

# **Assembly Budget and Performance Committee**

**14 September 2011**

## **LDA TRANSITION AND CLOSURE: PROGRESS REPORT**

### **1. Purpose**

- 1.1. On 14 September, the Assembly's Budget and Performance Committee will be examining the financial and performance implications of the closure of the LDA and the transition of LDA and HCA functions to the GLA from April 2012. The Committee has invited the LDA Chief Executive to attend and in preparing for this meeting has requested a written update on the LDA's transition and closure progress as background information.

### **2. Introduction**

- 2.1. On 15 June 2010, the Mayor set out proposals for further devolution, including a proposal to fold the functions of the London Development Agency (LDA) into the Greater London Authority (GLA). A week later, the new Government announced the intention to abolish the nine Regional Development Agencies (RDAs) in England by March 2012. In parallel, officials indicated that the Mayor's proposals were likely to be accepted, and this was later confirmed publicly.
- 2.2. On 20 October 2010, the Government announced the outcome of its initial Spending Review in relation to 2011-2012 to 2014-2015. In parallel, officials indicated that the LDA would receive funding to cover existing contractual commitments. In view of this, while discussions continued with Government on the funding that it would provide for the LDA's final year and for London's economic development over the Spending Review period<sup>1</sup>, the LDA's Board confirmed that the LDA and staff at all levels should focus on orderly transition and closure.
- 2.3. This note summarises the LDA's Closure Programme and the supporting project management and governance arrangements in place; and provides a report on progress on transition and closure at the end of August.
- 2.4. It focuses solely on arrangements within the LDA and does not, for example, cover the arrangements for the management of implementation of the Mayor's wider devolution proposals or the arrangements that the Government has put in place to manage the closure of the RDAs, which have indirect implications for the LDA, or the role of the LDA-GLA Transition Working Group established by the Department for Business, Innovation and Skills (BIS) to oversee and steer the transfer of functions presently undertaken.

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<sup>1</sup> The Government advised the Mayor of the settlement in March 2011.

- 2.5. Briefly, there is regular reporting on transition and closure to the GLA Devolution Programme Board and Central Government continues to monitor progress in a light-touch way.

### 3. The Closure Programme

- 3.1. In January 2011, the LDA's Board approved a high-level Closure Programme and delegated monitoring of progress to the Audit, Risk and Performance Committee. Subsequently, this plan has guided all of the LDA's activities.

- 3.2. The Closure Programme is structured around the following sections:

- **Objectives**, focussed on designing and delivering orderly closure of the Agency whilst sustaining performance and facilitating the transfer of functions, continuing projects and projects in development and assets/liabilities as well as associated knowledge, data, information and systems, and managing the reputation of the LDA, its Board and staff;
- **Key principles with supporting deliverables**, including to continue to achieve 'value for money', managing projects effectively (whether closing or continuing), disposing of assets together with associated liabilities where appropriate, transferring knowledge, managing the LDA's reputation, and providing support for staff whilst retaining flexibility in the LDA's structure;
- **Workstreams and responsibilities**;
- **Key risks and arrangements for risk management and escalation**; and
- **Milestones, dependencies and activities** at a high level with details set out in individual plans for each workstreams.

- 3.3. The five workstreams of the Closure Project are as follows:

- **Project Delivery and Assurance**, led by Group Director, Finance;
- **Due Diligence**, led by Director of Law & Governance;
- **Functional Lead Liaison**, led by Chief Executive;
- **Stakeholder Liaison**, led by Director, Policy & External Affairs;
- **Transferring Functions & Assets**, led by Group Director, Finance.

- 3.4. For each workstream, there is a designated lead office responsible for developing and delivering a detailed work plan. Within these, actions are assigned to key individuals within the appropriate business function. An overarching Plan and the individual work plans were developed using MS Project software, which enables the provision of automated reports.

#### **4. Governance**

- 4.1. A Closure Board was established to manage the Closure Programme through regular meetings and update reports.
- 4.2. The role of the Closure Board is to monitor and drive progress across the five workstreams of the Project. GLA representatives attend meetings of the Closure Board on a regular basis.
- 4.3. The Board reports each month to the internal senior management team, chaired by the Chief Executive, highlighting any key tasks, important issues and main risks.
- 4.4. Progress is reported to the Audit, Risk and Performance Committee. This reflects the importance attached by the Board to delivering orderly transition and closure and is in line with the Committee's terms of reference, which include an assurance and monitoring role. Regular reports are provided to the Board about progress and any significant risks.
- 4.5. From the outset there was recognition that there was limited experience of organisational closure within the current workforce. Subsequently, additional financial, legal and other expertise was secured for some roles and to validate the approach and planning techniques employed.

#### *Position at end-August 2011*

- 4.6. The Closure Programme remains on track across all workstreams. A further review of milestones is underway to ensure that any new and emerging milestones are captured. We continue to monitor progress across key milestones, risks and budgetary implications on a weekly basis at closure planning and Closure Board meetings. Collaboration with the GLA on transfer and closure is also progressing well.
- 4.7. Key Performance Indicators (KPIs) continue to be monitored through the monthly Corporate Performance Management process. No significant issues were identified over this reporting period.

#### **Independent Process Review**

- 4.8. As part of the assurance matrix that the closure process has been fully and properly designed, AKA Limited, who have experience with public sector closures, were recruited to review the overall governance and comprehensiveness of the LDA closure arrangements.
- 4.9. Additionally, the Audit, Risk and Performance Committee requested that the LDA's internal audit partner, RSM Tenon, report on the governance and assurance arrangements for the closure programme.

### *Position at end-August 2011*

4.10. No material issues were raised by the independent review. However a number of measures were recommended to bring greater comfort around the process, and these have been implemented.

### **Budget**

4.11. During 2010-2011, a budget was set for the transition and closure process as follows:

Original spend/£m	forecast	Actual spend to end-August/£m	Revised spend/£m	forecast	total
	13.0	4.4			9.6

4.12. The budget covers the cost of redundancies, pension fund contributions and other staff costs, as well as additional closure costs in relation to information management and technology, facilities and due diligence.

## **5. Project Delivery and Assurance**

5.1. The focus of this workstream is on ensuring the orderly handover of projects in the context of the planned reduction in the LDA's workforce, whether to a new project manager within the LDA or to the GLA, and on ensuring the orderly closure of projects that will not be continuing. This includes the processes and arrangements for monitoring, control and assurance as well as the systems in place.

5.2. A robust process to secure the effective closure or transition of projects was quickly established. As part of this process, all projects have been reviewed to determine whether, in line with the Mayor's priorities and expected levels of funding:

- the project should be closed as quickly as possible;
- the project should continue, whether under GLA or LDA management.

5.3. In addition, an assurance process was established. In brief, a Handover Form was prepared for all live projects on 1 April 2011 and Closure Forms were required for all projects identified for closure. To ensure that project knowledge was not lost, these forms also collected qualitative data and information to complement the quantitative data routinely held on LDA systems. In addition, guidance on use of the forms was developed for Project Managers.

5.4. To provide oversight and assurance, the Closure Board agreed the establishment of a Project Delivery & Assurance Board (PDAB), chaired by the Group Director of Finance and including in its membership, representatives of Finance, Legal and Project Directorates. Closure

and Handover Forms can only be approved by the Closure Board, and PDAB's role is to:

- endorse Forms for approval by the Closure Board, highlighting any high-risk projects; or
- exercise quality control and, as necessary, require changes or additional information on any Form that does not conform to the requirements.

5.5. Project Closure and Handover Forms are subject to further review on a sample basis by the LDA's internal auditors (RSM Tenon) or an external party.

*Position at end-August 2011*

5.6. A total of 25 projects have so far been transferred to the GLA in two phases (See **Appendix 1** for details) in accordance with agreed principles of transfer. As a result of these transfers, the LDA has transferred ~44% of its investment budget to the GLA. In addition, the Agency has closed 89 of the 330 live projects/activities which will need to be closed on the LDA's systems by end of March 2012.

5.7. The other projects due to transfer are the remaining live regeneration, employment and business projects, which are due to be transferred by no later than 31 March 2012 with appropriate staffing. The potential for bringing forward the transfer dates of a number of projects has been discussed and agreed with the GLA, and plans are now in train for the formal transfer of the LDA's Capital Projects and Design team (i.e. including Design for London) by the end of November 2011. Plans are already in place for the co-location of the Land and Development team at City Hall by the same date ahead of their formal transfer end of March 2012.

5.8. Of the remaining live projects, 145 projects and 3 "activities" are expected to be transferred to the GLA on 31 March 2012 and 96 are due to be closed by that date. The latter encompasses projects for which delivery would have been completed by year end and all supporting data collected.

5.9. Of 145 projects scheduled for transfer by 31 March 2012, 128 projects have been confirmed for transfer as follows:

- 75 regeneration projects;
- 52 employment projects;
- 18 business projects.

5.10. The transfer of associated staff in relation to 102 projects has been agreed and discussions continue in relation to the other 43 projects.

5.11. 23 projects remain to be confirmed for transfer to the GLA. These projects are due to be closed by 31 March 2012 but are likely to have

ongoing activity, for example the collection of output data and evaluation.

## **Due Diligence**

5.12. In August 2010, the LDA scoped a due diligence review on the basis that it would close by 31 March 2012 and taking account of the expected agreement by Government to the transfer of certain of the LDA's functions and projects, and related assets and liabilities, to the GLA, pursuant to legislation. This process is comparable to, but not the same as, that undertaken in commercial situations.

5.13. The review was consolidated into the Due Diligence workstream of the Closure programme, which entails a due and careful review of the business, financial and legal affairs of the LDA in the context of wind-down and/or transition of functions (as well as anything that may impact on those matters).

5.14. The objectives of the workstream are as follows:

- enabling the LDA to identify any issues in anticipation of closure or indeed transfer of any functions, assets/liabilities and knowledge to any successor bodies (which may involve decisions for the Board and other internal groups but also Government and/or any successor bodies);
- providing sufficient information to successor bodies to facilitate proper management and administration of those functions.

5.15. For each strand of the due diligence workstream, a lead officer was identified with responsibility for:

- identification of all of the LDA's assets and liabilities, including anything that might affect the value of the assets (such as break clauses/termination clauses);
- identification of any issues to be addressed at or before the proposed closure of the LDA by 31 March 2012 and also the possible transfer of certain of its functions and related assets/liabilities to the GLA;
- provision of sufficient information to the recipient of any of the LDA's functions and related assets/liabilities to enable those functions to be properly managed and administered, including any related risks; and
- recording the activities undertaken during the review (including any decisions taken) as well as any risks/issues identified during the process.

5.16. The workstream has been broken down into 21 strands, some of which involve pulling together existing information, whilst others require varying degrees of investigation in order to identify relevant information before making assessments. The focus across all strands is on what is

required to effect the orderly wind-down of the LDA and/or transition of activities to the GLA, and anything which may impact on that, either before or after completion.

5.17. Each strand has been allocated to an appropriate LDA officer in the relevant functional area who has responsibility for completion of the due diligence process. All lead officers have been provided with guidance on:

- regularly updating their plans;
- recording the information needed to build an audit trail; and
- identifying all information and/or decision required internally or from a third party;
- producing a summary report of findings, issues and any matters to be resolved.

5.18. These reports will be compiled to produce an overarching due diligence report in autumn 2011. This overarching report will be provided to the GLA and, as appropriate, other bodies including Central Government, to assist with knowledge transfer as well as to facilitate the smooth handover of any projects, assets and liabilities; it is also intended to be published.

5.19. The documentation identified through the due diligence review will also give an audit trail for future reference and to assist with queries. It is anticipated that some may require updating due to ongoing activity during 2011/12 as they involve ongoing activity such as litigation which will be subject to change during the course of the final year of the LDA's operation; the legal team will therefore prepare an update report in winter 2011.

5.20. The due diligence process complements knowledge transfer and general management activities. Nonetheless, some of the output from the due diligence (particularly checklists for legal agreements on live and historic projects) will form part of the suite of documentation provided to successor bodies.

#### *Position at end-August 2011*

5.21. 14 of the 21 strands of activity within this workstream have been completed; some will be updated later this year as they relate to ongoing activity. Work continues on the remaining strands.

5.22. The completed reports are provided to the GLA to inform decision making and transition preparations.

## **6. Functional Lead Liaison**

- The purpose of this Workstream is to co-ordinate all aspects of closure and to:
- identify and coordinate all actions required to effect an orderly closure;

- coordinate the key functions involved in closure so that there is good cooperation across the workstreams, interdependencies are understood and adverse impact avoided;
- ensure that issues not picked up by other workstreams are properly addressed;
- provide secretariat services for the Closure Board and other meetings are provided; and
- receive and review progress reports from each workstream, and report to management and the Closure Board and the LDA's senior management team on progress against milestones and targets.

6.1. The functions covered by this workstream include the following:

- Closure Project Office;
- Information Technology;
- Information and Records Management;
- Human Resources;
- Law and Governance;
- Finance;
- Audit and Assurance;
- Facilities Management.

6.2. With the exception of the Closure Project Office, action on each of the functions above also contributes towards the work of the other workstreams in the Closure Programme.

#### *Position at end-August 2011*

6.3. **Closure Project Office:** The Office continues to receive and review progress reports of each of the workstreams, reporting to management and the board on the progress achieved against the milestones in order to ensure closure principles and objectives are met. A review of closure milestones, KPIs and risk management and mitigation is being carried out to ensure they remain appropriate.

6.4. **Information Technology:** A joint approach and timetable has been agreed between with the GLA for the decommissioning and close down of the LDA's systems and data centre. Progress across key milestones remains on track. A review has been conducted of the approach to the disposal of redundant IT assets to maximize value for money and reuse of assets where possible. In addition, the Agency has supported the transfer of staff, projects and activities to the GLA. Following discussion with BIS, data held on and by Business Link in London is due to transfer to BIS in September in advance of closure of the service across England in November. Planning is underway to effect the transfer of the LDA's Capital Projects and Design projects and associated staff to the GLA by November 2011 and to co-locate the LDA's regeneration staff with GLA and HCA staff at that time.

6.5. **Information and Records Management:** Key stakeholders have been consulted on a Retention and Disposal Schedule, the approach to



Information Transfer and a draft Legal Deed of Transfer. This has included regular meetings and the exchange of documents with the GLA, BIS, Transport for London, Olympic Park Legacy Company and The National Archives.

- 6.6. There is an ongoing consultation with the GLA on the transfer of paper and electronic records, including monitoring and revision of the Retention and Disposal Schedule, to ensure that all classes of records are accounted for and that operational business needs are understood in the context of closure. This is complemented by on-going briefing and communications with the LDA's staff to reinforce awareness of the need to manage records professionally during the closure process and to maintain business records.
- 6.7. Of around 7,500 boxes of paper records held by the LDA, approximately 55% will be transferred with agreement directly to the GLA without review because the documents are within their retention periods and the contents of the boxes are clearly annotated; the remainder are being reviewed and around 10% has already been identified for destruction. A review of electronic records is underway using a range of qualitative and quantitative methods and a number of software tools. While it is not practicable to review each individual electronic file, a risk-based approach is being taken to decisions on whether items should be retained for transfer or destroyed.
- 6.8. **Human Resources:** Following the decision to abolish the LDA and transfer its functions to the GLA, the human resources priority has been to ensure that sufficient skilled resource is available to carry out the Agency's continuing responsibilities for supporting the delivery of the Mayor's economic development priorities for London whilst effecting the transfer of staff and ensuring that the LDA is closed in an orderly and efficient manner.
- 6.9. In 2010/2011, the LDA's Board approved a reduced staffing profile for 2011/12 from 324 established posts at 31 March 2011 to 152 established posts from 1 April 2011 with a gradual reduction throughout the year. To date 38 staff have transferred to the GLA under TUPE principles and a further 5 staff have transferred to TfL, again under TUPE principles, to provide ongoing legal support to the LDA as part of a shared services arrangement.
- 6.10. A further 42 staff are expected to transfer to the GLA with staff managing capital projects and design due to transfer on 30 November 2011 and the remaining teams transferring on 31 March 2012. The most significant risk identified on human resource issues was the loss of critical staff before the orderly closure of the LDA has been completed.
- 6.11. To date there have only been 5 unforeseen resignations suggesting that the clear and transparent communication with staff and the performance management scheme for 2011/12 has been largely effective in mitigating this risk.

- 6.12. **Law and Governance:** The major areas of work under this workstream relate to the Localism Bill and transitional arrangements for staff transferring to other organisations. Many of the key tasks have been completed or are underway for example, most due diligence strands have been completed whilst others are on track, novation agreements have been prepared to transfer in-year contracts, and staff across the business functions of the Agency continue to require support, for example on project closure issues.
- 6.13. **Finance:** Negotiations continue with HMRC to resolve the LDA's Tax status, and good progress is being made on completion of the 2010/11 Accounts, and the final accounts should be signed off and published by 30 September 2011.
- 6.14. An interim Period 9 close of accounts is planned at the end of December 2011 to ensure financial records are robust and this will be reviewed by the District Auditor. The P9 interim close along with monthly "soft" and quarterly "hard" closes will help to ensure a smooth year end close process for 2011/12. The LDA will be working with the GLA on this matter as part of the transfer of knowledge.
- 6.15. RSM Tenon has been engaged to ensure that the LDA's key financial controls are appropriately designed and operating effectively and consistently within the Agency's financial processes, particularly in this period of change and to ensure 2011/12 financial statements are robust.
- 6.16. **Audit & Assurance:** Audit work in support of the closure process is on track, and for 2011/12 the audit plan has been particularly targeted at closure risks, with prompt follow up to ensure that any control gaps identified are quickly closed.
- 6.17. **Risk Management:** From the outset of the closure programme risk management has been a driving force in the identification and mitigation of events that would frustrate a successful outcome of the process.
- 6.18. A joint LDA/GLA closure risk register is in place and is considered at each meeting of the LDA Closure Board and discussed at the regular LDA Audit, Risk and Performance Committee meetings. LDA Closure Board meetings are normally held weekly and often attended by GLA representatives.
- 6.19. This joint approach to the risk management closure has helped to identify to us key risks that relate both jointly and individually to the LDA covering reputation, people and process.
- 6.20. To further strengthen the management of these risks the internal audit plan of RSM Tenon is focused on management of the mitigations outlined in the risk register. Each risk is mapped through its stages of threat across the closure timescale with a clear target date in place for achievement of a green ranking.

- 6.21. **Facilities Management:** The LDA has surrendered the leases on the majority of the floors it formerly occupied at its building in Southwark. All remaining staff are now located on part of one floor and legal documentation has also been completed on the transfer of the remaining leases for this floor, ground floor conference area with effect from 1 April 2012. The transfer and disposal of redundant furniture assets has begun and most of the furniture on the 5<sup>th</sup> floor was transferred to TfL as part of the lease transfer; furniture not required by TfL with residual value was sold on the open market. Guidance on the transfer and disposal of IT and furniture assets has been developed to ensure compliance with guidance received from BIS.

## **7. Transferring Assets and Liabilities**

- 7.1. The Agency identifies all of its assets and liabilities in its balance sheet which is reconciled each year to the Asset Register. There is an individual record of each asset and significant assets, particularly land and buildings are subject to regular re-valuation; there are similar individual records of all liabilities. As part of the Closure Programme, the Transferring Assets and Liabilities workstream was established to confirm the comprehensiveness of these records, including with respect to contingent assets and liabilities.
- 7.2. The Localism Bill, which is currently in progress through the House of Lords, makes provision for the Secretary of State to make a scheme for the transfer of LDA assets, rights and liabilities to the GLA or other specified bodies. It is expected that all assets, rights and liabilities will transfer to the GLA with the exception of any that relate to projects previously managed by the LDA but which the Government has determined will be replaced by national arrangements e.g. Business Link.
- 7.3. RSM Tenon, the LDA's internal audit provider, carried out a review of fixed assets in January 2011 and gave a "green" rating.
- 7.4. The GLA are sighted on the LDA's assets and liabilities and have standing membership in the working group which oversees this workstream.

*Position at end-August 2011*

### **Balance Sheet**

- 7.5. The existence of all assets and liabilities recognised in the Balance Sheet has been validated through reference to source documents, registers and lists held within the Agency e.g. all Developments assets are verified against lists and title deeds held within the Estates Department. In the case of fixed assets these have also been reconciled to the Asset Register and General Ledger to validate the comprehensiveness of the record. Work is now on-going to amend the balance sheet for any changes arising from this validation exercise. This

will be an on-going process over the autumn as the due diligence work, including follow up work is completed.

7.6. The holding value of the assets and liabilities in the balance sheet has been assessed as either “high”, “medium” or “low” for confidence and reliability. Most have been assessed as having a “high” degree of confidence as they are supported by detailed working papers and evidence. In relation to the other items these have been assessed as “medium” confidence due to the nature of the asset or liability and/or the limitations of the information available. No asset or liability has been assessed as “low” confidence.

7.7. The assets and liabilities assessed with a medium confidence level pose a higher risk to the agency (and its successor body) as they are more likely to change as new events occur or facts emerge. These include:

- **Development Assets** - the ongoing land and property due diligence exercise may reveal other information that may impact the basis of future valuation of an individual asset. It may also identify additional assets that will need to be considered in the future;
- **Provisions** - Provisions have been made in the accounts for known liabilities that are certain to arise. These relate primarily to compensation payments that are yet to be settled in respect of Compulsory Purchase Orders for the acquisition of land and relocation of businesses. By their nature, provisions represent liabilities yet to be concluded and can therefore change. The Agency’s provisions are reviewed regularly and are based on the best estimates of professional officers and advisers.

7.8. A thorough review of all contingent liabilities and assets has been undertaken by identifying items from various workstreams including:

- Year end activities (year end forms and issue log);
- IFRS review of leases and development agreements;
- Project handover and closure activities;
- Due Diligence workstream strand on Landholdings;
- Legal claims and investigation report;
- Section 106 liabilities schedule

7.9. The LDA has put processes in place to identify and monitor assets and liabilities.

#### **Land & property valuations**

7.10. Significant work has been undertaken to ensure the holding value of land and property assets on the balance sheet is realistic. This has included consolidation of ownership records, leases and obligations as well as contamination and development opportunities, to secure the best valuation as at 31<sup>st</sup> March 2011. This has resulted in a reduction in

the value of assets held on a like for like basis of £55m, principally caused by the inclusion of remediation requirements arising from known contamination. As at 31<sup>st</sup> March 2011, the value of property Fixed Assets after re-valuations, sales and acquisitions was £167m.

- 7.11. Work is continuing through due diligence to improve our knowledge of the Agency's property portfolio and a new valuation has been commissioned for the preparation of the interim accounts as at 31<sup>st</sup> December 2011 and subsequently a desktop update for the Agency's Final Accounts as at 31<sup>st</sup> March 2012
- 7.12. Finally, working in conjunction with the GLA, GL Hearn was commissioned to consider the LDA's asset land and property portfolio and prepare a matrix of options. This will assist activity being undertaken by the GLA encompassing land and property owned by the Home and Communities Agency and the London Thames Gateway Development Corporation. The LDA's strategic asset plan has now been completed.

### **Capital Receipts**

- 7.13. Building on the property asset records, the Agency has improved its monitoring of capital receipts, identifying the potential yield opportunity arising from all assets. Identified receipts are now classified as High, Medium or Low, and are compared against the requirements of the Olympic Funding Strategy, thus identifying further receipt requirements to meet these obligations as well as any other regeneration priorities that may require capital funding.
- 7.14. The Agency currently has some £39m in capital receipts expected over the next 6 years and required £56m to meet its Olympic obligations. The additional £17m and any further receipts required will need to be generated by bringing new sites to market. Current forecasts estimate the potential value of these sites to be £92m.

### **Olympic Assets and Liabilities**

- 7.15. The management of the Agency's Olympic assets and liabilities is captured in a strategy approved by the Board. Material Olympic liabilities transferring over to the GLA will be liabilities in relation to the Olympic legacy land obligations, the outstanding debt and financing costs; material assets relate to unspent borrowing and capital receipts that would be transferred to the GLA at the transfer date. The appropriate contingency has been put in place and the programme is on track.

## **8. Stakeholder Liaison**

- 8.1. The LDA's Relationships & Communications Policy emphasises the importance of stakeholders and the need to engage and communicate with them clearly, consistently and in a timely fashion. The policy also

recognises that managing those relationships is integral to LDA processes and interactions.

- 8.2. In addition, in setting out principles of good practice for the effective reorganisation of arm's length public bodies, the NAO has emphasised the importance of "*ensuring that staff have a consistent message to give to external stakeholders about the closure or merger process*" and "*liaising with external stakeholders*", including through the organisation's website.
- 8.3. In line with these precepts, the Audit, Risk and Performance Committee approved a Closure Communications and Stakeholder Engagement Plan has been developed as part of this Workstream. This covers communication about the closure process at corporate level and at project/programme level, as well as day to day stakeholder engagement.

#### *Position at end-August 2011*

- 8.4. In line with the Plan, LDA officers have:
  - carried out 1:1 and Many:1 briefings of key stakeholders and stakeholder groups on progress in transition and closure;
  - updated the LDA's corporate website, including the dedicated transition and closure pages;
  - published information on various aspects of the LDA's "approach" to its work, as part of a knowledge transfer process alongside the project and staff transfers that have taken place;
  - issued monthly updates on transition and closure to all corporate stakeholders;
  - worked closely with GLA colleagues at all times.
- 8.5. A targeted telephone survey of key corporate stakeholders has been carried out to establish a baseline for the levels of awareness, understanding and satisfaction and identify any additional engagement required.
- 8.6. GfK NOP carried out the research, and its findings among other things demonstrated that 95% of the LDA's key stakeholders appear well informed to some extent about the LDA's progress towards closure with a significant majority satisfied with the information received.
- 8.7. In light of the findings, GfK proposed a set of targets as the performance measure for the Stakeholder Liaison workstream. Performance against these targets will be measured by a follow-up targeted stakeholder survey in December 2011.

## **9. Key Performance Indicators (KPIs)**

- 9.1. In order to monitor the progress on the closure project key a number of KPIs have been developed for the workstreams. With the exception of stakeholder liaison where external survey data is required to determine effectiveness, these are reviewed on a monthly basis and a subset of

high level KPIs reported to the Management Committee, ARP and to the Board. KPIs for August are currently under review but as of end of July, the Agency was broadly on track with no significant departures in achieving targets set.

9.2. The full list of KPIs monitored are as follows:

- Head Count. Monitors the number of staff employed against the planned reduction across the financial year
- Project to transfer/close. Focuses on ensuring that we meet the agreed timetable on transferring projects to the GLA and others
  - Completion by Project Managers of Project Closure Forms
  - Endorsement of Project Closure forms by Project Delivery and Assurance Board
  - Projects to be closed
- Transferring and archiving of electronic data
- Transferring and archiving of paper records
- Due Diligence of extant agreements
- Project Due Diligence
- Stakeholder Liaison
- Level of Outstanding Debtors
- Level of Outstanding Creditors
- Net Assets
- Audit and Compliance outstanding actions
- Number of tasks/milestones delivered against the original plan.
- Closure Costs.

## Appendix 1

### Transfer of projects to the GLA and other organisations

The Government confirmed agreement to the Mayor of London's proposal that the functions of the London Development Agency (LDA) should be folded into the Greater London Authority (GLA), and that the LDA's assets and liabilities should transfer to the GLA.

LDA has begun the transition of projects to the GLA and other organisations, and details are summarised in the table below. Once a project has been transferred, all accountability for the delivery of the project by the LDA ceases and becomes the responsibility of the recipient organisation.

<b>Project transferred to end-August 2011</b>	<b>Date transferred</b>	<b>Recipient organisation</b>
Diversity Works for London	3 May 2011	GLA
London Ambassadors	3 May 2011	GLA
Academies	1 July 2011	GLA
Better Buildings Partnership	1 July 2011	GLA
Centre for Low Carbon Energy Technology	1 July 2011	GLA
Construction Employer Accord	1 July 2011	GLA
Directory of ESF Employment and Skills Services	1 July 2011	GLA
ESF Outcome based Youth Programme	1 July 2011	GLA
Five Host Borough Skills and Employment	1 July 2011	GLA
Homelessness to Work Co-commissioned projects	1 July 2011	GLA
Internships and Work Placements	1 July 2011	GLA
RE:CONNECT (Low Carbon Zones)	1 July 2011	GLA
London, the Low Carbon Capital	1 July 2011	GLA
London Thames Gateway Heat Network	1 July 2011	GLA
London Waste and Recycling Board	1 July 2011	GLA
LTGHN Olympic Fringe CHP Extension	1 July 2011	GLA
Mayor's Green Procurement Code	1 July 2011	GLA
Mentoring for Young People	1 July 2011	GLA
ODA Olympic Retrofit	1 July 2011	GLA
Olympic Fringe Delivery Programme	1 July 2011	GLA
RE:FIT	1 July 2011	GLA
RE:NEW	1 July 2011	GLA
Structured Activities for Young People	1 July 2011	GLA
2012 Employment Legacy	1 July 2011	GLA
Energy Master-planning and Decentralised Energy	1 July 2011	GLA