

# MAYOR OF LONDON

**Gareth Bacon AM**

Chairman of the Budget and  
Performance Committee  
City Hall

**Our ref:**

**Date:** 9<sup>th</sup> January 2017

Dear Gareth

## **Old Oak And Park Royal Mayoral Development Corporation**

Further to the Budget and Performance Committee meeting on Thursday, I thought that it might be useful to provide some further background information and context.

As you know, the Mayor had a number of concerns about the Mayoral Development Corporation, its operation and direction and called for a review shortly after taking office. This review reached a number of conclusions which are all in the public domain.

However, there was a conclusion at the end of the report that underpins the Mayor's approach to setting a budget for the OPDC. Recommendation 7.A (*The OPDC must bring forward plans to make greater use of shared services with City Hall and/or the local boroughs so as to bear down on the revenue costs of running the organisation. This plan must be in place as part of the GLA budget setting process for 2017/18*).

## **Comparison against 2016-17**

The previous Mayor's 2016-17 Budget, as approved by the Assembly, provided £5.4m in funding to OPDC. Subsequently, the then Chair of OPDC (also the Mayor's Chief of Staff) requested an additional £6m for 2016-17. While the letter making this request "envisaged" a similar amount being required for future years, this was never formally approved by either the previous or current Mayor.

The only decision made (as part of the 2016-17 GLA budget) was for a one-off supplement of £6m from GLA funds (the Mayoral Development Corporation reserve) in 2016-17. Stripping this out, we are proposing to increase OPDC's base net budget from £5.4m (16-17) to £6.9m in (17-18). Once you bring in the £1m contingency held by the Mayor, the position further improves, and of course the MDC reserve remains available should circumstances change.

Although normally a comparison of variance is from budget to budget, given the above we believe a comparison involving the one-off supplement (which, ignoring the £1m contingency, leads to a 40% figure) is misleading and that it is more meaningful to compare OPDC's forecast outturn in 2016-17 to its 2017-18 Budget.

The Mayor remains committed to supporting the OPDC to develop what is London's largest opportunity area and an important part of his plans for the delivery of affordable homes and boosting London's economy. I hope this has helped to give further context to the budget proposal and will help the Committee in your consideration of the Mayor's draft budget.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'D. Bellamy', with a stylized flourish at the end.

**David Bellamy**  
Chief of Staff