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## Old Oak and Park Royal Development Corporation

- 8.1 The Old Oak and Park Royal Development Corporation (OPDC) is the Mayoral Development Corporation (MDC) established to deliver the strategic regeneration opportunity for the Old Oak and Park Royal Opportunity Area.
- 8.2 The new High Speed 2 interchange station at Old Oak Common is due to open within the next decade, bringing outstanding transport connectivity between Old Oak and central London, Heathrow and the wider UK. OPDC will utilise its planning and regeneration powers to ensure that these benefits are maximised. Old Oak and Park Royal has the potential to be the largest single new opportunity location to support London's recovery mission by delivering an inclusive and accessible new urban district with many thousands of new homes, jobs and facilities on land around the new station and beyond.
- 8.3 This budget has been prepared as OPDC gears up for a more delivery-focused stage, having recently adopted its new Local Plan and following the approval of its strategic outline business case by government. Work with government is accelerating to progress a detailed business case for the consolidation of development land – largely owned by the Department for Transport and Network Rail - around Old Oak Common Station that will become 'Old Oak West' a new mixed-use urban centre of around 9,000 homes. The business case requires extensive technical work to define infrastructure needs and constraints, scheme parameters and design, land assembly and delivery options. In parallel OPDC is working to acquire early delivery sites through the Mayor's Land Fund investment and commencing an intense and detailed local engagement programme to prepare and adopt a Supplementary Planning Document for Old Oak West.
- 8.4 This is a highly complex, large-scale and long-term regeneration project and additional delivery capacity is required for the OPDC team, both specialist staff and programme budget to secure the business case and move into a credible delivery phase. A target operating model has been designed which sets out the resources required over the next three years as the project moves through its design and procurement phases, following which a revised model may be necessary once a joint venture master development partner is appointed.
- 8.5 There are three main functional areas where additional capacity is required. First, within the delivery team where we need additional, experienced project management capacity to deal with infrastructure, land and development matters; second, within programme management; and third, in finance and corporate operations. The target operating model adopts the principle that OPDC will be an 'intelligent client', making use of technical advisors and their expertise wherever possible (with associated programme budget) alongside sufficient in-house capability to manage these technical advisors effectively. This model is more agile and enables OPDC to respond quickly and flexibly to specific needs over time.
- 8.6 OPDC's 2023-24 budget includes the costs of administering its existing and expanding statutory planning activities, spanning three boroughs (Hammersmith & Fulham, Brent and Ealing); funding to support an additional intervention in Park Royal to boost the productivity and sustainability of London's largest industrial estate, accessing a number of third-party funding bids; and support to bring forward early development sites.

## Key deliverables

8.7 The key deliverables for 2023-24 are as follows:

- **Business case:** Secure agreement from government to a comprehensive and consolidated approach to its land assets and a funding strategy to bring forward the regeneration of Old Oak package.
- **Vision and masterplanning:** Prepare and adopt a Supplementary Planning Document for Old Oak West to define the Old Oak West scheme, including design character, green space, sustainability, utilities, amenities and public realm.
- **Housing delivery and infrastructure:** Expansion of OPDC's development management and enforcement activities as planning pipelines and developer interest continues to grow. The adoption of the Planning Obligations SPD and adoption of a CIL charging schedule in order to maximise contributions towards infrastructure requirements.
- **Accelerated development:** Assembling land to optimise development where sites can be brought forward through the Homes for Londoners Land Fund investment for the early delivery of 1,100 housing starts by 2028 and bringing opportunities to capitalise future operating costs. Maximising public benefit through a range of new public realm and meanwhile use interventions.
- **Industrial regeneration and sustainability:** Accelerate the decarbonisation of local industry, housing and institutions by seeking to deliver a new local heat network, utilising waste heat generated from local data centres. Extend the roll out of solar energy on roof structures across Park Royal. Work with partners to support the intensification and modernisation of industrial infrastructure, especially through multi-storey development.
- **Inclusive growth and social value:** Commission a new baseline study and assessment tool to measure and monitor good growth through regeneration, including access to skills, training and employment.
- **Engaging communities and stakeholders:** Empowering local communities through genuine participation and agency in projects, policies and programmes. Launch new community small grants programme; additional local volunteering opportunities; work with local businesses and boroughs to maximise the opportunities from the Creative Enterprise programme and the Park Royal Design District.

## Responding to the London Recovery Board's missions

8.8 Set out below is some of the continuing progress made by the Corporation against the London Recovery Board's five key aims.

- **Accelerate delivery of a cleaner, greener London:** OPDC's newly adopted Local Plan sets out ambitious policies to promote walking and cycling; improve public realm and and deliver at least 30 percent of new development as green space (30 per cent of OPDC's area will be public green space). We are developing a new corporate sustainability report with a clear roadmap and action plan to reach net zero in Old Oak and Park Royal. We are progressing plans for an innovative new sustainable heat network and are supporting a programme of solar energy infrastructure across the Park Royal and Old Oak industrial estates.
- **Reverse the pattern of rising unemployment and lost economic growth caused by the economic scarring of COVID-19:** Securing a planning framework for 2.5m sqf of new commercial space, and a planning target for 56,000 new jobs. A new jobs brokerage service

(Forge@ParkRoyal); and supporting smaller businesses, artists and creatives to stay, grow and thrive in the local area through our Creative Enterprise Zone and Park Royal Design District.

- **Narrow social, economic and health inequalities:** Maximising the delivery of new affordable homes; ensuring developments contribute to new and improved social infrastructure; and ensuring that fairness and equality are embedded into OPDC's procurements.
- **Support our communities, including those most impacted by the virus:** Supporting local mutual aid organisations and community projects and organisations through outreach initiatives including our small grants scheme and volunteering programme.
- **Help young people to flourish with access to support and opportunities:** Provisioning four super-nurseries, one primary school and two community hubs, together with expanding existing schools in surrounding areas. Working with HS2's contractors to help place the available 250 apprenticeships; and working with local young people to shape the future of the area through mentoring and co-design.

### London Climate Budget

8.9 The organisation recognises the importance of the Mayor's net zero by 2030 target and whilst the scope of the climate budget in 2023-24 does not directly impact on OPDC, since we have no estate or fleet, OPDC is directly involved in the delivery of three major projects that are beyond the scope of this climate budget but are aimed at reducing carbon emissions across London:

- **Local Area Energy Plan:** OPDC are developing a Local Area Energy Plan (LAEP) for West London alongside the GLA and 9 West London Boroughs. As well as developing the first sub-regional LAEP in London, the project will also develop detailed recommendations for the OPDC area and an actionable plan for providing resilient, affordable energy and a pathway to net zero. Set in the context of severe limitations on the West London's electricity infrastructure supporting growth, the plan will look at the requirements to reinforce the conventional grid, manage demand and bring both storage and renewable sources online to support growth.
- **Old Oak and Park Royal Energy Network:** OPDC is developing the Outline Business Case for a heat network designed to use waste heat from new data centres being built in the OPDC area to provide heating to new homes and businesses. The heat network has the potential to serve 12,000 homes, 2 hospitals, a prison and industrial development with zero carbon heat. The project can deliver 150,000 tonnes of carbon savings over the 40-year life of the project. The Strategic Case developed how the network could be expanded in line with the development trajectory around Old Oak West and North Acton.
- **Park Royal Solar Pilot:** OPDC is supporting businesses in Park Royal to capture the significant opportunity for solar installations on industrial buildings. OPDC has supported the delivery of solar schemes working with SEGRO and Cargiant and is focusing on supporting SMEs to unlock solar opportunities. OPDC has a target of unlocking the first 5MW of solar capacity which could deliver carbon savings of 2,000 tonnes over their 25-year operation.

## Gross revenue and capital expenditure

- 8.10 Gross revenue expenditure in 2023-24 for OPDC is budgeted to be £10.7 million. This is £3.0 million higher than the gross forecast revenue expenditure for 2022-23, reflecting the additional capacity required as OPDC moves into its delivery phase as outlined above.

## Net revenue budget and council tax requirement

- 8.11 The table below sets out the proposed budget for OPDC on an objective basis.

Objective analysis	Revised Budget	Forecast Outturn	Budget	Plan	Plan
OPDC	2022-23	2022-23	2023-24	2024-25	2025-26
	£m	£m	£m	£m	£m
CEO Office	0.8	0.8	1.0	1.0	1.0
Planning	1.8	1.8	1.8	1.8	1.8
Delivery	3.0	3.6	5.6	6.3	6.3
Corporate Operations	1.9	2.2	2.8	3.0	3.0
<b>Total expenditure</b>	<b>7.5</b>	<b>8.4</b>	<b>11.2</b>	<b>12.1</b>	<b>12.1</b>
Planning application and other income	0.7	0.7	0.5	0.5	0.5
<b>Net expenditure</b>	<b>6.8</b>	<b>7.7</b>	<b>10.7</b>	<b>11.6</b>	<b>11.6</b>
<b>Retained Business rates</b>	<b>6.8</b>	<b>6.8</b>	<b>10.7</b>	<b>11.6</b>	<b>11.6</b>
<b>Council tax requirement</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Explanation of budget changes

- 8.12 An analysis of the year-on-year movement in the council tax requirement, comparing the revised 2022-23 budget to the proposed 2023-24 budget, is set out below.

Changes in the council tax requirement	£m
2022-23 council tax requirement	0.0
<i>Changes due to:</i>	
Inflation	0.2
Savings and efficiencies	0.0
Net change in service expenditure and income, excluding inflation and savings	3.7
Increase in retained business rates funding	(3.9)
<b>2022-23 council tax requirement</b>	<b>0.0</b>

## Inflation

- 8.13 The budget includes a provision for inflation of £0.2 million relating to pay and contractual increases.

## Net change in service expenditure and income

- 8.14 The budget proposes a £2.2 million net increase in service expenditure. This reflects the additional resource required as the organisation gears up to deliver the strategy for Old Oak West and create a detailed Outline Business Case. As the Land Assembly programme

progresses to unlock and accelerate housing delivery in Old Oak, OPDC will capitalise revenue costs where permissible as well as continue to collaborate with and draw upon resources from partners across the GLA Group and wider public sector. We will also explore opportunities to secure additional capital and revenue funding from government and its agencies wherever possible.

### **Changes in retained business rates funding**

- 8.15 The OPDC receives its revenue funding via the GLA, paid from business rates and funds, including those held in the Mayoral Development Corporation Reserve. The funding provided by the GLA will increase by £3.9 million in 2023-24, compared to the revised 2022-23 budget.

### **Reserves**

- 8.16 The OPDC has no reserves as its operational expenditure is funded by retained business rates and balances held in the GLA's MDC Reserve. The balance of the contingency for activity in the OPDC area, held in the MDC Reserve, is available to meet unexpected operational pressures.

### **Equalities impact**

- 8.17 Equality and inclusivity are at the centre of OPDC's corporate vision, supporting Old Oak and Park Royal to become a renewed urban community, where a thriving local economy supports a great place to work, visit and live; a place that is inclusive, accessible, and diverse; displaying the best practice in social and environmental design; and making a major contribution to London's success as a global city. OPDC's approach to inclusion aligns with the Mayor's Inclusive London strategy. OPDC will:

- deliver new housing and employment capacity for London in ways that are accessible and inclusive for all sections of new and existing communities;
- promote regeneration and community engagement, as outlined in the community engagement strategy which centres around inclusive engagement to involve, collaborate with and champion the diverse community in Old Oak and Park Royal;
- support a diverse and inclusive workforce, including carrying out the actions and measuring ourselves against our newly created Equity, Diversity and Inclusion Strategy (EDI);
- continue to monitor, analyse and publish workforce equalities data, to ensure that the workforce, including senior staff, is representative of London's population; and
- develop an Inclusive Recruitment Strategy which aims to attract talent from diverse backgrounds.

- 8.18 There is clear evidence that the pandemic was not felt by all Londoners in the same ways or to the same effect, with a disproportionate impact on some Londoners including those from BAME communities, disabled Londoners, and those living on lower incomes. Much of the uneven and disproportionate impact of the pandemic results from long-standing structural inequalities. OPDC's work to address this includes:

- continuing to work on equality, diversity and inclusion as a cornerstone, and critical cross-cutting area of work for the Corporation, ensuring that OPDC's internal working group in

collaboration with our host boroughs is driving forward the implementation of OPDC's EDI strategy in the community;

- supporting an increased level of engagement with London's communities, with an emphasis on communities and groups who face the greatest challenges and inequalities, and running community workshops and focus groups to enable local people to peer review and help develop our EDI strategy; and
- ensuring that the direct impacts of the pandemic and cost-of-living on health inequalities can be addressed across the work of the OPDC through specialist public health support, and that the appropriate support (whether through OPDC or our partners) can be accessed through our communications and engagement channels.

8.19 In accordance with the Public Sector Equality Duty and the Mayor's Equality, Diversity and Inclusion Strategy, OPDC will continue to assess the likely impacts of the proposals set out in this budget on external groups as proposals are further developed and refined. Equalities assessments of individual programmes will be carried out as appropriate.

8.20 We are a small organisation and we do not have a dedicated budget for EDI. However, we do embed EDI in all that we do, and we ensure that our learning and development budget is available for, and prioritised for, EDI related corporate memberships and training. All staff and Board members have individual annual EDI objectives and these are regularly reviewed and updated.

8.21 OPDC's published budget submission to the Mayor can be found [here](#).

## Capital Strategy

8.22 OPDC's Capital strategy reflects a programme of land acquisition, infrastructure and enabling works to support the delivery of 1,100 homes by 2029, funded from a £50m interest-free loan from the DLUHC Land Fund. This represents the Corporation's first major investment in the OPDC area to both support delivery of the GLA's housing target and unlock the wider delivery of the Old Oak West Strategy.

8.23 In parallel with seeking funding from the DLUHC Land Fund, OPDC is working with Homes England (HE) to jointly develop an Outline Business Case to government setting out OPDC's delivery strategy for the consolidation of land owned by DfT, and controlled by Network Rail and HS2, into a single entity. As part of the development of the business case, OPDC and HE are also working closely with senior officials from the Department for Levelling Up, Housing and Communities (DLUHC), Infrastructure and Projects Authority (IPA), local government and DfT on options for delivery.