

Confirmation Hearing Committee – 10 April 2017

Transcript of Agenda Item 5 – Confirmation Hearing in Respect of the Appointment to the Office of Chair of the Old Oak and Park Royal Development Corporation

Keith Prince AM (Chairman): Good afternoon. How are you?

Liz Peace CBE: Very well, thank you. Good afternoon to you all.

Keith Prince AM (Chairman): We now come to item 5 on the agenda and this is going to be the confirmation hearing in respect of the appointment to the office of Chair of the Old Oak and Park Royal Development Corporation, better known as the OPDC.

Can I welcome Liz Peace CBE to the meeting? At this confirmation hearing the Committee will be putting questions to you in relation to the proposed appointment of you to the office of Chair of the OPDC.

Before we start, can I confirm whether you have any interests to declare which are relevant to the business of the meeting or in relation to your proposed appointment to the office of the Chair of the OPDC?

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): I submitted a copy of my curriculum vitae (CV) from which you will see that I do hold a number of non-executive appointments with property organisations. The principal one that could be perceived, although I do not actually see it as a conflict, is that I am non-executive Director of Redrow Homes plc. Redrow might in due course want to be a developer at the OPDC. Indeed, I would rather hope it would. It is for you to take a view on whether you consider that a conflict.

Keith Prince AM (Chairman): Thank you. No, that is very helpful. Thank you. Can I ask the Committee to note the background information circulated with the agenda for the meeting and the information which was received after publication of the agenda and which has been circulated to Members separately?

All: Agreed.

Keith Prince AM (Chairman): Now we move to the question-and-answer session. If I could lead off, what do you see as the challenges and opportunities of the role of Chair of the OPDC and what value would you bring to that role in that context?

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): Probably I can start almost with the second part first because my particular background is a mixture of public and private sector. Again, as you will have seen from the CV I submitted, I was a civil servant for 27 years in the Ministry of Defence but spent the last 11 of that working to turn the Defence Evaluation and Research Agency into a private sector entity. It was eventually privatised and I oversaw the first stage of that. From that experience, I learned a lot about the private sector and how the private sector works and particularly how to implement large-scale strategic change.

I then moved to work for the commercial property industry as the Chief Executive of the representative body of the commercial property industry. There, again, I was able to bring my public sector background and skills

to bear but also learned a huge amount about how the property industry actually functions. The British Property Federation (BPF) has as its members most of the names that you would recognise in the commercial property industry and works incredibly closely with them. It was my job to promote them and indeed to fight on their behalf for legislative and regulatory change to enable them to perform their function better.

Turning to the OPDC, I see this as very much a case of pulling together public and private sector interests. There are of course massive public sector interests. This is a very large swathe of London which is going to benefit hugely from both Crossrail and High Speed 2 but which, if pushed forward in the right way, could be massively beneficial to a whole load of issues that are relevant to the development of London, in particular providing quality housing for Londoners. Actually doing that means working very closely with the local authorities - the local authorities' interests have been brought together in the Mayoral Development Corporation (MDC) - and then bringing in the private sector, who are going to be the people who are going to deliver an awful lot of this. The public sector with the best will in the world does not, on the whole, deliver housing and development. It enables and facilitates. It is the private sector that can actually deliver it.

The background I have in the public and private sectors means that I should be able to tackle this. I will not say "with ease" because this is not an easy job at all, but I have as good if not better chance as any of getting to grips with the issues that it will provoke.

Keith Prince AM (Chairman): Lovely. Thank you very much.

Joanne McCartney AM: I have to come back to your non-executive directorship of Redrow. If a conflict did arise, how would you deal with that? If Redrow did bid, what steps would you take?

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): The issue would arise if Redrow wanted to go in and develop one of the sites in the OPDC area. In the first place, that is quite likely to be in somebody else's ownership anyway and so it would be looking to do some sort of joint venture, a purchase or a development agreement with somebody else and so actually it would not come particularly close to the OPDC Board. Redrow would then have to apply for planning permission and the OPDC is of course the planning authority. The Chair does not sit on the planning committee and so the planning committee would be deciding that without the intervention of the Chair. As far as I can see - and I have just been reviewing the last planning determination that the planning committee did - it was handled absolutely straight down the line like you would expect any planning committee to do. I would not expect the detail of that to be debated at the Board.

Were it to be debated, then I have always felt that the whole issue of conflict of interest is all about openness and managing that conflict of interest. If you wanted somebody to do this role who knew nothing about property and had no connections in the property industry, then, personally, you would be asking the wrong sort of person. It would be for me to declare upfront what that was and to - I hate this word - recuse myself from the particular discussion. It is transparency that is the issue. It is not hiding anything beforehand. If you are perfectly open about it, you can then step outside of any decision.

I have had to deal with this in Peabody. In fact, I am standing down shortly. I have been a Non-Executive Director of a company called Morgan Sindall. That has a subsidiary called Lovell, which does housing. Lovell were bidding for a contract from Peabody and I chaired the development committee at Peabody. I absented myself from the discussions. It saved me having to read all of the tender documentation, which was very long and tedious.

Joanne McCartney AM: Thank you.

Caroline Russell AM: Just looking at this enormously long list of things in your current portfolio - you have just said that you are standing down from one thing - I am just wondering how you are going to find the time to do this job with so many different things in your life.

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): My retirement did not turn out quite as I had intended or indeed as Mr Peace had thought it was going to but we will not go there! I am actually in the process of rationalising somewhat some of the things I do.

You will notice on there that I have been the chair of what we call the Curzon Urban Regeneration Company. It has never actually been a company. It is more like I am chair of the project. That has been time-consuming because it means travelling up to Birmingham and so, even if I want to go for an hour's meeting, it is a three or four hour round trip. I have notified Birmingham that I am intending to stand down from that. It will take a month or so. I do not want to leave them in the lurch. We want to have a whole look at the governance arrangements for the Curzon project anyway and so that will create a lot of time.

I am also coming to the end of my period at Peabody. That is as a result of the proposed Peabody merger with Family Mosaic. Which, if all goes according to plan, some of the board will become redundant on 17 July [2017]. In fact, I have already done my last board meeting because of the way they work and I may have one more development committee to do. Housing associations take a huge amount of time and so that will also release a substantial amount of my time.

Quite a few of the things on that list are charities, which have one meeting a quarter and not a huge amount to do in between. Quite a few of them fit quite well together and so it is not a case of having to move on to something entirely different and move my whole mental attitude. One could slip quite easily from one to the other. Things like the Architectural Heritage Fund and the Churches Conservation Trust I do for passion. That is my particular interest and I would be doing those in my spare time anyway. They do not take a huge amount of my time.

The ones I do have to concentrate on are the plcs and then my Government appointment and of course this one and I believe I have enough time in the week to do that.

Caroline Russell AM: Thank you.

Gareth Bacon AM: Thank you. You have put some very interesting priorities for the OPDC and what you hope to address in your first six months. I want to spend a little bit of time asking questions on those, if I may.

The first relates to the memorandum of understanding (MOU) between the OPDC and the Department for Transport (DfT) and you have noted that you would want to look at the strengths and weaknesses. I fully accept of course you are not yet in post and so you have not had a chance to fully evaluate that, but do you start with any assumptions about how good a deal that is or not?

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): All I have is the view of the Mayor's review of the deal that was done, which implies that it was not a good deal. I need really absolutely to get under the skin of this. This is my bread and butter. This is the sort of thing I used to do a lot of in Government and in the property industry and so I

need to understand exactly what it is and what the nature of the MOU is. An MOU generally does not have any legal standing anyway. This is an agreement. Therefore, I would want to review what is already there, review the records of the conversations that have happened, meet the appropriate people and then look at the strengths of what we have and whether we can make it better from the OPDC perspective.

My view is - and always has been in this sort of situation - that both sides have to come out of this with something. It is not all one thing or the other. It is absolutely no good going storming in and saying, "All right. We have to tear this up and redo this because we want it all to be to our benefit". I imagine that that would be a very short negotiation. Actually, what one needs to do is to try to find a win-win situation for both parties. I have no idea what that is going to be because I have not done the groundwork yet.

Gareth Bacon AM: All right. That is fair enough. On the governance arrangements, you have mentioned the composition of the Board and your desire to strengthen the private sector and you have given a good reason as to why you would want to do that. Do you have more general thoughts around the governance arrangements on the Board?

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): The Board seems to be relatively well structured in terms of its subcommittees. It has an audit committee. It has an appointments and remuneration committee. There are also plans to set up a finance and investment subcommittee, although I want to review that because that is so germane to what the Board is going to be doing that that might be something we would want to consider in the Board meetings.

My principal concern at the moment is that there is not really a facility for a subgroup of the Board members to be able to look at deals we might be doing to say whether they are good deals or not. That is the bit that would probably worry me most. I want some tough private-sector people who will be able to look at what is on the table. I have worked with the private industry for 15 years. I know that they are good negotiators; I know they are tough. I want some of those people on our side to make sure we get the right scrutiny of what we are proposing to do.

Generally speaking, though, overall, because this is very strongly public sector, it is quite strongly governed. It is quite a lot of it. I am also keen to make sure we do that well but that we do not do it in a needlessly bureaucratic way and that we keep it as taut and efficient as possible. We do not have the resources to waste on too much paperwork and too much scrutiny. We have to get the right level of scrutiny that gets absolutely to the heart of what we are trying to do.

Gareth Bacon AM: The other thing you are going to have to balance is stakeholder engagement. The MDC model is not untried and untested because of course the Olympic Park is a MDC [the London Legacy Development Corporation], but this is the first non-Olympic type of MDC. You have particularly three local boroughs that are coterminous but have their own views about things and there is a danger in any of these things of them viewing the MDC as something squatting over them and dictating to them and of course they may have various parochial interests.

How do you see that shaping up, particularly if you are injecting a bit more private sector dynamism into the mix?

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): In saying that I would like to review the Board arrangements, I am absolutely clear that the three local authorities still need to be there and they need to be equal partners in what we are

trying to do there. I do have a little experience around the policy of setting urban development corporations. I was involved in the impact of that when John Prescott [former Deputy Prime Minister] was setting them up and I am sure he had a couple more set up in London. I also know that it did not always go down very well and there was a fair bit of argument. My predecessor and the team in place have worked very

hard to work with the three local authorities and pull them in and include them and get them on side. It seems, from what I have been briefed so far, to be working tolerably well and I would like to build on that. Three of the first people I want to meet - and I have just been discussing the diary this afternoon and how to do it - are the three leaders of the local authorities concerned because I want them to understand that we are all working together and we are all in this together and we are all on the same side. We all have a similar set of objectives, which is to make the OPDC make that area very very successful.

Gareth Bacon AM: How much do you know about the current financing of the OPDC?

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): Each year it will be for the OPDC to discuss and agree with the Mayor an appropriate budget. I am very conscious that local authorities are pretty strapped for cash at the moment and are going to be under increasing pressure. It is the job of myself and the team at the OPDC to make sure we do what we do as efficiently and as cost-effectively as possible. If we could do it with less than is allocated, then that is great, but that is a negotiation we have to have.

Gareth Bacon AM: I wish you luck with that. There was a substantial reduction in funding to the OPDC under this mayoral budget that has just been approved. What the Mayor has done is to put back some of the money that he cut in the form of a contingency fund that can only be utilised in order to make the OPDC self-financing. Do you have any thoughts around how that would work?

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): No, not yet. I know about this £2 million contingency. As far as I can see, that would simply go in. We do not have specific projects against which it is allocated at the moment. Something that we will be discussing over the next six months is how we can use it to best effect. Certainly it is not just £2 million to be dropped in and frittered away. It has to have a purpose. It is our job to work with the Mayor to work within his budgetary constraints.

Gareth Bacon AM: All right. That is fine. Thank you.

Joanne McCartney AM: Yes. You have already alluded to the fact that this is a real opportunity to build much-needed quality housing, but I notice that in your statement in support you also talk about social regeneration. I just wondered if you could expand on that and what you envisage doing here to bring forward that social regeneration, which people often say is missing in the finished product?

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): My personal view - and "terms" can mean different things to different people - is that certainly in all the time I have been at the BPF I have become particularly interested and have always promoted the concept of social, economic and residential regeneration. I am totally against just building vast swathes of housing with nothing else. That simply leads to vast swathes of housing, which are not particularly pleasant.

I am very keen that we should look at employment opportunities alongside the residential. It is much better if people can work in the area where they live - they do not put pressures on the transport system and it is a

more pleasant existence - but you then have to have all of the cultural and social ... "trappings" is the wrong word. That trivialises it, but all the other things that you need to make the sort of place people actually want to be. Getting cultural input is going to be hugely important and getting the right entertainment offering for people, the right open space for people and the right sporting and leisure. We are about creating a place and a place is far more than just building houses.

Gareth Bacon AM: Do you have a view on the competing visions for the regeneration of the area offered by Cargiant and Queens Park Rangers?

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): From what I have seen of the masterplan for Cargiant, it seems to be broadly in accordance with the thinking of the executive team. We are about to let a contract for our own masterplan. Again, it is something we have just been talking about. I said I very much hope we were not going to be reinventing the wheel and could actually benefit from the substantial amount of work that is already being done by a very high-class and well-known architect. This is not a hole-in-the-wall type of development. This is seriously good.

Therefore, I am not sure that that is in competition at the moment. There are some interesting issues around the transport, the connectivity and the railway embankment that Cargiant want moved, but none of it looks to me to be out of character with what the team has already been promoting in the context of the draft of the Local Plan.

Queens Park Rangers is an interesting one. I probably should have declared a further conflict of interest as a very very loyal supporter of Southampton Football Club. Somebody said the other day that the conversation was going so well until I mentioned that, but at least it keeps me out of the area.

I am not exactly sure where that has got to at the moment and we have to talk to and work through that with the people who have been promoting it. Certainly, my understanding was that they may already have found an alternative site. I do have some quite strong personal views about football grounds as a medium for regeneration.

Gareth Bacon AM: Do you? What are they?

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): You are probably going to get me into terrible trouble now --

Gareth Bacon AM: Not necessarily.

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): -- with Queens Park Rangers. I find football stadia quite difficult. I have visited a huge number in my career, mainly because my younger son is obsessed with them and so we have travelled around and looked at lots of them. It is quite difficult to really create them as an engine of regeneration simply because of what they are, how they are used and how often they are used. I know again from the experiences that Southampton had with relocating its brand that there were very big arguments and difficulties. We have now ended up in a pretty much central urban site, which is very difficult to get to for the crowds that come once every two weeks and does not hugely regenerate the particular area. Football stadia can be fabulous. Put them in the right place. You have to be very careful if you want to get maximum regeneration opportunities from them.

However, I am also conscious that Queens Park Rangers - or the people representing them - have other interests in other sites. We need to deal with them as any other landowner with plans and ideas: listen to them and see how much of what they are proposing to do we can take advantage of.

Gareth Bacon AM: That is fascinating. I am looking forward to discussing that with you.

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): We could debate that for a long time. We can talk --

Gareth Bacon AM: We can. I am not necessarily disagreeing with you. We could have a very interesting chat about that.

Keith Prince AM (Chairman): Any other Members? No? All right. Thank you very much indeed for your time and coming to speak to us and your very in-depth answers and your thoughts on football as well.

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): Yes, you probably have got me into terrible trouble on that.

Keith Prince AM (Chairman): It is a good thing that you are not a Chelsea supporter, I suspect. Nothing against Chelsea, of course. Thank you for your time. Thank you very much.

Liz Peace CBE (proposed appointee to the office of Chair of the Old Oak and Park Royal Development Corporation): Thank you very much indeed.

Keith Prince AM (Chairman): All right, colleagues, I thought that was a very able interview and I am certainly satisfied with that.

Gareth Bacon AM: An excellent candidate

Dr Onkar Sahota AM: I was just going to say, the CV speaks for itself, sorry I did not have any questions to ask. I thought her performance was very impressive.

Joanne McCartney AM: I think hugely impressive yes.

Keith Prince AM (Chairman): Yes?

Caroline Russell: Confirmed.

Keith Prince AM (Chairman): Thank you. So we can write to the Mayor saying that we are happy with that appointment.

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