OPDC
OLD OAK AND PARK ROYAL DEVELOPMENT CORPORATION

CD DECISION – CD 7

Title: Asset Management 2025-26

Executive summary

On 27 March 2025, the OPDC Board approved £8.939m expenditure on the OPDC Delivery Directorate Work Programme to be funded from the 2025-26 revenue budget and rental income from OPDC's land and property assets.

Within this overall budget, expenditure of £1.169m has been identified to support the management of assets in OPDCs ownership for the financial year 2025-26.

This decision outlines the services required, budget allocation and approach to the continuation of existing services.

Decision

That the Chief Executive Officer approves:

i. Expenditure of up to £1.169m in 2025/26 for the provision of asset and estate management services.

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:** 12/05/2025

PART 1: NON-CONFIDENTIAL FACTS AND ADVICE

1. Background and context

1.1 On 27 March 2025, the OPDC Board approved £8.939m expenditure on the OPDC Delivery Directorate Programme to be funded from the 2025-26 revenue budget. This revenue budget is funded from GLA grant and rental income from OPDC's land and property assets.

1.2 The Delivery Directorate Work Programme covers the following activities:

1.3 **Old Oak Development Programme**: Progressing plans for Old Oak (**OO**), including development of the Interim Business Plan (**IBP**), procurement of preferred partners for development and investment, full business case development work, further development of the illustrative masterplan along with the Infrastructure Delivery Plan and technical studies including planning legal and development advice.

1.4 **Old Oak Land Acquisition**: Continuing work on private land assembly at OO, including work on the Compulsory Purchase Order workstream, due diligence activities to support site acquisition and progression of a relocation strategy for those affected.

1.5 **Strategic Delivery Programme**: A package of supporting activities that encapsulates work across the entire OPDC area. This includes early sites and project development, public realm projects, infrastructure, sustainability, and decarbonisation as well as Meanwhile Use scoping and development, and programme management support.

1.6 **Inclusive Growth:** In line with the Mayor's Growth Plan and local economic development ambitions, the programme will include commissioning employer-led skills programmes, careers-based work with schools, Creative Enterprise Zone and work with SMEs in Park Royal and surrounding areas.

1.7 **Asset Management:** Asset and property management of land and property purchased by OPDC.

1.8 This decision seeks approval for expenditure for the package of work detailed above to support the management of land and property purchased by OPDC.

Breakdown of asset management budget

1.9 The expenditure approved by OPDC Board included an allocation of up to £1.169m for asset and estate management services, this is broken down into £975,000 towards the ongoing costs of asset management and £194,000 towards SPV costs. These figures are assumed on the basis on the current asset portfolio with assumptions made on acquisitions in 25/26.

Table 1 Asset and estate management expenditure

Asset and estate management workstream	(£)
Asset Management expense	975,000
SPV costs	194,000
Total	**£1,169m**

2. The proposal and how it will be delivered

2.1 The expenditure can be grouped into the following categories summarised in table 2.

Services/expenditure category	(£)
Property, maintenance & repairs	334,038
Property management fees	145,073
Security services	65,639
General insurance	209,080
Rates & utilities	194,181
Special Purpose Vehicle (SPV) costs	194,000

2.2 Services have already been procured and this is a continuation of existing services. As new sites are acquired, or tenants move out these service costs may change and there will need to be flexibility within the budget. Any changes to budget will be captured by an uplift that follows the existing OPDC contract variation process.

Property maintenance and repairs

2.3 This is to cover the ongoing maintenance for those elements of the portfolio which OPDC retains responsibility for. This may include common parts/areas (not demised to tenants) and unlet properties within OPDC's ownership e.g. before and after leases. Whilst a proportion of this maintenance can be planned, there will remain an element of reactive works that will need to be funded.

Property management fees

2.4 A budget of £145,000 has been estimated to cover property management fees. This is a continuation of the service that was procured in 24/25. The managing agent covers the entire property portfolio and works with the OPDC asset management team to make sure a smooth process to onboard new properties and tenants, support them in occupation and to support managed exits/relocations as

appropriate e.g. to secure vacant possession for redevelopment. The services to be provided are the following:

Rent collection and administration

2.5 Setting up tenancies on their payment system, deposit holding, payment of rent to OPDC, financial reporting, administration and collection of service charges and insurance monies.

General management

2.6 Primary point of contact for tenants, undertaking general estate and property management services (including procuring and coordinating repairs and work to secure properties), management of existing supplier contracts, ensuring vacant properties are secure, monitoring statutory compliance for properties from a health and safety and fire safety perspective, completing periodic site inspections, rent reviews, lease renewals, managing lease breaks and expiries, landlord and tenant issues, small capital works and management of open spaces (car parks, storage yards etc).

Security services

2.7 Maintaining a secure portfolio is a critical aspect for OPDC to manage, to both meet its health and safety obligations, but also to reduce the risk of unauthorised occupation, potential criminal activity taking place, and to align to OPDC's insurance policy and the associated obligations this places on the Corporation. This is particularly important given there are some unoccupied properties within the OPDC portfolio. Security is provided by a third party to OPDC e.g. patrols/visits, for the elements of the portfolio which are not let e.g. where such costs would otherwise be borne directly by tenants or through a service charge managed by OPDC as landlord.

General insurance

2.8 OPDC holds insurances for both public liability and to cover risks such as fire and damage to its assets where this falls under its responsibility e.g. unlet properties. The premium for this is budgeted for annually. Where OPDC's properties are let, insurances are put in place by tenants in line with their lease terms or managed through the service charge by OPDC.

Rates and utilities

2.9 OPDC is responsible for business rates for any unlet commercial premises, and for Council Tax for any unlet residential properties or land (or where these do not fall under the terms of the lease for any tenants). The same applies to utilities such as gas, electric, water and drainage.

SPV costs

2.10 A number of corporate acquisitions have been undertaken by OPDC where this has been the most appropriate means of securing ownership and control of land and property. In this situation, OPDC has additional statutory and fiduciary obligations and associated costs in operating the SPV e.g. provision of Directors, preparation of annual reports and financial statements (undertaken by third parties)

and meeting any tax liabilities. A budget has been established for OPDC to meet these costs during FY25-26.

3. Objectives and expected outcomes

3.1 Significant progress has been made in acquiring private land interests within the Old Oak boundary and OPDC now needs to ensure that it has the professional and technical support in place to meet its obligations as landowner and landlord.

3.2 Asset and Estate management within OO is a hugely important role for OPDC as we move towards the development of a new scheme. How these assets are managed will have a huge impact on the local community and OPDCs reputation within.

3.3 The objective of the funding is to enable OPDC to actively manage its land and property acquisitions and allow for the management of its responsibilities as a landowner of a series of residential and commercial properties.

4. Strategic fit

4.1 Work on OO supports OPDC's strategic objectives by helping to deliver 25,000 new and affordable homes and 56,000 new jobs, and with our Local Plan in place. The Old Oak development within the Opportunity Area is one of the largest single regeneration projects in London with the potential to deliver circa 8,000 homes and significant amounts of commercial space.

4.2 Stewardship of OPDCs assets within OO is an important part of our work. It is our responsibility to maintain, protect and even reuse these acquired buildings prior to comprehensive regeneration of the area. This proposal provides land and property management services for sites that have acquired and will continue to acquire in line with OPDCs Asset Management Strategy.

5. Project governance and assurance

5.1 The Director of Delivery will have day to day management of the asset management team. The Executive Director of Delivery will act as Senior Responsible Officer (**SRO**) and day to day management of the work will be led by the asset management team.

5.2 The Asset Management team will meet with the commercial and residential supplier monthly, or at a frequency to be agreed, depending on the prevailing workload. Regular updates will be provided to the Delivery Programme Board as well as to OPDC Board and the Development Investment and Sustainability Committee.

6. Risk, Issues and Opportunities

6.1

Risk description	Inherent score	Mitigations	Target score
Revenue budget does not include an allocation for any new land and property purchases identified.	Likelihood: 5 Impact:3 Total: 15	Rental income from new properties will be utilised to fund associated costs, and if required additional revenue budget approval will be sought.	Likelihood: 3 Impact: 2 Total: 6
Building surveys not carried out before new acquisitions could lead to expensive building repairs and potential health and safety issues.	Likelihood: 3 Impact:5 Total: 15	Assess age and condition of buildings. Consider instructing OPDC's managing agents to undertake building surveys prior to acquisition.	Likelihood: 3 Impact: 2 Total: 6
Rental income may change due to negotiations leading to early vacancy of property and decreased income that impacts wider delivery budgets.	Likelihood: 4 Impact:4 Total: 16	To proactively review budgets and the impact of any early vacancies against the budget.	Likelihood: 4 Impact: 2 Total 8
Insufficient resourcing and lack of subject matter to manage the estate appropriately.	Likelihood: 3 Impact:5 Total: 15	Use of consultants to support short term activity, recruitment of OPDC Asset Management Team.	Likelihood: 1 Impact: 5 Total: 5

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]

7.2 The GLA Group Responsible Procurement Policy sets out the GLA Group's plans, ambitions and commitments for ensuring socially, environmentally and economically sustainable procurement to deliver improved quality of life and better

[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.

value for money for Londoners. This objective can only be fully met through the success of the GLA Group's responsible procurement policy in securing diverse supply chains that collectively promote Equity, Diversity and Inclusion (EDI).

7.3 As part of its procurement strategy OPDC will ensure that the commercial supplier set out how they will embed EDI and enhance the social value outcomes in their delivery by submitting an EDI statement and action plan. Compliance and performance against the EDI Action Plan will then be monitored as part of OPDC's monitoring and reporting process.

8. Social Value

8.1 Significant progress has been made in acquiring private land interests within the Old Oak boundary and OPDC now needs to ensure that it has the professional and technical support in place in order to meet its obligations as landowner and landlord.

8.2 Asset and Estate management within OO is a hugely important role for OPDC as we move towards the development of a new scheme. How these assets are managed will have a huge impact on the local community and OPDCs reputation within.

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 The OPDC Board approved the expenditure of £1,169,000 for FY25/26 for the Asset Management expenses. This decision form sets out more detail on how this £1,169,000 budget will be utilised and managed.

11.2 Individual workstreams will require the appropriate decisions, approvals, detailed scope and outcomes. Given the nature of asset management, flexibility will be required within these budget amounts and across the full Delivery Directorate budget to support OPDC's objectives. Finance will work closely with the Asset Management Team to categorise, track, monitor, challenge spend and ensure that total budgets are not exceeded.

11.3 The CFO is a member of the Programme Board which provides regular oversight.

12. Legal comments

12.1 The report above indicates that the decision requested of the Chief Executive Officer falls with the OPDC's object of securing the regeneration of the Old Oak and Park Royal area and its powers to do anything it considers appropriate for the purpose of its objects or purposes incidental to those purposes, as set out in the Localism Act 2011.

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 (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) 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).

12.3 Section 1 of this report indicates that the sought budget will include the payment for services, involving the provision of asset and estate management services. Officers must ensure that the expenditure is distributed fairly; transparently; in accordance with the OPDC's equality policy and subsidy control rules; and in a manner that affords value for money in accordance with the OPDC Contracts and Funding Code.

12.4 OPDC Officers should ensure that any services the subject of the expenditure should be procured in accordance with the OPDC's Contracts and Funding Code. OPDC Officers should ensure that appropriate contractual documentation is to be executed by any service provider engaged by OPDC before the commencement of any services subject to the expenditure requested under this decision form.

13. Summary timeline

Activity	Date
Reviews of forecast spend	September 2025
Procurements/Extensions/Variations to consultant contracts	Ad Hoc
Technical work financial year end date	March 2026

Appendices

-

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: 31/03/2026

This is because: The information within is commercially sensitive.

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: Michael Scaplehorn 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 06/05/2025.

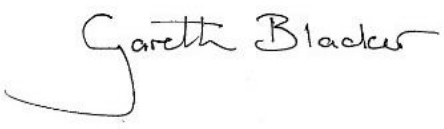
Executive Director, Finance & Operations – Gurdip Juty

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

Signature:  **Date:** 09/05/2025

Executive Director, Delivery – Gareth Blacker

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:  **Date:** 09/05/2025