to avoid compulsory redundancies. I would see those as an absolute last resort and we have an awful long way to go yet before we can be clear on the compulsory redundancy number.

**Tony Devenish AM:** Maybe you could reflect on that and write to us in confidence.

**Mary Harpley (Chief Officer):** Yes, I can do that.

**Tony Devenish AM:** Thank you. The Mayor's Chief of Staff wrote to the Chairman of the GLA Oversight Committee as long ago as 7 August [2020] to say that there will be redundancies in the GLA. Therefore, you must have some indication by now of the likely range in terms of staff. That was just a statement I was asked to read out, but I will let you write to us. You do not have to respond to that.

Next question. Over three months ago, on 13 August, we asked for an accurate list of the externally funded GLA posts created since the start of this mayoral term, accurate in terms of both FTE numbers and funding sources, and we have still not received this. Surely you can give us a date when we can have that by?

**Mary Harpley (Chief Officer):** I have seen it in draft.

**Tony Devenish AM:** The reason why we do not have it?

**Mary Harpley (Chief Officer):** I am sorry it has taken so long. It has been the conversion back to FTEs, which, as we have said before, we have only recently adopted, that has caused the problem. David Gallie and I did see a version of the information last night because we knew you would ask about it today. It is absolutely imminent. I think, David, we can probably say the end of this week. But I apologise for the delay.

**Tony Devenish AM:** OK. I will go on to my final question. The Q2 2020/21 performance report states, and I quote, "Detailed plans are now being worked up", for the agreed savings from staff costs for the year. Why have these plans still not been finalised when we are halfway through the financial year? I guess you do not have anything particularly to add to that, so let me ask my final part of that, which is: why is the corporate management team showing a £600,000 projected overspend for the year due to staff savings which, to quote the report, "have yet to be identified"?

**Mary Harpley (Chief Officer):** That is part of the £3 million saving from staffing that we committed to as a corporate management team as a whole. My directorate has ended up with some of that, which we have not yet identified the savings for. That is across the corporate management team, that is not just across the chief officers. Halfway through the year we have identified over half of those savings overall, so I am confident we will get there overall.

**Tony Devenish AM:** I will leave it there, Chairman. Mary is a lot more confident than I am, I have to say, but we shall see.

**Susan Hall AM (Chairman):** OK. Thank you very much. I am going to have to watch that on replay because I am afraid I dropped out because my machine is overheating. Can I thank our guests for attending today and for their answers to our questions?

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# Subject: Summary List of Actions

**Report to: Budget and Performance Committee**

**Report of: Executive Director of Secretariat**

**Date: 16 December 2020**

**This report will be considered in public**

## 1. Summary

- 1.1 This report sets out details of actions arising from previous meetings of the Budget and Performance Committee.

## 2. Recommendation

- 2.1 **That the Committee notes the completed and ongoing actions arising from previous meetings of the Committee.**

## 3. Actions Arising from Meetings of the Budget and Performance Committee

### Actions arising from the Committee meeting on 24 November 2020

Agenda Item	Topic	Status	For action by
5.	<p><b>Draft GLA Budget 2021-22</b></p> <p>During the course of the meeting, the Committee requested the following additional information:</p> <ul style="list-style-type: none"> <li>An estimated breakdown of the separate council tax and business rates income reductions of the anticipated £38 million shortfall as expected to apply to the GLA Group;</li> <li>An update on anticipated council tax shortfalls expected to be incurred by each billing authority, to be shared on a confidential basis as necessary;</li> </ul>	<p>The Chairman wrote to guests on 4 December 2020.</p>	<p>Mayor's Chief of Staff</p>

Agenda Item	Topic	Status	For action by
	<ul style="list-style-type: none"> <li>• The leverage of spend the GLA secures from working with partners, as based around the nine missions and whether the GLA will set levels of external income it hopes to achieve in future years;</li> <li>• Further information on the alternative financing mechanism with the City of London Corporation which is expected to deliver a saving of £1million, to be shared on a confidential basis as necessary;</li> <li>• Further information on the financial implications of the memorandum of understanding with the Office of National Statistics;</li> <li>• The recommendations from the Bloomberg review;</li> <li>• Further information on the housing zones and monies being recycled to fund further loans, including interest accrued, how such interest is reported within the budget, how much money has come back as grant to be recycled and how much has been paid out again;</li> <li>• A briefing note on future plans for the Adult Education Budget, including details of any underspends and measures to ensure funding is focused on institutions within London;</li> <li>• A list of projects or initiatives the GLA has not been able to deliver because of vacancies;</li> <li>• The number and roles of staff “acting up” to roles above their substantive grades;</li> <li>• Confirmation of the number of vacancies that are currently being advertised and, of those, how many are new posts; and</li> <li>• Current estimates of the number of compulsory redundancies to be made across the GLA, to be provided on a confidential basis as necessary.</li> </ul> <p>The Committee agreed that authority be delegated to the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, to agree any output from the meeting.</p>	Ongoing.	Senior Policy Advisor





**Actions arising from the Committee meeting on 14 October 2020**

<b>Agenda Item</b>	<b>Topic</b>	<b>Status</b>	<b>For action by</b>
5.	<b>The 2020-21 Budget Review – LLDC and OPDC</b>		
	The OPDC also offered to provide the Committee with an informal briefing on future plans for the Old Oak North site as well as current plans for new target areas for development including infrastructure requirements.	Ongoing.	Principal Committee Manager
	The Committee agreed that authority be delegated to the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, to agree any output from the meeting.	Ongoing.	Senior Policy Advisor

**Actions arising from the Committee meeting on 1 October 2020**

<b>Agenda Item</b>	<b>Topic</b>	<b>Status</b>	<b>For action by</b>
4.	<b>The 2020-21 Budget Review – Transport for London</b>		
	The Committee agreed that authority be delegated to the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, to agree any output from the meeting.	Ongoing.	Senior Policy Officer

**Actions arising from the Committee meeting on 29 September 2020**

<b>Agenda Item</b>	<b>Topic</b>	<b>Status</b>	<b>For action by</b>
4.	<b>The 2020-21 Budget Review – GLA Core</b>		
	The Committee agreed that authority be delegated to the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, to agree any output from the meeting.	Ongoing.	Senior Policy Advisor

## Actions arising from the Committee meeting on 22 September 2020

Agenda Item	Topic	Status	For action by
5.	<p><b>The 2020-21 Budget Review – Police and Fire</b></p> <p>The Deputy Mayor for Policing and Crime agreed to provide examples of collaboration between the emergency services and the savings that have been delivered.</p> <p>The Committee agreed that authority be delegated to the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, to agree any output from the meeting.</p>	<p>Completed. Attached at <b>Appendix 1.</b></p> <p>Ongoing.</p>	<p>Deputy Mayor for Policing and Crime</p> <p>Senior Policy Advisor</p>

### 4. Legal Implications

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

### 5. Financial Implications

5.1 There are no financial implications to the GLA arising from this report.

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#### List of appendices to this report:

Appendix 1 – Letter from Deputy Mayor for Policing and Crime, dated 17 November 2020.

<b>Local Government (Access to Information) Act 1985</b>	
List of Background Papers: None	
Contact Officer:	Laura Pelling, Principal Committee Manager
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# MOPAC

**MAYOR OF LONDON**  
OFFICE FOR POLICING AND CRIME

**Susan Hall**

Chairman of the Budget and Performance Committee  
City Hall  
The Queen's Walk  
SE1 2AA

17 November 2020

MOPAC06102020-D3474

Dear Chair,

Thank you for your letter of 6 October regarding the request for examples of collaboration between the emergency services and the savings that have been delivered. This letter illustrates the work in this field by the VRU in conjunction with the NHS and also from the MPS working with both the NHS and the London Fire Brigade (LFB). As you will be aware, the main aim of collaborative working is building up strategic partnerships and pooling knowledge and best practice rather than making savings and this response reflects that. MOPAC continues to play a key role in the joint working taking place via the GLA Group Collaboration Board.

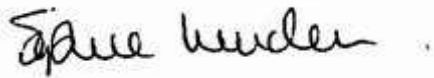
The VRU approach to violence reduction means taking a long-term public health approach to violence reduction. This involves working closely with Community Safety Partnerships across London to encourage collaboration between the police and other partners to reduce violence. This work is supported by 32 local violence reduction action plans that the VRU co-ordinates in order to ensure efficiencies between local partners, creating greater collaboration and sharing of good practice across London.

Examples of effective practice supporting emergency services includes, the development of joint analytical profiles by the police and local authorities to understand the violence picture in local areas. This takes into account ambulance data and can be used by all local partners. The action plans also ensure joint tasking of police and local authority resources to tackle violence, including targeting areas identified at risk and co-ordinating this with local CCTV. The plans also include joint risk management panels and safeguarding hubs, so that the risk and mitigating factors for those involved in or at risk of violence are shared and a single plan of action implemented, thereby avoiding duplication of effort and resource.

The MPS, in joint collaboration with the NHS, are working on a solution to the ever increasing number of mental health incidents both organisations face and the increasing use of mental health sectioning powers. Together, their aim for 2021/22 is to improve experiences for those undergoing a mental health crisis across London by identifying and exploring the appropriate care pathways available for them at the earliest possible stage.

The MPS work collaboratively with the LFB who have commenced the fit out of the space that will be made available for DWO teams to parade from Purley Fire Station. This will bring operational efficiency and enable the DWOs to access their wards within the 20 minute journey time, however, there are no cashable savings associated with this collaboration.

Yours sincerely,

A handwritten signature in black ink that reads "Sophie Linden". The signature is written in a cursive style and is enclosed in a light grey rectangular box.

Sophie Linden

**Deputy Mayor for Policing and Crime**

<b>Subject: The 2021-22 GLA Group Budget – TfL</b>	
<b>Report to: Budget and Performance Committee</b>	
<b>Report of: Executive Director of Secretariat</b>	<b>Date: 16 December 2020</b>
<b>This report will be considered in public</b>	

## 1. Summary

- 1.1 This report sets out background information in relation to Budget and Performance Committee questions to senior representatives from Transport for London (TfL) about proposed budgets for 2021-22 and how their individual budgets fit into the Greater London Authority (GLA) Group Budget in 2021-22.

## 2. Recommendations

- 2.1 **That the Committee notes the report as background to putting questions to invited guests on the 2021-22 Budget Review and notes the discussion.**
- 2.2 **That the Committee delegates authority to the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, to agree any output from the meeting.**

## 3. Background

- 3.1 The Budget and Performance Committee's key responsibility is its annual scrutiny of the Mayor's budget proposals for the next financial year. This involves detailed examination of the Mayor's plans for spending his budget to help ensure taxpayers' money is spent appropriately and effectively.

### **The annual budget setting process**

- 3.2 Each summer, the Mayor publishes Budget Guidance to the functional bodies on the preparation of their budgets. This contains information about the likely level of funding available for the next financial year as well as the Mayor's priorities for each organisation. Each organisation within the GLA family makes its own Budget Submission at the end of November and in December, the Mayor publishes his draft Group Budget.
- 3.3 The Committee produces a formal response to the Mayor's draft budget, which informs the full Assembly's debate and vote on the Mayor's proposals in February 2021. The Assembly has the power to amend the total budget requirement for each functional body if a two-thirds majority agree to do so. The Mayor then publishes his final Budget before the start of the financial year in April.

3.4 This is the fourth session in the Budget scrutiny process, after a meeting on 24 November 2020, where questions were put to GLA Executive Directors, the Chief Officer and the Mayor’s Chief of Staff about the core GLA budget; a meeting on 8 December 2020 with officers from the London Legacy Development Corporation and the Old Oak and Park Royal Development Corporation; and a meeting with the Deputy Mayor for Fire and Resilience and officers from the Mayor’s Office for Police and Crime and the London Fire Brigade on 10 December 2020. There will be further sessions with the Mayor and the whole of the Assembly in the new year.

#### **4. Issues for Consideration**

4.1 This session will consider the 2021-22 budget for Transport for London.

4.2 The following guests have been invited:

- Heidi Alexander, Deputy Mayor for Transport;
- Andy Byford, TfL Commissioner;
- Simon Kilonback, TfL Chief Finance Officer; and
- Enver Enver, Assistant Director of Group Finance and Performance, GLA.

#### **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 direct financial implications to the Greater London Authority 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: Budget and Performance Committee Work Programme

**Report to: Budget and Performance Committee**

**Report of: Executive Director of Secretariat**

**Date: 16 December 2020**

**This report will be considered in public**

## 1. Summary

- 1.1 This report sets out the Budget and Performance Committee timetable for the remainder of the 2020/21 Assembly year.

## 2. Recommendation

- 2.1 **That the Committee notes its work programme for the remainder of the 2020/21 Assembly year.**

## 3. Background

- 3.1 The Committee receives a report monitoring the progress of its work programme at each meeting.

## 4 Issues for Consideration

- 4.1 During 2020-21 the Committee will scrutinise the Mayor's 2021-22 budget proposals for the Greater London Authority (GLA) Group on behalf of the London Assembly, as well as examine specific budget and performance issues across the GLA Group.

### **Schedule of Meetings**

- 4.2 The Committee's meetings for January to March 2021 were agreed under delegated authority by the Chair of the GLA Oversight Committee on 3 December 2020. The schedule for the Budget and Performance Committee meetings is set out in the following table:

<b>Date</b>	<b>Topic</b>
Wednesday 16 December 2020	2021-22 Budget Scrutiny – TfL
<i>Monday 4 January 2021</i> - provisional	2021-22 Budget Scrutiny
Tuesday 5 January 2021	2021-22 Budget Scrutiny- Mayor
Wednesday 3 March 2021, 2pm	TBC

## **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 direct financial implications to the GLA arising from this report.

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

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

List of Background Papers:

MDA 1251 [Proposed London Assembly timetable and Work Programme for January – March 2021]

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