

**ADHS DECISION – 11**

**Title: Tax and legal consultancy services for a restructure of the OPDC group**

**Executive summary**

As part of its Land Assembly Programme, OPDC has acquired c£200m of land assets, some purchased directly by OPDC and others acquired by purchasing a Special Purpose Vehicle (SPV), a company which owned the land.

This has resulted in a more complex corporate structure which has added an administrative burden, increased risk of accounting error and increased risk of tax liability. OPDC wishes to engage an accounting and tax consultancy to simplify the structure and reduce the risk.


**Decision**

That the Head of Finance approves:

- i. Spend of £50,000 on consultancy services to advise on simplification of the OPDC corporate structure and landholdings.
- ii. The proposed cost will be incurred in FY25-26 and does not include further work which may be required for implementation of any agreed changes.

**Head of Finance, Philip Hall**

I do not have any disclosable interest in the proposed Decision. It is consistent with OPDC's priorities and has my approval.

**Signature:** 

**Date:** 09/05/2025

## **PART 1: NON-CONFIDENTIAL FACTS AND ADVICE**

### **1. Background and context**

- 1.1 As part of its Land Assembly Programme, OPDC has acquired c£200m of land assets, some purchased directly by OPDC and others acquired by purchasing a Special Purpose Vehicle (SPV), a company which owned the land.
- 1.2 This has resulted in a more complex corporate structure which has added an administrative burden, increased risk of accounting error and increased risk of tax liability. OPDC wishes to engage an accounting and tax consultancy to simplify the structure and reduce the risk.
- 1.3 As far as possible, processes and controls for the assets owned by SPVs fall under OPDC's normal course of business, with asset management, rent collection, insurance and health and safety following the same processes as those assets held directly by OPDC. In some areas, additional processes and controls are required to meet statutory obligations, and to better manage the assets.
- 1.4 In addition, there are interactions between OPDC's tax position and the tax position of each SPV which need to be considered.
- 1.5 This advice should save costs by streamlining the group structure. This should reduce the number of SPVs but only after a careful review process covering the tax, legal and governance implications.

### **2. The proposal and how it will be delivered**

- 2.1 OPDC intends to run a workshop with the consultant's tax team, along with OPDC management, to run through OPDC's group structure and to work through scenarios. Following this they will provide written advice on how the OPDC group can be restructured to save both third party costs and internal staff time. Depending on the complexity of the restructuring that is recommended, further advice may be needed but this will only be determined after the workshop.
- 2.2 Given the complex legal and tax questions that will need to be assessed, OPDC does not have the appropriate internal knowledge and skills to carry out this work internally.
- 2.3 Consultancy support will be procured in line with OPDC's Contracts and Funding Code.

### **3. Objectives and expected outcomes**

- 3.1 Following the advice, OPDC will need to implement the proposals in order to simplify the structure, reduce the number of SPVs and save money.
- 3.2 OPDC currently spends approximately £50,000 per year on external professional costs to carry out the accounting and tax services for the SPVs. In addition, OPDC is likely to make VAT savings.

- 3.3 There should also be significant internal savings on OPDC staff time, with less management time required to review the accounts and tax returns, and prepare board minutes and meet statutory obligations.

#### **4. Strategic fit**

- 4.1 This proposal is an important part of the stewardship of OPDC's land and property assets. As the custodian of a major regeneration area and being a large landowner, it is essential that OPDC manages the finances of these assets.
- 4.2 The advice and implementation of the advice will also simplify OPDC's offer when working with developers in future years to regenerate the Old Oak area.

#### **5. Project governance and assurance**

- 5.1 As part of the procurement exercise OPDC will agree clear timetables and deliverables for the project.
- 5.2 The Project Lead will be the Senior Finance Business Partner and the Senior Responsible Officer will be the Head of Finance.

#### **6. Risk, Issues and Opportunities**

- 6.1 This work will ensure that OPDC reduces the complexity of its corporate structure, saving time and money.
- 6.2 It will also reduce the risk for the directors of each SPV as they will have fewer statutory responsibilities if the number of SPVs is reduced.
- 6.3 Risk of additional costs arising will be mitigated through production of a clear brief for the appointed consultant and careful management of outputs to ensure the restructure is delivered within the agreed budget.

#### **7. Equity, Diversity and Inclusion Comments**

- 7.1 OPDC must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to the need to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.<sup>1</sup>

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The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status. Fulfilling this duty involves having due regard to: the need to remove or minimise any disadvantage suffered by those who share a protected characteristic or one that is connected to that characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low. Compliance with the Equality Act may involve treating people with a protected characteristic more favourably than those without the characteristic. The duty must be exercised with an open mind and at the time a Decision is taken in the exercise of the OPDC's functions.

## **8. Social Value and Environment**

8.1 Simplifying the corporate structure is integral to long-term investment considerations as we prepare to engage the market for partners to bring forward the Old Oak scheme. This will act as one of many steps that enables us to effectively ascertain our capacity to deliver inclusive and sustainable development.

## **9. Other considerations**

9.1 There are no other considerations that need to be considered in the taking of this decision.

## **10. Conflicts of interest**

10.1 No one involved in the preparation or clearance of this Form, or its substantive proposal, has any conflict of interest.

## **11. Financial comments**

11.1 There is sufficient budget in account 542000 Management & Support Consultancy to cover these costs.

## **12. Legal comments**

12.1 None.

## **13. Summary timeline**

Activity	Date
Procurement exercise and award of contract	May/June 2025
Workshop	June 2025
Delivery of written report	July 2025
Implementation of recommendations	July 2025 – March 2026
Project closure	March 2026

## **Appendices**

- None

## **Other supporting papers**

- None

## PUBLIC ACCESS TO INFORMATION

Information in this Form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA). OPDC aims to publish the Form within three working day of approval.

If immediate publication risks compromising the implementation of the Decision (for example, impacting a procurement process), it can be deferred until a specific date (when it will be published). Deferral periods are kept to the shortest length strictly necessary.

### Part 1 – Deferral

Publication of this Part 1 is to be deferred: **Yes**

The deferral is until: 01 June 2025

This is because: Awaiting appointment of consultant.

### Part 2 – Confidential information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in or attached to any separate Part 2 Form, together with the rationale for withholding the information at this time.

There is a separate and confidential Part 2 Form: **No**

## DECLARATIONS

**Drafting officer:** Richard Taylor has drafted this Form in accordance with OPDC procedures, including for handling conflicts of interests, and confirm that:

**Advice:** The Governance, Finance and Legal teams have commented on the proposal.

## CONFIRMATIONS

**Section 106 funding:** This use of S106 to fund the expenditure proposal was approved via a Section 106 spend proposal form on N/A.

**Review:** This Decision was circulated for **Senior Review** on 14/05/2025.

### Executive Director, Finance & Operations – Gurdip Juty

Financial and legal implications have been appropriately considered in the preparation of this Form.

**Signature:**



**Date:** 22/05/2025