

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2435

Title: Extension to 2017 General consent for OPDC to provide financial assistance

Executive Summary:

This decision seeks approval to extend a 2017 general consent for the Old Oak Common and Park Royal Development Corporation (OPDC), approved by MD2169 in August 2017, to give financial assistance by way of grant under certain defined circumstances to the end of December 2019. Mayoral consent is required under the Localism Act 2011.

Decision:

That the Mayor revokes the general consent to OPDC approved by MD2169 in August 2017, and gives further consent in accordance with sections 213 and 221 of the Localism Act 2011, for OPDC to give financial assistance by way of grant in accordance with the attached general consent which is subject to review by the end of December 2019

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:

26/2/19

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

Decision required – supporting report

1. Introduction and background

- 1.1 The Localism Act provides, at section 213, that ‘an MDC [Mayoral Development Corporation] may, with the consent of the Mayor, give financial assistance to any person’. This means that the provision of any financial assistance from the OPDC – of whatever size and in whatever form (e.g. by grants, loans, guarantees/ indemnities, investment or the incurring of expenditure on behalf of another person) – must be formally approved by the Mayor before being made. The Localism Act permits the Mayor to give a general consent, including unconditionally or subject to conditions.

2. Objectives and expected outcomes

- 2.1 Under MD2169 approved by the Mayor on 29 August 2017, OPDC was given a general consent to give financial assistance by way of grant to be reviewed by September 2018.
- 2.2 Grants were to be awarded only where:
- a) The total lifetime cost of the grant in question is of any value and –
 - I. The grant is in respect of a project where the grant is funded by monies paid in accordance with an agreement entered into under section 106 of the Town and Country Planning Act 1990; or
 - II. Is paid from monies collected by the OPDC under the Community Infrastructure Levy Regulations 2010 (as amended) and where the project or type of infrastructure on which the grant is to be spent is contained in the list of projects or types of infrastructure which is published on OPDC’s website from time to time pursuant to regulation 123 of those Regulations; or
 - b) The grant in question does not fall under paragraph 2.2 (a) above and its total lifetime cost is between £1 and £150,000.
- 2.3 OPDC has requested an extension to the 2017 General Grant Consent to the end of December 2019 when the Corporation will have more clarity on its longer-term funding position. The new consent will replace and revoke the 2017 general consent.
- 2.4 Longer term options for a governance direction to govern the interaction of decision-making between the Mayor and OPDC are intended to be considered once the outcome of the OPDC’s Housing Infrastructure Funding (HIF) bid is confirmed. It is likely at that point this consent will be merged into that framework. That will provide an opportunity to review the parameters of the consent. However, this decision provides for a further review not later than the end of December 2019.
- 2.5 As with the 2017 General Grant Consent, forms of financial assistance by the OPDC otherwise than by means of a grant will still require formal Mayoral consent under section 213, regardless of the value.
- 2.5 OPDC will be required to maintain an up-to-date list of all grants for financial assistance proposed, or made, and make this available to the GLA on request. It will also publish details of its grants in line with the Local Government Transparency Code. The updated consent (attached at appendix 1) confirms the conditions as to compliance with the OPDC’s Grant Funding Guidance.

- 2.6 The outcome of this proposed extension to the 2017 General Grant Consent will be that OPDC will be able to continue to disburse grants in an efficient and effective manner that provide value for money, whilst maintaining continuity and sufficient GLA oversight until such time as a longer-term governance direction is put in place.

3. Equality comments

- 3.1 As a GLA functional body, consideration of how OPDC meets the Mayor's objectives is embedded within the OPDC's work programme and decision-making process; this includes 'Inclusive London: the Mayor's vision for a diverse and inclusive city'.
- 3.2 The OPDC is responsible for long-term planning, development and management of the Mayoral Development area, developing a whole new centre and community for west London. Extending the 2017 general grant consent will enable the OPDC to continue to assist others, through provision of grant assistance, in helping to deliver this objective, with long-term benefits for the diverse communities in west London. OPDC will ensure that equalities considerations and particularly the public-sector equality duty under section 149 of the Equality Act 2010 are embedded into all grant giving exercises.

4. Other considerations

Impact assessments and consultation

- 4.1 OPDC consulted with the GLA about the proposal to extend the general consent for financial assistance by way of grant. It is not considered that there any further requirements for consultation or impact assessment arising from these proposals.

Risk

- 4.2 The purpose of this proposal to extend the general grant consent is to achieve an appropriate balance of risk and oversight in the GLA's relationship with the OPDC, including whilst it transitions to a longer-term funding position. This will ensure on the one hand that appropriate decisions of the OPDC are visible to, and in some cases referred to, the Mayor for confirmation, while ensuring on the other hand that the OPDC has the freedom and flexibility to act on other matters without being unnecessarily fettered. These measures are intended to manage risks to the Mayor associated with the work of the OPDC in light of that required balance.

5. Financial comments

- 5.1 There are no direct financial implications for the GLA arising from this proposal. Any grants OPDC makes in the period up to the end of December 2019 will need to be contained within its existing budget.

6. Legal comments

- 6.1 Under section 213 of the Localism Act 2011, the Mayor must consent to the OPDC giving financial assistance, whatever form that assistance takes. Under section 221 a consent under section 213 may be given generally or specifically, with or without conditions. Under section 213 (3), financial assistance can take a number of forms, including by grant, loan, guarantee or indemnity, investment, or incurring expenditure for the benefit of the body or person assisted. Under section 213(4), financial assistance may be given on such terms and conditions as OPDC considers appropriate (including provision for repayment, with or without interest).

7. Planned delivery approach and next steps

- 7.1 This extension of the 2017 general consent will come into effect at the point it is approved by the Mayor.

Appendices and supporting papers:

Appendix A – 2017 General Mayoral Consent to Financial Assistance by the OPDC by Grant updated to reflect the proposed extension.

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: (a date is required if deferring)

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:

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 26 February 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Bellamy

Date 26.2.19

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date 26/2/2019.

