

REQUEST FOR MAYORAL DECISION – MD3163

Title: GLA Group Collaboration Funding

Executive summary:

The GLA's Group Collaboration Programme aims to drive efficiencies and savings through collaboration. It is led by the Director GLA Group Collaboration and overseen by the GLA Group Collaboration Board (GCB), chaired by the Mayor's Chief of Staff. This decision seeks approval to: create a GLA Group Collaboration Budget Reserve, to be held as part of the GLA's Group Items budgets, that will fund the core collaboration team and specific project costs for 2023-24 onwards; and delegate authority to the Chief of Staff and Chief Finance Officer, in consultation with the Director GLA Group Collaboration and GCB, to agree a methodology for determining how the GLA and its functional bodies will be required to make financial contributions to the proposed Group Collaboration Budget Reserve.

Decision:

That the Mayor:

- approves the establishment of a GLA Group Collaboration Budget Reserve, to be held as part of the GLA's Group Items budgets
- agrees initial funding of £6m for the GLA Group Collaboration Budget Reserve, to be obtained by transfer of: £2.942m from the GLA Group Items budget 2023-24; and £3.058m from the GLA's Business Rates Reserve; and future contributions will be made to the GLA Group Collaboration Budget Reserve in the GLA Group Consolidated Budget process each year, based on budget forecasts for the Collaboration Programme provided by the Collaboration Project Team, in consultation with the Director GLA Group Collaboration, Chief Finance Officer, Chief of Staff and the Group Collaboration Board (GCB)
- notes that any expenditure from the GLA Group Collaboration Budget Reserve must be replenished via: contributions from the GLA and/or the functional bodies through payments to the GLA's accounts; and/or adjustments to budget allocations in the GLA Final Group Budget, in proportions to be determined
- approves a delegation of authority to the Chief Finance Officer, in consultation with the Director GLA Group Collaboration, the Chief of Staff and the GCB to: draw on the GLA Group Collaboration Budget Reserve to fund the GLA Group Collaboration Portfolio team (hosted by TfL) and specific collaboration projects from 2023-24 onwards; and, under sections 30 and 34 of the GLA Act 1999, approve expenditure of this money and any future budget allocations to the GLA Group Collaboration Programme in amounts to be determined by the Chief Finance Officer, in consultation with the Director GLA Group Collaboration, the Chief of Staff and the GCB, without the need for a Director Decision form
- in respect of sums approved for expenditure by the Chief Finance Officer (as per above), authorises TfL¹ to approve expenditure of those sums for the purposes of delivering the Group Collaboration Programme, in line with requirements specified by the Chief Finance Officer
- delegates authority to the Chief of Staff and Chief Finance Officer, in consultation with the Director GLA Group Collaboration and the GCB, to approve a methodology for determining the circumstances whereby the GLA and its functional bodies must make financial contributions to the GLA Group Collaboration Budget Reserve in future years, for inclusion in, and subject to the approval of, the GLA Group Consolidated Budget each year.

¹ TfL's Senior Portfolio Manager of the GLA Group Collaboration Portfolio team is responsible for approving such expenditure.

Mayor of London

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

The above request has my approval.

Signature:



Date:

21/4/23

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

Decision required – supporting report

1. Introduction and background

- 1.1. The GLA Group Collaboration Programme (the programme) was instigated by the Mayor in 2019 and brings together the bodies in the GLA Group. (These are: the GLA; the London Fire Commissioner (LFC); the London Legacy Development Corporation (LLDC); the Mayor's Office for Policing and Crime (MOPAC), incorporating the Metropolitan Police Service (MPS); the Old Oak and Park Royal Development Corporation (OPDC); and Transport for London (TfL).) It is led by the Director GLA Group Collaboration. The programme's purpose is to ensure the GLA Group realises the maximum benefits obtainable from collaboration, both within the GLA Group and with other like-minded organisations (for example, the London Ambulance Service); and achieves savings and efficiencies across the GLA Group. Senior executives from across the GLA Group sit on the Group Collaboration Board (GCB), which is chaired by the Mayor's Chief of Staff, and is responsible for the programme's strategic oversight and direction.
- 1.2. The programme has developed options for realising benefits from greater collaboration, under the auspices of several workstreams. These include efficiencies arising from: buying energy more efficiently; using the GLA Group's estates better; leveraging procurement processes; and removing duplication in back and middle office support service and other functions not conducted exclusively by a member of the GLA Group. Further information is provided in the Appendix to this Mayoral Decision (MD).
- 1.3. The programme is ultimately intended to be self-funding, in that its direct project costs should be paid for, over time, by the GLA Group organisations in proportion to each body's share of actual financial savings achieved. Nevertheless, a budget is required in order to fund collaboration non-savings related projects that deliver improved efficiency and effectiveness across the GLA Group; a small team to manage the portfolio (GLA Group Collaboration Portfolio team), based in TfL; and to meet other pan-Group collaboration costs that are not associated with a particular organisation.
- 1.4. The Mayor has previously approved expenditure for the programme, as follows:
 - MD2496: approved expenditure of £980,000 including £400,000 for the central team within TfL from the £2m allocated in the 2018-19 budget and ringfenced in the development reserve, with a delegation to the Chief of Staff (in consultation with the Executive Director of Resources (the GLA's Chief Finance Officer)) to allocate the remaining sum
 - MD2695: approved an allocation of £2m from Group reserves during 2020-21, with a delegation to the Mayor's Chief of Staff to approve details in consultation with the Executive Director of Resources
 - MD2907: approved expenditure of £1.5m from the Tax Income Guarantee Grant in 2021-22 with individual proposals delegated to the Executive Director of Resources without the need for a Decision form.

Background to this MD and the proposed decisions

- 1.5. The above approvals have now expired. Due to the rolling nature of existing collaboration programme activities, and the initiation of new projects in-year, it is not possible to clearly define an overall budget ahead of the start of each financial year without a material contingency fund

that may or may not be required. In addition, the intention is for the costs of specific projects to be repaid from the financial benefits of those projects. Depending on the nature and size of the project, such financial benefits may take time to realise. The establishment of a reserve will ensure that: sufficient funding is available, as required, to progress collaboration activities; and expenditure can be monitored and controlled in-year.

1.6. The operational work of the portfolio is overseen by two functions:

- The GLA Group Collaboration Portfolio team, within TfL, controls project development through the production of a project development framework; overall portfolio finance management; reporting requirements to the GCB; and providing support and advice on common areas of expertise required for best practice project management and delivery, such as change management.
- Individual project teams located within the Collaboration team and across the GLA Group, depending on the expertise and knowledge required to successfully deliver each specific project. These project teams comprise organisational change specialists and/or subject matter expert teams from across the Group.

1.7. Individual project costs are intended to be funded by the GLA and functional bodies on the basis of the financial benefits they each derive from them. A process is to be implemented to measure and report the financial benefits derived from each project in each financial year. This will enable GLA Group organisations to be charged a portion of the financial benefits they realise each year.

1.8. Expenditure from the GLA Group Collaboration Reserve (whether for project-specific costs, or overall costs of the collaboration initiative) may be replenished through contributions made by the GLA and/or the functional bodies. These contributions will come via payments to the GLA's accounts and/or adjustments to their budget allocations in the GLA Final Group Budget, in proportions to be determined under a methodology that the GLA and the functional bodies are in the process of developing.

1.9. The Mayor is asked to: approve the establishment of a GLA Group Collaboration Reserve; and agree that initial funding of £6m for the GLA Group Collaboration Reserve is to be obtained through the transfer of: £2.942m, representing an initial top-slice of funding for the programme based on costs incurred on the programme in 2022-23, that was included for Collaboration Programmes in the GLA Group Items budget within the GLA Group Consolidated Budget 2023-24; and £3.058m from the GLA's Business Rates Reserve. From 2024-25, the reserve will be funded using resources determined as part of the GLA Group Consolidated Budget process each year. The amount of funding required to be added to the reserve each year will be based on future budget forecasts provided by the Collaboration Project Team, in consultation with the Director GLA Group Collaboration, the Chief Finance Officer, Chief of Staff and the GCB.

1.10. The Mayor is also asked to approve a delegation of authority to the Chief Finance Officer, in consultation with the Director GLA Group Collaboration, the Chief of Staff and the GCB, to draw on the GLA Group Collaboration Reserve to fund the GLA Group Collaboration Portfolio team (which is hosted by TfL) and specific collaboration activities and projects (see below) in 2023-24 and future years. This funding will be in such amounts as are to be determined by the Chief Finance Officer, in consultation with the Chief of Staff and the GCB, without the need for a Director Decision Form.

1.11. The expenditure mentioned in paragraph 1.10, above, must be within the GLA's powers contained in sections 30 and 34 of the GLA Act, which are explained at paragraphs 6.2 to 6.4, below.

- 1.12. In respect of such sums approved for expenditure by the Chief Finance Officer, this MD authorises TfL to approve expenditure of those sums for the purposes of delivering the programme up to the amounts approved, and in line with any requirements specified, by the Chief Finance Officer. TfL's Senior Project Manager of the GLA Group Collaboration Portfolio team will approve such expenditure and invoice the GLA.
- 1.13. The general principles of the payback mechanism that would be used to replenish the GLA Group Collaboration Reserve were presented to the GCB, at its meeting in July 2023. The GCB agreed, in principle, on the following:
- a) The cost of running the programme (i.e. the costs of the GLA Group Collaboration Portfolio team) will be recovered via a charging mechanism allocated proportionately, based on the Mayor's agreed funding allocations (i.e. business rates and council tax income). This excludes one-off funding agreed as part of the GLA Group Consolidated Budget each year.
 - b) Individual project costs will be paid for, on a project-by-project basis, by the member organisations associated directly with each project on the basis of the determined financial benefits received – with the proviso that no more than 50 per cent of financial benefits received in a year are paid back to the centre. This is so that all involved will experience the benefit of the Collaboration Portfolio.
 - c) Where a project does not deliver cashable benefits, the GCB needs to agree the basis on which its costs will be met (e.g. as for point (a), or by specific organisations in agreed proportions).
- 1.14. To ensure costs are ultimately recouped across functional bodies on a fair and equitable basis without the need for future MDs, an appropriate methodology needs to be agreed, which will also help provide greater certainty for financial planning. To this end, the Mayor is therefore asked to delegate authority to the Chief of Staff and Chief Finance Officer, in consultation with the Director GLA Group Collaboration and GCB, to approve a methodology for determining the circumstances in which, in what amounts, and by what means the GLA and its functional bodies will be required to make financial contributions to the programme via the GLA Group Collaboration Reserve in future years.

2. Objectives and expected outcomes

- 2.1. The purpose of the programme is to generate financial benefits through more efficient collaborative use of resources across the GLA Group; and to work more effectively across the Group to drive best practice to enable the more effective and efficient delivery of functions and Mayoral priorities.
- 2.2. The request for permission to establish and draw down resources from a GLA Group Collaboration Reserve ensures collaboration projects can be initiated or continue during this, and future financial years, to directly contribute towards the programme's purpose.
- 2.3. The delegations requested will regularise the financial recoupment process and obviate the need for individual MDs, providing a greater certainty for financial planning arrangements across the GLA Group.

3. Equality comments

- 3.1. As a public authority, the Mayor is subject to the public sector equality duty and must have 'due regard' to: the need to eliminate unlawful discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Equality Act 2010; advance equality of opportunity between people who share a protected characteristic and those who do not share it; and foster good relations between people who share a protected relevant characteristic and those who do not share it.
- 3.2. This may involve removing or minimising disadvantages suffered by people due to their protected characteristics; and taking steps to meet the needs of people from protected groups where these are different from the needs of other people. Relevant protected characteristics under section 149 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 3.3. Individual collaboration programmes will be scrutinised during the business case/project development stage to assess whether there are implications for specific groups sharing a protected characteristic.
- 3.4. The programme as a whole is designed to achieve greater value for money and as such is expected to have a beneficial effect on all Londoners including those with protected characteristics.

4. Other considerations

Key risks and issues

Risk	Mitigation	RAG rating
Resources are allocated piecemeal, or in a way that does not support the overall programme	Requirement to consult the GCB on overall resource allocation before budget is agreed.	Green
Resources are found to be insufficient	Collaboration portfolio team will bring quarterly monitoring reports for consideration at GCB, where actions can be agreed to ensure expenditure is contained within budget. Level of reserve to be reviewed in each year's GLA Group budget process.	Amber
GCB cannot agree actual financial benefits agreed to determine payback methodology	Where the nature of financial benefits is that they cannot be measured accurately, the Board will agree an alternative approach potentially based on repaying a portion of the costs incurred each year.	Green

Links to Mayoral strategies and priorities

- 4.1. The programme supports initiatives that enable delivery of all the Mayor's priorities. Specific projects support delivery of Mayoral strategies. For, example the Electric Vehicle Infrastructure Delivery project furthers the policies of the Mayor's Transport Strategy and the London Environment Strategy.

Consultations and impact assessments, including data protection (as per the GLA's requirements under GDPR), health and safeguarding where relevant

- 4.2. This proposed methodology for payback was considered by the GCB in June and July 2023.
- 4.3. It is not considered that the Mayor needs to undertake any additional consultation in respect of this particular decision. However, it is acknowledged that consultation with the Assembly, through the GLA Oversight Committee, is required in the event that any of the proposals arising from the programme concern the establishment of shared-service arrangements in which the GLA is to be a participant. This occurred prior to the establishment of the public health shared service, which was developed through the programme. The approval of such arrangements is reserved to the Mayor, as a Category 2 matter, under "Mayoral Decision-Making in the GLA".
- 4.4. There are no conflicts of interest to declare from anyone involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. This decision requests the establishment of a GLA Group Collaboration Reserve, initially created from: £2.942m from the GLA Group Items budget, within the GLA Group Consolidated Budget 2023-24 for Collaboration Project costs; and a drawdown of £3.058m from the Business Rates Reserve in 2023-24.
- 5.2. It is intended that the GLA Group Collaboration Reserve will be replenished, on a project-by-project basis, by the member organisations associated directly with each project on the basis of the determined financial benefits received. However, an agreed methodology for determining 'financial benefits' by individual project has yet to be agreed. The Collaboration Portfolio team will be reviewing the methodology for determining 'financial benefits' during this financial year.

6. Legal comments

- 6.1. The Greater London Authority Act 1999 (the GLA Act) and the Local Government Finance Act 1992 require billing and precepting authorities to have regard to the level of contingencies and reserves needed for meeting estimated future expenditure.
- 6.2. Under section 30(1) of the GLA Act, the Mayor has the power (the general power) to do anything he considers will further any one or more of the GLA's principal purposes of: promoting economic development and wealth creation in Greater London; promoting social development in Greater London; and promoting the improvement of the environment in Greater London. Under section 34(1) of the GLA Act, the Mayor may do anything that is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the Authority exercisable by the Mayor, including: the general power, the power to establish shared-services arrangements under section 401A of the GLA Act, and the power to enter into agreements for the provision of administrative, professional, or technical services under the Local Authorities (Good and Services) Act 1970.
- 6.3. Under section 31(1) – (1A) of the GLA Act, the GLA must not incur expenditure using its general power in doing anything that may be done by TfL, MOPAC or the LFC; and must seek to secure that it does not incur expenditure in doing anything that is being done by a Mayoral Development Corporation. However, this restriction on using the general power to incur such expenditure does not prevent the GLA from incurring expenditure in cooperating with, or facilitating or coordinating the activities of, those bodies (section 31(6) of the GLA Act).
- 6.4. To the extent that the GLA Group Collaboration Portfolio team (which is hosted by TfL) cooperates with, or facilitates or coordinates the activities of, the GLA and one or more of its functional bodies, that TfL team may be funded by the GLA under the GLA's general power. To the extent that individual collaboration projects are considered to further one or more the GLA's principal purposes – or facilitate, or are conducive or incidental to, the exercise of the GLA general power – the GLA may fund such projects using its general power where the expenditure is, or is to be, incurred in doing something that cannot be done by a functional body or is, or is to be, incurred in cooperating with, or facilitating or coordinating the activities of, one or more functional body. To the extent that these activities are calculated to facilitate or are conducive to the future establishment of shared services arrangements under section 401A of the GLA Act, or agreements for the provision of administrative, professional, or technical services under the Local Authorities (Good and Services) Act 1970, they are permitted by section 34(1) of the Act.
- 6.5. The proposed delegations of the Mayor's powers in this MD are permitted under section 38 (1-2) of the GLA Act. These provisions provide that the Mayor may delegate the exercise of his powers – including his powers under sections 30(1) and 34(1) of the GLA Act – to any member of GLA staff, which includes the Chief of Staff and Chief Finance Officer, and to TfL. Section 38(5) of the GLA Act provides that the Mayor's power to delegate is without prejudice to TfL's power to arrange for a TfL member of staff to exercise these delegated powers. TfL's Senior Project Manager of the GLA Group Collaboration Portfolio team will approve expenditure of and processed by that team and invoice the GLA.
- 6.6. In the event that any of the proposals arising from the programme concern the establishment of arrangements for the provision of administrative, professional or technical services by any of the GLA or its functional bodies to one or more of each of them, those arrangements will need to comply with the requirements of section 401A of the GLA Act. Where the GLA is to be a participant in any such arrangements, prior consultation with the Assembly is required under section 401A(6), and approval of such arrangements is reserved to the Mayor, as a Category 2 matter, under "Mayoral Decision-Making in the GLA".

- 6.7. Under section 149 of the Equality Act 2010, as public authorities, the Mayor is subject to a public sector equality duty and must have 'due regard' to the need to: eliminate unlawful discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and foster good relations between people who share a relevant protected characteristic and those who do not. Relevant protected characteristics under section 149 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. To this end, the Mayor should have particular regard to section 3 of this MD.
- 6.8. This MD notes that any expenditure from the new GLA Group Collaboration Reserve will be replenished through contributions made by the GLA and or the functional bodies. These contributions will be made through payments to the GLA's accounts and/or adjustments to their budget allocations in the GLA Final Group Budget, in proportions to be determined under a methodology that the GLA and the functional bodies are in the process of developing. Separate approval to any such methodology will need to be sought from each of the participating functional bodies. Where the GLA seeks any payment from a functional body outside the budget-setting process, further Mayoral approval may be required, including if it is to be provided by way of a revenue grant from a functional body to the GLA under section 121(2) of the GLA Act. Any such grants require Mayoral consent and the function of giving such consent is reserved to the Mayor, as a Category 2 matter, under "Mayoral Decision-Making in the GLA", where the value is over £150,000.
- 6.9. To the extent that any payments sought by the GLA from a functional body outside the budget setting process may constitute payments for services, the GLA has the power to charge for such services under section 93 of the Local Government Act 2003 on a cost-recovery basis.

7. Planned delivery approach and next steps

7.1. This work will be delivered according to the timetable below:

Activity	Timeline
Collaboration team report expenditure versus budget to GCB on a quarterly basis	Ongoing
GCB considers financial benefits methodology	December 2023
Updated 2024-25 payback figures across functional bodies reflected in Mayor's Consultation Budget 2024-25	December 2023
2024-25 payback figures across functional bodies agreed as part of Mayor's Final Draft Budget 2024-25	February 2024
Reconciliation of 2023-24 expenditure versus payback amounts included in Mayor's Budget Guidance	July 2024

Appendices and supporting papers:

Appendix 1: GLA Group Savings and Collaboration text in the Mayor's Final Draft Budget 2023-24.

Public access to information

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

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

Part 1 - Deferral

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

Part 2 – Sensitive information

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

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Neil Wilcox has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

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

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 20 November 2023.

✓

INTERIM CHIEF FINANCE OFFICER:

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

Signature:



Date:

20/11/2023

CHIEF OF STAFF:

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

Signature:

D. Bellamy

Date:

20/11/2023

