Chief Officer's introduction: GLA Q1 2022-23 Performance and Finance Pack

Members of the Budget & Performance Committee,

I attach our Q1 performance and finance pack which is organised in the usual way: a series of dashboards in line with our budget structure by missions and foundations (appendix 1) and by core activity (appendix 2); and a finance report, organised primarily by directorate, but also summarising the position by missions and foundations (appendix 3).

In my cover note to you in Quarter 4, I highlighted the linked challenges of inflation, supply-side constraints, a competitive labour market and precipitous increases to Londoners' cost of living. The situation has only deteriorated since, with this week's data on inflation and average earnings demonstrating its seriousness. As you would expect, we spent further time in our Q1 meetings discussing the impact these pressures are having on Londoners, the services we provide, and the delivery of homes and jobs on Mayoral land.

Londoners' cost of living and the potential impact of these national issues on the delivery of some key Mayoral priorities have become dominant questions as we prepare the draft GLA:Mayor 23-24 budget. So, although we have made some minor changes to our dashboards for Q1 to reflect the evolution of our projects as they are delivered, the fruits of work we are doing now to consider how we use the Mayor's convening powers, the GLA's role as a strategic authority, and our delivery responsibilities to secure the greatest positive impact for Londoners in this new external environment will emerge in the draft GLA:Mayor budget in November. Some of our dashboards may change quite considerably after that, to ensure we continue to set out performance data relevant to our activities.

Turning to finances, the year-to-date position is an apparent revenue underspend of £20.8m. As is often the case at Q1, there is little meaningful we can draw from this. The situation arises from the early receipt of £21m funding for The Rough Sleeping and Domestic Abuse programme – of which we anticipate that £17m will re-allocated to spend in 2023/24 rather than in this year. The European Social Fund is overspent against profile by £9m, pending the receipt of match income, and AEB accelerated spend of £4m, as a result of additional grants to providers against profile. This total year to date overspend is largely offset by the timing of corporate items. All of these are timing issues that will correct by year end. In short, I have no concerns about our Q1 financial position vs our budget.

As ever, if you have any feedback on the pack, do let me know and we will feed this into our ongoing work to ensure our reports are as valuable as they can be.

Mary Harpley
Chief Officer