
Old Oak and Park Royal Development Corporation

- 8.1 The Mayoral Development Corporation (MDC) for the Old Oak and Park Royal area came into operation on 1 April 2015. Old Oak is one of the largest regeneration opportunities in Western Europe. There is potential to transform over 134 hectares of brownfield land in Central London into an exemplar new sustainable and inclusive community. The provision of market and affordable housing in an area of high housing demand will benefit those that live there and will attract newcomers.
- 8.2 The new Old Oak Common station will be the UK's largest ever sub-surface station and will be the largest station to be built in the country in a century. When it opens in 2026, transport connectivity between Old Oak and Central London, Heathrow and the wider UK will be outstanding. The Old Oak and Park Royal Development Corporation (OPDC), utilising its planning and regeneration powers, will ensure that all these benefits are captured and maximised to deliver much-needed homes and jobs in London.

Key deliverables

- 8.3 The Mayor's London Plan and OPDC's Local Plan identify Old Oak and Park Royal as having capacity for 25,500 new homes and 65,000 jobs.
- 8.4 A package of public and private investment is now required to unlock and drive forward delivery of the first sizeable phases of development. It is envisaged that Old Oak will become a place characterised by high-quality design and public realm, an intelligent mix of uses, significant levels of affordable housing, and a sustainable approach to managing energy and other utilities.

The Corporation has submitted a bid for Central Government Housing Infrastructure Fund funding of £250 million, which would address the spatial and financial challenges inherent within the scale of the development and ambition proposed. The key deliverables are to:

- Fund the prompt delivery of road and utility infrastructure to make currently inaccessible land open for redevelopment;
- Consolidate fragmented land ownerships to create attractive and de-risked development platforms that will bring certainty and speed of housing delivery; and
- Ensure the skills and leadership, already in place at OPDC, can secure delivery of a high-quality new place to the benefit of both London and the UK.

Gross revenue expenditure

- 8.5 The Mayor's proposed gross revenue expenditure for the OPDC in 2019-20 is £11.0 million.

Net revenue budget and council tax requirement

- 8.6 The following table sets out the proposed budget for OPDC on an objective basis.

Objective analysis	Revised Budget	Forecast Outturn	Budget	Plan	Plan	Plan
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	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	£m	£m	£m	£m	£m	£m
CEO Office	0.8	0.8	1.0	1.0	1.0	1.0
Planning	2.5	2.4	3.0	2.5	2.2	2.2
Technical	1.9	3.0	1.7	1.7	1.7	1.7
Commercial	0.5	1.8	2.1	2.1	2.1	2.1
Corporate Operations	1.9	1.9	3.1	3.1	3.1	3.1
Total expenditure	7.7	9.9	11.0	10.5	10.2	10.2
Planning application income	-0.4	-0.3	-0.7	-0.7	-0.7	-0.7
Other income	-0.5	-0.5	-0.8	-0.3	0.0	0.0
Total Income	-0.9	-0.8	-1.5	-1.0	-0.7	-0.7
Financing requirement	6.8	9.1	9.5	9.5	9.5	9.5
Business rates	6.8	6.8	9.5	9.5	9.5	9.5
Mayoral Development						
Corporation Reserve	0.0	2.3	0.0	0.0	0.0	0.0
Council tax requirement	0.0	0.0	0.0	0.0	0.0	0.0

Explanation of budget changes

- 8.7 An analysis of the year-on-year movement in the council tax requirement, comparing the revised 2018-19 budget to the proposed 2019-20 budget, is set out below.

Changes in the council tax requirement	£m
2018-19 council tax requirement	0.0
<i>Changes due to:</i>	
Inflation	0.0
Savings and efficiencies	-0.3
Net change in service expenditure and income	3.0
Net change in GLA funding	-2.7
2019-20 council tax requirement	0.0

Inflation

- 8.8 1% pay inflation has been assumed in the budget.

Savings and efficiencies

- 8.9 The budget incorporates planned savings and efficiencies of £0.3 million. This reflects additional planning income.

Net change in service expenditure and income

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- 8.10 The Budget proposes new initiatives and service improvements totalling £3.0m million to take forward the Corporation's key deliverables; specifically reflecting the additional resource that officers consider will be required in the event that the OPDC bid for £250 million of Housing Infrastructure Fund money is successful.

Change in GLA funding

- 8.11 The OPDC receives its revenue funding via the GLA, paid from business rates and funds held in the Mayoral Development Corporation Reserve. The funding provided by the GLA will increase by £2.7 million to ensure that the Corporation is adequately resourced to manage its capital programme.

Equalities

- 8.12 Equality for all is at the centre of the corporate strategy of OPDC, which is to improve lives through employability, improved homes and exemplar neighbourhoods. OPDC's approach includes creating a diverse and inclusive workforce through measures such as the development of a clear action plan to achieve the objective and through monitoring, analysing and publishing workforce equalities data. OPDC also promotes regeneration and community engagement through measures such as providing training and skills development for residents and businesses; developing volunteering and mentoring opportunities for residents and communities; and reducing the impact of health inequalities by maximising health and sports facilities in the development area.

Environmental impact

- 8.13 The OPDC area will benefit from a highly-connected network of new and improved streets and open spaces, which will encourage exemplary walking and cycling. Located at the only point where HS2 meets the Elizabeth Line, Old Oak and Park Royal will have one of the most connected 'hubs' on the rail network anywhere in the country. With a redesigned and improved local bus network, and a significantly transformed road network, sustainable transport will be embedded at the heart of the future masterplan. As a member of the GLA Group, OPDC supports the measures in the draft London Environment Strategy, such as increasing access to tap water, reducing emissions, and reducing the OPDC's waste and increasing recycling rates.

Reserves

- 8.14 OPDC has no reserves as its operational expenditure is funded by the GLA through business rates and balances held on the Mayoral Development Corporation Reserve. The balance of the contingency for activity in the OPDC area, held in the Mayoral Development Corporation Reserve, is available to meet any unexpected operational pressures.

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Appendix

GLA Group Four-Year Efficiency Plan

Savings and efficiencies across the GLA Group

The total savings and efficiencies to 2022-23 which have been identified across the Group are summarised below. The figures are presented on an **incremental** basis and do not include any savings still to be identified.

Savings and efficiencies	2019-20	2020-21	2021-22	2022-23
	£m	£m	£m	£m
GLA: Mayor				
GLA: London Assembly				
MOPAC				
LFC				
TfL				
LLDC				
OPDC	0.3	0.0	0.0	0.0
Total				

The table below sets out the savings to be identified within the budgets of each of the GLA Group functional bodies. The figures are set out on a **cumulative** basis because the plans to meet these savings are being developed - until the plans have been completed the savings cannot be said to have been identified and so accumulate across the four years.

Savings to be identified	2019-20	2020-21	2021-22	2022-23
	£m	£m	£m	£m
GLA: Mayor				
GLA: London Assembly				
MOPAC				
LFC				
TfL				
LLDC				
OPDC	0.0	0.0	0.0	0.0
Total				