

# Chief Officer's introduction: GLA Q3 2022-23 Performance and Finance Pack

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Members of the Budget & Performance Committee,

I attach our Q3 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).

One of the issues I highlighted in the Q2 performance and finance pack was the significant impact that changing macroeconomic conditions have had on the housing sector since August 2021 when the Mayor announced funding allocations for the Affordable Homes Programme, 2021-26. We have written to delivery partners this quarter about their allocations and asked them to update and clarify their expected costs and delivery timetables. This will give us a clearer picture of the landscape we are operating within in terms of partners' plans and their ability to commit to delivery. In the meantime, we can see the impact on our capital spending plans, with the largest variance against plan arising in the Affordable Homes Programme. We continue to use the Mayor's convening powers, the GLA's role as a strategic authority, and our own delivery responsibilities to reduce the adverse impact of these very challenging times on the delivery of affordable homes.

Our switchover to shared HR services with TfL took place this quarter. Three payrolls have now been made under the new arrangements, alongside the migration from our previous HR systems to SAP. While we expected some teething problems, the scale of the issues we have faced has been greater than we had hoped – due in the main to legacy issues resulting from previous GLA practice rather than issues arising from the transition itself. Hard work continues to be focused on rectifying the outstanding issues which we expect to be resolved by end March. The switchover has also brought to light differences in the way that the GLA and TfL generate HR-related data. This has resulted in some reporting information not being available at Q3, but this will be rectified for Q4. HR costs are running above budget on account of the costs of transition, combined with recruitment costs which the GLA needs to budget for more explicitly and will do from next year.

Turning to finances, the position at Q3 shows some significant underspends in both capital and revenue. Our capital underspend is driven in large part by delays in spending related to the Affordable Housing Programme. The revenue position is driven by higher returns than anticipated on investments. This additional income will allow the GLA to address some previously unfunded priorities which will be laid out in the final GLA: Mayor 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