



Old Oak and Park Royal Development Corporation

1. Background

- 1.1 Old Oak and Park Royal Development Corporation (OPDC) forms part of the Greater London Authority (GLA) Group Budget. This report sets out the 2026-27 revenue budget and Capital Strategy submission to the Mayor of London (the Mayor). The submission is prepared in accordance with the Mayor's Budget Guidance, which was published in July 2025. This process ensures there are robust financial plans to support Mayoral objectives and priorities within available resources.
- 1.2 The budget submission is required to cover the revenue budget for financial years 2026-27, 2027-28 and 2028-29 and a long-term Capital Strategy in line with the Mayoral priorities. In addition, as part of the submission, a climate budget is included, which is prepared in line with the Mayor's target of making London net zero carbon by 2030.

2. Introduction to OPDC

- 2.1 The Old Oak and Park Royal Development Corporation (OPDC) is a Mayoral Development Corporation (MDC), established to lead the regeneration of the 650 hectare Old Oak and Park Royal Opportunity Area, one of the largest and most strategic development sites in the UK. Acting as both the local planning authority and delivery agency, OPDC is unlocking the area's full potential to deliver thousands of new and affordable homes, high-quality workspaces and vital infrastructure for Londoners.
- 2.2 At the heart of this transformation is the new High Speed Two (HS2) interchange station at Old Oak Common, where HS2, Elizabeth line and Great Western rail services will interconnect, creating one of the best-connected transport hubs in the country. Surrounding this landmark infrastructure are extensive public sector brownfield development sites, offering significant scope for new homes, workspaces and community amenities.
- 2.3 OPDC is the Local Planning Authority for the area and holds statutory powers for land assembly, housing delivery and infrastructure development. These powers span across parts of three London Boroughs, Ealing, Hammersmith and Fulham and Brent enabling coordinated planning and delivery across the area.

3. Our Budget 2026-27

- 3.1 This budget sets out the resources needed to progress delivery of the Old Oak project following major progress over the past year. In 2024, central government approved the Outline Business Case for Old Oak, establishing the principles for delivery with Department for Transport (DfT), Ministry of Housing, Communities and Local Government (MHCLG), HS2 and Network Rail. This confirmed OPDC's role as the public delivery agency for the comprehensive transformation of Old Oak, including the pooling of public sector land.
- 3.2 Over the past two years, OPDC has made significant progress in advancing its delivery ambitions. Having secured approximately 94 per cent of the land required and endorsement of the Illustrative Masterplan and Masterplan Framework, OPDC is now well positioned to procure a delivery and investment partner. This follows the conclusion of a detailed market engagement exercise and the publication of a Regeneration Strategy for the comprehensive regeneration of Old Oak, which together provide a strong foundation of the next phase of transformation.
- 3.3 The budget also supports OPDC's next steps towards the Mayor's net zero carbon ambitions, following the appointment of Hemiko in February 2025 to deliver the Old Oak and Park Royal Energy Network (OPEN). OPEN will not only deliver low-carbon heat infrastructure but also serve as a catalyst for attracting sustainable investment and supporting inclusive growth across the area.
- 3.4 The 2026-27 revenue and capital budget (as part of the Capital Strategy) builds on a strong foundation of progress and key milestones achieved, reflecting significant achievements in land acquisition, expanding statutory planning activities, stakeholder engagement and community investment, which include:
- securing approximately seven hectares of land required for the delivery of the Old Oak project, which taken with the other land in public ownership means that 94 per cent of the land required is owned by the public sector
 - making the Old Oak Compulsory Purchase (CPO) Order on 12 September (following Mayoral approval)
 - gaining OPDC Board endorsement of the Old Oak Illustrative Masterplan in July 2025, following significant consultation and engagement with the community and stakeholders, and preparing a detailed Masterplan Framework for consideration by OPDC Board in November 2025
 - conducting significant and detailed market engagement with leading investors and developers which has confirmed strong market appetite for partnering with OPDC to deliver transformational development at Old Oak
 - securing approval for the Collaboration Memorandum of Understanding (MoU) between OPDC, Ministry of Homes Communities and Local Government (MHCLG), Department of Transport (DfT), Network Rail (NR) and High Speed Two (HS2) which is subject to signing
 - appointing Hemiko as Development and Funding Partner for Old Oak and Park Royal Energy Network ("OPEN"). This partnership plays a critical role in supporting the Mayor's net zero ambitions by delivering low-carbon, decentralised energy infrastructure across the area
 - publishing a Regeneration Strategy, setting out OPDC's strategic approach to comprehensive and inclusive development at Old Oak

- adopting three key Supplementary Planning Documents (SPDs): the Public Realm and Green Infrastructure SPD, the Industrial SPD and the Old Oak West SPD which all follow on from the adoption of the Local Plan in June 2022. The Industrial SPD and the Public Realm and Green Infrastructure SPD both received national recognition, winning the National Planning Award for Plan Making and the RTP1 London and South-East Award for Plan Making in consecutive years
- as Local Planning Authority (since 2015), facilitating the completion of 5,022 homes in the OPDC area, with a further 815 under construction
- in 2025-26 collecting £12.87 million in Section 106 (S106) contributions from both delegated and OPDC-determined applications. During this period, £15.6 million in S106 funding has been allocated by the Planning Obligations Advisory Group, with £10.1 million already being invested in infrastructure, community facilities and public realm improvements
- delivering a wide-ranging programme of engagement with local communities, including co-design activities for Old Oak, Wesley Playing Fields and Midland Terrace playground and the Neighbourhood Community Infrastructure Levy (NCIL)
- loaning over £250,000 to local Small and Medium sized Enterprises (SMEs) to support the provision of affordable workspace, productivity gains through tech, innovation and, or job growth
- providing over £200,000 in grants to local community organisations related to the Creative Enterprise Zone (CEZ)
- completing a fourth round of OPDC's Small Grants Programme - to date over £270,000 has been awarded to more than 50 community-led organisations, reaching over 60,000 beneficiaries
- commissioning and publishing the Old Oak Ideas Book, *Old Oak Growing Forward*, a visually engaging publication co-created with local artists and graphic designers to reflect local community feedback during early engagement on the emerging Old Oak scheme.

4. Key deliverables in 2026-27

4.1 Our key priorities and deliverables for 2026-27 are as follows:

Delivery

4.2 The Delivery Directorate's principal focus is on advancing regeneration and development at Old Oak. Its core activities include:

- undertaking the procurement process to appoint a private sector partner for the delivery of Old Oak
- progressing the Old Oak CPO, while actively negotiating and securing agreements with private landowners wherever possible
- delivering against the Land Assembly and Relocation Strategy, supporting tenants vacating properties required for development, with tailored business support to minimise the negative impact on businesses
- developing and publishing the Old Oak Sustainability Strategy to guide environmentally responsible growth
- delivering targeted initiatives to promote inclusive growth, including SME support through additional loans, provision of affordable workspace, and the delivery of OPDC's skills programme to develop pathways into key growth sectors
- initiating design and planning work for the first phases of housing at Old Oak
- progressing the design and planning work for critical early infrastructure at Old Oak

- facilitating temporary uses and early activation of development sites to maintain vibrancy and engagement
- collaborating with Hemiko to deliver a sustainable Heat Network for the area.

Planning

- 4.3 The Planning Directorate will continue to fulfil its statutory function as Local Planning Authority whilst driving forward key planning projects. This includes:
- undertaking public engagement on a “direction of travel” draft Local Plan
 - submitting the West London Waste Plan for formal examination as part of a regional waste management strategy
 - working in partnership with TfL and the boroughs for the next phase of design, engineering and viability for the West London Orbital
 - maximising development opportunities to deliver affordable housing and employment as the Local Planning Authority
 - advancing plans to enhance the improvements to the North Acton gyratory for pedestrians and cyclists
 - developing an Infrastructure Strategy to guide the use of Community Infrastructure Levy (CIL) and S106 contributions
 - embedding a robust Code of Construction practice to guide development activities across the OPDC area.

Corporate Operations & Finance

- 4.4 The Corporate Operations & Finance function will continue to play a central role in supporting OPDC’s delivery and planning objectives by ensuring the corporation operates effectively, efficiently and with strong financial discipline. This includes:
- working in partnership with the GLA Group Collaboration Board to embed best practice and drive value for money through shared service agreements
 - rationalising the Group structure to reduce administrative and governance complexity, and developing a tax strategy to manage exposure across the Group
 - strengthening responsible procurement and contract management, with a proactive approach to supplier engagement, contract lifecycle planning and embedding social value and sustainability principles.

Communications and Engagement

- 4.5 The Communications and Engagement team will engage with stakeholders, partners and communities to raise awareness, increase participation and build advocacy to help share regeneration. This includes:
- organising outreach and volunteering programmes to support local communities, with a particular focus on engaging young people
 - updating and implementing OPDC’s Community Engagement Strategy for 2026–28
 - enhancing OPDC’s digital presence through the launch of the new website and the development of a supporting digital strategy.

5. Revenue expenditure and Funding requirement

- 5.1 OPDC’s 2026–27 budget provides the necessary resources to maintain momentum, manage complexity and deliver on the Mayor’s priorities for housing, infrastructure and climate and to deliver OPDC’s statutory responsibilities. Reflecting OPDC’s commitment to unlocking the full potential of Old Oak ensuring that public investment translates into lasting benefits for Londoners and future generations.

- 5.2 The 2026-27 revenue budget has seen a reduction as an acknowledgement of the wider economic climate and ask for additional savings in the Mayor's Budget Guidance, with net service expenditure of £10.0 million; this is a decrease of £4.2 million between 2025-26 and 2026-27.
- 5.3 The decrease is represented by increases in net rental contribution, increased capitalisation and use of other funding streams. This budget is fully funded from Business rates, with £0.4m funded from the MDC reserve for the development of the West London Orbital (WLO) scheme in partnership with TfL and other West London boroughs.

6. Explanation of budget changes

- 6.1 An analysis of the year-on-year movement for OPDC compared to the revised budget for 2025-26 is set out in the objective analysis table below, with commentary thereafter.

Table 1: OPDC - Objective analysis

Objective analysis: Old Oak and Park Royal Development Corporation	Revised budget 2025- 26 £m	Forecast outturn 2025-26 £m	Budget 2026-27 £m	Change (Revised budget to Budget) £m	Plan 2027- 28 £m	Plan 2028-29 £m
CEO Office	1.3	1.2	1.3	(0.0)	1.4	1.5
Planning	1.2	1.0	1.4	0.2	1.0	1.0
Delivery	8.4	8.2	4.8	(3.6)	5.0	5.4
Corporate Operations	3.3	3.7	2.5	(0.8)	2.5	2.6
Net service expenditure	14.2	14.1	10.0	(4.2)	9.9	10.5
Capital Financing costs	4.5	4.5	8.7	4.2	10.1	10.5
Net expenditure	18.7	18.6	18.7	(0.0)	20.0	21.0
Savings to be identified	(0.0)	0.0	0.0	0.0	(0.2)	(0.5)
Transfer to/(from) MDC reserves	(6.7)	(6.6)	(0.4)	6.3	0.0	0.0
Financing Requirement	12.0	12.0	18.3	6.3	19.8	20.5
Unringfenced government grants	0.1	0.1	0.0	(0.1)	0.0	0.0
Business rates	7.4	7.4	9.6	2.2	9.8	10.0
GLA funding for financing costs from reserves	4.5	4.5	8.7	4.2	10.1	10.5
Council tax requirement	0.0	0.0	0.0	0.0	0.0	0.0

*2025-26 is adjusted for internal reallocation of spend within the £14.2m total.

Net change in service expenditure and income

- 6.2 The budget proposes a £4.2 million net reduction in service expenditure and income. The key changes relate to:

Delivery - £3.6 million Reduction

- the revenue budget requirement for Compulsory Purchase Order (CPO) and Land Assembly costs is decreasing, as a proportionate amount of expenditure has been identified as qualifying for capital treatment following the making of the CPO
- in 2026–27, it is assumed that a portion of Planning and Scheme Development costs for early phases of development can be capitalised, resulting in a reduced revenue budget requirement for the year
- infrastructure revenue spend reduces in 2026–27 as further expenditure on infrastructure and early phase technical support is assumed to be capitalised
- gross rental income from the existing estate is expected to decline due to lease surrenders resulting from progress on the relocation strategy, this shortfall will be more than offset by income generated from acquisitions made during the latter half of 2025–26
- Asset Management expenditure has risen significantly due to the growing number of properties and SPVs within the estate. The budget includes an assumption of higher costs relating to vacant units in line with the relocation strategy.

Planning – £0.2 million Increase

- Planning costs (net of Planning income) have increased by £0.2 million compared to budget. This increase relates to higher costs pertaining to the Local Plan review and a new role for a Construction Monitoring Manager.
- the funding for the next phase of design, engineering and viability of the West London Orbital (WLO) scheme in partnership with TfL and other West London boroughs sits within the Planning directorate (£0.4m).
- the cost increase has been limited to £0.2m as the budget 2026–27 assumes higher Planning income within the directorate.

Corporate functions – £0.8 million Reduction

- Corporate operations costs have decreased by £0.8 million compared to budget this is as a result of obtaining additional funding streams, in support of the increase in costs, as the organisation grows in complexity to support the development of the scheme
- this funding helps to mitigate any increases within the directorate, such as an increase in the TfL managed shared services and increased audit fees reflecting the more complex nature of the organisation.

Financing Costs - £4.2m Increase

- the loans provided to OPDC from GLA to finance the land assembly activities, use the Public Works Loans Board (PWLB) rate of interest as the basis. It has been agreed that interest payments borne by OPDC are covered by GLA funding and it is assumed that this will continue in future years.
- this is £8.7 million for 2026–27. This increase of £4.2m reflects the increase in drawdowns on our borrowing facility, in support of our land assembly programme of further private land.

Plan Years: 2027-28 and 2028-29

- 6.3 The net position across the Plan years are broadly in line with the budget year 2026-27, except for the impact of inflation. However, there are activities that are reducing, while other new activities are coming online; the net position overall is balanced, as explained below.
- 6.4 We expect costs relating to procurement of a development partner and acquisition of the remaining land (and associated rights needed to deliver the scheme) to reduce in the later years as we complete on these milestones.
- 6.5 The plan years will see a continuation of legal work to undertake the necessary contracting for development to commence as well as any final stages of procurement. There will be ongoing work related to financial modelling, business planning and to prepare business cases.
- 6.6 The Asset Management net contribution will reduce across years as vacant possession is achieved, meanwhile use initiatives begin, and sites are prepared for development in early phases.
- 6.7 In the plan years, planning and infrastructure costs are largely assumed to be capital in nature. There will be an ongoing allowance for technical inputs such as transport modelling, survey work and specific advice to OPDC.
- 6.8 The costs relating to the Heat Network will be borne by Hemiko, the developer. OPDC will perform a sponsorship role to support the Joint Venture, with limited resources required
- 6.9 The three-year plan assumes that commercial arrangements for the delivery of Old Oak will be up and running during 2027-28, the budget therefore reflects set up costs for this. From 2027-28 it is expected that costs associated with progressing the planning application would be met through the private sector partner, however OPDC will still incur its own expenses (legal advice, advice on emerging business plan, financial advice).
- 6.10 Other costs in the Planning Directorate and Corporate functions are expected to remain broadly flat across the three-year budget horizon, with the main increase being related to inflation in the latter two years. Additional costs relating to the Local Plan Review are assumed to be met by increased pre-application and planning application fees. See Inflation - Table 2 below.

Savings and efficiencies

- 6.11 The budget incorporates planned savings and efficiencies, outlined below.

Savings and efficiencies (S&E)	2026-27	2027-28	2028-29
	£m	£m	£m
S&E planned in the 2025-26 Budget	1.2		
New S&E identified	3.6	2.7	2.7
Total	4.8	2.7	2.7

- 6.12 The savings identified for 2026-27 are listed below:
- capitalisation - As we move through the delivery programme, a number of revenue costs within the budget have been identified and reclassified as capital in nature
 - Section 106 funding (S106) – S106 funding has been applied to the budget
 - public realm projects – reducing the funding applied to projects has created a saving – leaving limited ‘seed’ funding to confirm project viability ahead of securing alternative sources funding
 - solar panels - solar panels on one of our properties in our Asset Management portfolio provides a saving in our Delivery directorate
 - funding applied to the head office in support of the increase in costs across the organisation, as the organisation grows in complexity to support the development of the scheme.

Inflation

- 6.13 The budget includes a provision for inflation of £0.3 million.

Table 2: OPDC Inflation

Inflation for 2026-27	Pay 2026-27 £m	Non-Pay 2026-27 £m	Total 2026-27 £m
OPDC	0.2	0.1	0.3

Appendix A – Appendix to Revenue Budget

Appendix Table 1: OPDC - Subjective analysis

OPDC - Subjective analysis	Forecast Outturn	Revised Budget	Budget	Change (Revised budget to budget)	Plan	Plan
	2025-26	2025-26	2026-27		2027-28	2028-29
	£m	£m	£m	£m	£m	£m
Staff costs	7.7	7.7	8.7	1.0	8.9	9.1
Premises costs	0.4	0.4	0.4	0.0	0.4	0.4
Supplies and services	11.3	11.7	10.5	(1.2)	8.8	7.6
Capital financing costs	4.5	4.5	8.7	4.2	10.1	10.5
Total gross expenditure	23.9	24.3	28.3	4.0	28.2	27.6
Sales, fees, charges and recharges	(5.3)	(5.6)	(9.6)	(4.1)	(8.2)	(6.6)
Total gross Income	(5.3)	(5.6)	(9.6)	(4.1)	(8.2)	(6.6)
Net expenditure	18.6	18.7	18.7	(0.1)	20.0	21.0

7. Value for Money

- 7.1 OPDC is committed to delivering value for money through strategic collaboration across the GLA group. This approach reduces reliance on external resources and maximises internal expertise, supporting OPDC's transition into delivery. Key actions include:
- utilising TfL shared services for IT platforms, including hardware, helpdesk, finance, procurement and HR systems
 - utilising MOPAC internal audit function to ensure robust governance and assurance
 - legal services provided through TfL to provide a consistent and compliant service
 - drawing on LLDC expertise in tax and accounting matters, learning from their experience as the first MDC
 - advancing collaborative procurement practices to increase spend with Micro, Small and Medium Enterprises (MSMEs) suppliers and leverage group buying power.
- 7.2 As part of the Local Plan Review, officers have audited the production of key evidence documents to maximise in-house delivery and minimise external consultancy support. A detailed review of all studies has been undertaken to match required skills set with internal expertise within the Planning Policy unit.
- 7.3 A Project Gateways process has been introduced to assess new projects, concepts and ideas at an early stage, ensuring strategic alignment, cost effectiveness and delivery options. Project concepts must demonstrate consideration of multiple options and value for money
- 7.4 Prioritising in-house delivery of core activities, reducing reliance on external agencies. This includes managing social media, media relations, website and regular engagement internally
- 7.5 OPDC continues to seek alternative funding opportunities to mitigate increased costs, including S106 contributions, Community Infrastructure Levy (CIL), Capital funding and rental income.

8. Financial resilience

- 8.1 The Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of budget estimates and the adequacy of financial reserves. This statement accompanies OPDC's 2026–27 budget submission and three-year Medium-Term Financial Plan (MTFP), prepared in accordance with the Mayor's Budget Guidance.
- 8.2 To aid good decision making and ensure that public funds are optimally utilised, OPDC has put in place, governance, oversight and appraisal mechanisms, as outlined below.

Governance, Ownership and Accountability

- OPDC Board: review and approval of the OPDC budget before submission to GLA. Review of quarterly Corporate Management accounts, which includes year-to-date expenditure versus budget and forecast outturn for the financial year
- Audit and Risk Committee (ARC): detailed review and approval of the corporation's Annual Report and Accounts, including expenditure and income

- Executive Management Team: executive oversight of expenditure decisions and review of expenditure on a quarterly basis against the annual budget and other business updates that have an impact on expenditure
- Chief Executive Officer and Chief Financial Officer: executive oversight of expenditure decisions and approval of the OPDC budget before submission to GLA. Review of quarterly Corporate Management accounts, which includes year-to-date expenditure versus budget and forecast outturn for the financial year.

Medium-term financial plan (MTFP), Strategies and Plans

- the Senior Leadership Team identify their key priorities for the year ahead and the planning horizon as part of the annual budgeting process
- the CFO holds specific directorate kick-off meetings to discuss priorities and deliverables for the budget year and the two years thereafter
- OPDC take a bottom-up approach with the budget, with input from each Directorate, which is reviewed and refined at challenge sessions with the CEO and CFO. This process helps to set a good foundation for how we shape our formal budget submission
- as part of the Mayor's London Climate Budget there is a continued initiative to report on OPDC's progress towards net zero carbon emission by 2030 and it is also being tracked as part of the wider budgeting process.

Performance monitoring and reporting

- OPDC review and monitor expenditure on a quarterly basis against the annual budget
- business partners work with directorates to review the position and then present this to CFO and CEO at quarterly challenge session where variances to budget are analysed and scrutinised as part of the process
- a quarterly performance report is prepared, which outlines the position to date and any variances to budget; this is reviewed at the GLA/OPDC Liaison group and published.

Robustness of Estimates and mitigation to key risks

- 8.3 The 2026–27 budget estimates have been prepared using reasonable assumptions and reflect the best available information at the time of submission. Key assumptions include:
- most goods and services estimates are based on existing contracts and work plans with key suppliers, using approved commercial framework rates and are generally known. Those new activities are forecast using market data expert knowledge
 - capitalisation of eligible CPO, land assembly, planning and design and infrastructure costs, consistent with accounting standards and capital guidance (approximately £2 million)
 - a savings and efficiencies programme including use of rental income and additional funding to manage the additional costs across the organisation, as the organisation grows in complexity to support the development of the scheme
 - inflation of £0.3 million for (£0.2 million pay inflation and £0.1 millions non-pay inflation).
- 8.4 Estimates of capital have been based on current contracts, land assembly negotiations and known market conditions.
- 8.5 As OPDC transitions into a delivery-focused operating model, the budget reflects some financial risks inherent to large-scale regeneration programmes. These risks are actively

monitored and mitigated through structured governance, scenario planning, and performance oversight.

- 8.6 OPDC continue to consider risks of the programme as part of its governance processes. Potential risks to the programme include:
- a loss or reduction in political support from central government
 - a failure to secure land or funding necessary for delivery
 - a deterioration in economic conditions and adverse change to market sentiment
 - challenges to public processes including procurement.
- 8.7 See Capital strategy for further detail on risk management.

Adequacy of reserves

- 8.8 OPDC's net revenue expenditure is fully funded by the GLA via a revenue grant. This grant is agreed annually via the GLA's statutory budgeting process and is drawn by OPDC throughout the year on a cash-basis. This arrangement gives rise to timing differences between net expenditure calculated on an accruals-basis and OPDC's net cash requirement.
- 8.9 OPDC operates within a financial framework where only restricted funds —such as principal Section 106 balances held for specific planning obligations or external related funding streams are retained by the OPDC. All other flexible or general reserves are maintained and managed by the GLA as part of the wider Group financial strategy.

Conclusion — CFO opinion

- 8.10 As Chief Financial Officer, I am satisfied that the budget estimates presented for 2026–27 are robust and have been prepared in accordance with the principles set out in the CIPFA Code of Practice and the Mayor's Budget Guidance.
- 8.11 The budget includes appropriate provisions for inflation, known cost pressures, and delivery risks. Where funding gaps remain, OPDC has identified mitigations and efficiency measures, and continues to work with the GLA to ensure financial sustainability and alignment with strategic priorities.
- 8.12 I confirm that the budget submission reflects a prudent and deliverable financial position for 2026–27, subject to finalisation of the capital funding strategy.

9. Environmental impact and Climate Budget

- 9.1 OPDC remains committed to supporting the Mayor of London's net zero carbon target by 2030. OPDC's Climate Budget continues to evolve, reflecting meaningful progress in delivering low-carbon infrastructure, enabling policy frameworks, and fostering place-based partnerships that drive decarbonisation, climate adaptation, and resilience across Old Oak and Park Royal.
- 9.2 Although OPDC does not directly generate carbon emissions due to the absence of operational estate or fleet, the acquisition of strategic assets introduces new responsibilities. Tenanted properties have prompted the development of a Scope 3 emissions assessment framework to guide future energy performance improvements,

cost reductions and investment decisions aligned with redevelopment plans and long-term sustainability goals.

- 9.3 The 2026–27 Climate Budget includes both funded and unfunded initiatives supporting London’s decarbonisation and climate resilience agenda. These include low-carbon infrastructure, circular economy initiatives, and behaviour-change programmes, all of which are aligned with the Mayor’s net zero target.
- 9.4 OPDC’s Sustainability Charter underpins the selection and funding of climate measures, embedding climate resilience and net zero principles across all areas of OPDC’s delivery and corporate activity. Climate considerations are embedded into OPDC’s new project gateway process, requiring all programmes to submit a Sustainability Statement outlining risks and mitigations. Progress is tracked through the Sustainability Implementation Dashboard, ensuring consistent review from early design through to delivery, ensuring alignment with climate risks, co-benefits (such as improved air quality, energy security, and community wellbeing), and value for money.
- 9.5 OPDC continues to successfully leverage partnerships and external funding, to advance several initiatives, other initiatives remain dependent on securing further investment to move from feasibility to implementation. To address this, OPDC is pursuing a diversified funding model in collaboration with the GLA, boroughs, and private partners. We are actively exploring opportunities through mechanisms such as the London Edge Fund, Strategic Innovation Fund, Green Finance Fund, Carbon Offset Fund, Section 106 contributions, and the National Wealth Fund.
- 9.6 Electricity capacity constraints remain a challenge in the OPDC area. OPDC is working with energy providers and the GLA’s Zero Carbon Accelerator (ZCA) to explore solutions such as Smart Local Energy Systems and a Solar Private Wire Network.
- 9.7 OPDC achieved milestones across multiple funded programmes during 2025–26:
- Sustainability Charter - launched in April 2025 with three pledges and nine objectives to guide delivery and performance which are reflected in our public realm and canal side improvements, and our new smart grid solution
 - Low Carbon Heat Network - progressed to commercialisation phase with Hemiko, planning application submitted to support over 10,000 homes and businesses
 - Minerva Road Circular Economy Hub - salvaged over 65 tonnes of materials and saving 21 tonnes of carbon, supporting SMEs and paving the way for the Circular Economy School
 - Small Business Loan Fund – Advanced multiple SME loan applications, with disbursement scheduled for Q3–Q4 2025–2026
 - Sustainability Implementation Dashboard – Piloted across OPDC workstreams to embed Charter pledges and track performance
 - Smart Local Energy Systems and Private Wire Network – Progressed under the Smart Energy Transformation Plan, with design and stakeholder engagement underway
 - Carbon savings through planning - 47 per cent carbon savings on residential schemes, and 61 per cent on commercial schemes, over Part L Building Regulations secured in planning approvals since inception.
- 9.8 Below is a summary of 2026–27 Climate Budget Measures and Co-benefits.

Corporate level (Estate and Fleet)

- Buildings – Energy Efficiency (unfunded): developing Scope 3 emissions assessment to inform retrofit and investment plans

Programme level (London-wide)

- Low Carbon Heat Network (funded): advancing commercialisation and delivery with DESNZ support
- Smart Local Energy Systems and Solar Private Wire Network (funded in-kind): developing an investment-ready business case for local clean-energy generation and storage
- Small Business Loan Fund (funded): supporting Park Royal SMEs in delivering social and environmental value
- Carbon and Sustainability Literacy (funded): embedding climate knowledge across OPDC staff to promote behavioural change and climate awareness
- Circular Economy School (funded): expanding green skills community engagement
- Implementation of the Sustainability Strategy (unfunded): embedding measurable standards across development partnerships, funding responsibilities to be confirmed with the future private sector partner(s)
- Public Realm and Canal-side Improvements (unfunded): enhancing biodiversity, active travel and climate resilience through nature based design

9.9 Together, these measures deliver a range of co-benefits including improved air quality, local green job creation, enhanced biodiversity, improved energy security, and greater resilience to extreme weather.

10. Equalities implications

10.1 Equity, Diversity and Inclusion (EDI) is at the centre of OPDC’s corporate approach, aligning with the Mayor of London’s Inclusive London strategy and the Public Sector Equality Duty. The EDI strategy, published in 2022, supports OPDC’s commitment to being an exemplar employer and delivering an inclusive, accessible urban district that reflects and serves the diversity of the community, meets local needs and champions equality.

10.2 OPDC promotes EDI through a range of internal and external initiatives:

- establishing the Social Value Working Group, embedding social value outcomes across all of OPDC’s work. The Social Value Best Practice Note strengthens expectations of suppliers and delivery partners from the outset of contracts. This approach enables OPDC to maximise benefits for local communities and businesses. Recent achievements include:
 - collaborating with City and Docklands to ensure OPDC’s office fit out was delivered by local suppliers or those operating under sustainability and circular economy principles. This resulted in c.5784kg Co2e of greenhouse gas emissions saved and 2282 kg of furniture being reused
 - partnering with Hemiko, OPDC’s Heat Network partner, Hemiko, who will contribute to the Small Grants Programme and work with education partner Open City to bring industry experts into local classrooms, supporting students’ awareness of future career pathways
 - Gort Scott Architects committing to providing two London Living Wage-paid work placements for local students from underrepresented backgrounds in summer 2026.

- achieving Level 1 of the Disability Confident Scheme, demonstrating OPDC's commitment to fostering an inclusive workspace
- implementing inclusive recruitment practices to attract candidates from diverse backgrounds. These include specialist advertising, name-blind shortlisting, diverse interview panels and inclusive training. Of the 22 recruitment campaigns conducted, 55 per cent of successful candidates identified as Black, Asian or Minority Ethnic and 50 per cent were women
- embedding EDI into planning guidance, the Public Realm and Green Infrastructure SPD through the EDI Statement and matrix assessing impacts on people with protected and vulnerable characteristics. This innovative approach contributed to OPDC winning both the National Planning Award for Plan Making and the RTPI London and South-East Award for Plan Making
- engaging with Make Space for Girls during the Wesley Playing Fields consultation to ensure that the voices of girls and young women - often the most underrepresented in this space - were heard and influenced the plans
- conducting targeted engagement sessions with young and disabled residents as part of our wider Old Oak consultation. Feedback from these sessions informed the development of the Old Oak Illustrative Masterplan and Masterplan Framework
- the OPDC's Small Grants programme has directly supported underrepresented groups including Travellers, young people, and those with disabilities, ensuring funding decisions promote inclusive community development
- delivering a volunteering programme that supports projects benefiting people from protected groups including refugees, older people, young people and those accessing food banks
- driving diversity in the procurement supply chain through targeted use of pre-approve frameworks that include diverse SMEs
- OPDC achieved Gold recognition in the Stonewall Workplace Equality Index in 2024.

10.3 We will continue to do build on our achievements to date and will undertake in addition the following activities in 2026-27:

Internally

- undertake assessment for Level 2 of the Disability Confident scheme, reinforcing OPDC's commitment to becoming a more inclusive and accessible employer
- introduce directorate level EDI champions, who will promote inclusive behaviour and support the embedding of EDI principles across the teams
- embed inclusive behaviours through leadership role modelling, supported by internal and external communications that reinforce OPDC's organisational values
- refresh EDI training, making it more accessible, engaged and tailored to the needs of the workforce to enhance inclusivity and awareness
- continue to support the activities and membership of OPDC staff networks including the Race Equity Network, LGBTQIA+ Network and GLA Women's Network
- continue to embed and monitor inclusive recruitment practices, ensuring OPDC attracts and retains a diverse and representative workforce.

Externally focused

- develop a new Youth Engagement Charter, which will sit alongside the updated Community Engagement strategy which will demonstrate and set out how we will approach our engagement with young people
- engage with OPDC teams, partners and stakeholders to identify opportunities to collaborate with one to two charities annually

- host EDI workshops in partnership with key stakeholders, to seek ideas from the community and engage with groups that have been historically underrepresented in OPDC’s engagement activities
 - hold additional drop-in sessions with residents and stakeholders, providing opportunities to speak directly with relevant OPDC teams and ensuring inclusive access to information.
- 10.4 In line with the Public Sector Equality Duty and the Mayor’s Equality, Diversity and Inclusion Strategy, OPDC will continue to assess impacts of budget proposals on individuals and communities, particularly those with protected characteristics. This process ensures financial decisions promote fairness, eliminate discrimination and advance equality of opportunity.
- 10.5 Equality Impact Assessments (EqIA) will be carried out for individual programmes and projects as they are developed and refined, guided by the GLA Equality Impact Assessment Toolkit. The EqIA process is embedded within our broader EDI Strategy, which focusing on creating an inclusive organisation and urban district.

11. Capital Strategy

Introduction

- 11.1 Old Oak and Park Royal Development Corporation (OPDC) is a Mayoral Development Corporation (MDC), with a statutory purpose and powers to regenerate the Old Oak and Park Royal Opportunity Area.
- 11.2 OPDC has continued with land acquisition activities in the last 12 months and will have nearly £300 million in capital assets under management by the end of 2025-26, in line with our land assembly plan.
- 11.3 Once combined with the publicly owned land, as per our Outline Business Case (OBC) for the regeneration of Old Oak, we will be a step closer to meeting the targets set to us by the Mayor to deliver many thousands of new homes and jobs for Londoners.

Intention

- 11.4 This strategy has been prepared in accordance with the Mayor’s Budget Guidance, which was published in July 2025. The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires all local authorities to produce a Capital Strategy.
- 11.5 OPDC’s Capital Strategy will form part of a GLA group-wide strategy, intended to drive the Mayor’s capital investment ambition, whilst ensuring the sustainable, long-term delivery of services. The strategy demonstrates that our capital expenditure decisions are made in line with Mayoral priorities and properly take account of stewardship, value for money, prudence, sustainability and affordability and give due regard to risk and reward.
- 11.6 The strategy leverages early public funding, together with available town planning funding sources such as s106 and in time, the Mayoral Community Infrastructure Levy. Our aim is to deploy public capital efficiently to derisk delivery and bring forward the scale of private investment in Old Oak that will be needed for such a significant and important regeneration programme.

- 11.7 The aims of the Capital Strategy are to:
- provide ongoing deployment of funding to support the assembly of private land interests, together with future investment in the infrastructure needed to de-risk and unlock development
 - transition, over the next two years, to potential co-investment alongside private investors and development partner(s) following the procurement process that we will launch in 2026
 - set out how we identify, prioritise and programme funding requirements from GLA
 - consider other options available for funding capital expenditure and identify the resources available for investment over the long term
 - identify capital income streams assessing the associated risks and profiling
 - establish effective arrangements for the oversight and management of expenditure, including the assessment of deliverability, outcomes, budget profiling and value for money.

Benefits

- 11.8 The benefits of preparing a Capital Strategy for OPDC are to:
- provide a clear framework in which OPDC's capital investment decisions are made
 - help ensure OPDC's capital plans align to the Mayor's priorities and ultimately achieves OPDC's objective
 - promote transparency and accountability, ensuring that OPDC takes ownership of its decisions and commitments.

Approach

- 11.9 To ensure that capital resources are allocated optimally and deliver value for money, OPDC's long-term capital planning is determined in parallel with the annual statutory GLA budget process.
- 11.10 OPDC has a Long-term financial model, that underpins the Capital Strategy and forecasts capital expenditure over a long-term period. This model was used when developing the Outline Business case for OPDC to prove viability of the Old Oak regeneration scheme.
- 11.11 OPDC operates within the overall legislative and governance framework provided by the GLA Act 1999 and 2007 (which include the London Assembly's power of summons and budgetary approval), provisions of the Local Government Act 1972 and the Localism Act 2011.
- 11.12 To aid good decision making and ensure that public funds are optimally utilised, OPDC has put in place capital investment oversight and appraisal mechanisms that include:
- OPDC Board: review and approval of capital investment decisions and approval of the OPDC capital budget before submission to GLA. Review of quarterly Corporate Management accounts, which includes year-to-date capital expenditure versus budget and forecast outturn for the financial year

- Development, Investment and Sustainability Committee (DISCo): detailed review of valuations and due diligence performed of capital investment decisions and approval within delegated authority
- Audit and Risk Committee (ARC): detailed review and approval of the corporation's Annual Report and Accounts, including capital expenditure and income
- Executive Management Team: executive oversight of capital investment decisions and review of monthly Corporate Management Accounts and other business updates that have an impact on capital income of expenditure
- Delivery Programme Board: monthly overview of progress across the Old Oak development programme, upcoming priorities, and the opportunity to explore risks, issues and challenges and how these can be addressed.

11.13 OPDC's Capital Strategy and long-term model is updated on an annual basis (as a minimum) and shared with key stakeholders, including the GLA and the OPDC Board.

Influences

11.14 OPDC continues to engage with government departments, exploring options for further capital investment to secure delivery, given the long-term nature of the scheme, and the range of factors that will have a direct impact on delivery and outcomes including:

Internal

- a) current policy priorities which include the need to deliver homes at pace in a range of tenures, support economic growth, and contribute to Mayoral and government net zero targets by 2030.

External

- b) economic and market conditions and how these can influence investor and developer appetite, delivery costs and ultimately values and receipts
- c) commercial arrangements with partners, the deployment of both public and private sources of capital, and the allocation of risk and associated returns. Further information on this will emerge through market engagement and the procurement process
- d) availability and deployment of delivery resources, both within OPDC but also within stakeholder and partners and their supply chains to maintain momentum.

Policies

11.15 OPDC's Capital Strategy (including the comprehensive scheme and climate strategy) is aligned to the Mayor's priorities of affordable housing, economy and environment.

11.16 The priority capital programmes included in OPDC's capital ambition are outlined in the capital spending plan sections below.

5-Year Capital Spending Plan

11.17 OPDC's 5-Year capital spending plan's primary focus is to support the activities required to enable the Old Oak regeneration scheme to deliver circa 8,000 homes and 150,000 to 200,000 square metres of workspace in a new urban district. This includes the acquisition of privately owned land required to deliver the scheme (through private treaty where possible, or using Compulsory Purchase Order (CPO) powers) and progression of design and planning work on early infrastructure requirements.

- 11.18 OPDC's detailed five-year CSP of £268 million over 2025-30 can be summarised, as follows:
- Capital Programme (Land Assembly and Planning & Design)
 - Heat Network
- 11.19 OPDC's five-year spending plan is outlined in the table below (Table 3).

Capital Programme: Land Assembly and Planning & Design

Mayoral priorities: Affordable housing

- 11.20 The OPDC has built up significant momentum over the last couple of years with regards to land assembly and approximately 94 per cent of the land required for the Old Oak scheme is in public ownership.
- 11.21 OPDC's capital forecast for land assembly decreases in 2026-27 as we move towards closing out our land purchases.
- 11.22 As outlined in the Outline Business Case, agreed by government partners, existing public land will be brought together with the private sites acquired by OPDC to enable the comprehensive regeneration of Old Oak.
- 11.23 OPDC will continue to progress forward with planning and design work with the intention of securing government agency grants and developer contributions to offset these costs (see 20-year capital plan for more details) and will continue to consult with the GLA on future capital needs.

Heat Network (OPEN Project)

Mayoral priorities: Environment

- 11.24 The innovative Heat Network will provide low carbon heating captured from data centres into the local community including homes, schools and a major hospital. The new district heating network is key to helping achieve a zero carbon and sustainable new urban district. This substantial scheme is expected to deliver 95GWh of heat across five phases between 2026 and 2040.
- 11.25 In March 2025 the OPDC Board appointed Hemiko as the Development and Funding Partner who will fund, develop, build, own, operate and maintain the Heat Network. They submitted their planning application in October 2025 and are working towards a final project approval due in 2026-27.

Table 3: OPDC Capital plan

OPDC - Capital spending plan	Forecast	Budget	Plan	Plan	Plan
	Outturn	2026-27	2027-28	2028-29	2029-30
	2025-26	£m	£m	£m	£m
OPDC Capital Programme	112.4	38.0	6.8	-	-
Infrastructure	-	-	-	-	75.9
Heat Network	-	35.0	-	-	-
Total expenditure	112.4	73.0	6.8	-	75.9
Capital Grants & Third Party Contributions	-	35.0	-	-	75.9
Borrowing	112.4	38.0	6.8	-	-
Total funding	112.4	73.0	6.8	-	75.9

- 11.26 It is assumed that interest payments will continue to be covered by GLA. See Table 4 below for Capital financing costs schedule.

Table 4: OPDC - Capital financing costs

OPDC – Capital financing costs	Forecast	Budget	Plan	Plan	Plan
	Outturn	2026-27	2027-28	2028-29	2029-30
	2025-26	£m	£m	£m	£m
Interest costs associated with external borrowing	4.5	8.7	10.1	10.5	12.4
Total	4.5	8.7	10.1	10.5	12.4

20-Year Capital Requirement

- 11.27 Whilst OPDC explores opportunities to secure additional capital funding from government, its agencies and the private sector, the Mayor proposes that capital support to OPDC should be provided as loan funding. This funding would be to finance land acquisition, infrastructure and enabling works and associated due diligence costs for the purposes of both de-risking delivery and accelerating OPDC’s target to start on site in the first half of 2029 and to achieve 1,100 starts by March 2030.
- 11.28 In addition to secured public funding, additional public grant (recoverable) will be required alongside re-investment of CIL and s106 into enabling infrastructure. A bid was submitted to central government for enabling strategic infrastructure, specifically for the East West bridge and North Acton station improvements. The outcome of the bid has yet to be confirmed.
- 11.29 In addition, it is expected that additional financial transactions will be required, such as finance through Homes England, the National Housing Bank and National Infrastructure and Service Transformation Authority (NISTA) to support strategic enabling infrastructure. OPDC delivery team continues to work closely with the Greater London Authority (GLA) and Ministry of Housing, Communities & Local Government (MHCLG) to secure future funding.
- 11.30 OPDC will continue to move forward with plans for delivery; continuing to acquire and commit to securing the private land needed for the scheme.

20-Year Capital Spending and Funding Plan

11.31 OPDC’s capital spending plan and funding for OPDC’s capital programme is outlined in Table 5 below.

Table 5: OPDC – 20 Year Capital Spending and Funding Plan

OPDC - Capital Spending Plan	Forecast Outturn	Budget	Plan	Plan	Plan	Plan	Plan	Plan
	2025-26	2026-27	2027- 28	2028- 29	2029- 30	2030- 31 to 2034- 35	2035- 36 to 2039- 40	2040-41 to 2044-45
	£m	£m	£m	£m	£m	£m	£m	£m
OPDC Capital Programme	112.4	38.0	6.8	-	-	-	-	-
Infrastructure	-	-	-	-	75.9	210.9	116.8	-
Heat Network	-	35.0	-	-	-	-	-	-
Total expenditure	112.4	73.0	6.8	-	75.9	210.9	116.8	-
Capital Grants & Third Party Contributions	-	35.0	-	-	75.9	210.9	116.8	-
Borrowing	112.4	38.0	6.8	-	-	-	-	-
Total funding	112.4	73.0	6.8	-	75.9	210.9	116.8	-

11.32 Between 2022-25 OPDC has been successful in securing funding for capital projects of which £341 million has been secured for early Land Assembly activity. This includes MHCLG BIL Funding (£54 million), GLA Land Fund (£50 million) and existing GLA loan facility that was approved in the 2024-25 budget (£100 million) and the 2025-26 budget (£75 million), s106 and lease premium funding (£12.1 million), as well as MHCLG Funding in 2024-25 (£25 million).

11.33 In addition, a £35 million capital grant has been secured by OPDC in 2024-25 for the development of a Heat Network Energy Centre.

11.34 At the time of the 2025-26 budget the GLA approved borrowing limits are as below:

2023-24	2024-25	2025-26	2026-27
£50 million	£100 million	£225 million	£225 million

11.35 Analysis carried out during 2025-26 indicated that based on Delivery Plans, OPDC would require further funding of £25 million to continue with the programme. This has been approved and the borrowing facility has been increased accordingly.

- 11.36 OPDC continues to engage with government departments, exploring options for further capital investment to secure delivery, given the long-term nature of the scheme, currently reflected in Table 5 above, within ‘Capital grants and third-party contributions’.
- 11.37 The Authorised Limit and Operational Boundary for external debt for OPDC arising from its plans are set out in the below tables.
- 11.38 The proposed Authorised Limits and Operational Boundaries for external debt for OPDC arising from its plans are set out in the below tables.

Table 6: OPDC - Borrowing limits

OPDC - Borrowing limits	Current Approval 2025-26 £m	Revised Approval 2025-26 £m	Approved 2026-27 £m	Plan 2028-28 £m	Plan 2028-29 £m	Plan 2029-30 £m
Authorised Limit						
Borrowing	225.0	225.0	250.0	250.0	250.0	250.0
OPDC Total	225.0	225.0	250.0	250.0	250.0	250.0
Operational limit						
Borrowing	215.0	215.0	240.0	240.0	240.0	240.0
OPDC Total	215.0	215.0	240.0	240.0	240.0	240.0

- 11.39 It is noted that the increased borrowing outlined above includes funding for land assembly and the Capital planning, design fees, power supply reservations element of infrastructure enabling costs.
- 11.40 Funding is to be sourced for the majority of ‘enabling infrastructure costs’ that will be required to successfully deliver the Old Oak Regeneration Programme.
- 11.41 OPDC continue to progress forward with the intention of securing government agency grants and developer contributions to offset these costs; however, in the absence of any certainty around this it might be assumed that additional borrowing may be required.

Capital Strategy – Delivery, Affordability and Risk

- 11.42 Within the Prudential Code it is the responsibility of the Chief Finance Officer to explicitly report on the delivery, affordability and the risks associated with this Strategy. This is set out in the following paragraphs.

Delivery

- 11.43 OPDC’s Capital Investment Plan is informed by the financial model for the Old Oak project which builds upon the original financial model prepared as part of the Outline Business Case (OBC) for OPDC, which was approved by our government partners, Department for Transport (DfT), Ministry of Housing, Communities and Local Government (MHCLG), HS2 and Network Rail.

- 11.44 OPDC's Executive Management Team receive regular updates on capital budgets and more formally through our quarterly performance report that goes through a vigorous review and challenge process with the CEO and CFO. This quarterly report is used by the GLA to hold us to account and is shared with the London Assembly.
- 11.45 There is also regular reporting on the comprehensive scheme, both to the Executive Management Team, OPDC Board and the GLA, giving the opportunity to review and challenge the delivery of the scheme and any changes to both the timing and value of the Capital Investment Plan.

Affordability

- 11.46 Affordability is critical in applying the Capital Strategy and approving projects for inclusion in the Capital Investment Plan. The OBC, supported by the long-term model, proves the viability of the comprehensive scheme, showing that that the income receipts would repay any expenditure funded through the borrowing.

Risks

- 11.47 OPDC continue to consider risks of the programme as part of its governance processes. Potential risks to the programme include:
- a loss or reduction in political support from central government
 - a failure to secure land or funding necessary for delivery
 - a deterioration in economic conditions and adverse change to market sentiment
 - challenges to public processes including procurement.
- 11.48 We continue to have regular communication and engagement with key stakeholders as we move forward, collaborative forums and steering groups have been established to mitigate the above risks where possible.
- 11.49 In terms of management of finances and risks relating to this, borrowing limits are agreed with the GLA on an annual basis and the progress of the comprehensive scheme discussed regularly.