

Chief Officer's introduction: GLA Q3 2023-24 Performance and Finance Pack

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).

This quarter, the confluence of economic headwinds – high inflation, high interest rates and low growth – has impacted performance across some areas of GLA delivery.

Ongoing high inflation and high interest rates continue to have negative effects on the construction sector in particular, with costs increasing and some contractors at risk of insolvency. Enhanced safety requirements, such as the upcoming regulations requiring second staircases in new residential buildings above 18 metres, are also delaying progress in some developments. These and other factors, including current pressures on household finances and consequent effects on property prices, are having an impact on the GLA's capital programmes and our ability to continue to deliver affordable homes to time and at scale.

Cost of living pressures have also created extra demand for several of the Mayor's key programmes. These programmes have continued to meet or surpass targets to deliver the Mayor's priorities for Londoners. Highlights include:

- Our New Deal for Young People mission seeks to provide 100,000 disadvantaged young people access to a quality mentor by the end of 2024. We remain on track to meet this target, with 73,729 young people working with a high-quality mentor so far. Additionally, we have awarded grants in the latest round of funding which will ensure access to mentors for an additional 13,000 young people.
- The Mental Health & Wellbeing mission seeks to support 250,000 Londoners to become wellbeing champions in London by 2025. Again, we are on track to do this as, to date, more than 200,000 Londoners have become champions.
- The Healthy Weight Healthy Place mission aims to ensure that by 2025 London's families will find it easier to eat healthy food and be active where they live, learn, shop, work and play. 86 Superzones are now in place across 28 boroughs. Anticipated new funding for 2024-25 will allow us to extend these further, including exploring how Superzones could be worked around secondary schools.
- Under the Robust Safety Net mission, rough sleeping services are being extremely stretched, but are currently managing to meet demand. Separately, we continue to fund a range of financial and employment support services, as a result of which Londoners have now collectively secured over £9m as a result of advice in 2023-24 alone.
- The Building Strong Communities mission focuses on ensuring that communities are more resilient by enabling Londoners to have better opportunities to access the knowledge, networks and volunteering opportunities. We continue to support individuals and organisations at levels ahead of our targets. Grant activity this quarter included grants awarded via Go! London, which focuses on enabling underserved young

Londoners to have access to sport and physical activity by supporting the organisations that provide these activities.

We continue to see challenges around recruitment across a number of our teams and programmes. We believe this is primarily due to competitive market conditions, but it provides an even greater impetus for us to make sure that our recruitment processes are as good as they can possibly be.

We are nearly two years on from the Equal Group's Independent Review of Ethnic Minority Experiences at the GLA, published in March 2022. While there remains much work for us all to do, I am pleased that this performance report shows a further tangible improvement in the representation of Black, Asian and Minority Ethnic staff at the GLA.

On 31 March 2022 (the end of Q4, 2021-22), 32 per cent of GLA staff identified as Black, Asian and Minority Ethnic. On 31 December 2023, this figure had increased to 37 per cent. In the same timeframe, the proportion of the GLA's Senior Leadership who identify as Black, Asian and Minority Ethnic has risen from 14 per cent to 20 per cent. As our new talent programmes, such as Aspiring High, progress and we implement the few recommendations of the Equal Group Report which remain outstanding, I expect these figures to improve further.

Turning to finances, the revenue position at Q3 shows a year-to-date underspend of £8.3m although most variances to date are related to timing issues and will rectify by year end. There is currently a forecast underspend for the full year of £8.7m, which is primarily related to UK Shared Prosperity Funding where delays, partially by government, in setting up the new programme have impacted initial progress, but the funding is anticipated to be fully spent by the end of the programme period which stretches across financial years.

On capital, the year-to-date position is a £6.9m overspend, which is close to budget in the context of a £1bn programme. The current full year forecast is an underspend of £116.6m, with £107.0m of that arising in Housing & Land. This reflects the challenging market conditions outlined above, as well as the complexity of and changing circumstances in the Building Safety Programme consequent to government decisions. The remaining £9.0m forecast underspend relates to Skills capital and reflects delays in the programme. Costs will fall into next financial year and ringfenced funding will be reallocated to this programme to cover cost overruns.

As ever, if you have any feedback on the pack, do let me know. You will have already seen the new, thematic structure we are using for the GLA:Mayor draft budget, 2024-25. This has implications for how we will report performance from the new financial year, and I will provide more details on those plans in due course.

Mary Harpley
Chief Officer