

Chief Officer's introduction:

GLA Q1 2023-24 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).

One of the GLA's key deliverables is to fund the building of new affordable homes. Despite exceptionally challenging market circumstances, this pack records the delivery of 25,658 starts in 2022-23. This in turn resulted in the 2016-23 Affordable Homes target of 116,000 starts being exceeded, with 116,782 homes started. This is an exceptional result and the outcome of focussed hard work by GLA staff.

We already know that, due to the continuing challenging market conditions, housing delivery in 2023-24 will be significantly lower. There are significant and complex risks and issues facing the housing market at this time, the majority of which are out of the GLA's hands. Performance against the 2021-26 Affordable Housing Programme is lower than projected this quarter on account of several factors over and above inflation. These include later than expected formal agreement to the programme by government which delayed the signing of contracts to October 2022. Re-baselining of the programme reflecting inflated costs was agreed in mid-May, but the announcement of the second staircase requirement on all buildings over 18m has also had an impact. The current hiatus in planning applications is likely to continue until detailed design guidance is published by the government.

Nevertheless, be assured that work is underway to review forecast delivery across all GLA Affordable Housing programmes and 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.

The bedding in of our arrangements for shared HR services with TfL continued this quarter and, while I acknowledge that the transition to these arrangements has not been without its challenges, we have made significant progress in addressing a number of these over the last three months.

The other point to make here is that officers have updated performance measures and targets, as appropriate, for this financial year.

As usual at Q1, it is still too early to forecast any likely financial variances with any certainty. Our year-to-date position on revenue spend is £1.1m overspent. This reflects income arriving later than planned in a number of areas, combined with slippage on some projects. The year-end forecast position is a £2.1m overspend, driven by higher costs in managing a number of GLA-run events, higher usage of energy, and delayed spend from the prior year. Elections spend is anticipated to be above budget reflecting the higher costs driven by inflation which are emerging now we have completed the procurement of some key components.

The year-to-date position for our capital programme is £16.9m underspent. The majority of this is attributable to several programmes receiving claims which are lower than expected or not receiving other claims on time. This includes claims related to activity in Building Safety and in

Communities & Skills. There is some accelerated spend in the Affordable Housing Programme, reducing the year-to-date underspend. The year end forecast remains in line with budget, subject to a more detailed review.

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

Mary Harpley
Chief Officer