

CD DECISION – CD 8

Title: OPDC Subsidiaries Financial Management Services

Executive summary

Following the progress of its land assembly programme, OPDC now owns eight subsidiary asset owning companies, inherited as Special Purpose Vehicles (SPVs), which require specific financial management and other corporate services. OPDC does not have the relevant capacity or experience in house and has determined that the best value for money option for supplying these services is to appoint a specialist external financial management company rather than recruit a dedicated resource as we are looking to restructure and consolidate our holdings and reduce the number of SPVs.

This is essential to ensure the professional financial management of these subsidiaries and to meet the obligations and responsibilities of the OPDC staff who are directors of them.

This decision is to appoint a chartered accountancy firm for three years with the option to extend for an additional two years, to oversee management and financial accounting services for all acquired SPVs.

Decision

That the Chief Executive Officer approves:

- i. Spend of £500,000 over a 5-year period starting 1 April 2025, on the basis of a spend of £100,000 per annum with an initial 3-year contract and the option to extend for a further two years. This is to cover financial and management accounting, audit and tax services for each SPV owned by OPDC.

Chief Executive Officer, David Lunts

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

Signature:



Date: 26/09/2025

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 through purchasing the Special Purpose Vehicle (SPV) company which owned the asset.
- 1.2 This has resulted in a more complex corporate structure for OPDC, which has added an administrative burden, increased risk of accounting error and increased risk of tax liability.
- 1.3 Due to not having the skills and capacity in house to carry out the financial management of these entities, OPDC outsourced the management and financial accounting services for these SPVs to a third-party provider, Mercer & Hole, for the year which ended on 31 March 2025.
- 1.4 Mercer & Hole have provided full year services for four SPVs, and have completed their work on time and on budget. In particular the audits, forming approximately 50% of the expected spend, for the period ended 31 March 2025 have been successfully completed. We have established a bi-weekly call between OPDC and Mercer & Hole to ensure regular communication and early notification of any issues.
- 1.5 In March and April 2025 OPDC acquired a further four SPVs. OPDC now intends to manage all eight SPVs under a single contract after running a competitive procurement exercise, in line with the Corporation's Contracts and Funding Code and applicable procurement legislation.
- 1.6 For the financial period to 31 March 2025, OPDC spent £52,000 on the financial management for three property owning companies and one holding company. The additional two property owning companies and two holding companies acquired in March and April 2025 are expected to cost approximately £40,000, leading to a total annual cost of just under £100,000 for all SPVs.

2. The proposal and how it will be delivered

- 2.1 OPDC will outsource the following services:
 - Management Accounts – quarterly information for management to assess financial performance.
 - Financial Accounts – statutory requirement to prepare accounts to file at Companies House.
 - Corporation tax returns – statutory requirement to calculate and pay tax on profits earned.
 - VAT returns – statutory requirement to account for and pay VAT correctly.
 - Company secretarial – manage filings with Companies House.
 - Other ad hoc services as required

- 2.2 OPDC currently does not have the internal resource to carry out these financial management services and having assessed options for addressing these it has been concluded that outsourcing will offer the most effective and best value for money.
- 2.3 These services will be delivered over the next 5 years, on the basis of a 3-year initial contract with the option to extend for a further two years, if OPDC elects to exercise this option.
- 2.4 The number of SPVs may increase or reduce over time, dependent on further land acquisitions and a proposed review of OPDC's corporate structure to assess options for simplifying our asset ownership arrangements. Simplifying the corporate structure of OPDC should reduce administration costs (including on this procurement) and the internal management time dealing with these SPVs.

3. Objectives and expected outcomes

- 3.1 The appointed provider will prepare and submit all the services listed in paragraph 2.1 and as these are routine services for managing small companies, so we do not expect any issues in delivering them.
- 3.2 Due to the wide range yet specific nature of the required services, it would not be cost effective to carry out these services in house. Professional service companies have a range of departments covering each individual service (accounts, VAT, corporation tax, company secretarial), so can access expertise at minimal cost, delivering value for money for OPDC.
- 3.3 The costs associated with the financial management of our SPVs will be charged against any associated tax liabilities.

4. Strategic fit

- 4.1 This proposal is an important part of the effective stewardship of OPDC's Land and Property assets and is required to meet the statutory obligations of OPDC and of its employees who are appointed as directors of the SPVs.
- 4.2 The financial management of the SPVs will also simplify OPDC's offer when working with developers in future years to regenerate the Old Oak area. OPDC will need to demonstrate that it has good financial management and control, which these services will help to provide.

5. Project governance and assurance

- 5.1 As part of the procurement exercise OPDC will agree clear timetables and deliverables for each of the services outlined in section 2.1. A monthly data share with the successful bidder will be established, and bi-weekly meetings will be held with the OPDC finance team to ensure regular communication and issues are raised in good time.
- 5.2 The Project Lead will be the Senior Finance Business Partner and the Senior Responsible Officer will be the Head of Finance. Further review will take place by

the directors of the SPVs (currently the Chief Finance Officer and Executive Director - Development).

- 5.3 The appointed consultant’s performance will be assessed by whether the management and statutory deadlines are met for each SPV, in addition to responsiveness to ad hoc queries. At the end of the first three years, OPDC will decide whether to extend the contract for a further year(s).

6. Risk, Issues and Opportunities

- 6.1 This work will reduce OPDC’s financial risk by ensuring each entity has strong financial controls in place, and accounts and tax returns are prepared and reviewed on a regular basis.
- 6.2 This work will 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 Costs will be managed by clearly agreeing an annual fee for service set out above.

Risk description	Inherent Score	Mitigations	Target Score
Risk of missing statutory and management deadlines. This could result in penalties and reputational damage, as well as personal liability for directors	Likelihood: 2 Impact: 3 Total: 6	Ongoing communication between OPDC and the appointed professional team and a shared timetable should ensure this does not occur.	Likelihood: 1 Impact: 2 Total: 2

7. Equity, Diversity and Inclusion Comments

- 7.1 Under Section 149 of the Equality Act 2010, as a public authority, 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.¹

¹ 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

- 8.1 Strong financial management of the SPVs 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. Social value commitments will be considered during the procurement process.

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 Will not affect Corporate Operations bottom line budget as the costs that come in will be apportioned to their respective SPVs. These costs have been included in the asset management budget for future years.

12. Legal comments

- 12.1 The foregoing sections of this report indicate that the decision requested of the Chief Executive Officer concern the exercise of the Authority's general powers; falling within the Authority's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation in Greater London; and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people;
- consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- consult with appropriate bodies.

- 12.2 In taking the decisions requested, the Chief Executive Officer must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief;

sex; sexual orientation) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Chief Executive Officer should have particular regard to section 7 (above) of this report.

- 12.3 All procurements of works, services and supplies required for the project must be procured in accordance with the Authority’s Contracts and Funding Code (the “Code”) and, where the value exceeds £150,000, in accordance with the Procurement Act 2023. Furthermore, the officers must liaise with Transport for London’s procurement and supply chain team, which will determine the detail of the procurement strategy to be adopted in accordance with the Code and the Procurement Act 2023. Officers must ensure that appropriate contractual documentation be put in place and executed by chosen service provider/supplier and the Authority before the commencement of the attendant services.

13. Summary timeline

Activity	Date
Project Gateway Forms completed	May 2025
Tender period start	September 2025
Tender period ends	October 2025
Award recommendation	November 2025
Procurement of contract	December 2025
Delivery start date	January 2026
Milestone 1 ²	March 2026
Achievement of interim target	March 2026
Milestone 2	March 2027
Milestone 3	March 2028
Delivery end date	March 2028
Evaluation period	Ongoing
Project closure	March 2028, subject to extension

Appendices

- None

Other supporting papers

- None

² In order to demonstrate VFM/Contract being managed, it is good practice for each project to have a review and ensure the project is fulfilling its objectives.

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 days 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: **31 March 2026**

This is because there is a procurement process ongoing, which needs to be finalised by the next financial year end.

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: N/A

Review: This Decision was circulated for **Senior Review** on 04/09/2025.

Head of Finance – Philip Hall

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

Signature: 

Date: 04/09/2025

Executive Director, Finance & Operations – Gurdip Juty

I do not have any disclosable interest in the proposed Decision. It is consistent with OPDC's priorities and can be referred to the CEO for final approval.

Signature:

A handwritten signature consisting of several overlapping loops and lines, rendered in black ink.

Date: 17/09/2025