

**REQUEST FOR MAYORAL DECISION – MD1498**

**Title: Approval of matters concerning the establishment of the Old Oak and Park Royal Development Corporation**

**Executive Summary:**

The Old Oak and Park Royal Development Corporation (“OPDC” or “Corporation”) has been established as the Mayoral Development Corporation for the area under powers given to the Mayor in the Localism Act 2011. It came into existence on 1 April 2015 with wide powers relating to infrastructure, regeneration and development, and full planning powers.

Following the OPDC’s first Board meeting held on 1 April 2015, this decision form seeks the Mayor’s approval of the Scheme of Allowances for OPDC Board Members and of its Expenses and Benefits Framework (covering OPDC Board, Committee members and staff) and the proposed arrangements for shared services that the GLA will be providing, following consultation on the latter with the London Assembly at the GLA Oversight Committee held on 24 February 2015. This decision is taken in accordance with Schedule 21 of the Localism Act 2011, and Section 401A of the Greater London Authority Act 1999.

**Decision:**

That the Mayor:

- a. Approves the Scheme of Allowances for OPDC Board Members and the OPDC’s Expenses and Benefits Framework for them and OPDC staff;
- b. Approves the proposed arrangements for shared services between OPDC and the Greater London Authority, following consultation on the principle with the London Assembly at the GLA Oversight Committee held on 24 February 2015.

**Mayor of London**

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

**Signature:**

**Date:**

## PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

### Decision required – supporting report

#### 1. Introduction and background

- 1.1 The Localism Act 2011 provides the legislative basis for the Mayor of London to designate Mayoral development areas, and to establish Mayoral Development Corporations (MDCs) to drive regeneration in those areas. To assist them in pursuing this purpose, the 2011 Act gives MDCs wide powers relating to infrastructure, regeneration, development and other related activities.
- 1.2 Following the Mayor's consultation on his proposals to designate Old Oak and Park Royal a Mayoral development area and set up a new Mayoral Development Corporation to drive regeneration of the area, MD1421 (dated 8 December 2014) approved the Mayor's proposals for the establishment of the Old Oak and Park Royal Development Corporation (OPDC) as the Mayoral Development Corporation that will exercise full planning and other powers in respect of the area. The OPDC came into existence as the local planning authority for its area on 1 April 2015.
- 1.3 On 27 January 2015, the Secretary of State for Communities and Local Government confirmed his support for the Mayor's plans by laying an Establishment Order before Parliament, creating the Corporation. Further, on 5 March 2015, the Planning Minister for the Department for Communities and Local Government (DCLG) laid The Old Oak and Park Royal Development Corporation (Planning Functions) Order 2015 before Parliament, which transferred planning powers to the Corporation. The Order came into force on 1 April 2015, at which point the Corporation came into existence, and became the Local Planning Authority within its area.
- 1.4 The OPDC held its first Board meeting on 1 April 2015. The meeting dealt with a number of urgent matters in connection with the establishment of the Corporation, including the appointments of the Deputy Chair of the Board, Interim Chief Executive Officer and Chief Financial Officer, approval of the Corporation's Standing Orders and Observers to the Board, Committee structures and terms of reference, and Schemes of Planning Delegations, as well as staffing, planning and shared services arrangements, alongside budget and financial matters.

#### Allowances, expenses and benefits

- 1.5 Under Schedule 21 of the Localism Act 2011, Para 4(1) and (2), the Mayor must determine the remuneration, allowances and pensions/ gratuities of the OPDC's Board members. Under paragraphs 4(5) and (6) he must also approve the rates and eligibility for such payments to OPDC staff. These matters were contained in Items 5 (Appendix B) and 11 (Appendix C) of its agenda and were approved by the Board, subject to Mayoral approval.
  - It is proposed that with effect from 1 April 2015, under the Scheme for Board and Committee Members' Allowances 2015/16, that subject to exceptions a "basic board allowance" of £14,000 per financial year is payable to each Board Member. It is further proposed that a Committee Chairman's Responsibility Allowance or a Committee Membership Allowance ("together called "Committee Allowance/s") of £4,000 per year for Chairs, and £2,000 per year for Committee Members (including those Committee Members who are not OPDC Board Members) , respectively, are paid in addition to any Basic Board Allowance (where applicable). No person may claim more than £24,000 in any one financial year in respect of the aggregate of their total permitted allowances under the Scheme. Elected GLA members (Mayor and Assembly members), and staff of the GLA and of other public or statutory bodies may only claim expenses and may not claim the basic or any Committee Allowance. A person who is a councillor or a member of a statutory or public body (rather than staff) may however claim the basic board allowance and a Committee Allowance but only if their authority consents (they may claim expenses however).
  - The Board approved a comprehensive Expenses and Benefits Framework covering the rules for payment of expenses and benefits connected with work to OPDC members (Board and Committee) and staff, and also to external persons in certain circumstances. As mentioned, the

Localism Act requires that the Mayor determines these matters as regards OPDC Board Members and gives his approval as regards the framework for OPDC staff.

#### Shared service arrangements

- 1.6 The OPDC proposes entering into a shared service arrangement with the GLA, which it is permitted to do under section 401A of the Greater London Authority Act 1999 ("the Act"). The Mayor must consult the Assembly before being a party to such an arrangement. A proposal for the GLA to enter into a shared services arrangement with OPDC for the provision of services in relation to: Financial services; Secretariat/Committee services; Human Resources and Organisational Development; Information Technology services; External Relations and Media (including website, marketing, press and media monitoring) services; Government Relations (for national and local government intelligence); FOI and Public Liaison Unit services (for support); GLA Communities and Intelligence (for economists and data services); and GLA Facilities Management (fully serviced office accommodation and health and safety) was presented to the London Assembly at the GLA Oversight Meeting on 24 February 2015. The Committee resolved that the proposed establishment of administrative arrangements for the discharge by the Greater London Authority of the relevant parts of Old Oak and Park Royal Development Corporation's shared services functions be noted. Under the Mayoral Scheme of Delegation the entering into of arrangements under section 401A is a matter reserved to the Mayor.
- 1.7 It is therefore proposed that Mayoral consent is provided by this decision form to both matters.

## **2. Objectives and expected outcomes**

- 2.1 The proposals concerning the Scheme of Allowances for the OPDC Board and the Expenses and Benefits Framework for OPDC Board and staff, and for the OPDC to enter into a shared services arrangement with the GLA are consistent with the OPDC's Objectives, which are to:

*"Promote and deliver physical, social, economic and environmental regeneration at Old Oak and Park Royal. The Corporation would work to secure maximum benefits from the newly planned transport interchanges of High Speed 2, Crossrail and London Overground stations. The Corporation would plan for significant future growth at Old Oak; and for the protection and regeneration of the industrial areas of Park Royal. A central objective of the Corporation would be to secure high-quality sustainable development and investment for the benefit of the area and the communities that surround it".*

## **3. Equality comments**

- 3.1 The matters that the Mayor is asked to provide consent for do not raise any particular equality issues and are consistent with the Mayor's duties under section 149 of the Equality Act 2010.

## **4. Other considerations**

### *a) key risks and issues*

Failure to agree allowances for the Board and an agreed expenses and benefits framework for Board and staff, and the proposed arrangements for shared services will cause delays to the Corporation becoming fully operational and impact negatively on its ability to discharge its statutory planning functions, and lead transformational change in Old Oak and Park Royal.

### *b) links to Mayoral strategies and priorities*

The London Plan 2015 identifies Old Oak and Park Royal as two distinct Opportunity Areas. It promotes an industrial focus around the Park Royal area, with capacity for 10,000 additional jobs and 1,500 homes in non-industrial areas, and a change of use at Old Oak to a more mixed-use residential development with indicative capacity of 55,000 jobs and 24,000 homes.

In June 2013, the Mayor consulted on 'Old Oak – A Vision for the Future', which provides more detail on the significant opportunity to develop a large quantum of new housing and employment uses in the Old Oak area to maximise the opportunity of a new High Speed 2 and Crossrail station being built in the area.

Ensuring that the Corporation is fully operational will be essential to delivering these objectives.

*c) impact assessments and consultations.*

The Corporation will be commissioning an integrated impact assessment as part of developing the evidence base for the Local Plan for the area which will commence in summer 2015.

Under the Mayoral Scheme of Delegation the entering into of arrangements under section 401A is a matter reserved to the Mayor. Discussions have also been held with the relevant teams in GLA on the potential scope of shared services. A proposal to enter into such shared services arrangements was presented to the Assembly for consultation at the GLA Oversight Meeting on 24 February 2015, and noted by the Committee, as described above.

The OPDC Board were consulted on the content of the Scheme of Allowances for OPDC Board Members and the Expenses and Benefits Framework for Board and staff, which falls to the Mayor to approve.

It is not considered that the Mayor need undertake any further impact assessments, or consultation in respect of this specific decision.

## **5. Financial comments**

- 5.1 There are 15 Board Members and the setting up of two Committees was approved at the inaugural Board Meeting – an Audit Committee comprising of 3 Members (including the Chair) and a Planning Committee of 7. It is not anticipated that local authority or GLA Group representatives will claim allowances and, on this basis, the cost of allowances is expected to be approximately £132,000 per annum against a total budget for allowances and other costs associated with Board/Committee Members of £175,000.
- 5.2 It is intended that a single agreement will be entered between the GLA and OPDC for the provision of shared services (excluding Secretariat/Committee services). An initial budget of £100,000 has been agreed for the provision of these services. As Secretariat/Committee services are included in the Assembly's component of the GLA budget, a separate charge of £25,000 will be levied for these services, which will be subject to a separate agreement.
- 5.3 Any incremental costs that may be incurred in delivering shared services to OPDC should be discussed with OPDC and, if agreed, invoiced separately by the department providing the service.

## **6. Legal comments**

- 6.1 No particular legal implications arise that have not already been reported.

## **7. Investment & Performance Board**

- 7.1 None relevant to the decisions the Mayor is asked to provide consent for.

## **Appendices and supporting papers:**

- OPDC Scheme of Allowances
- OPDC Expenses and Benefits Framework

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

**Part 1 Deferral:**

**Is the publication of Part 1 of this approval to be deferred? NO**

If YES, for what reason:

Until what date: -

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer:**

Michelle Reeves has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

**Assistant Director/Head of Service:**

Tom Middleton has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

**Sponsoring Director:**

Martin Clarke has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

Sir Edward Lister has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature**

**Date**

**CHIEF OF STAFF:**

I am satisfied that this is an appropriate request to be submitted to the Mayor

**Signature**

**Date**