

# GREATER **LONDON** AUTHORITY

[REDACTED]  
(By email)

Our Ref: MGLA170120-0604

9 June 2020

Dear [REDACTED]

Thank you for your request for information which the Greater London Authority (GLA) received on 15 January 2020. Your request has been dealt with under the Freedom of Information Act (FOI) 2000.

You asked for details of meetings (including agendas, papers and minutes) attended by David Bellamy since 1 March 2019 concerning OPDC.

Our response to your request is as follows:

Please find attached the information the GLA has identified within scope of your request. Please note that any Board papers taken to the meetings are available via:

<https://www.london.gov.uk/moderngovopdc/ieListMeetings.aspx?Committeeld=378>

The Budget and Performance Committee of Monday 6 January 2020 also falls within scope of your request. Papers are available at:

<https://www.london.gov.uk/moderngov/ieListDocuments.aspx?CId=129&MId=6704&Ver=4>

A presentation was also previously disclosed and is available at:

<https://www.london.gov.uk/about-us/governance-and-spending/sharing-our-information/freedom-information/foi-disclosure-log/foi-opdc-meetings-jan-2020>

We have identified that some of the attached content is exempt from disclosure under the following provisions of section 43(2) of the Freedom of Information Act (the Act) which covers information which would, or would be likely to, prejudice the commercial interest of any party.

In this instance, we consider that disclosure is likely to prejudice the commercial interest of the Old Oak Common and Park Royal Development Corporation (OPDC) by releasing information which would undermine their commercial position in relation to ongoing work, proposals, planning discussions, and negotiations with third parties.

Certain elements of the withheld information would be likely to give commercial advantage to third parties currently in negotiation with OPDC and undermine ability to effectively secure

good value on behalf of the tax payer in relation to the development of the Old Oak Common and Park Royal site. We consider that disclosure would have a bearing on other HIF Bids which are still subject to negotiation with MHCLG on the terms of the grant funding contract and monitoring its performance. This includes details of commercial arrangements between third parties (MHCLG/GLA/TfL) on the funding contract conditions for separate HIF bids.

Section 43(2) constitutes a qualified exemption from our duty to disclose information under the Act and consideration has to be given as to whether the public interest favouring disclosure of the information covered by this exemption outweighs the public interest considerations favouring maintaining the exemption and withholding the information.

In balancing the public interest in disclosure, we consider the greater good or benefit to the community if the information is released or not. The 'right to know' must be balanced against the need to enable effective government and serve the best interests of the public.

The GLA recognises the legitimate public interest in the release of information relating to the use of public money, particularly in promoting openness, transparency and accountability which, in turn, promotes public engagement and understanding of the decisions taken by the Authority.

However, in this case, it is felt that the public interest would not be met if the GLA released information which could prejudice the commercial interests of OPDC and potentially result in the expenditure of further public money.

Please note that all staff names below Grade 12 and external consultants exempt from disclosure under s.40 (Personal information) of the Freedom of Information Act. This information constitutes as personal data which is defined by Article 4(1) of the General Data Protection Regulation (GDPR) to mean any information relating to an identified or identifiable living individual. It is considered that disclosure of this information would contravene the first data protection principle under Article 5(1) of GDPR which states that Personal data must be processed lawfully, fairly and in a transparent manner in relation to the data subject.

If you have any further questions relating to this matter, please contact me, quoting the reference at the top of this letter.

Yours sincerely

  
**Information Governance Officer**

If you are unhappy with the way the GLA has handled your request, you may complain using the GLA's FOI complaints and internal review procedure, available at:

<https://www.london.gov.uk/about-us/governance-and-spending/sharing-our-information/freedom-information>

## Agenda: OPDC/GLA liaison meeting

When	Thursday 9 May 13:00 to 14:00
Where	City Hall, 5.1E
Who	<p>GLA</p> <p>David Bellamy, Chief of Staff (Chair)   Jules Pipe, Deputy Mayor, Planning, Regeneration and Skills   Mary Harpley, Chief Officer   Martin Clarke, ED Resources   Debbie Jackson, Interim Executive Director DEE (first 30mins only)   David Gallie, Assistant Director Group Finance   [REDACTED], Senior Policy &amp; Programmes Manager</p> <p>OPDC</p> <p>Liz Peace, Chair of OPDC   David Lunts, Interim Chief Executive   Jasbir Sandu, Head of Finance and Operations</p>
What	<ol style="list-style-type: none"><li>1. Note of previous meeting (19 February, Item 1) and actions</li><li>2. HIF Conditionalities – Update (Item 2)</li><li>3. GLA Financial support</li><li>4. 2018-19 Outturn position</li><li>4. Key risks and issues</li><li>5. AOB</li></ol>
Next meeting	26 June 2019 at 15:30

Cashflow Forecast paper available at: [https://www.london.gov.uk/sites/default/files/attachment\\_6.4\\_-\\_cashflow.pdf](https://www.london.gov.uk/sites/default/files/attachment_6.4_-_cashflow.pdf)

# GLA-OPDC finance & policy liaison meeting

## Note of 19 February 2019 meeting

**GLA attendees:** David Bellamy (Chair), Jules Pipe, David Gallie & [REDACTED]

**OPDC attendees:** Liz Peace, Mick Mulhern & Doug Wilson

**Apologies:** Mary Harpley, Martin Clarke & Debbie Jackson (GLA)

*Agenda items are noted in the order in which they were discussed.*

## 1. Note of the previous meeting & matters arising

The note was agreed. There were no matters arising.

## 3. Housing Infrastructure Fund

OPDC provided an overview of the current position on the HIF bid:

- The bid has got through Homes England and MHCLG. James Brokenshire is supportive, but there is still work to do to address Treasury concerns around value for money. OPDC has prepared a note (sent to IPA, MHCLG and HE), setting out the importance of investing in the regeneration opportunity at Old Oak and Park Royal now;
- GLA to flag the positive business case for the bid in the Mayor's submission for the Spring Statement and flag risks of delay with senior advisers at DfT; and

- [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

### **Actions:**

- OPDC to draft a letter to Liz Truss and James Brokenshire.
- [REDACTED] to check a reference to OPDC's HIF bid is included in the Mayor's submission for the Spring Statement.
- The Chair to arrange for the bid's status and risks from delay to be flagged with DfT special advisers.
- GLA and OPDC to decide if further urgent action is required, subject to the outcome of the Spring Statement.

## 2. Restructure and Recruitment

- OPDC has finished consultation on a restructure but has not yet gone public. OPDC is ready to go out to recruit a new CEO and an Executive Director of Delivery. There is a small risk that OPDC may not get the HIF bid once it has started recruitment of the CEO so the deadline for applications will be set shortly after the Spring Statement. The new CEO is to have a role in recruiting the Executive Director of Delivery; and
- OPDC to recruit an interim CEO for four to six months as Doug will not be available to take this on. Jasbir Sandhu is to take on the CFO role on an interim basis.

### **Actions:**

- [REDACTED] to check if there are any legal issues around the CEO post and whether the CEO can act as a CFO at the same time.
- OPDC and GLA to identify options for sourcing an interim CEO from within the GLA Group.

### **4. Car Giant / QPR**

- OPDC is working through a number of issues with Car Giant on an alternative road alignment on its site following a press release issued by Car Giant. [REDACTED]  
[REDACTED]
- Following a request from QPR, the GLA will meet with QPR to discuss sites they own in the area.

### **Action:**

- The GLA to meet with QPR and OPDC to provide a briefing to the GLA for that meeting.

### **5. OPDC Business Retention Pilot**

- OPDC is progressing work with the GLA on a site for a pilot being considered for funding through the 2018-19 BRR funding pot. The new purchaser of the site has not been publicly announced but it is [REDACTED]. If timing issues preclude a successful bid to the 2018-19 pot, the GLA will have a further BRR pot in 2019-20; and
- The GLA encouraged OPDC to continue to progress the bid; options for providing funding could be considered when the quantum of BRR was known.

### **6. Q3 monitoring report**

The GLA raised a couple of issues on the monitoring report: specifically, why OPDC needed to draw down £800k from the MDC reserve if funds were being carried forward and why there was a large variance on income.

OPDC explained why OPDC still needed to access the MDC contingency funding in 2018-19 and draw down £400k of the £800k projected expenditure:

- OPDC had programmed to make a £450k payment to UKPN but was not able to pay it because of the delay in the HIF decision. OPDC had negotiated a delay to the payment; and
- The variance in income was related to the number of planning applications which OPDC had received. OPDC had been expecting to receive the Car Giant planning application but this had been delayed. A Mayoral decision was being prepared for approval to submit further HIF bids to the Government.

### **Actions:**

- OPDC to provide the most up-to-date forecast to assess how much contingency funding OPDC needs to draw down, on the basis of receiving a positive announcement on the HIF in the Spring Statement.
- The GLA to use the forthcoming HIF MD to extend the timescale for the Mayor's Chief of Staff's delegated authority to sign off further drawdowns from the MDC reserve up to a maximum of £800k.

## **7. Great West Main Line at Old Oak Common station**

OPDC noted that DfT is considering instructing Great West Main Line (GWML) trains not to stop at Old Oak station and so remove the need for GWML platforms. OPDC has been in discussion with TfL and TfL is planning to make representations to DfT to the effect that, if the platforms do not get built in time for the opening of the station, they are unlikely to get built in the future.

## **8. TfL costs**

TfL has committed to a £8.9m contribution to the Old Oak bridge in its business plan, but TfL is proposing to re-charge internal costs to OPDC.

### **Action:**

- The GLA to investigate if TfL has charged the GLA, or any of its functional bodies, TfL internal costs for preparatory work on infrastructure include in the TfL business plan.

## **9. OPDC website**

Liz stated that it was time that OPDC had its own website, so that OPDC can manage its own brand, but noted that this would be dependent on securing the HIF bid. OPDC had received feedback from its Board Members, as well as local residents, that navigation of the current website is difficult.

### **Actions:**

- The GLA to make OPDC webpages on london.gov.uk more accessible until a new OPDC website is up and running.
- OPDC to focus on content that is primarily targeted to its external audiences when building its new website, with potentially a link through to the london.gov.uk OPDC webpages for transparency and 'back-office' information.

## **10. Accommodation update**

- OPDC had produced a paper on accommodation and met with Mary in January to discuss that paper. Mary confirmed that there is no immediate pressure for OPDC to leave Union Street but that no additional desks would be made available. OPDC is considering several options for its future location, subject to a successful HIF bid, and will be consulting with staff accordingly; and
- GLA Group FM leads are completing an exercise to identify all the office space and facilities available across the Group to enable office location decisions to be made collectively. Recommendations from the FM leads are expected shortly.

## **11. Key risks and issues**

The main risks and issues had been picked up across other agenda items: HIF, staffing and Car Giant.

## **12. Any other business**

The Chair and Liz recorded their thanks on behalf of the GLA and OPDC to Mick for all he had done at the GLA and OPDC.



Ministry of Housing,  
Communities &  
Local Government

**Ministry of Housing, Communities and Local  
Government**

Fry Building  
2 Marsham Street  
London SW1P 4DF

www.gov.uk/mhclg

09 April 2019

Dear David,

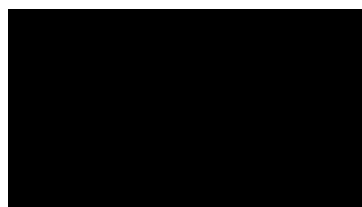
**Housing Infrastructure Fund, Forward Funding bid Old Oak – Delivering  
London's Largest Opportunity Area (HIF/FF/356)**

Further to Simon Ridley's letter dated 18 March 2019, in which he congratulated the Greater London Authority on the successful £250 million 'Old Oak – Delivering London's Largest Opportunity Area' Housing Infrastructure Fund Forward Funding bid, I am pleased to now be able to notify you of the conditions referred to in that letter.

We will work with you and your team over the coming weeks and months to progress this scheme through further due diligence and into contract. As part of the contract, you will need to agree to a set of funding conditions. These include both standard conditions for all Forward Funding schemes, and bespoke conditions for each project. In addition, you will need to sign up to an Assurance Framework, which will be proportionate for the size and complexity of this scheme. A list of the key standard and bespoke conditions for your scheme is included at Annex A.

Thank you for leading housing growth in this area and I look forward to hearing of the progress being made. Should you wish to discuss this further [\[redacted\]@communities.gsi.gov.uk](mailto:[redacted]@communities.gsi.gov.uk)) would be delighted to speak to you.

Yours sincerely,



**OFFICIAL SENSITIVE - COMMERCIAL**

[MGLA170120-0604 - Please note: this money has not been spent]

**OPDC Capital Expenditure Priorities Forecast 2019.20 as at 3 May 2019**

	Q1	Q2	Q3	Q4	Total
<b>Expenditure Description</b>					
• UKPN stage payments	850,000		-	878,990	1,728,990
• On-going land assembly/CPO formulation work	860,000	1,212,500	1,482,500	1,547,500	5,102,500
• Infrastructure design - Oaklands Bridge/rail underpass/Laundry Lane bridge		561,000	1,186,000	1,186,000	2,933,000
• Stamford Brook Sewer Realignment Design		312,500	312,500	312,500	937,500
• Delivery partner procurement	-	600,000	600,000	600,000	1,800,000
• Land acquisitions (Canal Sites)	-		10,000,000		10,000,000
• EIA and TA	100,000	150,000	150,000	150,000	550,000
<b>Total</b>	<b>1,810,000</b>	<b>2,836,000</b>	<b>13,731,000</b>	<b>4,674,990</b>	<b>23,051,990</b>

**Notes**

1. The total forecast capital expenditure requirement for 2019/20, is £16.606m – excluding £5m to £10m for the acquisition of the canal sites. This assumes expenditure continues as planned, bar slippage due to the delay in accessing the HIF grant, which has been built in to the forecast. Each workstream will need to be analysed thoroughly and a view taken on which activities can be delayed, bearing in mind the increased risk to delivering by the deadline with further slippage, if capital expenditure needs to be reduced.
2. Based on OPDC's approved HIF bid, the GLA committed to cash flow OPDC for up to £35m to facilitate the development. The approved bid assumed funding would be required from 2022-23 and would be repaid in 2025-26



## Agenda: OPDC/GLA liaison meeting

When	Wednesday 26 June 15:30 to 17:00
Where	City Hall, 6.7W
Who	<p><i>GLA</i></p> <p>David Bellamy, Chief of Staff (Chair)   Jules Pipe, Deputy Mayor, Planning, Regeneration and Skills   Mary Harpley, Chief Officer   Martin Clarke, ED Resources   Debbie Jackson, Interim Executive Director DEE   David Gallie, Assistant Director Group Finance   [REDACTED], Senior Policy &amp; Programmes Manager</p> <p><i>OPDC</i></p> <p>Liz Peace, Chair of OPDC   David Lunts, Interim Chief Executive   Jasbir Sandhu, Interim Chief Finance Officer</p>
What	<ol style="list-style-type: none"><li>1. Note of previous meeting and actions (Item 1)</li><li>2. The Assembly plenary and feedback from Budget and Performance Committee (Item 2)</li><li>3. Senior management structure (Item 3)</li><li>4. Programme through to CPO (Item 4)</li><li>5. EiP 18 July</li><li>6. OPDC Board 17 July</li><li>7. OPDC Governance Direction</li><li>8. OPDC Budget Requirement 2019-20 (paper to follow)</li><li>9. AOB</li></ol>
Next meeting	14 August 2019 at 10:00

# GLA-OPDC finance & policy liaison meeting

## **Note of 9 May 2019 meeting**

**GLA attendees:** David Bellamy (Chair), Jules Pipe, Martin Clarke, Debbie Jackson (for first 30 minutes), David Gallie & [Redacted]

**OPDC attendees:** Liz Peace, David Lunts, Jasbir Sandhu

**Apologies:** Mary Harpley

*Agenda items are noted in the order in which they were discussed.*

### **1. Note of the previous meeting & actions**

The note was agreed.

*Meeting with QPR: The GLA and the OPDC had met with QPR to discuss the requirements for development of the sites they own in OPDC's area. A further meeting would take place in the coming weeks.*

*Debbie arrived at the meeting and gave apologies for Mary Harpley.*

*OPDC website: The GLA confirmed OPDC could progress the development of its own website.*

*Jules arrived at the meeting.*

### **2. HIF Conditionalities- Update**

OPDC's Interim CEO set out some initial steps that would need to be taken to address the conditions of the Housing Infrastructure Fund (HIF) bid, following a successful outcome. This included agreeing an adopted Local Plan and developing the OPDC's position on Compulsory Purchase Orders (CPO). This would necessitate several conversations between the OPDC and GLA, and with Government to agree a mutually satisfactory approach. The Chair clarified that a Mayoral Decision would be required to accept the HIF award.

Further discussion on this item was to take place between GLA and OPDC officers.

### **3. GLA Financial Support**

This item was to be discussed separately.

### **4. 2018-19 Outturn position**

OPDC's 2018-19 outturn position showed a net underspend due to delays in the announcement of the HIF bid decision and the Local Plan Examination in Public (EIP). Nevertheless, OPDC had had to undertake some work at risk. The EIP will now take place this financial year. OPDC reported that it could manage largely within budget. The GLA noted that the underspent funds would go into reserves, but could be released, if needed, with a Mayoral Decision.

## **5. Key risks and issues**

The key risks and issues were identified as HIF negotiations with government, and the Chief Executive Officer recruitment process.

## **6. AOB**

OPDC to provide GLA with its Q4 monitoring report.

The meeting agreed that a timeline should be developed to put in place an OPDC Governance Direction now that the HIF bid had been successful.

### **Action:**

- Jasbir to provide the OPDC Q4 Performance Report to GLA by 10 May.
- [Redacted] to liaise with Jasbir to develop a timeline for the OPDC Governance Direction.

With no further business, the date of the next meeting was noted as 26 June.

London Assembly Budget and Performance Committee  
Post Point 5A  
City Hall. The Queen's Walk  
London,  
SE1 2AA

14<sup>th</sup> June 2019

Dear Sir/Madam,

**Re: OPDC appearance in front of the Budget & Performance Committee, 11 June 2019**

I am writing from Car Giant following the appearance by senior OPDC officials in front of the Budget & Performance Committee on 11 June 2019.

I felt it important to set out a response to what we consider to be some misleading statements provided by both Liz Peace, Chair and David Lunts, Interim CEO, to the Committee as well to clarify the Car Giant position.

I also wanted to formally request if Car Giant could be called in front of the Committee at your next meeting on 11 July 2019, even if that were for only 30 minutes rather than taking up the entire time allocated for the meeting (although we are happy to stay as long as needed). In addition, I am happy to extend an invitation to Members of the Committee to attend a site visit at Car Giant to understand more about our car retail business and processing plant and why our relocation has become impossible to achieve.

I would be most grateful if the clerk of the Committee could let me know if either or both offers are welcome but I really do feel it is essential that the Committee is given the opportunity to hear directly from Car Giant.

I would now briefly like to address six key issues which were raised as it essential that Assembly Members have a proper understanding of the facts in order for you to continue to play an effective scrutiny role. These are:

1. **The HIF conditions set by MHCLG** – because until these are met in full the GLA needs to continue to fund OPDC activities.
2. **The impact of 'Phase 1a' of development on Car Giant** – as this first development phase proposes to use 25% of Car Giant land and does not 'work around' us as was suggested to the Committee.
3. **The extent of development funded by the HIF bid** – which we now know is very much lower than was communicated to the London Assembly at the time of the bid submission.
4. **Car Giant's 'support' for the HIF Bid** – as it is factually incorrect to state that we were supportive of the bid being submitted.
5. **'Compromise should be possible'** – as the OPDC appear to have based their development strategy on a complete lack of understanding of the Car Giant business and how we occupy the site.
6. **The relocation of Cargiant** – so that the Committee understands what is actually involved in seeking to move Car Giant to an alternative site.



The issues we raise in this letter go to the very heart of the OPDC's approach to unlocking development at Old Oak Common which we believe to be fundamentally flawed and incapable of being delivered.

## 1. The HIF conditions set by MHCLG

Clearly the potential regeneration of the Old Oak Common area is of huge interest to the London Assembly, especially given that the GLA is required to continue to fund the OPDC until such time as HIF or other monies becomes available.

You heard David Lunts confirm that conditions are being set by MHCLG before the OPDC can draw down any money. Two of those conditions were confirmed – the adoption of the local plan and the GLA agreeing to underwrite the full £250 million.

David Lunts confirmed that the former will not be complete until the end of 2019 and that it is highly possible that the Inspector may find the plan to be un-sound. We are challenging this process and the Inspector has raised serious concerns about the OPDC's sustainability appraisal in addition to the major viability issues and he had to insist on two further hearings after the original EiP was supposed to have completed because of the poor quality and, in some cases, complete lack of information provided by the OPDC.

On the latter point, David Lunts also confirmed that the GLA is far from agreeing to underwrite the £250 million due to the risk profile it would be incurring and that significantly more work is required on both viability and risk.

It is our understanding that there are also a number of additional conditions which have been set by MHCLG in addition to these two. Until each and every condition is met, none of the HIF money is available to spend.

Given this serious and ongoing impact on the GLA budget, I would respectfully suggest that the London Assembly requests a copy of the MHCLG conditions so that it can effectively scrutinise the risk profile to the GLA of the OPDC failing to meet these conditions – which we believe will be the case.

The published accounts of the OPDC show that in the four years of its existence (up to March 2019), the GLA funding for the OPDC had reached £29,417,000 and this is now set to rise considerably further.

We have repeatedly and publicly warned that the strategy being pursued by the OPDC can only lead to failure at enormous further cost to the public sector, and we fear that this is already now being borne out as was clearly evident from the numerous ongoing difficulties explained by both Liz Peace and David Lunts.

## 2. The impact of 'Phase 1a' of development on Car Giant

During the Committee meeting the OPDC made repeated statements that the HIF money would only fund the initial infrastructure and 'Phase 1a' of development, although David Lunts also clarified that even this phase has "*a substantial gap*" in funding and significant viability challenges.

Even regardless of these series issues, the clear impression that they gave to Assembly Members was that they were seeking to leave Car Giant largely alone for Phase 1a and would "*wait it out*" to deliver further phases which cover the Car Giant land.

Liz Peace in fact stated that early development can happen "*provided we can crack on and work around the Car Giant land ownership*". Similarly, David Lunts said that "*none of us want to see a large scale business extinguished*".



I feel it is essential therefore to point out that the OPDC has confirmed to the Planning Inspector as part of Examination in Public of their Draft Local Plan that its Phase 1a development plan is in fact dependent on utilising 25% of Car Giant land ownership. They withheld this information from Car Giant (and also from local community groups who had wanted to understand what early development was being planned) but it was insisted upon by the Inspector and only released on 3 June 2019.

We are not being left alone in Phase 1a and the OPDC is not 'working around' Car Giant at all. It is actively seeking to CPO land which is in essential and day to day use for our car processing facility and without which we cannot function as a business.

You are probably unaware that only one third of our land is the retail area with 2,000 cars on display for customers and where our sales operation takes place. Fully two-thirds of our land is a car processing plant with multiple industrial processes and where the vast majority of our approx. 800 full time staff work.

If land critical to our operation is taken away from us – and we can explain exactly the areas they are seeking to take from us in Phase 1a – then the impact would be to seriously undermine Car Giant's ability to remain a profitable business and may even result in the extinguishment of our business. Under such a CPO we can legally enforce the OPDC to acquire the entirety of our site as the viability of continuing operations without these areas would be seriously questionable. The OPDC has already confirmed to the Committee that it does not have the money to do that, despite the fact that the first phase of the CPO process – the land referencing – has already been completed.

It would be helpful for the Assembly to request more information about its Phase 1a development and the extent of Car Giant's land ownership it is seeking as I believe you will find that this to be inconsistent with the representations made to the Committee.

We would also suggest asking how many homes are actually delivered in Phase 1a, for the cost of £250 million (plus additional funding to meet the viability gap) even were it to be deliverable, as it is a small portion of that which was promised (see next point below) and many of those are not even reliant on the new infrastructure being provided, as Liz Peace confirmed at the meeting.

Indeed, along Scrubs Lane alone it is estimated that 1,164 homes could be brought forward without requiring infrastructure intervention, with an additional 300 in the area referred to as 'Oaklands North'. The Committee might be interested to note that 496 of these homes have already been granted planning permission over the last 12-18 months, but construction is yet to start on a single one.

### **3. The extent of development funded by the HIF bid**

During the hearing you had it confirmed by Liz Peace that significant additional funding would be required in order to deliver Old Oak North (where Car Giant is located) and she volunteered the figure of £1bn. We subsequently also learned that even were the £250 million HIF money to be secured, there is still "a *substantial gap*" to deliver even Phase 1a.

This is a direct contradiction to what Assembly Members and the public were told at the time of the HIF submission. Specifically I would refer you to the GLA decision notice, signed by the Mayor on 11 December 2018 (<https://www.london.gov.uk/decisions/md2401-funding-opdc-support-housing-infrastructure-fund-bid>) which granted £1.5m further contingency funding to the OPDC whilst the HIF funding was being considered. This document said that the objectives of the HIF Bid were as follows:

*"The overall objective is to address a market failure by installing strategic infrastructure that will bring forward delivery of 10,000 homes in the core development area of Old Oak North and a further 3,000 homes in the*



*immediately surrounding area. The expenditure proposed in this Form is designed to bring forward these homes faster than if it were not provided."*

Further public statements were also made at the time confirming that the HIF Bid was designed to 'bring forward 10,000 homes' at Old Oak North.

We now know that not only would this funding not even be sufficient to deliver Phase 1a, but that actually around £1bn of funding is required in order to install 'strategic infrastructure that will bring forward delivery of 10,000 homes in the development area'.

As you probably know, Car Giant issued a press notice on 7 February 2019 ('Old Oak Cock-Up') which clearly set out that the HIF money was only a small fraction of what was in fact actually needed and that its plans were unviable and undeliverable. The Mayor of London responded to our concerns at the time with the statement that they *"were barely worth the paper they were written on"*.

You have now heard directly from the Chair and Interim CEO of the OPDC that, more than four years after they were established and having spent £29,417,000 up to 31 March 2019, they still have no idea how much money is in fact required and no idea how even the first phases of development will come forward – let alone future phases of development.

Likewise, we also note that there has been no further progress on the MoU with public sector landowners, despite that MoU being entered into under the previous administration of Boris Johnson over three years ago (published on 16 March 2016).

We would urge Assembly Members to continue to look into this issue and believe it to be essential to understand just how much money is actually required to bring forward Old Oak North before possibly hundreds of millions of pounds of further public money are wasted.

#### **4. Car Giant's 'support' for the HIF Bid**

During the meeting Liz Peace stated to Committee members that *"at the point we put the HIF bid in the proprietor if Car Giant was a willing supporter"*. Further statements were made suggesting that our view had simply changed and Liz Peace said about me that *"he no longer wants to relocate and would rather just sit tight and run his business"*.

These are factually incorrect statements.

At the time that the HIF bid was submitted, in September 2018, we had long before confirmed both verbally and in writing to the OPDC that we would bitterly oppose any bid which was dependent on using Car Giant land in essential and daily use for our business operations. We then wrote to MHCLG formally objecting to the bid itself. We have been entirely and forcefully consistent in that approach.

The only point at which we were supportive in principle of a future HIF bid was prior to 16 October 2017, before even the initial HIF submission was made, when the OPDC told us repeatedly that it did not utilise any Car Giant land. This turned out to be a completely false statement and as soon as we realised that the OPDC intended to seek HIF money for 'land assembly' of Car Giant land, we informed them of our immovable opposition.

We are very happy to share with the Assembly copies of the relevant letters which confirm this sequence of events – please do let me know if you would like to see these as it simply cannot truthfully be stated that we were supportive of the HIF bid when it was made.



Assembly Members might also like to know that the HIF bid was developed in secret from Car Giant and that even today we have still never seen its contents.

We maintain that the assumptions made within that bid were seriously flawed, which seems to have been confirmed by David Lunts in front of the Committee when he stated that all assumptions and viability information were now being reviewed and that they are “*still analysing property benchmark figures*”, despite the HIF money having been provisionally allocated. David Lunts also confirmed that the risk profile associated with the HIF bid had risen since the bid was made and that the OPDC Board is facing the challenge of trying to reduce this risk profile, which will be essential for the GLA to agree to underwrite the £250 million.

## 5. ‘Compromise should be possible’

During the meeting and when asked again about Car Giant, Liz Peace stated that “*compromise should be possible*” on the apparent basis that “*Car Giant own a lot of land*”. It was also suggested that Car Giant grew through “*opportunistic*” land purchases and that “*if you were starting again*” a different layout would be achieved.

Such statements have no basis in truth and the development of an entire regeneration strategy, at the cost of around £30 million to date, should be based on a proper understanding of how users utilise the site and not such generic assumptions.

Assembly Members might be shocked to note that the OPDC has still yet to undertake an assessment of our business operations. And yet they have proposed to utilise 25% of our landholding and have spent 18 months on a HIF bid process with a business case that is based very significantly on development plots on our land.

We utilise every part of the land that we own. Over a 34 year period we have carefully planned and expanded the business to configure it in a way which achieves a level of efficiency unseen in our industry and which is critical to our business success. It is simply not the case that if there was some magic ‘start again’ button we would be able to free up land for development. In fact, we wish to expand our site and intensify our car processing plant as the site is already too tight for the size of operation we are managing.

Car Giant has no wish to be obstructive and indeed we spent several years and many millions of pounds trying to seek a solution which would enable our land to be developed, so that the relocation of our business could be afforded.

It was always previously understood that the entirety of the Car Giant site needed to come forward for development in order to fund our relocation. That was the path we were seeking with our now abandoned Old Oak Park plans ([www.oldoakpark.co.uk](http://www.oldoakpark.co.uk)) which were considerably advanced.

Car Giant’s change of position was not of our choosing.

It came about as a result of the OPDC being unable to confirm the location of connections and infrastructure (clearly our Masterplan needed to fit into the wider context) and then informing Car Giant that our development plans had been assessed for viability and found to be unviable. This was based on a GL Hearn viability report which first reported to the OPDC in August 2017, with a final report issued in February 2018 (but only shared with Car Giant in July 2018).

Given the impossibility of securing a planning consent Car Giant was unable to progress assembling a relocation site.





With a planning process completely stalled and no relocation site available, we simply had no option but to inform the OPDC that we had abandoned our plans until such time as the OPDC could demonstrate how the development of our land could be made viable and what site could be identified for us to relocate to.

This was not a decision that was taken lightly and we had spent over two years working closely with the OPDC, including under the auspices of a formal Planning Performance Agreement (PPA) between us. We were then faced with the refusal by the OPDC to collaborate with Car Giant on the HIF bid or even to disclose their plans and, as already stated, for much of this time we were misled by being told the HIF Bid did not involve a CPO of Car Giant land.

## **6. The relocation of Cargiant**

I believe it would be helpful for the Committee to understand what is involved in our relocation.

We would require a 45-50 acre single site within the West London area so that we can maintain our staff and customer base that it has taken us 40 years to achieve.

Clearly no such land of this scale is available for industrial use in this area, and if it was, such a site would probably be in multiple land-ownerships, occupied by multiple tenants all with different lease terms.

Were such a site to be identified (which it hasn't been currently), it would then need to be purchased from multiple owners, with a significant premium paid to persuade them to sell. This has become even harder to achieve with the significant rise in both industrial land values and rental levels, with much industrial land now held by institutional holders who do not want to sell and who use the rental income as part of their fund management portfolios.

Even assuming this could be completed successfully (and this may require a CPO process itself were some owners simply unwilling to sell for any price), the occupiers of that land would then need their leases purchased in order to achieve vacant possession of the land. That would be a significant additional cost and in some cases may result in those affected businesses closing down.

Once a vacant site had been achieved, the existing buildings would need to be demolished and the site made as one. The new factories for our processing plant would need to be built and fitted out with tens of millions of pounds of specialist equipment and the site made ready for Cargiant to occupy.

We would then move from the current site in one go, leaving behind us 45 acres of land. That is far too large a site to develop at once and so any new developer coming on board would have huge land purchase and holding costs while the 20 year regeneration takes shape.

It is no exaggeration to say that these costs run into many hundreds of millions of pounds.

You heard at the Committee meeting David Lunts confirm that, despite all of the work which the OPDC has been doing, it remains the case that no relocation site has been identified for us to move to. It also appears that the OPDC have done no work to assess the cost of relocating Cargiant, as the OPDC has asked Cargiant to provide an estimate of these costs to them – a request only made for the first time on 28 May 2019.

We believe we are in exactly the same situation as the Crossrail Depot to the South of the rail lines. Assembly Members will be aware that this was built without the provision for being able to deck above (something Sir Terry Farrell described as "*the worst cock-up in 50 years*") and it is now operational. It is estimated to cost around £1bn to move it and as a result the OPDC has accepted that this is too expensive to fund and that it will remain in place.



With our relocation or extinguishment costs in excess of £650 million – before any money is spent on remediation, infrastructure, affordable housing and any other critical requirement – we are also too expensive to move. Liz Peace confirmed to the Committee that such figures “*are probably accurate*”.

The reality is that we are on site running a hugely successful business. We are a key part of the UK car industry and we directly employ up to 800 people, many in highly skilled jobs, with a total of over 2,000 jobs dependent on Cargiant through the supply chain. We cannot relocate for the reasons explained and our business cannot continue to function if land is taken from us, which would result in the loss of those jobs and a huge engine of the West London economy removed.

The OPDC appears to have no answers to these issues.

Given the seeming impossibility of unlocking Old Oak North for development, all we are asking for is that the OPDC to allow our business to continue to thrive. Any attempt by them to seek to force development on land which we can clearly demonstrate is in essential operational use will fail.

I hope this information has been helpful and I could also have addressed multiple other issues – including in relation to the uncertainties surrounding HS2 and the fact that neither of the TfL stations envisaged are now expected to be delivered – but I wanted to keep this letter to the issues of direct relevance to Car Giant.

I do very much hope you will seek our appearance in front of the Committee and possibly also on a site visit as I believe once you gain an understanding of our business operations and how our land is utilised it will become immediately clear that the strategy being adopted by the OPDC is fundamentally flawed and that the HIF conditions can never be met, leaving the GLA footing the bill for the OPDC for little discernible benefit.

Finally, I do also hope you will request the information we are suggesting so that you can continue to properly scrutinise this hugely important issue.

If you would like to discuss this further or to make arrangements for a site visit or to confirm our appearance on 11 July, please do contact [REDACTED] [@cargiant.co.uk](mailto:[REDACTED]@cargiant.co.uk) on [REDACTED]

Yours faithfully,

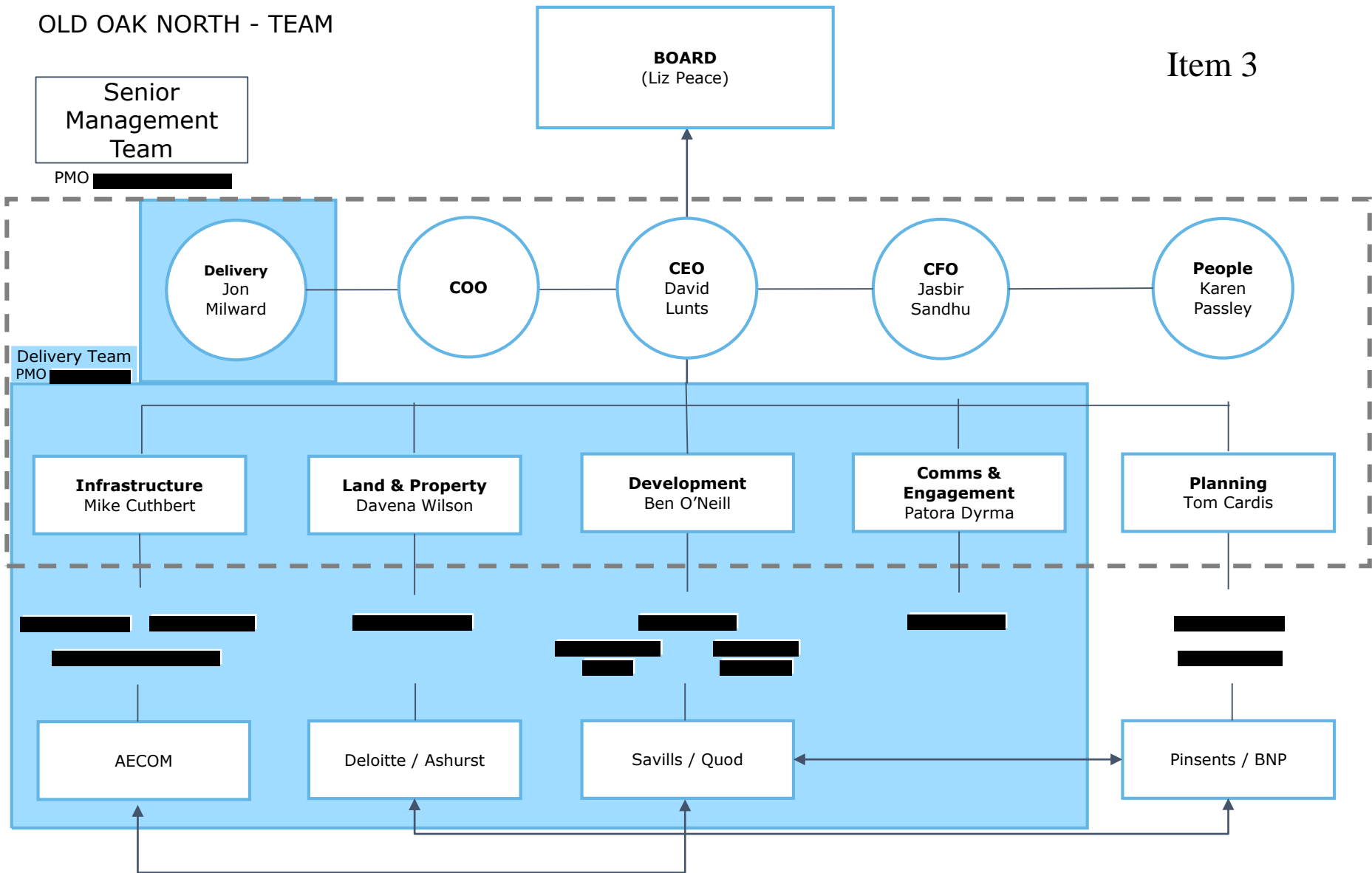


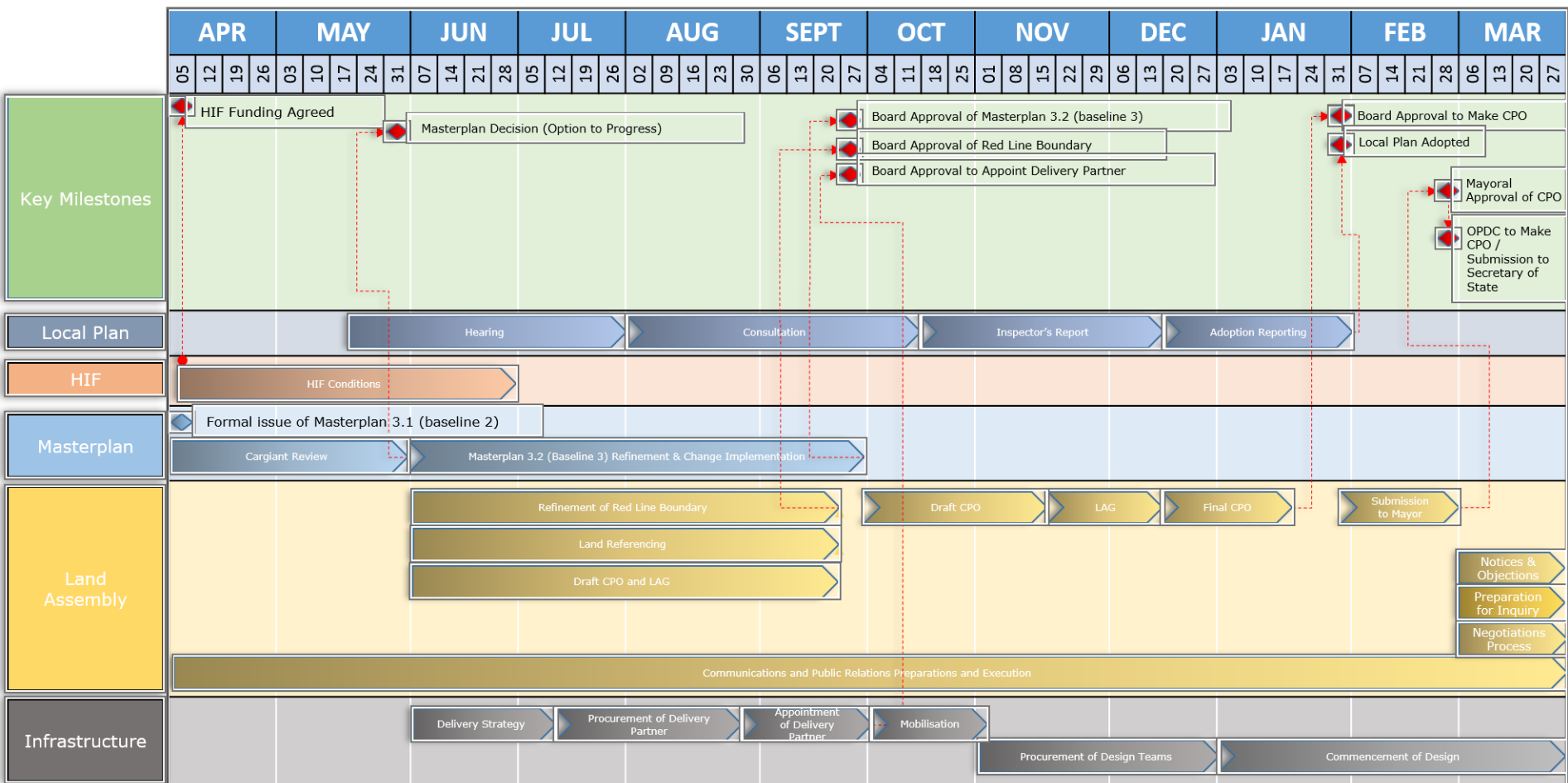
**Geoffrey Warren**  
Owner, Car Giant



# OLD OAK NORTH - TEAM

Item 3





## Summary OPDC Funding Request 2019.20

	Total	Q1	Q2	Q3	Q4
Delivery: Priority 1	5,068,000	1,298,000	1,785,000	972,500	1,012,500
Planning: Priority 1	428,947	138,504	201,943	65,500	23,000
Delivery: Priority 2	7,030,000	230,000	832,000	1,945,000	4,023,000
<b>Total</b>	<b>12,526,947</b>	<b>1,666,504</b>	<b>2,818,943</b>	<b>2,983,000</b>	<b>5,058,500</b>

Total Forecast Expenditure 2019.20	<u>12,526,947</u>
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Existing Revenue Budget 2019.20	2,657,000
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Net Surplus/(Deficit)	(9,869,947)
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Revenue <sup>1</sup>	1,224,947
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Capital <sup>2</sup>	8,645,000
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### Notes

<sup>1</sup> The additional revenue budget required could be resourced from the balance of funding remaining in MD2401 (£0.8m) and the Corporation underspend from 2018.19 (£0.619m subject to audit)

<sup>2</sup> The capital funding requested relates to expenditure budgeted to be resourced from the HIF grant

OPDC 2019.20 Funding Request: Delivery Directorate

Priority 1:

Workstream	Description of Expenditure	Type of Expenditure	Total	Q1	Q2	Q3	Q4	Supplier (if known) or Type of Organisation
General Management Support	Operational Property CPO support	Capital	750,000	187,500	187,500	187,500	187,500	TfL Shared Service Agreement
Land Assembly Strategy & CPO	Commercial/Surveyor CPO Advice	Capital	420,000	75,000	105,000	105,000	135,000	Deloitte
Land Assembly Strategy & CPO	Legal CPO Advice	Capital	330,000	75,000	75,000	75,000	105,000	Ashurst
Land Assembly Strategy & CPO	Counsel support with CPO	Capital	75,000	30,000	15,000	15,000	15,000	Counsel
Land Assembly Strategy & CPO	Land Referencing Service	Capital	50,000	15,000	15,000	10,000	10,000	Persona
Land Assembly Strategy & CPO	Land Assembly Communications Support	Revenue	165,000	35,000	40,000	45,000	45,000	Grayling
Land Assembly Strategy & CPO	Specialist Business Support and EQIA	Capital	200,000	40,000	40,000	60,000	60,000	AECOM
Planning Consent	Planning Consultant	Capital	250,000	60,000	60,000	60,000	70,000	Quod
General Management Support	Management Support	Revenue	200,000	90,000	90,000	20,000	0	Deloitte
General Management Support	Development Management Support	Revenue	300,000	75,000	75,000	75,000	75,000	Newbridge
General Management Support	Strategic Real Estate Advisory	Revenue	155,000	52,500	52,500	25,000	25,000	Savilles
Asset & Property Management	Legal, Structure, Tax & Other Professional Advice	Revenue	25,000	0	15,000	5,000	5,000	Professional Services Firm
Developer Procurement	Developer procurement	Capital	30,000	0	0	0	30,000	Strategic Real Estate Advisory
Developer Procurement	Legal Advice & Transactional Support	Capital	30,000	10,000	10,000	0	10,000	Legal
Developer Procurement	Masterplan Development/Procurement	Revenue	45,000	0	45,000	0	0	AECOM
Park Royal	Park Royal for business rates retention pilot/intensification pilot	Revenue	18,000	18,000	0	0	0	Cushman and Wakefield
Masterplan	Masterplan (CPO support, scheme updates for viability , input to planning etc).	Revenue	330,000	90,000	120,000	60,000	60,000	AECOM
Masterplan	Masterplan Development	Capital	160,000	0	160,000	0	0	AECOM
Masterplan	Additional Masterplan Commissions	Capital	50,000	0	50,000	0	0	AECOM
Transport	Transport work on road alignment and impact on utilities infrastructure	Capital	60,000	0	30,000	30,000	0	AECOM
Transport	Infrastructure Advisor Project Coordination (Utilities and Transport)	Capital	135,000	45,000	30,000	30,000	30,000	AECOM
Transport	Infrastructure Advisor support to CPO/ Business Case	Capital	225,000	0	75,000	75,000	75,000	AECOM
Utilities	Strategy Development - Utilities	Capital	40,000	0	20,000	20,000	0	AECOM
Utilities	Utilities Advisor support to CPO/ Business Case	Capital	225,000	0	75,000	75,000	75,000	AECOM
Utilities	UKPN Electrical Power Payments	Capital	0	400,000	400,000	0	0	UKPN
Total Priority 1 Expenditure			5,068,000	1,298,000	1,785,000	972,500	1,012,500	

Priority 2:

Workstream	Description of Expenditure	Type of Expenditure	Total	Q1	Q2	Q3	Q4	Supplier (if known) or Type of Organisation
Land Transactions	OPDC legal fees for land negotiations with major landowners	Revenue	525,000	40,000	100,000	180,000	205,000	Ashurst
Land Transactions	Professional fees payable to major third parties	Revenue	835,000	100,000	200,000	235,000	300,000	Professional
Land Transactions	Professional fees for third parties (non major landowners and occupiers)	Revenue	375,000	55,000	75,000	130,000	115,000	Professional
Land Transactions	Surveys and Investigations (desktop)	Revenue	150,000	10,000	45,000	45,000	50,000	Surveys
Land Transactions	OPDC Legal fees for landowner negotiations (non major) incl Option Fees	Revenue	325,000	25,000	62,000	110,000	128,000	Ashurst
Asset & Property Management	Estate Service Charge consultancy	Revenue	5,000	0	5,000	0	0	Estate Management Services
General Management Support	Delivery Partner Procurement Support	Capital	240,000	0	120,000	120,000	0	Strategic Real Estate Advisory
General Management Support	Delivery Partner	Capital	900,000	0	0	300,000	600,000	Project Support Organisation
Transport	Network Rail Service Agreement (setting out NR's obligations to provide access, make consents, put in place necessary possessions to enable development delivery)	Capital	125,000	0	25,000	50,000	50,000	Network Rail
Transport	Hybrid Bridge RIBA 3 (including consents)	Capital	100,000	0	0	50,000	50,000	Design Consultancy
Transport	Park Road RIBA 3 Package- Procurement	Capital	50,000	0	0	50,000	0	Design Consultancy
Transport	Park Road RIBA 3 Package- Design and Consents (Park Bridge, Park Road Underpass, Laundry Bridge, Road and Retaining Walls)	Capital	300,000	0	0	0	300,000	Design Consultancy
Transport	Harlesden Bridge - Design Procurement	Capital	50,000	0	0	50,000	0	Design Consultancy
Transport	Harlesden Bridge- Design and Consents	Capital	350,000	0	100,000	0	250,000	Design Consultancy
Transport	Canal Bridge - Design Procurement	Capital	50,000	0	0	50,000	0	Design Consultancy
Transport	Canal Bridge- Design and Consents	Capital	100,000	0	0	0	100,000	Design Consultancy
Transport	Transport Mitigation Design	Capital	200,000	0	0	100,000	100,000	Transport Consultancy
Transport	Legal Support for Asset Protection Agreement (NR requirement to protect operational assets during development delivery)	Capital	100,000	0	0	50,000	50,000	Legal
Utilities	IDNO Design Development and Procurement Support- Client Advisor	Capital	100,000	0	0	50,000	50,000	IDNO
Utilities	ESCO Design Development and Procurement Support- Client Advisor	Capital	100,000	0	0	50,000	50,000	ESCO
Transport	Other Consent Payments	Capital	100,000	0	0	50,000	0	Other
Utilities	Other Consent Payments	Capital	100,000	0	0	50,000	0	Other
Utilities	Stamford Brook Sewer Realignment- Design	Capital	1,250,000	0	0	0	1,250,000	Design Consultancy
Utilities	Utilities Design Development- S/U Liaison	Capital	50,000	0	0	25,000	25,000	Design Consultancy
OON Technical Planning (EIA & TA)	Topographical Surveys	Capital	200,000	0	0	100,000	100,000	Geotechnical, Geo-Environmental and Ground Investigation Specialists
OON Technical Planning (EIA & TA)	Environmental Impact Assessment & Transport Assessment	Capital	300,000	0	100,000	100,000	100,000	Strategic engineering and environmental consultancy
OON Earthworks	Design and SI - Site Clearance, Demolition and Decontamination for Park Road	Capital	150,000	0	0	0	150,000	Design Consultancy
Total Priority 2 Expenditure			7,130,000	230,000	832,000	1,945,000	4,023,000	

Total Expenditure	12,198,000	1,528,000	2,617,000	2,917,500	5,035,500
Revenue Budget 2019.20	2,502,000				
Net Funding Request 2019.20	9,696,000				
Revenue	951,000				
Capital	8,645,000				

OPDC 2019.20 Funding Request: Planning Directorate

Description of Expenditure		Total £'s	Q1 £'s	Q2 £'s	Q3 £'s	Q4 £'s	Supplier (if known) or Type of Organisation
Local Plan - EiP viability support	Provision of expert viability advice to support Local Plan Examinati	30,000	20,000	10,000			BNP Paribas
Local Plan - IIA support	Provision of expert Integrated Impact Appraisal advice to support	15,000	10,000	3,000		2,000	Arcadis UK Limited
Local Plan - Legal advice	Provision of expert legal advice to support Local Plan Examination	80,000	40,000	20,000	20,000		Pinsent Masons
Local Plan - Counsel advice	Provision of expert Counsel legal advice to support Local Plan Exar	50,000	15,000	25,000		10,000	Landmark Chambers
Local Plan - EiP hearings venue	Hearing sessions venue hire	8,100	8,100				London Councils
Local Plan - EIP hearings venue 2	First additional hearing sessions venue hire	2,904	2,904				The Collective
Local Plan - EIP hearings venue 3 & public notices	Second additional hearing sessions venue hire	3,800		3,800			The Collective
Local Plan - Inspector	Costs of Planning Inspector (statutory requirement)	107,023	40,000	47,023	20,000		Planning Inspectorate
SPD - Affordable Workspace	Consultation activities (statutory requirement)	2,500				2,500	Local newspapers and local venues
SPD - Park Royal	Consultation activities (statutory requirement)	3,500			2,500	1,000	Local newspapers and local venues
SPD - Public Realm and Green Infrastructure	Consultation activities (statutory requirement)	3,500			2,500	1,000	Local newspapers and local venues
SPD - Planning Obligations	Publication activities (statutory requirement)	1,000				1,000	Local newspapers
SPD - Waste	Publication activities (statutory requirement)	1,000				1,000	Local newspapers
SPD - Energy	Publication activities (statutory requirement)	1,000				1,000	Local newspapers
SPD - Post Occupancy	Consultation activities (statutory requirement)	2,500				2,500	Local newspapers and local venues
Evidence base - Biodiversity Survey	Delivery of the OPDC biodiversity survey to inform OPDC Supplem	33,000		33,000			London Wildlife Trust
Evidence base - Park Royal Solar	Delivery of solar strategy to support delivery of renewable energy	27,300		27,300			Verco
Evidence base - Post Occupancy Eval. Toolkit	Delivery of recommendations for creating a post occupancy toolki	3,000		3,000			Buro Happold Engineering
Corporate - Economic Vision	Delivery of an economic vision to support OPDC's corporate plan	35,000		20,000	15,000		Strategic economic consultations
SCI	Consultation activities (statutory requirement)	3,500	2,500		1,000		Local newspapers and local venues
Heritage - Old Park Royal CA	Consultation activities (statutory requirement)	3,500			2,500	1,000	Local newspapers and local venues
Heritage - Local Heritage Listings	Publication activities (statutory requirement)	1,000			1,000		Local newspapers
Neighbourhood Planning - HNP	Publication activities (statutory requirement)	1,000			1,000		Local newspapers
Neighbourhood Planning - OONF	Consultant support for delivering the Old Oak Neighbourhood Plai	9,820		9,820			Navigus consulting
Total Expenditure		428,947	138,504	201,943	65,500	23,000	

Revenue Budget 2019.20 155,000

Net Funding Request 2019.20 273,947

# Corporate Investment Board

## GLA-OPDC Liaison Group, 26 June 2019

**Chair:** David Bellamy, Chief of Staff

**Attendees:** GLA: Jules Pipe | Mary Harpley | Martin Clarke | David Gallie | Debbie Jackson | [REDACTED]  
[REDACTED] OPDC - Liz Peace, Chair of OPDC | David Lunts | Jasbir Sandhu

**Background:** The Group supports on-going liaison between the GLA and OPDC, focusing on strategic priorities and major risks faced by OPDC; and the financial / governance interaction between GLA / OPDC.

### Meeting notes

**1. Note of previous meeting (28 May 2019) and actions:** The notes of the meeting were agreed. Actions were completed.

### 2. The Assembly plenary and feedback from Budget and Performance Committee:

OPDC's Chair and Interim Chief Executive Officer attended the Assembly's Budget and Performance Committee on 11 June 2019 where they discussed the challenges facing the Corporation in developing the area. Committee members asked OPDC to share the transport appraisal which supported the HIF bid.

The owner of Car Giant had written to the Budget and Performance Committee to challenge some of the OPDC's responses at the session. He also invited Committee Members and the OPDC's Board to site visits. The OPDC Board invitation was withdrawn after OPDC said that senior OPDC officials should also attend. OPDC is developing a communication strategy and will be liaising with the GLA Press team.

OPDC is progressing its plans and is in discussion with GLA Finance to secure additional funding to progress preparatory work to address the HIF conditions and bring forward Old Oak North. Recruitment of a permanent Chief Executive Officer had been suspended as David Lunts would be now working 4 days a week as Interim Chief Executive Officer for the next few months.

**3. Senior Management Structure:** OPDC has confirmed a senior management team structure, including an experienced delivery team. Recruitment of a permanent Executive Director of Delivery has been paused.

**4. Programme through to CPO:** The Local Plan Examination in Public (EiP) and the London Mayoral election may impact on some activities. OPDC will keep Homes England engaged in the programme and revisit the timing of CPO activities in late summer.

**5. EIP 18 July 2019:** The final EiP hearing will take place on 18 July where the main issues will be site viability and the Phase 1A plans.

**6. OPDC Board 17 July:** The next OPDC Board meeting has been cancelled to allow time for preparation for the EiP the following day. Board members will instead be invited to a private briefing to update them on the Old Oak North programme.

**7. OPDC Governance Direction:** Work is underway to develop a simple governance direction that cross-references to relevant clauses in the OPDC's Scheme of Delegation. An MD will be required to approve the direction.

**8. OPDC Budget Requirement 2019-20:** An MD was to be prepared for the Mayor to approve provision of a supplementary budget of up to £10m for OPDC to support the Corporation in securing the Government's HIF allocation of £250m for Old Oak North. The funding, which is anticipated will be recovered from the HIF allocation once it is contracted, is required both to support the due diligence that needs to be undertaken prior to contracting with MHCLG and to maintain momentum to ensure that the deadline for spending the funding is met.

**Cleared by:** David Bellamy, Chief of Staff; **Contact Officer:** [REDACTED] Finance & Governance unit



## Agenda: OPDC/GLA liaison meeting

When	Wednesday 14 August, 9:30 – 10:45
Where	City Hall, 6.0W
Who	<p><i>GLA</i></p> <p>David Bellamy, Chief of Staff (Chair)   Mary Harpley, Chief Officer   David Gallie, Assistant Director Group Finance   [REDACTED], Senior Policy &amp; Programmes Manager, [REDACTED], Senior Board Officer.</p> <p><i>OPDC</i></p> <p>Liz Peace, Chair of OPDC   David Lunts, Interim Chief Executive   Jasbir Sandhu, Interim Chief Finance Officer.</p> <p>Apologies: Jules Pipe, DM Planning, Regeneration &amp; Skills   Debbie Jackson, Interim Executive Director, Good Growth   Martin Clarke, Executive Director, Resources   Davena Wilson, OPDC   Benjamin O'Neill, OPDC.</p>
What	<ol style="list-style-type: none"><li>1. Note of previous meeting and actions (Item 1)</li><li>2. Local Plan/EiP update</li><li>3. HIF</li><li>4. Government HS2 review engagement</li><li>5. Delivery Plan update (high level progress report on key workstreams) (Item 5 to follow)</li><li>6. Q1 monitoring report (Item 6 to follow)</li><li>7. Budget</li><li>8. Mayor's budget guidance for 2020/21</li><li>9. Comms /political engagement</li><li>10. Key risks and issues</li><li>11. AOB<ul style="list-style-type: none"><li>- Updated terms of reference (Item 11)</li></ul></li></ol>
Next meeting	9 October 2019, tbc.

# Note: GLA – OPDC finance and policy liaison meeting

When	<b>26 June 2019</b>
Where	City Hall, 3.6W
Who	<p><b>GLA attendees:</b> David Bellamy (Chair), Jules Pipe, Mary Harpley, Martin Clarke, David Gallie, Debbie Jackson &amp; [REDACTED]</p> <p><b>OPDC attendees:</b> Liz Peace, Chair of OPDC, David Lunts &amp; Jasbir Sandhu</p>
	<p><b>Background</b></p> <p>The Group supports on-going liaison between the GLA and the OPDC, focusing on strategic priorities and major risks faced by OPDC; and the financial and governance interaction between the GLA and OPDC</p>
	<p><b>1. Note of previous meeting (28 May 2019) and actions</b></p> <p>The notes of the meeting were agreed.</p> <ul style="list-style-type: none"> <li>• Jasbir to provide the OPDC Q4 Performance Report to the GLA – completed.</li> <li>• Jasbir and [REDACTED] had met on 17 June to discuss the timetable for, and content of, the OPDC Governance Direction.</li> </ul> <p><b>2. The Assembly plenary and feedback from Budget and Performance Committee</b></p> <ul style="list-style-type: none"> <li>• OPDC's Chair and Interim Chief Executive Officer attended the Assembly's Budget and Performance Committee on 11 June 2019 where they discussed the challenges facing the corporation in developing the area. Committee members asked OPDC to share the transport appraisal that supported the HIF bid.</li> <li>• The owner of Car Giant had written to the Budget and Performance Committee to challenge some of the OPDC's responses at the session. He also invited Committee Members and the OPDC's Board to site visits. The OPDC Board invitation was withdrawn after OPDC said that senior OPDC officials should also attend. OPDC are developing a communication strategy and will be liaising with the GLA Press team.</li> <li>• OPDC are progressing their plans, and are in discussion with GLA Finance to secure additional funding to progress preparatory work to address the HIF conditions and bring forward Old Oak North. Recruitment of a permanent Chief Executive Officer had been suspended as David Lunts is now working 4 days a week as Interim Chief Executive Officer.</li> </ul> <p><b>Action</b></p> <ul style="list-style-type: none"> <li>➤ OPDC to share the transport appraisal for the HIF bid with Budget &amp; Performance Committee Members;</li> <li>➤ David Bellamy to check GLA Press team is engaged with Car Giant media;</li> <li>➤ Mary to inform Assembly leads early next week about David's availability to lead OPDC's work for 4 days per week as Interim Chief Executive Officer.</li> </ul> <p><b>3. Senior Management Structure</b></p> <ul style="list-style-type: none"> <li>• OPDC has confirmed a senior management team structure, including an experienced delivery team. Recruitment of a permanent Executive Director of Delivery has been paused.</li> </ul>

**Action**

- Mary to instruct HR to send out an Expression of Interest for a GLA secondee for the Executive Director Delivery role.

**4. Programme through to CPO**

- The Local Plan Examination in Public (EiP) and the London Mayoral election may impact on some activities. OPDC to keep Homes England engaged in the programme, and revisit the timing of CPO activities in late summer.
- There was a discussion about the support that could be offered to businesses that may have to be relocated. David Lunts suggested that the focus of the next liaison meeting should be the outcome of the EiP.

**Action**

- OPDC to revisit the timing for the start of the CPO process in late summer.
- EiP to be the main agenda item for the next OPDC-GLA Liaison meeting on 14 August.

**5. EIP 18 July 2019**

- The OPDC is currently in detailed discussions with their technical team, legal and property advisers in preparation for the EIP. The final EiP hearing will take place on 18 July where the main issues will be site viability and the Phase 1A plans. GLA advised OPDC to keep several options on the table.

**6. OPDC Board 17 July**

- The next OPDC Board meeting has been cancelled to allow time for preparation for the EiP the following day. Board members will instead be invited to a private briefing to update them on the Old Oak North programme.

**7. OPDC Governance Direction**

- After reviewing the LLDC Direction that is being used as a template for the OPDC Direction, Jasbir and [REDACTED] noted that many of the clauses in the LLDC Direction that are relevant to the OPDC had already been incorporated into their Scheme of Delegation. The Group agreed to develop a simple governance direction that cross-references to relevant clauses in the OPDC's Scheme of Delegation. A MD will be required to approve the direction.

**Action**

- [REDACTED] to work with Jasbir to draft a short OPDC Governance Direction and MD by the end of July 2019.  
[Post-meeting note: A new OPDC Governance Direction was approved by the Mayor on 29 July 2019 and came into force on 1 August 2019].

**8. OPDC Budget Requirement 2019-20**

- David Lunts took the meeting through the Budget Requirement 2019-20 paper which was a request from OPDC for GLA to underwrite the cost of essential work to meet the HIF bid conditions.
- The paper provided a breakdown of the minimum revenue and capital expenditure required to take forward priority planning and delivery activities. These were split into Priority 1 (green box) and Priority 2 (yellow box) activities. Priority 1 activities are those which the corporation must

commit to now because they are essential preparatory activities which if not undertaken would risk losing the regeneration opportunity. Priority 2 activities flow from priority 1 activities and are also essential to bring forward Old Oak North, however the difference is that there is a degree of flexibility in the timing of these activities so they can be slowed down, paused early, or even stopped depending on the outcome of the EiP, or any decision the government, or a new Prime Minister, might make around HS2.

- The Group agreed the rationale for providing the supplementary budget to the OPDC is that the Mayor recognises the need to continue with the programme given the size of the regeneration opportunity, however he is in discussion with senior OPDC and GLA officials to take the most prudent approach so that the GLA is only committing to spend that which is absolutely necessary until some of the risks and issues have been resolved. OPDC confirmed that this would be feasible because most of the contracts that would need to be procured would be done through a call-off framework so the OPDC would not have to commit funding unnecessarily.
- The Group agreed that a MD be prepared to approve revenue grant funding to OPDC of £10m in 2019-20 to be earmarked by it to support the work programme required to secure the Government's Housing Infrastructure Fund allocation of £250m for Old Oak North to be paid in instalments as follows:
  - £5m to be made available immediately to be drawn down by the OPDC as it requires; and
  - the balance to be drawn down in instalments as required to support the work programme for HIF, by agreement with the Mayor's Chief of Staff, in consultation with the GLA's Executive Director of Resources.
- The grant to be funded from the Mayoral Development Corporation Reserve (£1.235m) and the Strategic Investment Fund (£8.765m).
- A delegation to the Mayor's Chief of Staff, in consultation with the GLA's Executive Director of Resources, to agree the further drawdowns, and for this delegation to supersede the existing delegation approved in MD2401.
- There was a discussion on early land acquisition opportunities and potential funding pots to support housing delivery that are not dependent on the EiP or the HIF. David Gallie said GLA Group Finance is open to exploring whether funding could be made available for land acquisition if there is a genuine return that could be realised in the short-term. OPDC noted that there may be some opportunities to acquire Network Rail sites and they are holding a workshop with Network Rail in 10 days' time to explore this.

### Action

- A MD to be prepared as detailed above to go to 8 July CIB meeting.
- David Bellamy and Martin Clarke to discuss with OPDC the capital contribution.

### 9. AOB

#### Action

- Nick Bowes, Mayoral Director Policy or his Senior Adviser, [REDACTED], to be invited to future OPDC-GLA Liaison meetings to provide high-level policy input.

**10.Date of next meeting:** 9 October, tbc.

## Terms of Reference: OPDC/GLA Liaison Group

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The OPDC/GLA Liaison Group exists as a forum to discuss OPDC policy and finance matters. In so doing, the group supports early identification of risks and opportunities, brings coordination across policy portfolios and provides a space to review progress against OPDC programmes and other ongoing issues. This is in the context of the GLA being the main funder and, indeed, funder of last resort for OPDC; the Corporation's role in delivering Mayoral priorities; and the scope for joined-up working across the two organisations.

Meetings are attended by Mayoral appointees, senior officials from both organisations and governance and finance officers.

### Purpose

- To review progress and issues related to delivery of OPDC's objectives and its most significant programmes and projects; and support forward planning in these areas. Areas of focus include land assembly, infrastructure requirements, affordable housing delivery and planning.
- To bring coordination across Mayoral portfolios in the delivery of OPDC's objectives; and to support appropriate recognition by OPDC of cross-cutting Mayoral priorities for the GLA Group, such as those related to equalities and diversity.
- To support medium and long-term financial planning, including identifying funding streams to support development at Old Oak.
- To support sound governance, in particular in respect of the interaction of OPDC and Mayoral decision-making.
- To provide a forward-look of upcoming significant decisions, including in particular where GLA/Mayoral consent is required.
- To identify risks, suggest mitigations and track ongoing management of risks.
- To provide a forward-look of upcoming opportunities and issues, including in respect of communications, and ensuring these are coordinated.
- To review quarterly monitoring information.

### Members

#### GLA

Chief of Staff (Chair) | DM Planning, Regen & Skills | Chief Officer | ED Resources | Executive Director Good Growth | AD Group Finance | Regeneration lead.

#### OPDC

Chair | Chief Executive | Chief Operating Officer

Others by invitation.

## Meetings

Meetings take place approximately every six weeks to two months and last an hour. Meetings will be scheduled at a date to support timely review of OPDC's quarterly performance and financial monitoring reports, noting the Mayor has asked that reports are available in draft 25 working days after quarter end and published within 35 working days.

## Secretariat

The Secretariat, with input from OPDC, is responsible for setting up meetings, agendas, meeting notes and action tracking. Papers will be issued a minimum of five clear working days before the meeting. The Secretariat will also provide a summary of discussions to the Corporate Investment Board.

Date agreed: July 2018

Last revised: 13 September 2018

Last revised 31 July 2019

## OPDC Programme Budget Forecast Outturn 2019.20

### Expenditure

	Revised Budget	Q1	Q2	Q3	Q4	Outturn Forecast	Variance
Directorate	£'s	£'s	£'s	£'s	£'s	£'s	£'s
CEO	315,000	13,143	60,255	15,000	51,000	139,398	(175,602)
Corporate Operations	1,138,000	234,000	284,000	334,000	286,000	1,138,000	0
Development	1,767,000	434,302	1,019,500	1,257,500	1,425,500	4,136,802	2,369,802
Land Assembly	563,000	285,447	287,500	140,000	170,000	882,947	319,947
Planning	896,000	214,297	353,936	264,303	198,337	1,030,873	134,873
Projects and Infrastructure	2,945,000	698,973	2,032,112	1,772,000	3,420,915	7,924,000	4,979,000
<b>Total</b>	<b>7,624,000</b>	<b>1,880,162</b>	<b>4,037,303</b>	<b>3,782,803</b>	<b>5,551,752</b>	<b>15,252,020</b>	<b>7,628,020</b>

### Income

	Revised Budget	Q1	Q2	Q3	Q4	Outturn Forecast	Variance
MCIL	(55,000)		(17,500)	(17,500)	(20,000)	(55,000)	0
Pre Application	(141,000)	(24,900)	(35,000)	(30,000)	(30,000)	(119,900)	21,100
Statutory	(150,000)	(10,192)	(20,000)	(30,000)	(40,000)	(100,192)	49,809
<b>Total</b>	<b>(346,000)</b>	<b>(35,092)</b>	<b>(72,500)</b>	<b>(77,500)</b>	<b>(90,000)</b>	<b>(275,092)</b>	<b>70,909</b>

Total Forecast Deficit/Surplus **7,698,928**

Budget Available subject to approval as per MD2493 **8,200,000**

### Budget Reconciliation 2019.20

	£'s
Mayor's Final Budget March 2019	9,500,000
UKPN May 2019 payment funded from MDC Reserve	450,000
MD2493 Supplementary Budget*	1,800,000
Revised Budget Q1 2019.20	<b>11,750,000</b>
OPDC Programme Budget	7,278,000
OPDC Establishment Budget	4,472,000
Total Budget	<b>11,750,000</b>

\*MD2493 approved grant funding of up to £10m, with £1.8m available immediately and £8.2m subject to further approval

### Notes

- The Forecast Outturn was prepared at the end of Q1 (June 2019)
- This was prior to the Draft Local Plan EIP Hearing on 18.07.2019
- Detailed analysis of the Programme expenditure is underway to identify further slippage and will be available for review as part of the Q2 forecast
- At this stage, a further drawdown against the funds approved in MD2493 is not required
- There is an additional forecast underspend against the establishment budget, as this was based on the revised establishment staffing structure
- The revised structure will be implemented at such a time when there is clarity on the outcome of the EIP hearings and HIF bid



## Corporate Investment Board

### GLA-OPDC Liaison Group – 14 August meeting

**Chair:** David Bellamy, Chief of Staff

**Members in attendance:** GLA – Mary Harpley, Chief Officer; David Gallie, Assistant Director – Group Finance; [REDACTED] Senior Policy and Programmes Manager; [REDACTED] Senior Board Officer | OPDC – Liz Peace, OPDC Chairman; David Lunts, Interim Chief Executive Officer; Jasbir Sandhu, Head of Finance and Operations.

#### Background

These regular meetings support ongoing liaison between OPDC and the GLA, focussing on: the strategic priorities of OPDC; the major issues and risks faced by OPDC; and the financial and governance interaction between the GLA and OPDC.

#### Meeting of 14 August 2019

*Local Plan/Examination in Public (EiP) update:* The final EiP session had focussed on Cargiant's challenge to OPDC's viability appraisal. There was a possibility the Plan could be found sound without a site allocation for Cargiant's land, with a view to reviewing the Plan in two to three years. Alternatively, an agreement could be sought to designate the portion of Cargiant's land required for Old Oak Development Phase 1A, leaving the remainder as 'white land'. The GLA and OPDC would refine options over the coming weeks.

*Housing Infrastructure Fund (HIF):* High level meetings between OPDC, HMT, Network Rail and HS2 continued to discuss the best use of HIF given that the allocation would not be sufficient to fully fund all the infrastructure required to bring forward the first phase of development. Options were being developed and an outline proposal had been drawn up for consideration by Network Rail.

*Government HS2 review:* Panel members were being selected for the Oakervee strategic review of HS2, which would commence in the autumn. Separately, HS2 Chairman Allan Cooke would undertake a financial review, expected to report within weeks.

*Delivery Plan update and Q1 monitoring report:* Work was ongoing to update OPDC's delivery plan, forecasting and performance reporting. Forecasting had been undertaken prior to the EiP. This would be noted in the Quarter 1 report, which would also highlight the supplementary budget facility agreed by MD2493, as well as the current lack of visibility of detailed expenditure plans for Quarters 3 and 4 arising from uncertainty around the Local Plan and HS2 Review. A summary report for Quarter 1 would be published following review by the Chair. The GLA would support OPDC to develop its reporting format and integrate programme reporting, financial reporting and forecasting ahead of the Quarter 2 report.

*Budget:* The OPDC's 2020/21 Budget was being drafted for discussion with the GLA by the end of September 2019 and the draft budget for submission would be presented to the OPDC Board for approval on 21 November 2019. It was possible that the Local Plan would be approved before this date but wider uncertainties would remain.

*Communications:* The Group discussed recent correspondence from members of the public and forthcoming appearances of OPDC and GLA leadership before the Assembly. The GLA would arrange a review of the governance and transparency information on the OPDC web pages to ensure there had been no omissions. The OPDC's FoI log was due to be published by the end of August.

The OPDC Board was developing a new strategic plan and key messaging to promote the OPDC to the rest of the UK. Alongside this, David Lunts would convene a smaller group to develop an OPDC elevator pitch.

**Cleared by:** David Bellamy, Chief of Staff;

**Secretariat Officer:** [REDACTED] Senior Board Officer

# Agenda:

## OPDC – GLA Finance and Policy Liaison Group

When	11 October 2019, 10:00 – 11:30
Where	City Hall, Room 3.5W
Who	<p><i>GLA</i> David Bellamy, Chief of Staff (Chair), Debbie Jackson, Interim Executive Director, Development, Enterprise and Environment, Martin Clarke, Executive Director - Resources; [REDACTED], Senior Adviser to the Mayoral Director, Policy; David Gallie, Assistant Director, Group Finance; [REDACTED], Regeneration Area Manager North West; Tim Somerville, Corporate Governance Manager; [REDACTED], Senior Board Officer;</p> <p><i>OPDC</i> Liz Peace, OPDC Chairman; David Lunts, Interim Chief Executive Officer; Jasbir Sandhu; Interim Chief Finance Officer.</p> <p><i>Apologies</i> Jules Pipe, DM Planning, Regeneration and Skills</p>
What	<ol style="list-style-type: none"><li><b>1. Note of last meeting and actions arising (pages 1-3)</b></li><li><b>2. Declarations of Interest</b></li><li><b>3. External Activities (pages 4-8)</b><ol style="list-style-type: none"><li>a) HS2 review</li><li>b) Local Plan</li><li>c) HIF negotiations</li><li>d) Local landowners</li><li>e) London Assembly</li><li>f) Other stakeholders</li><li>g) Communications</li></ol></li><li><b>4. Delivery Update and Next Steps</b></li><li><b>5. Budget</b><ol style="list-style-type: none"><li>a) 2019/20 forecast and monitoring</li><li>b) 2020/21 submission</li></ol></li><li><b>6. Any Other Business</b></li></ol>
Next meeting	7 November 2019, 13:30–15:00, Room 3.1E

# OPDC – GLA Finance & Policy Liaison Group

## Note of 14 August 2019 meeting

**GLA attendees:** David Bellamy (DB) (Chair), Mary Harpley (MH), David Gallie (DG), [REDACTED], [REDACTED]

**OPDC attendees:** Liz Peace (LP), David Lunts (DL), Jasbir Sandhu (JS).

**Apologies:** [REDACTED], Martin Clarke & Debbie Jackson (GLA).

### 1. Note of the previous meeting and matters arising

The note was agreed. Actions were covered elsewhere in the agenda.

### 2. Local Plan/EiP update

The final session had focussed on Cargiant's (CG's) challenges to OPDC's viability appraisal. CG had proposed a three-month suspension followed by arbitration, which OPDC had rejected due to the consequent delay.

[REDACTED]

[REDACTED]

#### Actions

- OPDC and GLA Planning to keep abreast of communications with the Planning Inspector and the impact of any of her/his recommendations for the London Plan;
- DL to brief Jules Pipe on his return from leave;
- OPDC & GLA to finesse options over the next 2-3 weeks and decide how to proceed.

### 3. HIF

OPDC had held a series of meetings with the Treasury, Network Rail, and HS2 to discuss the best use of HIF given that it will not be sufficient to fund all the infrastructure required for the regeneration project. One option being considered is whether HIF should be used to purchase additional public sector land. All three parties had expressed interest in this proposition and the OPDC had worked up a proposal to discuss, in the first instance, with Network Rail. The benefits of such a proposal were:

- 1) More leverage could be secured from the HIF money which would enable it to be spread further;
- 2) It could generate more interest from the market;
- 3) It would demonstrate to Government that the public sector is working effectively together and therefore help them to see the value of supporting OPDC.

OPDC's HIF bid was currently in a holding pattern whilst Government decisions that are likely to impinge on the project were resolved. These were also affecting other HIF bids. OPDC and GLA agreed to progress work with the Treasury and Homes England. LP noted

that the Mayor had said that his first priority was to ensure OPDC's Local Plan was put forward as effectively as possible at the EiP, as an essential step in progressing the project.

### **Government HS2 review engagement**

The Government had announced that the Oakervee Review of HS2 would commence in the Autumn. The review panel was currently being chosen. HS2 was also reviewing its costs and OPDC would be part of this review.

### **Action**

- OPDC to schedule a London HS2 discussion with HS2, Network Rail and Deloitte.

### **5. Delivery Plan update (high level progress report on key workstreams)**

OPDC acknowledged that its delivery plan and performance reporting were not yet where they needed to be and that work was ongoing to address this. There was acknowledgement that the external context for OPDC is currently in flux, and that the sensible course of action was for the corporation to develop a short delivery plan outlining the key workstreams, whilst keeping its programme under review.

It was noted that Doug Wilson, OPDC's Chief Operating Officer, currently retained for one day a week, was to leave the OPDC at the end of September. OPDC planned to commence recruitment of the post imminently.

### **6. Q1 monitoring report (Item 6)**

OPDC set out its programme budget forecast outturn, noting that the forecast had been produced in June prior to the EiP. Expenditure was solely focused on the programme activity required to meet the requirements of the EiP and did not include the staffing budget.

In view of the current uncertainty affecting OPDC it was agreed that it would be not be meaningful to produce a full year forecast for 2019-20 at this stage. However, OPDC would prepare a full year forecast for the next Liaison meeting.

OPDC was looking to develop a common reporting framework that aligned with GLA's performance and budget reporting. JS would lead on this, but some support may be required from the GLA. OPDC's priority was to complete this for the end of Q2. MH was in discussion with the GLA's Assistant Director for Finance and Governance about support for OPDC.

### **Action**

- OPDC to produce a concise, high-level, finance and performance summary for Q1 to be published online, but to be reviewed by DB first before it is reported to the Assembly's Budget Monitoring Sub-Committee.

### **7. Budget 2020/21 / 8. Mayor's budget guidance for 2020/21**

OPDC had a £9.6m revenue base budget. It was looking at different scenarios and welcomed GLA input. The GLA noted that there was likely to be a quick government spending review, and with the change of personnel at MHCLG, there may be a risk to the GLA Group's budget that was likely to remain for a number of months into the budget-

setting process. OPDC would therefore have to work on its current assumptions around the budget.

#### **Action**

- GLA and the OPDC to work through the OPDC's plans over future years and put together a budget that will enable the corporation to gear up as required over time

### **9. Comms / Political engagement**

#### **- Letter from Mr Peterson, St. Quintin & Woodlands Neighbourhood Forum (Item 9 & related emails)**

OPDC had received a letter from Mr Peterson, Chair of the St. Quin & Woodlands Neighbourhood Forum expressing concern about OPDC's governance. OPDC had brought it to the GLA's attention because it had referred to the GLA's internal audit process. The GLA had drafted a response and the OPDC would be providing its own response. High attention around FOIs, correspondence and governance issues was required to ensure OPDC meets its intention of complying with the highest standards. An FOI log was being established and was due to be live on the OPDC's website by the end of August. It was noted that there is also likely to be Assembly interest in the OPDC's delivery plan.

There was a discussion on the timing of the Planning Inspector's report from the EiP, which is expected in October. OPDC was due to appear in front of the Assembly's Budget and Performance Committee in December.

LP noted that OPDC would be starting work on a new strategic plan and the Board was keen to promote the value of the OPDC to the UK economy. DL is planning to get together a small group, to include two members of the Board, to develop the OPDC's 'elevator pitch'.

#### **Action**

- MH to discuss with the GLA's Finance and Governance team an independent review of the OPDC's governance;
- DL to set up a small working group to develop OPDC's 'elevator pitch'.

### **10. Key risks and issues**

Discussed under other agenda items.

### **11. Updated terms of reference**

It was noted that the terms of reference had been updated to reflect the new OPDC Governance Direction, 2019, and a change in GLA membership of the Liaison Group and secretariat responsibilities following the corporate management team restructure.

DB thanked [REDACTED] for providing the secretariat for the Liaison meetings. The Secretariat for the meetings would now be provided by the GLA secretariat team.

### **12. Any Other Business**

There was no other business.

The next Liaison meeting was scheduled for 11 October.

Sadiq Khan, Mayor of London  
City Hall  
The Queen's Walk  
London  
SE1 2AA

25<sup>th</sup> September 2019

Dear Mr Mayor,

**Re: The Car Giant site at Old Oak Common**

I am writing to request an urgent meeting with you personally, together with any relevant officials, to discuss the Car Giant site at Old Oak Common.

We have no desire to be obstructive to the delivery of early homes, jobs and infrastructure at Old Oak Common and indeed we have a solution which would enable exactly that.

I assume you are however aware of the report released last week by the Inspector reviewing the Draft Local Plan of the Old Oak and Park Royal Development Corporation (OPDC) which represents a clear change of circumstances and must now result in a change of approach from the OPDC.

The alternative risks years of pointless delay and millions of pounds of public money wasted in a futile attempt to pursue a development strategy which we have long warned to be flawed.

The interim report of the Inspector could not have been clearer, or more damning on the work of the OPDC, and he has recommended the OPDC to remove the Car Giant site from the Local Plan.

- He concludes that development of the Car Giant site *"is unviable and ought to be deleted from the Plan"* and that *"because of its significance within the plan as a whole, its inclusion makes the plan itself unsound"*.
- Commenting on the impossibility of relocating or extinguishing the Car Giant business during the Plan period (2018-2038), he states: *"Car Giant is a highly successful and profitable business with prospects for growth. It employs about 800 people directly and a further 1,200 indirectly. Its extinction simply does not make sense in planning terms, nor does its relocation at an expense which would preclude the likelihood of paying for any contribution to necessary infrastructure or affordable housing"*.
- The Inspector concludes that were the Car Giant site to be developed, it would still not yield enough profit to fund the relocation of Car Giant even it was contributing zero percent affordable housing and nothing to fund transport or other infrastructure, stating: *"I am convinced that site allocation 2 [the Car Giant site] would not be viable and capable of effective delivery within the plan period even if it were relieved of all contributions to affordable housing and infrastructure"*.



- The Inspector finds that most of the numbers relied upon by the OPDC to demonstrate development is viable are wrong and also therefore orders the drastic reduction in the number of homes and jobs. He states that *"the numbers put forward in the submitted plan are not 25,500 homes and 65,000 jobs"* and has concluded that these need to be reduced to *"14,200 and 37,590 respectively"*.

The effect of this is clear.

Firstly, it means that the Car Giant business will remain on site for a minimum period of the 20-year length of the Local Plan (2018-2038). In effect the Inspector has recognised that the Car Giant land is in exactly the same situation as the land occupied by the Crossrail Depot next to the HS2 station – too expensive to move and unviable to develop.

Secondly, however, it also has a very clear impact on the OPDC's plans for its "Phase 1a" development and for the prospects of securing the £250 million of HIF it has been provisionally granted (subject to conditions) by MHCLG in March 2019.

The OPDC's public response to the Inspector's report being issued was that it was in fact *"encouraging"* and that it supports their plans for their first phase of development to deliver 3,100 homes. This is a gross misrepresentation of what the Inspector has actually said.

Below are direct quotes from the report in respect of Phase 1a:

- *"It is clear that the delivery of the road (originally to be known as Park Road, now to be called Union Way), connecting Old Oak Common Lane to Scrubs Lane, which is an essential part of Phase 1a, would affect both land used operationally by Car Giant and also land owned by and tenanted from Car Giant."*
- *"It is not my business to determine whether Phase 1a would or would not cause material detriment to Car Giant's retained land and nothing I write should be taken as meaning that I do so"*
- *"But, from the information before me, I conclude that although it is always possible that an actual outcome may be different, it ought to be possible to arrive at a resolution of Phase 1a".*

It cannot be said that the Inspector supports the OPDC's plans for Phase 1a. He explicitly says that such plans would affect Car Giant land and that nothing he writes should be seen as a judgement on their plans. Indeed, the Inspector criticises the OPDC for the lack of clarity about their plans.

I feel therefore that you should be aware that the OPDC's plans for the delivery of the road and 3,100 homes – which are the basis of their HIF bid and provisional award of £250 million – are entirely predicated on taking Car Giant land from us.

Car Giant has objected strongly and consistently to the OPDC's HIF bid and it seems completely clear now that there is no possibility of the OPDC being able to deliver its proposed Phase 1a development or to draw down the £250 million. I believe you should be aware of the numerous reasons why this is the case.

1. We understand that one of the funding conditions is to have an adopted Local Plan. Following the Inspector's interim findings, significant modifications will now need to be made to the



plan, following which it will require to be consulted upon before being submitted again to the Inspector for his consideration. This is a significant delay to the process of having an adopted Local Plan but, importantly, even when it is eventually adopted it will have the Car Giant site omitted from it.

2. David Lunts has confirmed to Car Giant in writing (27 June 2019) that a further condition of the OPDC HIF bid is that the full Car Giant site would come forward for development. Specifically, he wrote that *"Our HIF bid is predicated on the assumption that the Cargiant site will come forward for redevelopment at some point in the future"*. Clearly the report of the Inspector would breach this condition as there is no such certainty for a minimum period of 20 years. The Inspector confirmed that our business has clear growth prospects and we certainly believe we have a long-term viable future long beyond a 20-year period, especially given the need for car owners to switch from fossil fuels to electric powered vehicles.
3. As you will be aware, the GLA is required to legally underwrite the entire £250 million as a condition of funding. David Lunts, Interim CEO of the OPDC, confirmed to the London Assembly's Budget & Performance Committee on 11 June 2019 that the your office was refusing to agree to this as the risk profile had significantly increased since the bid was made. Clearly the Inspector's findings increase this risk profile much further and it would seem to us to be an enormous risk to agree to underwrite such a huge sum.
4. Any proposed development scheme must be proved to be viable within the spending envelope of £250 million to deliver the road and the 3,100 homes (as per the OPDC Business Plan). The Inspector has just ruled against the financial information presented by the OPDC in almost all important respects, including growth in sales values (the regeneration premium), build costs, land values and the developers' required contributions to infrastructure. This is the very same information which was the basis of the HIF Business Plan. In our view the sum of £250 million would in fact deliver considerably less than the 3,100 homes stated, especially given the dramatic rise in industrial land prices in recent years. This business plan was flawed from the start – as we pointed out at the time – and is now even more flawed.
5. The plans for Phase 1a will now need to reviewed, following the removal of the Car Giant land from the Local Plan. It was the case that the OPDC had placed most of the social infrastructure serving all of Old Oak North onto the Car Giant site – for example the energy centre, the new scheme school, parks and open spaces. Now that this land has been removed from the plan the remaining development sites cannot rely on it and will need to provide the required social infrastructure elsewhere. This will further impact upon the viability of those development plots.
6. There are other conditions which must be satisfied before the money is available to be drawn down for spending by the OPDC. Unfortunately, we do not know what these are as both the OPDC and yourselves at the MHCLG are refusing to make them public, but David Lunts has confirmed to the London Assembly's Budget & Performance Committee on 11 June 2019 that there are indeed other *"challenging"* conditions attached.
7. The Government has announced a review of HS2 and has already confirmed a delay to HS2 until a minimum of 2028-2031, and even then, opening in a phased way and without its completion to Euston, which may (or may not) come later. Of course, it is also possible that HS2 may be further delayed, altered or even scrapped. The OPDC has yet to revise any of its assessments, predicted values or its business plan to take into account this delay, which would again significantly impact on the viability of delivering Phase 1a and other development sites.





8. The Chair of the OPDC has confirmed to the London Assembly's Budget & Performance Committee on 11 June 2019 that the two Overground rail stations proposed for the area are highly unlikely to come forward and stated that TfL has no budget for either of them. The Inspector has asked the OPDC to review their numbers based on the reduced PTAL levels which would result from those stations not being delivered. Again, this would further impact on viability levels in the area. Claims by the OPDC that future developers may fund these stations are unfounded and the Inspector's report is clear in stating that the site is unviable to deliver even were developers to deliver zero affordable housing and zero contributions to infrastructure.
9. The HIF conditions are clear that the full £250 million would be required to be spent by 2023. Given the multiple challenges set out above, it seems highly improbable that this could be achieved.
10. There are other aspects of the HIF award which we are investigating with a view to potential judicial review should the award be confirmed.
11. Finally, and most importantly, in the very unlikely event that all of the above challenges could be overcome, the deliverability of Phase 1a would ultimately be entirely dependent on a successful CPO of Car Giant land. We would of course bitterly oppose such a CPO and will be able to demonstrate how integral the proposed land-take is to our business operations. We would also note that with the removal of the Car Giant site from the Local Plan, there would appear to be no policy basis for such a CPO to succeed in any case.

These issues also have an immediate importance to the GLA budget, as the notice awarding the OPDC a further £10 million of GLA money (15 July 2019) stated that this additional money was able to be recouped from the £250 million HIF money. Clearly if that money is never actually available to the OPDC then such additional spending by the GLA is wasted, on top of the many millions of pounds already spent by the OPDC preparing flawed viability and other such information.

Given the enormous and we would suggest insurmountable hurdles to securing the HIF money, I am formally requesting that the OPDC be instructed to withdraw its current HIF bid on the basis of a clear change of circumstances following the findings of the Local Plan Inspector.

We would point out that all of our warnings to date about the OPDC's approach have been ignored, but that when an independent Inspector reviewed the information, he reached the clear conclusion that Car Giant was in fact correct. It seems clear that the GLA is being very poorly served by the officers of the OPDC and we would certainly encourage GLA officials to robustly challenge any suggestions from OPDC colleagues that Phase 1a is deliverable.

The sooner that common sense prevails, the sooner the OPDC can pay proper attention to realistic alternatives which would actually support the early delivery of homes and infrastructure at Old Oak Common.

You may or may not be aware that in fact we long ago proposed such a solution to the OPDC.

This is based on a perfectly deliverable alternative road alignment which largely avoids our land and would still allow the early delivery of 2,100 homes. Although this is 1,000 homes less than is proposed by the OPDC's Phase 1a, it could be delivered at a far lower cost than £250 million as it would not, subject to agreement, require a CPO of our land. It would also provide certainty of the early delivery



of both homes and infrastructure and avoid years and millions of pounds wasted by all sides in adversarial processes.

David Lunts is in receipt of a detailed proposed road alignment prepared for Car Giant by Arup, and which is demonstrated to be completely deliverable and at a lower cost than the OPDC's proposed route for the road. Disappointingly he has refused to share the OPDC's detailed assessment of the Arup alignment with Car Giant despite previously undertaking to do so.

If we are able to meet with you, we would be happy to present this solution as it would enable:

- The delivery of 2,100 homes.
- The saving of tens of millions of pounds of public money.
- The delivery of the road at lower cost than currently proposed.
- Car Giant to be largely unaffected, respecting the judgement of the Inspector and allowing us to intensify operations and create more jobs.

Such certainty for our business, and the removal of the threat of a CPO of our land, would also enable us to invest for growth. In particular to be ready for the expansion of the ULEZ in April 2021 which will require huge numbers of Londoners to switch their current vehicles to less-polluting alternatives. We want to be at the forefront of that change, developing a large informative and dedicated electric-vehicle sales centre and factory to encourage people to see the benefits of electric vehicles and how easy a transition would be. We can also finally intensify our industrial site, creating up to 1,500 new and skilled jobs. Car Giant have such plans ready and funding in place to deliver this quickly.

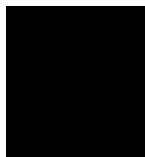
Please do get back to me to confirm if you would accept a meeting with us, but given the critical importance of this issue to London, for the GLA budget and also for the future of our business, our 800 staff and many hundreds of other jobs in the supply chain.

We have a detailed presentation which could show you and any colleagues which has also been seen by the MHCLG officials, many Members of the London Assembly, our local MP, key figures from the local community and journalists from a wide range of media outlets.

I do hope you will spare just some of your time and to look into this extremely important and urgent matter properly. We are at a critical juncture and where the GLA could have a clear role to play in avoiding the costly waste of many millions of pounds of public money.

If your office would like to discuss this further or to arrange a meeting, I can be contacted on [REDACTED] [@cargiant.co.uk](mailto:[REDACTED]@cargiant.co.uk).

Yours Sincerely



**Geoffrey Warren**  
Owner, Car Giant



## Corporate Investment Board – 4 November 2019

### GLA-OPDC Liaison Group Meeting of 11 October 2019

**Chair:** David Bellamy, Chief of Staff

**In attendance:** GLA – Debbie Jackson, Interim Executive Director, Development, Enterprise and Environment, Martin Clarke, Executive Director – Resources; David Gallie, Assistant Director, Group Finance; [REDACTED] [REDACTED] Regeneration Area Manager North West; Tim Somerville, Corporate Governance Manager; and [REDACTED] [REDACTED] Senior Board Officer | OPDC – Liz Peace, OPDC Chairman; David Lunts, Interim Chief Executive Officer; Jasbir Sandhu, Interim Chief Finance Officer.

#### Background

These regular meetings support ongoing liaison between OPDC and the GLA, focussing on: the strategic priorities of OPDC; the major issues and risks faced by OPDC; and the financial and governance interaction between the GLA and OPDC.

#### Meeting of 11 October 2019

A performance monitoring framework was under development and draft dashboards would be ready for Quarter 2. An internal review of governance processes was underway.

##### *External Activities*

a) *General Update:* MHCLG would administrate HIF projects in London and its assurance requirements were felt to be complex. [REDACTED]

MHCLG now required all HIF projects to be in contract with them [REDACTED]. Given the conclusions of the Planning Inspector's report, achieving this would now be extremely difficult. OPDC would ascertain from MHCLG the parameters of any flexibility around the conditions of the HIF bid in light of the difficulties caused by uncertainty around HS2, and whether a revised bid might be a possibility, given the strategic importance of the start. OPDC would analyse all options for a modified Phase 1A where an option for a future Phase 1B was retained.

In terms of alternatives, OPDC could look more intensively at adjacent land, particularly to the west of the Cargiant site and to the north toward Willesden Junction station, which was predominantly in public ownership and the subject of [REDACTED]

[REDACTED] This would be with a view to drawing up an alternative Phase 1A. However, it was unlikely that options for alternative schemes (possibly based on a no-HS2 scenario) could be developed in sufficient detail to submit a revised HIF bid for agreement by March 2020.

b) *London Assembly* – The HIF bid documents had been provided to the Assembly's Budget and Performance Committee on a confidential basis following a summons. OPDC representatives would be appearing before the Assembly's Budget Monitoring Sub-Committee and the Budget and Performance Committee before the end of the year.

c) *Communication* – The Group reviewed a letter from Geoff Warren of Cargiant seeking a meeting with the Mayor. Following meetings with the CEO and the OPDC Board and further discussions between OPDC and Government, a meeting may be arranged.

*Budget: 2019/20* – Activity had been scaled back due to current uncertainties and no further drawdown of the supplementary budget was anticipated without a major change in the OPDC's operating context.

*Budget 2020/21* – This was under development, to be submitted to the Mayor by the end of November.

**Cleared by:** David Bellamy, Chief of Staff;

**Secretariat Officer:** [REDACTED] [REDACTED] Senior Board Officer

# Agenda:

## OPDC – GLA Finance and Policy Liaison Group

When	7 November 2019, 13:00 – 14:30
Where	City Hall, Room 3.1E
Who	<p><i>GLA</i>  David Bellamy, Chief of Staff (Chair); Jules Pipe, DM Planning, Regeneration and Skills; Debbie Jackson, Interim Executive Director, Development, Enterprise and Environment; [REDACTED], Senior Adviser to the Mayoral Director, Policy; David Gallie, Assistant Director, Group Finance; [REDACTED], Regeneration Area Manager North West; Tim Somerville, Corporate Governance Manager; [REDACTED], Senior Board Officer.</p> <p><i>OPDC</i>  Liz Peace, OPDC Chairman; David Lunts, Interim Chief Executive Officer;</p> <p><i>Apologies</i>  Mary Harpley, Chief Officer; Martin Clarke, Executive Director – Resources; Jasbir Sandhu; OPDC Interim Chief Finance Officer.</p>
What	<ol style="list-style-type: none"> <li><b>1. Note of last meeting and actions arising</b></li> <li><b>2. Declarations of Interest</b></li> <li><b>3. External Activities</b> <ol style="list-style-type: none"> <li>a) HS2 review</li> <li>b) Local Plan</li> <li>c) HIF negotiations</li> <li>d) Local landowners</li> <li>e) London Assembly</li> <li>f) Other stakeholders</li> <li>g) Communications</li> </ol> </li> <li><b>4. Park Royal</b></li> <li><b>5. Delivery Update and Next Steps</b></li> <li><b>6. Budget</b> <ol style="list-style-type: none"> <li>a) 2019/20 forecast and monitoring – Q2 report</li> <li>b) 2020/21 submission</li> </ol> </li> <li><b>7. Any Other Business</b></li> </ol>
Next meeting	TBC – likely 9 January 2020 at 9:30am

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# Note:

## OPDC – GLA Finance and Policy Liaison Group

When	<b>11 October 2019, 10:00</b>
Where	<b>City Hall, Room 3.5W</b>
Who	<p><b>GLA attendees:</b> David Bellamy, Chief of Staff (Chair); Debbie Jackson, Interim Executive Director, Development, Enterprise and Environment, Martin Clarke, Executive Director - Resources; David Gallie, Assistant Director, Group Finance; [REDACTED], Regeneration Area Manager North West; Tim Somerville, Corporate Governance Manager; and [REDACTED], Senior Board Officer.</p> <p><b>OPDC attendees:</b> Liz Peace, OPDC Chairman; David Lunts, Interim Chief Executive Officer; Jasbir Sandhu; Head of Finance and Operations.</p> <p><b>Apologies</b> Jules Pipe, DM Planning, Regeneration and Skills; Mary Harpley, Chief Officer and [REDACTED], Senior Adviser to the Mayoral Director, Policy.</p>
Notes	<p><b>1. Note of last meeting and actions arising</b></p> <p>The note of the previous meeting was agreed as a correct record. Most actions would be covered under the agenda items.</p> <p>Tim Somerville provided an update on the development of a performance monitoring framework for OPDC. Draft dashboards for Quarter 2 were soon to be reviewed by the OPDC's Senior Management Team and would be available to the GLA by 25 working days after quarter end. A desk-based review of OPDC's transparency was almost complete and OPDC's internal decision-making would be reviewed shortly.</p> <p>The Group discussed whether it would be possible for the OPDC Board to hold a greater part of its consideration of key issues in public, given such discussion aided public understanding of the challenges faced by the Corporation.</p> <p>Recruitment was underway for a Chief Operating Officer and a Director of Planning.</p> <p><b>2. Declarations of Interest</b></p> <p>There were no declarations of interests.</p> <p><b>3. External Activities</b></p> <p><i>General Update</i></p> <p>David Lunts gave a summary update of OPDC's current position in relation to external parties.</p> <p>The Planning Inspector's report was interim and OPDC would continue to make representations regarding inaccuracies in the report, although it was not anticipated these would affect the final recommendations. Additional policy wording was being</p>



OPDC Board and that David Lunts was also keen to meet Mr Warren to discuss a potential way forward. Following these meetings, which would run concurrently with ongoing discussions with Government, a view could be taken on whether a meeting with the Mayor would be productive. A response would be drafted to this effect.

### **Actions**

- GLA to respond to Geoff Warren letter as set out above.

### *Other Stakeholders*

It was agreed that an item on Park Royal should be added to the next agenda.

## **4. Delivery Update and Next Steps**

Covered under item 3.

## **5. Budget**

### *a) 2019/20 forecast and monitoring*

A summary Quarter 1 report had been published. The current forecast was the same as that drafted for Quarter 1. Activity had been scaled back due to current uncertainties and no further drawdown of the supplementary budget was anticipated without a major change in the OPDC's operating context. A draft Q2 report would be presented to the next meeting of the Group.

### *b) 2020/21 submission*

The budget submission was under development. Subject to the resolution of the issues described above, this will be a 'holding position'. The formal GLA letter to OPDC to be sent by the end of October would reflect this

## **6. Any Other Business**

There was no other business.

## **7. Close of Meeting**

The meeting ended at 11:36am.

Next  
meeting

7 November 2019, 13:30–15:00, Room 3.1E, City Hall



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## OPDC Outturn Forecast as at Q2 2019.20

**Expenditure**

	Budget	Outturn Forecast as at Q2	Variance	Variance at Q1
	£'s	£'s	£'s	
<b>Directorate</b>				
Chief Executive's Office	315,000	139,652	(175,348)	(175,602)
Corporate Operations	1,138,000	1,138,000	0	0
Development	563,000	563,000	0	0
Land Assembly	1,767,000	1,767,000	0	0
Planning	896,000	944,973	48,973	134,873
Projects and Infrastructure	2,945,000	2,945,000	0	0
Establishment	4,472,000	3,655,755	(816,245)	(866,245)
<b>Total Expenditure</b>	<b>12,096,000</b>	<b>11,153,380</b>	<b>(942,620)</b>	<b>(906,974)</b>

**Income**

	Revised Budget	Outturn Forecast	Variance	Variance
MCIL	(55,000)	(31,000)	24,000	0
Pre Application	(141,000)	(82,846)	58,154	21,100
Statutory	(150,000)	(100,192)	49,809	49,809
<b>Total Income</b>	<b>(346,000)</b>	<b>(214,038)</b>	<b>131,963</b>	<b>70,909</b>
<b>Total</b>	<b>11,750,000</b>	<b>10,939,343</b>	<b>(810,658)</b>	<b>(836,065)</b>

Budget Available subject to approval as per MD2493 8,200,000

**Budget Reconciliation 2019.20**

	Programme Budget £'s	Establishment Budget £'s	Total £'s
1 April 2019	5,028,000	4,472,000	9,500,000
<i>Plus</i>			
UKPN May 2019 payment funded from MDC Reserve	450,000	0	450,000
MD2493 Supplementary Budget*	1,800,000	0	1,800,000
<b>Revised Budget Q1 2019.20</b>	<b>7,278,000</b>	<b>4,472,000</b>	<b>11,750,000</b>

\*MD2493 approved grant funding of up to £10m, with £1.8m available immediately and £8.2m subject to further approval

## Corporate Investment Board – 2 December 2019

### GLA-OPDC Liaison Group Meeting of 7 November 2019

**Chair:** David Bellamy, Chief of Staff

**In attendance:** GLA – Jules Pipe, DM Planning, Regeneration and Skills; Debbie Jackson, Interim Executive Director, Development, Enterprise and Environment; [REDACTED] Senior Adviser to the Mayoral Director, Policy; David Gallie, Assistant Director, Group Finance; [REDACTED] Regeneration Area Manager North West; Tim Somerville, Corporate Governance Manager; [REDACTED] Senior Board Officer. | OPDC – Liz Peace, Chairman; David Lunts, Interim Chief Executive Officer; Ben O'Neill, Development Director.

#### Background

These regular meetings support ongoing liaison between OPDC and the GLA, focussing on: the strategic priorities of OPDC; the major issues and risks faced by OPDC; and the financial and governance interaction between the GLA and OPDC.

#### Meeting of 7 November 2019

##### *External Activities, Delivery Update and Next Steps*

OPDC's plans for Phase 1 had been contingent upon cooperation with Cargiant. Phase 1A, the basis of OPDC's HIF submission, required construction of a road partially upon land currently owned by Cargiant. From an early position of positive engagement, Cargiant's position had moved in February 2019 to one of direct opposition to OPDC's proposals. HIF conditions also required an approved Local Plan to facilitate delivery of phase 1A, however the Planning Inspector had declined to approve a residential designation for Cargiant's land. Analysis of alternative options had shown that any version of Phase 1A which might be acceptable within the parameters of the current HIF bid would necessitate the building of a road on land that was, in part, owned by Cargiant.

HIF-funded projects must be deliverable by 2024, with conditions met by the end of March 2020, meaning it would no longer be possible for OPDC to comply with the required timeline. Without HIF forward funding, OPDC would be unable to proceed with the land assembly and infrastructure installation required to kick-start development in Old Oak North. These problems had been compounded by the ongoing uncertainty around the future of HS2, which now looked likely to continue until after the December 2019 general election.

Planning for Phase 1A had utilised technical work undertaken at the OPDC's inception, much of which would also be crucial to any future regeneration scheme. The OPDC area was comprised predominantly of fragmented public land, much of it close to the proposed HS2 station site, and Network Rail and HS2 had continued to engage positively with OPDC. [REDACTED] and OPDC felt that there was the potential to assemble a land package that would present a major regeneration opportunity and that a long-term, strategic collaboration between the public sector landowners could produce the type of sustainable regeneration the area needed. It was hoped that any new government would support this aim and the GLA and OPDC's commitment to facilitating high-quality development in the area. It was acknowledged that any alternative regeneration plans would be predicated on a decision from Government to continue with HS2, including a station at Old Oak. Options would be discussed with the OPDC's Board and the Mayor.

*Budget: 2019/20* – A draft Quarter 2 report, including performance monitoring dashboards, had been submitted for review.

*Budget 2020/21* – Any significant change in OPDC's planned activities would necessarily be reflected in its budget. Options for the consideration of an alternative budget by the OPDC Board were discussed in light of the current constraints of the general election pre-election period.

**Cleared by:** David Bellamy, Chief of Staff;

**Secretariat Officer:** [REDACTED] Senior Board Officer

# Agenda:

## OPDC – GLA Finance and Policy Liaison Group

When	9 January 2020, 9:30-11:00am
Where	City Hall, Room 4.1E
Who	<p><i>GLA</i></p> <p>David Bellamy, Chief of Staff (Chair); Jules Pipe, DM Planning, Regeneration and Skills; Mary Harpley, Chief Officer; Martin Clarke, Executive Director – Resources; [REDACTED] Senior Adviser to the Mayoral Director, Policy; David Gallie, Assistant Director, Group Finance; [REDACTED], Regeneration Area Manager North West; Tim Somerville, Corporate Governance Manager; [REDACTED], Senior Board Officer.</p> <p><i>OPDC</i></p> <p>Liz Peace, OPDC Chairman; David Lunts, Interim Chief Executive Officer; Jasbir Sandhu, OPDC Interim Chief Finance Officer; Benjamin O'Neill, Development Director; [REDACTED], Programme Manager Park Royal.</p> <p><i>Apologies</i></p>
What	<ol style="list-style-type: none"> <li><b>1. Note of last meeting and actions arising</b></li> <li><b>2. Declarations of Interest</b></li> <li><b>3. External Activities</b> <ol style="list-style-type: none"> <li>a) London Assembly feedback</li> <li>b) Budget</li> </ol> </li> <li><b>4. Park Royal</b> <ol style="list-style-type: none"> <li>a) Park Royal briefing</li> </ol> </li> <li><b>5. Delivery Update and Next Steps</b></li> <li><b>6. Any Other Business</b></li> </ol>
Next meeting	TBC

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Note:  
OPDC – GLA Finance and Policy Liaison Group

[illegible]

[REDACTED]

Compounding this was the ongoing uncertainty around HS2 which, despite the conclusion of the Oakervee Review, now looked likely to continue for a considerable period due to the postponement of the report until after the December 2019 general election.

*[Jules Pipe joined the meeting at this point]*

A great deal of the planning for Phase 1A had utilised technical work undertaken at the OPDC's inception, much of which would also be crucial to any future regeneration scheme, regardless of the order in which land may be brought forward for development.

Notwithstanding the significant area occupied by Cargiant, the OPDC area was comprised predominantly of fragmented public land, much of it close to the proposed HS2 station site. Network Rail and HS2 had continued to engage positively with OPDC and a land collaboration agreement had been drafted with Network Rail.

While some elements of this land were earmarked for construction and would only become available for development in the medium to long term, others could be brought forward within shorter timeframes and the OPDC felt that there was the potential to assemble a land package that would present a major regeneration opportunity.

Phase 1A had been prioritised for development in order to access HIF; the only Government infrastructure funding available at that time. The OPDC's view, however, was that a long-term, strategic collaboration between the public sector landowners could produce the type of sustainable regeneration the area needed. Considering the opportunities and requirements generated by major new stations and the piecemeal, sub-optimal development that would be likely to take place in the absence of an overarching regeneration strategy, it was hoped that any new government would support this aim and the GLA and OPDC's commitment to facilitating high quality development in the area.

It was acknowledged that any alternative regeneration plans would be predicated on a decision from Government to continue with HS2, including a station at Old Oak.

Alongside a discussion of the options with the OPDC Board and the Mayor, a detailed assessment of the possible timelines for such development would be the

first step toward assessing the viability of any new approach.

*[Debbie Jackson left the meeting at this point]*

## **5. Budget**

- a) 2019/20 forecast and monitoring – Q2 report

A draft Quarter 2 report, including performance monitoring dashboards, had been submitted and feedback would be provided by email due to time constraints.

- b) 2020/21 submission

Any significant change in OPDC's planned activities would necessarily be reflected in its budget. The Group discussed the broad outline of an alternative budget, and options for the consideration of the budget by the OPDC Board in light of the current constraints of the general election pre-election period.

### **Actions**

- Ben O'Neill to provide budget figures to GLA Group Finance in line with the potential revised approach.
- Tim Somerville to seek Monitoring Officer advice regarding consideration of the OPDC budget during the pre-election period.

## **6. Park Royal**

OPDC was keen to focus greater attention on Park Royal and it was agreed this would be discussed at the next meeting.

## **7. Any Other Business**

There was none.

## **8. Close of Meeting**

The meeting ended at 1:59pm

Next  
meeting

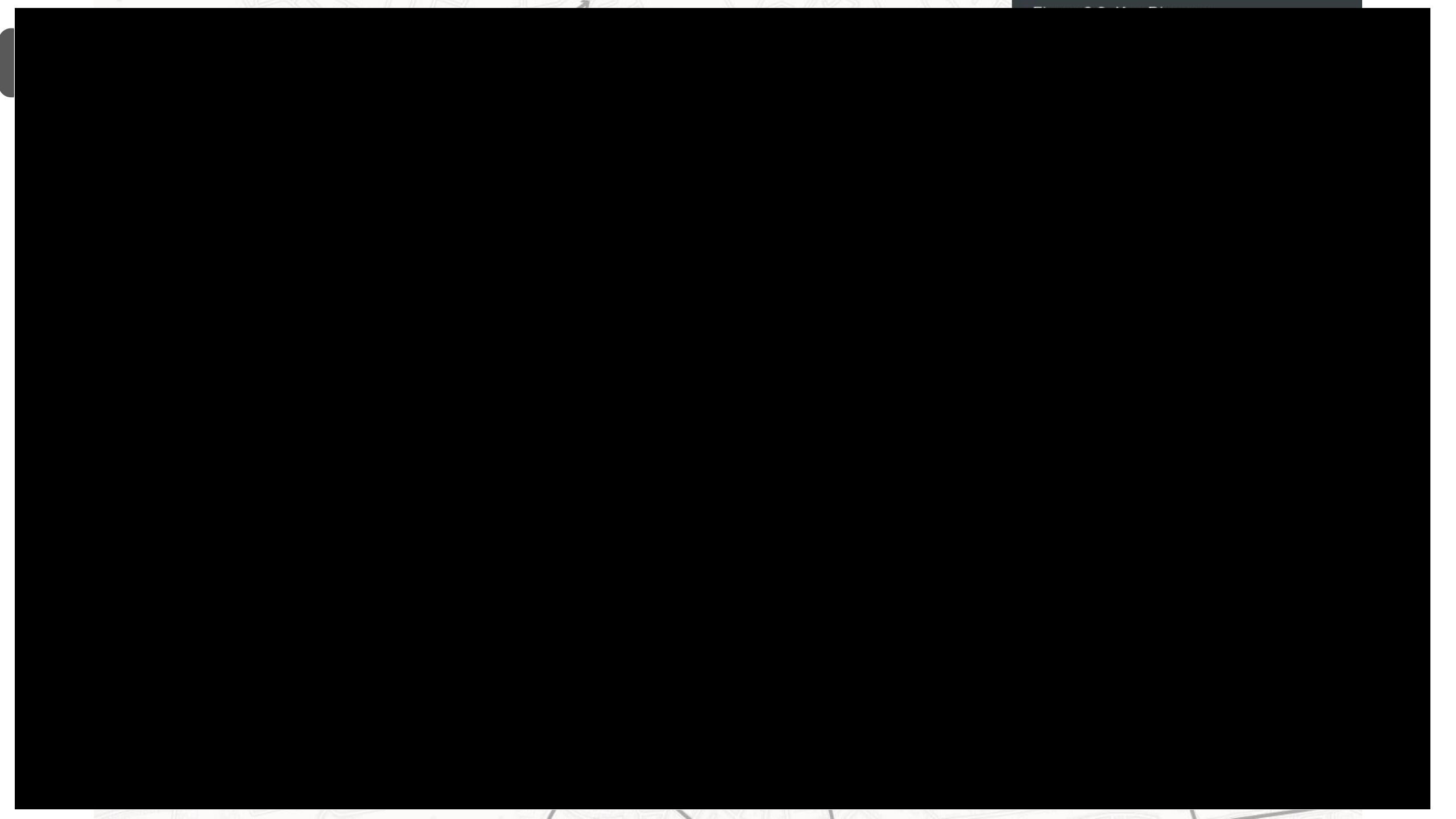
The date of the next meeting was to be confirmed.



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# **Industrial Land Use Old Oak and Park Royal**

Jan 2020



# London's largest Industrial Estate

- 1,700 businesses
- 40,000 employees
- 2,000 residents
- £2.1bn GVA

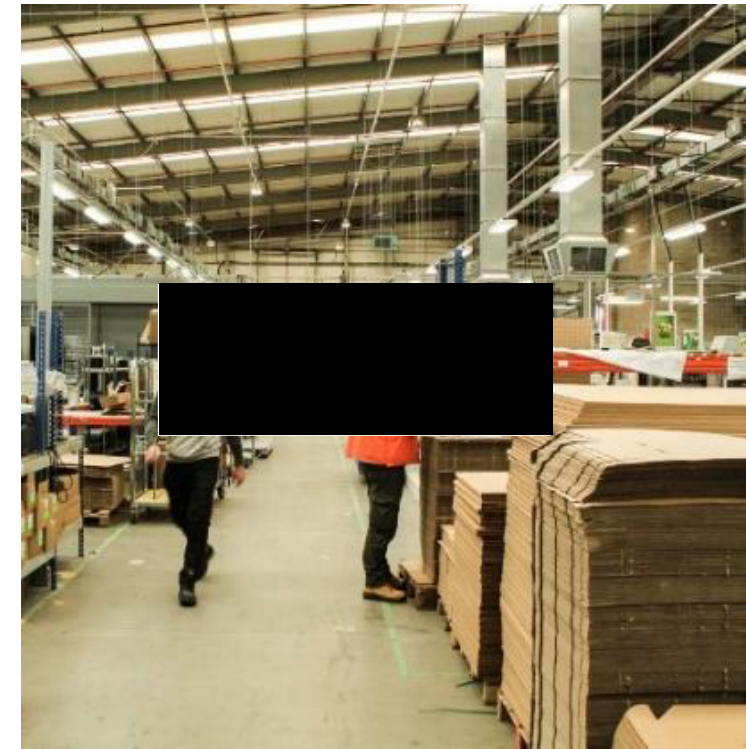
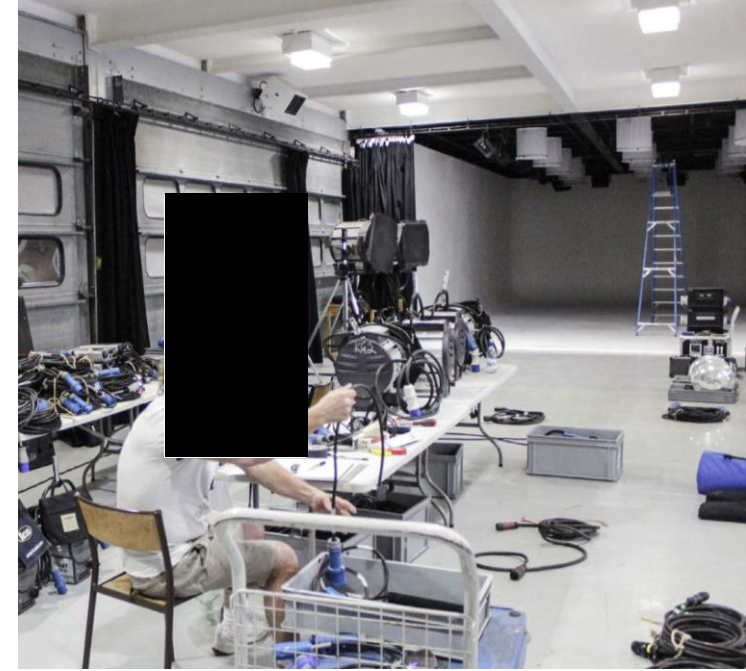
## OPDC's Industrial Regeneration

### Mission

- ❖ Protect
- ❖ Strengthen
- ❖ Intensify

### Themes

- ❖ Innovation
- ❖ Movement
- ❖ Infrastructure
- ❖ Business and People
- ❖ Place



[illegible]

# **Innovation**

Setting the benchmark for the future of industry  
in London



# Clean Growth

## Stretch Goals:

- Zero carbon by 2030
- Zero waste by 2030
- Zero emissions by 2030

## Potential:

- Solar on every roof
- Battery storage & EV charging
- Logistics consolidation
- Waste as a resource
- Water management and eco-sustainable drainage
- District heating and cooling
- Improved building stock

## Next steps

- Solar pilot project
- Embed innovation in our approach to network reinforcement and resilience



# Artificial Intelligence and 5G

## Stretch Goals:

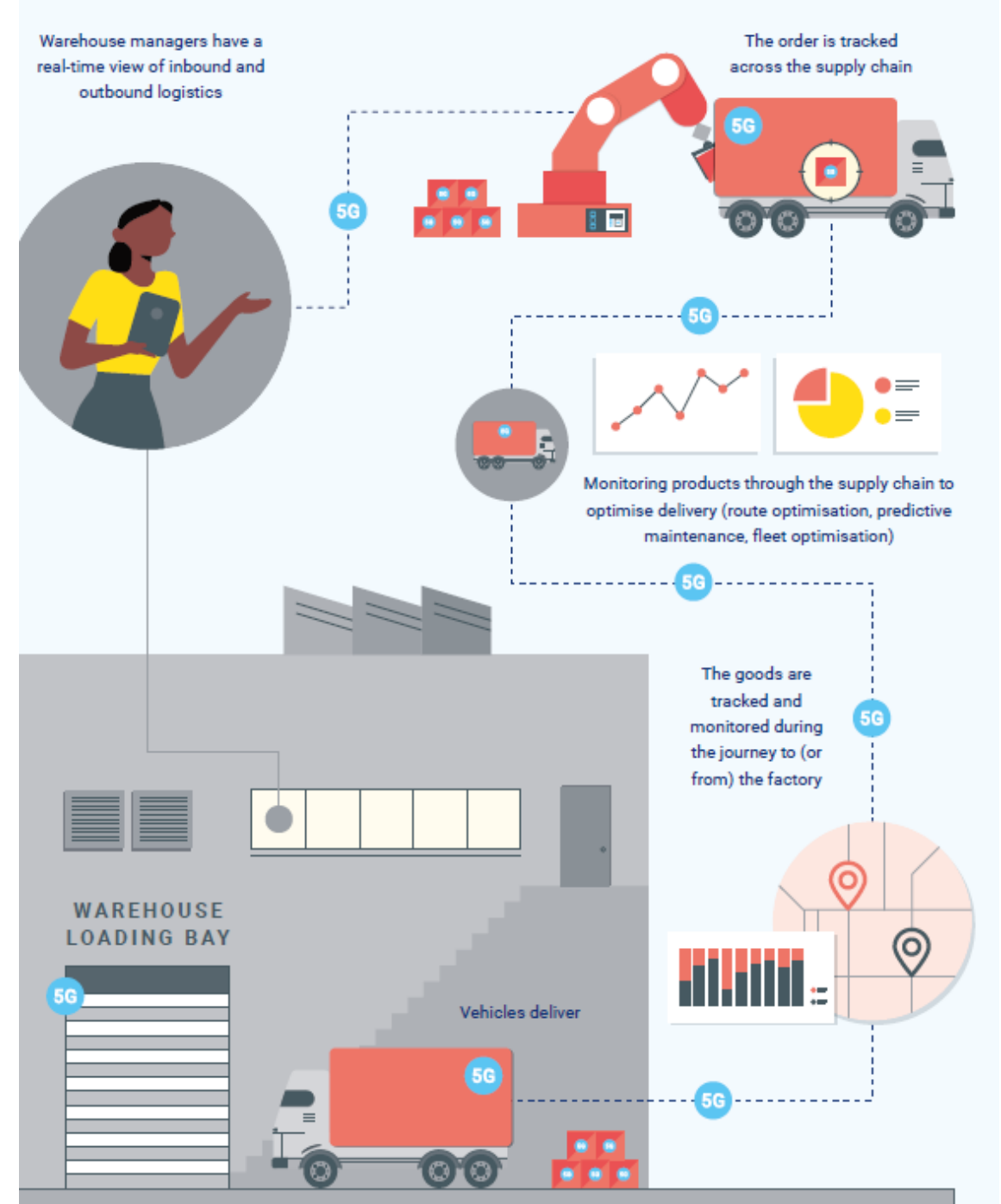
- Transform the industrial estate into a 5G testbed capable of supporting autonomous vehicles, AI and innovation in all sectors.

## Potential:

- Deliver full 5G coverage
- Support CCTV and “Smart City” capabilities to address existing issues
- Pilot autonomous vehicles in an industrial/freight setting
- Support new data-intensive industrial sectors

## Next steps

- Progress feasibility conversations with interested orgs.





# **Movement**

Enabling low carbon, zero emissions movement of people and goods, creating a safer, healthier environment

# Transport

## Objective:

Reduce congestion and encourage modal shift

## Projects:

### TfL Liveable Neighbourhoods Bid

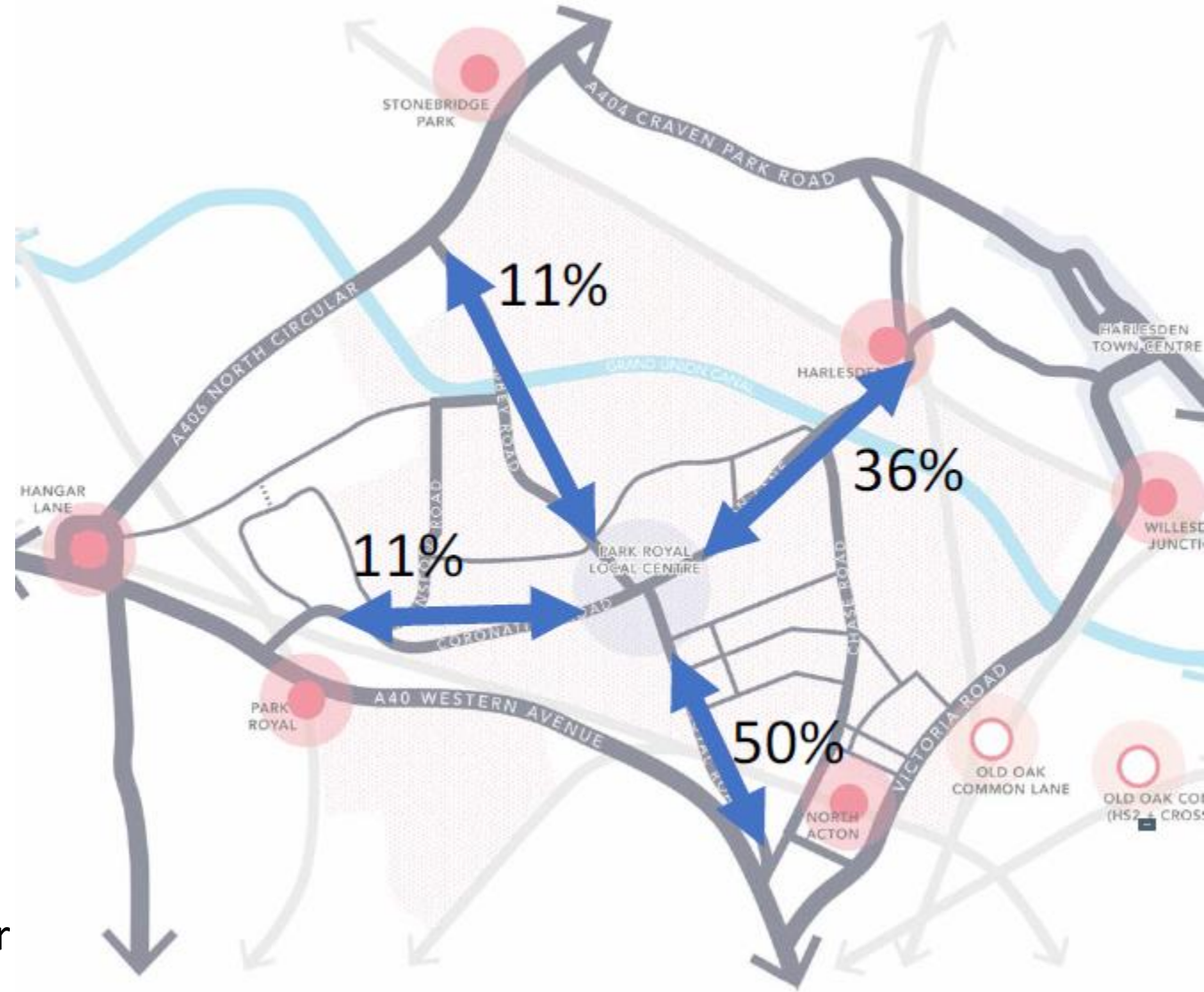
- Creating safe, accessible walking and cycling routes
- Supporting bike hire and cargo bike schemes
- On-demand bus services
- Rationalising on street parking and Workplace Parking Levy
- Freight and servicing consolidation
- Introducing traffic management systems
- Re-activating the canal
- Supporting EVs

### First Central Footbridge

- Design led by TfL starts Jan 2020

## Next steps:

- Outcome of TfL Liveable Neighbourhoods Bid – Mar 2020
- Stretch opportunities: Magway, EV charging



# Infrastructure

Building capacity to support businesses and  
communities to grow

# Note:

## OPDC – GLA Finance and Policy Liaison Group

When	9 January 2020, 9:30am
Where	City Hall, Room 4.1E
Who	<p><b>GLA</b> David Bellamy, Chief of Staff (Chair); Jules Pipe, DM Planning, Regeneration and Skills; Mary Harpley, Chief Officer; Martin Clarke, Executive Director – Resources; [REDACTED], Senior Adviser to the Mayoral Director, Policy; David Gallie, Assistant Director, Group Finance; [REDACTED], Regeneration Area Manager North West; Tim Somerville, Corporate Governance Manager; [REDACTED], Senior Board Officer.</p> <p><b>OPDC</b> Liz Peace, OPDC Chairman; David Lunts, Interim Chief Executive Officer; Jasbir Sandhu, OPDC Interim Chief Finance Officer; Benjamin O’Neill, Development Director; [REDACTED], Programme Manager Park Royal.</p> <p><i>Apologies:</i> None</p>
Note	<p><b>1. Note of last meeting and actions arising</b></p> <p>The note of the previous meeting was agreed as a correct record. The actions recorded had been completed.</p> <p><b>2. Declarations of interest</b></p> <p>There were no declarations of interests.</p> <p><b>3. External activities</b></p> <p><i>[Jules Pipe joined the meeting at this point]</i></p> <p>The Group discussed feedback received since OPDC had announced its change of direction on 16 December 2019. There had not been significant criticism of OPDC’s decision not to pursue its HIF bid under circumstances much altered from those under which it was submitted. Some concerns had been raised by the Assembly about the timing of decision-making.</p> <p>The Group acknowledged that HIF had been the only infrastructure funding available from Government and that Phase 1 had been devised to take advantage of this. Although Cargiant had become opposed to the OPDC’s plans in February 2019, the Local Plan process had not concluded until October 2019. As expert advice had strongly suggested that the planning inspector was likely to find in OPDC’s favour regarding the designation of Cargiant’s land, and a positive outcome for the Local Plan would have provided a strong position from which to negotiate with Homes England on the conditions of the HIF bid, there had been no reasonable course but to wait until the process had concluded. The key risks inherent in the project had been conveyed to the Assembly at its Plenary session in July 2019.</p>

OPDC would need to make tangible progress over the coming few months to regain momentum and retain the confidence of stakeholders. A coordinated agreement on public land holdings would be crucial and it was felt that senior Government influence would be required to oversee the partnership and ensure the interests of individual parties did not override common goals. OPDC hoped that, assuming a positive decision on HS2, Government would be willing to enter into a collaborative working model to achieve the successful regeneration of Old Oak, which aligned with the Prime Minister's stated objective of maximising housing delivery on public land and could enhance London's national and international standing.

The Group also discussed how best to communicate both the future value of technical work undertaken in preparation for the HIF bid and OPDC's extensive engagement with residents and local businesses, agreeing that written examples could be provided to the Assembly if helpful. It was noted that OPDC had also offered to fund residents' and business groups to form a coherent, over-arching local voice with which to engage with the Corporation, but that this had not been taken up.

### **Actions**

- David G to ensure offer/ask of collaboration with Government was clearly positioned in Mayor's budget letter to the Chancellor;
- OPDC to confirm by email the planned publication date for the redacted HIF bid;
- OPDC to work on clear narrative explaining issues and timing leading up to change of direction and the future value of work already undertaken;
- David G to coordinate Mayor and Chief of Staff's briefing on OPDC for 29 January budget Plenary;
- David L to send summary of London Land Commission progress to David B; and
- Liz to forward her report on land and housing delivery to David B.

*[Mary Harpley left the meeting at this point]*

## **4. Park Royal**

██████████ updated the group on OPDC's activities in Park Royal and outlined its broader industrial regeneration strategy, which aimed to address challenges such as transport congestion, poor broadband connectivity and electrical capacity while moving toward a low carbon model, laying the foundations for the intensification required to deliver 10,000 new jobs.

In the absence of dedicated funding, officers had made a range of applications for ad hoc funds over the preceding two years, with considerable success. However, the scale of available funding was limited and the design of projects had necessarily been shaped by funding criteria, undermining the prospects of a strategic approach to delivering intensification.

It was suggested that in the longer term, local businesses might contribute to smaller projects such as CCTV, or ongoing maintenance. Park Royal currently has no Business Improvement District but OPDC's intensive efforts to engage with

local businesses had yielded positive results and the Corporation had funded a manager for the Park Royal Business Group, which had grown its membership to approximately 100 businesses.

The Group discussed the wider context of regenerating urban industrial land, agreeing that industrial sites – particularly those hosting higher-value but lower employment-density uses such as logistics – needed to improve their mix of uses and work harder in terms of job density given limited space. Park Royal would attract businesses seeking to take advantage of excellent transport links via Heathrow and, hopefully, via HS2. Ideally these would be higher-value, employment-dense businesses and it was noted that London had comparatively little space for high tech and academic spin-off businesses to scale up. Despite this, the increasing value of industrial land and demand for sites on which to establish low-risk logistics operations, meant the type of intensification that was needed was unlikely to take place without intervention. The public sector already had a role in funding pilots and case studies but more significant action, including a review of planning policy, may be required to achieve the desired results.

*[Jules Pipe left the meeting at this point]*

Members agreed there was a need to better promote the benefits of increased industrial density and the requirements of the new London Plan. Planning policy could be further refined to distinguish between categories of business occupancy.

*[David Gallie and ██████████ left the meeting at this point]*

### **Actions**

- OPDC to work up a note on Park Royal setting out: long term vision; how this sits within wider London industrial context; and what interventions might be required to achieve this;
- David B to speak to Jules re: alignment of objectives for Park Royal with criteria for remaining Strategic Investment Funds;
- ██████████ to speak to GLA Environment team regarding Business Low Emission Neighbourhoods scheme; and
- ██████████ to meet with ██████████ to discuss Park Royal regeneration strategy and any relevant funding and support opportunities.

## **5. Delivery update and next steps**

OPDC's Board would formally discuss the Corporation's new direction at its meeting on 30 January.

## **6. Any other business**

There was none.

## **7. Close of meeting**

The meeting ended at 11:02am.

Next  
meeting

Wednesday 19 February, 15:00 – 16:30, Room 6.7W, City Hall



# Digital Connectivity

## Objective:

Improve connectivity across the estate

## Projects:

### DCMS Local Full Fibre Network

- Secured up to £1m worth of funding to install fibre spines along the 'Big X'.
- FTTC for 60% of estate.
- Supports IP-enabled CCTV.

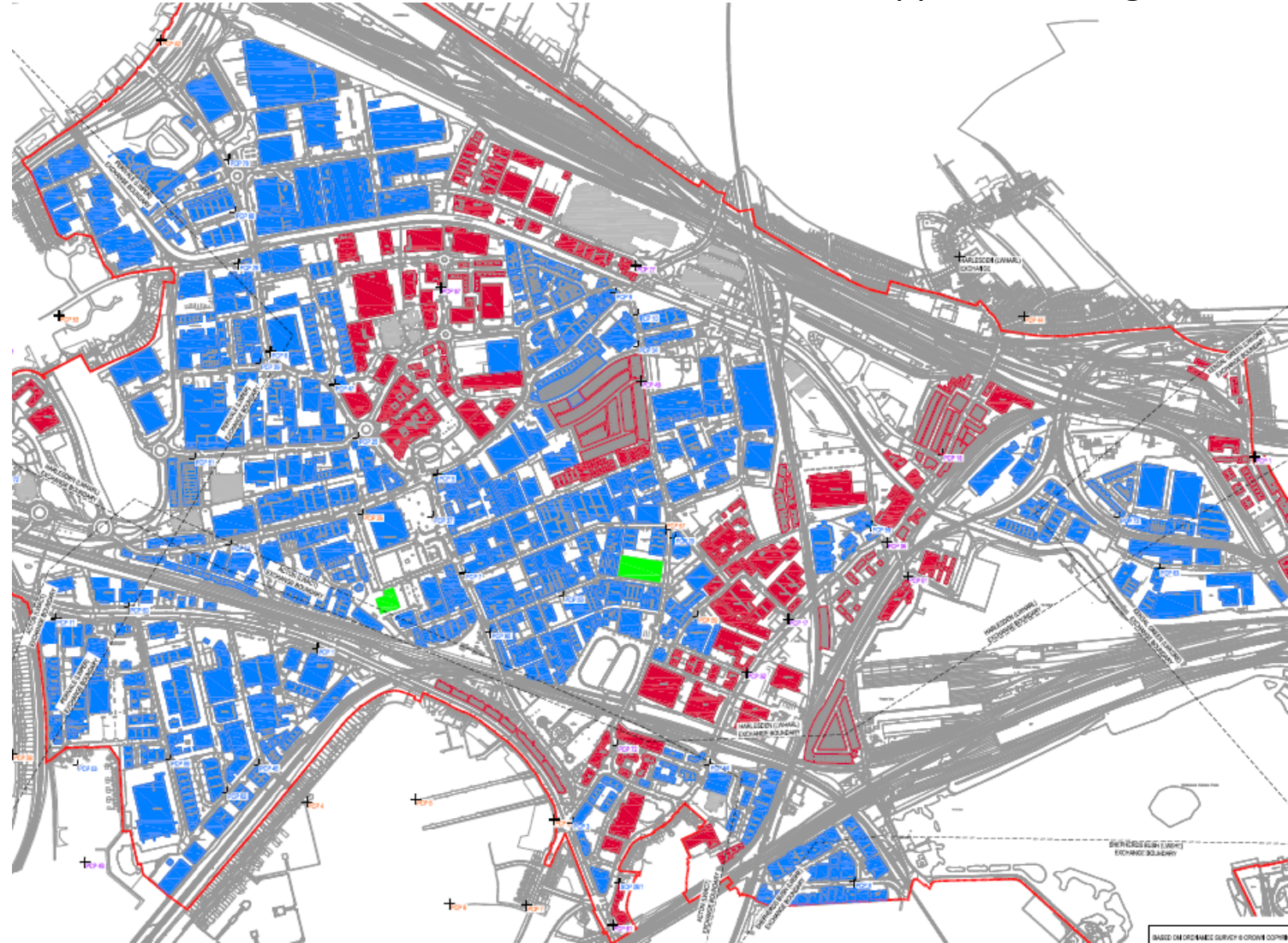
## Next steps:

- Work with TfL and local boroughs to coordinate installation of DCMS funded fibre – to be installed by March 2021.
- Secure funding for CCTV

## Aecom copper and fibre map

Blue = copper supplied buildings

Red = fibre supplied buildings





# Electrical infrastructure

## Objective:

Ensure the industrial estate has sufficient electrical capacity to support future intensification and EVs

## Projects:

### Electrical Power Assessment

- Capacity constrained: work-up reinforcement options

### Solar Pilot

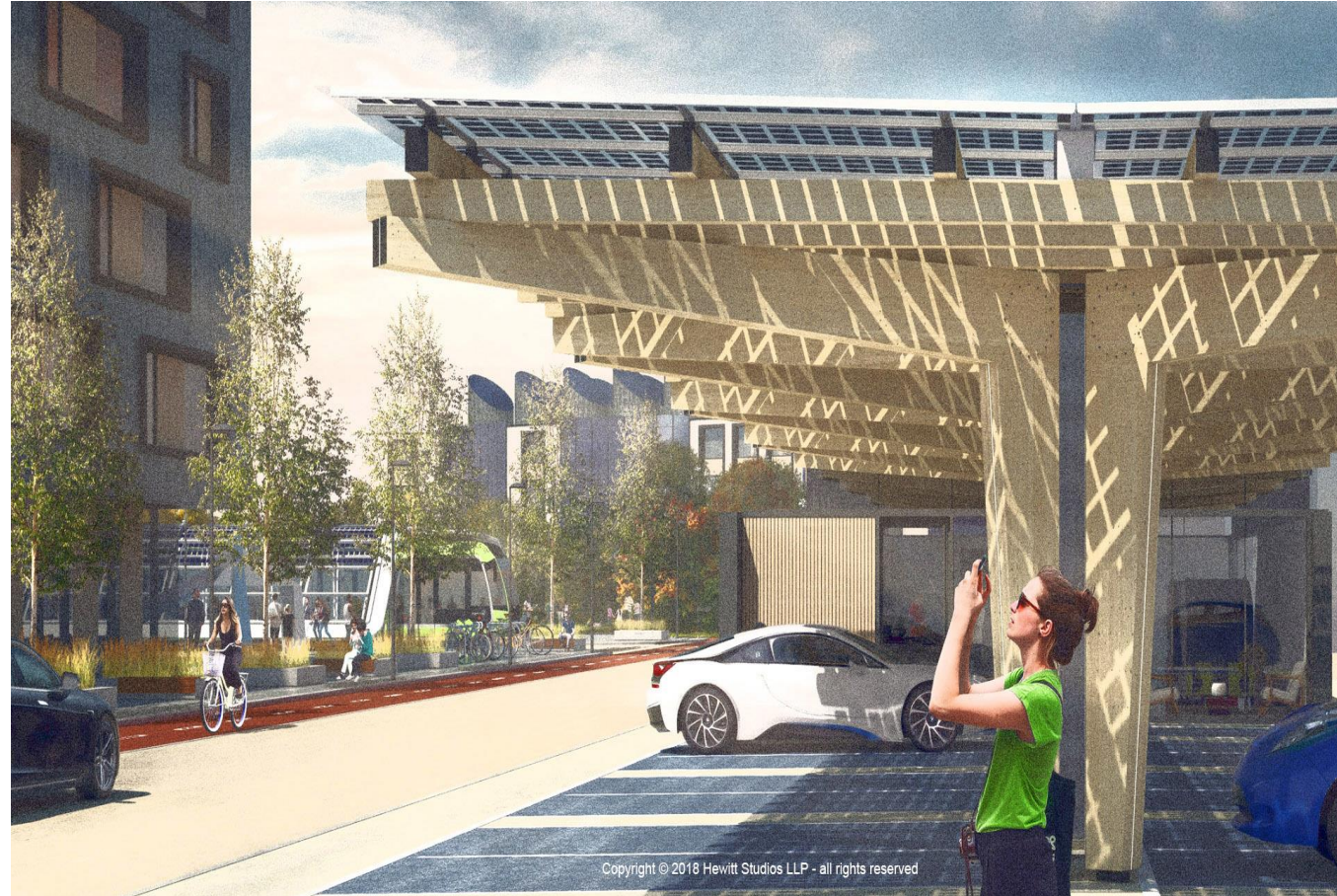
- Initial pilot feasibility showed potential
- Review scale-up opportunity to accelerate adoption by providing a local exchange and potentially adding storage capabilities to the local network

## Next steps:

- Work-up funding mechanisms for solar pilot

## Stretch Opportunity:

- Create an entity that can scale-up to include more local renewable generation, storage assets, rapid EV charging etc.



# **Business and People**

Supporting businesses to grow, create more jobs and  
develop workforces with the skills they need

# Business Engagement

## Objectives

- Raise awareness of OPDC
- Gain a better understanding of businesses
- Improve relationships

## Projects

### Business Engagement Exercise

- Mapped around 1,300 businesses
- Surveyed 450 businesses

### PRBG/WLB

- Awarded a grant for the PRBG Manager

## Next Steps

- How best to maintain relationships following business engagement exercise
- How best to promote Park Royal
- Explore possibility of setting up a Business Improvement District

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PARK ROYAL  
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CORPORATION



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# Employment and Skills

## Objectives:

- Help businesses recruit, develop and retain staff
- Help local people access opportunities
- Increase apprenticeships
- Help address labour and skills shortages in the construction sector
- Help local businesses access supply chain contracts

## Projects:

Employment and Skills Strategy and Labour

Forecasting

Employment and Skills Hub

- Partners on board to establish E&S Hub
- Bid for £300,000 of funding from HS2 BLEF

Echo skills sharing platform

## Next steps:

- Set up ECHO – Mar 2020
- E&S Strategy – Mar 2020
- Set up E&S Hub – spring 2020



# Place

Placemaking, promotion and developing  
strong, resilient communities

# Public Realm and Place Making

## Objective:

Create a more desirable place to live, work and visit.

## Projects:

### Harlesden Canalside Cluster

- Secured funding

### Old Refectory Building

- Submitted EOI for funding

### Tackling fly-tipping

### Supplementary Planning Document

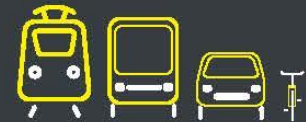
## Next steps:

- Harlesden Canalside Cluster – start engagement programme Mar 2020
- Old Refectory Building – submit full application Mar 2020



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## Corporate Investment Board – 20 January 2020

### GLA-OPDC Liaison Group Meeting of 9 January 2020

**Chair:** David Bellamy, GLA Chief of Staff

**In attendance:** GLA - Jules Pipe, DM Planning, Regeneration and Skills; Mary Harpley, Chief Officer; Martin Clarke, Executive Director – Resources; [REDACTED] [REDACTED] Senior Adviser to the Mayoral Director, Policy; David Gallie, Assistant Director, Group Finance; [REDACTED] Regeneration Area Manager North West; Tim Somerville, Corporate Governance Manager; [REDACTED] [REDACTED] Senior Board Officer | OPDC Liz Peace, OPDC Chairman; David Lunts, Interim Chief Executive Officer; Jasbir Sandhu, OPDC Interim Chief Finance Officer; Ben O'Neill, Development Director; [REDACTED], Programme Manager Park Royal.

#### Background

These regular meetings support ongoing liaison between OPDC and the GLA, focussing on: the strategic priorities of OPDC; the major issues and risks faced by OPDC; and the financial and governance interaction between the GLA and OPDC.

#### Meeting of 9 January 2020

*External Activities* - The Group discussed feedback received since OPDC had announced its change of direction on 16 December 2019. Some concerns had been raised by the Assembly about the timing of decision-making. Although Cargiant had become opposed to the OPDC's Phase 1 plans in February 2019, expert advice had suggested a positive outcome for OPDC from the Local Plan examination process was likely. The only appropriate course of action had therefore been to wait until the conclusion of this process, in October 2019, before taking any major decision on direction.

OPDC would need to make tangible progress over the coming months. A coordinated agreement on public land holdings would be crucial and it was felt that senior Government influence would be required to oversee the partnership and ensure the interests of individual parties did not override the common goal of maximising housing delivery on public land. This would be clearly set out in the Mayor's budget letter to the Chancellor.

The Group discussed how best to communicate both the future value of technical work undertaken in preparation for the HIF bid and OPDC's extensive engagement with residents and local businesses.

*Park Royal* - OPDC updated the Group on activity in Park Royal and outlined its broader industrial regeneration strategy, which aimed to address challenges such as transport congestion, poor broadband connectivity and electrical capacity while moving toward a low carbon model and increased job density. An absence of dedicated funding meant the design of projects had necessarily been shaped by ad hoc funding criteria, fettering a strategic approach to delivering intensification.

Park Royal currently had no Business Improvement District but OPDC had funded a manager for the Park Royal Business Group, which had grown its membership to approximately 100 businesses.

The Group discussed the wider context of regenerating urban industrial land, agreeing that industrial sites needed to work harder given limited space. Park Royal would attract organisations seeking excellent transport links and ideally these would be higher-value, employment-dense businesses. However, the increasing value of industrial land, and demand for sites on which to establish low-risk logistics operations, meant the type of intensification needed was unlikely to take place without intervention. The public sector already had a role in funding pilots and case studies but more significant action, including a review of planning policy, may be required to achieve the desired results.

**Cleared by:** David Bellamy, Chief of Staff;

**Secretariat Officer:** [REDACTED] [REDACTED] Senior Board Officer