Chief Officer's introduction: GLA Q2 2022-23 Performance and Finance Pack

Members of the Budget & Performance Committee,

I attach our Q2 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 1 I highlighted the continuing linked challenges of inflation, supply-side constraints, a competitive labour market and the impact on Londoners' cost of living. We are still operating in the same climate and it will come as no surprise that cost of living and inflationary pressures are reflected throughout our Q2 dashboards as ongoing risks and issues – some with immediate impacts, such as higher costs of construction materials and labour, and skills shortages leading to delays; and others that we will see play out in the future.

These factors which are beyond the GLA's control are driving significant risks and issues to delivery across the housing market in particular. As a result, the Capital Investment dashboard rates delivery as at significant risk. Officers are working closely with partners and the wider GLA Group to fully understand the impacts on the GLA's housing delivery. Mitigations were discussed in our Q2 meetings, but as you will appreciate many of the levers that can alleviate these national pressures remain outside the GLA's direct control. We continue to use the Mayor's convening powers, the GLA's role as a strategic authority, and our delivery responsibilities to reduce the adverse impact on Londoners.

This quarter we commenced preparation for embedding EDI considerations within the GLA's corporate performance reporting and discussed these within the Q2 meetings. EDI measures will be further refined over the coming months and incorporated into our dashboards from Q1 of 2023-24, to ensure our action on EDI is fully embedded across the GLA, so that we continue to deliver a more inclusive London.

Turning to finances, the position at Q2 shows a year to date underspend of around £35m, which is driven by specific ringfenced income received in advance of profiled spend. The forecast year end position is a £28m underspend. This is driven by substantial increases in the expected income from investments as a result of the changing economic climate. There are some isolated examples of true forecast underspends, and in these cases the budget requirement for future years will be adjusted.

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