

TRANSPORT FOR LONDON

BOARD

SUBJECT: GLA GROUP GOVERNANCE MATTERS

DATE: 10 FEBRUARY 2009

1 PURPOSE AND DECISION REQUIRED

- 1.1 The purpose of this report is to update the Board on the progress of the ongoing GLA governance initiative. The Board is asked to note this report and to approve the attached GLA Corporate Governance Framework.

2 BACKGROUND

- 2.1 At the meeting on the 28 January 2009 the Audit Committee reviewed the draft GLA Corporate Governance Framework and recommended that the Board approve the document.
- 2.2 Two recent reviews have been undertaken of governance arrangements at the GLA. Following his election in May the Mayor announced the formation of a Forensic Audit Panel, under the chairmanship of Patience Wheatcroft, to investigate the financial management and controls at the London Development Association (LDA) and the GLA. Prior to this a Corporate Governance review of the GLA was commissioned by the GLA's former Chief Executive towards the end of the previous Mayoral administration. This review has subsequently been completed and a report issued. The Corporate Governance Review Implementation Team was subsequently set up within the GLA to take forward the actions which had been identified. This report focuses upon developments arising from the Corporate Governance review. Any relevant initiatives that are taken forward to address the recommendations of the Forensic Audit Panel report will be reported to the Audit Committee when they are developed.
- 2.3 The main actions identified by the Corporate Governance Review Implementation Team to address the findings from the review were to:
- (a) prepare a GLA Group Corporate Governance Framework for agreement by the Mayor and the Boards of the Functional Bodies;
 - (b) prepare a framework for GLA Group declarations of interest and gifts and hospitality;
 - (c) agree a Code of Practice for Mayoral appointments; and
 - (d) review the GLA Scheme of Delegations.

- 2.4 The approach to be taken to ensure practical solutions requires:
- (a) that frameworks should be high level and generic with methods of implementation left to each Functional Body to undertake as appropriate; and
 - (b) declarations of interest, whistle blowing etc. should be undertaken by each organisation, but to common principles across the Group - wider issues would be covered on a collective basis where appropriate.
- 2.5 The Corporate Governance Framework provides a structure for governance arrangements and interrelationships with the various functional bodies in the group. TfL has broadly welcomed the outline proposals made, but will continue to work with the GLA to ensure that detailed proposed arrangements, once approved, are practical and likely to be effective.
- 2.6 TfL has now been provided with a draft of the GLA Corporate Governance Framework along with a request that it be passed through the normal governance process for review and approval. The Audit Committee has reviewed the draft Framework and recommends the Board approve it.
- 2.7 The GLA has set a target of March 2009 for full implementation of the Framework. The draft Framework, along with the covering letter from the GLA, is attached as Appendix A. A number of points relating to syntax and definition have already been identified and will be fed back to the GLA as part of the overall response.

3 GLA CORPORATE GOVERNANCE FRAMEWORK

- 3.1 The Framework Agreement will be a voluntary undertaking on the part of the GLA Group, nevertheless, it will represent a clear commitment on the part of the signatories to undertake its requirements.
- 3.2 The general requirement highlighted within the draft Framework is that:
- Each organisation within the GLA Group will ensure that its decision-making and decision-reporting systems are open and transparent, going beyond the basic statutory requirements where possible, in order to ensure that the requirements of democratic accountability and the public interest are met in full.*
- 3.3 The key requirements from each organisation within the GLA Group are:

Codes of conduct

- (a) An effective (statutory or non-statutory as applicable) Code setting down the requirements for, and to govern the activities of, its elected members and/or board members and independent members (when acting in that capacity).
- (b) A similar Code setting down the requirements for, and to govern the activities of, its staff.

Roles and responsibilities

- (c) A statement of high-level responsibilities and objectives that are undertaken either by its elected members, by its board and by its chief officers in terms of delivery of Mayoral strategies and priorities.
- (d) The recording and dissemination of details of the role of officers responsible for corporate governance within the organisation and the systems in place to deal with Standards-related issues.

Complaints and correspondence

- (e) A clear, generally available, codified system setting down the systems in place to manage the relationship between that organisation and the GLA.
- (f) An effective and clear process for the handling of correspondence from the public, press and elected politicians.

Registration and declaration of interests, gifts and hospitality

- (g) A regime for the registration and declaration of interests and gifts and hospitality by elected members, board members, independent members, officers appointed by the Mayor and all other officers.

The London Assembly

- (h) A demonstrably proactive and positive approach to engagement with the London Assembly.

4 TfL GOVERNANCE ARRANGEMENTS

- 4.1 While TfL remains generally supportive of the corporate governance initiatives, there is already in place a robust and effective governance regime across the organisation. TfL's governance arrangements follow the CIPFA/SOLACE governance framework established for UK local authorities in 2001. The framework was revised and updated in 2007 and TfL has reviewed its internal processes to ensure ongoing compliance. In support of this established model, TfL also has a well-developed system for corporate governance assurance to assess the ongoing degree of compliance with governance arrangements across the Group. This includes an annual compliance review process and a consequent assurance report, reviewed by the Audit Committee, and signed-off by the Commissioner and the Chair of the TfL Board. It is intended that these procedures will be further enhanced following a full review of the arrangements prior to the 2009 compliance review and sign-off process.
- 4.2 The CIPFA/SOLACE framework takes a holistic approach to governance, including the following key principles: Leadership, Relationship Management, Standards of Conduct, Risk Management, Capacity Development, Public Accountability. This approach is, in many respects, more extensive than the arrangements so far proposed under the GLA initiative. The focus of the latter has, to date, been upon standards and clarity of responsibility.

- 4.3 In virtually all cases, TfL already has protocols and processes either fully, or substantially, in place to address the requirements of the draft framework. An initial review of how TfL complies with the various requirements is summarised as Appendix B. A more in-depth review of the specific levels of compliance will be undertaken as part of TfL's Annual Statement of Governance Review.
- 4.4 The only area where current TfL arrangements differ significantly from the Framework requirements is for item (e) – a codified system for managing the detailed relationship between TfL and the GLA. There are processes already in place that cover elements of this relationship management. These include a dedicated team in Group Marketing and Communications to manage the relationship between TfL and the London Assembly and other liaison and consultation processes across the Group. Additional work is already in-hand to further develop these arrangements to enable TfL to comply with the requirement as set out in the Framework.

5 RECOMMENDATION

- 5.1 The Board is asked to NOTE this report and APPROVE the attached GLA Corporate Governance Framework.

6 CONTACT

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APPENDIX A

Interim Chief Executive

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GLACE

1 December 2008

CORPORATE GOVERNANCE REVIEW

Following the creation of the Implementation Group in September, we have, as you know, been talking with the organisations in the GLA Group about the proposed framework agreement.

The Mayor and leading members of the London Assembly have considered the draft document that we have discussed and it has also been considered within each of the Assembly's party groups. The draft agreement (attached) has now been given 'in principle' approval, albeit informally at this stage.

I have also been considering the most appropriate sequence of events to achieve adoption and implementation of the agreement. My view is that the framework agreement should properly be signed off here at City Hall with final approval by the Mayor and the Assembly at the end of the process of consideration and adoption by each of the functional bodies, at which point it would become operational.

I would therefore ask you to –

- submit the draft agreement for your board-level consideration and approval,
- let John Bennett (john.Bennett@london.gov.uk) have details of the committees/panels which need to look at the draft agreement and dates when it will be considered and
- after each meeting, let us have an indication whether there were any points or issues arising so that, as the agreement etc is considered by each organisation, we can be sure to relay any comments made to others in the approval chain without delay and address any concerns.

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Thank you for your continued assistance.

JEFF JACOBS
Interim Chief Executive

Framework Agreement

Preamble

This Framework Agreement relates to the various statutory (and, where relevant, non-statutory) powers and duties given to the key 'agents' within the GLA Group – the Mayor of London, the London Assembly, the chief officers of the Greater London Authority, the Functional Bodies – setting out the respective roles and responsibilities of these 'agents' and then the ways in which those agents do and should relate to each other.

The purpose of this Agreement is to codify the terms on which such interaction within the Group takes place. This is designed to ensure and enhance clarity, cohesion and collective action in pursuit of improvements to the lives of Londoners through effective governance. It then goes on to provide summary information in relation to the respective and relative roles and responsibilities of those 'agents' that comprise the Group.

This Framework Agreement represents a voluntary undertaking on the part of the GLA Group. It has no legal force or effect and does not detract from any of the full range of statutory powers, duties and responsibilities held by those within the Group. It does, however, represent a clear commitment on the part of the signatories to undertake the requirements of this Agreement.

Principles

The Principles upon which this Agreement is based are:

- The nine established principles that underpin effective and ethical corporate governance in public service (as set out in the national model Code of Conduct for elected members):
Selflessness; Honesty and Integrity; Objectivity; Accountability; Openness; Personal Judgement; Respect for Others; Stewardship; Leadership.
- The promotion of a culture and individual behaviours that:
Demonstrate and support the nine core principles; enhance openness and transparency; strengthen coordination across the GLA Group; ensure effective and efficient service delivery to Londoners.

These principles are set out and examined in the GLA Group Corporate Governance Review Panel's report (presented to the Mayor and London Assembly on 31 July 2008). The Report recommended the establishment of a Framework Agreement between the organisations that together comprise the GLA Group.

Part A

Framework Agreement

This agreement is made between the Greater London Authority (GLA), the London Development Agency (LDA), Transport for London (TfL), Metropolitan Police Authority (MPA) and the London Fire and Emergency Planning Authority (LFEPA), collectively known as the GLA Group, and is entered into by the Group to demonstrate the way that the Mayor through the GLA and the GLA Group will interact and work towards the development and implementation of the Mayor's strategies and priorities.

It demonstrates the commitment of the GLA's elected members, the Mayoral appointees, the members of the boards of the functional bodies, and officers within the Group to behave in an open and transparent way and to be properly accountable for their actions and behaviours.

Each organisation within the GLA Group will act in accordance with their statutory duties and responsibilities and act to ensure that all decisions are taken in full compliance with both the need to act lawfully and in accordance with the codes and rules of the authorities and the requirements upon elected members, Mayoral appointees, board members and staff to demonstrate selflessness, honesty and integrity, objectivity, accountability, openness, personal judgement, respect for others, stewardship and leadership.

It is hereby agreed that:

General requirement

1. Each organisation within the GLA Group will ensure that its decision-making and decision-reporting systems are open and transparent, going beyond the basic statutory requirements where possible, in order to ensure that the requirements of democratic accountability and the public interest are met in full. As such, each organisation will have codified decision-making and decision-reporting procedures, including setting out the principles that govern those procedures.
2. Each organisation within the GLA Group will ensure that:

Codes of conduct

- (a) It has in place an effective (statutory or non-statutory as applicable) Code to set down the requirements for, and to govern the activities of, its elected members and/or board members and independent members (when acting in that capacity). This Code is to be regularly reviewed by the organisation's Standards Committee or board (as appropriate). The organisation is to have clear, codified and robust systems in place to manage alleged breaches of that Code.
- (b) It has in place an effective (non-statutory) Code to set down the requirements for, and to govern the activities of, its staff. This Code is to be regularly reviewed. There will be clear, codified and robust systems in place to manage alleged breaches of that Code.

Roles and responsibilities

- (c) It has in place a statement of high-level responsibilities and objectives that are undertaken either by its elected members, by its board and by its chief officers, in order to ensure clarity in relation to the respective and relative role of each part of the GLA Group in terms of delivery of Mayoral strategies and priorities; the statement to include references to the organisation's corporate plan objectives and priorities, the precise duties of its board (where relevant) and chief officers (to include a scheme of delegation of functions granted by the executive to individual members / board members / independent members / officers) and the corporate values it seeks to promote in relation to its operations.
- (d) It sets out and promulgates widely details of either the role of its statutory Monitoring Officer and/or the other statutory officers, and/or senior officers responsible for corporate governance within the organisation and the systems in place to deal with Standards-related issues.

Complaints and correspondence

- (e) Each Functional Body will ensure that it has a clear, codified system, that is made generally available, setting down the systems in place to manage the relationship between that organisation and the GLA (noting that contact on policy issues will ordinarily take place between senior officers of the respective organisations); this codified system will include confidential reporting arrangements for the board members and chief officers of a functional body to report to the Mayor any proper concerns they may have in respect of the actions of any Section 67(1) appointee involved (for example, where it is not clear that the Mayoral adviser is acting on the Mayor's explicit authority, or where it appears that instructions are being given to the functional body in the absence of any Mayoral Direction).
- (f) The GLA Group will develop and maintain procedures to allow anyone to make complaints in relation to probity and conduct issues, which will then be managed through a proper process (which could protect the identity of the complainant where requested and/or where necessary and appropriate); the process for dealing with the complaint will include independent review and the provision of feedback arising from that review both to all relevant parts of the GLA Group (including the Mayor as necessary) and to the directly relevant senior officers within the particular organisation, for further action to be taken as necessary.
- (g) It has in place an effective and clear process for the handling of correspondence from the public, press and elected politicians; and that this process is codified.

Registration and declaration of interests, gifts and hospitality

- (h) It has a regime in place in relation to the registration and declaration of interests and gifts and hospitality by elected members, board members, independent members, officers appointed by the Mayor and all other officers. The register of interests will include interests that are direct or indirect, and pecuniary and non-pecuniary and will include details of other positions held across the GLA Group. These registers will be available to the public via the organisations' websites, allow for the sharing of all registers of interests between each constituent body in the Group, and will be kept up to date.

The London Assembly

- (i) It has a demonstrably proactive and positive approach to engagement with the London Assembly, including a proper allocation of resources within each organisation required to deal with queries from the London Assembly and its Members with codified systems, made generally available, in place to deliver responses as priority matters (in order that there is no, or much less, need for the Assembly to use its statutory powers on other parts of the Group to undertake its normal functions).

Consistency across the Group

- (j) These codes, documents and procedures are to be developed, maintained and revised in liaison with the GLA's Monitoring Officer in order to ensure consistency across the Group in respect of the principles that underpin the policies and processes.
- (k) Each organisation within the GLA Group will ensure that: it has specific senior post(s) within its staff establishment with responsibility for ensuring continual compliance with the requirements of this agreement, who will, as part of fulfilling this responsibility, meet regularly with the other relevant officers from across the Group to ensure Group-wide compliance and consistency; and that all documentation falling within the terms of this Agreement (as set out above) is held together centrally (by being made available on that organisations website), under the responsibility of specified senior officers, whose responsibility it shall be to maintain and regularly review all such documentation, and to ensure that is easily accessible to elected members, board members, independent members and all officers.
- (l) The GLA Group will ensure that all systems and documentation falling within the terms of this Agreement (as set out above) is used as a integral part of the induction process for its elected members, board members, independent members and officers, and that regular training on these areas is provided over time.

4. The Greater London Authority will ensure that:
- (m) A code of practice to govern the process for mayoral appointments (the 12 positions under section 67(1) of the GLA Act 1999) and the Mayor's appointments to functional body boards is codified and made generally available; and then that information in relation to Mayoral appointees in respect of their lines of accountability (including those that relate to the functional bodies) for each such member of staff is prepared, kept up to date and regularly circulated.
 - (n) The particular roles and responsibilities of each officer appointed by the Mayor, including setting down objectives and any areas where they are constrained in law or by particular circumstances from taking action, are codified and made generally available.
 - (o) The detailed terms of any appointment by the Mayor of any elected GLA member, including setting down specific objectives and any areas where they are constrained in law or by particular circumstances from taking action, are codified and made generally available.
 - (p) The detailed terms of any appointment by the Mayor and London Assembly of the GLA's statutory officers, including setting down any specific objectives and general responsibilities, are codified and made generally available.
 - (q) The Scheme of Delegation of Mayoral Functions is regularly reviewed, updated (as necessary) and widely disseminated across the Group; and that it makes clear that GLA officers, who may give advice to the Mayor and others, cannot formally act on behalf of the Mayor (including by seeking to instruct officers in the Functional Bodies) unless it is on the explicit and demonstrable basis that they are acting on behalf of the Mayor (namely that there is a related Direction or a specified delegation of authority).
 - (r) That a system to record and make generally available any formal decisions made by Section 67(1) appointees in respect of the functional bodies is established.
 - (s) The detail of each decision taken by the Mayor through the Authority's decision-making process is made generally available immediately following the Mayor's formal authorisation, except in cases where exemption is required.
 - (t) The detail of each decision taken by the Mayor to provide a statutory Direction or guidance to the relevant Functional Bodies and/or other relevant agencies is, once issued, made generally available.

The GLA's Standards Committee

5. That the GLA's Standards Committee will review the implementation and operation of this Agreement over time.

Signatories of each of the bodies and GLA:

Part B

The responsibilities of the Mayor

1. The Mayor's executive powers mainly derive from legislation passed nationally¹ and are exercised through the following principal mechanisms:
 - Developing pan-London strategies and implementing them
 - Directing the work of – and making appointments to – public bodies
 - Taking financial decisions
 - Acting for the good of London.

These are set out in more detail below.

2. One of the key roles of the GLA is to ensure that, through the Group as a whole, the Mayor's vision and priorities for London are delivered, as effectively and efficiently as possible and that the best use is made of the scarce resources available to the Group. The authority adds value by bringing together expertise and specialist skills and using its influence and powers to get things done.
3. Since the creation of the GLA in 2000, a range of mechanisms have been put in place to facilitate collaborative working across the GLA Group reflecting the different statutory relationship between the Mayor and each functional body and their status as separate legal entities. The objective of this approach has been to ensure that acting together as citywide public bodies, the GLA Group is far greater than the sum of its parts.
4. Policy leadership and direction of the Group is set by statutory and other mayoral strategies and policies. For the group to provide effective regional government for the capital it is necessary to focus the organisations within the group more effectively, as a whole, on service delivery and strategy implementation, through greater collaboration and integration. This will ensure that the Group as a whole: shares the Mayor's vision of London and engages effectively in turning that vision into reality; communicates more effectively with staff across the Group and service providers; make best use of available resources; and remains fit for purpose and capable of responding to a rapidly changing environment.
5. The Mayor expects the GLA Group to play a major role in implementing his vision for London and in carrying out his statutory responsibilities. The GLA and its officers will play a major role in helping to embed collaborative work in every area of the GLA Group's work and ensuring the group effectively serves London.

¹ The key piece of legislation is the GLA Act 1999 which set up the GLA group bodies in their current form. Other relevant pieces of legislation include the Local Government Act 2003 (providing the GLA with additional borrowing powers), the London Olympic Games and Paralympics Games Act 2006 (enabling the infrastructure to be developed for the 2012 Olympics in London) and the GLA Act 2007 (providing the Mayor with some additional powers, particularly in the area of affordable housing). Some of the Mayor's powers derive from letters of assurance or other forms of agreement between the different tiers of government in London; examples include administration of European funds and appointment to the boards of leading cultural bodies.

6. Mayoral Directions and Delegations to the functional bodies (where provided for by the Greater London Authority Act 1999, as amended) have an instrumental part to play in facilitating collaborative working and delivering effective regional government. This Scheme of Delegation provides officers with the necessary authority to discharge any functions of the Mayor as deemed appropriate to facilitate the effective implementation of collaborative working across the GLA group. It also provides functional bodies with the necessary authority to take group lead on the discharge of functions delegated to it by the Mayor under the Act.

Developing pan-London strategies and implementing them

7. Under the GLA Acts 1999 and 2007, the Mayor develops and implements 12 strategies:
 - Spatial Development Strategy (known as ‘the London Plan’)
 - Transport Strategy
 - Economic Development Strategy
 - Housing Strategy
 - Six distinct environmental strategies:
 - Climate Change Mitigation and Energy Strategy
 - Adaptation to Climate Change Strategy
 - Biodiversity Strategy
 - Municipal Waste Management Strategy
 - Air Quality Strategy
 - Ambient Noise Strategy
 - Culture Strategy
 - Health Inequalities Strategy.
8. There is one other strategy which involves the Mayor and which has been established on a statutory basis – the London Skills and Employment Strategy. The Further Education and Training Act 2007 provides that the Learning and Skills Council (LSC) for London must as, a general rule, carry out its functions in accordance with the London Skills and Employment Strategy. As the Mayor chairs the London Skills and Employment Board – which oversees the London Skills and Employment Strategy – this gives the Mayor a role in directing the activities of the London LSC.
9. Using the general power, the Mayor can also issue other strategies that are not explicitly referred to in legislation.
10. Implementation powers vary according to the strategy. It should be noted that, for each strategy, the general power and the power of direction is also available.

Planning

11. The Mayor is responsible for the London Plan, which deals with planning matters of strategic importance to London, including priorities areas such as greater provision of affordable housing. London boroughs must ensure that their local development plans are in general conformity with the London Plan and the Mayor may direct changes to their plans to enforce this duty.
12. The Mayor has powers to direct boroughs to refuse major applications that they have approved, and also may determine a limited number of strategically important planning applications.

Transport

13. The transport duty in the GLA Act sets four standards that must be promoted and encouraged: safe, integrated, efficient and economic transport for London. The Transport Strategy sets out the Mayor's plans for fulfilling the transport duty. TfL implements the Transport Strategy on behalf of the Mayor and, as noted above, runs or manages a wide range of transport services for London.
14. Each London Borough is required to produce a Local Implementation Plan (LIP) setting out its proposals for putting the Transport Strategy into effect in its area. LIPs must include timetables for implementation. The Mayor has issued guidance to Councils on preparing LIPs and has wide powers to ensure that LIPs comply with his Transport Strategy. TfL funds London Boroughs' transport improvements through the annual budget process.

Housing

15. The Mayor sets the strategic framework for housing in London and the outcomes – particularly in terms of affordable housing - to be achieved by national government's regional housing fund for London. This fund consists of over £1 billion annually. The Mayor does not set a line-by-line allocation of the budget but works with national government to agree how the funds should be targeted. Additionally, London Boroughs must ensure that their housing strategies are in general conformity with the Mayor's Housing Strategy and therefore also with the London Plan.

Environmental

16. Promoting the improvement of the environment is a principal purpose of the GLA, and the Mayor is responsible for half a dozen strategies to achieve this purpose. The Mayor must also prepare and keep under review an annual state of the environment report.

Culture

17. The Mayor plays a major role in the cultural life of London, including sponsoring and organising key festivals and events. He has responsibility for the internationally renowned open spaces in Trafalgar and Parliament Squares (the local London Borough – Westminster – retains planning responsibilities for the Squares). The Mayor is also responsible for encouraging tourism and sport and, as such, has been a key behind London's successful bid for the 2012 Olympic and Paralympic Games.

18. The Mayor appoints the Cultural Strategy Group for London, which advises him on his Cultural Strategy. The Strategy covers library services, important sites and monuments, the arts and broadcasting, film and other media. The Mayor has also gained responsibility for the funding (alongside the Corporation of London) of the Museum of London.

Health

19. The Mayor has strategic duties in relation to public health in London, and must take the health of Londoners into account and promote improvements in their health in exercising powers and functions. In addition, the Mayor must promote a reduction in health inequalities in London, and work with the Health Adviser and Strategic Health Authority in London and other key organisations in preparing a health inequalities strategy.

Directing the work of – and making appointments to – public bodies

Power of direction

20. The Mayor has a power of direction over three (TfL, the LDA and LFEPA) of the GLA group bodies. This ensures conformity with the Mayor's policy agenda and cements the Mayor's positions as the GLA group's executive. The power is rarely used – it exists to reinforce the Mayor's role as the head of London government – and would only be called upon as a last resort. In those instances this power is used, it is to confirm and formalise a decision being taken (i.e. an item of expenditure a GLA group body has been asked to make) rather than being confrontational.

Making appointments

21. The Mayor appoints the entire board of TfL and can opt either to be the chair or appoint an individual of his choice as chair. The board appoints London's Transport Commissioner – TfL's chief officer.
22. The Mayor appoints the entire board of the LDA. He must ensure that there are at least four London politicians on the board. In addition, at least half of the board (including the chair) must have experience of running a business.
23. The Mayor can opt either to be the chair of the MPA or appoint an individual of his choice as chair from among the existing membership. Half of the MPA's board is appointed by the Mayor from among the membership of the London Assembly (and in proportion to its political balance). The other half comprises independent members and is appointed through a process overseen by national government.
24. The appointment of the Commissioner of the MPS is a Royal Appointment on the recommendation of national government. However, national government must have regard to the representations of the Mayor before recommending the appointment of the Metropolitan Police Commissioner.
25. The Mayor appoints the chair of LFEPA from its existing membership. Two of LFEPA's board are appointed directly by the Mayor, seven are Assembly Members appointed by the Mayor (and in proportion to its political balance) and six are

London Borough members appointed by the Mayor (again in proportion to the political balance of the London Boroughs).

26. The Mayor also has other powers of appointment to boards which give him influence over other pan-London public bodies:
- London Skills and Employment Board
 - Museum of London
 - Arts Council England in London
 - London Regional Sports Board
 - Museums, Libraries and Archives London.

Taking financial decisions

27. The Mayor has three principal means – each of which is a crucial element of London government – by which he can influence change through taking financial decisions:
- Setting the annual budget of the GLA group which involves outlining the priorities for each of the five bodies in the group
 - Using the prudential borrowing system introduced by the Local Government Act 2003 to finance major infrastructure schemes
 - Determining (on an annual basis) passenger fares for London's transport system.

Acting for the good of London

28. Section 30 of the GLA Act 1999 gives the Mayor the general power to do anything which will further any one or more of the GLA's principal purposes, which are to promote in London:
- Economic development and wealth creation
 - Social development
 - The improvement of the environment.
29. Many of the GLA's initiatives relate to more than one of these principal purposes. For example, work in relation to childcare and child poverty falls within both economic and social development objectives. Similarly, the Climate Change Action Plan both promotes the improvement of the environment and delivers economic development and wealth creation.
30. The general power can also be delegated to two (TfL and LDA) of the four other bodies in the GLA group. This can be useful in that it gives TfL and LDA explicit powers to act in the interests of London that they would not otherwise have. One example of this delegation being used is in relation to preparations for the 2012 Olympics.

31. The general power is very important as it supports the Mayor's strategic role by enabling him to carry out a wide range of activities for the benefit of Londoners as a whole.

Part C

The responsibilities of the GLA officers appointed by the Mayor

1. The Mayor has the power, under section 67(1) of the GLA Act 1999, directly to appoint two political advisors and 10 policy advisors. These post holders are to undertake any duties that the Mayor properly confers upon those positions. The Mayor (alone) is responsible for agreeing the terms and conditions of those positions and for authorising any disciplinary action as required. The 2 political advisors cannot line manage GLA staff; the 10 policy advisors can (although they cannot take disciplinary action in relation to 'ordinary' GLA staff).
2. The Mayor has power to delegate any or all of this functions to whomsoever he chooses, in line with section 38 of the 1999 GLA Act. He has also has powers to give statutory Direction to the LDA, TfL and LFEPA in relation to general and specific matters of policy and administration.
3. It is perfectly proper for the Section 67(1) appointees to give advice to the functional bodies on the range of the Mayor's policy and service delivery objectives and targets. This should be on the explicit and demonstrable understanding that they are acting on behalf of the Mayor. Activity by the Section 67(1) appointees in relation to operational matters within the functional bodies is only to occur when it is preceded by the exercise by the Mayor of his power of Direction or a specified delegation of authority. A formal delegation of authority to one of these officers empowers them to act independently of the Mayor within the bounds of that delegation.
4. These 12 positions are subject to the full provisions of the GLA's Code of Ethics and Standards for GLA staff; they are also now required to make the level of registration and declaration of interests as if they were elected GLA members.

Part D

Functional Bodies

Transport for London

1. The Greater London Authority Act 1999 and other legislation sets out TfL's principal duties and powers. TfL must exercise its functions: (a) to secure and facilitate the implementation of the Mayor's Transport Strategy; (b) in accordance with guidance, directions or delegations under the Act issued to TfL by the Mayor; and (c) to facilitate the provision of safe, efficient, integrated and economic transport facilities and services to, from and within Greater London.

Metropolitan Police Authority

2. The Metropolitan Police Authority (MPA) exists to make sure that London's police are accountable for the services they provide to people in the capital. It is an independent statutory body, established under The Greater London Authority Act 1999. Members of the Authority scrutinise and support the work of the Metropolitan Police Service (MPS).

London Fire and Emergency Planning Authority

3. The London Fire and Emergency Planning Authority considers and makes decisions on key London Fire Brigade matters such as strategy, policy and the Brigade's budget. Five specialist executive committees meet to consider and make decisions on specific areas of responsibility and to report to the Authority where appropriate.

London Development Agency

4. The LDA is London's business-led economic development agency, working with the Mayor to deliver the economic aspects of a programme for renewal. The LDA are also in charge of delivering the investment objectives of the Mayor's Economic Strategy.

Part E

Accountability arrangements

The London Assembly

1. The Assembly's role is to keep under review the exercise of the Mayor's statutory powers. The powers of the Assembly include powers to summons officials and information from across the GLA Group and also to investigate and prepare reports about:
 - The actions and decisions of the Mayor, any member of staff of the GLA, Board Members and senior officials from across the GLA Group;
 - Matters relating to the GLA's principal purposes or the exercise of the Mayor's statutory powers; and
 - Any other matters the Assembly considers to be of importance to London.
2. The Mayor is required to issue a report on his activities to the Assembly ten times a year. The report must include the notification of decisions that the Mayor considers to be of significance and the reasons for taking decisions. The Assembly gets a chance to question the Mayor at a public meeting held soon after he has issued his report.
3. Annual reports must be issued by both the Mayor and the Assembly on the exercise of their functions as soon as reasonably practicable after the end of each financial year. The Mayor must also issue an annual equalities report.
4. At least seven days after the publication of the Mayor's annual report, a State of London Debate must be held by the Mayor. The Mayor may determine the form and procedure of the State of London Debate, after consultation with the Assembly, but must ensure that there is an opportunity for members of the public to speak.
5. The Mayor and Assembly are also required twice each year to hold a meeting so that they can be questioned by members of the public. The venue and arrangements for this meeting are decided by the Mayor, and the meeting is known as 'People's Question Time'.
6. The Assembly also has a power to hold non-binding confirmation hearings for key appointments – principally the chair and deputy chairs of the GLA group bodies – that the Mayor proposes to make.

The Standards Committee and Ethical Framework regime

7. As the Authority's statutory Standards Committee under s 53 of the Local Government Act 2000 ("2000" Act"), the GLA's Standards Committee – as with the Standards Committees of LFEPA and the MPA – is empowered to discharge the following general functions:
- Promoting and maintaining high standards of conduct by the Mayor, Assembly members, and co-opted members of the Assembly's committees and sub-committees (including advisory ones), and assisting them to observe the Authority's code of conduct, adopted under s 51 of the 2000 Act;
 - Promoting and maintaining high standards of conduct by members of GLA staff
 - Advising the Mayor and Assembly on the adoption or revision of a code of conduct under s 51 of the 2000 Act
 - Advising the Mayor and Assembly on the adoption or revision of protocols and/or guidance for all staff (including mayoral advisors)
 - Monitoring the operation of the above codes of conduct and guidance
 - Advising, training or arranging to train, any person covered by the codes and guidance
 - Undertaking any other action that improves, promotes, safeguards or facilitates the highest standards of probity and ethical conduct by the Authority, its Mayor, Assembly members and staff, and those with whom it has, or who seek with it, a contractual, financial or other relationship
 - In accordance with such procedures as are approved from time to time, to investigate complaints which allege breaches of the Authority's non-statutory codes of conduct, impose sanctions, against the Mayor, Assembly Members, and co-opted members of Assembly committees and sub-committees (including advisory ones)
 - To monitor the registers of the Mayor and Assembly Members' interests as required by the statutory code of conduct, and to monitor the interests of any members of staff who, in accordance with any requirements upon them, are required to declare such interests to the GLA
 - To agree a code of conduct to ensure that, when exercising their statutory planning functions, the Mayor, Deputy and officers of the Authority have regard solely to planning considerations, act fairly and maintaining high standards of conduct
 - To prepare and recommend a code of conduct for the Authority in regard to dealings with all lobbyists and to monitor compliance
 - To advise the Authority on good governance standards for public service, and on relevant performance indicators relating to corporate governance systems and processes

Part F

Protocols and documents required by the Framework Agreement:

GLA

1. Code of practice for Mayoral appointments made under Section 67(1) of the GLA Act 1999 and to the boards of the relevant statutory bodies
2. The detailed terms of any appointment by the Mayor of any officer or elected GLA member, including: roles, responsibilities and objectives; notice of any areas where they are constrained in law or by particular circumstances from taking action; lines of accountability for each member of GLA staff and, if relevant, the functional bodies.
3. The detailed terms of any appointment by the Mayor and London Assembly of any of the GLA's statutory officers, including roles, responsibilities and objectives.
4. The Mayor's Scheme of Delegation of Functions.
5. The system for immediate publication of decisions taken by the Mayor via the formal Mayoral Decision process; the record of each decision taken by the Mayor to provide statutory direction to the relevant Functional Bodies and/or other relevant agencies; the record of formal decisions made by Section 67(1) appointees in respect of the functional bodies.

GLA Group

6. Codes of conduct for elected/board members and staff.
7. Codified systems to manage alleged breaches of the codes of conduct and complaints.
8. A codified set of responsibilities and objectives that are undertaken either by its elected members, by its board and by its chief officers, to include the role of the organisation in respect of their role in delivering or ensuring delivery of Mayoral strategies and priorities.
9. Details of either the role of its statutory Monitoring Officer and/or the other statutory officers, and/or senior officers responsible for corporate governance within the organisation and the systems in place to deal with Standards-related issues (including 'whistleblowing' complaints).

Functional Bodies

10. A protocol setting down how each organisation will fulfil the requirement to have a demonstrably proactive and positive approach to engagement with the London Assembly.
11. A protocol to manage the relationship between that organisation and the GLA (noting that contact on policy issues will ordinarily take place between senior officers of the respective organisations), to include confidential reporting arrangements for the board members and chief officers of a functional body to report to the Mayor in relations to actions taken by GLA officers.

APPENDIX B

GLA Framework Requirement	TfL's Current position
<p>An effective (statutory or non-statutory as applicable) Code setting down the requirements for, and to govern the activities of, its elected members and/or board members and independent members (when acting in that capacity).</p> <p>A similar Code setting down the requirements for, and to govern the activities of, its staff.</p>	<p>In place</p> <p>TfL's Code of Conduct was issued in 2004 and revised in 2008. TfL is not required to conform to the statutory model code. The TfL Code covers both members and staff.</p>
<p>A statement of high-level responsibilities and objectives that are undertaken either by its elected members, by its board and by its chief officers in terms of delivery of Mayoral strategies and priorities.</p>	<p>In place</p> <p>Various documents are in place, including Standing Orders and key job descriptions such as those for the Commissioner and Chief Officers.</p> <p>Mayoral strategies and priorities are also tied-in to the Business Plan and Budget.</p>
<p>The recording and dissemination of details of the role of officers responsible for corporate governance within the organisation and the systems in place to deal with Standards-related issues.</p>	<p>In place</p> <p>A number of things are in place for the roles of General Counsel and Section 127 Officer (Chief Financial Officer) and the Director of Internal Audit. There is no specific equivalent for TfL of some aspects of the statutory Monitoring Officer role.</p>

GLA Framework Requirement	TfL's Current position
	<p>As part of TfL's comprehensive Code of Corporate Governance there is a documented whistleblowing process in place which is monitored by the Audit Committee. Standards of conduct are articulated in detail through reference to policies and procedures.</p>
<p>A clear, generally available, codified system setting down the systems in place to manage the relationship between that organisation and the GLA.</p> <p>An effective and clear process for the handling of correspondence from the public, press and elected politicians.</p>	<p>Partially in place</p> <p>A dedicated team in Group Marketing and Communications is in place to manage the relationship between TfL and the London Assembly.</p> <p>There are processes in place across TfL to ensure proper liaison and consultation is in place to manage the various relationships between TfL and the GLA. These operate on a devolved basis.</p> <p>There is a policy and process in place for handling correspondence between the public and TfL. The nature of the correspondence with elected politicians determines how it is handled.</p> <p>Press liaison is dealt with by a dedicated team in Group Marketing and Communications.</p>

GLA Framework Requirement	TfL's Current position
<p>A regime for the registration and declaration of interests and gifts and hospitality by elected members, board members, independent members, officers appointed by the Mayor and all other officers.</p>	<p>In place</p> <p>All members and officers are required to declare their interests and any gifts or hospitality received. Members and senior officers interests are recorded in a central register which is reviewed six monthly. The interests of all other officers are recorded at modal or directorate level.</p> <p>All members and officers have been briefed on the issues arising from interests and gifts and hospitality. Advice and guidance is available on the intranet.</p>
<p>A demonstrably proactive and positive approach to engagement with the London Assembly</p>	<p>Substantially in place</p> <p>Processes are in place in practice for the provision of information to the Assembly (as referred to above). The basis for a formal protocol exists, this is to be formalized.</p>