

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2401

Title: Funding to OPDC to support the Housing Infrastructure Fund Bid

Executive Summary:

The Mayor's approval is being sought for the Old Oak and Park Royal Development Corporation (OPDC) to access £1.5m of contingency funding to cover the cost of additional work in connection with the Housing Infrastructure Fund Bid (HIF) for Old Oak North, and to delegate authority to the Mayor's Chief of Staff, in consultation with the GLA's Executive Director of Resources, to approve further drawdown up to a maximum of £0.8m.

This funding is required both to support the bid and to maintain momentum, in the event that the bid is successful, to ensure that the challenging deadline for spending the funding is met.

Decision:

The Mayor approves:

1. An additional £1.5m of funding for the Old Oak and Park Royal Development Corporation from the Mayoral Development Corporation Reserve for work and resources to support the Housing Infrastructure Fund Bid for Old Oak North, to be paid to OPDC as revenue grant funding under section 121 of the GLA Act 1999; and
2. A delegation to the Mayor's Chief of Staff, in consultation with the GLA's Executive Director of Resources, to draw down further funding from the Reserve, up to a maximum of £0.8m to ensure that deadlines are met in the event that the Bid is successful.

Mayor of London

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

The above request has my approval.

Signature:



Date:

11/02/12

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

Decision required – supporting report

1. Introduction and background

- 1.1 In September 2017, an Expression of Interest (EOI) for £250m of Housing Infrastructure Fund (HIF) funding, to enable the Old Oak and Park Royal Development Corporation (OPDC) to bring forward development in Old Oak North, was submitted by the GLA to Homes England (HE), who are managing the HIF on behalf of the Ministry of Housing, Communities and Local Government (MHCLG).
- 1.2 The OPDC EOI was shortlisted and the GLA (who are leading on all London HIF bids) was invited to submit a '5-Case' Outline Business Case (OBC) to HE. This was submitted on 10 September 2018 following MD2355 and, since that time, OPDC has been engaged with HE in clarifying matters in connection with the OBC to enable HE to recommend progress to the next stage.
- 1.3 If the HIF Bid is successful, it is estimated that additional revenue budget of £2.7m per annum will be required to ensure that OPDC is adequately resourced to manage the programme. In recognition of this, the Mayor has set an indicative control total for OPDC's budget submission for 2019/20 at £9.5m (compared with a 2018/19 budget of £6.8m), subject to a review of the split of OPDC's capital and revenue expenditure.
- 1.4 In setting OPDC's budget for 2018/19, no additional provision was made for the preparation of a '5-Case' Outline Business Case in support of a HIF bid. Upon short-listing of the OPDC EOI, it was agreed between the GLA and OPDC that a bid for £250m of funding be worked up. During preparation of the business case, it became apparent that timescales were such that work on land assembly and infrastructure would need to commence before a decision on the award of HIF funding had been made and this too was agreed between OPDC and the GLA during the regular liaison meetings between OPDC's Chair and the Mayor's Chief of Staff.
- 1.5 To maintain activities OPDC require a further £1.5m spend this year and potentially up to £0.8m more dependent on the rate of progress achieved.

2. Objectives and expected outcomes

- 2.1 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.
- 2.2 Further details are considered in Part 2 of this Form.

3. Equality comments

- 3.1 Under section 149 of the Equality Act 2010 (the "Equality Act"), as a public authority, OPDC must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act comprise age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage or civil partnership status.
- 3.2 When considering the needs of the existing community and those that will be affected by the proposals for the redevelopment of Old Oak North, any resulting development activity will minimise disadvantages to all protected characteristic groups within society.

- 3.3 This decision is not expected to have any negative impact on persons with a protected characteristic under the Equality Act.
- 3.4 Further equality comments in respect of the GLA in relation to the OPDC HIF bid are set out in paragraph 3 of MD2355.

4. Other considerations

a) Key risks and issues

- 4.1 The key risk associated with this decision is that, without the additional funding, work would need to be paused until 2019/20 with the consequent risk that HIF funding cannot be spent by the March 2023 HIF programme deadline.

b) Links to Mayoral strategies and priorities

- 4.2 This project will support the Mayor's priorities:

- Housing: More Londoners have access to good-quality homes that meet their needs and that they can afford – by delivering local infrastructure to support delivery of new homes, including genuinely affordable homes; and
- Future Economy and Good Growth:
 - London has an internationally competitive business environment – from skills to infrastructure investment – that supports sustainable growth, trade and investment – by transforming brownfield land at Old Oak North into an exemplar new sustainable, residential and employment district around the new High Speed 2 (HS2) transport hub; and
 - Good Growth: All Londoners can participate, shape and share in the benefits of change and growth in their local communities – by providing new jobs, developing skills and supporting businesses.

c) Impact assessment and consultations

- 4.3 Impact assessments have been conducted in the preparation of OPDC's Local Plan, informed by the work of the masterplanning team and the Local Plan has recently completed its second Regulation 19 consultation, prior to Examination in Public early in 2019.

5. Financial comments

- 5.1 The additional funding requested by the OPDC of £1.5m and a further contingency of £0.8m in 2018-19 can be contained within the Mayor's Development Corporation Reserve.

6. Legal comments

- 6.1 Where the GLA is proposing to provide revenue funding to a functional body (including OPDC), this funding should be provided under section 121 of the GLA Act. Section 121(3) provides that: "A grant under this section must not be made subject to any limitation in respect of the expenditure which it may be applied towards meeting (other than the expenditure must not be capital expenditure)." The proposed grant to OPDC as described in this paper must therefore not be made subject to any such limitation and would therefore be available to be used by OPDC towards meeting any expenditure incurred or to be incurred by OPDC in connection with its functions. That said, it is clear the

expectation is that the funding will be used to support the Housing Infrastructure Fund bid for Old Oak North.

- 6.2 The Mayor also needs to have due regard to the Public-Sector Equality Duty when providing any funding. In this respect the Mayor should have regard to section 3 above.

7. Planned delivery approach and next steps

- 7.1 The detailed delivery approach is explained in the confidential HIF Bid, attached to Part 2 of this decision.

Appendices and supporting papers:

None.

Public access to information

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

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

Part 1 - Deferral

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

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Doug Wilson has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

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

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 10 December 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Bellamy

Date 10.12.18

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date 10/12/2018.

