

Greater London Authority (GLA)
Annual Governance Statement, 2020-21
Draft, 31 July 2021

CONTENTS

1. THE GLA'S GOVERNANCE RESPONSIBILITIES AND FRAMEWORK	3
2. DESCRIPTION OF ARRANGEMENTS AND REVIEW OF EFFECTIVENESS	7
3. LONDON ASSEMBLY SCRUTINY OF GOVERNANCE ISSUES	33
4. CONCLUSION AND DISCLOSURE	37
APPENDIX: MAYORAL DIRECTIONS ISSUED TO THE GLA'S FUNCTIONAL BODIES IN 2020-21	38

1. The GLA's governance responsibilities and framework

- 1.1. The GLA is responsible for: conducting its business in accordance with the law and proper standards; safeguarding and properly accounting for public money; and using resources economically, efficiently and effectively. It must publish an Annual Governance Statement (AGS) – this document – that reflects on how, in the previous financial year, it has discharged these responsibilities.
- 1.2. The GLA's governance framework comprises the systems and processes, culture, and values by which the organisation is directed and controlled; and the activities through which it accounts to, engages with, and leads the community. It ensures that: the GLA directs its resources towards its priorities and in accordance with its policies; there is sound and inclusive decision-making; and there is clear accountability, so as to achieve sustainable outcomes for London and Londoners. The system of internal control is a significant part of that framework, and is designed to manage risk to a reasonable level.
- 1.3. The elements comprising the GLA's governance arrangements reflect the unique nature of the GLA, with a number of agents involved in the delivery of the GLA's objectives. So while this AGS is the GLA's alone – many of the bodies with which the GLA works have their own governance statements – the GLA's work cannot be viewed in isolation. The agents include:
 - the executive Mayor and the Mayor's appointed advisers
 - the London Assembly
 - the GLA's subsidiary companies
 - the officers of the GLA
 - the GLA's functional bodies and their boards (where applicable)
 - London's local authorities
 - the national government
 - partners and stakeholders
 - London Councils and our other Recovery Board partners.
- 1.4. There is a clear separation of powers within the GLA between the Mayor, who has an executive role and makes decisions on behalf of the GLA, and the London Assembly, which has a scrutiny role and reviews Mayoral policy, decisions and delivery. The Assembly also investigates issues of importance to Londoners, publishing its findings and recommendations, and making proposals to the Mayor. The Assembly has a number of committees, with the GLA Oversight Committee, the Confirmation Hearings Committee, the Audit Panel, and the Budget and Performance Committee having explicit governance roles.
- 1.5. An important aspect of the governance framework within which the GLA operates is the relationship between London government and national government – more specifically the relationship between the GLA and its sponsor department in Whitehall, the Ministry of Housing, Communities and Local Government (MHCLG). In October 2012, the MHCLG set out its view of the systems governing that relationship in its ['Accountability System](#)

Statement for the Greater London Authority, issued with the GLA's endorsement. Temporary mechanisms were put in place to support joint work with the government in response to the Covid-19 pandemic. These are referenced below.

- 1.6. Responsibility for ensuring the GLA maintains a sound system of governance, incorporating the system of control, rests ultimately with the Mayor. The Mayor is supported by the GLA's statutory officers: the Head of Paid Service (HoPS) (a role subsumed into the remit of the GLA's Chief Officer), the Chief Finance Officer (Executive Director of Resources) and the Monitoring Officer. Each has distinct responsibilities in law. In addition, the Head of Performance and Governance, and their team, have day-to-day responsibilities for designing, implementing and monitoring the GLA's governance arrangements. The GLA takes the view, however, that good governance is everyone's responsibility, from the Mayor, down through the Corporate and Senior Leadership teams, to all staff.

This year's Annual Governance Statement

- 1.7. The GLA's governance framework is consistent with the principles of the 2016 CIPFA/Solace document, 'Delivering Good Governance in Local Government'. This AGS has been prepared with reference to that document. It has been structured around the principles in the 'International Framework: Good Governance in the Public Sector' (CIPFA/IFAC, 2014). Section 2 of this AGS demonstrates how the GLA is meeting the seven principles of the international framework of good governance in the public sector, and sets out actions for 2021-22. For each principle, the left hand column sets out the GLA's current arrangements. The middle column reflects on key actions and developments during the year covered by this AGS, and the right hand column sets out planned activity during 2021/22, which will be monitored and reflected upon in next year's AGS.
- 1.8. This AGS seeks to draw on a range of input and feedback resources, so as to capture different perspectives, including:
 - the statutory officers and a range of other senior officers
 - internal audit
 - external audit
 - the London Assembly.
- 1.9. Although this draft AGS's focus is on 2020-21, it also reflects on developments between the end of that financial year (that is, 31 March 2021) and the end of July 2021 when this draft was finalised.

Covid-19's impact on GLA governance

- 1.10. In March 2020, the growing impact of the Covid-19 pandemic resulted in unprecedented change to the way the whole country operated. The GLA was no exception, and has had to adapt its ways of working while playing an important role in London's response to the pandemic and the consequent restrictions to ensure social distancing.

- 1.11. The GLA's governance framework proved resilient to the newly enforced ways of working and supported our response effectively. The GLA continued to operate the main features of this framework, but introduced new or adapted arrangements where necessary; for example, to facilitate remote working and support staff wellbeing, alongside new structures temporarily put in place such as an Emergency Management Team and a Policy and Briefing Cell to promote joined-up policy interventions. Similarly, the GLA took advantage of legislative flexibilities to allow for the later publication of its accounts and to flex contractor and treasury payments, among other things.
- 1.12. The London Assembly has relied on government regulations, which for the first time allowed the Assembly to convene formal meetings on a virtual (remote) basis. These have enabled the Assembly to continue to fulfil its statutory scrutiny role and related functions through the pandemic.
- 1.13. The Mayor is a category 1 responder under the Civil Contingencies Act. The GLA is a core member of the London Strategic Coordination Group, which has had a central role in bringing together London's public-sector organisations to respond to the pandemic. The GLA also directly led emergency measures, within its areas of responsibility, to support Londoners and London. These included providing urgent support for homeless people and foodbanks; and joining with London Funders to provide coordinated funding to support groups responding to the needs of communities in the capital affected by Covid-19.
- 1.14. Working with the government, London's boroughs and other partners, we put collaborative governance structures in place to support an effective pandemic response. These included a London Transition Board (jointly chaired by the Deputy Mayor for Business and the Minister for London on behalf of the Mayor and the Secretary of State for Housing, Communities and Local Government) to coordinate London's response to trends, issues and risks as London emerges from lockdown and begins to reopen its economy – while monitoring the virus and any further outbreaks. The Board has now held its final meeting.
- 1.15. The GLA and partners have established the London Recovery Board to oversee and coordinate London's recovery from the impacts of Covid-19. The Board is co-chaired by the Mayor and the Chair of London Councils. The Minister for London represents the government; there are also representatives on the Board from the business sector, the community and voluntary sector, trade unions, academia, and the health and police services. The Board has set itself the challenge of 'restoring confidence in the city, minimising the impact on London's communities and building back better the city's economy and society'. It is ensuring there are opportunities for Londoners to be involved in setting priorities and shaping London's recovery.
- 1.16. Looking ahead, responding to Covid-19 and its impacts – driving recovery and renewal for London – will continue to be a central theme for 2021-22. That will mean continuing to embed the Recovery Board's vision, and supporting partnership and engagement structures that are the foundation of London's Recovery Programme. But to do so, the GLA will need to be informed by, and act on, an assessment of the financial and funding implications arising from Covid-19, which will likely continue to necessitate significant budget constraint and changes to the way we work, doing more for less. This will build on

the wide-ranging and detailed work that took place to fundamentally review and reshape the GLA's budget for 2021-22.

2. Description of arrangements and review of effectiveness

2.1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Our arrangements	Actions and key developments 2020-21	Actions for 2021-22
<p>The seven Nolan principles for standards in public life frame the GLA’s governance procedures. Those procedures include a Protocol for Mayoral Appointments; Financial Regulations; an Expenses and Benefits Framework; a Contracts and Funding Code; Anti-Fraud and Anti-Money Laundering Frameworks; and a Whistleblowing Policy (including multiple and confidential reporting routes). The officer Governance Steering Group helps ensure these procedures remain up to date and fit for purpose.</p> <p>The Nolan principles are reinforced through a governance e-learning module that is mandatory for all new staff.</p> <p>The Code of Ethics and Standards for Staff incorporates the Nolan principles and promotes high standards of conduct in public service. It features prominently in staff induction.</p> <p>The Monitoring Officer works with Members to promote high standards of conduct and works with Members and Officers to advise on the proper use of the Authority's resources. The Monitoring Officer oversees the registration of interests and of gifts and hospitality; and advises on other governance matters also. They are responsible for reporting legal contraventions to the Mayor and Assembly. Alleged breaches of the Code of Conduct for Elected Members are also reviewed by the Monitoring Officer. Their decisions are published, and an annual report is made to the London Assembly.</p>	<p>The Monitoring Officer investigated two alleged breaches of the Code of Conduct during 2020-21, and reached their decision in April 2021.</p> <p>The new policies agreed, arising from the Chief Officer’s review of the GLA’s approach to the registration of interests and of gifts and hospitality, were implemented and clear supporting guidance was issued and communicated for Members and Staff.</p> <p>Following the Independent Office for Police Conduct’s recommendations as a result of Operation Lansdowne, revised guidance for handling complaints against the Mayor as Police and Crime Commissioner was approved by the London Assembly Policing and Crime Committee, and has been published.</p> <p>The governance e-learning module was refreshed. Staff have been encouraged to retake this mandatory training and completion rates are being monitored.</p>	<p>Review the Code of Conduct for elected members of the Authority.</p> <p>Develop a digital process for managing and recording the registration of gifts and hospitality, as part of the Digital Estate Renew Project, and with an internal audit of the process once the new functionality has bedded in.</p> <p>Launch the revised Responsible Procurement Implementation Plan in summer 2021 following engagement with stakeholders.</p> <p>As part of the relocation of staff from City Hall to Union Street and New City Hall during 2021, embed new ways of working and make the GLA a better place to work – by being more agile, more flexible and more inclusive; increasing collaboration; and breaking down silos. This will then be incorporated into an updated set</p>

Our arrangements

Our decision-making framework requires and promotes compliance with relevant laws and internal policies and procedures, including ensuring decisions are taken objectively and any potential interests are declared. The framework is clear about the decisions that must by law and policy choice be taken by the Mayor (including any novel, contentious or repercussive proposal), and provides managers with the authority necessary to conduct routine business.

The Mayor may delegate powers to or direct GLA functional bodies. The use of the power of direction is kept under ongoing review and a list of all directions is appended to this Statement.

The GLA's legal function is provided through a shared service agreement by Transport for London (TfL) Legal. TfL Legal identifies changes in law and assesses the legal implications of GLA activity.

Similarly, the GLA's procurement function is provided by TfL and facilitates compliance with the law on procurement and relevant standards. The need to declare interests is reinforced through the process. The GLA Group Responsible Procurement Policy, which sets down the GLA's commitment to continuous improvement through procurement, has a strong social and ethical focus. The GLA publishes an annual Modern Slavery Statement.

The GLA has a documented complaints procedure and related response standards. Timeliness of responses is monitored.

[Links to further information](#)

Actions and key developments 2020-21

We prepared for the 2021 pre-election period. A factual revision of the **Use of Resources** guidance was issued by the Monitoring Officer in February 2021. This was accompanied by communications to all staff. To help staff and managers to apply the guidance to their work, a **Pre-Election Period Principles** document was issued.

The Chief Officer issued new guidance on **planning for political transition** in January 2021 and in April 2021.

We received one complaint through our **whistleblowing** channels in 2020-21. This was a fraud allegation reported to the Head of Audit and Assurance, and is being taken forward in accordance with the Anti-Fraud and Corruption Policy and Response Plan.

We reviewed our **Responsible Procurement** priorities in light of Covid-19, and the need to ensure a fair and green economic recovery. A revised Responsible Procurement Policy was published in March 2021. We also drafted a revised **Responsible Procurement Implementation Plan**.

Actions for 2021-22

of values for the organisation as part of the transformation programme.

Following the success of the pilot, roll out '**Let's Talk About Race' conversations** to all GLA staff to increase understanding of race in the workplace; help staff feel empowered to talk about race; and identify individual and collective actions that will help make the GLA a more inclusive place to work.

Complete implementation of the recommendations from the internal audit review of **safeguarding processes** for the welfare of children, young people and vulnerable adults, particularly relating to developing a vulnerable adults' policy.

Development of **new intranet** to help staff have easier access to relevant policies, processes and procedures.

Hold two **Pulse Surveys of staff** in 2021-22.

Our arrangements	Actions and key developments 2020-21	Actions for 2021-22
<ul style="list-style-type: none"> • Conduct and ethics, including the role of the Monitoring Officer • Monitoring Officer decisions • Monitoring Officer Annual Report • Decision-making • Complaints • Modern Slavery Statement • Responsible procurement • GLA Oversight Committee report on the review of the Register of Interests and Gifts and Hospitality 	<p>We received 20 complaints in 2020-21. Of these, 15 (75 per cent) were responded to within the timescales in the Complaints Policy.</p> <p>The Inclusive GLA programme was successfully rolled out. All staff are now expected to complete regular equality, diversity and inclusion (EDI) learning, including unconscious bias training. A series of ‘Let’s Talk About Race’ conversations were successfully piloted with senior managers and rolled out more widely.</p> <p>The 2019-20 Staff Survey results were analysed by demographic group and presented to our Diversity and Inclusion Management Board – and reviewed with the staff networks. Actions to improve the organisational culture and work environment have been embedded into our transformation, relocation, and workforce diversity and inclusion programmes.</p> <p>An internal audit review of safeguarding processes for the welfare of children and young people concluded there was ‘adequate’ assurance. Most of its recommended actions were completed or</p>	<p>Commission and hold full staff survey in 2021-22.</p>

Our arrangements**Actions and key developments 2020-21****Actions for 2021-22**

in progress by the end of 2020-21. This was accompanied by a refreshed and strengthened Child Policy and Protection Procedures for all GLA staff.

2.2. Ensuring openness and comprehensive stakeholder engagement

Our arrangements	Actions and key developments 2020-21	Actions for 2021-22
<p>We have well-developed mechanisms to encourage individuals and groups from all sections of the community to engage with and participate in the GLA’s work, including: People’s Question Time; the State of London Debate; and our online community, ‘Talk London’.</p> <p>We consult widely when developing the Mayor’s strategies and budget. We publicise such opportunities through various channels and hold consultation meetings with stakeholders. Consultation exercises are designed to ensure maximum reach, targeting individuals and communities whose voices are otherwise seldom heard.</p> <p>We communicate through traditional and digital channels, including social media, ensuring a broad reach. We have well-developed arrangements and standards for responding to Mayoral correspondence.</p> <p>The Assembly consults and engages with Londoners to help decide which issues it should investigate.</p> <p>We routinely poll a representative sample of Londoners to provide insights into public opinion and behaviours, which support effective policymaking.</p> <p>The GLA’s most important partnerships are within the GLA Group. There are a series of arrangements in place for GLA Group bodies, mainly defined by legislation and differing slightly according to each organisation, governing the GLA’s relationship with TfL, the Mayor’s Office for Policing and Crime</p>	<p>We established collaborating with, and involving, London’s diverse communities as a cross-cutting mission in the London Recovery Programme; and worked to embed community and citizen participation and engagement within it. The first phase of the engagement programme included grants to groups disproportionately impacted by Covid-19 to engage with Recovery Missions. Work began to develop the second phase of the project, including the development of an engagement collaborative learning network and an insights hub.</p> <p>We are working through the GLA Group Collaboration Board to ensure the grants activity is aligned across the GLA family. Following a procurement exercise, we commissioned the Rocket Science organisation to carry out an analysis of our current grant activity, and a discovery exercise that sets out options for a GLA grant framework.</p> <p>We invested in our current Mayoral correspondence system, WriteON, to update its back-end, as plans to modernise and acquire a new</p>	<p>Ensure that engagement with London’s diverse communities and stakeholders (with a focus on equalities and inclusion) remain core principles of London’s Covid-19 recovery work.</p> <p>Ensure GLA and wider GLA Group staff remain informed and engaged on London’s Covid-19 recovery work, along with other key Mayoral strategies, through regular internal communications at least quarterly (including GLA group briefings).</p> <p>Continue our work to make applications for GLA grants straightforward, so that they are open to a diverse range of organisations – including considering the final report of the grants analysis and discovery exercise, expected in August 2021.</p> <p>Carry out a Survey of Londoners in 2021-22 to: collect data on topics where there are significant gaps in London’s evidence base; assess the impact of Covid-19 on social</p>

Our arrangements

(MOPAC), the London Fire Commissioner (LFC), and the Mayoral development corporations (MDCs): the London Legacy Development Corporation (LLDC) and the Old Oak and Park Royal Development Corporation (OPDC).

A Group Corporate Governance Framework Agreement sets out the core governance requirements each body must adhere to, and requires each to codify its governance arrangements and report on its decisions. It represents a firm commitment by all parties to be open, transparent and accountable, and to adhere to Mayoral and London Assembly expectations for the Group to interact in a way that enhances accountability and services for Londoners.

The other partnerships in place (those with boroughs, voluntary organisations, businesses and others) vary tremendously in remit, size and resourcing. Oversight of these partnerships is at team level. The GLA maintains corporate partnership guidance to promote effective oversight of significant partnerships.

We have a dedicated space on london.gov.uk for civil society groups, including insights into the number of projects the GLA is working on with civil society; funding opportunities; available resources; and links to information on training, volunteering and data. We publish our grants data through the 360 Giving Initiative, so it is in a standardised and open form.

Links to further information

- [Information about opportunities to get involved with or have a say about City Hall's work](#)

Actions and key developments 2020-21

correspondence system were put on hold due to an unsuccessful procurement and Covid-19.

Actions for 2021-22

outcomes for Londoners; and provide evidence and insight to inform the Recovery Missions and wider policymaking.

Review the **Corporate Governance Framework Agreement** in conjunction with GLA Group bodies and adopt a new agreement.

Complete the **WriteON** back-end upgrade work by August 2021 and continue to improve correspondence processes, including developing a draft contact strategy.

Our arrangements

Actions and key developments 2020-21

Actions for 2021-22

- [Talk London](#)
 - [Partnerships, including with GLA's functional bodies](#)
 - [Civil society](#)
 - [Group Corporate Governance Framework Agreement](#)
-

2.3. Defining outcomes in terms of economic, social and environmental benefits

Our arrangements	Actions and key developments 2020-21	Actions for 2021-22
<p>The Mayor identifies and communicates his vision and intended outcomes for Londoners and service users through thematic statutory and non-statutory strategies. Each strategy is supported by a thorough evidence base, which, where evidence gaps were identified, draws on research by or commissioned with the GLA's City Intelligence Unit. Integrated Impact Assessments make clear and support understanding of how equalities, health, sustainability, climate change and community safety will be affected by the policies in question. The strategies must demonstrate how they will ameliorate any likely negative impacts on different Londoners and/or different geographical areas.</p> <p>All of the Mayor's statutory strategies have now been approved and launched. Important non-statutory Mayoral strategies that have been published include the Equality, Diversity and Inclusion Strategy, and the Social Integration Strategy.</p> <p>The London Recovery Board is our key partnership for addressing the impacts of Covid-19 and achieving economic, social and environmental benefits. The Board has an established remit and purpose, embedded governance arrangements and has set out a framework for pursuing five high-level outcomes.</p> <p><i>Links to further information</i></p> <ul style="list-style-type: none">• A City for All Londoners• Mayoral strategies	<p>The London Recovery Board established one shared grand challenge, five key outcomes, nine missions, and six cross-cutting principles for the London Recovery Programme. It worked collaboratively with stakeholders and communities to identify and define these elements.</p> <p>Following further conversations with the MHCLG about the directed changes to the London Plan, the new Plan was finalised and published on 2 March 2021.</p> <p>In parallel with elections preparation, we prepared for transition from one Mayoral and Assembly administration to the next. A Transition Steering Group, chaired by the Chief Officer, met monthly to oversee the project, including the publication of briefing guides for candidates in January and April 2021 and induction materials.</p>	<p>Work collaboratively with stakeholders and communities to deliver the Recovery Programme outcomes through the Mission-based approach.</p> <p>Keep Mayoral strategies under review to identify any updates that may be required.</p> <p>Carry out an internal audit review of the GLA's ability to deliver the Mayoral ambitions for Good Growth and for the Economic Development Strategy following the impact of Covid-19 on the London economy.</p> <p>Develop a set of high-level outcomes for the GLA, which are subsequently to be used more widely across the GLA Group, to help organise data and analysis on the 'state of London'.</p>

Our arrangements

Actions and key developments 2020-21

Actions for 2021-22

- [The work of the City Intelligence Unit](#)
 - [London Recovery Board](#)
-

2.4. Determining the interventions necessary to optimise the achievement of the intended outcomes

Our arrangements	Actions and key developments 2020-21	Actions for 2021-22
<p>The GLA Group-wide budget-setting and capital spending plan processes, which are subject to scrutiny by the Assembly as well as consultation with stakeholders, ensure, as far as practical, that there are sound medium and longer-term financial plans within which Mayoral priorities and objectives are adequately funded – while recognising inevitable areas of risk and uncertainty. They direct resources to Mayoral objectives, including to support London’s recovery, entrepreneurial spirit, extraordinary diversity, creativity and tolerance. The budget sets out the funding source of those resources, including from the council tax precept.</p> <p>We communicate with staff about the budget, and the budget-setting process so that they understand the process and their role in it.</p> <p>Implementation plans set out how the Mayor’s strategies will deliver identified outcomes, including indicators that allow the outcomes to be reported on.</p> <p>All significant decisions are subject to a rigorous process with the facts and advice supporting each decision set out in detail through decision forms. The forms ensure legal and financial advice are included; and also that delivery mechanisms, equalities implications, risks, and links to the Mayor’s vision, strategies and priorities are all explicitly set out.</p>	<p>We supported the ongoing response to Covid-19 through participation in the London Strategic Coordination Group.</p> <p>A temporary process was introduced at the start of the pandemic to coordinate, align and ensure a Mayoral team and senior officer review of policy and spending considerations through a Policy and Briefing Cell.</p> <p>Governance for London’s Recovery was established in June 2020 and encompasses:</p> <ul style="list-style-type: none"> • a London Recovery Board, co-chaired by the Mayor and the Chair of London Councils • a London Recovery Taskforce to coordinate partner contributions to the programme • nine Missions with action plans to support their delivery, contributing to achieving one grand challenge, five outcomes, and cross-cutting principles • an Anchor Institutions Task and Finish Group – harnessing the power and 	<p>Embed the governance, programme management and stakeholder engagement structures set out in 2020-21 to lead, deliver and assure Covid-19 recovery work, with a new programme office in place to drive this forward.</p> <p>Carry out an internal audit review of the processes in place for the management and oversight of the coordinated partnership approach to support Covid-19 Transition and the London Recovery Programme.</p> <p>Continue to develop and evolve the London Resilience Dashboard and use this to help inform a new State of London report.</p> <p>Begin to develop a new data sharing platform that will supersede the London Datastore, and underpin our data sharing activities to support the delivery of the Recovery Programme and other GLA priorities</p>

Our arrangements

The GLA uses survey evidence as appropriate to support Mayoral priorities, and ensure that policy and programmes have maximum impact.

The Corporate Investment Board (CIB) – an informal advisory group chaired by the Chief of Staff and attended by the Mayor’s Appointees and Executive Directors – helps ensure there is appropriate review before decisions are taken and executed.

Additional processes were temporarily put in place to lead the GLA’s emergency response to the Covid-19 pandemic and London’s recovery and are described in more detail in this section.

Links to further information

- [The Mayor’s budget and the budget setting process](#)
- [Decision-making at the GLA](#)
- [Equalities, diversity and inclusion measures](#)
- [Social integration measures](#)
- [London Resilience Dashboard](#)
- [Covid-19 updates](#)
- [London Recovery Board](#)

Actions and key developments 2020-21

levers across London’s anchor institutions.

A **Recovery Programme Management team** was formed, with core staff now in place to support, to coordinate, drive and assure recovery work.

A **London Resilience Dashboard** was created to track data against key Recovery outcomes.

The Mayor issued **Budget Guidance** to the GLA Group to frame budget planning for 2021-22 and beyond, responding to the changed financial landscape.

In the context of the above, we completed a **review and reprioritisation of the GLA: Mayor 2020-21 budget** to ensure it was aligned with the GLA’s Covid-19 recovery work and responded to immediate financial pressures.

These same imperatives of directing as much of our available resources as possible to support London’s Recovery, while dealing with the implications of reductions to our income, required considering our resources and their deployment against a **new budget framework**. As a result, the 2021-22 GLA

Actions for 2021-22

Review the implementation of the one recommendation arising from the internal audit of **the Delegation of the Adult Education Budget (AEB) – Allocation of Funds** review completed in 2020-21; and undertake a further review of the Delegation of AEB in 2021-22 with scope based upon key risks and any issues arising from the audit of AEB providers.

Carry out an internal audit review of the processes in place to ensure GLA staff properly consider issues relating to **EDI in the decision-making process** as they develop strategies and policies or deliver programmes and projects.

Strengthen governance arrangements to deliver Mayoral priorities in this new term.

Mayor budget set out the contribution we will make to the pan-London recovery work across a suite of Recovery Missions and Foundations, and also set out the cost of our Core functions.

An internal audit of **London Power Co.** was in progress to review the framework for management of the contract, with two recommendations subsequently made in June 2021 which are being implemented.

An internal audit of processes in place for the **Adult Education Budget**, including allocation and monitoring of funding, was completed in February 2021, and a 'substantial' rating was awarded.

We published revised new internal guidance with top tips for ensuring that **decision forms are completed to a high standard** so that the forms both provide a solid evidence base for the decision taker and support the GLA's commitment to transparency.

2.5. Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Our arrangements	Actions and key developments 2020-21	Actions for 2021-22
<p>The Chief Officer is the organisation’s most senior official and leads the Corporate Management team. As well as providing corporate leadership, the Chief Officer holds statutory staffing responsibilities (as HoPS). They provide regular updates on staffing and workforce matters to the Assembly’s GLA Oversight Committee; and consult the Committee, and the Chief of Staff on behalf of the Mayor, on proposed staffing changes.</p> <p>We have robust establishment control processes, including a monthly Establishment Control meeting of the Corporate Management team and approval of staffing changes through a Chief Officer forms, which are made public.</p> <p>We have robust processes for appraising and developing our staff (with completion of annual performance reviews monitored corporately), backed by a competency framework and a learning and development programme, including a strategy for management and leadership development.</p> <p>Ensuring a diverse workforce that is representative of London is a priority for the Mayor. The Diversity and Inclusion Management Board, chaired by the Chief Officer and with senior representation including the Mayor’s Chief of Staff, provides governance and oversight of work to drive improvement on EDI in employment practice within the GLA.</p> <p>We publish gender and ethnicity pay gap analyses and action plans. Executive directors oversee delivery of directorate-level</p>	<p>The Mayor made a decision to exercise the break clause in the GLA’s lease on the current City Hall building and relocate City Hall to The Crystal in the Royal Docks, while also taking up additional space at the London Fire Brigade building on Union Street, Southwark. This will deliver substantial savings. The relocation project is on track and critical milestones – such as securing necessary planning permission for changes at the Crystal, letting a refurbishment contract and giving notice on City Hall – were achieved during the year.</p> <p>We continued our work to review and update our people policies, including to reflect the impacts of Covid-19. This included updating the Carers and Dependency Leave Policy and the Bereavement Leave and Pay Policy. We prioritised other policies to support change arising from the GLA budget (Management of Change Policy) and our relocation plans. Our approach to reviewing and updating HR Policies received a substantial rating from the internal audit.</p>	<p>Make a success of the relocation programme and embed hybrid and new ways of working, with modern and facilitative working practices and technology. An internal audit review of the programme will take place.</p> <p>Continue our review of HR policies, with priority likely to be given to policies linked to the GLA budget and the relocation of City Hall.</p> <p>An internal audit review of the processes in place to manage staff wellbeing, including processes implemented during Covid-19.</p> <p>Continue to implement the gender and ethnicity action plans, including responding to the recommendations for the future of Our Time and planning for cohort 3. Our action plans will be reviewed and updated annually in consultation with our staff networks.</p>

Our arrangements

action plans to support the continued development of an inclusive GLA culture.

The Chief Officer is leading a Transformation Programme, with three workstreams:

- talent attraction, management, diversity and inclusion
- new ways of working, covering IT, Human Resources and Facilities Management
- shared services, assessing the scope for greater shared services across the GLA Group

A GLA Group Collaboration Board promotes and oversees collaboration across the GLA Group – making efficiencies and enhancing capacity in areas such as IT; estates and facilities management; procurement; finance and professional services; and housing.

The London Assembly has its own component budget, distinct in law from the Mayoral component, and is supported by the Assembly Secretariat, including research and external relations support. Assembly Members receive a budget to fund support staff, organised in party groups.

Mayoral nominees for eight offices are subject to non-binding confirmation hearings conducted by the London Assembly. The Assembly has the power to veto three further appointments.

The Chief Officer is also the Greater London Returning Officer, with responsibilities in law to deliver efficient and fair elections and encourage the participation not just of voters but of candidates also.

Actions and key developments 2020-21

We increased our capacity to focus on **staff wellbeing** by recruiting two fixed-term staff to promote it.

We launched **remote delivery** of HR functions such as recruitment and training, in light of staff working predominantly from home. Similarly we enhanced our IT support to staff, and made an exception to our Expenses and Benefits Framework to allow staff to purchase kit worth up to £250 to support homeworking.

The **Transformation Programme** workstreams continued to make steady progress, to fully embed new ways of working across the organisation. This included embarking on the digitisation of employees' HR files and early work on developing the anchor-point model as the core approach to using the office in the future.

Our **gender and ethnicity action plans** were reviewed and updated in consultation with all staff with our staff networks. As part of this, we trained Black, Asian and minority ethnic staff to support diverse recruitment panels, and

Actions for 2021-22

Monitor and progress, through the Digital Data and Technology Board, the programme of work required to support the **Digital Data and Technology Strategy**.

Continue working at pace on **GLA Group collaboration**, supporting the Mayor to drive this forward and seizing the opportunity to enhance the GLA's capacity and reduce costs. We are looking to expand areas of collaborative procurement across the Group; modernise our public health provision; and continue to drive value from our collective office estate across London.

Carry out an internal audit review of the control framework for the implementation and management of the **GLA Group Collaboration Programme**.

Carry out an internal audit review of **Establishment Control Management**.

Carry out an internal audit review of programme management for the **Affordable Homes Programme**.

Our arrangements

We have a grant and project management system, GLA Open Project System (GLA-OPS), used by most teams and being progressively rolled out to others.

Links to further information

- [The Mayoral team](#)
- [The Corporate Management Team](#)
- [Gender and ethnicity pay gap reports, action plans and progress reports](#)
- [Information about decision-making thresholds](#)
- [Chief Officer's transformation programme](#)
- [The London Assembly: structure, meetings and reports](#)
- [Chief Officer Forms \(staffing decisions\)](#)
- GLA-OPS

Actions and key developments 2020-21

the Our Time Programme has been evaluated.

The programme of work required to support a new **Digital Data and Technology Strategy** was put in place.

We quickened the pace of **GLA Group collaboration**, through the GLA Group Collaboration Board (and including strengthened project oversight arrangements), to enhance the GLA's capacity and reduce costs. Examples of changes in the year include a new shared recruitment contract with estimated Group-wide savings of £34m over the next four years; and a TfL/GLA planning case management system. Major shared service initiatives in the areas of HR and IT progressed through the analysis stages, with proposals taking shape.

We created more **networks across the GLA Group**, under the auspices of the Collaboration Board, to share knowledge; solve common problems; and provide peer-to-peer support, building expert communities across sectors.

We put appropriate governance in place to prepare for and run the **2021 GLA Elections**, in a way that was Covid-safe,

Actions for 2021-22

Continue to roll out and develop **GLA OPS**, including finalising the improvement work that has been procured.

Our arrangements

Actions and key developments 2020-21

Actions for 2021-22

including an Elections Working Group and an e-count project board.

We made good progress in further rolling out **GLA OPS**, the GLA's grant and project management system, including enhancing our in-house ability to configure the system and reduce reliance on external consultants.

2.6. Managing risks and performance through robust internal control and strong public financial management

Our arrangements	Actions and key developments 2020-21	Actions for 2021-22
<p>The Mayor’s annual Budget Guidance identified financial pressures and includes scenario analysis, from which prudent control totals and savings targets are set, including for the GLA. These are then worked within and developed through an annual budget-setting process that involves a thorough review across programme and corporate spend.</p> <p>The GLA’s Risk Management Framework is regularly reviewed and has received a ‘substantial’ internal audit rating (the highest). Risk registers are maintained at project and programme levels as appropriate. The GLA’s most serious risks are captured in a corporate risk register that is refreshed every six months. The register is reported to the Corporate Management team, the Chief of Staff and the Audit Panel. Risk is also reported through performance reports. Each Executive Director provides an annual assurance statement that risk management is operating effectively – and in line with the corporate approach – within their area.</p> <p>The GLA funds, and is the funder of last resort for, both MDCs (LLDC and OPDC). Regular liaison meetings – chaired by the Mayor’s Chief of Staff and involving the Mayor’s team and senior officials – help maintain a shared understanding of risks and challenges. Governance Directions for both organisations explain and set the parameters for the interaction of decision-making between each body and the Mayorality. The Deputy Mayor for Planning, Regeneration and Skills is a member of both Boards.</p>	<p>As referenced earlier in this document, our governance arrangements proved resilient and adaptable in supporting our response to Covid-19 and homeworking. Therefore, the provisions of Mayoral Decision-Making and the other core governance documents and procedures largely remained, and it was not necessary to suspend them or to invoke emergency procedures. The following provisions were, however, flexed:</p> <ul style="list-style-type: none"> • we conducted an exercise to identify at risk suppliers and offer relief – in the form of flexibilities to contract terms – in line with Cabinet Office guidance • we offered similar flexibilities to those organisations we grant fund and which were affected by Covid-19 • we relaxed the requirement, where not legally necessary, for wet-ink signatures on formal documents, issuing a protocol for the use of electronic signatures and making a related amendment to the Contracts and Funding Code 	<p>Finalise the major refresh of the corporate risk register and an exercise to assure risk management arrangements at the level below corporate risks.</p> <p>Embedding the new approach to performance reporting orientated around the Missions and Foundations set out in the GLA’s budget.</p> <p>Build on the repositioning of the Performance and Governance Team, with it now part of an expanded Group Finance & Performance Unit, and develop a more integrated approach to performance management across the GLA Group.</p> <p>Scope and begin to introduce systems and processes to bring together data and reporting on the state of London, GLA and GLA Group performance.</p> <p>An internal audit review of the framework for corporate governance and decision-making.</p>

Our arrangements

We manage our risks in relation to cybersecurity and make sure everyone in the GLA understands their obligations in relation to this, by undertaking mandatory training.

The Financial Risk Oversight Board meets quarterly while maintaining a register of financial exposure to loans made.

The GLA has robust arrangements for managing projects and programmes – including through recognised methodologies, which are deployed to ensure any major transformation is undertaken effectively.

Quarterly financial and performance reporting is well embedded, tracking spend against budget (actual and forecast), performance indicators and other deliverables. Reports are interrogated and quality assured at quarterly performance meetings, chaired by the Chief of Staff and involving senior responsible officers and Mayoral Advisers. These meetings include a focus on value for money, supporting this by bringing together an assessment of performance and finance – with robust governance for carry-forwards and other budget movements. Quarterly reports are also considered by the Corporate Investment Board and by the Assembly's Budget and Performance Committee.

The Executive Director of Resources' role complies with the five principles set out in CIPFA's Statement on the Role of the Chief Financial Officer.

We place a high priority on anti-fraud work, working with the internal audit to identify areas that have the highest potential for fraud. We regularly review and seek expert input into our

Actions and key developments 2020-21

- we introduced greater flexibility in payments we make through the treasury function.

At the start of the crisis, we reviewed and iterated our **business continuity plans**, identifying business critical teams and individuals and modelling the impact of staff absence. An Emergency Management team was established to oversee the GLA's business continuity response and ensure the organisation continued to function effectively. The rhythm of Corporate Management and Senior Leadership team meetings was quickened, including close monitoring of teams' capacity. Internal communications were stepped up significantly, focusing on staff welfare; and HR policies and procedures were in some regards flexed – for example, to introduce remote interviews for business-critical recruitment, and with regards to working hours. New IT kit and infrastructure to support remote working proved effective and robust.

The **risks with the highest severity** identified on the corporate risk register (at February 2021) related to:

Actions for 2021-22

Keep **Mayoral Decision-Making in the GLA** under review, including to ensure it supports decision-making at the appropriate level and aligns with wider changes to GLA governance.

Finalise the update to our **Financial Regulations** to strengthen financial management.

Embed the new GLA Approvals Meeting process to enhance **procurement governance** and assurance of value for money.

Finalise an update to the **Contracts and Funding Code** to reflect the above, as well as to update expectations pertaining to contract management.

Finalise the update to the **Expenses and Benefits Framework**.

An internal audit review of **Management of Land Assets**..

Complete **counter-fraud audit work** in respect of the Covid SME Grant Scheme and AEB providers, and investigate any further fraud

Our arrangements

Anti-Fraud Framework, which is complemented by Whistleblowing and Anti-Money Laundering policies.

An officer-level Governance Steering Group, chaired by the Executive Director of Resources and meeting quarterly, gives strategic oversight and direction to the GLA's governance activity.

The roles and responsibilities of the Audit Committee are discharged by the Mayor. He is supplemented in this regard by the Assembly's Audit Panel. The Audit Panel has well-established terms of reference, informed by CIPFA guidance. It provides challenge; raises the profile of internal control, risk and financial reporting; provides a forum for the discussion of issues raised by internal and external auditors; and bolsters transparency. The Panel also monitors the development of risk management, whistleblowing, and anti-fraud and corruption practices.

The 25 Members of the London Assembly provide the GLA's scrutiny function. It publishes an annual report detailing its activity during the year.

Mayoral Decision-Making in the GLA (our scheme of delegation) is clear about, and sets strict boundaries for, the value and types of decisions to be taken at different levels – by the Mayor, an Executive Director, an Assistant Director or a manager – as well as the authorisation given to all staff to develop and implement decisions. Decision Forms help make the 'value for money' case for all proposals.

TfL Procurement and Supply Chain lead on providing governance assurance processes for individual procurements, including to

Actions and key developments 2020-21

- the impact of the Covid-19 pandemic on Good Growth, Adult Skills and business continuity
- the impact of the future EU-UK relationship on the GLA and London
- London 2012 Legacy, and in particular the risks associated with the funding of activity delivered by the LLDC
- delivering the Mayor's air quality programme
- delivering the Mayor's affordable homes programme
- ensuring health and safety at City Hall and squares managed by the GLA.

The Corporate Management team began a piece of work to fundamentally **review our corporate risk register** to ensure it is strategic and cross-cutting.

We undertook a major piece of work to **review our quarterly performance and finance reporting**, reorientating our approach around the new budget structure (missions, foundations and core areas) and thinking afresh about our key performance indicators and actions. We also made progress in our work to provide a better view, internally and externally, of the **state of London** and the

Actions for 2021-22

allegations that may arise during the year.

An internal audit review of effectiveness of the governance and security arrangements in place for **cloud computing**.

An internal audit of the financial risk management arrangements in the **Planning Service**.

An internal audit of the arrangements and processes in place for managing **loan agreements** including the recording of loans, monitoring, reconciliation procedures and management information produced.

An internal audit of the **equipment assets register, including asset management and disposal**, and reviewing the processes in place for recording and management of IT equipment and software.

Carry out an internal audit of the **control framework for managing the GLA budget**.

Our arrangements

help deliver value for money and effectively manage commercial risks. This is under the overall oversight of the Executive Director of Resources. For the larger and more significant procurements, the relevant forum is the GLA Approvals Meeting, which includes representation from procurement professionals and the relevant contract leads at the GLA.

Links to further information

- [Risk Management and Anti-Fraud frameworks, and other GLA procedures supporting robust internal control](#)
- [The GLA's Audit Panel, including six-monthly corporate risk register reports, audit reports and progress updates against the Annual Audit Plan](#)
- [The Assembly's Budget and Performance Committee, which in 2020-21 received the GLA's quarterly finance and performance pack](#)

Actions and key developments 2020-21

outcomes we and our partners are seeking to deliver for London.

The **Mayoral Decision-Making in the GLA** document was kept under review and two changes were made during the year to reflect revised governance arrangements for the Adult Education Budget, and the new Affordable Homes programme.

Building on new disciplines introduced as part of the 2021-22 budget-setting process, including to support the setting of more accurate staffing and other budgets, we identified changes to our **Financial Regulations**. These make more robust our approach to in-year budget management, forecasting and carry-forwards.

An internal audit review of the control framework for **expenses and benefits**, including credit cards, was completed and provided adequate assurance. There were four recommendations for action wholly or partly accepted.

We reviewed and updated the **Anti-Fraud Framework**, including refreshing our schedule of fraud risks and actions to reduce them. We also updated our **Anti-**

Actions for 2021-22

Carry out an internal audit to ensure that key controls for **material financial systems** are operating effectively.

Carry out an internal audit of the **General Ledger Control Framework**.

Ensure compliance with the new **Subsidy Control** regime.

Carry out ongoing review and development of **GLA Land and Property Ltd governance**, business planning and budgets to maximise delivery of affordable homes and support other priority outcomes, while retaining robust assurance arrangements for the company

Continue **the development of investment arrangements** to combine investments under the LSR and the Group Investment Syndicate under one fund.

Review the **AEB Assurance Framework** by August 2021 (ahead of the start of the academic year) to ensure arrangements fit for

Our arrangements

Actions and key developments 2020-21

Actions for 2021-22

Money Laundering (AML) Policy to reflect new roles as well as some changes in AML regulations.

During 2020-21 we identified the following **suspected or alleged frauds** affecting the GLA, into which the internal audit undertook investigations:

- our Covid-19 response SME grant scheme
- potential contract breaches by two separate AEB providers
- the Culture Seeds grants scheme.

In addition, we continued to be vigilant to the risk of cyber-fraud, including **phishing invoices**. One such attempted fraud is now with the Police to investigate further.

The compulsory e-learning module relating to our recently adopted **Cybersecurity Policy** was rolled out to all staff.

The Head of Internal Audit reported in the 2020-21 Annual Report that 'the GLA has an **adequate internal control environment** which is generally operating effectively'.

The Annual Audit Plan was delivered. Of the 11 **risk assurance audits** undertaken

purpose to manage the AEB effectively, supporting the GLA's commitment to openness and transparency.

Prepare a monthly update report for Chief of Staff, Chief Officer and Chairman of Audit Panel on **cyber security**.

and reported on in 2020-21, four (36 per cent) received a 'substantial' assurance rating; and seven (64 per cent) received an 'adequate' rating. By comparison, in 2018-19, there were 12 audits: four resulting in substantial assurance, and seven in adequate assurance; and one receiving a 'limited' rating. Of the 25 recommendations made in respect of the 2020-21 audits, 24 were accepted by management.

There were nine **follow-up reviews** in 2020-21; of these six (67 per cent) received a 'substantial' rating and three (33 per cent) an 'adequate' rating. Of the 37 recommendations, 23 had been fully implemented, 12 partly implemented and two not implemented. To strengthen the governance structures and investment outcomes of the **London Strategic Reserve (LSR)**, a new wholly owned subsidiary of London Treasury Limited, a GLA company, was incorporated in November 2020 (LSR GP Limited) to act as the general partner of the new investment partnership.

We reviewed and published the **AEB Assurance Framework** by August 2020 (ahead of the start of the academic year).

Our arrangements

Actions and key developments 2020-21

Actions for 2021-22

A further update based on a change in decision-making was completed in this year, and was published in February 2021.

2.7. Implementing good practices in transparency, reporting and audit, to deliver effective accountability

Our arrangements	Actions and key developments 2020-21	Actions for 2021-22
<p>We publish extensive information, including:</p> <ul style="list-style-type: none"> • interests, gifts and hospitality and expenses for the Mayor, Assembly Members, Mayoral Advisers and senior GLA officers • details of Senior Officer responsibilities, salary data and a GLA organogram • all payments over £250 • Mayoral, Director and Assistant Director decision forms, setting out clearly the rationale for the GLA’s significant decisions and the resource supporting them • Freedom of Information Act (FOIA) responses • Nearly 1,000 datasets on the London Datastore, helping people to understand the city and develop solutions to London’s challenges • the results of our monthly poll of 1,000 Londoners (again published on the London Datastore) <p>The Mayor publishes an Annual Report each year, providing an overview of achievements, ahead of the State of London Debate (the latter did not take place in 2020-21, in line with flexibilities granted by the government in response to Covid-19; however, an update against Mayoral Strategies was still published).</p> <p>We communicate to staff records management guidance, cybersecurity training and any other related actions as they arise.</p>	<p>We redesigned the ‘front end’ of the GLA’s Annual Accounts to make the document more accessible and informative to the lay reader.</p> <p>Some 863 Freedom of Information requests were received in 2020-21. We responded to just under 89 per cent within deadline.</p> <p>There were 10 data breaches reported during the financial year, none of which required notification to the Information Commissioner.</p> <p>New Records Management guidance was issued for staff to assist them to review and remove physical records held in the current City Hall and in Union Street, as new working arrangements at the Crystal and Union Street will involve a significant reduction in the availability of storage for paper-based records.</p> <p>All staff were required to conduct GDPR and cybersecurity training as part of a mandatory e-learning package to improve corporate awareness of personal data-related risks.</p>	<p>Continue to implement the recommendations from the internal audit follow-up review of GDPR implementation, while continuing to strengthen GLA processes and practices in this area; increase organisational awareness of our responsibilities in handling personal data; and further minimise our exposure to data-protection related risks.</p> <p>An internal audit review of Records Management to review the framework for the creation, maintenance, storage, use and disposal of GLA records in line with corporate governance processes and statutory requirements.</p>

The Directorate of Audit, Risk and Assurance, as part of MOPAC, provides the internal audit service for the GLA under a shared service agreement. Its Charter is reported annually to the Audit Panel and defines the purpose, authority, responsibility and scope of activity of the internal audit function, and position within the GLA.

The internal audit service develops an annual, risk-based plan, having engaged with those charged with governance. It aims to provide assurance on both the effectiveness of the management of risks to the achievement of agreed objectives and on compliance with GLA policies and procedures and externally arising regulations and the law. Progress against the plan is reported to each Audit Panel meeting.

Management responds to the internal audit service's recommendations form, for each audit, with an action plan that is reported to Audit Panel. The internal audit service then checks progress through a follow-up review.

The external auditor produces an annual Audit Results Report, providing its judgement on whether the GLA's financial statements gave a true and fair view of its financial position; and whether the GLA had in place proper arrangements to secure value for money in its use of resources. Robust processes exist to address any issues arising.

Links to further information

- [Transparency portal making readily accessible a host of governance and other information](#)
- [FOIA disclosure log](#)

We have worked to improve the quality of our **decision forms** so that they are more accessible to the informed Londoner.

- [The Mayor's Annual Report](#)
 - [Internal Audit Charter](#)
 - [GLA Statement of Compliance with the UK Statistics Authority's Code of Practice for Statistics](#)
 - [London Datastore](#)
-

3. London Assembly scrutiny of governance issues

- 3.1. The London Assembly has a key role to play in holding the Mayor to account and scrutinising GLA governance, services and functions.
- 3.2. The Assembly provides regular challenge of the GLA's governance arrangements in a number of ways:
- Mayor's Question Time, where the Mayor is required to attend 10 meetings of the Assembly per year to answer Assembly Members' questions
 - responses to statutory consultations, principally relating to Mayoral strategies and the Mayor's budget, and formal consideration of the Mayor's draft budget and draft strategies
 - holding confirmation hearings for key appointments
 - the work of scrutiny committees
 - other work on internal corporate governance.
- 3.3. Mayoral nominees for eight offices are subject to non-binding confirmation hearings conducted by the London Assembly. The purpose of the confirmation hearing, which is held in public, is to establish whether a candidate has the ability to do the job and is fit for office. The Assembly does not have the power to veto an appointment, and its recommendations are not binding on the Mayor. The eight offices to which non-binding confirmation hearings apply are:
- Chair and Deputy Chair of Transport for London
 - Chair of the London Cultural Strategy Group
 - Chair and Deputy Chair of the London Pensions Fund Authority
 - Chair of the London Waste and Recycling Board
 - Chair of a Mayoral Development Corporation (of which there are currently two).
- 3.4. In the case of three further appointments – the London Fire Commissioner, the Deputy Mayor for Fire and Resilience, and the Deputy Mayor for Policing and Crime – the relevant Assembly committee has the power to exercise a veto, which is binding. In the case of the Deputy Mayor for Fire and Resilience, and the Deputy Mayor for Policing and Crime, the veto may only be exercised where the candidates are not Assembly Members.
- 3.5. The next section details governance and related issues raised by the Assembly in 2020-21.

2021-22 budget for the GLA Group

- 3.6. In accordance with the requirements of the GLA Act 1999 (as amended), there is a two-stage budget-setting process. At the draft budget stage (January), the Assembly is able to amend the statutory figures that make up the consolidated budget requirement in the GLA

Act by a simple majority. The Mayor is under a duty to respond to any amendments passed when he presents his final budget. At the final draft budget stage (February), the Assembly is able to amend the statutory figures that make up the consolidated budget requirement by a two-thirds majority of Assembly Members present and voting. At this stage, amendments agreed by the requisite majority are binding.

- 3.7. Following the significant financial impact of the Covid-19 pandemic, the Budget and Performance Committee undertook a detailed review of the financial situation of the GLA Group. This was followed by the annual scrutiny process of the Mayor's draft budget proposals, which was the most intense assessment of this Mayor's budget conducted to date.
- 3.8. At its meeting in January 2021, following consideration of the draft budget, the Assembly considered a budget amendment from the City Hall Greens Group, which was not passed. The amendment is appended to the published minutes of the meeting.
- 3.9. At its meeting in February 2021, following consideration of the final draft budget, the Assembly considered two budget amendments, from the City Hall Greens Group and the GLA Conservatives Group, but did not agree the amendments by the requisite majority. The Assembly was therefore deemed to have approved, without amendment, the Final Draft Consolidated Budget for 2021-22.
- 3.10. The Budget and Performance Committee has the responsibility of examining the Mayor's draft budget before it is voted on by the full Assembly. In January 2021, the Committee concluded its scrutiny of the Mayor's budget proposals, publishing its response to the Mayor's draft consultation budget 2021-22. This made a final round of recommendations for the Mayor.
- 3.11. The Committee published the 'Response to the Mayor's draft consultation budget 2021-22' document, which called on the Mayor to:
 - ensure that TfL continues to work to secure a long-term sustainable funding deal with the government
 - set out how the Mayor's 1,000 additional police officers would be funded in the event of the anticipated business rates restructure
 - ensure that the OPDC works with the Planning Inspector to deliver its commitment to have an agreed local plan by the end of 2021.
- 3.12. The Committee raised concerns about the Mayor's Final Budget 2021-22, which included an additional £182.8 million of business rates and council tax income when compared to the draft budget that was presented to the Assembly in January. In the Committee's view, this resulted from an incorrect assumption for business rates income. The Assembly took the view that this raised questions as to how the income forecasts from business rates and council tax were so misstated for so long.

Strategies and plans

- 3.13. The Mayor is statutorily required to consult the Assembly on certain strategies. Assembly committees usually respond to such consultations on the Assembly's behalf and the consultation responses are published on london.gov.uk, prior to the final version of the strategy being submitted to the full Assembly.
- 3.14. In addition, the Mayor must lay before the London Assembly the final versions of those strategies prior to their publication. Under the provisions of section 42 of the GLA Act 1999 (as amended), the Assembly has the power to consider and potentially reject draft strategies within 21 days of their submission, including the date the draft strategy is laid before the Assembly. No strategies were submitted by the Mayor for the Assembly's consideration in 2020-21.

Confirmation hearings

- 3.15. During 2020-21 there were no Mayoral appointments that were subject to the London Assembly's confirmation hearings process.

Governance in the Mayoral Development Corporations

- 3.16. The two Mayoral development corporations – the OPDC and the LLDC – are kept under review by the Assembly via its Plenary meetings and two Assembly committees: the Planning and Regeneration Committee, and the Budget and Performance Committee. The Budget and Performance Committee receives a quarterly monitoring report from the LLDC on spending and capital performance.
- 3.17. On 15 January 2021, a report from the London Assembly Budget and Performance Committee revealed that in their view the OPDC has spent £42.7 million, and after five years, the Committee has yet to see substantive development on delivering new jobs or homes to the area. The report concluded that Covid-19 is projected to have a substantial impact on the GLA Group's finances through both additional expenditure requirements and loss of income. It also concluded that difficult choices would need to be made to address these emerging pressures and the viability of the OPDC's plans; and the value of continued investment at the scale currently envisaged should be considered in this light.
- 3.18. On 16 January 2021, a report from the London Assembly Budget and Performance Committee on the LLDC warned that the London Stadium, the home of West Ham United, is costing Londoners more than £8 million per year to run. If West Ham were to be relegated to the Championship, this cost could increase by £1.5 million. The report also concluded the following:
- Covid-19 has added substantially to construction and development costs for LLDC's flagship regeneration scheme, the East Bank. While the true cost of Covid-19 to the scheme is still being modelled, confirmed costs to the taxpayer have already increased by £137 million. Costs were already growing prior to Covid-19, increasing by 22 per cent between June 2018, when the Mayor publicly launched the project, and the 2020-21 Budget.
 - Despite being an entertainment hub, the Stadium has made less of a loss during the pandemic because there are no events being put on.

4. Conclusion and disclosure

- 4.1. The GLA had sound arrangements in place for corporate governance during 2020-21. This statement reflects explicitly on the arrangements that were in place and developments that occurred from April 2020 to April 2021. Monitoring of the GLA's arrangements is, however, ongoing. By virtue of their signatures below, the Mayor and the Chief Officer confirm also that no developments or events have occurred, from April up to the date of approval of this draft AGS, that bear materially on the soundness of the GLA's governance arrangements.

(to be signed when final version is issued)

Sadiq Khan

Mayor of London

Date: 30 July 2021

Mary Harpley

Chief Officer (and Head of Paid Service)

Date: 30 July 2021

Appendix: Mayoral directions issued to the GLA's functional bodies in 2020-21

The Mayor is careful to issue directions only when it is appropriate to do so. Directions are published on the GLA website as part of the routine publication of all Mayoral decision forms and also reported to the Assembly. In 2020-21 five directions were issued as below ('MD' refers to Mayoral Decision reference number). This compares with eight directions issued in 2019-20.

MD	Body	Title	Date	Decision
2642	TfL	Proposed temporary changes to free travel arrangements for older Londoners	03/06/20	The Mayor, in exercise of the powers conferred on him by section 155(1)(c) of the Greater London Authority Act 1999 ("the Act") and in pursuance of his duty under section 174 of the Act, hereby directs TfL that the level and structure of fares to be charged for public passenger transport services provided by Transport for London or by any other person in pursuance of an agreement under section 156(2) or (3)(a) of the Act or in pursuance of a transport subsidiary's agreement shall from the 15th day of June 2020 be changed so that the 60+ Pass and Older Persons' Freedom Pass will no longer be valid between the hours of 0430 and 0900 hours on weekdays, excluding bank holidays.
2648	TfL	Temporary changes to the congestion charge to support the Streetspace for London plan and TfL's response to the Covid-19 pandemic	15/06/20	The Mayor directs TfL, pursuant to section 155 of the Greater London Authority Act 1999, to exercise its functions in Schedule 23 of that Act for the purpose of further engaging with local authorities and charities with a view to establishing rules for a new congestion charge reimbursement arrangement for workers, including volunteers, who are providing services on behalf of a local authority or charity in direct response to the pandemic.
2661	TfL	London Vehicle Scrappage Scheme Amendment	10/9/20	In accordance with section 155(1)(c) of the Greater London Authority Act 1999 the Mayor hereby directs TfL to prepare, finance and implement the schemes developed and operated by it in accordance with the (above) Mayoral Delegation including (without limitation) the preparation, financing and

				implementation of a scrappage or retrofit scheme in respect of heavy vehicles (which includes lorries, coaches and buses).
2724	TfL	Financial support fund for Seven Sisters market traders	30/11/20	<p>Under section 38 GLA Act, I hereby authorise TfL to exercise the Mayor's powers under sections 30 and 34 GLA Act for the purposes of: -</p> <ul style="list-style-type: none"> • making available and administering a fund of £500,000 to be used to provide financial support to Seven Sisters Market traders pending the relocation of the market to its new temporary site at Apex Gardens • doing anything else that is required by the associated Direction.
2730	TfL	March 2021 fare changes	14/01/21	<p>In exercise of the powers conferred on me by section 155(1)(c) of the Greater London Authority Act 1999 ("the Act") and in pursuance of my duty under section 174 of the Act, I hereby direct TfL that the level and structure of fares to be charged for public passenger transport services provided by TfL or by any other person in pursuance of an agreement under section 156(2) or (3)(a) of the Act or in pursuance of a transport subsidiary's agreement shall from the first day of March 2021 be in accordance with Schedules A and B attached hereto.</p>