

MINUTES

Meeting: GLA Oversight Committee
Date: Tuesday 21 May 2013
Time: 3.30 pm
Place: Committee Room 5, City Hall, The Queen's Walk, London, SE1 2AA

Copies of the minutes may be found at <http://www.london.gov.uk/mayor-assembly/london-assembly/oversight>

Present:

Tony Arbour (Deputy Chair, in the Chair)
Jennette Arnold OBE
Andrew Boff
Tom Copley (as substitute for Len Duvall AM)
Darren Johnson
Caroline Pidgeon MBE
Valerie Shawcross CBE

1. Apologies for Absence and Chair's Announcements (Item 1)

- 1.1 Apologies were received from Len Duvall AM, Chair, for whom Tom Copley AM was in attendance as a substitute, Joanne McCartney AM and Steve O'Connell AM.

2. Declarations of Interests (Item 2)

2.1 **Resolved:**

That the list of Assembly Members' appointments, as set out in the tables at Agenda Item 2, be noted as disclosable pecuniary interests.

3. Membership of the Committee (Item 3)

3.1 Resolved:

That the following membership and chairing arrangements for the Committee, made by the Annual Meeting of the Assembly on 1 May 2013, be noted.

**Len Duvall (Chair)
Tony Arbour (Deputy Chairman)
Jennette Arnold OBE
Andrew Boff
Darren Johnson
Joanne McCartney
Steve O'Connell
Caroline Pidgeon MBE
Valerie Shawcross CBE**

4. Terms of Reference and Standing Delegations to the Chair (Item 4)

4.1 Resolved:

That the Committee's terms of reference and the delegations to the Chair of the Committee, as set out on the agenda, be noted.

5. Re-Establishment of Working Groups and Panels (Item 5)

5.1 Resolved:

- a) That the Standing Orders Working Group be re-established with the term of reference set out below:**

To consider changes to the GLA's Standing Orders as required and to make recommendations to the GLA Oversight Committee.

- b) That the Standing Orders Working Group be comprised of the following Members:**

- John Biggs (Chair)**
- Darren Johnson**
- Steve O'Connell**

- c) That the Head of Paid Service Performance Review Panel be re-established as a working group with the term of reference set out below:**

To conduct, in conjunction with the Mayor, the performance review process for the Authority's Head of Paid Service, reporting relevant matters requiring

formal decision and/or for consideration as necessary to the GLA Oversight Committee.

d) That the Head of Paid Service Performance Review Panel be comprised of the following Members:

- Valerie Shawcross CBE (Chair)
- Andrew Boff
- Jenny Jones
- Caroline Pidgeon MBE

e) That the Education Panel be established as a working group with the term of reference set out below:

To keep under review and investigate as appropriate the development and delivery of the Mayor's policies and strategies in relation to education and to report back to the GLA Oversight Committee as necessary.

f) That the Education Panel be comprised of the following Members:

- Jennette Arnold OBE (Chair)
- Tony Arbour
- Andrew Boff
- Tom Copley
- Darren Johnson
- Caroline Pidgeon MBE

6. Minutes (Item 6)

6.1 Resolved:

That the minutes of the meeting of the GLA Oversight Committee held on 24 April 2013 be signed by the Chair as a correct record.

7. Summary List of Actions (Item 7)

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

7.2 **Resolved:**

That the completed and outstanding actions arising from previous meetings of the GLA Oversight Committee be noted.

8. Action Taken Under Delegated Authority (Item 8)

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

8.2 **Resolved:**

That the actions taken by the Chair of the GLA Oversight Committee and the Chair of the Assembly under delegated authority be noted.

9. Head of Paid Service Oral Update (Item 9)

9.1 The Head of Paid Service confirmed that the London Finance Commission's report, *Raising the Capital*, had been published recently and had attracted a good degree of cross-party support. The Mayor's 2020 Vision Document was also expected to be published shortly.

9.2 Jennette Arnold OBE AM suggested that the Committee should be provided with a clearer idea of the timelines for the 2020 Vision Document in order that the Committee could prepare its response. It was also suggested that there should be detailed discussions on the implications for the Assembly should the recommendations of the London Finance Commission report be implemented.

9.3 The Head of Paid Service noted that the Assembly would be putting questions to the Chair of the London Finance Commission, Professor Tony Travers, at the Assembly's Plenary meeting in June. The Head of Paid Service also advised the Committee that a strategy for the promotion and consideration of the report's proposals was under development: he was working to ensure that it would be effective and therefore took account of the proposals contained within the Mayor's 2020 document.

9.4 In terms of the governance changes proposed in the London Finance Commission's report, the Head of Paid Service confirmed that, if the recommendations were to be adopted, the concomitant implications for the Assembly's powers would need to be considered. He added that there was a commitment from both London Councils and the Mayor to initiate discussions on the potential increase in financial responsibilities but a key starting point was to establish the appetite within government for the report's proposals. This would hopefully become clearer over the coming months.

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9.5 Jennette Arnold OBE AM suggested that officers from the Secretariat produce an analysis of the London Finance Commission report with a particular view as to what the implications could be for the Assembly.

9.6 **Resolved:**

That the Executive Director of Secretariat co-ordinates a report on the implications for the London Assembly of the London Finance Commission Report, *Raising the Capital*.

10. Shared Services Update (Item 10)

10.1 In accordance with section 100(B)(4) of the Local Government Act 1972, the Chair had agreed to accept the report as an item of urgent business on the grounds that he wished the Committee to discuss the matter at the earliest opportunity.

10.2 The Committee received the report of the Head of Paid Service and the Executive Director of Resources which provided an update on the current shared services arrangements across the GLA Group and which formally sought the views of the Committee in respect of particular shared service arrangements between the GLA and the Mayor's Office for Policing and Crime (MOPAC).

10.3 Introducing the item, the Head of Paid Service explained that the report was a broad update on shared services based on the report recently provided to the Mayor's Investment and Performance Board (IPB). In addition, the Head of Paid Service advised the Committee that MOPAC was scheduled to take up residence in City Hall from June onwards. The Deputy Chairman noted that the progress on collaboration between the GLA and MOPAC appeared satisfactory, especially in comparison to what was perceived to be slower progress made elsewhere in the GLA Group.

10.4 On the subject of the Single Property Unit, the Committee was told that the Unit presently operated as an informal group constituted of key deputy mayors, meeting on a monthly basis, with support from the GLA's Housing and Land directorate. Although still at a nascent stage, the Unit had already put in place arrangements for a single procurement panel for development, which was expected lead to significant future savings over time, and had published on the GLA website a new database on GLA Group land assets to provide full transparency of holdings. The Head of Paid Service also clarified that partly because activity on estate management and rationalisation had been undertaken irrespective of the shared services programme per se, the Metropolitan Police Service (MPS) had already developed a model to provide a one stop shop for facilities management services, which was also expected to deliver savings over time.

10.5 The Deputy Chairman asked how the Unit's operation might lead to major savings. The Head of Paid Service explained that more detail would be provided in connection with the Committee's planned consideration of the Unit's work at its September 2013 meeting and in light of the Mayor's Budget Guidance, due to be published in July 2013.

10.6 Caroline Pidgeon MBE AM suggested that the Unit was more akin to an informal panel and

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should therefore be re-branded as such. However, the Head of Paid Service explained that given the need to work closely with the functional bodies in the GLA Group, the current informal arrangement might prove to be the most suitable way forward rather than, for example, putting together a central team of GLA officers with limited influence. The Head of Paid Service further explained that the Single Property Unit was only one vehicle for the advancement of the shared services agenda and that the overarching monitoring of shared services was undertaken through the IPB, which was regularly attended by key functional body representatives. Additionally, the finance directors of the functional bodies undertook continuous monitoring of shared services arrangements and proposals.

- 10.7 In response to the Deputy Chairman's request for clarity on whether the Unit was individually or collectively accountable for decisions, it was explained that whilst not currently operating as a formal decision-making body, the lead participants within the Unit (namely the Deputy Mayor for Housing, Land and Property, the Deputy Mayor for Transport, the Deputy Mayor for Policing and Crime and the Chairman of the London Fire and Emergency Planning Authority) were all accountable within their own organisations for decisions taken about estates. Andrew Boff AM stated his concern that such an arrangement might obscure the accountability for estates-related decisions and the Deputy Chairman further suggested that there was an inherent contradiction in trying to achieve shared services through distinctly separate organisational arrangements.
- 10.8 Caroline Pidgeon MBE AM asked about what proportion of the recurring £600 million annual savings would come from shared services. The Executive Director of Resources explained that there was no specific target but that the level of savings delivered last year totalled £700 million and that work was currently being undertaken to identify future savings targets and shared services objectives and this would be expressed in the forthcoming Budget Guidance.
- 10.9 The Executive Director of Resources further explained that the achievement of savings through collaborative working was deemed a collective responsibility across the GLA Group, was part of the IPB's terms of reference, and an explicit condition of the appointments of senior positions to the boards of functional bodies. The Head of Paid Service and the Executive Director of Resources had a responsibility to ensure the effectiveness of the arrangements for the GLA, in conjunction with senior officers who had been made accountable for specific areas of delivery; they were not, however, empowered to enforce shared services across the Group, but rather had sought to facilitate discussion and exert influence from within City Hall.
- 10.10 It was explained, in response to Valerie Shawcross CBE AM's concerns that the inadequacies of the governance arrangements within the GLA Group had hindered wider shared services, that amongst a range of options for progressing the issue was the possibility of the Mayor using his power of statutory direction. It was acknowledged that if the GLA Group operated under one set of governance arrangements, a different approach might have been taken. But that was not the legal and constitutional position. In the absence of a single Mayoral Adviser with oversight of shared services, as had been the case in previous years, the Deputy Chairmen felt it was incumbent on the Assembly to exert what pressure it could to progress the matter.
- 10.11 Jennette Arnold OBE AM questioned the level of financial risk arising from the proposal for shared treasury management services between the GLA and MOPAC and was informed that

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in sharing the risk more widely across the participating bodies the arrangement would provide better oversight and access to a greater level of expertise and would thereby mitigate the risks that smaller teams would be exposed to. In addition, sharing the service would result in larger balances, increased bargaining power and a wider pool of resources leading to reduced transaction costs. It was noted that due to its unique legislative framework, Transport for London had its own treasury management functions but that nevertheless there was a degree of liaison at management level.

- 10.12 Darren Johnson AM proposed that the Committee receive further details outlining MOPAC's main functions and identifying which particular organisations were responsible for undertaking them, with a view to identifying additional areas where in-house services might more economically be undertaken by another part of the GLA Group.
- 10.13 The Committee was informed that the arrangements for information technology was expected to generate savings and that the arrangements, using a mixture of GLA and MOPAC contracts and technology, had been arrived at in order to achieve business efficiencies, save on costs and to assist the transition of MOPAC staff to City Hall.
- 10.14 The Committee was also informed that consideration of sharing HR services had been temporarily postponed pending the Stage 2 Transfer submission to the Home Secretary, but would be reconsidered in September 2013.
- 10.15 In light of the Committee's overall dissatisfaction with shared services, it was proposed that representatives of other areas of the GLA Group be invited to provide an update on progress with collaborative working.
- 10.16 **Resolved:**
- a) That the update on shared services between the GLA and MOPAC, including the proposals for shared information technology and treasury management arrangements, MOPAC relocation plans and GLA recharging arrangements for 2012-13, be noted; and**
 - b) That functional bodies be invited to provide the GLA Oversight Committee with details of progress made and future plans for shared service arrangements.**

11. Workforce Composition in the Secretariat (Item 11)

- 11.1 The Committee received the report of the Executive Director of Secretariat.
- 11.2 Darren Johnson AM suggested that more effort be made to co-ordinate the work the Authority undertakes in relation to its formal internship activities, group student visits and other informal arrangements involving young people.
- 11.3 The Assistant Director of Human Resources informed Members that the Authority intended to carry out more work on its own internship programme, although Jennette Arnold OBE AM cautioned against diverging too far from the successful model used for the civil service internship scheme.

11.4 **Resolved:**

That the report be noted.

12. Work Programme for the GLA Oversight Committee 2013-14 (Item 12)

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

12.2 **Resolved:**

a) That the work programme for 2013-14 be noted; and

b) That the appointment of John Biggs AM as a rapporteur for the GLA Oversight Committee, to continue a review of GLA group transparency with the terms of reference as agreed by the Committee at its meeting of 20 September 2012, be re-confirmed.

13. Date of Next Meeting (Item 13)

13.1 The next meeting of the Committee would be held on Tuesday 11 June 2013 at 10am in the Chamber.

14. Any Other Business the Chair Considers Urgent (Item 14)

14.1 There were no items of urgent business.

15. Close of Meeting

15.1 The meeting ended at 5.02pm.

Chair

Date

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