

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2971

### Title: OPDC grant payments to TfL and GLA

#### Executive summary:

This Mayoral Decision form (MD) seeks the Mayor's approval of the making of revenue grants of £300,000 from the Old Oak and Park Royal Development Corporation (OPDC) to Transport for London (TfL); and £60,000 from the OPDC to the Greater London Authority (GLA), both under section 121 of the Greater London Authority Act 1999 (the GLA Act).

The funding is for the purpose of supporting TfL and GLA to undertake their core activities whilst allowing the OPDC to develop its delivery plans with input from key expertise in the GLA Group including the creation of a strategic transport model of the OPDC's Opportunity Area and technical development appraisal of key development areas within the Opportunity Area.

#### Decision:

That the Mayor approves the making of revenue grants, under section 121 of the Greater London Authority Act 1999 of:

- £300,000 from the OPDC to TfL
- £60,000 from the OPDC to the GLA.

#### 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:

24/3/22

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. The Old Oak and Park Royal Development Corporation (OPDC) is a Mayoral Development Corporation created in 2015 under the Localism Act 2011 to oversee, control and drive regeneration within its area. The OPDC was specifically established to capture the regeneration benefit of the new High Speed 2 (HS2), Great Western Railway and Elizabeth Line station at Old Oak Common. The area sits across three borough boundaries (Ealing, Brent, and Hammersmith & Fulham) and includes Park Royal, the UK's largest industrial estate.
- 1.2. The OPDC's draft Local Plan sets a target to deliver 20,100 new homes and around 36,350 jobs, with 19,850 of these jobs delivered by 2038. It also highlights that Old Oak and the surrounding Park Royal regeneration area will make a significant contribution towards London's housing supply and provide a much-needed investment to the local and regional economy with a total of £7.6bn in gross value added to the UK economy.
- 1.3. The OPDC's next major stage of regeneration is in the Western Lands, an area along Old Oak Lane, Old Oak Common Lane and Victoria Road. A significant portion of this land is in the direct ownership of government and controlled by two Department for Transport (DfT) arm's-length bodies: Network Rail and HS2 Limited.
- 1.4. If planned and delivered in a comprehensive way, the Western Lands could deliver over 9,000 new homes by 2032; and catalyse the development of further homes, on privately-led sites, elsewhere within the OPDC area. The OPDC has submitted a strategic outline case to the DfT and the Department for Levelling Up, Homes and Communities (DLUHC) and is now working on the next stage of technical development in partnership with key stakeholders.
- 1.5. The OPDC is working to bring forward and unlock a range of early sites – in both public and private ownership – where substantial numbers of new homes and jobs can be created. This includes a focus on the large public sector land holdings that are close to the existing Willesden Junction (London Underground and Overground) and North Acton (London Underground) stations and the new HS2 interchange at Old Oak Common. Taken together, these sites offer major opportunities for strategic scaled growth and regeneration.
- 1.6. The Mayor has also approved a loan funding facility of £50,000,000 to the OPDC from the DLUHC Land Fund under cover of MD2956. The objective of this funding allocation is to deliver a minimum of 1,100 homes by 2029 as an initial phase of OPDC's Western Lands proposals. This technical work supports the delivery of these sites and will also support the infrastructure and enabling works requirements.
- 1.7. A full transport study is required for TfL to assess the potential impact of this future development on the transport network through its suite of strategic transport models. It will provide an evidence base and appraisal of proposed transport measure to support growth and regeneration in the area. TfL's work includes an engineering review of the current shortlisted station designs for upgrading North Acton station; this is to determine the cost effective solutions to resolve future capacity issues arising from the regeneration in both Western Lands and North Acton.
- 1.8. There is a synergy between the work needed at OPDC and the activities of the GLA's Infrastructure Coordination Service (ICS). High-level technical development appraisals of the early sites to identify key technical constraints, including utilities, needs to be undertaken. The GLA's infrastructure team has established the ICS as a specialist team that can support boroughs and developers to plan, coordinate and deliver utilities reinforcements. The ICS is undertaking a one-year trial of its refreshed Development Service, and would like to treat OPDC as a case study to test and prove the benefits of this service line. Work undertaken by the ICS team in the discharge of its role and the

GLA's functions in this regard will also assist the OPDC to identify and map its existing utilities network and forecast future requirements for Western Lands including early delivery sites in the wider OPDC area.

#### TfL – full transport study, microsimulation modelling and North Acton station

- 1.9. The study will use TfL's suite of strategic transport models to assess the potential impact of the development on the transport network. This modelling will provide inputs into more detailed microsimulation modelling.
- 1.10. North Acton station is located within the Opportunity Area where significant growth is planned. This development will add extra pressure onto a station which already faces capacity issues at peak periods. Furthermore, the station does not have step-free access. A design and engineering review is needed to assess the conclusions of previous studies and identify options or elements of the shortlisted designs that might benefit from further review or refinement as part of the next phase of design development.
- 1.11. TfL have indicated that the costs of the work it will be undertaking in the discharge of its functions in this regard are as follows:

Full transport study	£150,000
Microsimulation transport modelling	£90,000
North Acton design & engineering review	£60,000
<b>Total</b>	<b>£300,000</b>

#### GLA ICS – Western Lands

- 1.12. The GLA ICS team has indicated that in discharging its functions as proposed and by treating OPDC as a case study to test the activities of the Development Service and determine if they are beneficial to stakeholders, the ICS will need to undertake the following:
- produce a detailed report of utilities' capacities and future requirements for the Western Lands, with a focus on early phase sites
  - liaise with statutory undertakers to help establish utilities' requirements, develop a project roadmap and provide input on costs and phasing
  - identify key utilities risks and constraints, such as easements or build-over restrictions
  - undertake ongoing utilities support for the Western Lands, Scrubs Lane and Park Royal zones, within the Opportunity Area. This will include establishing improved early-stage collaboration with the utilities' teams through regular workshops. The aim of these workshops will be to mitigate design and delivery risks through better communication of teams' requirements, highlight collaboration opportunities and enable better transparency on capacity impacts.
- 1.13. The GLA has indicated that the costs of the work it will be undertaking in the discharge of its functions in this regard is as follows:

Detailed utilities reports for Western Lands, focusing on early phase sites	£30,000
Utilities and development support, focusing on communications and collaboration opportunities in the Opportunity Area, including Western Lands, Scrubs Lane & Park Royal	£20,000
Contingency	£10,000
<b>Total</b>	<b>£60,000</b>

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

- 2.1. Given the significant growth planned in the Opportunity Area where North Acton station is located, TfL need to undertake work to understand and manage the consequences of development by OPDC.
- 2.2. A feasibility study was undertaken in 2018 and a further high-level study has considered potential options for delivering Over-Site Development (OSD) at the station. This was based on the preferred station options identified in the 2018 study, although does assume some significant changes which require testing.
- 2.3. A design and engineering review is therefore needed to assess the conclusions of the previous studies, and to identify options or elements of the shortlisted designs which might benefit from further review or refinement as part of the next phase of design development. Consideration also needs to be given as to where potential cost savings within the shortlisted designs could be made.
- 2.4. As well as improvements within the station itself, this review should consider how the station should best serve surrounding neighbourhoods, including the new neighbourhoods to the north, and explore options for integrating the station with these neighbourhoods through new and improved connections.
- 2.5. The review will also advise on whether it is likely a suitable design could be achieved which would enable both the OSD aspirations and an affordable station upgrade solution to be delivered.
- 2.6. The overall objectives of the North Acton Station project are to:
  - deliver step-free access
  - provide enhanced capacity and address existing constraints in the ticket hall and at platform level
  - improve permeability/ connectivity to surrounding existing and new neighbourhoods and links to buses
  - improve back of house facilities (e.g. station office)
  - deliver over-site development where possible
  - deliver public realm enhancements.
- 2.7. The expected outcomes for the North Acton design and engineering review include:
  - Stakeholder engagement, including with National Rail (who control adjacent tracks), London Borough of Ealing, TfL and OPDC on the nature, scope and expected timings of improvements to North Acton.
  - Development of a North Acton improvement scheme that is well integrated with OPDC's wider development proposals for Western Lands.
  - Improved cost information to inform both planning obligations from third party development schemes and the funding and delivery strategy for North Acton.
  - The scoping of opportunities to improve public realm of increase development capacity.
- 2.8. The overall objectives of the full transport study are to assess the potential impact of the development on the transport network by taking into account growth projections for London's population and employment, and the impact of committed transport projects. The scenarios do not include the full development aspirations at Old Oak and Park Royal, but does include the impact of HS2, National Rail and Elizabeth Line stations, along with a range of other committed and funded schemes. These scenarios form the reference cases and provide a benchmark against which the impacts of development related growth at Old Oak and Park Royal can be measured.

- 2.9. The proposed strategic modelling study will use TfL's multi-modal strategic demand model to capture potential usage including numbers of trips. TfL's public transport assignment model RailPlan will assign generated trips to the public transport network including station usage and passenger interchange. TfL's highway assignment model, LoHAM, will assign generated trips to the highway network including mapping congestion hotspots and origins and destinations of vehicles on major roads. Finally, TfL's Cynemon model will provide an assessment of future cycling schemes, including rerouting effects of new infrastructure.
- 2.10. Strategic modelling forms the basis of inputs to more detailed microsimulation modelling, to assess station designs and junction / corridor improvements. TfL has an improved approach to considering future travel demand uncertainty, which can be assessed alongside standard reference case demand levels.
- 2.11. The overall objectives of the work the GLA ICS will undertake is to test and prove the benefits of its new Development Service, by working with a large number of private developers operating in the OPDC area. The expected outcomes for the work include:
- details of how existing utilities infrastructure could impact proposed development where it cannot be built over or access must be retained
  - a review of utilities' capacity requirements for the proposed development including third party schemes in the wider OPDC area
  - a strategy of how this additional demand can be met over time, which will have been developed in consultation with the statutory undertakers.

### 3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, the Mayor and GLA are subject to a public-sector equality duty and must have due regard to the need to eliminate discrimination, harassment and victimisation, and any conduct that is prohibited by or under the Equality Act; and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.
- 3.2. There are no equalities implications relating to transfer of a grant from the OPDC to TfL and a grant from the OPDC to the GLA.
- 3.3. All studies undertaken will consider the needs of those who have protected characteristics.

### 4. Other considerations

- 4.1. There are no conflicts of interest for those involved with drafting or clearing this Mayoral Decision.

#### Key risks and issues

- 4.2. The table below summarises the key risks for the TfL work:

Risk	Mitigation/response	Probability	Impact	Overall
Delays to the timeline of the project may occur if the OPDC does not provide information in time.	The consultants will be expected to prepare a clear project plan with milestones, timely delivery of outputs and adequate resourcing. Project management by the OPDC will manage this risk.	Low	Medium	

There is a risk of poor model outputs.	TfL will work collaboratively with the OPDC to establish clear gateways and agreed outputs for the final report.	Low	High	
There is a risk that the OPDC's development proposals or planned transport improvements change, or are delayed in a way that impacts the validity of the model.	The model will be developed with input from key transport and other stakeholders. The model and the OPDC's development proposals are in line with the Local Plan, which is expected to be adopted soon.	Medium	Low	

4.3. The table below summarises the key risks for the ICS work:



<b>Risk</b>	<b>Mitigation/response</b>	<b>Probability</b>	<b>Impact</b>	<b>Overall</b>
The outcomes of initial engagement and the utilities overview sets out a need for more significant input and consistent resourcing over the 12-month period.	Closely work with OPDC and design teams to review initial analysis and establish clear steps forward, including the extent of input and experience required. Review in good time allowing adaptability of input. Further development, if required, can be funded from the OPDC's 2022-23 programme budget.	Low	Medium	
Input from key stakeholders or utilities providers is limited and blocks advancement.	The ICS have pre-established relationships with the key utilities providers and their leads through the Mayor's London Infrastructure Group. Any blockers will be referred up to the utilities' leads for resolution. The ICS has support and buy-in from the utilities to involve them in a pro-active and collaborative approach to utilities planning.	Low	High	
The quality of data provided by utilities providers may be incomplete or inaccurate.	The large-scale scope of the analysis means that the detailed location accuracy of existing and potentially historical data will have minimal impact on detail design stages, as information will be verified with owners and through inground surveys before detail design and delivery	High	Low	

#### Links to Mayoral strategies and priorities

4.4. The proposal links to several Mayoral strategies and priorities as outlined in the table below:

<b>Document</b>	<b>Strategic fit</b>
Mayor's Transport Strategy	<ul style="list-style-type: none"> <li>Using transport to create high-density, mixed-use places and unlock growth potential in underdeveloped parts of the city – the Opportunity Area is the largest regeneration area in the UK</li> </ul>
London Housing Strategy	<ul style="list-style-type: none"> <li>Identifying and bringing forward more land for housing</li> <li>Working towards half of new homes being affordable</li> </ul>
London Plan	<ul style="list-style-type: none"> <li>Old Oak and Park Royal Opportunity Area</li> <li>Optimising density in sustainable locations</li> <li>Development on brownfield public land</li> </ul>
Affordable Housing and Viability Supplementary Planning Guidance (SPG)	<ul style="list-style-type: none"> <li>50 per cent affordable housing on public land</li> <li>35 per cent affordable housing on private land</li> <li>An interventionist approach to the land market and housing delivery</li> </ul>

COVID-19 Recovery Programme	<ul style="list-style-type: none"> <li>Economic recovery</li> <li>Improved health outcomes through quality housing</li> </ul>
Equality and Diversity	<ul style="list-style-type: none"> <li>Promoting diversity in the supply chain via contractual terms.</li> </ul>

## 5. Financial comments

- 5.1. The section 121 grants from the OPDC for a total of £360,000 (£300,000 to TfL; £60,000 to the GLA) will be funded from the OPDC's approved 2021-22 budget. As required under section 121 of the GLA Act, the OPDC will impose no limitations as granter on either TfL or the GLA.
- 5.2. It should be noted, while the transfer of the section 121 grant to TfL and the GLA will occur in 2021-22, the expenditure will take place in the 2022-23 financial year.
- 5.3. TfL's expenditure of the £300,000 grant will go through their internal decision-making process. The GLA's portion of the section 121 grant (£60,000) will be accounted for within the Transport, Infrastructure and Connectivity Unit (Good Growth Directorate) and utilised to undertake technical development appraisals of sites within the OPDC Opportunity Area and support proactive communication with key utilities providers as detailed within the main body of this decision form. All appropriate budget adjustments will be made.

## 6. Legal comments

- 6.1. Section 121 of the Greater London Authority Act 1999 (the "Act") provides that a functional body, such as the OPDC may, with the consent of the Mayor, pay a grant towards meeting revenue expenditure incurred or to be incurred by the GLA and/or another functional body, such as TfL, for the purposes of, or in connection with, the discharge of the grant recipients' functions.
- 6.2. It should be noted that the only condition which may be placed upon the award of such funding is that it may only be used to meet revenue expenditure incurred in the discharge of the grant recipients' functions.

## 7. Planned delivery approach and next steps

- 7.1. The tables below set out the timetable for the TfL and ICS work respectively.

### TfL work

Activity	Timeline
Procurement of contract	April 2022
Delivery start date	May 2022
Final evaluation start and finish (self/external)	August-September 2022
Delivery end date	October 2022
Project closure	October 2022

### GLA ICS work

Activity	Timeline
Delivery start date	April 2022
Review point – on work to date and next steps	January 2023
Delivery end date	March 2023



**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? NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to  
confirm the  
following (✓)

**Drafting officer:**

David Butler has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

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

✓

**Mayoral Adviser:**

Seb Dance and Jules Pipe have 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 21 March 2022

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

**Date**

22/3/22

D. Gane

**CHIEF OF STAFF:**

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

**Signature**

**Date**

21/3/22

D. Bellamy