

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2085

Title: Updates to the GLA's corporate governance documents

Executive Summary:

The GLA's corporate governance policies and procedures are reviewed and updated periodically. A review was recently undertaken of four of these documents sitting at the heart of our governance arrangements:

- the Mayoral Scheme of Delegation (now 'Mayoral Decision-Making in the GLA')
- the Contracts and Funding Code
- the Financial Regulations
- the Expenses and Benefits Framework

Further to this review, the documents have been updated and are being presented to the Mayor for approval. The fundamental basis and provisions of the four documents have not been altered significantly. Each does now, however, benefit from an improved and more consistent layout, streamlining, and updates to certain details.

The revised documents will come into effect at the point this Decision Form is approved. They will replace all earlier versions

Decision:

The Mayor approves:

- Mayoral Decision-Making in the GLA
- the Expenses and Benefits Framework, noting the wider approval process set out at paragraph 1.4
- the Contracts and Funding Code
- the Financial Regulations

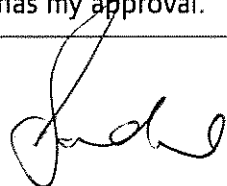
as attached to this Decision Form. In doing so, he authorises the referenced post holders to determine any matter involved in the discharge of their functions under the document in question.

Mayor of London

I confirm that I do have a disclosable pecuniary interest in relation to aspects of the proposed decision that relate to the approval of the Expenses and Benefits Framework only. However, a dispensation from the Authority's Monitoring Officer dated 11 January 2017 allows me to take this decision.

The above request has my approval.

Signature:



Date:

24/4/17

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

Decision required – supporting report

1. Introduction and background

1.1. The GLA's corporate governance arrangements are designed to ensure it:

- conducts its business in line with the law and proper standards
- safeguards and properly accounts for public money and spends it economically, efficiently and effectively

The four documents the Mayor is being asked to approve – at Appendices 1 to 4 – are at the centre of these governance arrangements and integral to meeting the GLA's governance objectives.

1.2. The documents are updated periodically to ensure they remain current and effective. All four were recently reviewed and updated.

1.3. The purpose of each document and the changes that have been made to it are summarised below. Note that changes common across all four documents are:

- a consistent front-end making the purpose and context of, and the key responsibilities for, each document clearer
- updates to reflect minor changes in legislation and working practices

Document and purpose	Main changes
<i>Mayoral Decision-Making in the GLA</i> Sets down the framework within which the Mayor's powers are reserved and delegated – and decisions are taken Appendix 1	<ul style="list-style-type: none">• A change in the document's title. Previously it was known as the 'Mayoral Scheme of Delegation'.• The flow of the document and the mechanics of some of the delegations have been altered to make it simpler to follow. The effect of the delegations and the thresholds dictating at what level decisions must be approved have not changed.• Making more explicit that in the normal order of things, delegations are not expected to be given outside the auspices of the document.• Posts and Deputy Mayor roles referred to variously within the document have been updated.• The section on permissions to staff has been clarified and reinforced as a 'General Staff Authorisation'.• A new delegation has been added to ensure timely and efficient responses are issued to consultations with the Mayor on local development documents.• The pre-existing Affordable Homes Delegation has been caveated to ensure complex and/or bespoke proposals require a Decision Form.• The decision making rules pertaining to variations have been brought within the purview of this document.

Document and purpose	Main changes
	<p>Previously they were in the Financial Regulations.</p> <ul style="list-style-type: none"> • A new section has been added on the Mayor's role vis-à-vis the Functional Bodies.
<p><i>Expenses and Benefits Framework</i></p> <p>Sets down the limitations, rules and procedures for claiming expenses and receiving benefits at the GLA.</p> <p>Appendix 2</p>	<ul style="list-style-type: none"> • The process by which elected Members claim an annual travelcard has been updated, further to changes agreed previously with Members. • Revised guidance to reflect changes in the options available to pay for public transport in London (ie. contactless). • Reflects also changes to the GLA's mobile phone contract. • Incorporates provision for an interest free childcare loan for staff. • Increase the subsistence allowance available to those on unpaid work placements (from £5 to £7.50). • Removing the templates previously appended to the document, which are more sensibly made available via the intranet
<p><i>Contracts and Funding Code</i></p> <p>Rules and processes for procurement and entering into contracts and other formal arrangements including grant funding</p> <p>Appendix 3</p>	<ul style="list-style-type: none"> • To reflect that GLA staff on fixed-term contracts of up to two-years can be approved through a short-term assignment form (STAF), signed by the Executive Director of Resources. • The section pertaining to engaging consultants and other non-GLA employee workers have been amended to reflect and provide assurance on the new IR35 regulations; that is, the rules affecting tax and National Insurance contributions for those contracted to work for the GLA through an intermediary (including a professional services company). • • There is additional guidance and practical advice; for example on evaluating tenders.
<p><i>Financial Regulations</i></p> <p>Regulations guiding how the GLA manages its financial affairs; and more specifically sets and monitors budgets, exercises financial controls and for financial administration.</p> <p>Appendix 4</p>	<ul style="list-style-type: none"> • Largely only minor updates and streamlining. • Removal of references to rules on decision-making as applicable to GLA projects subject to a variation (which are now including in Mayoral Decision-Making in the GLA). • The process for approving and reporting virements is now more integrated with the decision form and quarterly monitoring processes.

Approval and delegations

- 1.4. The authority to approve and amend all of the documents rests with the Mayor, noting that the Expenses and Benefits Framework is approved jointly with the London Assembly¹ and also by the

¹ Insofar as the Expenses and Benefits Framework bears on the Mayor, Assembly Members and the GLA's statutory officers, it is a decision for the Mayor and Assembly acting jointly. The Assembly granted its approval on 8 March 2017. The Mayor acting, on

Head of Paid Service². There are, however, delegations to specified senior staff, named in each document, to make certain and more minor amendments.

- 1.5. The London Fire and Emergency Planning Authority (LFEPA) will be abolished and replaced by the office of the London Fire Commissioner on 1 October 2017. Prior to that point, Mayoral Decision-Making in the GLA will be reviewed and updated to reflect these new arrangements as necessary.

2. Objectives and expected outcomes

- 2.1. These core government documents are designed to create, communicate and reinforce robust GLA corporate governance arrangements. Officers will reflect on their efficacy, including of the associated processes, to assist with the preparation of the Annual Governance Statement, which is approved by the Mayor.

3. Equality comments

- 3.1. The documents are internally facing protocols that are applicable equally to all staff and, where relevant, elected Members. There are no direct equality implications.
- 3.2. Mayoral Decision-Making in the GLA sets down a formal decision making process that reinforces the need to consider equality implications.

4. Other considerations

Risk

- 4.1. The GLA's corporate risk register includes the following governance risk:
 - processes and procedures are insufficiently developed to ensure compliance with legal and regulatory requirements, prevent fraudulent use of GLA resources and maximise effective use of funds
 - amendments to the GLA's governance framework are poorly implemented /communicated and prove ineffective

The updates to and approval of the four appended documents will ensure the risk continues to be effectively mitigated.

- 4.2. To support effective implementation, GLA staff will be made aware the documents have been updated and their importance will be stressed. The governance e-learning module has recently been refreshed and will continue to be used to raise awareness of the GLA's governance policies and imperatives.

Links to Mayoral strategies and priorities

- 4.3. Robust corporate governance arrangements support the full breadth of the Mayor's priorities.
- 4.4. The Mayor has pledged to be open and transparent. These documents directly and indirectly support that pledge.

his own, agrees the Expenses and Benefits Framework insofar as applies to staff appointed by him under Section 67(1) of the GLA Act 1999 (as amended).

² The Head of Paid Service approves the Expenses and Benefits Framework so as to apply it to all other GLA staff and granted that approval on 11 April 2017, provisional on the framework being approved also by the Mayor through this decision form.

5. Financial comments

- 5.1. The four appended documents bear on the way in which the GLA manages its financial affairs. There are, however, no direct financial implications arising from this decision.

6. Legal comments

- 6.1. The Mayor has the power under section 380 (regarding cultural functions under Part X) and section 38 (all other functions) of the GLA Act 1999 to authorise any function exercisable by the Mayor (whether conferred on the office of the Mayor or exercisable by the Mayor on the GLA's behalf under the GLA Act 1999 and any other enactment, including powers exercisable by him jointly with the Assembly) to be exercised on his behalf by the Statutory Deputy Mayor and/or by any member of GLA Staff, whether generally or specifically, and subject to any conditions he chooses to impose.
- 6.2. All four documents involve the authorisation of various specified post holders to make decisions on the Mayor's behalf, in the subject areas they cover, on a general or 'standing' basis and impose conditions. Any postholder(s) referred to in them has power under sections 38 and 380 to determine any matter involved in the discharge of their functions under the document in question
- 6.3. Mayoral Decision-Making in the GLA replaces previous schemes of delegation of Mayoral powers to GLA staff and describes the decision-making relationship with GLA Subsidiary Companies. It sets the default position unless some other arrangement is specifically authorised by Mayoral Decision (MD), which it is general policy to avoid as far as possible. Publication of this document satisfies the GLA's duty, as regards Mayoral powers, to publish any delegations to officers exceeding six months duration³.
- The Mayor is prevented by law from delegating a small number of functions and these are listed in Annex 1, Category 1. Those he chooses to reserve to himself as a matter of policy are listed in Category 2, which may be delegated in certain limited circumstances.
 - The 'PSI Application Powers' (the powers to call-in and determine applications of potential strategic importance) may only be delegated to either the Statutory Deputy Mayor or the 12 GLA staff (the 10+2) appointed by him under s 67(1) of the GLA Act. Those post holders currently authorised to exercise these powers are listed at paragraph 9.1 of the document. (The Mayor can change and add to the postholders authorised to exercise the PSI Application Powers by subsequent MD.)
- 6.4. The Contracts and Funding Code reflects requirements of procurement law and rules affecting tax and National Insurance contributions for those contracted to work for the GLA through an intermediary.
- 6.5. The Financial Regulations facilitate the Executive Director of Resources' duties as the Section 127 Officer to secure arrangements for the proper administration of the GLA's financial affairs.

³ Section 100G(2) of the Local Government Act 1972 as applied to the GLA.

7. Planned delivery approach and next steps

Activity	Timeline
Implementation	w/c 17 April
Staff communications	April-May
Report Mayoral Decision-Making in the GLA to the Assembly's Annual Meeting (for information)	3 May
Ongoing monitoring	N/A
Formal review	As per each document's cover

Appendices and supporting papers:

- Appendix 1: Mayoral Decision-Making in the GLA
- Appendix 2: Expenses and Benefits Framework
- Appendix 3: Contracts and Funding Code
- Appendix 4: Financial Regulations

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 either be published within one working day after approval or on the defer date.

Part 1 Deferral:

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

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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:

Tim Somerville has drafted this report in accordance with GLA procedures and confirms the following:

✓

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:

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 the 18 April.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Clarke

Date

18.4.17

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

20/4/2017

