

REQUEST FOR MAYORAL DECISION – MD1502

Title: The GLA Business Plan 2015-17

Executive Summary:

The Mayor's approval is sought for the GLA's Business Plan for 2015-16 to 2016-17, incorporating the GLA Budget for 2015-16. Decisions relating to the GLA budget for 2015-16 include a delegation to agree GLA carry forwards from 2014-15 to future years and an updated schedule of GLA fees and charges.

Agreement has also been reached with London Boroughs on the £70m of New Homes Bonus (NHB), which will result in revenue funding exceeding expenditure requirements by approximately £10m (with a corresponding shortfall on capital). Subject to formal notification of the NHB funding being received, approval is sought to allocate the funding to address budget pressures that have been identified as part of the 2015-16 Budget Setting process.

The Mayor's approval is also sought for expenditure on IT infrastructure and equipment to enable the accommodation of GLA staff at the London Fire Brigade (LFB) headquarters in Union Street, along with the costs of providing the space.

Decision:

That the Mayor approves:

- (a) The GLA Business Plan for 2015-16 to 2016-17;
- (b) The GLA budget lines for 2015-16 contained within the directorate sections of the Business Plan and also within Annexes A and B to the Plan, including the allocation of £10m of additional revenue funding (subject to formal notification of the NHB funding being received);
- (c) The re-profiled LEP / CITB Construction Growth Project (Greater London) Programme Budget
- (d) A delegation to the Executive Director of Resources to agree GLA budget carry forwards from 2014-15 to future years on the basis that the agreed carry forwards will be reported to a future meeting of the Investment and Performance Board;
- (e) The schedule of GLA fees and charges for 2015-16;
- (f) Expenditure of up to £0.8m per annum in 2015-16 and 2016-17 for the accommodation of GLA staff at the LFB headquarters in Union Street
- (g) Expenditure of up to £0.1m in 2015-16 on IT infrastructure and equipment to enable GLA staff to operate from Union Street

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:

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

Decision required – supporting report

1. The GLA Business Plan 2015-17

- 1.1 The Mayor's approval is sought for the GLA's Business Plan for 2015-16 to 2016-17, incorporating the GLA Budget for 2015-16. Decisions relating to the GLA budget for 2015-16 include additional revenue funding of £10m following agreement with the London Boroughs on the NHB, a delegation to agree GLA carry forwards from 2014-15 to future years and an updated schedule of GLA fees and charges.
- 1.2 The Mayor's approval is also sought for expenditure to accommodate GLA staff at the LFB headquarters in Union Street, including expenditure on IT infrastructure and equipment.

2. Objectives and expected outcomes

Budget 2015-16 and Business Plan

- 2.1 The GLA introduced a new-style business plan for 2013-14. Covering the period to the end of this Mayoral term, it sought to be clearer about the GLA's priorities and activities – flowing from those of the Mayor – and how it would monitor and track progress. As part of the latter, the plan included a suite of Key Performance Indicators. This was the first time the GLA had sought to identify its top outcome measures in this way.
- 2.2 The framework developed for 2013-14 was retained for the 2014-15 plan and continues into 2015-16. However, priorities and content have been reviewed in detail and refreshed where necessary to account both for progress and new and emerging priorities. The Plan is primarily intended as an internal document, but it is made public in line with the Mayor's commitment to transparency.
- 2.3 Progress against Key Performance Indicators will continue to be reported to the Investment and Performance Board and the Assembly's Budget Monitoring Sub-Committee on a quarterly basis. Corporate Management Team will also continue to track progress against milestones.
- 2.4 Pages six to eight of the Plan set out the GLA Key Performance Indicators which aim to encompass all key Mayoral activities based in the GLA and seek to pick up key activities within the GLA's major programmes of work. They will be reported to the Investment & Performance Board and the Assembly's Budget Monitoring Sub-Committee on a quarterly basis.
- 2.5 The Business Plan also sets out budgets at programme, unit, directorate and Authority level. During the budget setting process, project managers were consulted and requested to re-profile programme budgets to reflect revised spending profiles, as a result of which the LEP / CITB Construction Growth Project (Greater London) programme budgets was re-profiled, as follows;

Table 1 - LEP / CITB Construction Growth Project (Greater London)

	2014-15	2015-16	2016-17	Total
	£000	£000	£000	£000
Current Revenue Budget	500	500	0	1,000
Revised Revenue Budget	83	660	257	1,000

New Homes Bonus

- 2.6 NHB is a non-ring fenced revenue grant to local authorities, calculated broadly on the number of homes built in each authority. In accordance with the Growth Deal all London boroughs will contribute a proportion of this funding to provide the GLA/LEP with £70m in 2015-16. The package of proposals for London was endorsed by the LEP in October 2014 and comprises of £31.5m of capital and £38.5m of revenue expenditure. However, following extensive discussions, agreement has been reached with London Boroughs which will result in revenue funding exceeding expenditure requirements by approximately £10m. Subject to formal notification of the NHB funding being received, a provisional allocation of this additional revenue funding has been included within the 2015-16 budget.

Carry forwards

- 2.7 In keeping with the practice of previous years, a delegation is sought to the Executive Director of Resources to agree budget carry forwards from 2014-15 to future years. To ensure transparency, the agreed carry forwards will be reported to a future meeting of the Investment & Performance Board.

Fees and charges

- 2.8 As part of the budget setting process, GLA Financial Services conducted a review of fees and charges in place across the Authority for 2015-16.
- 2.9 The schedule of fees and charges is at Appendix B to this decision form.

GLA Accommodation Strategy

- 2.10 There is currently insufficient space in City Hall and it is important that future pressures, including the accommodation of OPDC staff, are met. A licence agreement has been agreed with LFEPA for space in Union Street, and the total annual cost (licence fee and running costs) is estimated to be £0.8m per annum, with an additional one-off cost of £100,000 to equip the space with IT infrastructure and equipment before GLA staff are able to operate from those offices.

3. Equality comments

- 3.1 Compliance with the Equality Act is an iterative process. In setting the GLA budget, the process included identifying and actively considering potential detrimental impacts (if any) that might arise for individual protected groups in the implementation of individual policies, programmes and projects and what mitigations (if any) could be implemented to address them at a level proportionate to the decision being taken. An initial high level summary of the equality implications was set out in the budget consultation document "Group Budget Proposals and Precepts 2015-16". No specific equalities related issues were raised in response to the consultation on the Mayor's budget.
- 3.2 Equal Life Chances for All (ELCFA) is the GLA's main arrangement for mainstreaming equality – making sure equality is integrated into everything the organisation does, and sets out GLA's agreed statutory equality objectives. Progress made against these objectives is reported annually in the Mayor's Annual Equalities Report. While the milestones and Key Performance Indicators within the Business Plan are reported on quarterly, the revised objectives from the ELCFA framework will continue to be monitored annually by the Diversity and Social Policy Team.

4. Other Considerations

- 4.1 The business plan is designed to support delivery of the Mayor's priorities and incorporates key milestones to assist in monitoring delivery. Significant risks are identified in the corporate risk register. Consultation was an integral part of setting the Mayor's budget for 2015-16.

5. Financial comments

- 5.1 Financial issues are integral to this decision.

6. Legal comments

Business Plan and Fees and Charges

- 6.1 Section 30 of the Greater London Authority Act 1999 (the GLA Act) allows the Mayor, acting on behalf of the GLA, and after appropriate consultation, to do anything which the Mayor considers will further the promotion of the economic and social development of Greater London and the improvement of the environment within Greater London.
- 6.2 Under amendments to the GLA Act by the Localism Act 2011, the GLA has acquired further powers in respect of housing, land and regeneration.
- 6.3 Section 31 of the GLA Act contains certain limitations on the exercise of the power under section 30 which may need to be borne in mind when pursuing specific policies. Under section 34A of the GLA Act and the Greater London Authority (Specified Activities) Order 2013, the management and exploitation of land on a commercial basis with a view to the realisation of a profit in connection with the GLA's housing, regeneration and economic development functions may only be carried out through a taxable body.
- 6.4 The proposed business plan is relevant to all the purposes mentioned above, and the preparation of the Plan and also decisions (a-d) of the Mayoral Decision form are within the powers of the GLA.
- 6.5 A delegation is proposed to the Executive Director of Resources to agree GLA budget carry forwards from 2014-15 to 2015-16. Under section 38 of the GLA Act, any function exercisable on behalf of the GLA by the Mayor shall also be exercisable by bodies or persons including any member of staff of the GLA, if or to the extent that the Mayor so authorises.
- 6.6 Legal advice should be taken in respect of issues as to the precise extent of, and any limitations on, the powers of the GLA, and as to any possible further legal requirements applying to their exercise for the purposes of implementing the Plan, for example in relation to consultation, equalities, procurement and state aid.
- Although designed to be comprehensive the Scheme confirms that under the General Delegation those authorised may take a range of actions (e.g. procurement, setting fees, publishing documents, negotiating agreements, signing documents etc.) that facilitate the power's exercise; and
 - Local government law does not allow decisions to be delegated to local authority companies but does permit an authority to act through its company and for the latter to take action to implement the authority's decisions. The proposed revised Scheme confirms that GLA subsidiary companies and their directors are authorised to implement decisions taken on the GLA-side under the Scheme by the GLA, and that the GLA decision form (if required) is sufficient to authorise the company to take appropriate implementing action. The companies and their directors may take decisions around how the GLA decision is to be implemented.

- 6.7 Section 127 of the GLA Act requires the Authority to make arrangements for the proper administration of its financial affairs; and secure that one of its officers (its chief finance officer) has responsibility for the administration of those affairs. The Scheme of Delegations, the Contracts Code and the Financial Regulations are consistent with, and assist the Authority in meeting, the requirements of that section.

7. Investment & Performance Board

- 7.1 The Investment & Performance Board will monitor the delivery of the Business Plan.

Appendices and supporting papers:

Appendix A: GLA Business Plan for 2015-16 to 2016-17

Appendix B: GLA Fees and Charges for 2015-16

Public access to information

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

Part 1 deferral: Any fact or information whose release before a specific date would compromise the implementation of the decision may be included in Part 1, with Part 1 being deferred until after that date. Deferral periods should be kept to the shortest length strictly necessary.

Is the publication of this approval to be deferred? NO

If YES, for what reason:

Until what date:

Part 2 confidentiality: Any fact and advice that should not be automatically made public should be in the separate Part 2 form, together with the rationale for confidentiality.

Is there a part 2 form – NO**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

Drafting officer:

Doug Wilson has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

Tom Middleton has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

Sir Edward Lister has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

CHIEF OF STAFF:

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

Signature

Date