



Old Oak and Park Royal Development Corporation

Audited Annual Report and Accounts

1 April 2021 to 31 March 2022

MAYOR OF LONDON

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Foreword from the Chair and CEO

The scale of change at Old Oak and Park Royal can be witnessed in the vast construction site that is the new Old Oak Common HS2 interchange. Due to open in within a decade, this has set the context for a transformational and positive year for OPDC, when the corporation has met several significant milestones. These include securing a sound Local Plan, preparing and submitting our new Old Oak West business case to government and receiving our first major capital funding award. This sets the foundations for a new and exciting phase of our project, as we move from planning to major delivery.

In April this year the Planning Inspector confirmed our modified Local Plan to be sound, following months of close engagement with residents, landowners and our three boroughs. The Plan was adopted in June 2022, setting a planning policy framework for the next 25 years and beyond, and paving the way for 25,500 new homes and 56,000 jobs.

The Local Plan focusses development on 75 acres of public land close to Old Oak Common Station which is expected to come forward for development in the coming years as HS2 and Network Rail release sites currently being used as construction worksites.

Properly coordinated and assembled, this creates the largest new brownfield development opportunity in London, with the capacity for around 10,000 new homes, up to 50 percent of which will be affordable, with retail, office and industrial development adjacent to the new transport connections, creating a revitalised and fully integrated live-work-play district for London.

We have worked closely with government, through the Department for Levelling Up, Homes and Communities, Department for Transport and Homes England to prepare and submit a Strategic Business Case for infrastructure funding support and the co-ordination of public land to drive this vision forward, which received in-principle approved in April 2022.

Alongside this new strategic plan, we have identified smaller sites for early delivery, and have secured £50m from the Mayor of London's land fund to support this work and deliver over a thousand new homes.

As the construction of the Old Oak Common Station gathers momentum, so too does the pace of early development. More than 6,000 new homes have been built, or are currently under construction, 42 percent of which are affordable, with well over 2,000 new homes and major new employment initiatives in the planning pipeline.

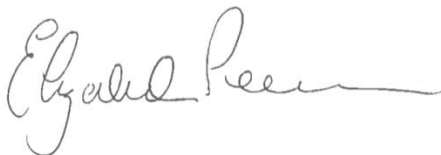
New homes and jobs are crucial, but so too are improvements to the local environment, and we are now on site with enhancements to Willesden Junction and the Grand Union Canal, making both more welcoming, accessible and enjoyable for local people.

This year has also seen a renewed focus to support the 2,000 businesses across our area. We have placed over 130 people into local jobs through our brokerage service, the Forge@ParkRoyal and supported local arts and culture through the Park Royal Design District. Our support to move towards zero carbon has brought funding from the Mayor to develop a heat recovery network and solar power in Park Royal, and we have sponsored the launch of e-vans for local businesses to hire.

Underpinning all OPDC's work is meaningful engagement with our incredibly diverse and lively communities. We have set out this commitment to involving those who live, work and engage with our area in our new revised Equity and Diversity and Community Engagement strategies, both of which have a particular focus on reaching out to those whose voices often go unheard.

To support this pledge of meaningful engagement, and build local community capacity, we have awarded £145,000 of small grants to 21 local charities and organisations, and have a programme of staff community volunteering, which has helped to fill over 10,000 bags of rubbish from the canal!

With a growing, talented and enthusiastic team, a newly adopted Local Plan and a clear pathway to delivery, OPDC begins a new financial and reporting year with optimism and energy. Working closely with our colleagues in government we can build a public sector partnership to create a revitalised part of west London that new and existing residents will be proud of, where business will flourish, and where opportunities will be open to all.



Liz Peace
Chair
10 March 2023



David Lunts
Chief Executive Officer
10 March 2023



Narrative Report

Old Oak and Park Royal Development Corporation

As the Mayor of London's second Development Corporation, established in 2015, the Old Oak and Park Royal Development Corporation's mission is to plan, create and deliver transformational changes across Old Oak and Park Royal, capitalising on the increased connectivity created by the arrival of the new High Speed 2 (HS2) station at Old Oak Common, set to be operational by 2029-33.

As the local planning authority for the area, which spans three London Boroughs, OPDC is delivering one of London's largest Opportunity Areas. Our role is to conserve and enhance the character of Old Oak and Park Royal, while increasing capacity for modern, mixed-use development, to create a greener, safer and more prosperous part of the capital.

As the delivery agent, OPDC is working closely with government, partners and stakeholders to deliver affordable homes and jobs at scale on London's largest brownfield development site.

Over the next 25 years and beyond, we'll ensure that both current and future residents and businesses benefit from the significant investment. We'll work with local people to create an inclusive new district that is a well-connected, enjoyable and healthy place to work, live and play.

The key to unlocking the full potential presented by the new Old Oak Common interchange are the public sector major land holdings that are due to be released for development. Almost all of this land is owned or controlled by the Government, via HS2, Department for Transport and Network Rail, rather than OPDC or the Mayor,

although OPDC does have far reaching planning and regeneration powers that we will use to support our aims. But we can only deliver our aspirations by working in partnership with others.

Beyond the incremental changes that we are already working to deliver, the transformational changes that HS2 offers – what we are calling our ‘Old Oak West’ strategy – will be dependent on four key steps: adopting our Local Plan; organising the public sector land effectively; securing enabling funding for infrastructure and site acquisitions; and procuring a private sector investment and development partnership.

Over the past year, our key focus has been to progress these four steps and we have made good progress, securing an adopted Local Plan, preparing and submitting our new initial ‘Old Oak West’ strategic business case to government and receiving our first major capital funding award. Our progress is highlighted in more detail in the performance section below.

In pursuing our vision, we will work to create a place that follows these principles:

Principle	What this means
Liveable and local	We will shape a place that is attractive and where people want to live, work and visit. We will do this by learning the lessons of Covid-19, working with local people, and by supporting a strong sense of community, healthy living and pride-of-place in a bustling and diverse global city.
Adaptable and Resilient	We will champion sustainable, green and innovative regeneration and development with the flexibility to respond and adapt to change, fostering economic resilience and long-term prosperity.
Inclusive and Diverse	We will be best in class in embedding fairness, equity and respect for others into everything we do. We will celebrate and protect the rich diversity and heritage that’s central to Old Oak and Park Royal’s unique character, while ensuring we deliver the housing and economic opportunities for those not yet part of our communities.
Integrated and Connected	We will make the most of the new and unrivalled connectivity that is coming and will work to make Old Oak and Park Royal a much more locally connected place, removing the physical barriers that exist today and making facilities, homes, work and green space accessible for all.

Performance

Adopting our Local Plan: A planning framework to support Old Oak and Park Royal's development and regeneration

Progressing our Local Plan to adoption

- In March 2022, the Planning Inspector wrote to OPDC to tell us that he had found our Local Plan sound, subject to making some main modifications. The Board formally adopted the plan in June 2022.
- This is a major milestone for the Corporation: the Local Plan will set a planning policy framework for the next 25 years and beyond, paving the way for 25,500 new homes and 56,000 jobs. It will also frame and guide our development work, helping us, with partners, to create a thriving community of healthy streets, high-quality and affordable homes and connected places to live and work, including an innovative industrial area and a high-density and attractive part of London capitalising on the planned Old Oak Common station.
- Public consultation on the main modifications to the Local Plan took place from 17 May to 5 July 2021, engaging over 900,000 Londoners. There were 142 respondents to the consultation and 1,449 individual comments. In January, the Planning Inspector held four public hearings sessions on the post-submission draft Local Plan and its associated evidence documents. These covered: Public Transport Accessibility Levels (PTALs); Conformity with London Plan policy D9 on Tall Buildings; Local Plan Policies E1 (Protecting, Strengthening & Intensifying the Strategic Industrial Location) and E2 (Employment Sites Outside SIL); and 100 Twyford Abbey Road.

Approving new homes

- OPDC had a target to deliver 1,367 homes a year in the London Plan (2021). We exceeded this target for the year, approving 1,445 homes during 2021/22. Of these, 43 per cent will be affordable housing, against a 50 per cent strategic target in the Draft Local Plan. The overall percentage of affordable housing secured on schemes approved in the OPDC area is currently at 42 per cent.
- 100 percent of planning applications were determined within statutory determination timescales or timescales agreed through Planning Performance Agreements with applicants. There were no appeal decisions in the OPDC area during 2021/22.

Enforcement plan

- OPDC served three enforcement notices in 2021/22. There are currently nine ongoing appeals, three in relation to these notices and six in relation to notices served previously. One enforcement appeal, relating to a notice served previously, was dismissed in December 2021.

Securing a land deal and funding, and procuring a delivery partner for our Old Oak West programme

Approval of the Old Oak West Strategic Outline Business Case

- A major focus during the year has been developing and submitting the Old Oak West Strategic Outline Business Case (SOC) – a crucial step in agreeing with government and its agencies a comprehensive, partnership approach to delivering 9,000 to 10,000 homes on land, mostly in public ownership, around the new Old Oak Common Station.
- The Mayor of London submitted OPDC's SOC to both the Secretary of State for Transport and the Secretary of State for Levelling Up in February 2022; and the SOC was subsequently approved by government in April 2022.
- It represents approval in principle to our proposals and will allow us to progress with public engagement, scheme development and structuring the public sector collaboration necessary to unlock the Old Oak West.
- OPDC has developed its technical work alongside the modifications of the Local Plan and has continued to engage with the Mayor and government officials throughout.

Securing investment to support early sit delivery

- In parallel to developing our SOC for the Old Oak West, OPDC has secured a significant early investment from the Greater London Authority's (GLA) Land Fund: £50m of loan funding to support us to deliver 1,100 to 1,500 new homes by 2029. This represents our first major investment in the OPDC area to both support delivery of the GLA's housing target and unlock the delivery of Old Oak West.
- The funding, which was approved in March 2022, will fund land acquisition and enabling works, which will accelerate the first phase of our Old Oak West plans. The investment also signals strongly to government the Mayor's firm support for our regeneration plans, supporting our discussion on the comprehensive regeneration, funding and delivery strategy for the wider scheme.

Accelerate delivery across Old Oak North and Park Royal

A new Regeneration and Economic Development programme

- We have now refocussed and repositioned our Park Royal programme, so that it also covers also the Old Oak North area. The programme is based around six distinct places within the area and is organised around a series of high-level principles and six project types: infrastructure and sustainability; public realm and placemaking; workspace and intensification; business support, skills and employability; community capacity building; and governance and engagement.
- An early success was securing Creative Enterprise Zone status for Park Royal, following a joint bid to the GLA with the London Borough of Ealing. This will help us capitalise on the momentum generated by the 2021 and 2022 Park Royal Design District and our earlier Great Place Scheme (see below).

Progressing our 'In the Making' public realm and placemaking projects

- Construction has now completed on the first two of our public realm improvements projects – at Willesden Junction Station and the Old Oak Lane Towpath – funded by the Mayor's Good Growth Fund. Developed in consultation with local residents, improvements include new planters, a community noticeboard and public art at Willesden Junction station, and improved access to the towpath from Old Oak Lane.
- We are working in partnership with the Canal and River Trust, the London Borough of Brent, the local community, businesses and other interested parties to deliver improvements for Harlesden Canalside. These will include a canal-side garden, a landscaped amphitheatre alongside two dedicated community-operated moorings and improved facilities for the canoeing club, local fitness groups and boaters. Brent Council granted planning permission in autumn 2022, and a main contractor was appointed in January 2023. Start on site is set for March 2023.
- OPDC grant funded the Canal and River Trust to recruit a dedicated community organiser to run regular volunteering activities along the canal. Over 2,000 volunteer hours were registered between May 2021 and February 2022, delivering over 345 sqm of new in-channel ecosystems, clearing over 10,000 bags of rubbish, and cutting back vegetation, creating a safer and tidier towpath.

Completing our Great Place Scheme

- Our Great Place Scheme, a National Lottery-funded programme, concluded in September 2021, with a series of public exhibitions, events and activities during the Park Royal Design District, as part of the London Design Festival. The activities delivered included major artist commissions, projects involving multiple artists, businesses and curators, mass participation events, a small grants scheme and volunteering initiatives. The programme was designed to uncover and reveal the rich heritage of Park Royal and provide opportunities for local residents, businesses, and employees to participate and benefit.
- The programme exceeded all its targets: over 120,000 audience members, participants and volunteers were involved in the programme; we hosted over 1,000 public events; we commissioned over 300 local artists and organisations; and we established a group of over 4,500 regularly engaged members of the public and volunteers to support our projects.

The Forge @Park Royal

- The Forge is an Employment and Skills Hub launched and run in partnership with London Boroughs of Brent, Ealing and Hammersmith & Fulham, as well as West London College, the Shaw Trust and the Department for Work and Pensions (DWP) to improve the opportunities for local people to access jobs.
- During 2021, OPDC expanded the Forge delivery partnership to include the Shaw Trust. Their expertise is assisting us in building capacity to help residents with complex physical and mental health needs to get back into work.
- Since launching, The Forge has now advertised more than 300 vacancies, of which more than 160 have been filled and 41 of those jobs have now been sustained for more than six months. In addition, business support has been delivered to more than 200 businesses in the area. A programme of outreach in the local job centres

has begun, covering Harlesden, Wembley, Queens Park, Acton and Ealing. Pre-booked job seekers have been provided with advice and support to assist in successfully securing advertised vacancies.

- The peer-to-peer skills sharing platform 'Echo' continues to make good progress. A series of 16 workshops and events have been delivered. These events focus on crowdfunding, branding, social media and LinkedIn, helping businesses to use online tools and platforms to improve their operational capacity.

Our commitment to efficiency, equity and engagement

Communication and engagement

- December 2021 saw the adoption of OPDC's refreshed community engagement strategy setting out clear priorities for how OPDC will inform, involve, collaborate with and empower the community. This strategy will be reviewed and updated every two years.
- We held a series of consultations to improve places and spaces in Old Oak, including online quizzes, co-design workshops and establishing community-led steering groups to design plans for Harlesden Canalside, Willesden Junction and the Grand Union Canal towpath (our In the Making projects, referred to above).
- We launched a new phase of our small grants programme, working with 21 local community groups ranging from community publications, music and art events and outreach projects to support socially excluded groups. These have also been supported by volunteering opportunities, including a programme of canal clear up sessions.
- The team continues to support communities impacted by construction and this year, we rolled out OPDC's joint working agreement with HS2, attending over 30 shared engagement meetings to support local residents and organised shared outreach opportunities including co-hosting an online event to raise awareness about local apprenticeship opportunities at HS2.
- We continue to increase public participation through digital engagement. We established an online consultation platform 'OPDC Consult', attracting 239 new sign-ups to our newsletter. We also generated 250,000 visits to our website and gained nearly 6,000 followers across our social media channels.
- With the end to Covid-19 restrictions and more colleagues now returning to the office, OPDC launched a new internal communications plan to actively engage our team delivering a series of Lunch and Learns, site visits and a new interactive staff newsletter.

Diversity and inclusion

- Through a collaborative process with all staff, we created OPDC's first Equity, Diversity and Inclusion Strategy (EDI), setting out how we will identify, prioritise, enable and champion equitable opportunities for both staff and the community. The strategy is accompanied by a clear and deliverable action plan with short, medium and long-term actions and includes a detailed one-year action plan, which OPDC will refresh annually.
- Following approval at Board in March 2022, we will be sharing our strategy with key community representatives from the local area in focused meetings to gather views and input.

Further information on the full range of activities carried out by the Corporation can be found on the Corporation’s website: <https://www.london.gov.uk/opdc>

You can also review our Q4 Finance and Performance report, which includes further detail on our performance against key metrics and milestones via the Audit and Risk Committee webpage: <https://www.london.gov.uk/OPDC/AuditandRiskCommittee>).

Our progress over the past year has set the foundations for a new and exciting phase of our project, as we move from planning to mobilisation and onto major delivery. Looking forward, we will continue to focus on the four steps in our strategy – our next steps in these areas are highlighted below.

The four steps	Next Steps
<p>Step 1. Adopt our Local Plan to support Old Oak and Park Royal’s development and regeneration</p>	<p>Effective implementation of the Local Plan, by preparing and publishing a suite of supplementary guidance including an Old Oak West Supplementary Planning Document (SPD).</p> <p>Taking applications for at least 2,000 homes and 10,000 sqm of industrial/employment space on early development sites to Planning Committee, by March 2023, contributing to the area’s London Plan targets.</p>
<p>Step 2. Reach an agreement with government and its transport bodies to coordinate the key public sector land holdings</p>	<p>Develop and refine OPDC’s Old Oak West scheme through preparing a regeneration strategy, detailing the approach to public realm, spatial layout, social and physical infrastructure.</p> <p>The regeneration strategy will be developed with input from the community and stakeholders, creating an opportunity for significant public engagement throughout its creation. The regeneration strategy will also inform and support the development of the Old Oak West SPD, through close working with OPDC’s Planning Directorate.</p>
<p>Step 3. Secure infrastructure and enabling funding</p>	<p>Deliver Land Fund objectives by progressing selected early-win sites for acquisition to either an ‘offer’ stage or signed exclusivity/arrangements with vendors to enable develop partner procurement to deliver first tranche of start on sites in-line with contract milestones.</p>
<p>Step 4. Procure an investment and delivery partner</p>	<p>Continuing to actively engage with the market and beginning formal development partner procurement, subject to securing an agreement to coordinate government landholdings.</p>

Financial Review

Revenue

The financial performance of the Corporation is regularly monitored and reviewed throughout the year, with strong financial management and control being a cornerstone of management practices, contributing to the effectiveness and efficiency of programme and service delivery across the organisation.

Of the approved Revenue Budget of £6.4m in 2021/22, there was net expenditure of £5.71m, resulting in an underspend of £0.69m. This comprises an underspend of £0.280m against the establishment budget and £0.408m in the programme budget.

2021/22 Outturn			
Directorate	Outturn £m	Budget £m	Variance £m
CEO	0.674	0.800	(0.126)
Corporate Operations	1.531	1.731	(0.200)
Delivery	2.500	2.628	(0.128)
Planning	1.005	1.241	(0.236)
Total	5.71	6.400	(0.69)

The Corporation has also generated £0.700m of surplus planning income. In line with planning regulations, this income must be used to support our planning function. The funding will be transferred to the GLA Mayoral Development Corporation Reserve and utilised by OPDC to smooth the volatility of planning income in future years whilst the Development Management function continues to discharge conditions and carry out enforcement work.

Capital

Capital Accounting refers to the arrangements for recognising and measuring the value of non-current assets in the balance sheet and making charges to the comprehensive income and expenditure statement to reflect the cost of using them, that is:

- i. expenditure on an asset that will provide control of the resulting economic benefit or service potential and that has a measurable cost
- ii. revenue expenditure allowed to be funded by capital under statute (REFCUS); or
- iii. under a capitalisation direction in accordance with the Local Government Act 2003.

Capital expenditure totalled £0.305m in 2021/22, funded by a capital grant from the Mayor's Good Growth Fund, towards public realm improvements at Old Oak Lane, Willesden Junction and Harlesden Canalside to benefit the local community.

Comprehensive Income and Expenditure Statement

This statement shows both the revenue recognised and the costs incurred in the year of providing services, in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice.

Income and expenditure, as reported in the management accounts, shows neither a surplus nor a deficit as the GLA granted funding to meet expenditure, which fell within agreed budgets. The Comprehensive Income and Expenditure Statement shows a deficit of £1.227m due to adjustments to the cost of services for amounts not reported in the management accounts. These accounting adjustments relate to pension service costs and accumulated absences.

Balance Sheet

The balance sheet shows the value, as at the balance sheet date, of the assets and liabilities recognised by the Corporation. The net assets of the Corporation (assets less liabilities) are matched by the reserves held by the Corporation. Reserves are reported in two categories. The first category of reserves is usable reserves, being those reserves that the Corporation may use to provide services, subject to the need to maintain a prudent level of reserves. The second category of reserves is those that the Corporation is not able to use to provide services. This category of reserves includes reserves that are impacted by timing differences shown in the movement in reserves statement line 'Adjustments between accounting basis and funding basis under regulations'.

The balance sheet shows a net liability of £6.431m in unusable reserves relating to pensions liabilities, the accumulated absences account and capital adjustment account.

Movement in Reserves Statement

This statement shows the movements in the year on the different reserves held by the Corporation, analysed between usable reserves and unusable reserves. The statement shows how the movement in the Corporation's reserves is broken down between gains and losses recognised on an accounting basis and the statutory adjustments required to control the amounts chargeable to council tax for the year.

The Corporation has a nil closing balance on usable reserves as the level of funding from the GLA matched the level of expenditure during the year. This statement shows movements relating to pensions liabilities, the accumulated absences account and capital adjustment account that give rise to a negative balance on unusable reserves of £6.431m.

Statement of Cash Flows

The cash flow statement shows the movements in cash and cash equivalents of the Corporation during the financial year. The statement shows how the Corporation generates and uses cash and cash equivalents by classifying cash flows as derived from operating, investing and financing activities.

The cash flow statement shows an increase in cash balances by £3.294m to £12.053m.

Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to the user of the accounts how the funding available to the Corporation for the year has been used in providing services, in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Corporate Risks

The Corporation regularly reviews risks at a project, directorate and corporate level. The table below illustrates the current top corporate risks identified by the Corporation.

The table below reflects the position as of the end of March 2022, but regular risk updates are reported to the Audit and Risk Committee and can be found on the Committee's page on our website.

Risk area	Mitigated Severity
Workforce and capacity: OPDC's workforce may not have the capacity, support, skills, talent or diversity to deliver OPDC's objectives. This could arise from Covid-19 related absence, budget restrictions, inadequate L&D offer/talent management programme, inability to retain good quality staff and/or under-developed D&I policies and practices.	RED
Regeneration & Economic Development Programme Limited OPDC and external funding would make it difficult to deliver the scale of change we wish to see in Park Royal and Old Oak North.	RED
Old Oak West Essential stakeholders do not share OPDC's vision, support our delivery strategy, and/or are unwilling to engage - and this impacts on our ability to access funding, land and deliver a coordinated approach.	RED

The pages which follow are the Corporation's Statement of Accounts, which have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.



Gurdip Juty
Interim Chief Finance Officer
10 March 2023

Statement of Responsibility for the Accounts

The Development Corporation's responsibilities

The Development Corporation is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. In the Development Corporation, that officer is the Chief Finance Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Chief Finance Officer's responsibilities

The Chief Finance Officer is responsible for the preparation of the Statement of Accounts for the Development Corporation in accordance with proper practices as set out in the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). In preparing this Statement of Accounts, the Chief Finance Officer has:

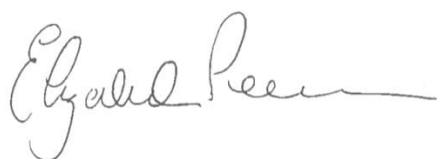
- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Chief Finance Officer

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Development Corporation at the accounting date and of the income and expenditure for the year ended 31 March 2022.



Gurdip Juty
Interim Chief Finance Officer
10 March 2023



Liz Peace CBE
Chairman
10 March 2023

Independent Auditor's Report to Members of the Old Oak

Opinion

We have audited the financial statements Old Oak and Park Royal Development Corporation for the year ended 31 March 2022 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

- Movement in Reserves Statement,
- Comprehensive Income and Expenditure Statement,
- Balance Sheet,
- Cash Flow Statement,
- the related Accounting Policies note and notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

In our opinion the financial statements:

- give a true and fair view of the financial position of Old Oak and Park Royal Development Corporation as at 31 March 2022 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Corporation's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Corporation's ability to continue as a going concern

Other information

The other information comprises the information included in the Annual Report and Accounts 2021/22, other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Corporation
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)

- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)
- we are not satisfied that the Corporation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have nothing to report in these respects

Responsibility of the Chief Financial Officer

As explained more fully in the Statement of the Chief Financial Officer's Responsibilities set out on page 17, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and for being satisfied that they give a true and fair view and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intends to cease operations, or has no realistic alternative but to do so.

The Corporation is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Corporation and determined that the most significant are:

- Local Government Act 1972
- Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992)
- The Accounts and Audit Regulations 2015
- Greater London Authority Acts 1999 and 2007, and
- The Accounts and Audit Regulations 2015.

In addition, the Corporation has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, general power of competence, procurement and health & safety.

We understood how the Corporation is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit, those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Corporation's committee minutes, through enquiry of employees to confirm the Corporation's policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

We assessed the susceptibility of the Corporation's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance (through improper recognition of revenue and management override of controls to be our fraud risks.

To address our fraud risk around the manipulation of reported financial performance through improper recognition of revenue, we challenged the assumptions and corroborated the income to appropriate evidence.

To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. In addition, we assessed whether the judgments made in making accounting estimates were indicative of a potential bias and evaluated business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2020, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in December 2021, as to whether the Old Oak and Park Royal Development Corporation had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Old Oak and Park Royal Development Corporation put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Old Oak and Park Royal Development Corporation had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Delay in certification of completion of the audit

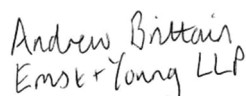
We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Corporation's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or our work on value for money arrangements.

In addition, we cannot formally conclude the audit and issue an audit certificate until we have issued our Auditor's Annual Report for the year ended 31 March 2022. We have completed our work on the value for money arrangements and will report the outcome of our work in our commentary on those arrangements within the Auditor's Annual Report.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of Old Oak and Park Royal Development Corporation, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation and the Corporation's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Brittain (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
London
16 March 2023



Core Financial Statements

Comprehensive Income and Expenditure Statement

For the year ended 31 March 2022

	Note	2021-22	2020-21
		£000	£000
Gross Income	2	(7,100)	(4,350)
Gross Expenditure	2	8,195	4,917
Net Cost of Services		1,095	567
Financing and investment expenditure	5	132	67
Taxation and Non-specific Grant Income	6	0	(68)
(Surplus) or deficit on provision of services		1,227	566
Corporation tax	7	0	0
(Surplus) or deficit on provision of services after tax		1,227	566
Remeasurement of the net defined benefit liability / asset	10	(1,478)	3,051
Total comprehensive income and expenditure		(251)	3,617

Balance Sheet

As at 31 March 2022

	Note	31 March 22	31 March 21
		£000	£000
Current Assets			
Short Term Debtors	8	2,270	1,869
Cash and Cash Equivalents	16	12,053	8,759
Total Current Assets		14,323	10,629
Total Assets		14,323	10,629
Current Liabilities			
Short Term Creditors	9	(2,082)	(3,998)
Receipts in Advance - Current	15	(698)	(144)
Total Current Liabilities		(2,780)	(4,141)
Long Term Liabilities			
Retirement Benefit Obligation	10	(6,319)	(6,557)
Receipts in Advance - Non Current	15	(11,655)	(6,613)
Total Long Term Liabilities		(17,974)	(13,170)
Total Liabilities		(20,754)	(17,311)
Net Liabilities		(6,431)	(6,682)
Total Reserves	12	6,431	6,682

The unaudited accounts were issued on 31 July 2022 and the audited accounts were authorised for issue on 10 March 2023.

Movement in Reserves Statement

As at 31 March 2022

2021/22	Note	General Fund	Total Usable Reserves	Unusable Reserves	Total Reserves
		£000	£000	£000	£000
Balance as at 1 April 2021		0	0	6,682	6,682
Movement in reserves during 2021/22					
Surplus or deficit on the provision of services		1,227	1,227	0	1,227
Other Comprehensive Income and Expenditure		0	0	(1,478)	(1,478)
Total Comprehensive Income and Expenditure		1,227	1,227	(1,478)	(251)
Adjustments from income and expenditure charged under the accounting basis to the funding basis	1	(1,227)	(1,227)	1,227	0
Decrease or (increase) in 2021/22		0	0	(251)	(251)
Balance as at 31 March 2022		0	0	6,431	6,431

2020/21	Note	General Fund	Total Usable Reserves	Unusable Reserves	Total Reserves
		£000	£000	£000	£000
Balance as at 1 April 2020		0	0	3,066	3,066
Movement in reserves during 2020/21					
Surplus or deficit on the provision of services		566	566	0	566
Other Comprehensive Income and Expenditure			0	3,051	3,051
Total Comprehensive Income and Expenditure		566	566	3,051	3,617
Adjustments from income and expenditure charged under the accounting basis to the funding basis	1	(566)	(566)	566	0
Decrease or (increase) in 2020/21		0	0	3,617	3,617
Balance as at 31 March 2021		0	0	6,683	6,683

The adjustment between the accounting basis and funding under regulation is the same as that for the EFA (note 1), but the signage is opposite to the EFA.

2021/22	General Fund Balance	Movement in Unusable Reserves
	£000	£000
Adjustments to the Revenue Resources		
Holiday pay (transferred to the Accumulated Absences reserve)	13	(13)
Pension cost (transferred to (or from) the Pensions Reserve)	(1,240)	1,240
Total Adjustments	(1,227)	1,227

Statement of Cash Flows

For the year ended 31 March 2022

	Note	31 March 2022	31 March 2021
		£000	£000
Net surplus or (deficit) on the provision of services		(1,227)	(566)
Adjustment to surplus or deficit on the provision of services for noncash movements	11	(1,090)	4,259
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	11	5,611	0
Net Cash flows from operating activities		3,294	3,693
Net Cash flows from Investing Activities	11	0	(22)
Net Cash flows from Financing Activities	11	0	0
Net increase or (decrease) in Cash and Cash Equivalents		3,294	3,671
Cash and Cash Equivalents at the beginning of the reporting period		8,759	5,088
Cash and Cash Equivalents at the end of the reporting period		12,053	8,759

Accounting Policies

a) Code of practice

The Corporation is required to prepare an annual Statement of Accounts by the Audit and Accounts (England) Regulations 2015. These regulations require the financial statements to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (“the Code”), supported by the International Financial Reporting Standards (“IFRS”) adopted by the European Union and statutory guidance issued under section 12 of the Local Act 2003.

The Statement of Accounts summarises the Corporation’s transactions for the 2021/22 financial year and its position at 31 March 2022. The Corporation’s financial statements have been prepared in accordance with the Code and IFRS.

b) Basis of accounting

The Accounts are made up to 31 March 2022.

The accounting policies set out below have been applied consistently in the period presented in these financial statements.

The Accounts have been prepared under the accruals concept and in accordance with the historical cost accounting convention.

Where items are sufficiently significant by virtue of their size or nature, they are disclosed separately in the financial statements in order to aid the reader's understanding of the Corporation's performance.

c) Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not when cash payments are made or received. In particular, revenue from the provision of services is recognised when the Corporation can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Corporation. Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

d) Going concern

The financial statements have been prepared on a going concern basis as it is considered that the Corporation will continue in operational existence for the foreseeable future and meet its liabilities as they fall due for payment for at least 12 months from the date of the approval of the financial statements, with ongoing funding confirmed by the GLA.

e) The application of new and revised standards

The 2021/22 Code introduces amendments to the following, which do not impact on any of the Council's policies:

- IFRS 3 Business Combinations
- Interest rate benchmark reforms to:
- IFRS 9 Financial Instruments
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRS 7 Financial Instruments: Disclosures
- IFRS 4 Insurance Contracts
- IFRS 16 Leases

f) IAS 8: Accounting policies, changes in accounting policies and errors

This specifies the treatment of prior period errors discovered after the financial statements are authorised for issue. An entity is required to correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

- a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Any errors are disclosed in the notes to the accounts and present the following information:

- a) the nature of the prior period error;
- b) for each prior period presented, to the extent practicable, the amount of the correction;
- c) for each financial statement line item affected;
- d) the amount of the correction at the beginning of the earliest prior period presented; and
- e) if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

g) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

h) Critical judgements on applying accounting policies

In applying the accounting policies, the Corporation has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

There is a degree of uncertainty about future levels of funding for the Corporation, as the resources required to deliver housing and economic growth in the area are yet to be identified. However, the Corporation has determined that this uncertainty is not yet sufficient to provide an indication that its long-term objectives will not be achieved. It is considered that the Corporation will continue in operational existence for the foreseeable future and meet its liabilities as they fall due for payment, with ongoing funding confirmed by the GLA.

i) Assumptions made about the future and major sources of estimation uncertainty

The preparation of financial statements in conformity with the Code requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Corporation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements and specifically to note 10 to the Accounts is disclosed below:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rates to be used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.	The assumptions interact in complex ways. The actuaries review the assumptions triennially and changes are adjusted for in the accounts. Sensitivity analysis is detailed in Note 10.

j) Revenue recognition

The core principle of IFRS 15 is applied and revenue reflects the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled. The recognition of such revenue is in accordance with five steps to: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price to the performance obligations and recognise revenue when the performance obligations are satisfied.

k) Grants

Whether paid on account, by instalments or in arrears, grants are recognised as due to the Corporation when there is reasonable assurance that:

- the Corporation will comply with the conditions attached to the payments; and
- the grants will be received.

Amounts recognised as due to the Corporation are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grants have been satisfied. Conditions are stipulations that specify how the grant should be used by the Corporation and which if not met require the grant to be returned to the transferor.

Monies advanced as grants for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant is credited to the relevant service line or non-ringfenced revenue grants and all capital grants credited to the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to expenditure.

Funding by the GLA is provided to the Corporation to match revenue (running) costs and spend profile; therefore, the Corporation does not hold significant grant surpluses.

l) Corporation and chargeable gains taxation

The Corporation is subject to corporation tax and complies with the Corporation Tax Acts.

m) Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is payable to HMRC and is excluded from income.

n) Property, plant and equipment

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Corporation and the cost of the item can be reliably measured. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use. Where there is a legal obligation to remove the asset and/or restore the site on which it is located at the end of its useful economic life, the costs of dismantling and removing the items and restoring the site on which they are located are also included in the cost of the asset.

Assets are then carried in the Balance Sheet using the following measurement bases:

- assets under construction – depreciated historical cost
- non-property assets – depreciated historical cost basis as a proxy for current value.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Disposals

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognised net within other gains and losses in the Comprehensive Income and Expenditure Statement.

o) Employee benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within twelve months of the year-end. They include benefits such as salaries, other remuneration, paid annual leave and paid sick leave – these are recognised as an expense for services in the year in which employees render service to the Corporation. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Corporation to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged to the relevant service when the Corporation can no longer withdraw the offer of those benefits.

Post-Employment Benefits

Employees of the Corporation are members of the Local Government Pension Scheme.

The Local Government Pension Scheme

The Local Government Pension Scheme in respect of the Corporation's employees is administered by the London Pensions Fund Authority (LPFA) and is accounted for as a defined benefits scheme:

The liabilities of the LPFA pension scheme attributable to the Corporation are included in the balance sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of earnings for current employees.

The discount rate is the annualised yield at the 25-year point on the Merrill Lynch AA-rated corporate bond yield curve which has been chosen to meet the requirements of IAS19 and with consideration of the duration of the Employer's liabilities. This is consistent with the approach used at the last accounting date.

The assets of the LPFA pension fund attributable to the Corporation are included in the Balance Sheet at their fair value as follows:

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value

The change in the net pensions' liability is analysed into the following components:

Service cost, comprising:

- current service cost – the increase in liabilities, as a result of years of service earned this year allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs;

- any gain or loss on settlement of a defined benefit plan when the settlement occurs; and
- interest on the net defined benefit liability, i.e. net interest expense for the Corporation – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Re-measurements comprising:

- the return on plan assets, excluding amounts included in the interest on the net defined benefit liability, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- actuarial gains and losses, changes in the net pensions liability that arise because events have not coincided with the assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/asset.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable to the pension fund in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Reserves

Reserves consist of two elements, usable and unusable. Usable reserves are those that can be applied to fund expenditure. Due to funding arrangements, the Corporation has nil balance on the General Fund due to the Corporation being fully funded. Unusable reserves cannot be applied to fund expenditure as they are not cash backed. They include the pension reserve and the accumulated absences reserve.

p) Trade and other receivables

The Corporation received planning application income in 2021/22 and there are no year-end trade receivables relating to this as funds are received at the point where a planning application is submitted along with S106 income, which is yet to be recognised as income as there are conditions attached which may require the monies to be returned to the contributor. The Corporation received GLA grant funding which is recognised as and when the grant is due to be paid to the Corporation. Other income received during the course of the year contributed towards specific pieces of work.

q) Trade and other creditors

Trade and other creditors are recognised at fair value and are the agreed amounts owed to suppliers

r) Collection of Mayoral CIL

The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008, as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. The Levy was ratified on 29th February 2012 and applies to developments agreed after 1st April 2012. The collection of the CIL is delegated to the relevant planning authority in each administrative area and the planning authority is able to retain 4% of the levy to cover the costs of administration and collection. The value recognised is disclosed in the income section of note 2.

Provisions, Contingent Liabilities and Contingent Assets

s) Provisions

Provisions are made where an event has taken place that gives rise to a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year the Corporation becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probably that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the obligation is settled.

t) Contingent Liabilities

A contingent liability arises where an event has taken place that gives rise to a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Corporation. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

u) Contingent Assets

A contingent asset arises where an event has taken place that gives rise to a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Corporation.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

(v) Revenue expenditure funded from capital under statute (REFCUS)

Revenue expenditure funded from capital under statute is expenditure that may be capitalised under statutory provisions but which does not result in the creation of a fixed asset for the Corporation. For example, grant paid to a third party for the purchase or creation of a fixed asset.

REFCUS is charged as expenditure to the relevant service revenue account in the year. Where such expenditure is funded from capital grants or contributions, the grant or contributions (or the portions that relate to the expenditure) are recognised as revenue grants or contributions. Both the expenditure and the grant or contribution are reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

w) Events after the reporting period

Events may occur between the year-end and the date that the statement of accounts is issued that might have a bearing upon the financial results of the past year and the financial position presented in the balance sheet.

The code defines two types of events after the reporting period:

- adjusting events: those that provide evidence of conditions that exist at the Balance Sheet date, where material, the financial statements and notes in the statement of accounts are required to be amended to reflect the impact of the events.
- non-adjusting events: those that are indicative of conditions that arose after the Balance Sheet date, the financial statements and the note in the statement of accounts are not amended to reflect the events, but additional explanatory notes may need to be added.

Notes to the Statement of Accounts

1. Expenditure and Funding Analysis

2021-22	Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure Chargeable to the General Fund Balances
	£000	£000	£000
Corporation	1,095	0	1,095
Net cost of services	1,095	0	1,095
Other Income and expenditure	(1,095)	1,227	132
	0	1,227	1,227
Opening General Fund Balance at 31 March 2021	0		
Less Deficit on General Fund Balance in Year	0		
Closing General Fund Balance at 31 March 2022	0		

2020-21	Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure Chargeable to the General Fund Balances
	£000	£000	£000
Corporation	567	0	567
Net cost of services	567	0	567
Other Income and expenditure	(567)	566	(1)
Surplus or deficit	0	566	566
Opening General Fund Balance at 31 March 2020	0		
Less Deficit on General Fund Balance in Year	0		
Closing General Fund Balance at 31 March 2021	0		

Note 1a to the EFA – Adjustment between funding and accounting basis

2021/22	IAS 19 Pension Adjustment	Accumulated Absences Adjustment	Capital Adjustment Account	Total Adjustments
	£000	£000	£000	£000
Corporation	0	0	0	0
Net cost of services	0	0	0	0
Other Income and expenditure from the funding analysis	1,240	(13)	0	1,227
Difference between General Fund (surplus) or deficit and CIES (surplus) or deficit	1,240	(13)	0	1,227

2020/21	IAS 19 Pension Adjustment	Accumulated Absences Adjustment	Capital Adjustment Account	Total Adjustments
	£000	£000	£000	£000
Corporation	0	0	0	0
Net cost of services	0	0	0	0
Other Income and expenditure from the funding analysis	494	72	0	566
Difference between General Fund (surplus) or deficit and CIES (surplus) or deficit	494	72	0	566

The adjustment between the accounting basis and funding under regulation is the same note as that for the Movement in Reserves Statement (MIRS), but the signage is opposite to the MIRS.

2. Gross Income and Expenditure Summary

Gross income and expenditure recognised in the Comprehensive Income and Expenditure Statement comprises:

Income	2021/22	2020/21
	£000	£000
GLA Income	(5,014)	(3,114)
Planning Application Fees	(944)	(292)
Mayoral CIL Administration	(38)	(22)
Other Income	(1,104)	(922)
Total Income	(7,100)	(4,350)

Expenditure	2021/22	2020/21
	£000	£000
Employee Benefits Expenses	3,314	3,504
Other Service Expenses	2,372	472
Revenue expenditure funded from capital under statute	305	0
Consultancy and Professional Fees	1,751	486
Support Service Recharges	453	455
Total Expenditure	8,195	4,917

Amounts included in the costs of services within the Comprehensive Income and Expenditure Statement but not reported to management within the in-year budget monitoring reports include pension service costs and Corporation Tax.

3. External Audit Fees

External audit fees are made up as follows:

	31 March 2022	31 March 2021
	£000	£000
Fees payable to external auditors with regard to external audit services carried out by the appointed auditor	59	43

4. Remuneration

The remuneration paid to the Authority's senior employees is as follows:

2021/22

OPDC Staff	Name of Post Holder	Date of service	Salary (including fees and allowances)	Compensation for loss of office	Employer Pension Contributions	Total Remuneration including pension contributions
			£	£	£	£
Chief Executive Officer	David Lunts		174,074	0	20,889	194,963
Chief Finance Officer	Jasbir Kaur Sandhu		94,217	0	11,249	105,466
Chief Finance Officer (maternity cover)	Fiona Marsh	To 28/05/2021	14,659	0	1,759	16,418
Head of Community Engagement and Social Value	Patora Dyrma		44,950	0	9,123	54,073
Head of Communications and Strategy	Rosalind Henville		73,077	0	8,769	81,846
Director of Development	Benjamin O'Neill		113,739	0	13,649	127,388
Director of Projects	Davena Wilson		111,901	0	13,428	125,329
Director of Planning	Emma Williamson		113,739	0	13,649	127,388
Human Resources and Organisational Development Manager	Karen Passley		76,507	0	9,123	85,630

Secondees

Head of Governance and Performance	Tim Somerville					
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2020/21

OPDC Staff	Name of PostHolder	Date of service	Salary (including fees and allowances)	Compensation for loss of office	Employer Pension Contributions	Total Remuneration including pension contributions
			£	£	£	£
Chief Executive Officer	David Lunts	From 01/01/2021	47,629	0	5,222	52,851
Chief Finance Officer	Jasbir Kaur Sandhu		65,752	0	9,526	75,278
Chief Finance Officer (maternity cover)	Fiona Marsh		89,802	0	10,776	100,578
Joint Head of Communications and Engagement	Patora Dyrma		64,235	0	7,708	71,943
Joint Head of Communications and Engagement	Rosalind Henville		71,295	0	8,555	79,850
Delivery Director	Benjamin O'Neill		113,739	0	13,649	127,388
Director of Land and Property	Davena Wilson		110,100	0	13,212	123,312
Director of Planning	Emma Williamson	From 03/08/2021	75,826	0	9,099	84,925
Assistant Director of Planning	Thomas Cardis	To 02/08/2020	27,723	0	3,327	31,050
Assistant Director of Planning	Claire O'Brien		60,167	0	8,603	68,770
Human Resources and Organisational Development Manager	Karen Passley		76,507	0	3,801	80,308

Secondees

Interim Chief Executive Officer	David Lunts	To 31/12/2020
Head of Governance and Performance	Tim Somerville	

The Code requires disclosure of remuneration for the Corporation's employees whose total remuneration in the year was £50,000 or more, grouped in rising bands of £5,000. In line with the Code, entries are banded according to actual payments in the year (excluding employer's pension contributions), rather than annual equivalent salaries.

The following table discloses permanent Officers on the Corporation's payroll who earn above £50,000, but excludes seconded staff, agency staff and contractors.

Remuneration Band (£)	2021/22	2020/21
	Number of Employees	Number of Employees
50,000 - 54,999	5	4
55,000 - 59,999	7	9
60,000 - 64,999	1	4
65,000 - 69,999	0	1
70,000 - 74,999	1	1
75,000 - 79,999	3	4
80,000 - 84,999	0	0
85,000 - 89,999	0	1
90,000 - 94,999	1	0
95,000 - 99,999	0	0
100,000 - 104,999	0	0
105,000 - 109,999	0	0
110,000 - 114,999	3	2
115,000 - 119,999	0	0
120,000 - 124,999	0	0
125,000 - 129,999	0	0
130,000 - 134,999	0	0
135,000 - 139,999	0	0
140,000 - 144,999	0	0
145,000 - 149,999	0	0
150,000 - 154,999	0	0
155,000 - 159,999	0	0
160,000 - 164,999	0	0
165,000 - 169,999	0	0
170,000 - 174,999	1	0
	22	26

Termination Benefits

The code requires the separate disclosure of the number and cost of compulsory and voluntary severance termination packages agreed during the year. There were no compulsory or voluntary severance termination packages agreed during the year.

OPDC is committed to supporting and harnessing a diverse and modern workforce and employs approximately 54 staff in full-time and part-time positions, including apprentices and secondees from across the GLA Group.

Members' remuneration

2021/22

Name	Title	Notes	Salary (inc. fees and allowances)	Expenses	Employer's NI	Total remuneration
			£'000	£'000	£'000	£'000
Elizabeth Peace CBE	Chairman and Chair Investment Committee *		27	-	3	30
Julian Bell	Board Member and Audit and Risk Committee member	Resigned in June 2021	3	-	-	3
Muhammed Asqhar Butt	Board Member and Audit and Risk Committee member and Appointments & Remuneration Committee Member*	Appointed to Audit and Risk Committee in June 2021	14	-	1	15
Stephen Cowan	Board Member and Investment Committee Member*		14	-	1	15
Natalie Campbell	Board Member and Chair Appointments & Remuneration Committee*		16	-	1	17
Rahul Gokhale	Board Member and Audit and Risk Committee Member		16	-	1	17
William Anthony Hill	Board Member and Investment Committee Member and Chair Planning Committee*		19	-	1	20
Shevaughn Sharon Rieck	Board Member and Audit and Risk Committee member		16	-	1	17
Michael Simms	Board Member and Appointments & Remuneration Committee Member*		15	-	1	16
Helen Ward	Board Member and Appointments & Remuneration Committee Member*		15	-	1	16
Peter Elijah Jonathan Mason	Board Member	Resigned from Planning Committee in May 2021	12	-	1	13
Amanulla Dalvi	Board Member	Appointed in March 2022	1	-	-	1
Jonathan Milward	Board Member	Appointed in March 2022	1	-	-	1
Gordon Adams	Planning Committee Member		2	-	-	2
Sandra Rose Fryer	Planning Committee Member	Resigned in September 2021	1	-	-	1
Wesley Harcourt	Planning Committee Member		2	-	-	2
Natalia Perez	Planning Committee Member		2	-	-	2
Matthew Daniel Stewart-Kelcher	Planning Committee Member		3	-	-	3
Hitesh Tailor	Planning Committee Member	Appointed in June 2021	2	-	-	2
Gary Rice	Planning Committee Member	Appointed in September 2021	1	-	-	1
Steve Quartermain CBE	Planning Committee Member	Appointed in September 2021	1	-	-	1
Jules Pipe	Board Member	Unremunerated	-	-	-	-
Victoria Quinlan	Board Member, Investment Committee Member and Chair Audit and Risk Committee	Unremunerated	-	-	-	-

*The Investment Committee and the Appointments & Remuneration Committee were disbanded in September 2021.

2020/21

Name	Title	Notes	Salary (inc. fees and allowances)	Expenses	Employer's NI	Total remuneration
			£'000	£'000	£'000	£'000
Elizabeth Peace CBE	Chairman and Chair Investment Committee		29	-	3	32
Julian Bell	Board Member and Audit and Risk Committee member		14	-	1	15
Muhammed Asqhar Butt	Board Member and Appointments & Remuneration Committee Member		14	-	1	15
Stephen Cowan	Board Member and Investment Committee Member		14	-	1	15
Natalie Campbell	Board Member and Chair Appointments and Remuneration Committee		18	-	1	19
Rahul Gokhale	Board Member and Audit and Risk Committee Member		16	-	1	17
William Anthony Hill	Board Member and Investment Committee Member and Chair Planning Committee	Chair Planning Committee from January 2021	17	-	1	18
William McKee	Board Member and Chair Planning Committee	Resigned November 2020	12	-	1	13
Shevaughn Sharon Rieck	Board Member and Audit and Risk Committee member		16	-	1	17
Michael Simms	Board Member and Appointments & Remuneration Committee Member		16	-	1	17
Helen Ward	Board Member and Appointments & Remuneration Committee Member		16	-	1	17
Gordon Adams	Planning Committee Member		2	-	-	2
Karen Cooksley	Planning Committee Member	Resigned February 2021	2	-	-	2
Sandra Rose Fryer	Planning Committee Member		2	-	-	2
Wesley Harcourt	Planning Committee Member		2	-	-	2
Natalia Perez	Planning Committee Member		2	-	-	2
Ketankumar Sheth	Planning Committee Member	Resigned October 2020	1	-	-	1
Matthew Daniel Stewart-Kelcher	Planning Committee Member	Joined November 2020	1	-	-	1
Peter Elijah Jonathan Mason	Planning Committee Member		2	-	-	2
Jules Pipe	Board Member	Unremunerated	-	-	-	-
Victoria Quinlan	Board Member, Investment Committee Member and Chair Audit and Risk Committee	Unremunerated	-	-	-	-

Members of the OPDC Board, Committees, who are the Mayor or a member of the London Assembly, a member of staff of the GLA, or an employee of another statutory or public body may claim expenses but shall not be eligible to claim the Basic Board Allowance or any Committee Allowance.

5. Financing and investment expenditure

	31 March 2022	31 March 2021
	£000	£000
Net interest on the net defined benefit liability	132	68
Other bank and finance charges/(credits)	0	(1)
Total	132	67

6. Taxation and non-specific grant Income

	31 March 2022	31 March 2021
	£000	£000
Capital grants and contributions	0	(68)
Total	0	(68)

7. Corporation Tax

a) Corporation tax

The Corporation incurred losses for the year to 31 March 2022 and due to the uncertainty of future profits the Corporation does not recognise any deferred tax assets. In view of this there is no corporation tax charge or credit for the year to 31 March 2022. (A similar position arose in the year to 31 March 2021.)

	31 March 2022	31 March 2021
	£000	£000
Net deficit on provision of services	1,227	566
Corporation Tax at 19%	(233)	(107)
Effect of:		
Disallowable items	(56)	(13)
Fixed asset timing differences	0	(1)
Pension Scheme adjustments	235	89
Losses	54	32
Corporation Tax	0	0

Provision to meet the Corporation's corporation tax liability had been made at 19%.

b) Deferred tax

The Corporation has potential deferred tax assets as shown in the table below. No deferred tax assets have been recognised in view of the uncertainty of future taxable profits.

Corporation Tax	31 March 2022	31 March 2021
	£000	£000
Assets due to:		
Pension scheme liabilities	1,580	1,254
Timing differences on fixed assets	3	3
Tax losses	100	52

The potential deferred tax assets have been calculated using the tax rate of 25% (year end to March 2021: 19%), which is the rate of corporation tax that will apply from 1 April 2023.

8. Debtors

	31 March 2022	31 March 2021
	£000	£000
Debtor (GLA)	1,884	0
Local Government	44	12
Central Government	0	50
Prepaid Expenses	40	5
GLA Functional Bodies	0	0
Taxation Debtor (HMRC)	128	191
Other entities and individuals	174	1,611
Total	2,270	1,869

The Corporation has entered into a grant agreement with the GLA to finance the Corporation's expenditure.

9. Liabilities

	31 March 2022	31 March 2021
Current liabilities	£000	£000
Tax Liabilities (HMRC)	(78)	(90)
Local Authorities & GLA Functional Bodies	(1,055)	(3,058)
Central Government	0	(4)
Other entities and individuals	(817)	(846)
Deferred income	(132)	0
Total	(2,082)	(3,998)

10. Pensions

Local Government Pension Scheme

The Corporation provides the opportunity for its employees to participate in the Local Government Pension Scheme. The LGPS is administered by the London Pensions Fund Authority (LPFA) and is a defined benefit statutory scheme where the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The LGPS is triennially valued in accordance with the provisions of the Local Government Pension Scheme Regulations (2013).

The fund's actuaries, Barnett Waddingham, carried out a full triennial valuation as at 31 March 2019. Employer's and employees' contributions to the Scheme were determined by the actuary following this valuation and the value of the liabilities as at this date has been rolled forward. Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund. The primary rate of contribution as defined by Regulation 62(5) for each employer, for the period 1 April 2019 to 31 March 2022, is 12%. Members pay contributions at rates correlating to pensionable salary bands. A surplus or deficit on the fund would lead to an adjustment to the contribution rates, which are reviewed every three years.

Life expectancy from age 65 (Years)	31 March 2022	31 March 2021
Retiring today		
Males	22.4	22.4
Females	24.5	24.4
Retiring in 20 years		
Males	23.7	23.6
Females	26.0	25.9

Financial assumptions	31 March 2022	31 March 2021
Discount rate	2.55	2.05
Pension increases	3.05	2.80
Salary increases	4.05	3.80

The assumptions used to measure events in the accounting period from 1 April 2021 to 31 March 2022 are set with reference to market conditions at 31 March 2022.

The estimate of the employer's past service liability duration is 35 years.

Amounts charged to the Comprehensive Income and Expenditure Statement

	31 March 2022	31 March 2021
	£000	£000
Service cost	1,404	693
Administration expenses	5	4
Total included in net cost of services	1,409	697
Net Interest on the defined liability	132	68
Total included in deficit on provision of services before tax	132	68
Remeasurement of the net defined benefit asset / liability	(1,478)	3,051
Total	63	3,816

Reconciliation of present value of the defined benefit obligation

	31 March 2022	31 March 2021
	£000	£000
Opening defined benefit obligation	(10,079)	(5,797)
Current service cost	(1,404)	(693)
Interest cost	(209)	(136)
Change in financial assumptions	998	(3,597)
Change in demographic assumptions	0	63
Experience gain/(loss) on defined benefit obligation	(29)	68
Liabilities extinguished/(assumed) on settlements	0	0
Estimated benefits paid net of transfers in	18	239
Past service costs, including curtailments	0	0
Contribution by Scheme participants	(234)	(226)
Closing defined benefit obligation	(10,939)	(10,079)

Reconciliation of fair value of Fund assets

	31 March 2022	31 March 2021
	£000	£000
Opening fair value of Fund Assets	3,522	2,785
Interest on assets	77	68
Return on assets less interest	509	415
Other actuarial gains/(losses)	0	0
Administration expenses	(5)	(4)
Contributions by employer including unfunded	301	271
Contribution by Scheme participants	234	226
Estimated benefits paid plus unfunded net of transfers in	(18)	(239)
Settlement prices received	0	0
Closing Fair Value of Fund assets	4,620	3,522

The amount included in the Balance Sheet arising from the Corporation's obligation in respect of its defined benefit plans is as follows:

	31 March 2022	31 March 2021
	£000	£000
Present value of the defined benefit obligation	(10,939)	(10,079)
Fair Value of Fund assets	4,620	3,522
Net (liability) / asset arising from defined benefit obligation	(6,319)	(6,557)

Local Government Pension Scheme assets comprised:

	31 March 2022		31 March 2021	
	£000	%	£000	%
Employer asset share - bid value				
Equities	2,629	57	1,956	56
Target Return Portfolio	995	22	808	23
Infrastructure	471	10	301	9
Property	415	9	310	9
Cash	110	2	147	4
Total	4,620	100	3,522	100

Please note that the individual percentages shown are to the nearest percentage point for each asset class and may not sum to 100%.

Sensitivity analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- year age rating adjustment to the mortality assumption.

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	10,576	10,939	11,315
Projected service cost	1,168	1,223	1,281
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	10,962	10,939	10,916
Projected service cost	1,224	1,223	1,223
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	11,290	10,939	10,600
Projected service cost	1,280	1,223	1,168
Adjustment to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	11,335	10,939	10,557
Projected service cost	1,275	1,223	1,173

11. Cash flow

Cash flow Statement – Operating Activities

The surplus or deficit on the provision of services have been adjusted for the following non-cash movements:

	31 March 2022	31 March 2021
	£000	£000
Increase/(decrease) in creditors	(1,930)	1,417
(Increase)/decrease in debtors	(401)	3,260
Increase/(decrease) in other non-cash items	0	(912)
Movements in pension liability	1,240	494
Adjustment to net deficit for non-cash movement	(1,090)	4,259

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

	31 March 2022	31 March 2021
	£000	£000
Any other items for which the cash effects are investing or financing cash flows	5,611	0
Adjustment to investment and financing activities	5,611	0

Cash flow Statement – Investing Activities

	31 March 2022	31 March 2021
	£000	£000
Other receipts from investing activities	0	(22)
Purchase of property, plant and equipment	0	0
Net cash flows from investing activities	0	(22)

Cash flow Statement – Financing Activities

	31 March 2022	31 March 2021
	£000	£000
Receipts from financing activities	0	0
Net cash flows from financing activities	0	0

12. Reserves

Usable reserves

At the end of the financial year, the Corporation had no usable reserves.

Unusable reserves

	31 March 2022	31 March 2021
	£000	£000
Pension Reserve	6,319	6,557
Accumulated Absences Account	112	125
Capital Adjustment Account	0	0
Total	6,431	6,682

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Corporation accounts for post-employment benefits, in the Comprehensive Income and Expenditure Statement, as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Corporation makes employee contributions to pension funds or eventually pays any pension for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall between the benefits earned by past and current employees and the resources that the Corporation has set aside to meet them.

The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	31 March 2022	31 March 2021
	£000	£000
Balance 1 April	6,557	3,012
Remeasurement of the net defined benefit liability / asset	(1,478)	3,051
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	1,541	765
Employer's pensions contributions and direct payments to pensioners payable in the year	(301)	(271)
Balance 31 March	6,319	6,557

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account. As there was no settlement or cancellation of accrual made at the end of the preceding year, amounts accrued in this year are the same as the amount by which officer remuneration is charged to the Comprehensive Income and Expenditure Statement on an accrual basis. A further breakdown within pension reserves is shown in the table below.

	31 March 2022	31 March 2021
	£000	£000
Balance 1 April	125	53
Settlement or cancellation of accrual made at the end of the preceding year	(72)	0
Amounts accrued at the end of the current year	59	72
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements	(13)	72
Balance 31 March	112	125

The Capital Adjustment Account absorbs the timing differences arising from the different arrangement for the consumption of non-current assets and for financing the acquisition, construction or enhancement elements of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the Corporation for the costs of acquisition, construction and enhancement.

	31 March 2022	31 March 2021
	£000	£000
Balance 1 April	0	0
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Revenue expenditure funded from capital under statute	305	68
Capital financing applied in the year:		
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(305)	(68)
Balance 31 March	0	0

13. Related party transactions

The Corporation is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Corporation or to be controlled or influenced by the Corporation. Disclosure of these transactions allows readers to assess the extent to which the Corporation might have been constrained in its ability to operate independently or might have secured the ability to limit another party’s ability to bargain freely with the Corporation.

The related parties to the Corporation are:

- central government;
- other public bodies (including the Greater London Authority and other local authorities); and
- its Members and Executive Management Team.

Central government and other public bodies – Income and Expenditure

All relationships were as delivery partners to the Corporation and significant transactions for the years ended 31 March 2022 were as follows:

	31 March 2022	31 March 2021
	£000	£000
Income		
Greater London Authority	(5,843)	(267)
Expenditure		
Local Government	356	105
Greater London Authority	341	4,297
Functional Bodies of the GLA	937	866

Year-end outstanding balances are detailed in notes 8 and 9.

Members and Executive Management Team – Income and Expenditure

Members of the Corporation have direct control over the Corporation’s financial and operating policies. The total of members’ allowances paid in 2021/22 is shown in note 4. Members and the Executive Management Team were required to complete a declaration regarding any related party transactions with the Corporation, which are subject to external audit. There were no disclosures by Members or the Executive Management Team in 2021/22 under the related party transactions declaration.

14. Capital Expenditure and Capital Financing

	31-Mar-22	31 March 2021
	£000	£000
Opening Capital Finance Requirement	0	0
Capital Investment		
Plant, Property and Equipment (Assets Under Construction)	0	0
REFCUS - Grant payments to external organisations for capital purposes	305	68
Total Capital Spending	305	68
Sources of Finance		
Government Grants and Contributions	(305)	(68)
Total Sources of Finance	(305)	(68)
Closing Capital Finance Requirement	0	0

15. Grants

Capital Grants Receipts in Advance - Long Term Liabilities

	31 March 2022	31 March 2021
	£000	£000
S106 Grant	(11,655)	(6,613)
Total	(11,655)	(6,613)

*Capital Grants Receipts in Advance - Short Term Liabilities

	31 March 2022	31 March 2021
	£000	£000
Capital Grant	(569)	0
Total	(569)	0

*Revenue Grants Receipts in Advance - Short Term Liabilities

	31 March 2022	31 March 2021
	£000	£000
Functional Bodies Contributions	(100)	(100)
Other Government Grants	(29)	(44)
Total	(129)	(144)

Grants Credited to Services

	31 March 2022	31 March 2021
	£000	£000
Functional Bodies Contributions	(5,014)	(3,114)
Other Government Grants	(88)	(129)
Total	(5,102)	(3,243)

Grant Income credited to Taxation and Non-specific Grant Income and Expenditure

	31 March 2022	31 March 2021
	£000	£000
Capital Grant	0	(68)
Total	0	(68)

*Capital and Revenue Grants Receipts in Advance Short Term Liabilities add up to the Receipts in Advance Current account in the balance sheet

16. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with the Greater London Authority (GLA) repayable without penalty on notice of not more than 24 hours.

Short Term Provision	31 March 2022	31 March 2021
	£000	£000
Bank current accounts	355	619
Other deposits	11,698	8,140
Balance at 31 March 2022	12,053	8,759

17. Contingent Assets - Contingent Receivable

The Corporation has accepted a commercial offer from UKPN in relation to the variation of a Connection Agreement for a new 15MVA power supply at Atlas Road. This offer resulted in income being due to the Corporation from UKPN. Whilst most of the receivable balance has been settled in the Corporation's accounts, there remains a receivable of £285,479, which will become due when a future event in relation to the offer has been met. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets this amount has been treated as a Contingent Asset and thus not recognised in the Balance Sheet.

Contingent VAT

VAT receivable from HMRC has been treated as a contingent asset. Errors concerning unclaimed amounts in relevant quarters must be reported to HMRC outside the quarterly submission process where either:

- The net value of errors found on previous returns exceeds £10,000
- The net value of errors found on previous returns is between £10,000 and £50,000, but exceeds 1% of net outputs (Box 6 of the VAT return) for the return period in which errors are discovered.

The total value of errors is circa £49.5k, however, there is no guarantee that HMRC will accept this claim. In accordance of with IAS 37 Provisions and Contingent Liabilities and Contingent Assets this amount has been treated as a Contingent Asset and thus not recognised in the Balance Sheet.

18. Events After the Reporting Period

Contingent VAT

Further to HMRC's assessment of the over-declaration of VAT in prior years, confirmation was received of a VAT credit amounting to £49,090 on 16 May 2022. In accordance with IAS10 the accounts have been adjusted to reflect the determination.



Annual Governance Statement

Local authorities are statutorily required to review their governance arrangements at least once a year. Preparation and publication of this Annual Governance Statement (AGS), drafted in accordance with the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016) (the Framework), fulfils this requirement.

The Framework requires local authorities to ensure their business is conducted in accordance with all relevant laws and regulations, public money is safeguarded and properly accounted for and that resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.

The Framework also expects that local authorities will put in place proper arrangements for the governance of their affairs which facilitate the effective exercise of functions, including arrangements for the management of risk, and ensure that the responsibilities set out above are being met.

The Corporation has adopted the requirements of the Framework and has policies and processes to ensure robust corporate governance and effective internal arrangements.

Scope of responsibility

The Old Oak and Park Royal Development Corporation (OPDC) is a Mayoral Development Corporation, established on 1 April 2015, under the provisions of the Localism Act 2011. Its fundamental purpose is to secure the regeneration of the area within its boundaries and it is also the planning authority within this development area.

The Corporation is a functional body of the Mayor of London, which operates within the overall legislative and governance framework provided by the Greater London Authority (GLA) Acts 1999 and 2007, and part of the wider GLA Group. The Mayor of London appoints members to its Board and allocates its budget. The Mayor is also able to direct the Corporation in the exercise of its functions, and to delegate powers to it.

The purpose of the governance framework

The governance framework provides for the systems and processes by which the Corporation is directed and controlled, how it is accountable to its stakeholders and communities, and how it monitors the achievement of its strategic objectives and value for money.

The system of internal control is a significant part of this framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on a continuous process designed to identify and prioritise risks, to evaluate the likelihood and potential impact of those risks being realised, and to mitigate and manage them efficiently, effectively and economically.

The governance framework has been in place at the Corporation for the year ending 31 March 2022 and up to the date of approval of the Statement of Accounts. This AGS was first published in draft in 31 July 2022 and will be updated to reflect any changes needed as a result of the Final Audited Accounts expected to be published in March 2023.

The Corporation can confirm that there were no substantive governance issues in 2021/22 or up to 10 March 2023 when this draft statement was finalised.

The governance framework

Board and committees

The Corporation's Board and committees operate within the governance and openness framework prescribed by the Local Government Act 1972. As at 31 March 2022, the following committees were constituted:

- *Audit and Risk Committee (ARC)*: ARC exists to ensure the efficient and effective discharge of the Corporation's functions, through the proper administration of the Corporation's financial affairs including but not limited to the maintenance, preparation and audit of accounts, internal controls and risk management, and internal and external audit.
- *Planning Committee*: Planning Committee exists to enable the transparent, efficient and effective discharge of the Development Corporation's functions to determine planning applications and to respond to consultation on applications on which the Corporation is a consultee.

Committee members must be a member of the Board, except where the Mayor of London has approved the appointment of non-Board members to committees. This is the case for the Planning Committee, which is comprised of one Board member, four elected Councillors from the local boroughs and three independent members appointed following a recruitment process.

In September 2021, the Board agreed to disestablish two committees: the Appointments and Remuneration Committee and Finance and Investment Committee. Consequential changes were made to the Scheme of Delegation, effectively removing the delegation of powers to these two committees, with the relevant decisions now reserved to the Board. We intend to keep our governance arrangement under review to ensure that as and when additional delegation and/or assurance is required, we can respond appropriately.

Attendance at Board and committee meetings in 2021/22 by Members is shown below.

- Over 2021/22, the Board had four meetings, one as a remote Advisory Panel under our Scheme of Remote Decision-Making, and three physical meetings.
- The Audit and Risk Committee had four meetings also, three as remote Advisory Panel meetings and one physical meeting.
- The Planning Committee held five meetings, three as remote Advisory Panel meetings and two physical meetings.

Our Scheme of Remote Decision-Making was reintroduced in June 2021 because the legislation that allowed formal meetings to take place on a virtual basis fell away in early May 2021. The Scheme was revised to provide for the Chair of the Corporation, and the chairs of committees, to determine, on a case-by-case basis, whether business falling within the remit of the Board/committee in question should be taken in Advisory Panel format (i.e. under delegation), with reference to the public health situation.

	Board Meetings	Meetings of the Audit and Risk Committee	Meetings of the Planning Committee
Total number of meetings in the period	4	4	5
	Attendance ¹	Attendance	Attendance
Liz Peace CBE (Chair)	4	-	-
Muhammed Butt ²	4	2 of 3	-
Natalie Campbell	2 (+1)	-	-
Stephen Cowan	1 (+2)	-	-
Aman Dalvi ³	1 of 1	-	-
Rahul Gokhale	1 (+1)	3	-
William Hill	4	-	5
Peter Mason ⁴	3	-	-
Jon Milward ⁵	1 of 1	-	-
Jules Pipe CBE	1 (+2)	-	-
Shevaughn Rieck	3 (+1)	4	-
Victoria Quinlan	2	4	-
Michael Simms	3	-	-
Helen Ward	3	-	-
Gordon Adams	-	-	5
Sandra Fryer ⁶	-	-	2
Wesley Harcourt	-	-	5
Matt Kelcher	-	-	3
Natalia Perez	-	-	3
Steve Quartermain ⁷	-	-	3
Gary Rice ⁸	-	-	3
Hitesh Tailor ⁹	-	-	5

¹ Noting that remote attendees at an in-person meeting do not count towards the quorum.

² Cllr Muhammed Butt was appointed to the Audit and Risk Committee in June 2021.

³ Aman Dalvi became a member of the Board in March 2022.

⁴ Cllr Peter Mason, replaced Cllr Julian Bell in June 2021 as the London Borough of Ealing's representative on the Board and resigned from the Planning Committee.

⁵ Jon Milward became a member of the Board Committee in March 2022.

⁶ Sandra Fryer resigned from the Planning Committee in September 2021.

⁷ Steve Quartermain was appointed to the Planning Committee in September 2021.

⁸ Gary Rice was appointed to the Planning Committee in September 2021.

⁹ Cllr Hitesh Tailor was appointed to the Planning Committee in June 2021 as the London Borough of Ealing representative

Vision and performance

The Corporation's Management Plan for 2021/22 to 2022/23 was approved at September 2021 Board. It set out our key priorities as well as corporate and team-level goals, objectives and milestones. The Plan has formed the basis for a refreshed approach to individual performance management, including individuals' objectives, targets and personal development. At the time of writing, the Plan was in the process of being refreshed for 2023/24.

The vision and objectives in the Management Plan complement the Local Plan, which will be OPDC's main planning policy document for the area, setting a blueprint for how OPDC will guide regeneration over the next 20 years. The draft Local Plan was subject to a main modifications public consultation process during 2021/22 and was approved for adoption by the Board in June 2022.

OPDC's objectives are monitored through a robust quarterly corporate performance and financial reporting regime. This is based on quarterly dashboard reports, covering delivery, risks and spend. It is reviewed by the Senior Management Team (SMT), the Audit and Risk Committee and then at Board. The reports are also reviewed with senior staff at the GLA and by the London Assembly's Budget and Performance Committee. Internally, financial performance is reviewed through monthly budget monitoring reports to management. Training is provided for all staff to support their financial skills and awareness.

We have two internal programme boards that support our business planning and performance management. The Mobilisation Programme Board helps with the coordination, review and delivery of our Western Lands programme, as we move from the planning to delivery phase.

The Regeneration and Economic Development (RED) Programme Board fulfils a similar role in respect of our reshaped work in this area. Embedding the programme board was a priority for 2022/23.

Covid-19

In response to Covid-19 and related restrictions, our business continuity arrangements continued to be in effect during 2021/22, becoming, to an extent, business as usual.

We continued to run thorough and best practice consultations throughout 2021/22, while being mindful of pandemic restrictions and guidance. Hybrid approaches were maintained to allow people to participate both on and offline. We made sure not to exclude those without internet access, and in line with our Statement of Community Involvement, we placed consultation material at local, publicly accessible places and direct to individuals on request. We also operated a postal and phone service.

Standing Orders, delegations and Code of Conduct

Key governance documents for the Development Corporation comprise:

- Standing Orders, which set out arrangements for the conduct of formal meetings and other procedures of the Corporations.
- Code of Conduct for Members, which sets out expectations for standards of behaviour.
- Scheme of Delegation, which sets out arrangements for delegation of decisions to committees and officers. Amendments were made to this document in September 2021 due to the disestablishment of the Appointments and Remuneration Committee and Finance and Investment Committee.
- Scheme of Planning Delegations, which sets out how the Development Corporation will discharge some of its town and country planning functions and responsibilities through delegation to the Planning Committee and Planning Officers.
- Planning Code of Conduct, which sets out the approach of Planning Officers and the Planning Committee Members to planning decision-making.
- Financial Regulations, which set out the framework for managing the Development Corporation's financial affairs.
- Contracts and Funding Code, which sets out policies in relation to the proper procurement of goods, services, supplies and works.
- Register of Interest Guidance and Form, which sets out the GLA Group approach to declaring interests to ensure all staff conduct business in line with the law and that public money is safeguarded and properly accounted for.

All the above documents, alongside other governance documents, are available on the Corporation's website.

These documents were in place throughout 2021/22. We also continued our rolling review of these and other governance documents, including making the following updates:

- we set out our corporate performance framework and the primary responsibilities that exist within it. To strengthen our performance management arrangement, additional guidance documents were approved:
 - a change control protocol for our quarterly reports
 - guidance to support the quarterly reporting process
 - a data quality framework.
- Data Protection and Records Management policies were reviewed and adopted by the Senior Management Team.
- at the time of writing, the Financial Regulations were in the process of being reviewed and updated for consideration by the Audit and Risk Committee and the Board.

In 2021/22, we pulled together content for a governance e-learning module to cement the corporate knowledge and understanding of the corporation's main governance documents and associated requirements. This will be launched in 2022/23.

Decision-making

To enhance our delegated decision-making process across the organisation, decision-making templates and accompanying process and guidance was reviewed in January 2022, including to improve the consistency and quality of decision forms. Training sessions will be taking place in the summer with each Directorate to enhance understanding of – and get feedback on – our decision-making process and associated best practice.

Information governance

The Corporation has strong arrangements in place to promote information governance across its services. We have a designated Data Protection Officer based at the GLA, as part of a shared service arrangement, to ensure compliance with Data Protection Legislation. Support is provided also on Record Management, Information Security Freedom of Information best practice.

There were no reported incidents relating to information governance, including data loss or confidentiality breach, in 2021/22.

Risk management, fraud and corruption

The Corporation's risk management processes embed risk management in all aspects of our work programme and ensure programme-wide and project risks are identified, quantified, mitigated and monitored effectively.

Risks and issues are managed at various different levels across the organisation: risks and issues within a project are managed by project managers; risks and issues within a Directorate are managed by the relevant director and corporate risks are owned by the SMT. Updates on corporate risks are reported to the Audit and Risk Committee on a six-monthly basis. The now well-established quarterly reporting processes provide a more integrated approach to risk management, identifying the top risks for each area of the Corporation.

In March 2022, Internal Audit finalised the review of our Risk Management Framework, which received an adequate rating. Recommendations from the internal audit, which we are taking forward, include a review and update of the Risk Management Framework, updating our decision forms to better identify high-risk areas of work, and ensuring our corporate risk register template is used by programmes and projects as a default choice.

The Corporation's Whistleblowing Policy was updated in 2021/22, reflecting the procurement of a new organisation to run an anonymous reporting line through a phone and web-based hotline. We, in partnership with other GLA Group bodies, worked closely together with the new provider to make sure the process for staff and

stakeholders is as straightforward and uncomplicated as possible. Staff, the Board and the Audit and Risk Committee have been informed of the new arrangements.

Preventative controls in respect of fraud include senior management authorisation of new suppliers, separation of functions for raising and authorising purchase orders, and other decision-making, procurement and accounting processes. Key detective processes and controls are the systems for authorisation of accounts payable and receivable, general ledger journals and payroll allied to senior management scrutiny of the quarterly management accounts.

A list of the main fraud risks is integrated into OPDC's Anti-Fraud, Bribery and Corruption Policy.

There were no reported instances of fraud or whistleblowing in 2021/22.

Financial and legal controls compliance

The Corporation's financial management arrangements conform to the governance requirements of CIPFA statement on the Role of the Chief Financial Officer in Local Government:

The Chief Finance Officer of the Development Corporation (designated in accordance with Section 127 of the Greater London Authority Act 1999) is a member of the Association of Chartered Certified Accountants (ACCA). The Chief Finance Officer sits on the SMT and is able to attend all Board and Committee meetings. They prepare the budget, including leading internal review processes, and are party to all material business decisions. Financial advice is included on all Board papers and sign-off is required above the thresholds specified in the Scheme of Delegation.

- the Chief Finance Officer is also responsible for financial controls, governance, corporate programme management, performance measurement and for supporting the Audit and Risk Committee's work (including internal audit).
- the Chief Finance Officer is supported by a team of Finance and Governance and Performance Officers.

The Chief Finance Officer has confirmed that the Corporation was in compliance with the 17 standards set out in the CIPFA Financial Management Code at 31 March 2022.

The Corporation ensures compliance with relevant laws and regulations through shared service arrangements with Transport for London, for legal and procurement services. Legal advice is required for all significant decisions, whether taken by the Board or under delegated authority, and is recorded in Board and other decision papers. Contracts entered into by the Corporation are subject to review by the legal team according to risk and contract value.

Compliance with other legislation (e.g. employment or procurement) is ensured by the working policies, procedures and practices of the relevant team. Policies are approved by SMT following consultation with employees.

Audit and Risk Committee and internal audit

The Audit and Risk Committee (ARC) helps to raise the profile of internal control and risk management, through review of the Corporation's corporate performance, risk and finance reports. ARC also undertakes periodic in-depth reviews to support the Board by maintaining oversight of and providing challenge on delivery and performance. ARC meetings are held in public and the papers are made available on the Corporation's website which helps to enhance public trust in financial governance.

ARC is made up of members of the Corporation's Board. It includes members with both public and private sector experience with expertise in areas including finance, audit, law and governance.

In addition to its regular reports and assurance work, ARC undertook the following in-depth reviews took place in 2021/22:

- Good Growth Fund
- Forge@ParkRoyal
- Great Place Scheme
- Cyber Security

The Mayor's Office for Policing and Crime (MOPAC) Directorate of Audit, Risk and Assurance (DARA) acts as the Corporation's internal auditors, and their work is reported to, and monitored and reviewed by, ARC.

DARA assists in the promotion of good governance through the implementation of the Internal Audit Plan, as approved by ARC each year. The Internal Audit Plan includes individual audits on activities identified as areas of risk. When complete, the reviews are reported to the executive and ARC. The Corporation's progress against agreed internal audit recommendations is monitored regularly and reported to ARC.

The follow up reviews from the audit plan finalised in the year with each reviews' assurance rating are shown below:

- Community Engagement and Public Liaison Framework - Substantial
- Decision Framework – Substantial
- Review of Corporate Performance Management Framework - Adequate

The following new reviews from the audit plan were undertaken:

- Good Growth Fund – Adequate
- Risk Management Framework – Adequate
- Material Systems-Payroll – Adequate
- Employment and Skills Hub Governance – Adequate
- Material System – Debtors - Adequate

- Health, Safety & Wellbeing - Substantial
- Follow up – Good Growth Fund – Substantial
- Board Governance - Adequate

The terms of reference of the Audit and Risk Committee, along with Committee meeting dates, papers and minutes can be accessed using the following link: <https://www.london.gov.uk/OPDC/AuditandRiskCommitteeMeetings>.

Diversity and Inclusion (D&I)

Our commitment to supporting Equity, Diversity and Inclusion (EDI) starts from the Board and Senior Management Team. We are ambitious to go beyond the requirements in the Equality Act 2010.

In the year, a number of staff workshops were run to create an EDI Strategy and Action Plan, which was approved by Board in March 2022. The Strategy covers a five-year period, and in addition to the workshops, has been informed by external peer review and good practice at the GLA, LLDC and our local boroughs, including Brent's Race Action Plan. It also builds on our new community engagement strategy, which the Board endorsed in September 2021, and which includes strong commitments to promoting EDI in its approach to working with our communities.

The Strategy outlines our commitment to build on our good foundations to ensure EDI is truly embedded in all our work. To ensure we deliver on the commitments set out within the strategy and that we can be held to account for progress, we have agreed a set of performance indicators for each of the objectives set and the action plan will be reported back to Board annually. The first annual report is expected to be in 2023.

Greater London Authority Corporate Governance

The Corporation is subject to the GLA Group annual budgeting process, engages with the London Assembly and its committees and fulfils the requirements of any Mayoral directions given. There is also an on-going dialogue with the Mayor's Office to ensure that the activities of the Corporation are aligned with the Mayor's policy framework.

The Corporation complies with the requirements of the GLA Group Corporate Governance Framework Agreement to ensure that common standards and procedures for governance and transparency are in place and appropriately adhered to. In adopting the framework, OPDC agreed to a firm commitment to being open, transparent and accountable for the Corporation's actions and behaviour. The Framework was reviewed and updated in 2021/22 and will be approved at Board and adopted at its next meeting.

Meeting development needs of members and senior staff

OPDC is committed to supporting and harnessing a diverse and inclusive workforce and has 54 full-time and part-time posts, including one apprentice and secondees, with a workforce generally reflecting the diversity of the community the Corporation serves.

The development of the skills and capacity of staff, managers and teams to perform effectively and respond to the ongoing organisational change is incorporated within the Corporation's performance management framework for staff. A new performance management process was launched in October 2021, including creating a stronger link between our corporate objectives and individuals' objectives. The process also focuses more specifically on learning and development needs so we can equitably develop all our people and build a continuous learning culture.

Community engagement and partnership

The Corporation's Community and Business Engagement Teams manage a programme of active engagement with local people using a variety of channels and forums.

2021-22 saw the adoption and implementation of OPDC's refreshed community engagement strategy setting out clear priorities for the next two years for how OPDC inform, involve, collaborate with and empower the community. After two years, the strategy will be reviewed and updated accordingly.

The Corporation has partnership arrangements in place with a number of bodies, including local authorities and landowners and other stakeholders. OPDC will continue to work closely and develop relations with resident groups and the business community, our three local boroughs and other key partners including Network Rail, HS2 and local politicians.

Review of effectiveness of internal control

The Corporation regularly reviews the effectiveness of its governance framework including the system of internal control. The framework's effectiveness is kept under review by SMT and informed also by the Annual Internal Audit Opinion and comments made by the external auditors.

As part of the Annual Governance Statement, all members of SMT are required to confirm that proper governance and internal control arrangements are in place for their areas of responsibility. In doing so, SMT must also identify any significant areas of concern or weakness within each Directorate. All SMT members confirmed proper governance and internal control arrangements were in place and there had been no significant issues arising.

Based on the programme of internal audit, the Head of Internal Audit's overall opinion for 2021/22 was that OPDC's internal control environment was adequate and controls were, noting the recommendations made in audit reports to improve the

control environment, in place to mitigate key risks to support the achievement of OPDC's overall strategic objectives.

Overall, based on the above, we are able to report that there were no significant weaknesses in the Corporation's governance and control framework that affected achievement of our strategic objectives in 2021/22.

Our update on our 2021/22 action plan and a new set of actions for 2022/23 are below.

Update on 2021/22 action plan

No.	Area to develop	Actions	Lead Officer	Status/update
1	Decision-making	Reinstate remote decision-making arrangements on a temporary basis and then progress plans for a return to physical meetings.	Head of Performance & Governance	Physical meetings now the norm. Remote Scheme of Delegation in place and can be used if needed with regard to the public health situation.
2	Programme management	Embed the programme board for the Western Lands and introduce mechanisms to provide oversight of significant OPDC projects.	Director of Delivery & Head of Governance	This operated in the year but has now been refreshed as a mobilisation board.
3	Corporate Plan	Finalise a new Management Plan	Head of Performance & Governance	Complete and published
4	Board effectiveness	Complete a board effectiveness review.	Head of Performance & Governance	Some delay. Review currently in progress to report in the summer/autumn of 2022.
5	Diversity and Inclusion	Finalise the Equity, Diversity & Inclusion Strategy.	Senior Manager, Human Resources and Organisational Development	Endorsed by Board in March 2022.
6	New ways of working	Put in place protocols and approaches to support effective hybrid (home and office) working.	Senior Manager, Human Resources and Organisational Development / SMT	In place.
7	E-learning Platform	Create new e-training modules to support high standards of governance at OPDC.	Head of Performance & Governance	Content developed. To be launched in 2022/23.
8	Review of governance documents	Review and update OPDC's Financial Regulations.	Chief Finance Officer and Head of Performance & Governance	Review in progress. To be completed in 2022/23.

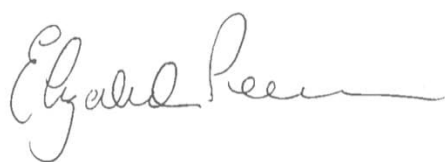
2022/23 action plan

No.	Area to develop	Actions	Timescales	Lead Officer
1	Board effectiveness review	Complete the Board effectiveness review, identifying recommendations for improvement.	Q2	Chief Operating Officer / Head of Performance & Governance
2	Scheme of Delegation	Review, linked to the above, the need for strengthening of governance and decision-making arrangements to support OPDC investment decisions.	Q3	Chief Operating Officer / Head of Performance & Governance
3	Land Fund governance	Also linked to the above, agree a governance framework for the Land Fund	Q3	Chief Operating Officer / Head of Performance & Governance
4	Board process	Training to support improvements in quality of Board papers and process	Q2	Head of Performance & Governance
5	Annual Report on D&I Strategy	Progress against performance indicators for EDI objectives	Q1 2023/24	Chief Operating Officer / Head of Communications and Strategy
6	Western Lands assurance	Set up programme management office to oversee and assure effective management of the programme plan, progress, risks and issues	Q2	Chief Operating Officer
7	Expenses and Benefit Framework	Review and update OPDC's Expenses and Benefit Framework	Q2	Chief Finance Officer
8	Risk Management Framework	Review and update Risk Management Framework	Q2	Head of Performance & Governance
9	E-learning platform	Create new e-training modules to support high standards of governance at OPDC	Q1	Head of Performance & Governance
10	Review of governance documents	Review and update OPDC's Financial Regulations	Q2	Chief Finance Officer
11	Review of Shared Service Agreement	Review and update of OPDC's shared service agreement with the GLA	Q3	Chief Operating Officer

Conclusion and disclosure

The Corporation had sound arrangements in place for corporate governance during 2021/22. No significant developments or events relating to the governance system have occurred between the end of the financial year and the signing off of this draft AGS.

The Corporation is committed to keeping its governance arrangements under review, proactively identifying where and how they can be improved. Their efficacy will be monitored throughout 2022/23 and the next such statement will reflect on how the challenges highlighted in this year's statement have been addressed.



Liz Peace
Chairman (on behalf of the Board)
10 March 2023



David Lunts
Chief Executive Officer
10 March 2023



Glossary of terms

Accruals basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial gains and losses

Actuaries assess financial and non-financial information provided by the Corporation to project levels of future pension fund requirements. Changes in actuarial deficits or surpluses can arise leading to a loss or gain because;

- events have not coincided with the actuarial assumptions made for the last valuation; and/or
- the actuarial assumptions have changed.

Balances

The balances of the Corporation represent the accumulated surplus of income over expenditure on any of the funds.

Carrying amount

The balance sheet value recorded of either an asset or a liability.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the leading professional accountancy body for public services.

Creditors

Amounts owed by the Corporation for work done, goods received or services rendered, for which payment has not been made at the date of the balance sheet.

Current service cost

Current service cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits 'earned' by employees in the current year's employment.

Curtailment

Curtailments will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

Debtors

These are sums of money due to the Corporation that have not been received at the date of the Balance Sheet.

Defined benefit scheme

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

External audit

The independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Corporation has made proper arrangements to secure value for money in its use of resources.

Expenditure

This is amounts paid by the Corporation for goods received or services rendered of either a capital or revenue nature. This does not necessarily involve a cash payment since expenditure is deemed to have been incurred once the goods or services have been received even if they have not been paid for.

Fair value

Fair value is the price at which an asset could be exchanged in an arm's length transaction, less any grants receivable towards the purchase or use of the asset.

Financial regulations

These are the written code of procedures approved by the Corporation, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

General fund

This is the main revenue fund of the Corporation and includes the net cost of all services financed by Government and other trading income.

Income

These are amounts due to the Corporation for goods supplied or services rendered. This does not necessarily involve a cash payment. Income is deemed to have been earned once the goods or services have been supplied even if the payment has not been received (in which case the recipient is a debtor to the Corporation).

Internal Audit

The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively.

International Financial Reporting Standard

Defined Accounting Standards that must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Materiality

Information is material if including, omitting or misstating it could influence decisions that users make on the basis of financial information about a specific reporting authority. In other words, materiality is an authority-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates in the context of an individual authority's financial statements.

Non-cash

These are entries on the Comprehensive Income and Expenditure Statement or Cash Flow Statement correlating to expenses that are essentially just accounting entries rather than actual movements of cash.

Provisions

Amounts set aside to meet liabilities or losses which are anticipated to be incurred but where the amount and/or the timing of such costs is uncertain.

Related parties

Related parties are central government, other Local Authorities, subsidiary and associated companies, Members and all Executive Management Team members. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household, and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

Reporting standards

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based on International Financial Reporting Standards, International Accounting Standards and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (UK GAAP) and Financial Reporting Standards (FRS).

Reserves

Amounts set aside for general contingencies, to provide working balances or earmarked to specific future expenditure.

Revenue expenditure

Expenditure incurred on the day-to-day running of the Corporation. This mainly includes employee costs, general running expenses and capital financing costs.

Treasury management

This is the process by which the Corporation controls its cash flow and its borrowing and lending activities.

Treasury Management Strategy (TMS)

A strategy prepared with regard to legislative and CIPFA requirements setting out the framework for treasury management activity for the Corporation.

MAYOR OF LONDON