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# Western Lands

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Strategic Outline Business Case (SOC) Final Draft  
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# Executive Summary

## *Introduction*

A new HS2 station will open in Old Oak Common (OOC) c.2030<sup>1</sup> with High Speed, GWR and Elizabeth Line services, bringing unrivalled connectivity into one of the London Plan's largest Opportunity Areas. This opportunity, unlocked by the major public investment in HS2, must maximise economic, housing, and regeneration outcomes doing so in a way that supports a transition to net-zero carbon economy. The 'Western Lands' is a project developed to meet this requirement.

By utilising large-scale, public sector brownfield land assets at Old Oak, Western Lands offers the possibility to construct a new London district, on a scale comparable with King's Cross and Canary Wharf. It will be a mixed-use residential and economic hub in west London with c.9,100 new homes, 2.5 million sq. ft of commercial space and will generate c.35,000 jobs; with direct, high speed connectivity to central London, Heathrow, Birmingham, and other major UK cities. The full benefits can only be unlocked by providing strategic infrastructure including local station capacity upgrades, public realm enhancements, new roads, bridges, pedestrian and cycle routes, and crucially by assembling the necessary land for joined up and coordinated delivery at pace. The Western Lands project will also catalyse wider regeneration within the Old Oak and Park Royal areas, spurring private sector investment to deliver the Opportunity Area's overall long-term capacity of 25,500 additional new homes<sup>2</sup>, and 56,500 new jobs.<sup>3</sup>

The government and the statutory Old Oak and Park Royal Development Corporation (OPDC), are in a strong position to deliver this opportunity: 80% of the developable land in the area is in public sector control (Department for Transport, via its arm's-length bodies: High Speed 2 Ltd and Network Rail), and OPDC has planning, Compulsory Purchase Order (CPO) and regeneration powers with a mandate and capability to bring regeneration forward. [REDACTED]

[REDACTED]

[REDACTED]

## *What is this business case asking for?*

This Strategic Outline Business Case (SOC) sets out the benefits of a funded intervention case and recommends that the government take an early decision on land consolidation to support the comprehensive regeneration of Old Oak setting out how intervention can deliver more, sooner and better than the 'Do Nothing' scenario. Without intervention there will be fewer homes and fewer jobs; delivery will be slower with little to show by way of 'placemaking' or sustainable development.

The business case for HS2 rests largely on the economic growth, new housing and environmental benefits it can deliver, and Old Oak is the location where this opportunity is largest, given the scale of public land available, the size and connectivity of the new station, and its location in a global city.

This SOC summarises the different ways in which the intervention case for Western Lands can be delivered. In due course, the extent of funding support, method and timing of land transfer, structure of delivery body, procurement of private sector partners, and routes to deliver infrastructure will require decisions. Further detailed business cases will be prepared to this end. These subsequent decisions will have impacts on several government stakeholders; [REDACTED]

[REDACTED]

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<sup>1</sup> HS2's published timeframe is that the station will be delivered between 2029-2033. This SOC uses 2030 as its assumption for the opening of the new station.

<sup>2</sup> Total housing capacity of 26,000, of which 19,850 are deliverable by 2038 including those proposed to be delivered directly within this SOC.

<sup>3</sup> Jobs and homes targets are set out in the OPDC Local Plan.



However, at this stage, the SOC advocates a cross-government approach to a delivery strategy, which strives to maximise value for the public purse.

An essential pre-condition to achieving this is the need to consolidate land owned by the Secretary of State for Transport (via Network Rail and HS2 Ltd) into a single entity, which will have responsibility for the regeneration of Old Oak. This SOC is seeking an agreement in principle to consolidate government-owned land into a single entity. The delivery and funding options presented in the SOC are included to give the government transparency on the likely cost of the project and provide assurance that the project is deliverable.

### ***Why does this need to be decided now?***

HS2 Ltd.'s anticipated opening date for OOC is the crucial driver for the need to act now. Because of the complex nature of the surrounding land, time is needed now to plan and invest in this area so that development can come forward in a phased and controlled way, as sites are released from their operational uses (most of which will be ahead of station opening). The project will benefit from accelerating the procurement of private sector partners, to bring their investment and capability into the scheme at the earliest stage. Without this preparation and investment, it is likely that development will be significantly delayed (by approximately four years<sup>4</sup>) and mostly follow in the years after HS2 is open. It will also certainly fail to deliver either the scale and quality of housing (including affordable housing), economic, social and place-making outcomes<sup>5</sup> that the new transport connectivity can support and at the pace the intervention can deliver.

The present inhospitable and disconnected urban landscape of Old Oak is not an appropriate context for a strategically important new interchange station (the largest station to be built in a single stage in UK history). Given HS2's commitment that OOC will contribute a £15 billion economic boost over the next 30 years, opening the new station without an active plan for regeneration poses significant reputational and political risks for both regional and national government.

In addition, as timescales become protracted, there is an increased risk of ad-hoc opportunistic development of privately controlled land. Ad hoc development within the Western Lands will undermine a comprehensively planned regeneration scheme, significantly compromising the development potential of the government's railway land, and deter major, long term 'master developer' and investment partners which the project needs to in order to maximise the benefits it can deliver.

The 'Do Nothing' scenario for this SOC highlights that without government intervention, there will be 5,600 fewer homes, little strategic infrastructure, and less value to the public purse; Old Oak will not be planned in a holistic way, and plot developers will seek to minimise costs and maximise density and value. The quality of the environment will be much reduced with no guaranteed 'character areas', less open space and fewer local amenities – all issues which blight the area in its current state and which are evident in some of the more recent piecemeal developments in North Acton.

A comprehensive and co-ordinated approach is also necessary to deliver key infrastructure components such as bridges, utilities, and road access, that will be impossible if sites remain subject to piecemeal and disconnected development. Placemaking around the OOC station will be stilted, rather than optimising the benefits and investment value.

If we act now, we can maximise the economic, housing and regeneration outcomes associated with HS2 in Old Oak.

<sup>4</sup> Estimated by comparing forecasted phasing for both direct development and wider development catalysed by the schemes between the 'Do Nothing' and Preferred Intervention Cases.

<sup>5</sup> Source: HS2 Ltd <https://www.hs2.org.uk/stations/old-oak-common/>

## ***Business Case Structure and development***

The SOC follows the Treasury's five-case structure. A summary of the purpose of each case is set out below noting how these contribute to articulating the overall ask of this SOC:

- **Strategic Case:** The case for intervention at Old Oak and the reasons for taking timely action now. How intervention will require inputs from central government departments, national and regional agencies and local government to ensure the necessary land, funding, powers and resources are available. The Strategic Case seeks to establish cross-department support for the proposals at Old Oak.
- **Economic Case:** The economic case assesses a long list of options against the Critical Success Factors (CSF) to develop a short list of development options, which are appraised against the do-nothing scenario. The case highlights the net additional social benefits and value for money that is supported in the preferred development option, relative to do the 'Do Nothing' case.
- **Financial Case:** Whilst not seeking approval for funding, the financial case sets out why the significant up-front cost [REDACTED] requires funding support. [REDACTED]  
[REDACTED]
- **Commercial Case:** The financial case identifies nearly £6bn of potential private sector investment. Whilst not seeking approval for the procurement of a private sector partner, the commercial case sets out how we can bring in the expertise and investment required to deliver the scheme from the private sector, and what conditions the public sector needs to meet in order to secure and maximise that investment. [REDACTED] The Commercial Case seeks to provide assurance that the scheme is deliverable and can achieve the government's objectives, setting out how early decisions on land and governance are required to enable a successful procurement.
- **Management Case:** Delivering a complicated and long-term project requires a robust and fit for purpose management framework. Old Oak is particularly complicated because of the interplay between rail agency/DfT land, DLUHC and/or HE funding, GLA funding, and OPDC as the statutory development corporation. Ensuring an efficient, simple management and governance regime will be essential and the management case sets out how land, resourcing, funding and powers could be assembled to achieve this, as a single controlling agency is a 'must have' to secure private sector investment.

The SOC is supported by evidence from the OPDC Local Plan (to be adopted early 2022), extensive strategy and technical work by OPDC and Homes England, and a variety of associated technical studies undertaken by technical advisors. The underlying evidence that supports this SOC is at a development stage and further technical work will be undertaken at Outline Business Case (OBC)/Full Business Case (FBC) stages.

### ***Strategic Case***

The Western Lands project directly addresses several key policy priorities, the first being housing supply. London has a need for more homes to address increasing demand and affordability pressures. The London Plan has a target to achieve 66,000 net additional homes a year. Local affordable waiting lists stand at 36,000 with the wait for council housing in the London Borough of Brent – one of the three OPDC boroughs - being 14 years. Optimising and accelerating new regeneration and housing opportunities on public sector brownfield sites such as Old Oak, with its premium transport connectivity, is crucial to addressing this challenge. The Old Oak and Park Royal Opportunity Area is the largest brownfield housing site in London and has the largest housing target of any of the London Plan's 47 Opportunity Areas with a target to deliver 25,500 new homes.



In addition, Western Lands will support major new economic development and inward investment that can address local deprivation and poverty. Local communities surrounding the Western Lands are some of the most disadvantaged in London, and the project offers considerable scope to 'level up' locally, improving local skills, life chances and incomes<sup>6</sup>.

Compared to the London average, household incomes in the OPDC area are 25% lower; residents are less likely to have a degree level qualification; and are more likely to be long-term unemployed. The area has higher than average levels of overcrowding, and high levels of social renting (46.7% inside the OPDC boundary, compared to 23.6% in the three adjoining boroughs). Health outcomes are poor, rates of disability, long-term health problems and childhood obesity are high, and life expectancy is lower than average. The impact of Covid-19 saw a 130% increase in Universal Credit claimants in 2020 with the latest data remaining at similar levels.

**Figure 0.1 Local Context – DLUHC Indices of multiple deprivation – 2019**



Source: Consumer Data Research Centre / Department for Levelling Up, Housing and Communities

The Western Lands project offers a meaningful opportunity to demonstrate delivery against these policy priorities. Comprehensively planning the regeneration of Old Oak will not only maximise housing quantum and pace, but also offers the opportunity to 'build back better' through the design of a cohesive, sustainable and beautiful place.

<sup>6</sup> [https://www.london.gov.uk/sites/default/files/48\\_social\\_economic\\_baseline\\_study\\_2018.pdf](https://www.london.gov.uk/sites/default/files/48_social_economic_baseline_study_2018.pdf)



There is scope to further drive economic growth and local prosperity as the key Old Oak development sites are immediately adjacent to the Park Royal industrial estate. Park Royal is the largest industrial estate in the UK, directly employing some 46,000 workers and the new White City tech district is a very short distance away. Once open, the OOC station will benefit from rapid transport links to Birmingham, Oxford and the Thames Valley, Heathrow, central London and the Canary Wharf financial district. Supporting the area through a managed investment and regeneration programme should attract major new inward investment and give business the long-term confidence and commitment to invest in their workforces. This also offers considerable potential to for additional, and high skilled job creation and build on existing initiatives to improve local skills training and access to employment.

It is the intention of OPDC, Homes England, Department for Levelling Up, Housing and Communities (DLUHC) and Department for Transport (DfT) that the Western Lands will be a flagship project to demonstrate the government's policy priorities in action. To crystallise this, the following objectives have been jointly established:

- **Homes:** Maximise housing delivery to provide up to 10,000 new high-quality homes at a range of affordability levels to meet local housing need; this to catalyse a further 15,000 homes in the OPDC area over the longer term
- **Pace:** Accelerate delivery of 'early win' sites and infrastructure, secure completed and occupied development at scale ahead of the opening of HS2;
- **Place:** Build back better to create a new piece of London that is integrated with existing communities and provides high quality spaces to live, work and enjoy;
- **Public value:** Optimise use of public sector land to invest for the long-term and deliver HS2 and Crossrail legacy through homes, jobs and community benefit;
- **Economy:** Improve physical connectivity between transport investments and industrial areas to drive job creation and regional and national economic growth; and
- **Environment:** Deliver a new urban quarter that is zero carbon in use, protects and enhances the existing environment and biodiversity, and supports healthy and sustainable lifestyles.

The ability of the project to meet these objectives is currently impeded by several barriers to development:

1. [REDACTED]
2. Severance: Old Oak is criss-crossed by rail infrastructure, heavily trafficked roads, and the Grand Union Canal. Walking and cycling around the historically industrial area are unsafe, unpleasant, and disjointed, with many routes unsuitable for those with reduced mobility.
3. 'Bad neighbour' uses multiple sites in the Western Lands [REDACTED]  
[REDACTED] These unamenable land uses need to be relocated to alternative sites to facilitate development.

These barriers cannot be overcome by the private sector alone and without government intervention, complex land ownership, co-ordination failure (across the public and private sectors) and large up-front infrastructure costs will prevent a comprehensive development coming forward that maximises the growth opportunity.

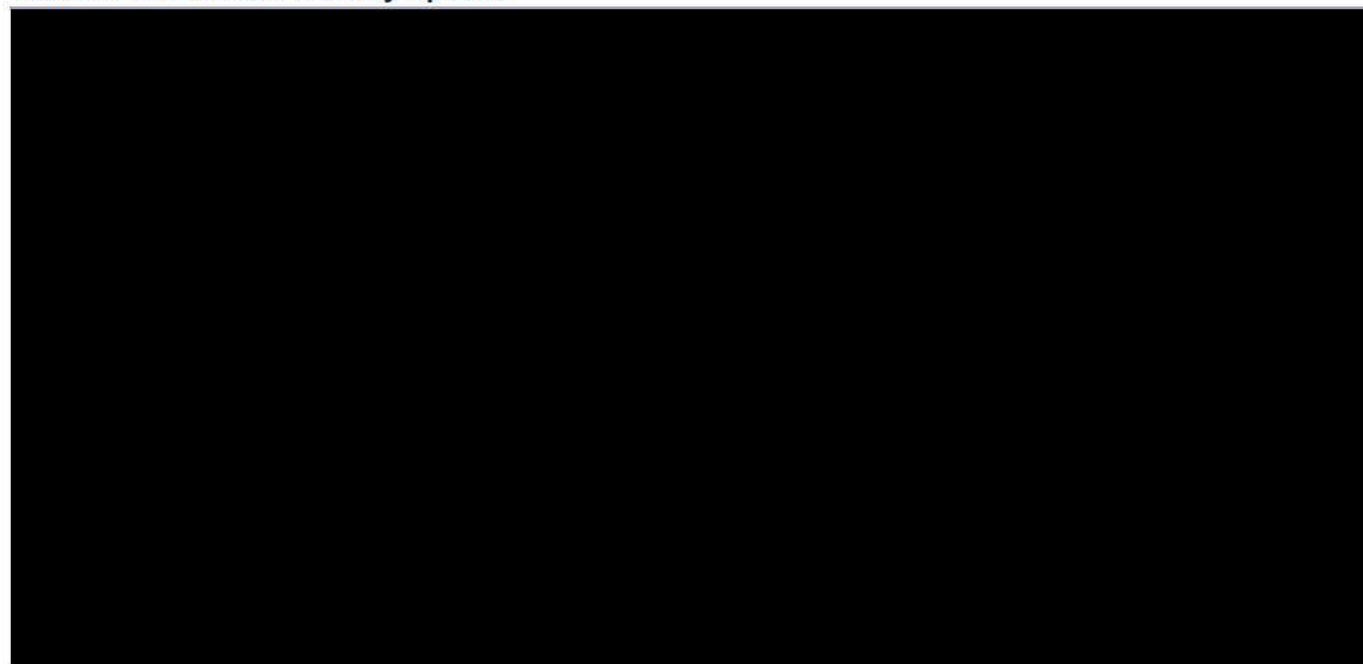
### ***Economic Case***

Having established that there is a strong strategic rationale for the Western Lands project, the Economic Case considers a long list of options for government intervention and assesses the extent to which the benefits supported in each scenario outweigh their associated cost, thereby providing value for money. The economic appraisal identifies the preferred option, [REDACTED]

The long list of development options for Western Lands varies in terms of the amount of infrastructure delivered and the land assembled. [REDACTED]

The nine long listed scheme options are appraised against critical success factors to arrive at a short list of three intervention cases, which are each assessed for Value for Money against the 'Do Nothing' scenario (see **Table 0.1**).

**Table 0.1 Short Listed Delivery Options**



Source: OPDC 2021.

Preliminary analysis shows that when compared against what would happen if no action was taken (the 'Do Nothing'), the preferred development option for Western Lands provides value for money on public investment, with a core benefit cost ratio (BCR) of 3.3 and an adjusted BCR of 3.5<sup>7</sup>. There are further socio-economic benefits, which the preferred option would support but which have not been quantified, and as such, the BCR is considered a conservative estimate for this stage of business case development.

### ***Financial Case***

The Financial Case explores the funding requirement for the Western Lands project; it builds on the Economic Case by financially appraising the 'Preferred Intervention' option. This SOC does not seek approval for funding at this stage. [REDACTED]

<sup>7</sup> The core BCR only looks at land value uplift, whereas the adjusted BCR includes wider impacts that have been quantified.



Funding for Western Lands is required for three reasons:

- cashflow support to help with the large up-front cost [REDACTED] delivering enabling infrastructure. These early costs cannot be met by the private sector or through OPDC's planning income alone;
- funding to support the levels of affordable housing required under OPDC and the London Plan planning policies, where this cannot be delivered through planning viability alone [REDACTED] and,
- funding to support an overall viability gap due to the significant infrastructure required to deliver this scheme and unlock the delivery of numerous third-party sites.

To address these, the modelling first tests the greatest possible contribution by the private sector [REDACTED]. Subsequently, it optimises the use of existing programmes such as the Affordable Homes Programme [REDACTED]. The additional funding requirement is then calculated, and following this, OPDC's income from planning obligations [REDACTED] is used to recover the central government funding of infrastructure. Additional public sector expenditure is therefore the funding source of last resort.

The financial appraisal of the 'preferred option' highlights that the extent of additional public sector expenditure required to facilitate the Western Lands project [REDACTED]

**Table 0.2 Public Sector Cashflow Implications** [REDACTED]

Metrics	[REDACTED]	[REDACTED]
Viability Gap / Grant requirement	[REDACTED]	[REDACTED]
Peak grant funding requirement net of Community Infrastructure Levy (CIL) and DfT land receipts	[REDACTED]	[REDACTED]
Net government position (including DfT land payment)	[REDACTED]	[REDACTED]

Source: OPDC 2021.



Source: OPDC 2021.



Source: OPDC 2021.

If this SOC is approved and the government agrees to the principle of consolidating public land into single-ownership, further detailed analysis to secure agreement on the method of transfer<sup>9</sup>, timing and value of the government land payment, structure and powers of a single entity, and the appropriate level of funding support will be required.

### **Commercial Case**

The Commercial Case explores the project's two major interfaces with the private sector to deliver the 'preferred scheme', namely:

- The procurement of a lead private sector partner or partners; and



In line with the preferred options developed in the Strategic, Economic, Financial Cases, this SOC highlights how the preferred option could be delivered. Further work will be required with more detailed optioneering to be undertaken at OBC and FBC stages.

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<sup>8</sup> Land payment amount is based on EUV + 20%, payable on a plot-by-plot basis as land is drawn down for development.

<sup>9</sup> Such as a Transfer Order following the principles in the Public Land for Housing Programme.





## Management Case

The Management Case considers how the public sector stakeholders involved in the Western Lands should organise land and resources to best achieve the strategic outcomes in this SOC. It suggests that transferring public land to a single vehicle that has a specific remit to deliver the Western Lands and can uphold a vision for the area, will secure the best outcomes at the Western Lands. Further work will be required on the structure of this vehicle, with more detailed optioneering to be undertaken at OBC and FBC stages.

Consolidating public-sector land into single ownership addresses the market failures in the following ways:

- **Practicalities of infrastructure delivery:** delivering roads, bridges and utilities on land owned by a single entity will avoid the delay and costs associated with undertaking negotiations with multiple landowners and occupiers.
- **Infrastructure cost and scheme viability:** establishing a single vehicle will enable the cost of infrastructure to be considered as part of the larger, strategic scheme. Without this, the cost of infrastructure would render some land unviable on a standalone basis, which would impede the surrounding development from coming forward. OPDC's draft Local Plan identifies an overall funding gap with the full suite of infrastructure unable to be fundable through planning obligations alone.
- **Attractiveness to the market:** delivering a project with the scale and complexity of Western Lands will require substantial investment and development expertise by the private sector, in addition to public sector land and funding. Establishing a single body with control over land will attract private partners and demonstrate a clear counterparty for their relationship with the public sector. [REDACTED]
- **Comprehensive planning and delivery:** a single delivery body will enable the area to be planned in a comprehensive way and prevent co-ordination failure. The area will be considered holistically so different neighbourhoods can be developed, responding appropriately to their context rather than seeking to maximise density and value on every plot at the expense of a cohesive and coherent design which meets the wider goal of creating a sustainable and high quality new urban district. Comprehensive delivery also means that open space and local amenities can be planned and delivered to support existing and new communities regardless of the site on which their development is located.
- **Singular vision and objectives:** a delivery vehicle will enable a clear vision and objectives for Western Lands. Without a dedicated delivery vehicle with the necessary powers and relationship with the private sector, different landowners (including public sector landowners) would inevitably have diverging objectives, leading to fragmented and piecemeal delivery.

Consequently, the Management Case seeks agreement from the government on the consolidation of land. It highlights that consolidating land into a single entity is the preferred route forward for the Western Lands and considers potential governance arrangements to support this approach.

The Management Case also considers (though does not seek approval for) potential delivery structures to illustrate a credible route to delivery. The recommendation is for a single entity with a specific remit for the regeneration of the Western Lands. This could be the Development Corporation or a new partnership between central and London government. The entity will need to attract and secure a private sector party with the skills, resources and appetite for a scheme of this scale. Delivering the public sector interests via a single entity is principally driven by the following objectives:

1. Bring parties together around a shared vision and alignment of economic interests;
2. Create an entity which has both longevity and flexibility;
3. Get the project going sooner rather than later with an entity which has liquidity; and
4. Create a structure which is market-facing and can attract long-term capital and delivery partners.

A public-led delivery entity is the route recommended by this SOC because it achieves these aims and creates a means to bring together private sector investment and capabilities, with DLUHC public sector funding support, DfT land and OPDC and Homes England regeneration powers. Vesting these disparate elements into a single entity offers the route most likely to attract a world class development partner, and most likely to maximise economic, housing and regeneration outcomes.

An example outline structure is proposed in the Management Case; however, the detailed legal, governance and financial arrangements will be subject to further review and analysis in a subsequent OBC.



# 1. Strategic Case

## STRATEGIC CASE SNAPSHOT: CHAPTER SUMMARY

### What can be delivered at Old Oak Common?

- In c.2030 HS2 will be opening the largest new railway station ever built in a single stage in the United Kingdom.
- This will bring unrivalled connectivity to an area with significant deprivation and acute housing need.
- Due to HS2 and the area's long railway history, DfT (via HS2 Ltd and NR) is the largest single landowner in the Western Lands development area.
- The Western Lands development capitalises on the HS2 investment, significant government landholdings and existing local connections to supercharge growth and housing delivery in the area.
- This scheme meets agreed project objectives across housing delivery, placemaking, speed of delivery, public value, economy, and environment.
- The scheme delivers over 9,000 new homes, a total of 3.8m sq. ft of employment and amenity space and nearly 28 acres of new public open space – it delivers more, significantly sooner than the 'Do Nothing' scenario (c.4,250 units delivered by OOC station opening, vs. estimated 1,570 in 'Do Nothing').
- The scheme will support an estimated 35,000 new jobs from construction as well as skills training and development. The new commercial space will also support additional permanent jobs. [REDACTED] [REDACTED] spurring the creation of a vibrant new West London economic hub.

### Why is intervention necessary?

- Whilst the public sector owns 80% of the developable land [REDACTED] in the Western Lands, further coordination and investment are required to optimise and maximise the opportunity on that land.
- [REDACTED]  
[REDACTED]  
[REDACTED] These upfront costs are too large for the private sector to bear alone.
- The area is subject to significant severance due to the criss-crossing of railways and the industrial, traffic dominant nature of roads. Investment and coordination are needed to deliver new connections and enabling infrastructure is required to address the severance and unlock development.
- The scheme will be delivered in an area of acute housing need and deprivation and therefore provides an opportunity to deliver housing, jobs, and other community benefits in the surrounding area.

### Why act now?

- Work on [REDACTED] masterplanning, infrastructure and developer procurement is required now to make sites "shovel-ready" upon release by HS2 Ltd (c.2026-2030).
- A first phase of 1,500 – 2,500 homes can be started now, driving delivery and placemaking improvements that will deliver on the ground now and benefit future sites.
- Early partnering and risk-sharing with the private sector, which is required to enable the scheme, is only possible if a commitment to the scheme and the consolidation of land is agreed now.

### Further Information

- OPDC as the Local Planning Authority is well advanced in adopting its Local Plan. This key milestone provides a supportive planning policy framework for delivering the scheme.
- The key barriers to development and proposed intervention are summarised below. This includes new enabling infrastructure to overcome poor connectivity or severance in the area and assembling both public and private land required to deliver the scheme.

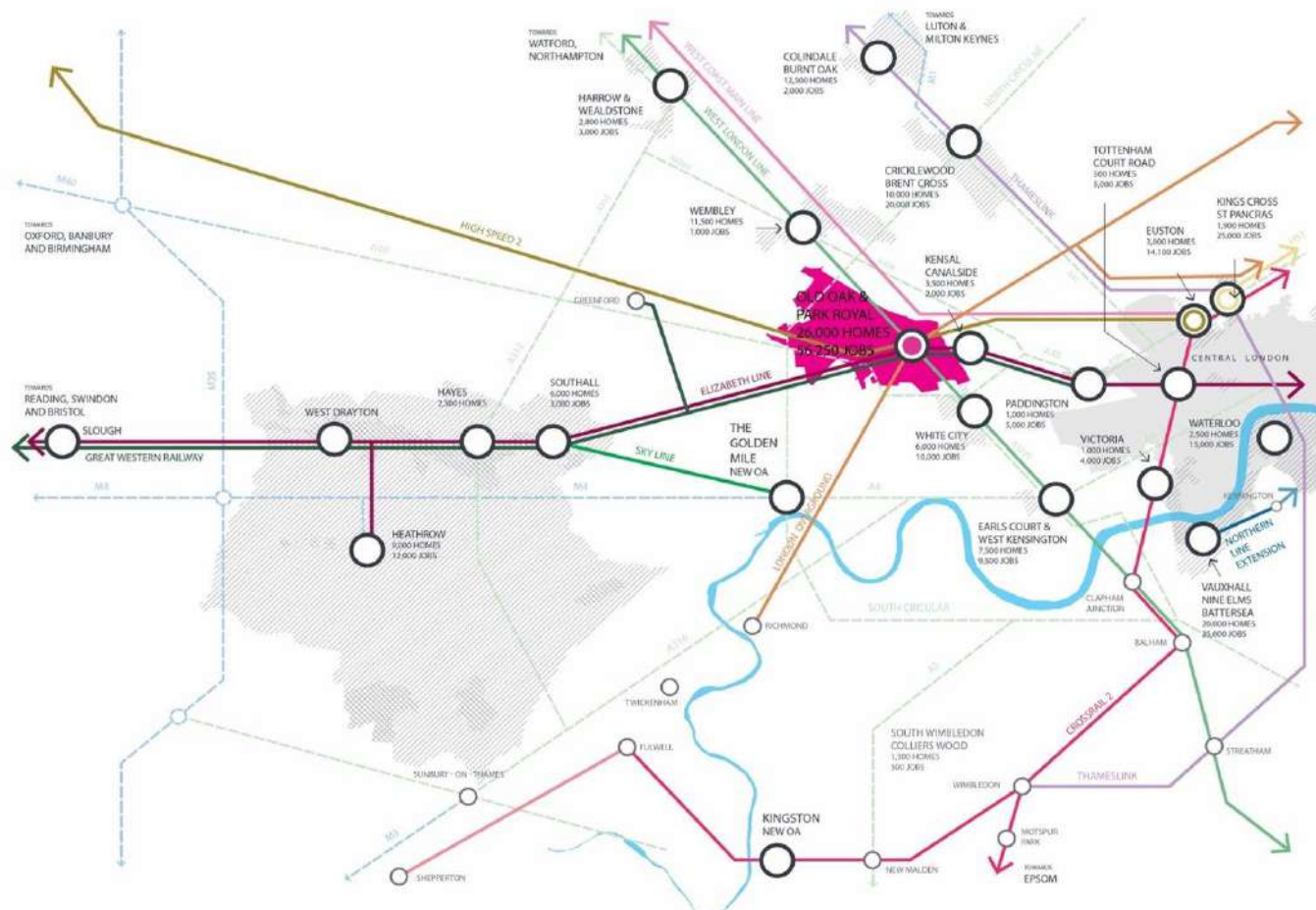
The proposed Theory of Change and a strategic risk assessment are also provided in this chapter.

## Part 1: The Strategic Context

### 1.1. A Major Regeneration Opportunity

1.1.1. The opening of the OOC HS2 station, expected in c.2030<sup>10</sup>, offers the opportunity to bring a significant transformation to the Old Oak area. Not only will the new station be the largest ever built in the UK<sup>11</sup>, it will also be the only location where HS2 services will interchange with both the Great Western mainline and the Elizabeth Line, therefore offering unrivalled accessibility and connectivity into the heart of one of London's largest Opportunity Areas (see **Figure 1.1**). The extensive land holdings adjacent to the station, mostly owned by Department for Transport (DfT) via its arms-length bodies HS2 Ltd and Network Rail (NR), have significant potential for new homes and employment on what is currently brownfield land.

**Figure 1.1 The OPDC Area within the London and Transport Context**



Source: OPDC Local Plan 2018.

<sup>10</sup> While DfT have publicly stated that the station will open in 2029-2033, for the purpose of informing and enabling the financial and economic modelling of this business case, an opening year of 2030 has been chosen.

<sup>11</sup> HS2 Ltd <https://www.hs2.org.uk/in-your-area/local-community-webpages/hs2-in-old-oak-and-north-acton/old-oak-common-station-current-works/>



**Figure 1.2 OOC Station and Park**



Source: HS2 2021

1.1.2. The opportunity in Old Oak is on a scale comparable to the largest regeneration schemes of recent decades such as Canary Wharf and King's Cross. The Local Plan identifies long-term capacity to deliver 25,500 new homes within the OPDC area, delivering housing for a new community the size of Stafford or Maidenhead. Old Oak and the surrounding Park Royal regeneration area can make a significant contribution to meeting the housing demand in London and delivering economic growth in an area of acute need.

1.1.3. Since the deposit of the HS2 Phase One Hybrid Bill in 2013<sup>12</sup> and establishment of OPDC in 2015<sup>13</sup>, the government has acknowledged the importance of Old Oak and Park Royal's regeneration potential through some of its successive strategic decisions.

<sup>12</sup> High Speed Rail (London-West Midlands) Act 2017 <https://bills.parliament.uk/bills/1313>

<sup>13</sup> OPDC Establishment Order [https://www.legislation.gov.uk/uksi/2015/53/pdfs/ukxi\\_20150053\\_en.pdf](https://www.legislation.gov.uk/uksi/2015/53/pdfs/ukxi_20150053_en.pdf)



1.1.4. There is a need for the government to ensure that the benefits of OOC station are maximised. If no further intervention is taken, the risk is that the c.£1.7bn investment in the new station fails to maximise the regeneration impact that it can have on the immediate area and West London as a whole. OPDC believes that by leveraging public landholdings and investing in key enabling infrastructure ahead of the station's opening, the local area can also capture the immense benefit of this investment and deliver far greater returns and benefits to London and to the UK economy.

## 1.2. The Western Lands

1.2.1. This SOC focuses on the development potential of Western Lands, located at the heart of the OPDC area, extending from Willesden Junction in the north to North Acton station and the future HS2/Elizabeth Line/Great West Mainline OOC station in the south (**Figure 1.3**). It includes the DfT, HS2 Ltd and NR landholdings adjacent to the station.

1.2.2. To the east of the Western Lands is the Old Oak North area, which is primarily industrial land occupied by a major used car dealership and waste functions. To the west of the Western Lands area is the Park Royal Industrial estate, London's largest industrial zone, which is responsible for handling a third of the capital's food supply and providing a vital link in the supply chain of retail, film and theatre, construction and retail. It has three hospitals (including Imperial College, a major teaching hospital) within 500m of the OPDC area as well as rapid train links to established innovation zones including Euston, Barts Life Sciences, Birmingham Innovation Quarter (via HS2) and Oxford. It benefits from its strategic location on major roads and proximity to Heathrow. While the Western Lands development will likely have knock-on impacts in the wider OPDC area, the interventions proposed in this business case do not extend into Old Oak North or Park Royal Industrial Estate. Further details on the wider context of Old Oak and Park Royal are given in Appendix 1.

1.2.3. The OOC station is the catalyst for the potential delivery of over 9,000 homes in the Western Lands area, along with significant opportunities for the intensification of industrial land uses and the delivery of a new West London commercial and innovation district. With a coordinated approach to the development of the Western Lands, the area could become a driving force for new inward investment and the creation of highly skilled jobs for the local labour market and beyond.

1.2.4. Within the Western Lands area, HS2 Ltd is scheduled to release [REDACTED] cleared development land across four worksites for the station between 2028 and 2030, subject to meeting its current infrastructure delivery programme. In addition, NR controls [REDACTED] which could be released for development. OPDC has identified [REDACTED] could deliver up to 9,100 homes and 2.5 million sq. ft of employment space as part of a comprehensive regeneration plan.

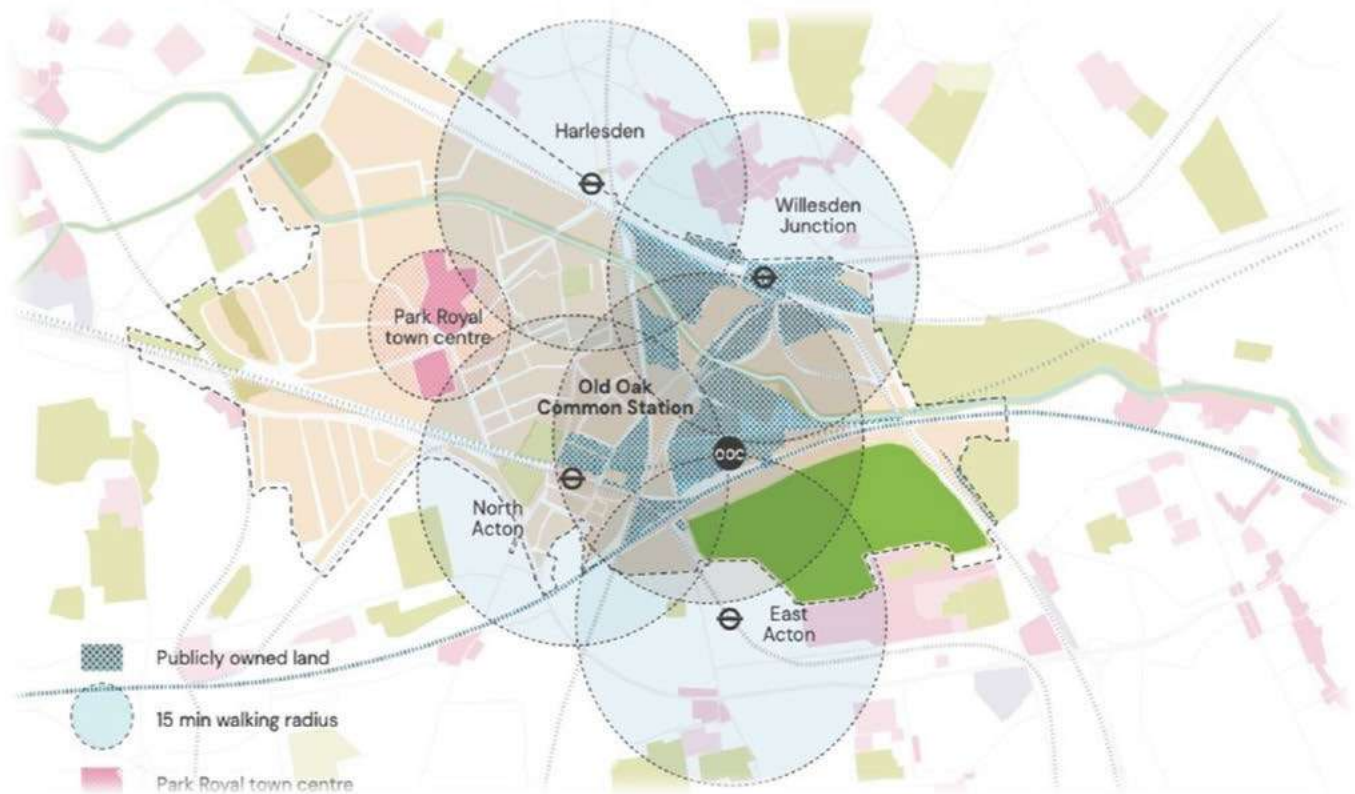
1.2.5. The Western Lands area benefits from several inherent advantages within the OPDC area, as a site for comprehensive mixed-use urban regeneration:

- Most of the land within the scheme (approx. 80% [REDACTED]) is held in public ownership by DfT through its arm's length bodies NR and HS2 Ltd
- Many of these sites have already been cleared to serve as HS2 worksites and are planned to be surplus upon completion of the HS2 station and associated infrastructure works
- Western Lands is linked to the existing communities of Harlesden to the north and North Acton to the south via Old Oak Lane and Victoria Road, and can build on the character and sense of community of existing residential pockets within the area
- The site benefits from strong existing public transport connectivity, with Willesden Junction Station, North Acton Station, and the planned OOC station
- It is served by existing road infrastructure; and
- It has access to important local assets, such as Wormwood Scrubs, one of London's largest protected green open spaces, and 4.5kms of Grand Union Canal.



1.2.6. This Strategic Case chapter sets out the overall vision for Western Lands and how OPDC has developed the project to date. It articulates a comprehensive approach to development that could maximise the benefits of the HS2 station investment and OPDC's proposed way of taking it forward.

**Figure 1.3 A plan of the OPDC area identifying where connectivity and public land combine to underpin the development of the Western Lands strategy**



Source: Prior & Partners 2019

### 1.3. Why Act Now?

1.3.1. It is imperative that OOC, the largest single station development in UK history, with an estimated 250,000 passengers every day when fully operational - functions as part of a recognisable and attractive 'place', and not the present degraded, inhospitable and disconnected urban landscape within which the new stations sits. HS2's anticipated opening date for the new OOC station as HS2's London terminus is therefore the crucial driver for the imperative to act now.

1.3.2. There are four primary reasons why action is required now:

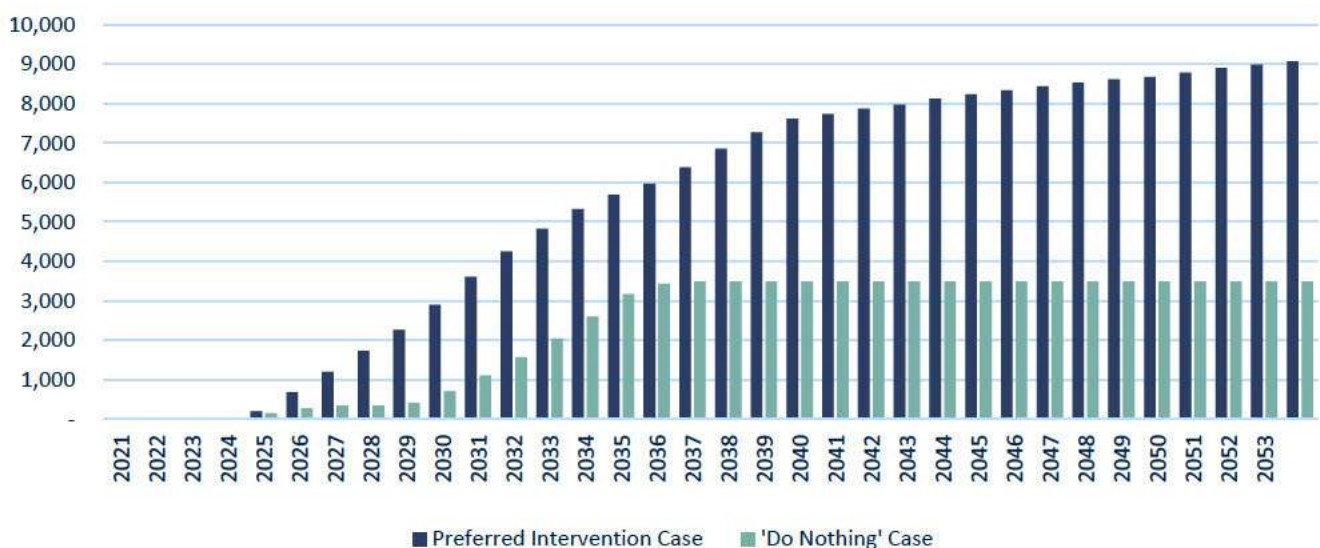
1. **The complexity of the programme of site assembly and preparation:** given the complex nature of the surrounding land, time is needed now to plan and invest in this area so that development can come forward in a controlled and phased way, as sites are released from their operational uses for development (some of which will be ahead of station opening). HS2 Ltd expects to open the new OOC station in c.2030, and to release its [REDACTED] worksites in the preceding 3-5 years [REDACTED]. Releasing the [REDACTED] NR land is dependent on clearing leasehold interests, re-providing operational requirements and removing rail freight designations. There is a substantial opportunity to accelerate and improve the delivery of development of the government's land by starting this work now to ensure that by the time HS2 Ltd and NR can release land from construction activity or operations, it is "shovel ready".



2. **The ability to harness private sector investment early:** acting now is also important because it will enable the project to accelerate the procurement of private sector partners, to bring in their investment, 'master developer' capability and risk-sharing to support the masterplanning, planning consents and private land assembly processes. The early stage financial modelling for this SOC shows that the Western Lands could attract over £5 billion of private sector investment over the 30-year development timeframe. Early market engagement has highlighted keen interest from leading UK and global urban regeneration businesses in taking on the scale of strategic development envisaged, but a precondition would be a commitment to the assembly of public sector land into a single, coherent public sector partner vehicle, and some initial de-risking of the sites. The consolidation of public sector land is therefore a fundamental step to enable the project to engage with the private sector at the necessary scale to unlock the overall vision and potential of Western Lands, thereby benefitting from expertise, early risk and cost sharing.
3. **The need to co-ordinate development in the area:** [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] Western Lands will undermine a comprehensively planned regeneration scheme, significantly compromise the development potential of HMG's railway land, and deter the major, long term 'master developer' and investment partners that the project requires.
4. **An early commitment to the project will allow the necessary government stakeholders to dedicate resource to progress the project to next stage:** the next stage of work after this SOC will require OPDC, Homes England, DfT, DLUHC, HS2 Ltd. and NR to collaborate on a range of workstreams to progress the project. Additionally, there will be a series of decisions required by Government to continue progressing to the OBC stage when a formal investment decision would be requested. A commitment now to continue progressing the scheme and consolidate publicly owned land would therefore allow the relevant parties to dedicate the necessary resource to progress.

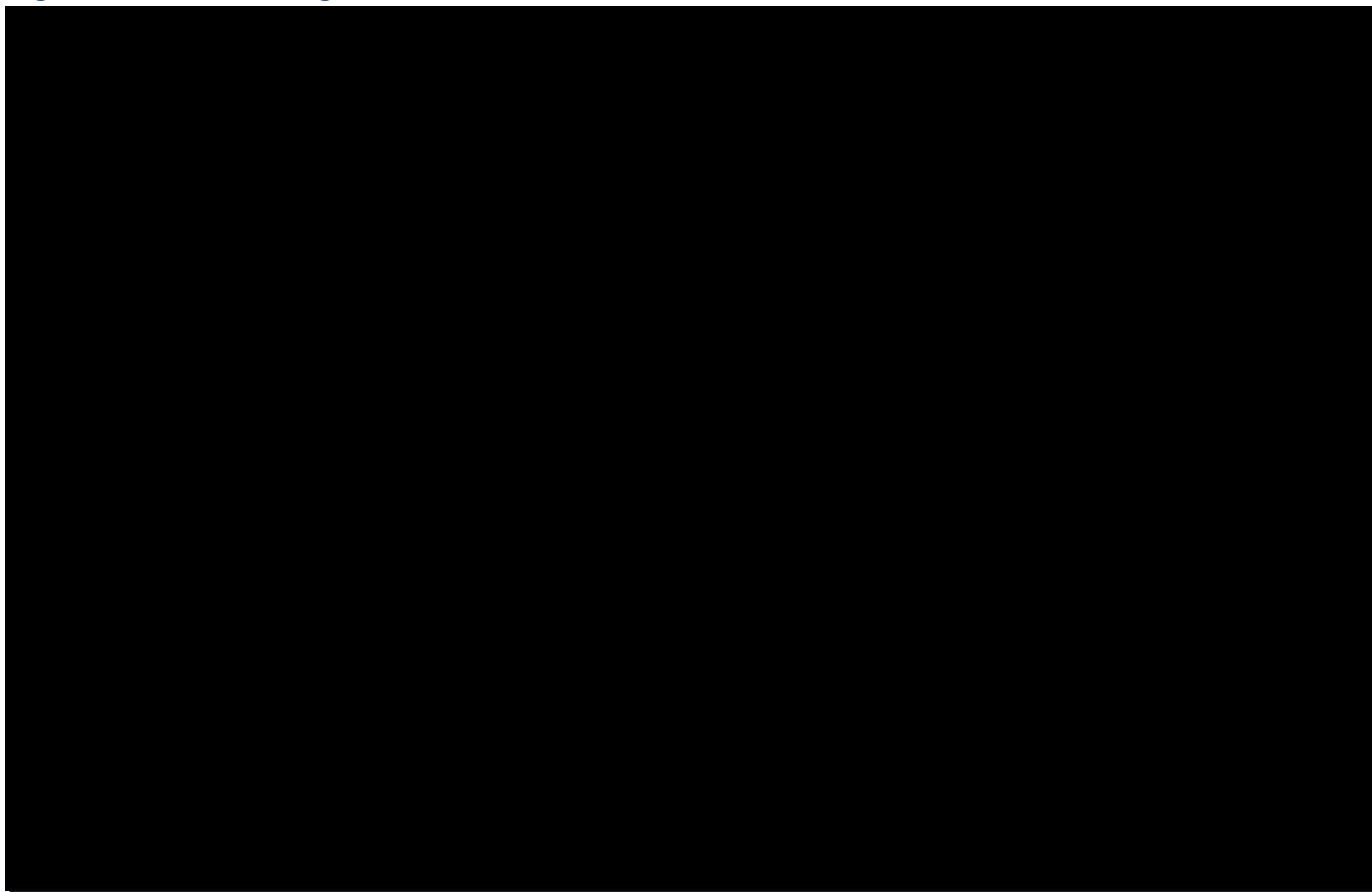
1.3.3. **Figure 1.5** is an indicative programme and highlights the work required between now and the release of the HS2 Ltd worksites to ensure that placemaking, housing delivery and commercial development is maximised ahead of the opening of OOC station. Without preparation and investment, it is likely that development will be delayed and reduced by an estimated four years, as indicated in **Figure 1.4** which compares the programmes in the Preferred Intervention vs. the 'Do Nothing' Cases. There is similarly a delay in the delivery of new housing that is catalysed across the wider OPDC area (for more details see **Figure 2.4**).

**Figure 1.4** Comparative Total Cumulative Residential Delivery in 'Do Nothing' and Preferred Intervention Scenarios





**Figure 1.5 Indicative Programme Overview**



Source: OPDC 2021

## **1.4. A Supportive Local Plan**

1.4.1. The strategy for developing the Western Lands is fully supported in planning policy. Over the past two years, OPDC has prepared modifications to its Local Plan, which support several major new allocations for housing-led mixed-use developments in the Western Lands area.<sup>14</sup>

1.4.2. New major housing and commercial allocations have been made on HMG owned land (see **Figure 1.6**) and were made with the support of existing landowners including DfT, HS2 Ltd and NR. The modifications have been developed through close engagement with the local boroughs and other key stakeholders and is on track to be adopted in Spring 2022.

1.4.3. Further details of how the Western Lands project aligns with relevant Local Plan and other policies, including the London Plan, are provided in Appendix 2.

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<sup>14</sup> OPDC, The Post Submission Modified Draft Local Plan, February 2021, page 5.

[illegible]

## Part 2: The Western Lands Opportunity

1.5.1. The Western Lands project objectives were developed in line with the government's overarching policy objectives to 'Build Back Better, Build Back Fairer, Build Back Greener', linking to its sharpened focus on economic recovery and enhancing communities in the wake of the COVID-19 crisis. Creating a sustainable, quality place is embedded throughout the project, supporting the government's commitment to invest in net zero innovation, the decarbonisation of buildings, and creating sustainable places as set out in the White Paper 'Planning for the Future' and the 'Living with Beauty' report.

- **Homes:** Maximise housing delivery to provide up to 10,000 new high-quality homes at a range of affordability levels to meet local housing needs;
- **Place:** Accelerate delivery of 'early win' sites and infrastructure, secure completed and occupied development at scale ahead of the opening of HS2;
- **Place:** Build back better to create a new urban district of London that is integrated with existing communities and provides high quality spaces to live, work and enjoy;
- **Public value:** Optimise use of public sector land to invest for the long-term and deliver a powerful homes, jobs and place-making legacy for HS2 and Crossrail;

- **Economy:** Improve physical connectivity between transport investments and industrial areas to promote job creation and regional and national economic growth; and
- **Environment:** Deliver a new urban quarter that is zero carbon in use, protects and enhances the existing environment and biodiversity, and supports healthy and sustainable lifestyles.

1.5.3. Appendix 3 provides further information on each objective and justifies how each objective is specific, measurable, attainable, realistic and time based.

## 1.6. Development Constraints and Market Failures

1.6.1. There are several development constraints within the existing Western Lands area which must be addressed to enable development of a cohesive, comprehensive and high-quality place. This section sets out the scale of development constraints that cannot be resolved by the private sector alone and the underlying rationale for government intervention.

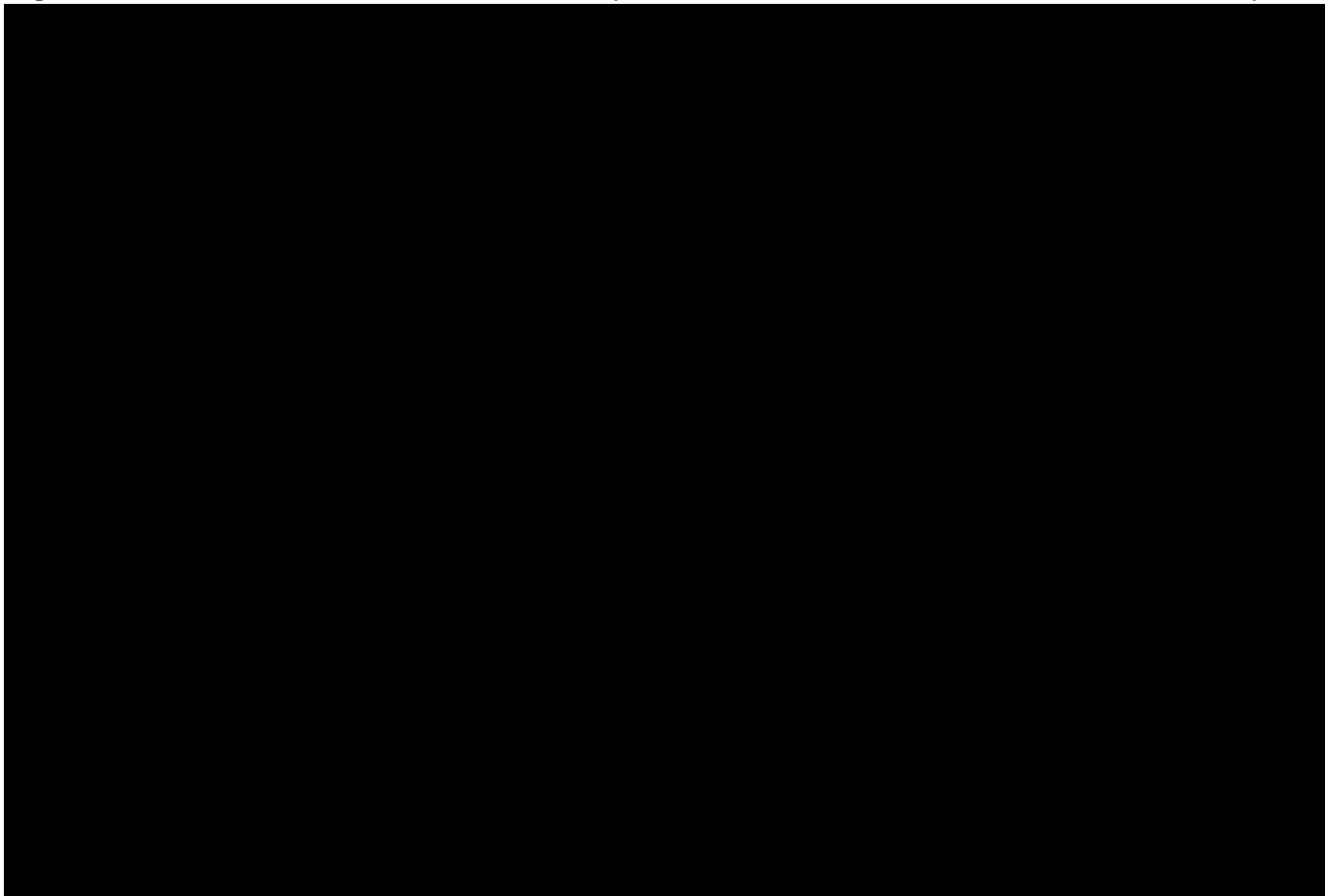
1.6.2. The primary development constraints that are preventing a comprehensive market-led, mixed-use development that can achieve the vision and project objectives for Western Lands, include: the need for critical infrastructure to overcome the severance issues across the area, [REDACTED]

[REDACTED] These barriers comprise several underlying market failures that justify public sector intervention, particularly relating to co-ordination failure, public good and positive externalities.

### *Critical infrastructure requirements*

1.6.3. The entire OPDC area and the Western Lands sub-area is criss-crossed by existing rail infrastructure, which causes severance (**Figure 1.7**). The legacy of rail and industrial uses has resulted in a poor quality and seriously degraded local environment.

**Figure 1.7 Western Land Barriers and Severance (numbers refer to areas described in Table 1.1 below)**



*Source: OPDC, 2021*




1.6.4. North-South movement corridors (essentially Old Oak Lane, which then divides into Old Oak Common Lane and Victoria Road) are constrained by heavy vehicle traffic, as well as narrow pinch points created by roads crossing canals and railways. The existing roads are congested, with narrow and poor quality pavements and inadequate crossing points, making it unsafe and unattractive for pedestrians and cyclists and especially difficult and unpleasant for users with reduced mobility.




1.6.5. East-West routes are also severely compromised by the levels of road traffic and lack of crossings over the multiple railway lines that thread through the area. As a result, walking and cycling routes are often much longer than they should be. For example, walking from North Acton to OOC station is 1.8km on a route that remains unsuitable for users with reduced mobility. The Western Lands scheme will reduce this to 900m of which less than 200m will be on a route shared with vehicles. The Grand Union Canal has great unused potential to become both a major community and recreational asset, and also to provide additional pedestrian and cycle access, as set out in several key proposed interventions to expand and open-up the tow path and adjacent areas.

1.6.6. These existing conditions will seriously compromise accessibility to the new OOC station for the existing communities around Old Oak. A failure to address this challenge will prevent or undermine development coming forward where schemes struggle to meet the relevant planning policy requirements, further detracting from investor appetite and housing delivery. **Table 1.1** provides a summary of the main locations where this condition applies.




**Table 1.1 Description of Severance and Impacts on Development**

Area (North to South)	Photo	Description of site constraints & severance	Impact on development
1.  Willesden Junction Station		[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3.  Atlas Road and Euroterminal (Channel Gate)  Canal frontage & bridge	 Grand Union Canal	<p>The Grand Union Canal is a potential high-value asset but is currently underutilised due to limited accessibility (no access between Old Oak Lane and Acton Lane, c.1km apart).</p> <p>The towpath provides the only continuous east-west pedestrian link through the site, but it is narrow and isolated for long stretches, unlit, unsafe and unattractive, with few amenities.</p>	[REDACTED]  Without a bridge link, the Euroterminal site will have compromised access to the proposed new town centre, new local park and canal towpath (within Atlas Rd site), which will affect development quality and values.
4.  Atlas Road and Euroterminal  Connectivity / new roads		<p>Euroterminal site is landlocked &amp; undevelopable without access improved</p> <p>[REDACTED]</p> <p>Retained rail freight uses will potentially require segregated access.</p>	<p>Impact on quantum and quality of development.</p> <p>Connectivity through Atlas Rd and Euroterminal sites constrained</p> <p>[REDACTED]</p>

Area (North to South)	Photo	Description of site constraints & severance	Impact on development
	Temporary bridge between Atlas Rd and Euroterminal worksites		Without the new roads and bridge through the development sites to provide an alternative north-south route, high density development will be unlikely to gain planning consent. [REDACTED]
5.  Old Oak Common Lane	 OOC Lane looking south	Old Oak Common Lane is the access road and gateway for the new HS2 station. It is currently narrow and busy with a lot of HGV traffic. It will not be possible to put active street uses on some areas as it runs parallel to the London Overground and freight lines. Poor pedestrian environment with no amenity or active frontage.	Without improvement to this road, the main access between the new station and park and the development sites will be along a very poor route. This would deter pedestrians from leaving the station to connect with the local area and suppress development values throughout the development opportunity.
6.  Victoria Road, Old Oak Common Lane and Old Oak Lane	 Victoria Rd Bridge	Northwest movement corridors (Old Oak Common Lane, Victoria Road and Old Oak Lane) are heavily trafficked and constrained by significant infrastructure, including bridges and railways. Heavy traffic from the area's industrial users has a negative impact on safety, pedestrian environment and air quality. These key routes also lack crossings and act as barriers, limiting east-west connectivity between sites.	Poor quality public realm and placemaking will affect quality of development and impact values. Compromised pedestrian /cycle experience discourages active travel and impacts pedestrian footfall. Poor connectivity will hinder development values.
7.  Acton Wells East (Shield)	 Railway severance between Shield and OOC station	East-west routes severely limited due to multiple railway lines severing the area, and limited number of crossings. No direct route from new OOC station to Acton Wells East & West (currently 20 min walking distance).	Without a new east-west bridge connecting the new station to developments on Victoria Rd, the quality of placemaking and development values on both sides will be impacted. Proposed commercial district adjacent to the OOC station will be isolated and struggle to attract occupiers, and retail will suffer without the footfall of a wider residential catchment area.



Area (North to South)	Photo	Description of site constraints & severance	Impact on development
			Residential and commercial sites on Victoria Rd will not benefit from the value uplift of being within walking distance of the new station. The quantum of development will be constrained by planning to prevent excess strain on transport capacity of North Acton Station.
8. Acton Wells West (Victoria Road Box & North Acton embankment)	 <p>Acton Wells West embankment</p>	Railway and embankment act as a barrier separating North Acton from Acton Wells West (Box). Northern embankment is undevelopable on its own as it is almost entirely landlocked, and given the significant constraints present on the Box site related to the HS2 crossover box.	Reduced development capacity on Box site; development potential not fully optimised. If developed without the adjacent embankment, the Victoria Rd Box site cannot accommodate development to the south of the headhouse. This will have a negative visual impact from North Acton to the South and quality of development.
9. North Acton Station	 <p>Railway between Acton Wells East and North Acton Station</p>	Station lacks step-free access. It sits below street-level and is accessed by long ramps from surrounding development. From the North it is reached via a narrow and unpleasant bridge over Victoria Rd which is congested by traffic.	North Acton developments have progressed but deliver mainly student living with very little amenity. Poor pedestrian environment leading to the station from the North will hinder values and quality of developments. Without upgrades, the station cannot support the Local Plan's proposed quantum of development.
10. North Acton Connectivity, place, public realm	 <p>North Acton Square</p>	North Acton has heavy road severance resulting in poor quality walking and cycling routes and compromised access to the future Elizabeth line services from Acton Mainline station and HS2 services from the new OOC station. North Acton has been extensively developed, but in a piecemeal pattern, resulting in poor quality public realm and inadequate social infrastructure (e.g. health facilities, nurseries and community facilities) relative to the future population.	Poor quality public realm affects the quality of neighbourhood, attractiveness of area to potential commercial tenants and impacts development values. Without improved connections to the surrounding area North Acton will not fully benefit from the significant investment in the area.

Source: OPDC, 2021.





[Redacted]

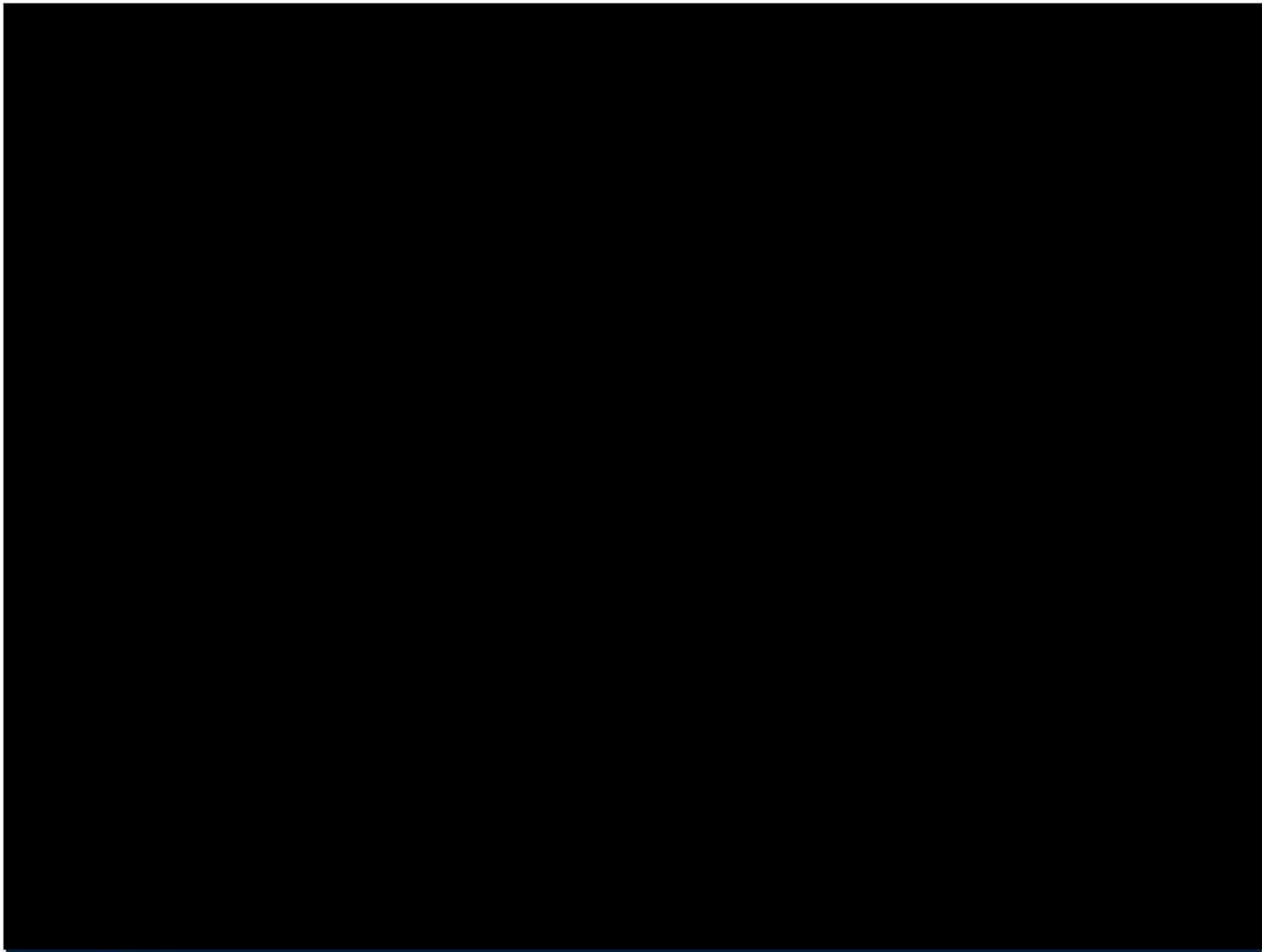
[Redacted]

[Redacted]

[Redacted]

[Redacted]

<sup>16</sup> Network Rail Ltd, HS2 Ltd (on behalf of the Secretary of State for Transport), Transport for London and the London Borough of Ealing.



Source: OPDC, 2021

[Redacted text block containing multiple lines of blacked-out content, including a bulleted list with approximately 10 items.]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

### ***Summary – the Case for Change***

1.6.18. The ability of Western Lands to provide over 9,000 new homes, support growth both in London and the regions and do so in a world-class development that makes the most of the investment in HS2 is dependent on addressing these barriers to regeneration. This SOC sets out how these could be addressed and how this will deliver more, sooner and better. The barriers to regeneration cannot be addressed by the private sector alone due to the following market failures:

- The scale of infrastructure investment required in public goods (e.g. station upgrades, roads, bridges, walkways) and to address externalities in the wider area including bad neighbour uses. These collectively comprise high abnormal costs that cannot be funded and delivered by the private sector alone, and they are essential for a comprehensive high-quality scheme with the necessary placemaking impacts to transform the entire area and maximise the social, economic and environmental benefits.
- The public sector land that can be brought forward within the Western Lands is owned almost entirely by HS2 Ltd and NR. [REDACTED]

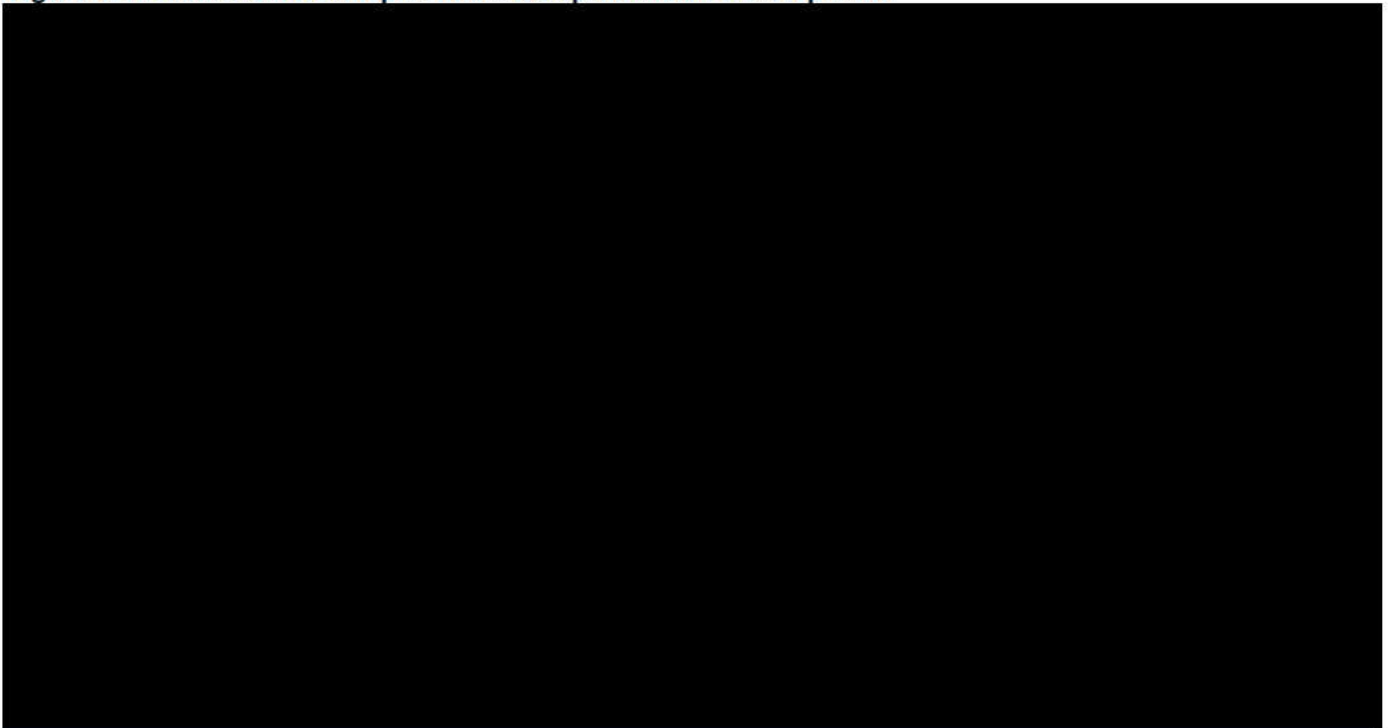
[REDACTED]

- The recommended intervention will require significant resources, expertise, investment and land. Building on the statutory powers of OPDC as the local regeneration agency, this SOC develops options for how the necessary land, funding, powers and resources can be brought together to support the desired outcomes.

1.6.19. Without direct intervention and public sector investment, development in the Western Lands area will occur on a piece-meal basis, resulting in sub-optimal and slower development and regeneration outcomes. Individual developments will remain poorly connected to the local area, missing an opportunity to achieve benefits of co-location, economies of scale, and efficient use of land. London and the UK will miss the chance for one of the capital's largest and most strategic Opportunity Areas to reach its full potential. Old Oak is unique in being the largest new inward investment site available in London, offering a scale of development that will appeal to an international, as well as domestic market, and an opportunity to showcase best practice in urban regeneration to a global audience.

1.6.20. This 'Do Nothing' scenario is detailed in the Economic and Financial Cases and provides the Reference Case against which the various intervention options are assessed. **Figure 1.10** below highlights the significant difference between the delivery of an optimal, connected and thriving area, when compared with the suboptimal result of piecemeal development without enabling infrastructure. **Section 1.8** further in the chapter quantifies the difference in outcomes between these two scenarios.

**Figure 1.10 Piecemeal Development vs. Comprehensive Development**





**Figure 1.11 Illustration of a comprehensive Canalside development on Atlas Road site, made possible by assembling third-party land and relocating the occupational uses (bus depot, waste site)**



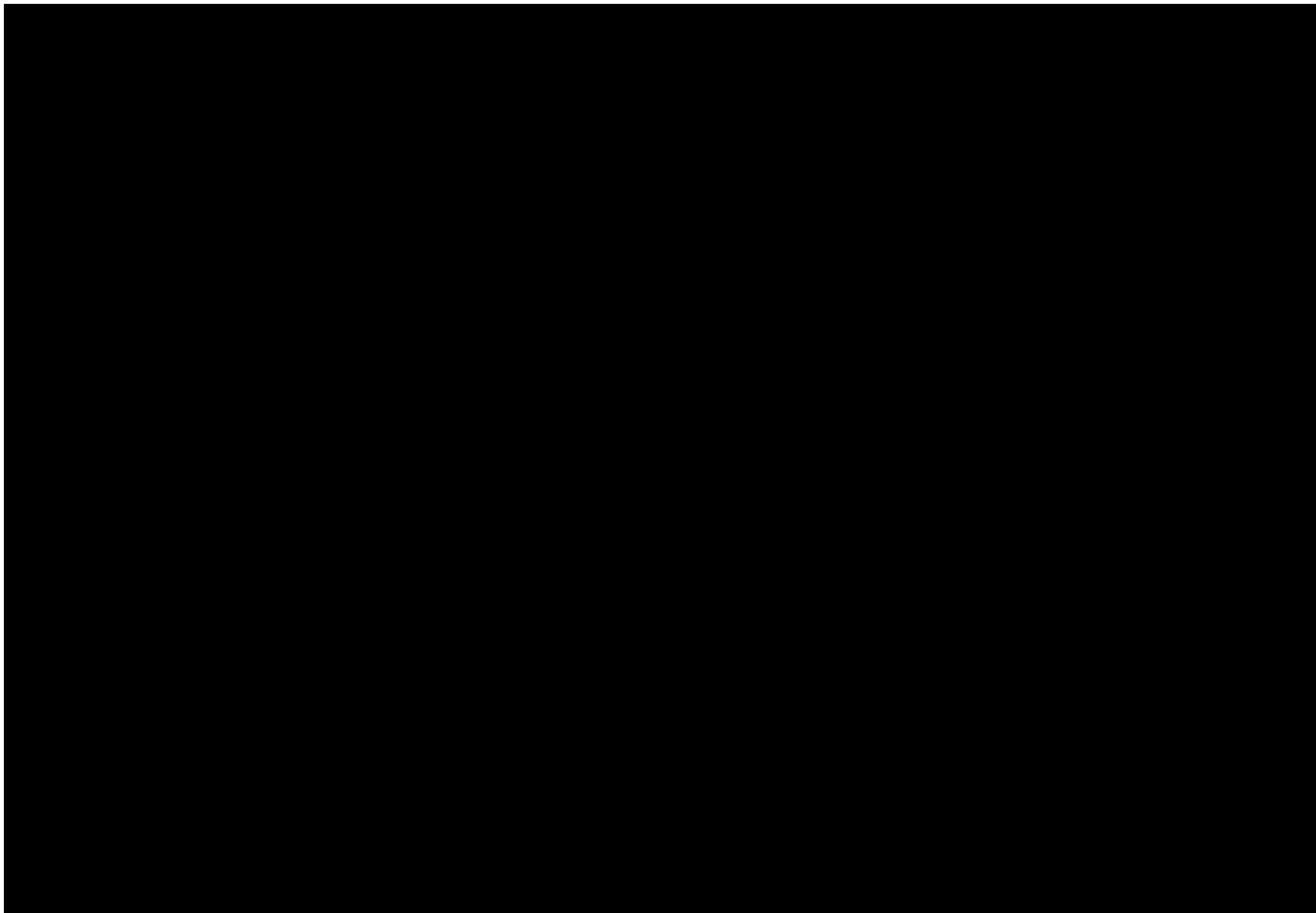
Source: Gort Scott Architects, 2021.

## 1.7. The Western Lands Development

### *The Development*

[REDACTED]

1.7.2. The potential development capacity across the Western Lands under the preferred approach, following investment in infrastructure and land assembly, is 9,100 new homes and 2.8 million sq. ft of employment and amenity space (Table 1.2). This is estimated to represent a net increase of c.5,600 new homes (compared to the 'Do Nothing' scenario).



Source: OPDC, 2021

**Table 1.2 Preferred Intervention: Estimated Number of Homes on Development Zones**



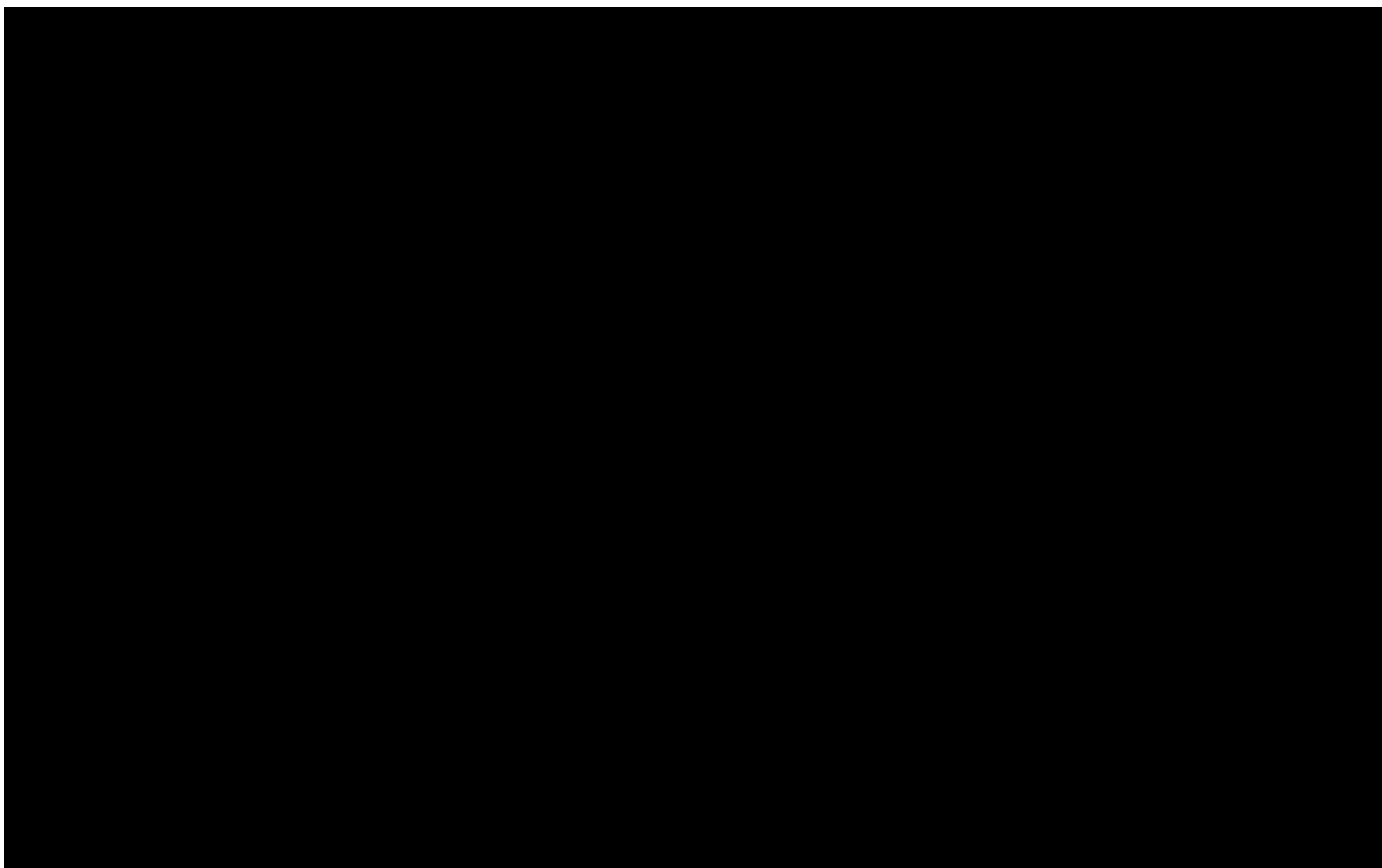
Source: OPDC, 2021

1.7.3. In addition to housing, the Western Lands proposition also includes a major new economic hub and town centre between OOC station and North Acton (London Underground) station, comprising 2.35 million sq. ft of new commercial space in a mixed use, high quality environment. An additional 160,000 sq. ft of commercial space would also come forward as part of the planned residential-led scheme on the Channel Gate and Atlas Road sites, providing space for local businesses. This balance of both residential and commercial space will help to create a thriving new community in London, providing quality space for people to live, work and play (see **Figure 1.13**). It will allow Old Oak more broadly to capitalise on the knowledge and transport assets in its vicinity by providing an attractive location for businesses and economic activity to locate.

**Figure 1.13 Illustration of a dense, vibrant, mixed-use quarter spanning between OOC Station and North Acton Station, unlocked by the east-west bridge connection**



Source: Gort Scott Architects, 2021. Figure 1.14 Preferred Approach Western Lands Phasing



Source: OPDC, 2021

1.7.4. The Western Lands project also seeks to deliver at pace, to ensure that a significant number of sites and homes are developed ahead of the release of the HS2 Ltd worksites and the opening of OOC station. The assumed phasing of development for the preferred approach is shown in **Figure 1.14** above.

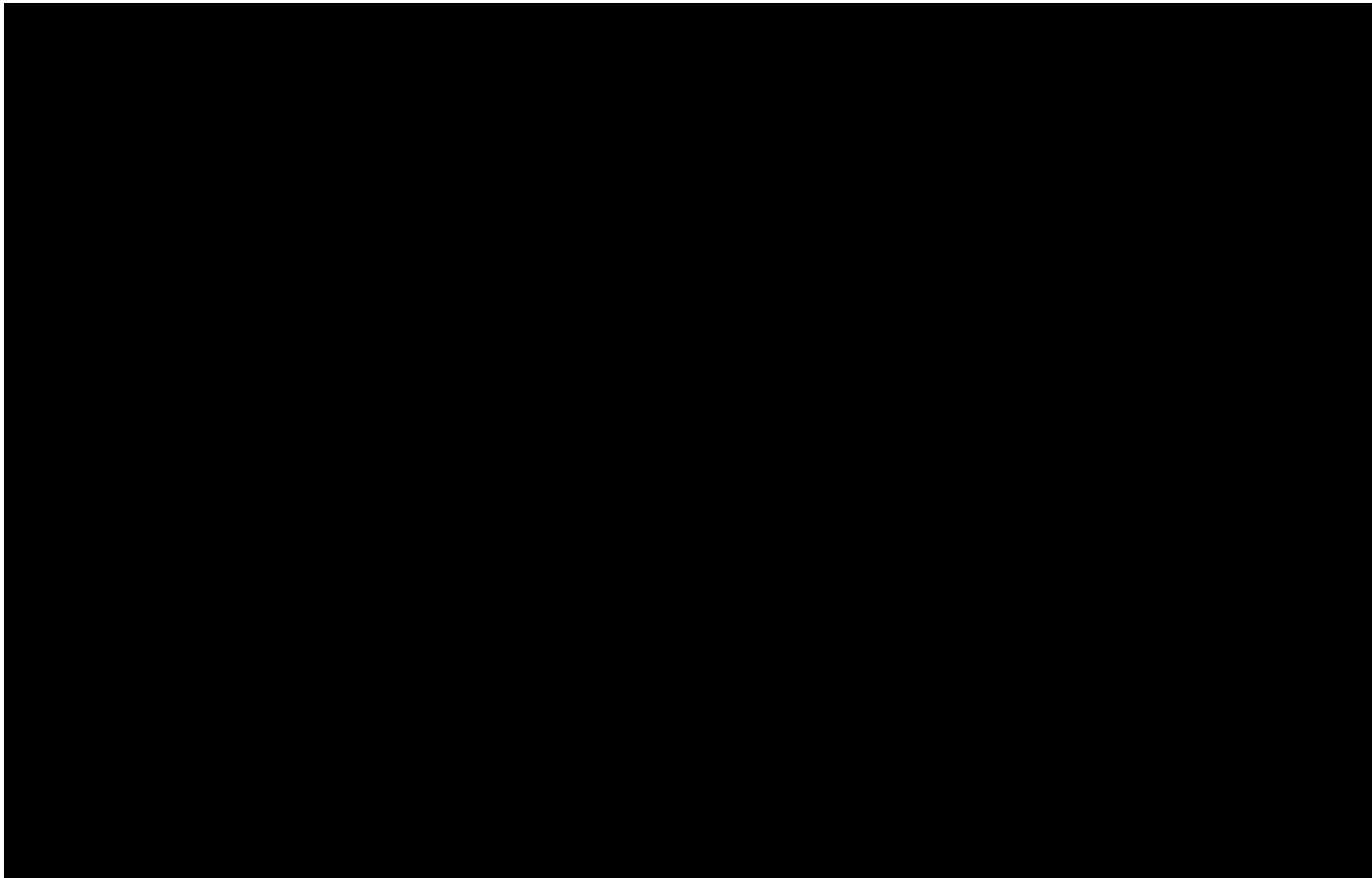
1.7.5. There are several permutations and variations on the above variables, including the scale of development, which sites are brought forward, and the scale and mix of enabling infrastructure. These variables are explored and assessed in both the Economic and Financial Cases.

#### ***Required Infrastructure Investment***

1.7.6. Investment in physical infrastructure will be required to unlock the full potential of these development sites and overcome the barriers to development noted in the previous section. The infrastructure investment required in the preferred development option is shown in **Figure 1.15** below and **Table 1.3** summarises the nature of the works and estimated cost. These infrastructure interventions are a direct response to the barriers to development identified in the previous section.



**Figure 1.15 Preferred Intervention: Western Land Infrastructure Investment**



*Source: OPDC, 2021*

### Table 1.3 Western Lands Proposed Infrastructure and Indicative Costs

[REDACTED]

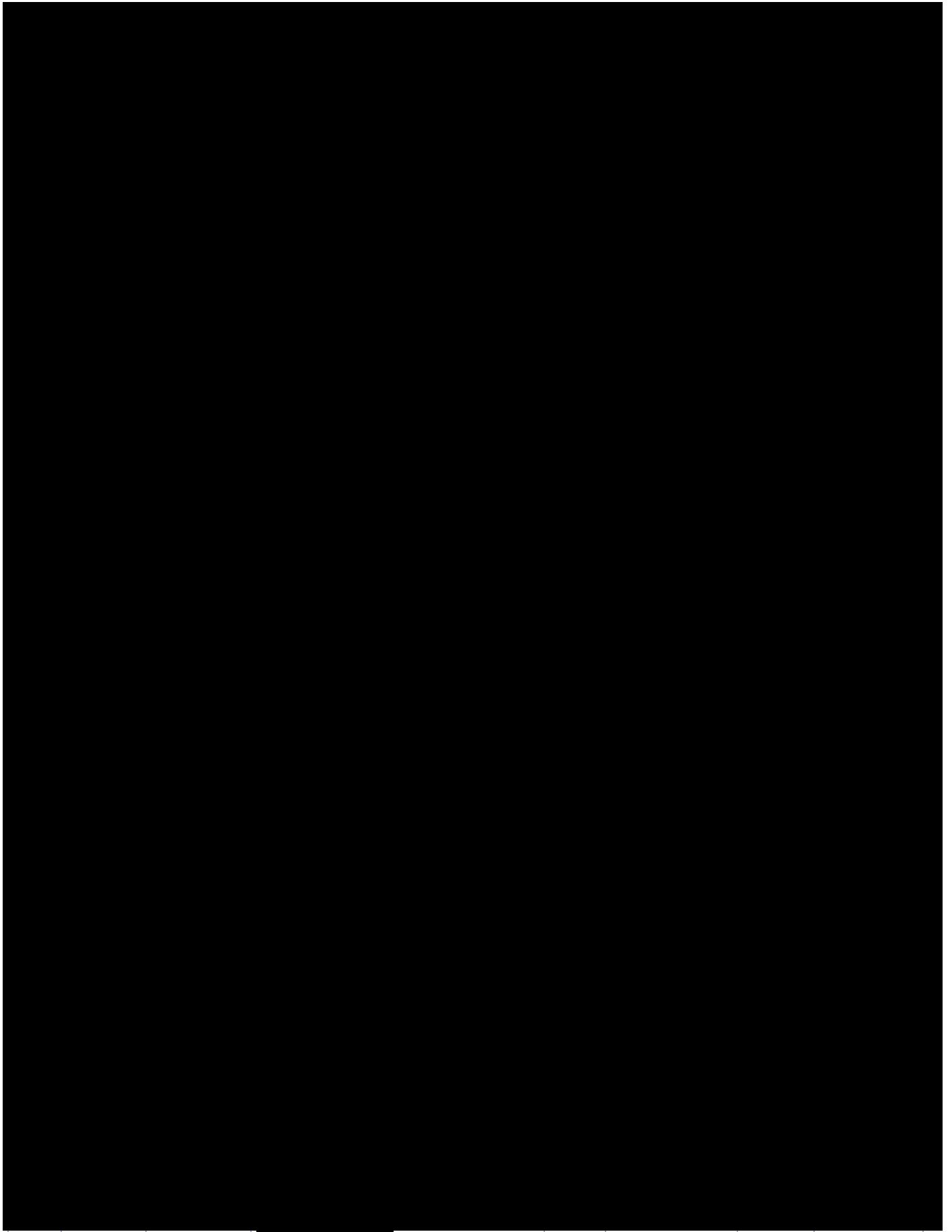


[REDACTED]

[REDACTED]

[REDACTED]

<sup>17</sup> Full extent of station and station approach is c.9.36 acres, however developable area would a smaller area within this and is not yet defined.





## 1.8. Outputs and Impacts

1.8.1. Deprivation is pronounced in the areas surrounding the Western Lands. According to the most recent data available on multiple indices of deprivation from 2019 compared to the London average:

- Household incomes in the OPDC area are a quarter lower than the London average.
- London has the highest child poverty rate in the UK at 37%; but in Brent and Ealing this is 40% and 38% respectively, amongst the highest in the UK; Residents are less likely to have a degree level qualification; and are more likely to be long-term unemployed.
- The area has higher than average levels of overcrowding.
- There are high levels of social renting (46.7% in OPDC boundary, compared to 23.6% in the three adjoining boroughs).
- Health outcomes are poor: rates of disability, long-term health problems and childhood obesity are high, and life expectancy is lower than average.
- Within the OPDC area, most of the LSOAs<sup>18</sup> are in the 10% most deprived in England on barriers to services and housing, and the remainder are in the most deprived 20%.

1.8.2. The pandemic has exacerbated this disparity and the effect has been long-lasting as indicated by the number of Universal Credit (UC) claimants.<sup>19</sup> The pandemic caused a sharp rise in the number of claimants. In the OPDC area, the number of UC claimants was 130% higher in November 2021 than in March 2020. The numbers peaked at around 132-133% higher in May-June 2021 but have reduced only slightly since then.

1.8.3. Unemployment data provides further insight into the impact of the pandemic on the local area, in LB Brent. In November 2020, over 1 in 8 economically active people were unemployed and claiming an unemployment benefit, which represents a fourfold increase over the average of the previous 5 years. A year later, this rate remained over 1 in 10, nearly double the rate for England as a whole.<sup>20</sup>

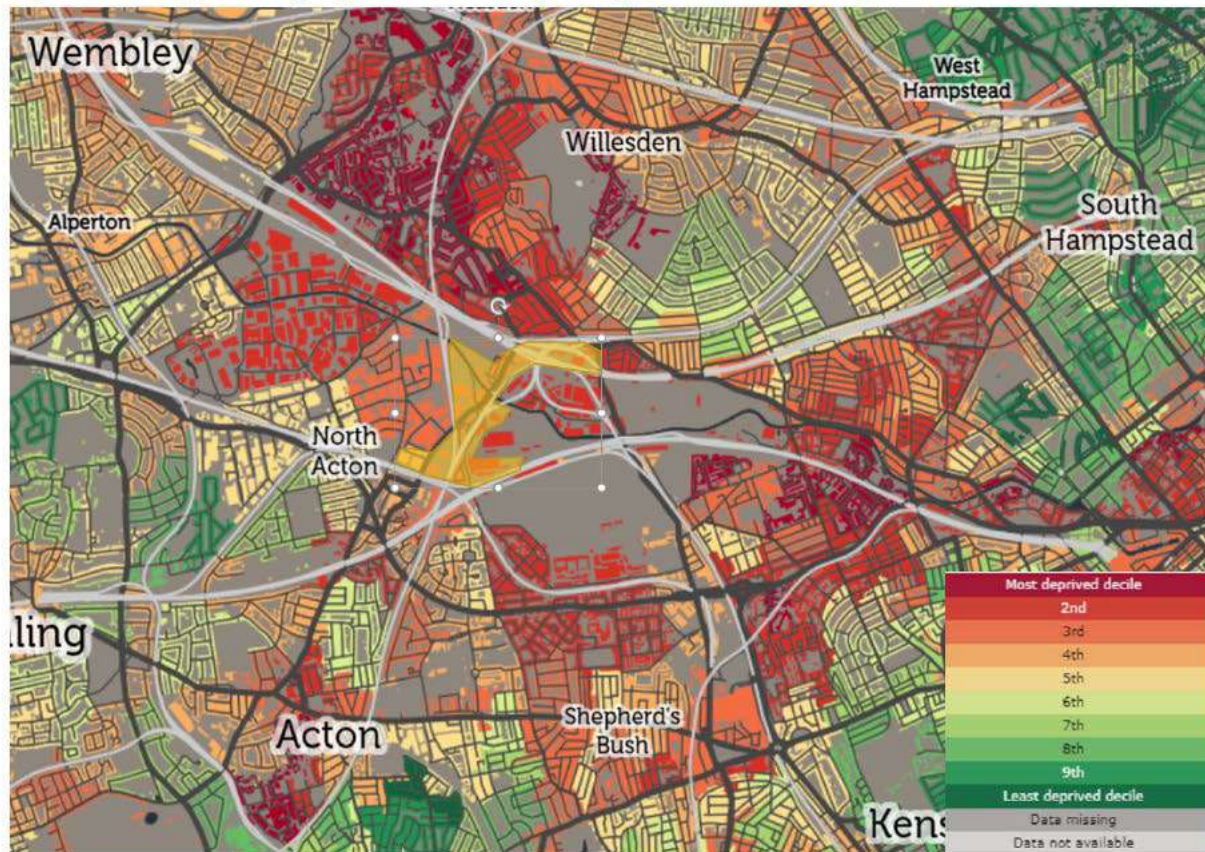
<sup>18</sup> Lower-layer Super Output Areas: the smallest geographic area for which data is available.

<sup>19</sup> DWP benefit statistics via Stat-Xplore, March 2020 to November 2021.

<sup>20</sup> ONS claimant count, compiled from DWP benefit statistics via NOMIS, November 2011 to November 2021.



**Figure 1.16 Map Identifying Areas of Multiple Deprivation in West London**



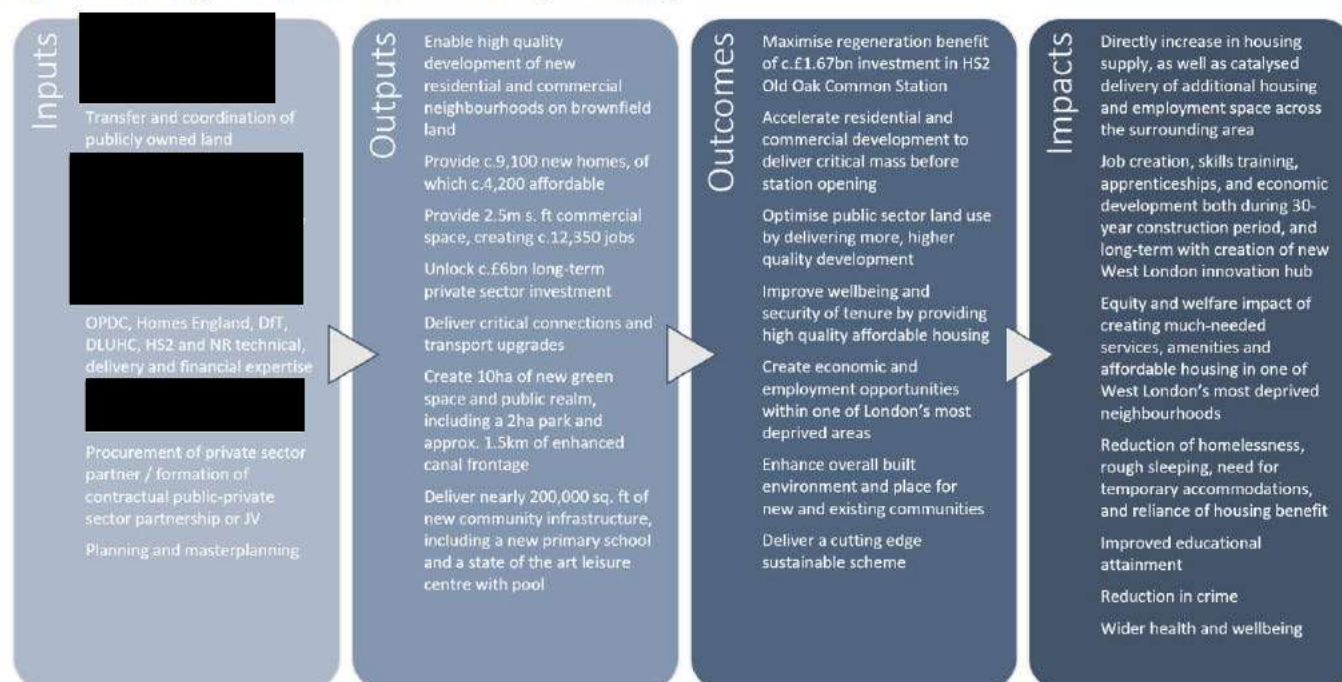
Source: CDRC Maps, Index of Multiple Deprivation 2019

1.8.4. The Western Lands scheme has the potential to deliver not only a substantial, much-needed supply of housing and employment space, but also to generate a wide range of benefits for both the new residents of the development and the existing communities of Harlesden, North and East Acton, and Park Royal. The housing pipeline proposed in our Preferred Intervention includes c.4,200 new affordable homes, comprising 46% of the overall scheme. This would help to deliver equity and welfare benefits as well as reduce homelessness, rough sleeping, and reliance on precarious temporary accommodation. The health and wellbeing of residents and workers will be improved through the creation of a major interconnected network of new green public open spaces, including new parks and over 1.5km of new or enhanced canal frontage, new pedestrian and cycle linkages, and state of the art sports and leisure facilities. New educational facilities and spaces for innovation and creative businesses, including a new primary school, will enhance educational and training outcomes. The construction pipeline of over 9 million sq. ft of new development over 30 years will create massive employment and skills opportunities, with prioritisation of apprenticeships and skills training for local people.

1.8.5. The impacts of the scheme will create both measurable and vital benefits for the local community, but also deliver economic growth and value for money for the public sector. Economic growth will generate a higher tax base, enhance property values and stamp duty revenue, create employment which will reduce crime and reliance on social benefits. In addition, if the government takes a long-term view to investing its land into the scheme, it offers the potential for greater value than the alternative, if growth scenarios are realised.



**Figure 1.17 Proposed Intervention – Theory of Change**



Source: OPDC & Savills, 2021

1.8.6. As set out in earlier sections of the Strategic Case, the Western Lands preferred option is expected to deliver c. 9,100 homes and 2.5m sq. ft of commercial floorspace across 90 acres (Table 1.5). Further details of specific objectives and targets of the development are given in Appendix 3. The Economic Case focuses on alternative development options considered in the long listing to short listing process.

**Table 1.5 Western Lands Preferred Approach Outputs**

Land & Homes	
Total Land Area	90 acres
Total Homes	9,100
% Affordable	46%
Housing Delivery	First start: Oct 2023 Last completion: Oct 2053
Housing Sales	First sale: July 2024 Last sale: Dec 2053
Commercial sq. ft	2.5m sq. ft
Jobs	12,350

Source: OPDC, 2021

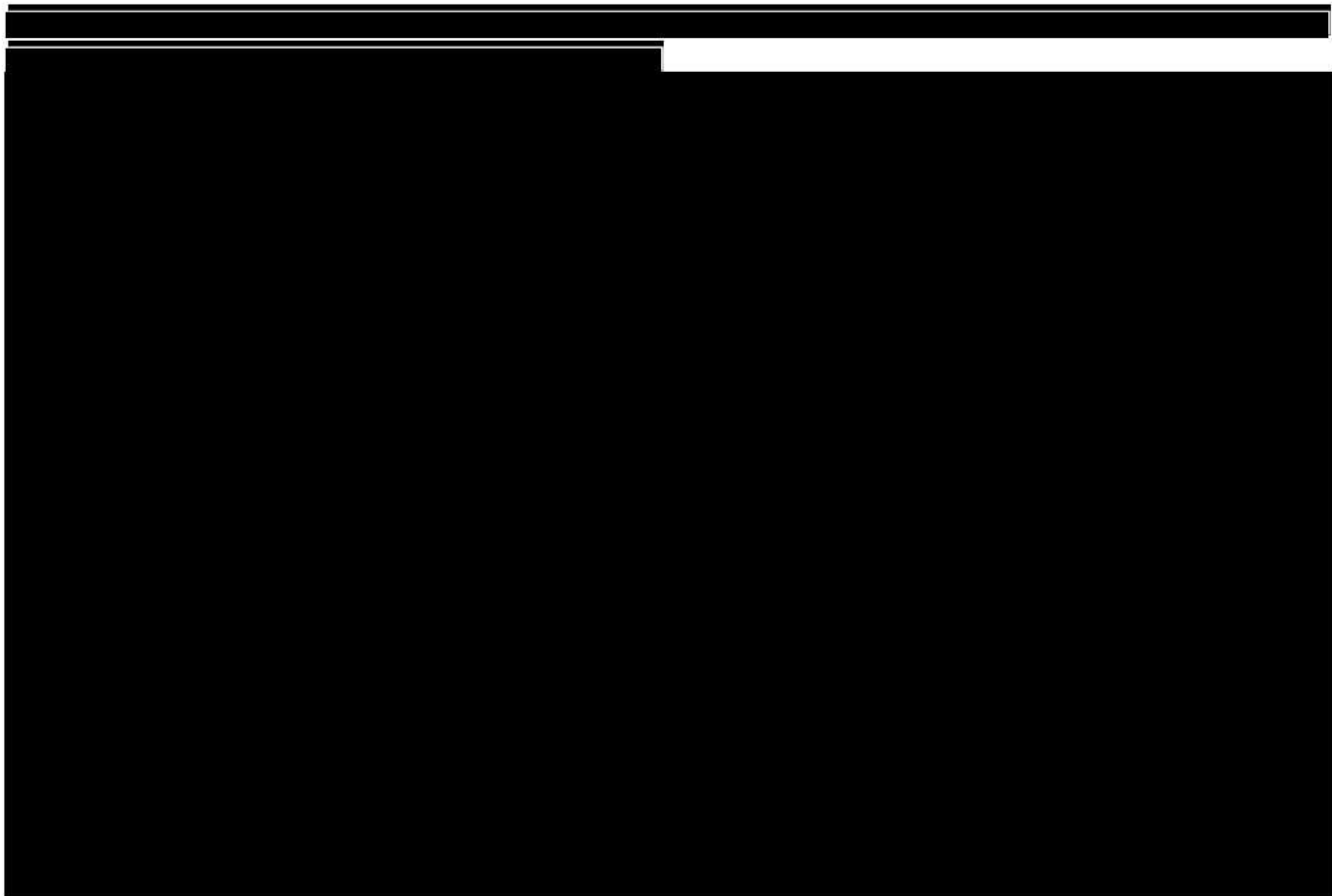
1.8.7. The main benefits arising from undertaking our Preferred Intervention at Western Lands are:

- **Maximising value:**
  - Comprehensive masterplanning can optimise development and public realm design to maximise capacity.



- By taking a comprehensive approach to placemaking, public realm and phasing, the development can optimise values and maximise the land value uplift (and ensure value for money for the public purse), as well as delivering qualitative public goods arising from the scheme.
- Forward funding the key enabling infrastructure is also critical for establishing the connections and placemaking improvements that would underpin higher values on the HS2 Ltd worksites when they are released.
- **Accelerating delivery:**
  - Assembling land and funding infrastructure allows for the acceleration of sites that are available immediately or in the short term, to come forward for development ahead of the release of the HS2 Ltd worksites and the delivery of the station. This not only brings urgently needed housing into London's supply, but also creates a critical mass of development and placemaking that benefits the later phases of the project and enhances market confidence in the opportunity. Over 1,500 housing starts could be made before the release of the first HS2 Ltd worksites, estimated in mid-2026. [REDACTED]
  - This early release also creates a much-improved environment in which to open the new OOC station. The Western Lands scheme would see 3,600 housing units delivered before the end of 2030 when the station is expected to open.
  - Delivery programmes may be compressed further if the model were to assume a mix of different residential uses, such as Build to Rent (BTR), student living, senior living. The current assumptions are based on affordable and market for-sale product, the latter being constrained by market absorption which is a lesser issue with BTR.
- **Delivering critical strategic infrastructure:**
  - Addressing the site constraints, described in previous sections, early and in a comprehensive manner, will not only underpin development values and accelerate delivery, it will also allow for an optimised masterplan to deliver qualitatively and quantitatively better social and community benefits and public realm than the alternative, which is for the planning authority to extract ad-hoc contributions from third-party developers.
  - These amenities, and the scheme itself, will provide myriad benefits to residents and local workers such as improved health and wellbeing, safer and better accessibility, better educational outcomes, and access to skills and employment opportunities.
  - By providing early capital into the scheme, the public sector can unlock over £5.7 billion of direct long-term private sector investment, as well as catalyse the delivery of a further 6,200 homes on sites within the wider OPDC area (for more details see paragraphs 1.8.7 and 1.8.8).
- **New physical infrastructure and improvements to existing transport:**
  - Station upgrades and wider improvements to connectivity, such as upgraded roads and new bridges, represent additional costs, which the private sector would not be able to fund.
  - These improvements are required to support the OPDC Local Plan aspirations and support the ambitious development capacities outlined in the Local Plan.





Source: Gort Scott Architects, 2021.

1.8.8. The key differences between the Preferred Intervention and the 'Do Nothing' (or Reference Case) are summarised in Table 1.6 below.

**Table 1.6 Comparison of Western Lands Preferred Intervention Case and 'Do Nothing' / Reference Case**

	Reference Case / 'Do Nothing'	Preferred Intervention Case
Number of Homes	3,488	9,100
Affordable homes	1,670	4,200
Quantum of commercial space	1.9m sq. ft	2.5m sq. ft
Housing delivery before OOC station opening (2030)	1,100	3,600
First start on site date	2023	2023
Completion date	2036	2053

Source: OPDC, 2021

1.8.9. The Western Lands will make up a major component of the regeneration outcomes in the OPDC area and will be the first major step in the wider regeneration of Old Oak and Park Royal. The impact of development in Western Lands can have significant positive knock-on impacts in the wider area and sub-region. Successful delivery of Western Lands is anticipated to accelerate the delivery of sites in the next 5-10 years, as well as to trigger future phases, which are shown in Figure 1.19.

1.8.10.  
intervention:

The following are some examples of the wider catalytic potential of the Western Lands

- Scrubs Lane: to date, one scheme (Mitre Yard) has been delayed and required supplementary financing from GLA to proceed. A further four schemes have been consented and the Local Plan identifies 1,500 homes across a further 135 acres of land, that could be accelerated by upgrades to Willesden Junction Station.

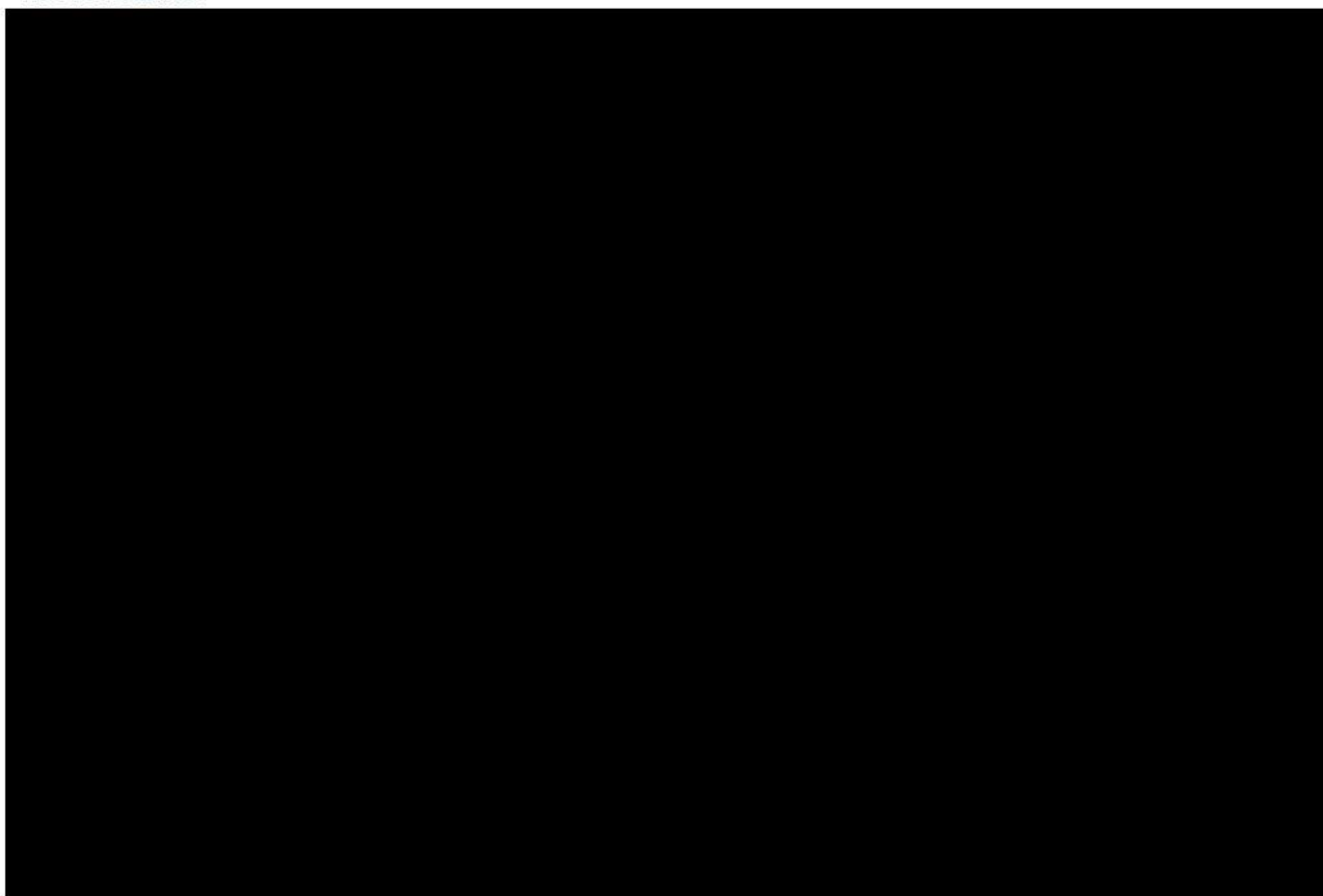
- Victoria Industrial Estate: [REDACTED]  
[REDACTED]  
[REDACTED] release from Strategic Industrial Land (SIL) in the Local Plan.

[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

**Figure 1.19 Plan of sites that would be accelerated or catalysed, or would benefit from the investment in Western Lands**



Source: OPDC 2021.

1.8.11. There are also wider land value uplift, investment and regeneration benefits anticipated to flow from the project. These are set out in the Economic Case.

## 1.9. Risks and Risk Management

1.9.1. OPDC has undertaken risk workshops to identify and analyse the risks associated with Western Lands. These are categorised as follows:

- Failure of key stakeholders to support Western Lands' delivery strategy,
- Lack of enough investment and/or funding,
- Land assembly challenges.

1.9.2. Identified risks alongside mitigation measures are shown in **Table 1.7** below. More information alongside scoring for each risk is provided in Appendix 4.

**Table 1.7 Strategic Risk Assessment**

Risk	Consequences	Mitigation
Critical stakeholders fail to support the Western Lands delivery strategy.	Failure to secure the necessary land, funding, political and agency support for the project.	Senior government stakeholder group established (DfT, DLUHC, (Infrastructure and Projects Authority (IPA), HE, OPDC)
		Mayoral and ministerial engagement plan to be established
		Joint work by departments, HE and OPDC on a business case for consideration by Treasury.



Risk	Consequences	Mitigation
Limited engagement with 3rd parties (private landowners, community, residents, business owners) at current stage of strategy formulation with potential risk of negative lobbying, press and social media coverage and other disruption.	Impact on local plan examination in public (EIP); impact on discussion with government; Diversion of officer time/resources from primary tasks; challenges/risks to Local Plan examination/adoption	Current work to be managed to ensure the protection of legitimately confidential material. Business case being developed to include "Part 1" public facing and, where required, "Part 2" confidential material. Comms and engagement plan required for planned release and engagement in line with OPDC programme.
Western Lands delivery strategy, and the business case, has required a wide range of assumptions across programme, cost and benefits at this early stage of development.	The proposals may fail to meet value-for-money, programme, cost or benefits objectives.	Appropriate contingency and optimism bias have been included in costs. Key assumptions are shared with stakeholders and monitored. Both viability and economic analysis undertaken by external consultants are subject to sensitivity analysis to test the impact of significant variance on key assumptions being made.
Government funding programmes have not been announced; OPDC's qualification and success are not certain.	Derails delivery plan/business case	Maintain ongoing engagement with HE and HMT on funding requirements and timing. Review of other funding sources including fiscal devolution.
Capital funding from public sector infrastructure authorities is likely to be scarce and more selective/competitive. This includes TfL, NR and LAs.	Critical Infrastructure to support / enable regeneration cannot be delivered; appeal to potential private sector partners to invest/contribute is diminished; deficiencies in strategic infrastructure preclude ability to deliver wider regeneration objectives	Close liaison with relevant authorities. Direct support for business case where relevant Reduction in overall infrastructure bill and list to reduce funding pressure. Futureproof for future infrastructure investment works in cases where the infrastructure is not immediately deliverable Coordinate bids with TfL and Mayor's office to ensure joined-up messaging and approach.
Private sector investment is not forthcoming: planning consents vs. build-out is slow. Location unproven and viability marginal.	Pace and scale of regeneration is diminished and slowed; not all sites likely to come forward	Gain support for marginally viable schemes from GLA where applicable; seek regeneration investment; leverage public sector land to secure private sector involvement.
Public sector land transfer not agreed	The Western Lands strategy is incapable of being delivered. Fragmented and uncoordinated development in the area will continue.	Close liaison with relevant authorities to ensure that we have undertaken all necessary due diligence in relation to the land and the government's preferred approach to transfer. Support discussions with the government about land transfer mechanisms.







1.10.5. Intervention is required because of the need to assemble land, support the delivery of complex and expensive local infrastructure and support funding where the private sector alone cannot deliver. With the interventions outlined in this SOC, early market testing suggests there will be substantial market appetite that can maximise the private sector expertise and investment required to deliver the project in a public-private partnership.

1.10.6. There is a need to act now. With the planned opening of OOC station in c.2030 and surplus HS2 Ltd sites available for release before then, agreement to a strategy for the organisation of public land, comprehensive masterplanning, [REDACTED] and partner procurement needs to begin immediately.

1.10.7. The need to act quickly is also supported by the ability to start the earliest phases of the project immediately. These will deliver housing and economic benefits in the near term, but their delivery will, if properly designed and coordinated, enhance the value of future phases of HS2 land release.

## 2. Economic Case

### Economic Case Snapshot: Chapter Summary

- A long list of nine development scenarios was developed, which identified seven options in the Western Lands area and two within the Old Oak North area. The nine development options considered differing levels of infrastructure interventions and land assembly.
- A strengths, weaknesses, opportunities and threats (SWOT) analysis was used to assess the long listed options against Critical Success Factors (CSFs) and identify short listed options.
- The SWOT analysis concluded that four of the nine options should be short listed with the remainder discounted primarily on viability, achievability and poor strategic fit grounds. The four options are the:
  - 'Do Nothing' Case;
  - Minimum Intervention Case;
  - Preferred Intervention Case; and
  - Maximum Intervention Case.
- The short listed options all focus on the development of Western Lands with varying levels of residential and commercial space delivery and associated infrastructure costs.
- A preliminary economic appraisal was run to identify overall net social impact and the Benefit Cost Ratio (BCR) for each short listed option. This analysis will be further reviewed and refined in the next iteration of this business case.
- The analysis finds that the **overall net social impact is highest under the Preferred and Maximum Intervention options**, as they deliver the highest level of social value, driven by delivery of significant levels of additional housing and commercial floorspace. The analysis also concludes that **these two options represent good value for money**.
- The **'Do Nothing' and Minimum Intervention cases fall substantially short of meeting the strategic objectives of the project**, although the Minimum Intervention case achieves a good BCR due mainly to the lower cost of the intervention relative to the more comprehensive alternatives.
- At this stage the wider external impacts of the project have not been monetised but are likely to be significant, given the large-scale placemaking and regeneration objectives. These have been considered qualitatively and demonstrate that the Preferred and Maximum Intervention options are likely to represent better value for money once these are incorporated.
- Overall, the Economic Case, when considered with the Strategic Case, concludes that the Preferred Intervention Case represents the optimal solution to addressing the underlying rationale for the project and fits with the strategic objectives for Western Lands.

### 2.1. Introduction

2.1.1. The Economic Case sets out the long list of options that have been identified for Western Lands, the appraisal of that long list to a short list and the findings of the initial cost-benefit analysis of the short listed options. At this stage of the project the long listing has focused on the scope of the project and the quantum of residential and commercial development that could occur on Western Lands.



2.1.2. Although a SOC would not traditionally include a quantified economic appraisal on the short listed options, this SOC presents a preliminary analysis to give an early view on whether short listed options would provide value for money (VfM). This early-stage economic appraisal uses preliminary data available on costs and benefits and has been prepared by an independent expert. Its findings are considered robust by OPDC and have been reviewed by Homes England. The methodology follows best practice appraisal guidance. It is important to note that as the project progresses and further technical due diligence is undertaken, the outputs of this analysis will change. However, the overall findings and relative VfM between options are not expected to change.

2.1.3. As further work is undertaken, and the delivery structures for the project are defined, key inputs, particularly costs and the treatment of the public sector land will be updated. Furthermore, Western Lands, given its placemaking and regeneration focus, will have benefits that reach far beyond the site and these will need further analysis to ensure they are fully captured within the VfM assessment (whether as monetised or non-monetised impacts). These will be incorporated at OBC stage.

## 2.2. Our Process for Selecting and Appraising Long List Options

2.2.1. The Economic Case identifies options by focusing on the scope of the project and relevant policy requirements. It identifies nine long list options which are then short listed by undertaking a strengths, weaknesses, opportunities and threats (SWOT) analysis. The SWOT analysis considers the alignment of each option with the Critical Success Factors (CSFs) identified in **Section 2.3**. This analysis short lists four options and provides justification for rejecting the remaining five options.

### *Identifying Development Options*

2.2.1. The process for identifying options focuses on the scope and scale of the project and relevant land, infrastructure and other requirements needed to deliver that option. The key variables cover: the overall intervention area within Old Oak; [REDACTED] and specific enabling infrastructure or other infrastructure enhancements.

2.2.2. The locations for possible intervention are: Western Lands; Old Oak North; and Old Oak South. In terms of sites, the identification process considers sites under private and public sector ownership. The specific enabling infrastructure includes new links to improve permeability, station improvements to support the incoming population, and strategic utility infrastructure, which is described in further detail in **Section 1.76** of the **Strategic Case**.

2.2.3. To help identify development options, OPDC have drawn upon a range of research and reports. These include the North Acton Station Upgrade SOC (TfL, 2019), Capacity Study (Mott Macdonald, 2021) and Willesden Junction Feasibility Study (TfL, 2021). These contribute to identifying dependencies, priorities, incentives and other drivers as well as potential issues with the project's development.

2.2.4. The long list of options is based on a range of historic work and was developed through a series of workshops with input from HE, OPDC and Savills.

### *Criteria for Appraising Options: Critical Success Factors (CSFs)*

2.2.5. The Critical Success Factors (CSFs, set out in **Table 2.1**) are the attributes essential for the successful delivery of the project and have been agreed by OPDC, Homes England, DfT and DLUHC. The CSFs are in line with the project's strategic objectives as set out in **Section 1.5**.



**Table 2.1 Critical Success Factors**

Critical Success Factor	Description
Strategic fit and business needs	Contributes the maximum number of homes, including affordable homes, and jobs towards OPDC targets <sup>21</sup>
	Place-led approach to regeneration encompassing the 'build back beautiful agenda'
	Delivers the principles of good growth in a meaningful and tangible way: environmentally, socially and economically sustainable
Value for money	Optimises social, economic and environmental benefits, in comparison with the associated potential costs, benefits and risks
Affordability	Solution is affordable in cash flow and absolute terms to the government and private partners
Supplier capacity & Capability	Delivery body that is credible, with clear ownership and streamlined governance and resources, with which private partner will contract and invest
Achievability	Security of land ownership/control and certainty of outcomes to enable government funding

Source: OPDC, 2021

## 2.3. The Long List of Options: Variations in Amount of Land and Infrastructure

2.3.1. As a result of the above process nine options have been identified. These are:

- 1a - Old Oak North Development;
- 1b - Old Oak South + North Development;
- 2a Western Lands Development: [REDACTED] No Infrastructure – the 'Do Nothing' option;
- 2b - Western Lands Development: [REDACTED] Minimum Infrastructure;
- 3a - Western Lands Development: [REDACTED] Minimum Infrastructure;
- 3b - Western Lands Development: [REDACTED] Medium Infrastructure;
- 4a - Western Lands Development: [REDACTED] Minimum Infrastructure;
- 4b - Western Lands Development: [REDACTED] Comprehensive Infrastructure;
- 4c - Western Lands Max Development: [REDACTED] Max Infrastructure.

2.3.2. Table 2.2 below gives a description for each option including the [REDACTED] infrastructure, which are also illustrated in Figure 2.1. The relevant development zones are shown in Figure 2.2 [REDACTED]

<sup>21</sup> OPDC's Housing Targets are set out within its allocation as an Opportunity Area in the London Plan and have been further developed in the London Plan. These in turn are informed by OPDC's local assessment of housing need which identifies an acute need for housing in the area as set out in [OPDC's Strategic Housing Market Assessment \(SHMA\)](#).



2.3.3. Options 1a and 1b were previously considered but could not feasibly be delivered. These options focused on the north and south parts of Old Oak. The remaining options focus primarily on the Western Lands, described in the Strategic Case. Option 2a covers the 'Do Nothing' scenario assuming no public sector intervention beyond the disposal of its existing land as per current plans. Option 2b is a variation on the 'Do Nothing' where we assume that some enabling site wide infrastructure could be delivered. Options 3a and 3b both present the development opportunity if DfT were to assemble and coordinate delivery across all their land, owned via Network Rail and HS2, but offer increments of infrastructure delivery.

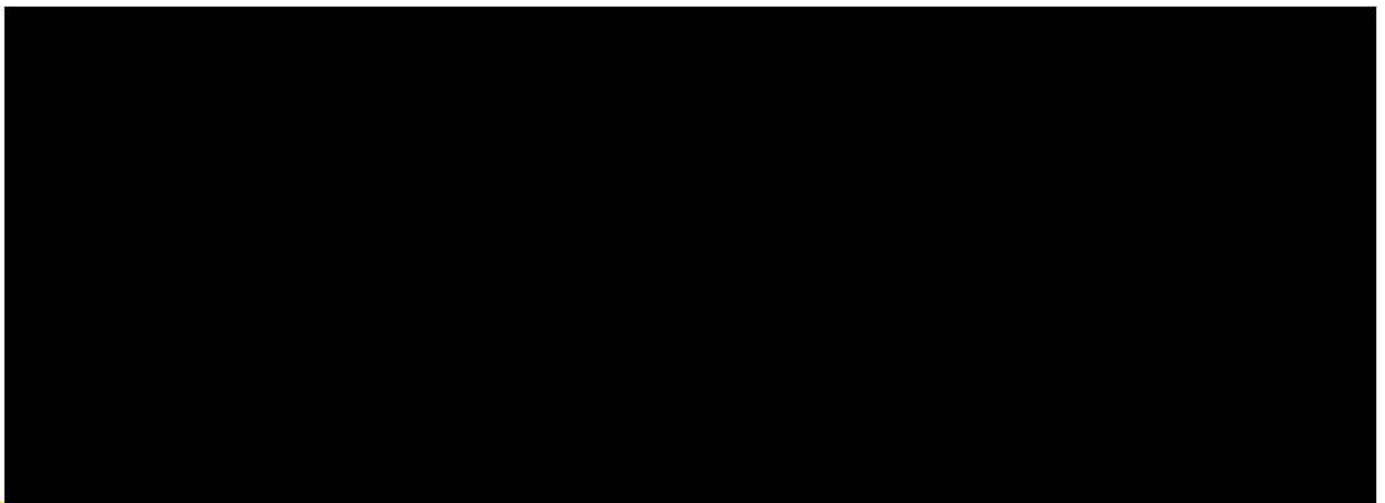
**Table 2.2 Long list Options Details**

Ref	Option	Description
1a	Old Oak North Development	
1b	Old Oak South + North Development	
2a	Western Lands Development - No Infrastructure ('Do Nothing')	
2b	Western Lands Development - Minimum Infrastructure	
3a	Western Lands Development - Minimum Infrastructure	

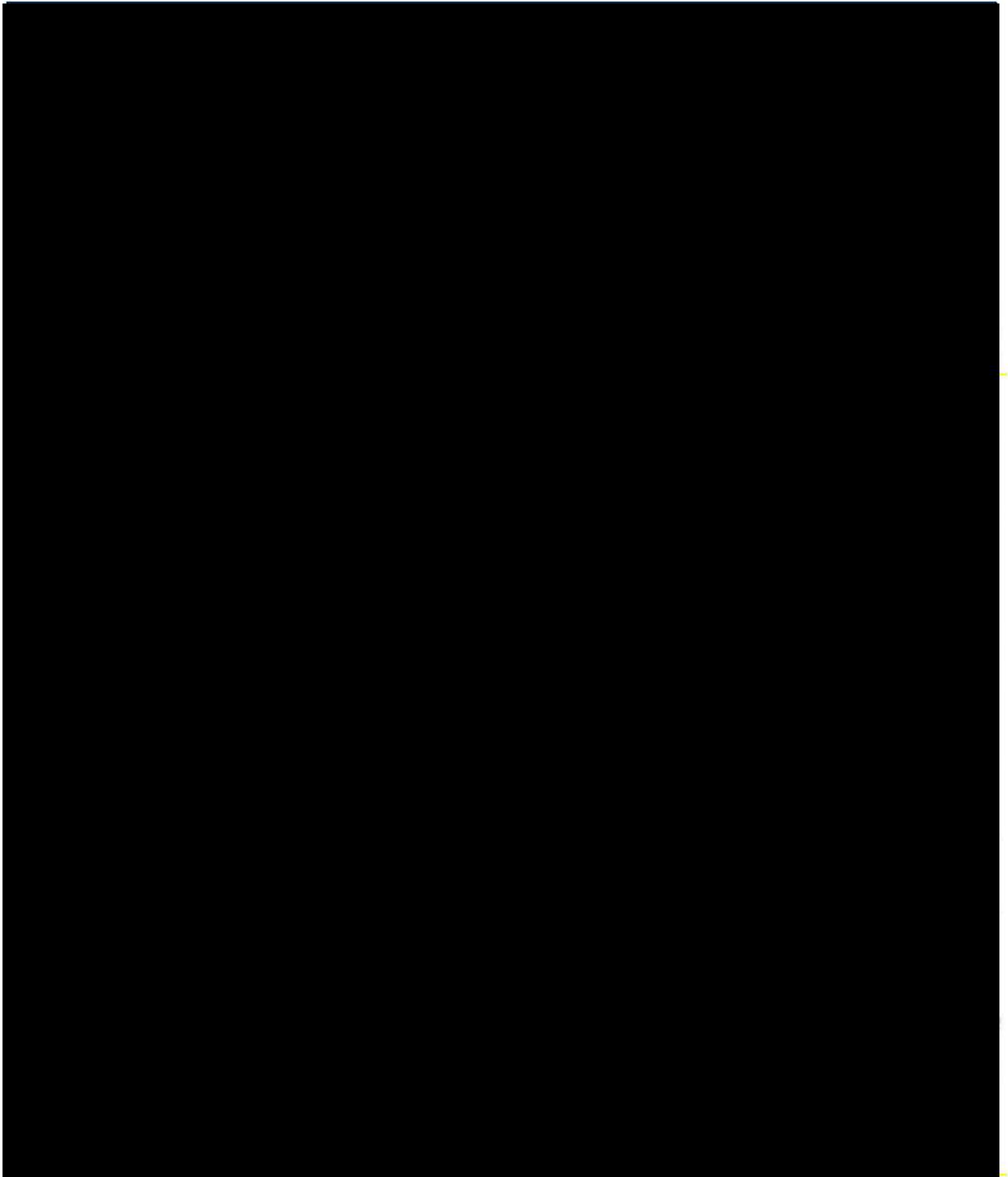
Ref	Option	Description
3b	Western Lands Development - [REDACTED] [REDACTED] - Medium Infrastructure	[REDACTED] [REDACTED]
4a	Western Lands Development - [REDACTED] [REDACTED] Min Infrastructure	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
4b	Western Lands Development - [REDACTED] [REDACTED] Comprehensive Infrastructure	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
4c	Western Lands Max Development [REDACTED] [REDACTED] Max Infrastructure	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

Source: OPDC, Savills, 2021

**Figure 2.1 Diagrams of Long Listed Development Scenarios**

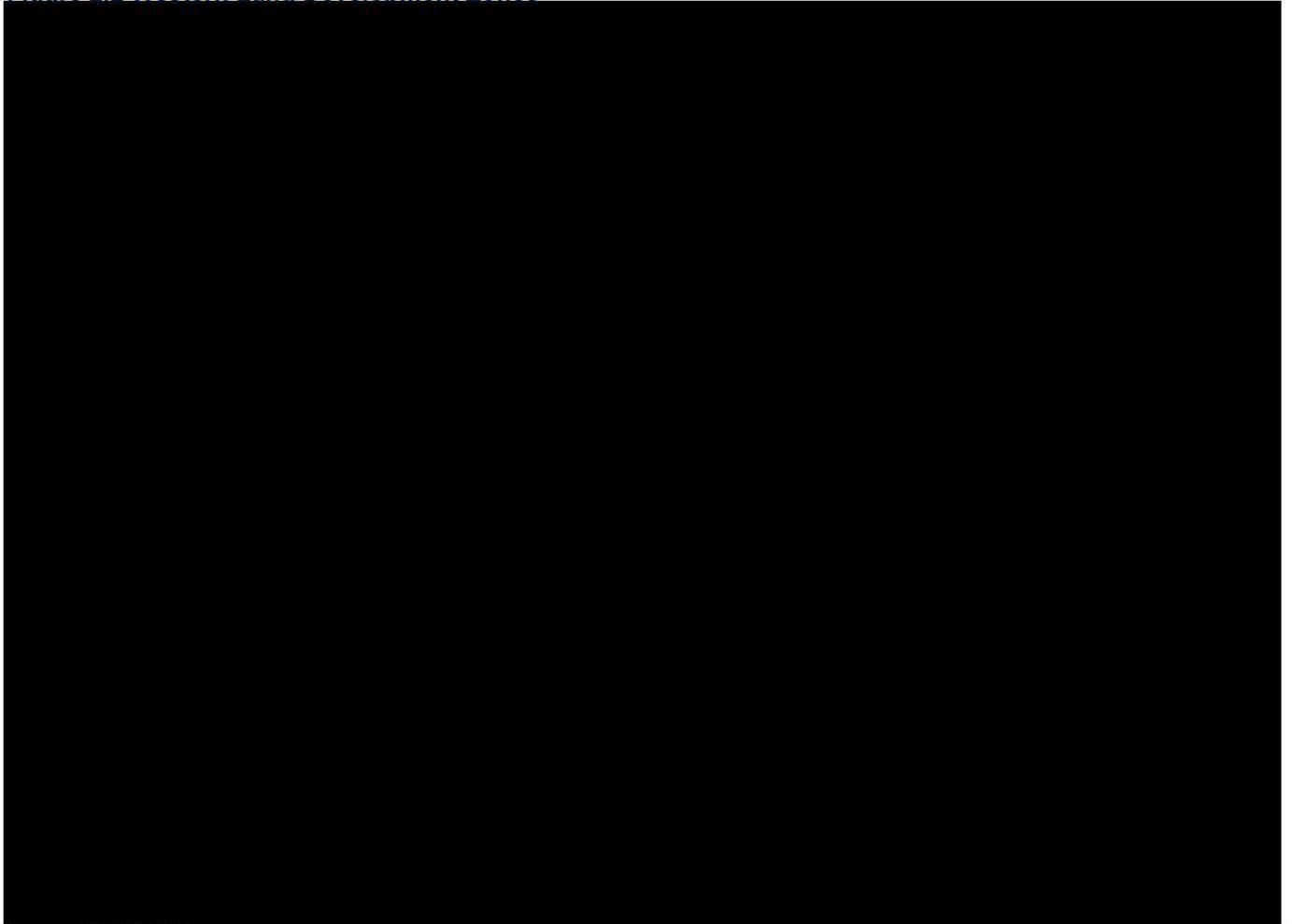






Source: OPDC 2021

**Figure 2.2 Western Land Development Zones**



Source: OPDC, 2021

## 2.4. Appraisal of Long List Options

2.4.1. This section presents the strengths and opportunities alongside the weaknesses and threats of each long list option. This is shown in **Table 2.3**. The section then assesses each option against the project's objectives and the CSFs to identify the short listed options. This is shown in **Table 2.4**.

**Table 2.3 Long List SWOT Analysis**

	Option	Strengths and opportunities	Weaknesses and threats
1a	<b>Old Oak North Development</b>	<ul style="list-style-type: none"> <li>7,700 homes and 1.4 million sq. ft commercial space.</li> <li>Intended for early delivery.</li> <li>Awarded £250 million Housing Infrastructure Fund (HIF) grant.</li> <li>Scheme generated a positive BCR (1.5).</li> </ul>	<ul style="list-style-type: none"> <li>Not viable.</li> <li>Cargiant relocation not possible.</li> <li>Local Plan allocation rejected.</li> <li>High upfront infrastructure costs.</li> <li>Large number of homes not in OPDC control.</li> </ul>
1b	<b>Old Oak South + North Development</b>	<ul style="list-style-type: none"> <li>9,200 homes and 1.4 million sq. ft commercial space.</li> <li>Significant development adjacent to HS2/Crossrail station.</li> <li>Regeneration benefit of connecting the surrounding fabric.</li> </ul>	<ul style="list-style-type: none"> <li>Not viable.</li> <li>Cargiant relocation not possible.</li> <li>Local Plan allocation rejected.</li> <li>High upfront infrastructure costs.</li> <li>Crossrail depot could not be relocated.</li> </ul>



	Option	Strengths and opportunities	Weaknesses and threats
		<ul style="list-style-type: none"> <li>Catalyse development by private landowners.</li> </ul>	<ul style="list-style-type: none"> <li>Cost to deck over the depot was prohibitive.</li> </ul>
2a	Western Lands Development - [REDACTED] No Infrastructure (Do Nothing option)	<ul style="list-style-type: none"> <li>3,500 homes and 1.9 million sq. ft commercial space.</li> <li>Allows incremental response.</li> <li>Individual site solutions.</li> <li>Potential over time for sites to come forward.</li> </ul>	<ul style="list-style-type: none"> <li>Very difficult to create connected place and critical mass with lack of connecting infrastructure.</li> <li>Market-led housing delivery likely to wait until after HS2 station opens.</li> <li>Suppressed value and capacity of DfT and NR land.</li> <li>Highly unlikely to be compatible with planning requirements without strategic infrastructure investment.</li> <li>Viability constraints.</li> </ul>
2b	Western Lands Development - [REDACTED] - Minimum Infrastructure	<p><i>As per Option 2a, plus:</i></p> <ul style="list-style-type: none"> <li>Potential to accelerate the third-party delivery of sites that are in private ownership, e.g. on Scrubs Lane, OOC Lane, &amp; Victoria Road.</li> <li>Additional Infrastructure may meet aspirations of Local Plan.</li> </ul>	<ul style="list-style-type: none"> <li>No clear route to funding or delivery of the infrastructure; possibly delivered ad hoc by different agencies subject to achieving positive BCRs or collecting enough CIL funds from development.</li> <li>Timing of infrastructure investments would likely be after the key land release dates and therefore delay/hinder benefit to developments.</li> <li>[REDACTED]</li> <li>[REDACTED]</li> <li>[REDACTED]</li> <li>[REDACTED]</li> <li>[REDACTED]</li> <li>Market-led housing delivery likely to wait until after HS2 station opens.</li> <li>Likely fragmented decision making.</li> <li>[REDACTED] Overall number of homes and jobs likely to be reduced [REDACTED]</li> <li>[REDACTED]</li> <li>[REDACTED]</li> <li>[REDACTED]</li> </ul>
3a	Western Lands Development - [REDACTED] - Minimum Infrastructure	<ul style="list-style-type: none"> <li>4,350 homes and 2.4 million sq. ft commercial space.</li> <li>Acton Wells East and West valuations will benefit from greater connectivity to OOC and North Acton stations, and from upgrades to North Acton station.</li> <li>[REDACTED]</li> <li>[REDACTED]</li> <li>[REDACTED]</li> <li>[REDACTED]</li> <li>[REDACTED]</li> </ul>	<ul style="list-style-type: none"> <li>Still limited regeneration outcomes relative to OOC station investment.</li> <li>Suppressed value and capacity on NR sites and Atlas Road site</li> <li>Market-led housing delivery will wait until after HS2 station.</li> </ul>

	Option	Strengths and opportunities	Weaknesses and threats
3b	Western Lands Development - [REDACTED] - Medium Infrastructure	<p>As per Option 3a, plus:</p> <ul style="list-style-type: none"> <li>Potential to accelerate the third-party delivery of sites that are in private ownership around Willesden Junction.</li> </ul>	<p>As per Option 3a, plus:</p> <ul style="list-style-type: none"> <li>Higher cost of infrastructure resulting from investment in Willesden Junction station.</li> </ul>
4a	Western Lands Development - [REDACTED] - Minimum Infrastructure	<ul style="list-style-type: none"> <li>7,300 homes and 2.45 million sq. ft commercial space.</li> <li>Higher capacity &amp; value unlocked.</li> <li>[REDACTED] will benefit from greater connectivity to OOC station.</li> <li>Potential to accelerate the third-party delivery of sites that are in private ownership.</li> <li>North Acton station upgrade will benefit and accelerate developments around it.</li> <li>Mixed use approach will contribute to better place making.</li> <li>[REDACTED]</li> </ul>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <ul style="list-style-type: none"> <li>High cost of infrastructure [REDACTED] to forward fund.</li> <li>Longer initial timescale to create landowning entity [REDACTED]</li> <li>Lower housing capacity at North Acton station and in and around Willesden Junction station.</li> </ul>
4b	Western Lands Development - [REDACTED] - Comprehensive Infrastructure	<p>As per Option 4a, plus:</p> <ul style="list-style-type: none"> <li>9,100 homes and 2.5 million sq. ft commercial space</li> <li>Higher capacity &amp; value unlocked around Willesden Junction station.</li> </ul>	<p>As per Option 4a, plus:</p> <ul style="list-style-type: none"> <li>Additional risks and costs of upgrading Willesden Junction station.</li> </ul>
4c	Western Lands Max Development [REDACTED] - Maximum Infrastructure	<p>As per Option 4b, plus:</p> <ul style="list-style-type: none"> <li>10,560 homes and 3.0 million sq. ft commercial space</li> <li>Opportunity to create a critical mass mixed-use district between the OOC station and North Acton.</li> <li>Maximum regeneration benefit generated.</li> <li>More communities would benefit from connection to OOC station and new jobs centre.</li> </ul>	<p>As per Option 4b, plus:</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

Source: OPDC, 2021

Table 2.4 Long List Appraisal

Option	Strategic fit	Achievability	Supplier capacity and capability	Affordability	Potential VFM	Conclusion
1a	Draft Local Plan rejected	Cargiant relocation not possible	OPDC to coordinate and deliver	Received HIF funding but gaps	BCR of 1.5 but not all factors considered	Discounted
1b	Draft Local Plan rejected	Cargiant relocation not possible Crossrail depot could not be relocated	OPDC to coordinate and deliver	Cost to deck over the depot was prohibitive.	Low expected VFM due to high costs	Discounted



Option	Strategic fit	Achievability	Supplier capacity and capability	Affordability	Potential VFM	Conclusion
2a	Low housing contribution and no provision of associated infrastructure assessed to be required by the Local Plan	Likely outcome based on current fragmented ownership	Private sector will deliver but in an un-coordinated way that does not address the complexities of the site	Viability is marginal due to low development values	Delivery of low levels of benefits but at no public sector cost, therefore low VFM	Short listed ('Do Nothing')
2b	Low housing contribution Lack of place-led approach Timing of infrastructure will be delayed relative to land development	Uncoordinated delivery by fragmented owners risks achievability.	Private sector will not be able to deliver site wide infrastructure Challenge for public sector to deliver site wide infrastructure due to multiple stakeholders and lack of coordination	Without coordination of land, funding for strategic infrastructure would be much more difficult to secure,	Marginal anticipated Vfm as some benefits delivered but also incurs public sector cost.	Discounted
3a	Low housing contribution Improved place-led approach on parts of the scheme	[REDACTED]	[REDACTED]	Public funding harder to justify due to low housing delivery	Possible good BCR but anticipated poor other Vfm indicators	Short listed (see Management Case)
3b	Low housing contribution Improved place-led approach on parts of the scheme	[REDACTED]	[REDACTED]	Higher public funding harder to justify due to low housing delivery	Anticipated poor Vfm indicators due to high costs and moderate benefits	Discounted
4a	Contributes to Local Plan housing targets within the Western Lands	[REDACTED]	[REDACTED]	Public funding harder to justify due to lower housing delivery	Anticipated poor Vfm indicators due to high cost and lower housing outcomes	Discounted
4b	Achieves Local Plan housing targets within the Western Lands	[REDACTED]	[REDACTED]	Easier access to public funding due to good Vfm	Anticipated good Vfm and BCR	Short listed
4c	Outperforms Local Plan housing targets within the Western Lands	Higher need for public funding to cover upfront cost	[REDACTED]	Higher public funding may compromise access to public funding	Anticipated good Vfm and BCR	Short listed

#### 2.4.2. In summary:

- Options 1a and 1b are not short listed as they are options considered in the past by OPDC and deemed unviable and not possible to deliver.
- Option 2a is selected as the Reference Case (or the 'Do Nothing' Case) as it represents the most likely alternative outcome if no government funding and intervention takes place to coordinate delivery across the land and the infrastructure.
- Option 2b is discounted as non-deliverable, due to there being no route to securing funding without land and stakeholder coordination, or to delivering infrastructure across multiple land ownership boundaries.
- Option 3a is short listed as the Minimum Intervention Case, as it offers a scaled back cost due to [REDACTED] its lower level of strategic infrastructure, whilst providing an alternative delivery strategy relative to [REDACTED] delivery responsibility to a single public sector entity [REDACTED]
- Option 3b is rejected as it has the same development outputs with Option 3a but with higher infrastructure costs. This is due to upgrading Willesden Junction station without the full reconfiguration and transfer deck required for an ASD with its additional residential units.
- Option 4a [REDACTED] for a minimum infrastructure package. This results in 20% fewer residential units relative to Option 4b due to lack of enabling infrastructure and is rejected as it does not maximise regeneration.
- Option 4b is like 4a with higher infrastructure allowance. This enables further development and maximises regeneration leading to the short list of this option.

Option 4c is also short listed as the Maximum Intervention Case. [REDACTED]  
[REDACTED]  
[REDACTED]

## 2.5. Short Listed Options

### 2.5.1. The four short listed options are re-named and summarised below:

1. **'Do Nothing' (Option 2a):** [REDACTED] **No Infrastructure.** This represents the continuation of the current development trajectory for public sector land within the Western Lands. It assumes [REDACTED] no grant to forward fund strategic infrastructure.
2. **Minimum Intervention Case (Option 3a):** [REDACTED] **+ Minimum Infrastructure.** This covers a low level of infrastructure investment (assumed to be Local Plan compliant) [REDACTED]  
[REDACTED] This case assumes a private master development partner(s). Infrastructure includes upgrades to North Acton station but excludes works to Willesden Junction station, [REDACTED]
3. **Preferred Intervention Case (Option 4b):** [REDACTED] **+ Comprehensive Infrastructure:** includes a range of infrastructure investments including upgrades to both Willesden Junction and North Acton stations [REDACTED] and the [REDACTED] aim of optimising development across the target area.



■ **Maximum Intervention Case (Option 4c).** This scenario tests ■ a more extensive list of infrastructure interventions drawn from the Local Plan. This option delivers a higher quantum of development, but also incurs a greater level of risk and cost for the public sector and master developer(s). It includes all the ■ infrastructure in the short listed Preferred Case, with the addition of OOC Lane Overground station, ■

## 2.6. Economic Appraisal of Short Listed Options

### *Assumptions and Methodology*

2.6.1. A preliminary economic appraisal of the short listed options has been undertaken to provide an early view on the likely VfM of the short listed options. This analysis has quantified several core benefits associated with each development scenario.

2.6.2. The primary monetised benefit in the appraisal is Land Value Uplift (LVU), which relates to the social value of the additional units of housing and commercial space completed on site because of Western Lands. Given the transformative nature and scale of placemaking embedded within the project's strategic objectives, it is likely that Western Lands will support significant external wider impacts (not fully captured by these direct LVU impacts). At this stage these wider external impacts, without further analysis and refinement of the delivery options, have not been monetised and included in the BCR. However, they have been considered qualitatively across the short listed options, including an indicative scale of additional development that is linked to Western Lands. **Section 2.8** provides further detail on the consideration of wider, non-monetised impacts. A detailed explanation of the methodology used in the Economic Case is provided in **appendix 5**.

2.6.3. The core quantified benefits are as follows, with further detailed provided in **Table 2.5**:

- The Land Value Uplift (LVU) benefits associated with the residential and commercial development, which act as a proxy to measure the net private benefit (social value) to the new residents and businesses.<sup>22</sup>
- Fiscal costs and savings to the public sector associated with the payment of housing benefit, which is affected by the provision of new types of affordable tenancies.
- Amenity benefits associated with developing brownfield land.
- Distributional benefits examining the redistribution of income and wealth associated with affordable housing provision.
- Health impacts from affordable housing provision easing overcrowding/homelessness.

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<sup>22</sup> LVU only captures benefits to new residents and businesses arising from the new residential and commercial space. There will likely be positive spill over effects for existing residents, which are not measured at this stage.



## Treatment of Public Sector Land Value in the Economic Case

The preliminary appraisals set out in the economic case highlight the importance of both the value of the public sector land and how that value is accounted for in economic terms.

The economic appraisal must ascribe a value to the public sector land, which is taken from the assumptions set out in the Financial Case. As the Financial Case sets out in detail, the values used are illustrative at this stage, with a detailed valuation workstream to commence between stakeholders post-SOC. As the land value is refined in the financial model, these values will flow through the economic appraisal.

The way in which the public sector land value is treated in the economic case is another important consideration. The Economic Case takes a holistic public sector perspective, and as such, the transfer of land is not treated as a cost in the traditional sense (because it remains in public sector control). Instead, it is treated as an opportunity cost. This opportunity cost is quantified in the denominator of the value for money analysis and acknowledges the land as an input into the scheme. The way the public sector land and assigned opportunity cost is treated has a significant impact on the economic appraisal and, to account for this, the main scenario presented assumes a nil land value to ensure the options are directly comparable in terms of the benefits they deliver, and the infrastructure costs associated with them. This approach has been supported by GLA and DfT economists, who will continue to be consulted as the values are refined in future iterations of the analysis.

In summary, at SOC stage, the Economic Case uses the best available assumptions on public sector land value (as set out in the Financial Case) and has developed a robust methodology that follows the latest appraisal guidance. The result is an economic appraisal that successfully shows the relative net social value and VfM performance of the various options.

Further analysis of how VfM differs for the different public sector bodies (rather than total public sector perspective) could be subsequently undertaken, especially once the value of the public sector land is finalised. Further details on the land value as well as the monetised benefits are presented in **Table 2.5**.

2.6.4. Savills has led the economic appraisal analysis in coordination with Homes England economists and OPDC. It has followed guidance from: HMT Green Book (2020); DLUHC's Appraisal Guide (2016); and HE latest practice.

**Table 2.5 Economic Appraisal Assumptions**

Variable/Input	Assumption
Appraisal period	60 years from 2021.
Values Base Year	2021
Optimism bias	24% increase on costs excluding contingency. This is the upper limit set out in the Supplementary Green Book Guidance – Optimism Bias. We have adopted a conservative optimism bias for public costs accounting for the preliminary stage of the project and uncertainties associated with the duration of the project and cost forecasts.
Displacement	10%. The displacement used reflects the high demand for housing in OOC and London (i.e. a supply constrained context indicating suppressed demand). This displacement is further lowered by the significant amount of affordable housing assumed to be provided, which is even more supply constrained than market housing.
Social discount rate	3.5% per annum







## Economic Appraisal Results

2.6.5. This section presents the results of the economic appraisal for each short listed option. The key VfM metrics to compare the options are the Net Present Social Value (NPSV), the overall level of social value delivered, and the BCR.

2.6.6. Based on appraisal guidance, two definitions of the BCR are used:

- Initial BCR NPSV/BCR: This covers the core LVU benefits on site; fiscal costs and savings to the public sector (including associated with the affordable homes) and amenity benefits. These values are considered to be robustly monetised based on Green Book and departmental guidance.
- Adjusted NPSV/BCR: This includes several wider benefits including the distributional benefits associated with affordable housing provision and the health impacts of affordable homes, which the evidence base is less established.

2.6.7. The appraisal summary table (AST), Table 2.6 below, highlights that whilst all short listed options provide high value for money with BCRs above 2, the NPSV delivered by the Preferred and Maximum intervention options is by far the highest, driven by the higher delivery of housing and commercial floorspace.

**Table 2.6 Economic Appraisal Summary Table (AST) – (Values Net of ‘Do Nothing’)**

Ref	Description	Do Nothing	Minimum Intervention Case	Preferred Intervention Case	Maximum Intervention Case
	Residential Units/Commercial Floorspace	3,491 units; 1.9 million sq. ft	4,100 units; 2.4 million sq. ft	9,100 units; 2.5 million sq. ft	10,500 units; 2.9 million sq. ft
A	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
B	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
C	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
D1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
D2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
E	'Central' Benefit-Cost Ratio [A / B]	n/a	4.0	3.3	3.1
F	'Adjusted' Benefit Cost Ratio [(A + C) / B]	n/a	4.2	3.5	3.3
H	Value for Money (VfM) Category	n/a	High (BCR ≥ 4)	High (BCR ≥ 2)	High (BCR ≥ 2)
	Non-monetised Impacts (see discussion below)	Low	Medium	Very high	Very high

Source: Savills, 2021. Note the Present Value of the Options is net of the 'Do Nothing'.

2.6.8. The Preferred Intervention Case has core and adjusted BCRs of 3.3 and 3.5 respectively whilst the NPSV of this option is significantly higher than the 'Do Nothing' and the Minimum Intervention Case, given the much higher level of housing and LVU benefits it delivers. The BCR of the Maximum Intervention Case is slightly lower (at 3.1-3.3) given the much higher cost of this option compared to the other interventions.



2.6.9. Although the Minimum Intervention Case has the higher BCR at 4.0-4.2, the level of housing delivery and associated social value (NSPV) is significantly lower, and largely reflects the much lower public cost requirements (which would need to be further scoped against the infrastructure requirements). Furthermore, as set out in the sensitivity testing, if the opportunity cost of the public sector land is not assumed at nil value, the BCR worsens significantly. This also does not include the wider external impacts of the options.

## 2.7. Sensitivity Analysis

████████ Sensitivity analysis tests the vulnerability of benefit and cost estimates to changes in the key assumptions and variables from which they are derived. This section sets out two types of sensitivity test. The initial test focuses on the benefit reduction or cost increase required under each option for the Adjusted BCR to reduce below 1.5. ██████████

2.7.2. **Table 2.7** below shows that the BCRs of the options are not sensitive to changes. For BCRs to reduce below 1.5 they require benefit reductions of 55% to 65% or costs increases of 121% to 183%. Out of the three assessed options the Minimum Intervention Case is the least sensitive with Preferred and Maximum Intervention Cases having similar sensitivity levels.

**Table 2.7 Economic Appraisal Sensitivity to Test Key Assumptions**

Description	Do Nothing	Minimum Intervention Case	Preferred Intervention Case	Maximum Intervention Case
Switching Value (% reduction/increase in PVB [A+C] required for BCR to be less/more than 1.5)	N/A	-65%	-57%	-55%
Switching Value (% increase/reduction in PVC [B] required for BCR to be less/more than 1.5)	N/A	183%	132%	121%

Source: Savills, 2021

2.7.3. The results of the second sensitivity test are summarised in Table 2.8 below. This captures the effects of an increase in the public sector opportunity cost of the land; [REDACTED] [REDACTED] as an opportunity cost (rather than a nil value assumed above) affects the values of the Economic Appraisal Summary for all the other options. This shows that the Minimum intervention case is the most sensitive of all due to the low public costs increasing significantly with the inclusion of an opportunity cost. This reduces the BCR of the Minimum Intervention Case from a high BCR of 4.0 to a poor BCR of 0.9. The Preferred and Maximum Intervention Cases are less sensitive to this, due primarily to the high present values of benefits. The BCR reduces from 3.3 to 2.6 and 3.1 to 2.7 for the Preferred and Maximum Intervention Cases respectively and therefore both cases still represent high VfM.

**Table 2.8 Economic Appraisal Summary Table (AST) With RLV of 'Do Nothing' used as Opportunity Cost – (Values Net of 'Do Nothing')**

Ref	Description	Do Nothing	Minimum Intervention Case	Preferred Intervention Case	Maximum Intervention Case
	Residential Units/Commercial Floorspace	3,491 units; 1.9 million sq. ft	4,100 units; 2.4 million sq. ft	9,100 units; 2.5 million sq. ft	10,500 units; 2.9 million sq. ft

A	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
B	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
C	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
D1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
D2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
E	'Central' Benefit-Cost Ratio [A / B]	n/a	0.9	2.6	2.7
F	'Adjusted' Benefit Cost Ratio [(A + C) / B]	n/a	0.9	2.8	2.8
H	Value for Money (VfM) Category	n/a	Poor (BCR < 1.5)	High (BCR ≥ 2)	High (BCR ≥ 2)

Source: Savills, 2021. Note the Present Value of the Options is net of the 'Do Nothing'.

## 2.8. Non-Monetised Benefits

2.8.1. Given the transformative nature and scale of placemaking at the Western Lands there are likely to be significant wider external impacts that the project will deliver, and that will vary across the options. At this stage these have only been considered qualitatively but as the project progresses it is anticipated that some of these could be monetised and further inform the assessment of the options. These benefits are considered more fully in turn below.

### *Placemaking and wider regeneration impacts*

2.8.2. The investment committed by DfT into OOC station has the potential to unlock transformative benefits for the local area. However, there is a risk that without further interventions and investment in local regeneration, the benefits do not trickle down to the local community (Jamaica Station, near JFK airport in New York City, is an example of a massive investment in a major out-of-centre station that failed to catalyse anticipated benefits to the local community<sup>24</sup>).

23 [REDACTED]

<sup>24</sup> Whilst regeneration did take place to some degree around Jamaica station, it was piecemeal and slow, with initiatives continuing to be spearheaded as recently as 2015 despite the station works completing in 2005. Our conclusion is that the opportunity to capture benefits for the local community from the investments in Jamaica Station were not maximised, due to a failure to coordinate all the planning, policy and funding tools in advance of the completion of the station projects themselves. There is the potential for Old Oak to suffer from a similar piecemeal and delayed regeneration if the key stakeholders fail to align around a common set of objectives and invest the resources to ensure that those regeneration objectives are met.



2.8.3. As outlined in the Strategic Case, there are substantial barriers that could prevent the full benefits of HS2 from being maximised. By investing in critical connections and new developments, existing residents will be able to benefit from proximity to the new station. By consolidating public land ownership, [REDACTED] new and existing assets can be created or enhanced. This includes the provision of new parks [REDACTED] the Grand Union Canal, new schools and other social infrastructure, and area-wide improvements to the quality and safety of the pedestrian and cycle infrastructure. In addition to the positive placemaking impacts, the negative externalities from 'bad neighbour' uses, which although not quantified at this stage, are expected to be significant and will persist under the do-nothing scenario.

2.8.4. In an area suffering from some of the highest levels of deprivation in West London, the interventions in Western Lands will act as a catalyst for regeneration in the wider area. Western Lands will transform an area with good transport connections into an attractive place to live and work. The infrastructure improvements and development are expected to create spill over effects, such as placemaking impacts, leading to land value uplift in the wider area. There will be additional demand in the local area by new residents and businesses for products and services, making it an attractive place for investors.

2.8.5. In addition, intervention will deliver an economic boost to the local area, providing jobs and training opportunities. The 30-year construction programme will provide a huge employment pipeline. In addition, the Interventions envisage a vibrant new economic centre spanning between North Acton and OOC station, which would attract innovation and inward investment. Finally, enhancements to connectivity and place will support OPDC's ongoing investment in the intensification of Park Royal, which will create further economic opportunities both for existing communities, and for thousands of new residents and workers who would move into the area.

#### ***Land value uplift, development and housing catalysed by intervention***

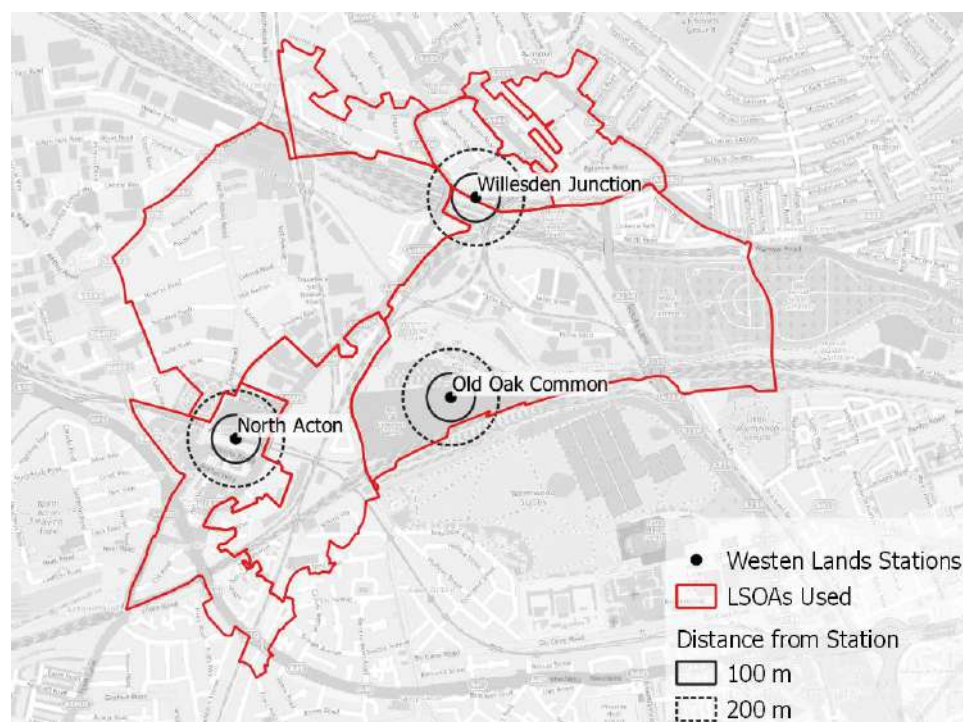
2.8.6. Emerging guidance,<sup>25</sup> based on research undertaken by Homes England, will be looking to quantify these impacts as part of the updated Appraisal Guide, based on estimating the uplift in value to the capital value of the existing housing surrounding a scheme. It is also worth noting Savills research for TfL<sup>26</sup> that examined the LVU impact of different transport infrastructure projects and concluded that the value uplift can vary for residential between 1-11% p.a. for five years and 1-2.5% p.a. for five years for commercial floorspace. As noted above, whilst the station is likely to be a catalyst for value uplift across the area, it is not enough to deliver the highest impact to the wider area due to the severe severance issues on the site. As a result, these impacts are likely to be much higher for three Intervention Options, relative to the 'Do Nothing', with the highest outcomes likely to be seen in the Preferred and Maximum Intervention options, which incorporate a comprehensive regeneration and master planning of the entire area.

2.8.7. It is likely that the surrounding area would at least cover those Lower-layer Super Output Areas (LSOAs) adjacent to Willesden Junction and North Acton, as shown in **Figure 2.3** below.

<sup>25</sup> Placemaking Impacts from Housing Interventions, Research carried out on behalf of Homes England, in partnership with DLUHC, by Amion, November 2021.

<sup>26</sup> Land Value Capture report, TfL, 2016

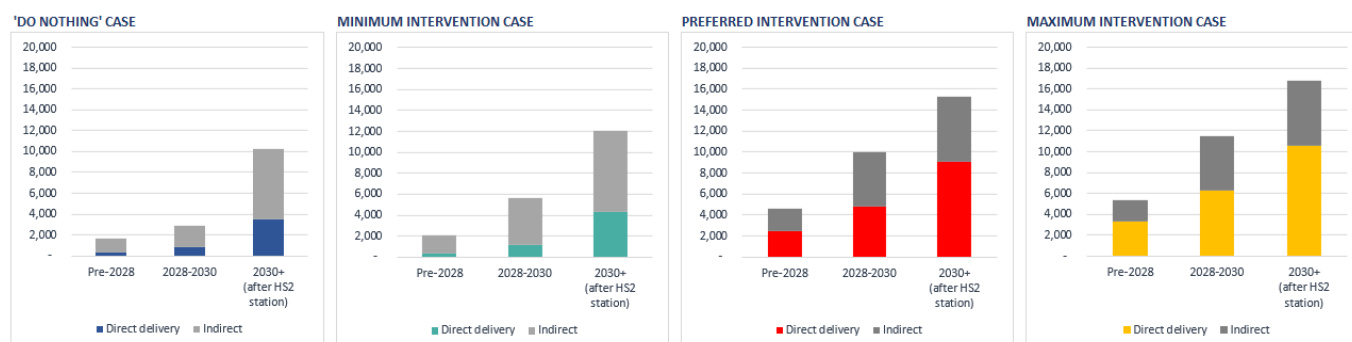
**Figure 2.3 Land Value Uplift Wider Benefits Areas**



Source: Savills, 2021

2.8.8. Beyond the general impact on land values, the new station and the strategic infrastructure interventions proposed in the various Intervention options will act as a catalyst for additional new development in a much wider area. OPDC estimate that around 6,000 housing units will be indirectly unlocked or accelerated by the Western Lands Preferred Intervention Case. **Figure 2.4** below summarises and compares the estimated wider effects of the four development scenarios, looking at both the quantum of housing that would be catalysed, and the likely timescale on which these would be accelerated depending on the scale of intervention. This analysis highlights the acceleration impact that coordination and forward-funding would have on housing starts directly controlled by the scheme and those delivered indirectly on third party sites, in both the Preferred and Maximum Intervention Cases.

**Figure 2.4 Estimated cumulative total number of homes delivered directly and indirectly catalysed by each short listed development option**



Source: OPDC, 2021.



### ***Jobs and Gross Value Added (GVA) impacts***

2.8.9. Beyond the housing outputs, Western Lands, under the Preferred Intervention Case, is anticipated to support 12,350 gross jobs in the employment floorspace created via the development. This supports around £1 billion of GVA<sup>27</sup>. There is evidence to suggest that some of these jobs will be filled by new entrants to the labour market or represent a move to more productive jobs and could represent labour supply impacts (additional to LVU benefits). However, evidencing this is intrinsically difficult and would require more careful consideration of the types of jobs by sector that are likely to be created.

### ***Other community impacts***

2.8.10. At present the economic appraisal has not included the transport user benefits associated with the station upgrades, which are estimated separately by TfL SOC's for each station, given the potential for double counting. However, it is worth noting that these are significant for the upgrade of North Acton station and the development of the new OOC Overground station. The preferred option from the North Acton SOC offers a BCR of 1:45 whilst the case for OOC Overground offers a BCR of 3.5. No transport users BCR for works at Willesden Junction is available at present.

2.8.11. The project will also deliver a range of other community benefits, such as reducing crime and improving health outcomes, which are partially captured within the LVU benefits (which acts as proxy for private benefits) but not fully. Crime reduction is anticipated to be significant as the proposed intervention develops previously restricted land and provides new housing which introduces 24-hr activity in the area. The high level of affordable housing also means that Western Lands is likely to provide a range of associated benefits such as reduced GP and A&E attendance and further welfare savings from a reduction in unemployment.

2.8.12. Given these considerations and likely wider placemaking impacts, it is considered that the Preferred Intervention and Maximum Intervention options, which deliver a true comprehensive regeneration that will tie into the OOC station investment, will have considerable external benefits to both existing and new local communities. Once these are monetised, it is anticipated that this will further improve VfM for these two options.

## **2.9. Conclusion**

2.9.1. The appraisal shows that the Preferred Intervention option has a Central BCR of 3.3. Once wider benefits are also included the Adjusted BCR increases to 3.5. The Minimum Intervention BCR vary from 4.0 to 4.2 but this is primarily due to low public sector costs as it also delivers the lowest net present social value. The Maximum Intervention option has similar BCRs with the Preferred Intervention option but with higher public cost and net present social value.

2.9.2. **Table 2.9** below provides an assessment of each option against each of the strategic objectives. This shows that 'Do Nothing' and the Minimum Intervention Case are not fully aligned with the strategic objectives of the project with the Preferred and Maximum Intervention cases fulfilling each of the objectives. Taking this into account alongside the BCR and net present social value of each option, and given that we anticipate that there will be significant wider benefits not currently captured in the BCR, we conclude that the Preferred Intervention Case performs best on a combination of Strategic Case and Economic Case criteria.

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<sup>27</sup> Based on applying GVA (Balanced) per job figures for all industries by region (Source: Labour Productivity 2018, ONS), converted to 2021 prices, for London, which provides a broad estimate.

**Table 2.9 Appraisal of Short Listed Options Against the Strategic Objectives**

Strategic objective	Reference Case ('Do Nothing')	Minimum Intervention Case	Preferred Intervention Case	Maximum Intervention Case
Maximise housing delivery	Low housing numbers fall short of Local Plan site allocations	Housing delivery contributes to Local Plan targets but falls short of potential across intervention area	Housing delivery is optimised on the development sites.	Maximum housing delivery.
Accelerated delivery	Market led delivery will be delayed waiting for rising land values with opening of HS2 station	Market led delivery will be delayed waiting for rising land values with opening of HS2 station	Forward funding of infrastructure allows for acceleration of early phase sites ahead of the release of HS2 worksites	Forward funding of infrastructure allows for acceleration of early phase sites ahead of the release of HS2 worksites
High quality spaces and integrated communities	Limited connecting infrastructure and lack of coordination between public and private sectors affects placemaking.	Improved connectivity and placemaking around North Acton but continuation of suboptimal conditions around the Canal	Coordination and funding align to deliver needed site wide infrastructure to enhance connectivity and public realm throughout	Coordination and funding align to deliver needed site wide infrastructure to maximise connectivity and public realm throughout
Optimise use of public sector land	Sub-optimal use of land because of lack of coordination	Optimised use of sites around North Acton, but sub-optimal use of land around the Canal [REDACTED] [REDACTED] [REDACTED]	Optimised use of land because of coordination [REDACTED] [REDACTED]	Optimised use of land because of coordination [REDACTED] [REDACTED]
Jobs and economic growth	Isolated and low-quality commercial district will struggle to attract tenants	Improved connectivity delivers a better commercial district and more likely to generate jobs and economic growth	Significant new employment through high quality and resilient mixed-use district linked to both OOC and North Acton Stations	Maximum generation of jobs through a maximised mixed-use district with great connectivity to both OOC Station and North Acton
Low carbon, healthy and sustainable development	Lack of investment in strategic infrastructure results in poor public realm Marginal viability likely to result in reduction of scheme quality and of public benefits	Opportunity to enhance public realm and deliver high quality schemes on parts of the site but failure to maximise the greening potential of the Canal	New parks and green spaces throughout the scheme combined with full control to ensure development typologies maximise sustainability goals	New parks and green spaces throughout the scheme combined with full control to ensure development typologies maximise sustainability goals

Source: OPDC, 2021.

2.9.3. This analysis does not consider the affordability of the options to OPDC and the UK government, their commercial attractiveness to development partners, management arrangements, and risks and financial exposure. These are considered separately in the following chapters.



### 3. Financial Case

#### FINANCIAL CASE SNAPSHOT: CHAPTER SUMMARY

##### What is the purpose of the financial appraisal?

- The Financial Case explores the public sector funding requirement for the Western Lands project; it builds on the Economic Case by financially appraising the short listed options.
- The financial appraisal seeks to maximise private sector cost bearing [REDACTED] and funding from existing programmes (OPDC CIL income, Affordable Homes Programme (AHP) grant) with additional government support used as the funding source “of last resort”.
- This SOC does not seek approval for funding at this stage; the financial appraisal is at an early stage of refinement. Further work on both the proposed funding structure and key cost and value assumptions will be required at OBC and FBC stages.

##### How is the financial appraisal structured?

- The financial appraisal has been done on a nominal basis (i.e. excluding both cost inflation and value growth) to provide an initial assessment of potential funding support required.
- The financial appraisal comprises a cashflow built on a series of plot level residual land values (RLV) to represent the disposals of de-risked development plots over time.
- RLVs use a typical method of calculating the total value of completed development and subtracting the cost of delivering that development to estimate what a plot developer could pay for the land in competition.
- This series of plot sales represents the income cashflow for a Master Development Partnership (MDP) who is responsible for delivering de-risked development plots.
- To do this the MDP must bear the cost of delivering strategic infrastructure, [REDACTED] and other work to de-risk individual development plots.
- The large up-front cost of land and infrastructure and long-dated plot sale income means that the MDP's cashflow is not viable at a typical private sector cost of capital.
- The grant requirement is calculated as the minimum funding support required to address this viability gap; it then considers how both OPDC's planning income could be used to recover the forward funding of infrastructure.
- Scenarios have been used to show the relationship between the timing and size of compensation received by government for its land and the impact that has on funding support required.
- The financial case and supporting appendices set out the commercial assumptions used in the financial appraisal.

##### Why is funding support required?

- The strategic infrastructure [REDACTED] required to enable Western Lands is costly and requires funding support to cover an upfront cashflow burden, and residual viability gap.
- A significant contribution from the Affordable Homes Programme has been included to help meet the Mayor's targets for affordable beyond those that can be delivered by planning viability.

##### What are the results of the financial appraisal?

- [REDACTED]
- [REDACTED]
- [REDACTED]
- Whilst the net public position is similar, the funding profile and the relative risk/reward will be different between land sale and profit share models. Further work on how to optimise this will be developed and OBC and FBC stage.



[REDACTED]

**How sensitive is the model?**

- The model is most sensitive to the size and timing of land and infrastructure costs, and therefore the cost of finance associated with these large upfront costs.
- Sensitivity testing has also been done on the assumed value of development and shows that the public sector could benefit from significant value capture if these outperform the current assumptions used.

### 3.1. Introduction

3.1.1. The Financial Case explores the funding requirement for the Western Lands project. It builds on the Economic Case by financially appraising the four short listed options. OPDC has worked with Savills to build financial appraisals and provide market-facing, evidence-led assumptions.

3.1.2. The appraisals identify funding support required for the following three reasons:

- Cashflow support to help with the large up-front cost of [REDACTED] delivering enabling infrastructure,
- Funding to support the levels of affordable housing required under OPDC and the Mayor of London's policy where this cannot be delivered through planning viability alone, and
- Funding to support an overall viability gap, due to the significant infrastructure required to deliver this scheme and meet the Local Plan's policy aspirations.

3.1.3. Documents supporting OPDC's Local Plan<sup>28</sup> evidence that without grant funding, a relatively low level of affordable housing can be delivered for the housing allocations that make up much of Western Lands and the Plan has an identified overall infrastructure funding gap. The findings of this Financial Case show a viability gap arising from infrastructure requirements, broadly consistent with independently tested Local Plan.

3.1.4. The Financial Case starts to develop a strategy for funding the viability gap for the Preferred Intervention Option. The modelling tests the greatest possible contribution that can be made by the private sector towards development costs [REDACTED] It seeks to limit new public sector funding by optimising use of existing programmes such as the Affordable Homes Programme and by reinvesting OPDC's income from planning obligations (such as CIL) back into the scheme.

[REDACTED]

<sup>28</sup> Including the Local Infrastructure Delivery Plan

([https://www.london.gov.uk/sites/default/files/opdc\\_infrastructure\\_delivery\\_plan\\_2021.pdf](https://www.london.gov.uk/sites/default/files/opdc_infrastructure_delivery_plan_2021.pdf) See Page 62)

and the Strategic Site Allocations Viability Assessment

([https://www.london.gov.uk/sites/default/files/opdc\\_strategic\\_site\\_allocations\\_viability\\_assessment\\_2021.pdf](https://www.london.gov.uk/sites/default/files/opdc_strategic_site_allocations_viability_assessment_2021.pdf) See Page 33). This work was independently commissioned by OPDC's Planning Directorate and includes independent professional advice from Mott Macdonald and BNP Paribas Real Estate.





[illegible]





[REDACTED]

### 3.3. Financial Appraisal Methodology

[REDACTED]

#### *Plot Level Residuals*

[REDACTED]

[REDACTED]

#### *Master Development Partnership (MDP) Cashflow*

[REDACTED]

#### *Calculating Grant*

[REDACTED]



### 3.4. Financial Appraisal Assumptions

[REDACTED]

[REDACTED]

#### *Development Capacity*

[REDACTED]

[REDACTED]

#### *Development Values*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

#### *Build Costs*

[REDACTED]

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[illegible]

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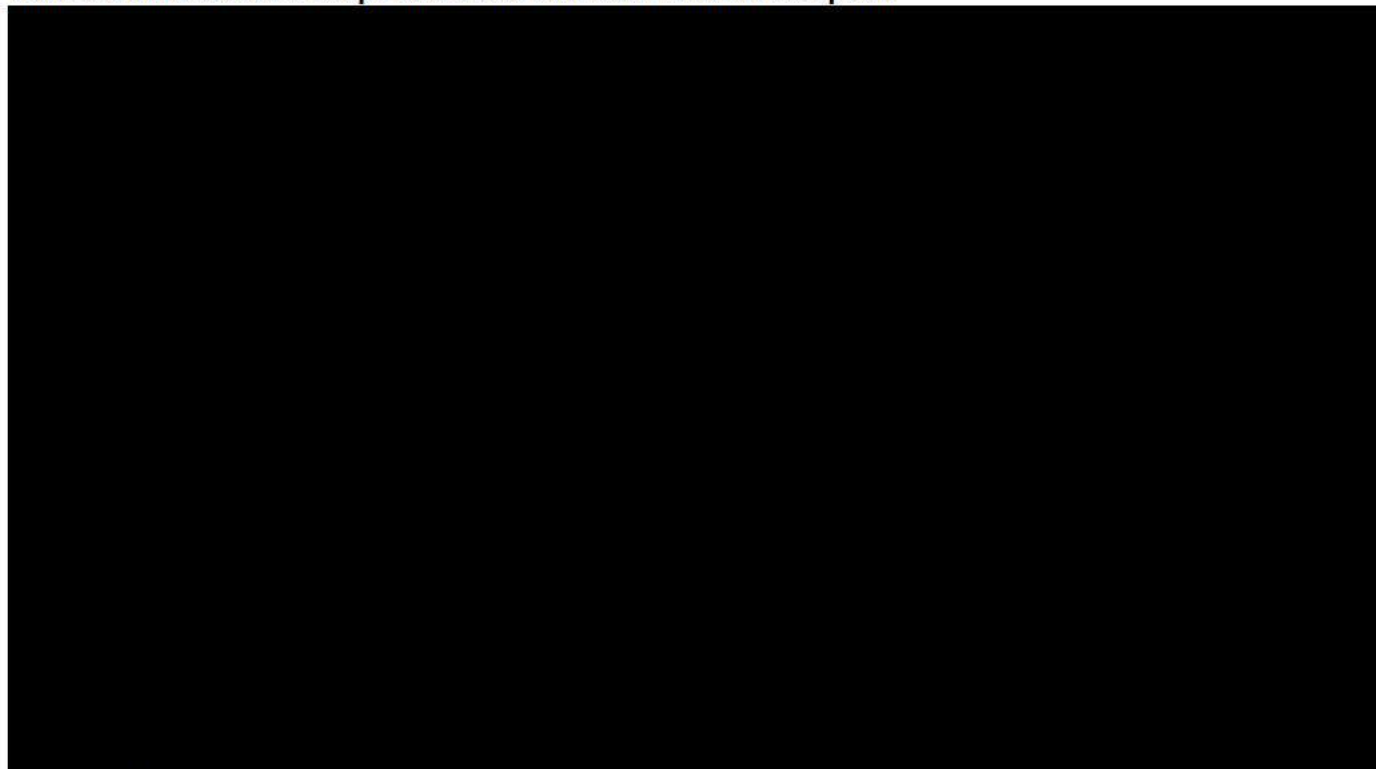


[REDACTED]

### **Infrastructure Scope and Costs**

[REDACTED]

**Table 3.2 Infrastructure Scope and Costs - for each short listed option**



Source: OPDC 2021.

***Plot Residual Assumptions for Other Options***





[illegible]

**Table 3.3 Key Appraisal Development Assumptions - for each short listed option**

\_\_\_\_\_

Source: OPDC, 2021

[illegible]

\_\_\_\_\_

[illegible][illegible]

[REDACTED]

\_\_\_\_\_

\_\_\_\_\_

■ \_\_\_\_\_





Source: OPDC 2021.

**Table 3.6 Overall Public Sector Position - for Preferred and Maximum Interventions, with bookend payment options on public sector land**

Source: OPDC 2021.

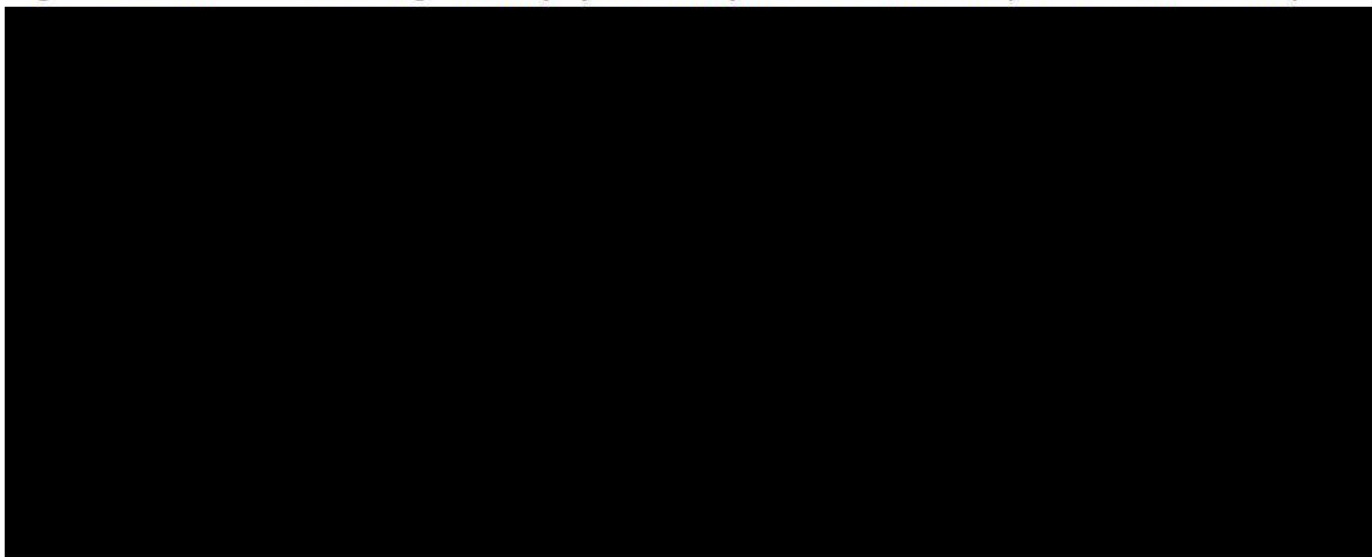


**Figure 3.2 Public Sector Funding Summary - public land invested as equity (Preferred Intervention)**



Source: OPDC, Savills, 2021

**Figure 3.3 Public Sector Funding Summary - public land paid for at drawdown (Preferred Intervention)**



Source: OPDC, Savills, 2021

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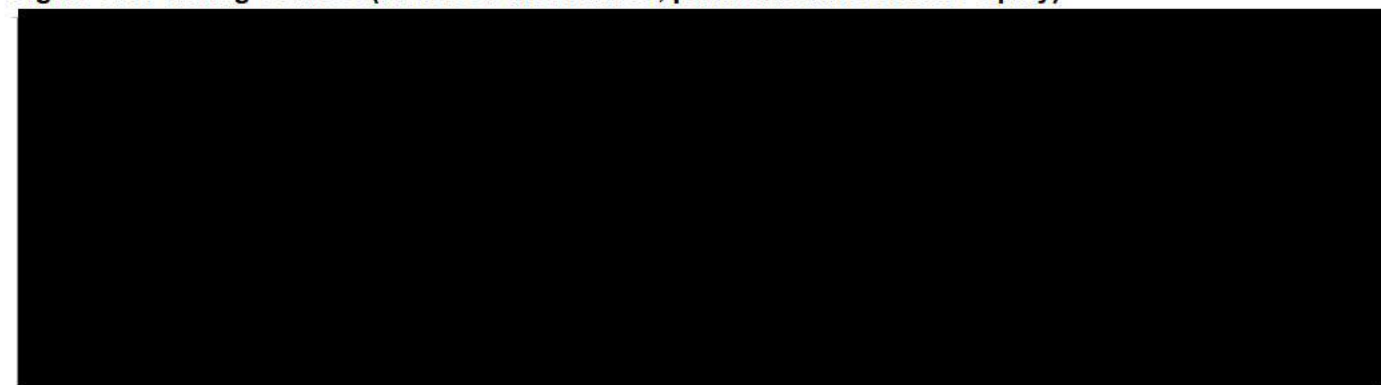
**Table 3.7 Sources & Uses at MDP Level - Preferred Intervention (public sector land invested as equity)**

Public on business & social media. Level 1. Polished information. Public sector and invested to be kept.

Source: OPDC, Savills, 2021

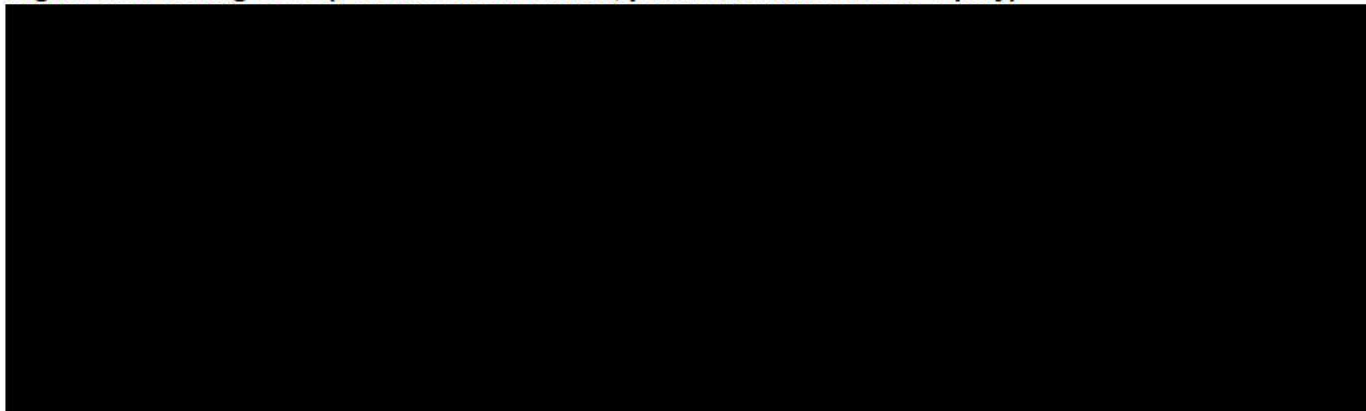
[REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]

**Figure 3.4 Funding Sources (Preferred Intervention, public land invested as equity)**





**Figure 3.5 Funding Uses (Preferred Intervention, public land invested as equity)**



Source: OPDC, Savills, 2021

[REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Table 3.8 Master Developer Financial Returns - for each short listed option (public sector land invested as equity)**

[REDACTED]

Source: OPDC, Savills, 2021

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**Table 3.9 Sources & Uses at Plot Development Level - Preferred Intervention (public sector land invested as equity)**

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Source: OPDC, Savills, 2021

Figure 3.6 Cumulative Delivery of Affordable and Private Units (sales per annum) - Preferred Intervention

Source: OPDC, Savills, 2021

Table 3.10 Development Sites Forming Two Main Delivery Phases of Preferred Intervention



**Figure 3.7 Private Residential Sales by Zone (units per annum) - Preferred Intervention**



Source: OPDC, Savills, 2021


### 3.6. Sensitivities on Preferred Intervention Case

3.6.1. The financial appraisal was used to run sensitivities on OPDC's preferred Intervention Case to ensure that a range of circumstances, including downside risks, are considered. The primary outputs for each of these sensitivity tests are the level of grant required to meet the viability gap for the scheme and the net public sector position.

#### *Sensitivities on Costs*

3.6.2. To develop scheme options and appraisals for an SOC a certain amount of due diligence has been undertaken (described in **Section 3.2** above). However, all designs and cost information are necessarily very high level and preliminary and carry a certain degree of risk.

3.6.3. The infrastructure cost assumptions rely on designs which were either several years ago (e.g. North Acton Station, OOC Lane Station) or are more recent but very high-level for the purposes of the Local Plan. They have allowed for a substantial risk/contingency component but need to be reviewed subject to site investigations and engagement with rail operators and statutory providers.


3.6.5. Finally, construction costs have been estimated based on comparable data, but do not reflect architectural designs. They are conservative and therefore the sensitivities below test both an increase and a decrease in costs.

the grant requirement [REDACTED]  
[REDACTED]  
[REDACTED]

\_\_\_\_\_

Source: OPDC, Savills, 2021

\_\_\_\_\_

Source: OPDC, 2021

all cases, an increase in project [REDACTED]  
[REDACTED]  
[REDACTED]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3.6.9. Finally, the sensitivity on a cost reduction shows that there is opportunity to minimise the grant requirement and deliver a profitable investment proposition to the government through value engineering and scheme optimisation.

### Sensitivities on Values

The valuation assumptions provided by Savills are conservative to reflect the stage of scheme development. This is particularly reflected in commercial rents, given the current state of uncertainty in the office market following shifting working patterns. This is appropriate at this stage of financial modelling. However, Savills believe that once the market settles into a new ‘normal’ and comprehensive regeneration is underway with the unrivalled connectivity afforded by this site, there is considerable upside potential on this scheme.

**Table 3.13 Sensitivity Testing: Values, with public land invested as long-term equity (Preferred Intervention)**

Source: Savills, OPDC 2021.

### Sensitivities on Affordable Housing

3.6.11. The scheme assumes a level of affordable housing that meets the London Plan and Local Plan policy, which is 50% on publicly owned land and 35% on privately owned sites. **Table 3.14** below summarises the sensitivities that have been analysed on affordable housing and grant in the scheme.

**Table 3.14 Sensitivity Testing: Affordable Housing (Preferred Intervention)** <sup>34</sup>

Source: OPDC, Savills, 2021



[REDACTED]

### ***Conclusions on Sensitivities and the Need for Public Subsidy***

3.6.15. The financial appraisal models nearly £6bn of gross development value, up to [REDACTED] of land assembly and [REDACTED] of strategic infrastructure. As the potential funding support is calculated as an output from a model that favours cost bearing by the private sector and existing programmes, it remains sensitive to small adjustments in cost, value or support from other funding programmes.

3.6.16. Whilst the potential funding support in absolute terms does vary between [REDACTED] this represents a range of between [REDACTED] of the overall value of the scheme.

3.6.17. This level of sensitivity is also reflected in the net outturn position for the public sector position. Whilst this does show an overall loss or need for subsidy under some scenarios, it also shows the public sector's opportunity to capture value if the scheme's financial performance can be improved.

## **3.7. Conclusion**

3.7.1. The comparative analysis of the four short listed options (see **Tables 3.15** and **3.16**) helps to highlight why the Preferred Intervention Case has been selected by OPDC as the recommended option. Though it requires some grant to fund a cashflow requirement, taking a cross-public sector perspective shows that this is repayable through project receipts and revenues [REDACTED]

[REDACTED] In addition, though significant investment is required for infrastructure [REDACTED], the scale of capital required is achievable. Early market testing among top developers in the regeneration space has confirmed that there is appetite for this scale of scheme and investment [REDACTED]

3.7.3. [REDACTED]

[REDACTED] The 'Do Nothing' Option fails to deliver against the strategic objectives (outlined in the Strategic Case) and delivers significantly fewer benefits to society (as described in the Economic Case).

**Table 3.15 Comparative summary of the four short listed options**

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Source: OPDC 2021.

**Table 3.16 Appraisal of Short listed Options against the Critical Success Factors**

Metrics	Relevant Critical Success Factors	'Do Nothing' Case	Minimum Intervention Case	Preferred Intervention Case	Maximum Intervention Case
Viability gap and grant funding requirement	Affordability	Most affordable as no grant required	Grant requirement but recoverable	Grant requirement but recoverable	Highest grant requirement, least affordable as not recoverable through project returns.
Cost of infrastructure	Value for Money Affordability	Most affordable as no grant required. However lower valuations resulting from poorer connectivity and placemaking.	Lower cost of infrastructure. Moderate affordability and VFM as less infrastructure results in lower valuations and therefore still a small viability gap.	Mid-range cost of infrastructure. Moderate affordability and higher VFM as key interventions unlock higher values and greater quantum of development, which result in a modest viability gap.	Highest cost of infrastructure, which increases the viability gap. Higher quantum partially offsets the uplift in costs but not enough to ensure that grant is repayable.

Metrics	Relevant Critical Success Factors	'Do Nothing' Case	Minimum Intervention Case	Preferred Intervention Case	Maximum Intervention Case
Debt and equity requirement	Supplier capacity and capability	No master developer debt or equity required.	Modest amount of debt and equity required. [REDACTED]	Mid-range requirement for debt and equity. Market testing has shown that there is appetite among developers and investors to invest in a project at this scale.	Highest amount of debt and equity required. This large a capital stack would likely prove challenging to raise.
Overall public sector position	Affordability Value for Money	Net government end-state position roughly equivalent [REDACTED]	Net government end-state position roughly equivalent [REDACTED]	Net government end-state position roughly equivalent [REDACTED]	Lowest net government end-state capital position.

Source: OPDC, 2021

3.7.4. If this SOC is successful, OPDC will undertake further detailed analysis and due diligence to support a bid to the government for the gap funding required. The analysis to support the OBC will include further detail on tenure types (BTR, student living, etc) as well as their impact on the programme, [REDACTED] and timing, and infrastructure design and costs to achieve greater certainty and reduce the gap funding required wherever. [REDACTED]

[REDACTED] The analysis in this chapter demonstrates that there is a realistic and fundable strategy for achieving an optimal regeneration outcome relative, through comprehensive regeneration of the Western Lands.



## 4. Commercial Case

### COMMERCIAL CASE SNAPSHOT: CHAPTER SUMMARY

- The Commercial case seeks to demonstrate that the preferred delivery option for Western Lands is commercially deliverable and an attractive proposition to the market that will secure long-term public value. **The SOC is not seeking approval to a preferred procurement route at this stage.**  
[REDACTED] The case considers the interface with the private sector for **delivery (procurement)** [REDACTED]  
[REDACTED]
- It presents the **rationale for a master developer-led approach** to deliver a comprehensive and well-coordinated place, as well as long-term value.
- The case explores contracting and delivery options to secure a master developer partner [REDACTED]  
[REDACTED] to provide a balance between risk, control, alignment of incentives, access to long-term returns, and flexibility.
- **Early market engagement showed support for this approach** and how the public sector should align itself ahead of a procurement and the resources / commitments that the market would require from the public sector.

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

### 4.1. Introduction

4.1.1. The purpose of the Commercial case is to consider what the preferred delivery option for Western Lands would be, and to ensure that it is commercially viable and an attractive proposition to the market that will secure long-term public value.

4.1.2. Ensuring that Western Lands is attractive to the private sector is fundamental to enable both comprehensive planning of the scheme and early delivery. Early Market Engagement (EME) has strongly indicated a requirement from private sector partners for the scheme to be underpinned by commitment of public sector land alongside [REDACTED] funding support.

[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]

4.1.4. OPDC has engaged with key government stakeholders including DfT, DLUHC, Homes England and IPA during the last twelve months to consider delivery options for Western Lands as part of developing this SOC. This included a workshop with Officers at DfT, DLUHC and Homes England in July 2021 to explore co-ordination of public land, infrastructure requirements and options for private sector partnering. DfT and Homes England also took part in a joint EME exercise with OPDC during September / October 2021, the outcomes of which have informed the options appraisal in this case. This collaborative working will be taken forward through to subsequent stages of planning and preparing for Western Lands delivery.



4.1.5. To facilitate ways of working, OPDC and DfT have begun to develop a series of 'ground rules' for how Western Lands delivery would interface with the needs of DfT, HS2 Ltd and Network Rail. The ground rules have been embedded into the assumptions in this SOC and include the following, which are set out in more detail in Appendix 8:

- Working within the constraints of the HS2 programme;
- Working with Network Rail to integrate operational requirements and constraints into the scheme;
- Integrating safeguarding for future railway development where relevant;
- Jointly ensuring the delivery of public benefits;
- Maintaining good stewardship of assets and ensuring this is integrating into design<sup>35</sup>;

## 4.2. Procurement of a Master Developer Partner

### *The Need for a Master Developer*

4.2.1. The Strategic and Economic cases have set out the benefits of the public sector delivering Western Lands in a comprehensive way through the consolidation of land ownership and access to funding. [REDACTED] will allow the delivery body to forward fund early infrastructure and plan Western Lands in a comprehensive rather than piecemeal way, all while ensuring early development is unlocked before OOC station opens in c.2030.

4.2.2. A master developer approach will enable these ambitions to be delivered. They will take a long-term view of Western Lands – from master planning through to disposing of or directly delivering individual plots for residential and commercial development. A master developer will usually commence a project by taking on planning and site risk. Once planning consent has been gained, the master developer coordinates place-making and delivery services, green spaces, and amenities, often aided by long-term capital and public funding sources. The master developer will then dispose of serviced parcels to parties capable of delivering the residential / commercial uses or, in some cases, will undertake the development of assets directly. Irrespective of the individual plot developer, these will be delivered within a phased and coordinated programme that is fully planned and controlled. The master developer approach brings benefits of co-ordinated development across the Western Lands area as well as long-term stewardship of the development including open space, amenities, and public realm. Recent examples across London of master developer projects include King's Cross (Argent Related), Brent Cross South (Argent Related), North Greenwich (Knight Dragon) and Kidbrooke (Berkeley Homes).

### **Merits of a Master Developer Approach**

- Experience of managing large, complex projects;
- Understands the need to take a long-term view on returns;
- Experience of full project lifecycle and maximizing value through placemaking;
- Investment in and delivery of remediation and infrastructure to provide serviced housing plots;
- Capacity and skills to develop Western Lands comprehensively with multiple character areas rather than piecemeal delivery of 'units.'

4.2.3. A master developer will begin to shape the proposition from the master planning stage and will use the town planning process to manage development risks. For example, integrating flexibility into the planning consent to enable the development to respond to changes in the market over the life of a long-term project.

<sup>35</sup> This will involve estate management strategy in due course, but it is too early in the development process to explore this at this stage.



4.2.4. The Western Lands programme features significant up-front cost for [REDACTED] strategic infrastructure and a master development partnership offers a viable route to earlier cost and risk sharing.

4.2.5. For these reasons, it is recommended that a master developer partner should be procured early in the Western Lands delivery timeline, as demonstrated by **Figure 4.1** below showing the activities that should be undertaken between the public and private sectors.

**Figure 4.1 Organisation of Key Tasks Over Time**



Source: OPDC, 2021

4.2.6. Attracting private capital to the scheme is critical. Securing this will be dependent upon both an adopted OPDC Local Plan and coordination of public land. EME has indicated that early certainty on these factors is fundamental to the deliverability of the scheme and that the creation of places and character areas that are connected both physically through infrastructure and by how people use them is critical for the area's success. This is an essential part of what a master developer brings to the delivery approach, as opposed to developing a series of stand-alone land parcels.

4.2.7. Engaging a master developer partner will allow policy objectives to be integrated contractually. The public sector stakeholders in the project have obligations to meet HMG and Mayoral policy on matters such as engaging SME developers, using Modern Methods of Construction (MMC) and driving innovation to meet the imperatives of climate change and sustainability. Targets in these areas are set through the Local Plan. The targets would be integrated into the contractual relationship with the master developer partner, creating obligations OPDC cannot replicate through its planning powers alone. Furthermore, the partner will bring innovation and capabilities from delivering on similar policy agendas on schemes elsewhere in the UK.

### ***Early Market Engagement***

4.2.8. In partnership with DfT and Homes England, OPDC undertook an exercise of EME. The purpose of the exercise was principally to test the market appetite for the Western Lands and assess how the project could be structured ahead of future procurement and to understand the private sector's requirements to invest. A summary of the feedback is presented below with further information at Appendix 9.



#### EME Summary

- [REDACTED] engagement to continue with these and other parties.
- Strong interest from developers in the Western Lands who saw an opportunity to drive long-term value growth through placemaking across a critical mass of development.
- Requirement that the proposition be underpinned by strong political support, backed up by land, funding and use of land assembly powers.

#### Common 'must haves' for developers:

- Overarching control across planning, phasing and delivery to ensure value creation and manage investment risk;
- Consolidated control of public land [REDACTED] and
- Certainty over infrastructure funding.

4.2.9. We expect that further, continuous, market engagement will be required through the development of the scheme to ensure a market facing offer. The feedback demonstrated that, for an opportunity of this scale, development partners would seek control over upfront work, including master-planning, phasing, and obtaining planning consents. Providing developers with control over these activities will be a necessary condition to their financial investment, as it provides them with a means to manage significant areas of risk. It also ensures that the capabilities and innovation from the best in the sector can be brought to bear for the benefit of the project. However, where a rail operator e.g. Network Rail or TfL is best placed to deliver the required infrastructure works, then it may be preferable for the public sector to retain control of these elements. This is relevant to the works in relation to Willesden Junction and North Acton Stations. As set out in the 'ground rules,' OPDC would need to work closely with these bodies and HS2 Ltd to manage the interfaces between rail assets and development.

#### ***Delivery and Contracting options***

4.2.10. OPDC has developed the following options to consider how the public sector can contract with a master developer partner to reflect the range of likely scenarios that could be adopted:

- Unconditional land sale;
- Sale and development agreement;
- Forming a joint venture (JV) with a master developer partner; or
- For the public sector to act as the master developer.

4.2.11. These are explained in **Table 4.1** below.

**Table 4.1 Master Developer Delivery and Contracting Options**

Option	Description
Unconditional land sale	<ul style="list-style-type: none"><li>▪ Disposal of HS2 Ltd and Network Rail assets by unconditional land sale.</li><li>▪ May be preceded by HS2 Ltd and NR organising assets prior to disposal or sold as individual sites.</li><li>▪ Sale could include the benefit of undertakings from the public sector landowner regarding rail interfaces, asset protection and other matters in the landowner's control.</li><li>▪ <i>Examples: TfL recent sale of land at Woodside Park and NHS Trust land disposals such as part of Heatherwood Hospital, Berkshire.</i></li></ul>



Option	Description
Sale & Development Agreement	<ul style="list-style-type: none"> <li>Disposal of HS2 Ltd and Network Rail assets under a Development Agreement which would set out requirements and timescales for delivery.</li> <li>Land would be disposed in tranches as and when pre-agreed conditions have been met e.g. planning consent secured.</li> <li>Payment could be on drawdown of land or deferred, or potentially a risk share between the landowner and developer.</li> <li>Would require the organisation of HS2 Ltd and NR assets by DfT prior to disposal such as an agreement to equalise value across each ownership.</li> <li><i>Example: English Partnerships' original contract for North Greenwich succeeded by GLA's engagement with Knight Dragon.</i></li> </ul>
Joint Venture Partnership	<ul style="list-style-type: none"> <li>JV whereby the landowner and the developer share development risk and reward by sharing the costs and profits of the development.</li> <li>Likely to be a corporate JV whereby a new entity is established due to scale and longevity.</li> <li>Land would be sold to the JV as and when pre-agreed conditions have been met.</li> <li>Payment could be on drawdown of land, deferred, or a risk share.</li> <li>Would require the organisation of HS2 Ltd and NR assets by DfT prior to disposal such as an agreement to equalise value across each ownership.</li> <li><i>Examples: Brent Cross JV between LB Barnet and Argent Related; LCR, DHL and Argent JV at King's Cross; and Barking Riverside JV between GLA and L&amp;Q.</i></li> </ul>
Public Sector Master Developer	<ul style="list-style-type: none"> <li>Public sector retains land and undertakes to fund and deliver master developer works.</li> <li>Serviced land parcels can either be sold to plot developers or retained and developed directly by the public sector landowner.</li> <li><i>Examples: LLDC at Stratford and LB Enfield at Meridian Water.</i></li> </ul>

Source: OPDC, 2021

4.2.12. A series of critical success factors (CSFs) have been developed to appraise how the four options for master developer delivery best meet the project requirements. The CSFs have been developed to reflect the delivery priorities for the long-term success of the project. The CSFs are shown below with further details and rationale provided in Appendix 10. These can remain under review between OPDC and government departments as the procurement strategy develops:

- Market attractiveness;
- Benefits Delivery and Public Sector Control;
- Public Sector Returns;
- Supportive of Funding;
- Public Sector Risk vs Return;
- Speed and Certainty of Delivery;
- Public Sector Cost;
- Efficient Transaction and Effective Governance; and
- Supportive of the Use of Powers.

4.2.13. A SWOT assessment considers the merits of each master developer delivery / contracting option as shown in Table 4.2:




**Table 4.2 Master Developer Partnership Options Appraisal**

Option	Strengths and opportunities	Weaknesses and threats
1. Unconditional Land Sale	<ul style="list-style-type: none"> <li>▪ Lack of obligations is attractive to developers.</li> <li>▪ Transparency on value through bid process.</li> <li>▪ Generates capital receipts early</li> <li>▪ Low cost and simple transaction.</li> <li>▪ Low risk for the public sector.</li> <li>▪ Land disposal does not require long procurement process.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Does not achieve project objectives.</li> <li>▪ Without public funding, some land would be low or nil value to be policy compliant.</li> <li>▪ Timing of sale dictated by transport works programme releasing them as surplus.</li> <li>▪ No participation in future value or benefits.</li> <li>▪ No obligation on purchaser to deliver in terms of timing, quality, use mix or tenure</li> </ul>
2. Sale & Development Agreement	<ul style="list-style-type: none"> <li>▪ Model is known and understood.</li> <li>▪ Cost and risk can be shared between the parties in legally enforceable way.</li> <li>▪ Public sector can create obligations to ensure the delivery, e.g. milestones.</li> <li>▪ Opportunity to balance upfront receipts with risk share.</li> <li>▪ Public sector can reserve matters of concern and support activities to give confidence e.g. land assembly.</li> <li>▪ Lower risk exposure for the public sector than JV or public sector developer role.</li> <li>▪ Higher return/lower cost for public sector compared to unconditional sale.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increased complexity vs. unconditional sale.</li> <li>▪ Counterparty risk is a consideration for both parties given the long-term contract.</li> <li>▪ Procurement process which will be subject to public procurement - cost, time and risk.</li> <li>▪ Obligations or undertakings on public sector will increase its cost and risk.</li> <li>▪ Ongoing contract management burden with risk of re-negotiation.</li> <li>▪ Reduced flexibility compared to JV.</li> </ul>
3. Joint venture partnership	<ul style="list-style-type: none"> <li>▪ Significant control over the delivery of objectives, benefits and value.</li> <li>▪ Ability to share in value growth over time.</li> <li>▪ Issues dealt with at JV Board rather than through contract renegotiations.</li> <li>▪ Alignment of interests between the parties and effective governance through JV board.</li> <li>▪ Flexible structure suitable for long-term and complex projects.</li> <li>▪ Allows the public sector to bring additional funding with the opportunity for this to represent additional equity investment.</li> <li>▪ Public sector can reserve matters of concern and support activities to give confidence, e.g. land assembly.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Counterparty risk is more significant for both parties over a long term.</li> <li>▪ Risk of breakdown of working relationships could frustrate progress.</li> <li>▪ Limited depth of market willing to JV with the public sector.</li> <li>▪ More risk for the public sector than a development agreement.</li> <li>▪ A more complicated transaction than development agreement – time and cost for procuring authority and bidders.</li> <li>▪ Additional complexity of incorporating a new JV and ongoing management.</li> </ul>
4. Public Sector Master Developer	<ul style="list-style-type: none"> <li>▪ Public sector absolute control over the development of the scheme – both risk and value uplift.</li> <li>▪ Allows public sector to use relevant powers to support the delivery of the scheme.</li> <li>▪ Funding can be allocated (except Homes England debt products).</li> </ul>	<ul style="list-style-type: none"> <li>▪ All risk with public sector rather than leveraging private sector capabilities</li> <li>▪ Substantial funding requirement</li> <li>▪ No early receipts – all from plot sales</li> <li>▪ Need to build and pay for large new team, significantly bigger than existing resources</li> <li>▪ Although controlled by public sector, inter-agency governance could be complex and slow.</li> </ul>

Source: OPDC, 2021



the CSFs [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

CSF	1: BAU / Do minimum: Unconditional land sale	2: Development agreement with master development partner	3: JV with master development partner	4: Do maximum Public Sector act as Master Developer
Market Attractiveness				
Public Sector Risk				
Public Sector Cost				
Public Sector Returns				
Benefits Delivery & Control				
Outcome				

[illegible]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

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## 5. Management Case

### MANAGEMENT CASE SNAPSHOT: CHAPTER SUMMARY

- The Management Case sets out options for managing public land and how the public sector could organise its resources to deliver the scheme.
- Options have been developed to support the SOC and show that there is a credible route to structuring delivery. The **SOC does not seek approval to a recommended option** and further work will be required at the next stage.
- The analysis highlights that consolidating land and delivery responsibility within a single organisation would represent the optimal way forward to delivering a comprehensive scheme and attracting a master developer partner.

- A single organisation presents a **clear counterparty for the master developer partner and flexibility** to integrate the partner and funders as required.
- The Management Case presents a mobilisation plan for the next 24 months for Western Lands to facilitate the regeneration benefits set out in this SOC. to be on site and infrastructure underway in time for the opening of OOC station in c.2030.
- A **benefits realisation plan** is presented to summarise how OPDC could manage this over time.

### 5.1. Introduction

5.1.1. The Management Case demonstrates how the project will be successfully delivered and managed. The way in which government owned land is organised and controlled is of fundamental importance to the success of Western Lands and has been long recognised as an important step to unlocking the wider Old Oak area.<sup>36</sup> OPDC continues to support the case for land to be consolidated to effectively deliver the full regeneration benefits at Old Oak.

5.1.2. The Management Case considers options for the long-term ownership of government land at Western Lands and options for how this could be managed, alongside other forms of investment, to deliver the regeneration benefits. Further analysis and appraisal of ownership and management options will be undertaken during the OBC stage.

5.1.3. Regular engagement with government departments has been ongoing while developing this SOC, including officer level working groups between OPDC, Homes England, DfT and DLUHC. Subject to approval of this SOC, this engagement will continue for the preparation of the OBC. In addition, a series of Senior working groups have been ongoing throughout 2021 involving DfT, DLUHC, OPDC, Homes England and IPA. The evolution of the SOC has been presented to the senior stakeholder forum and the strategic principles and 'ground rules' were discussed early in the process.

<sup>36</sup> In November 2015 the Chancellor made a commitment to '*...bring together the publicly owned land around Old Oak Common HS2 station into single control*' and in 2016 OPDC and the Secretary of State for Transport entered into a conditional Memorandum of Understanding (MOU) for transfer of selected land parcels in the area.



5.1.4. OPDC has worked with Homes England to develop a range of options for how public land could be managed in Western Lands. These have been discussed with officers from DfT and DLUHC in workshops during the summer and autumn 2021. The options are set out in this case and the core request of this SOC is that land required for Western Lands be consolidated into a single organisation/entity. As such this Management Case explores:

- Options for the organisation of government-owned land assets; and
- Options for which public sector entity could be best placed to deliver the scheme and contract with the master developer partner.

Consolidating land within a single body provides advantages for comprehensive development, as summarised below:

- **Singular vision and objectives:** Western Lands requires a clear vision and objectives. Without land consolidation, different landowners (including public sector owners) could have diverging objectives, leading to fragmented and piecemeal delivery;
- **Comprehensive planning and delivery:** consolidation will enable the area to be planned in a comprehensive, coordinating delivery, unlocking early enabling works and accelerating delivery vs. a more incremental approach;
- **Practicalities of infrastructure delivery:** delivering roads, bridges and utilities on consolidated land avoids delay and costs associated with multiple landowners. These can also be delivered much earlier than if pieced together through planning obligations, Grampian conditions or other planning controls;
- **Infrastructure cost and scheme viability:** consolidating land as part of a single scheme enables infrastructure costs to be considered as part of the larger, strategic scheme appraisal. Without this, the cost would render some land unviable on a standalone basis, which would impede development and fail to address the infrastructure funding gap identified in OPDC's draft local plan;
- **Attractiveness to the market:** delivering a project with the scale and complexity of Western Lands

## 5.2. Public Land Options Appraisal

5.2.1. The public land options are summarised in **Table 5.1** and range from 'do minimum' whereby land remains with existing owners through to establishing a 'do maximum' option under which land is transferred to a dedicated vehicle for the purposes of delivering Western Lands.

Under all options, it is assumed that Network Rail will undertake its internal processes to declare land as 'surplus' to operational requirements

It is also recognised that some land within the Western Lands boundary does not need to transfer from existing ownership to deliver the proposals. For example, land adjacent to North Acton station and Willesden Junction station where works are proposed to improve accessibility and create development capacity. Due to the specific nature of these works adjacent to rail assets, it is assumed that land will remain with the relevant rail bodies

5.2.3. The 'ground rules' discussed between OPDC and DfT, set out that Western Lands proposals cannot fetter HS2 Ltd in delivering its programme of works on time and budget. As well as an acknowledgement of the need to work collaboratively to ensure that operational rail requirements and safeguarding are maintained to the levels required by rail bodies

The options shown below represent an initial appraisal of entities that could take long term ownership of consolidated land. These will be further explored in partnership with DfT and DLUHC at OBC stage when options may be added or removed from this initial list.

### Table 5.1 Land Ownership Options

Option	Description

Source: OPDC 2021.

Table 5.2 summarises the SWOT analysis of the land ownership options.



[REDACTED]

[REDACTED]

Source: OPDC, 2021

5.2.8. The table below appraises land ownership options against the Management Case CSFs listed below. The CSFs have been developed to reflect need to remove barriers to facilitate delivery at pace over the life of the project; ensure there is a clear and focused remit with swift decision-making but not at the expense of good governance; that the solution is attractive to the private sector; that the solution and instils confidence in public sector stakeholders to support the scheme. More detail on the rationale behind the CFSs is available at Appendix 14. The same set of CSFs has been applied to the appraisal of both land and delivery body options, as it is considered that the requirements highlighted above are relevant to both assessments. The CSFs are shown below and will continue to be reviewed through development of the OBC.

- Time and complexity to implement the solution;
- Purpose and remit of the body to achieve the regeneration outcomes;
- Governance and decision-making capabilities of the organisation(s);
- Attractiveness to the market;
- Access of the proposed body to public funding and resources; and
- Ability of the solution to deliver at pace over the life of the scheme.

5.2.9. The appraisal suggests that options which consolidate land perform well against the CSFs, [REDACTED] These options provide a single co-ordinating body for the land and a clear counterparty for the master developer partner. Furthermore, making an early commitment to consolidating public land for the purposes of the project will [REDACTED] [REDACTED] provide assurance or potential security for private finance. Consolidating land also provides practical advantages in terms of design, planning and implementing infrastructure and residential development.

**Table 5.3 Appraisal Against CSFs**

CFSs	1: BAU/Do minimum Multi-lateral ownership	2: DfT land pool	3: Conditional MOU between DfT and OPDC	4: Transfer to OPDC	5: Transfer to Homes England	6: Do Max: Western Lands SPV
Time & complexity						
Purpose & remit						
Governance & decision making						
Attractive to MDP						
Financial & human resources						
Pace						

### 5.3. Delivery Body Options

5.3.1. In addition to options for ownership of consolidated land, the public sector also needs to consider how to manage the project. This includes managing design, town planning, procurement of a master developer [REDACTED] and discharging the public sector's contractual obligations under the master developer partnership.

5.3.2. In considering the delivery options, it is necessary to have regard to the following:

- **Key milestones and mobilisation:** to ensure that substantive progress is made towards delivering benefits prior to the opening of the OOC station, preparation must begin now with early design and technical work, [REDACTED] and procurement strategy. The body responsible for this needs to hold the long-term vision and have a remit to deliver.
- **Resources:** no single organisation involved with Western Lands would be able to take on the mobilisation activities without pooling resources, gearing up wider teams and partnering with other public sector stakeholders. Knowledge sharing between HS2 Ltd, Network Rail and OPDC is essential to mobilise as efficiently as possible.





Table 5.5 below presents a SWOT assessment of the delivery options. The assessment shows that if responsibility for delivering the regeneration proposals is split between individual public sector landowners, there is a high risk of development being uncoordinated and the marriage value benefits highlighted in this SOC will be missed. Options that centralise delivery responsibility within a single organisation offer a greater ability to drive a single development strategy and present a clear counterparty to the master developer partner.

Table 5.5 Delivery Body SWOT Assessment

Option	Strengths and opportunities	Weaknesses and threats

Source: OPDC, 2021.

[illegible]

#### 5.4. Stakeholder Management

**Old Oak and Park Royal Development Corporation**  
*Official – Confidential – Commercially Sensitive*



**Table 5.7 Summary of Stakeholders and Roles**

Stakeholders	Role in the Project
HS2 Ltd (Department for Transport)	██████ land (former worksites) ██████████
Network Rail (Department for Transport)	████ Acres of land (freight and maintenance facilities to be released)
Homes England	Co-developed this SOC with OPDC Expertise in structuring, land assembly, developer procurement and delivery
Greater London Authority	Expertise in housing delivery and developer procurement Affordable Homes Programme and Land Fund Parent of OPDC
Old Oak & Park Royal Development Corporation	Regeneration powers including planning and compulsory purchase Local development and planning expertise with a detailed understanding of the site and area Local Planning Authority
Department for Levelling Up, Housing and Communities	Future brownfield regeneration and housing funding programmes
Transport for London	Land adjacent to North Acton Station Statutory transport role in London
Master developer partners	Master developers (and their investors) that will be interested in bidding for the opportunity to be the master developer partner for Western Lands
Private landowners and occupiers	A range of small and large businesses across Western Lands. There is also a small number of residential homes within the area. A land assembly strategy will set out how these organisations and individuals will be compensated and / or relocated.
Host Boroughs	The London Boroughs of Hammersmith & Fulham, Ealing and Brent – OPDC's Board includes representation from the leaders of all three host boroughs as well as councillor representation on OPDC's planning committee. OPDC will continue to develop its proposals in partnership with all three host boroughs.
Local Communities	Subject to the progress of this SOC, OPDC will develop an engagement strategy at OBC stage, building on work already undertaken by OPDC and partner organisations. OPDC is committed to working with local communities to shape proposals once we have sufficient certainty over how the scheme can be brought forward. Local communities have undergone disruption from works in the area, especially HS2. OPDC will want to continue working to ensure impacts are appropriately mitigated where possible and clear communication is in place.

Source: OPDC, 2021

5.4.2. Since being established in 2015, OPDC has had positive engagement with local stakeholders. OPDC has prepared a draft Local Plan which has involved extensive engagement with landowners and local stakeholders, including HS2 Ltd, Network Rail and DfT. In 2021, OPDC proposed modifications to the 2019 draft Local Plan which were accepted by the key landowning stakeholders. Subject to the review a positive outcome from the Local Plan examination, it is expected that the Local Plan will be adopted in 2022.



5.4.3. OPDC has a dedicated Communications and Engagement team, who lead ongoing engagement activities with local political stakeholders (MPs, Councillors and Assembly Members) as well as local residential and business communities. This includes our active engagement with the Old Oak Neighbourhood Forum, the Harlesden Neighbourhood Forum, the Friends of Wormwood Scrubs and the Park Royal Business Group. OPDC also has a positive working relationship with a range of organisations representing economic growth and business in west London, including London First, London & Partners, West London Business and the West London Alliance.

## 5.5. Dependencies and constraints

5.5.1. The critical dependencies and constraints for Western Lands are summarised below:

- **DfT approval to consolidate land:** approval of this SOC and the related approval to consolidate DfT landholdings is a major dependency for the project and is the first step in delivering the proposals.
- **OPDC Local Plan:** expected to be adopted in 2022. The Local Plan sets the town planning framework for the proposals included in this SOC, including the use of land assembly powers.
- **Operational uses:** some uses are temporary such as the HS2 Ltd worksites which will become vacant following completion of the HS2 Ltd works. Other uses are permanent in nature and will require either relocation or compensation.


- **Resources:** OPDC will need to procure additional staff resources as well as consultant support to deliver the early stages of the project. Resources can be pooled across the GLA, but it is expected that external recruitment will also be required. Suppliers will be procured using existing frameworks where possible to minimise both costs and time associated with bringing suppliers on board.

5.5.2. OPDC will engage with central government departments, Network Rail and HS2 Ltd to progress the Western Land proposals through to preparation of an OBC which will include further assessment of these dependencies and constraints, and how they can be addressed.

## 5.6. Delivery Plan and Milestones

5.6.1. An initial delivery plan for Western Lands is being developed in consultation with officers from Homes England, DfT and DLUHC. The table below summarises the key activities that will be delivered in the 24 months from January 2022. These activities are shown in the programme at **Figure 5.1** which also highlights when benefits are expected to be delivered.

**Table 5.8 Summary of Mobilisation Activities**

Activity	Description
Resourcing	As a functional body of the GLA, OPDC can draw on the sizeable expertise across the Mayor's bodies, such as the GLA and TfL, as well as partners including Homes England. However, additional staff and consultancy support will be required to mobilise the delivery plan.
Governance	Preparation of an OBC(s) that will appraise the options in this SOC in more detail and recommend a preferred way forward for funding, procurement, land assembly as well as consolidating land and delivery responsibility.
Meanwhile uses	Planning and implementation of temporary uses to activate the area whilst longer terms plans are being prepared.
Infrastructure delivery plan including adoption strategy	Design, town planning and delivery proposals for infrastructure, including negotiation with third party utilities providers.
Long term estate management	Establishing a viable long-term plan for the infrastructure and public spaces at Western Lands which will not be adopted by the local authority or owned by individual organisations.

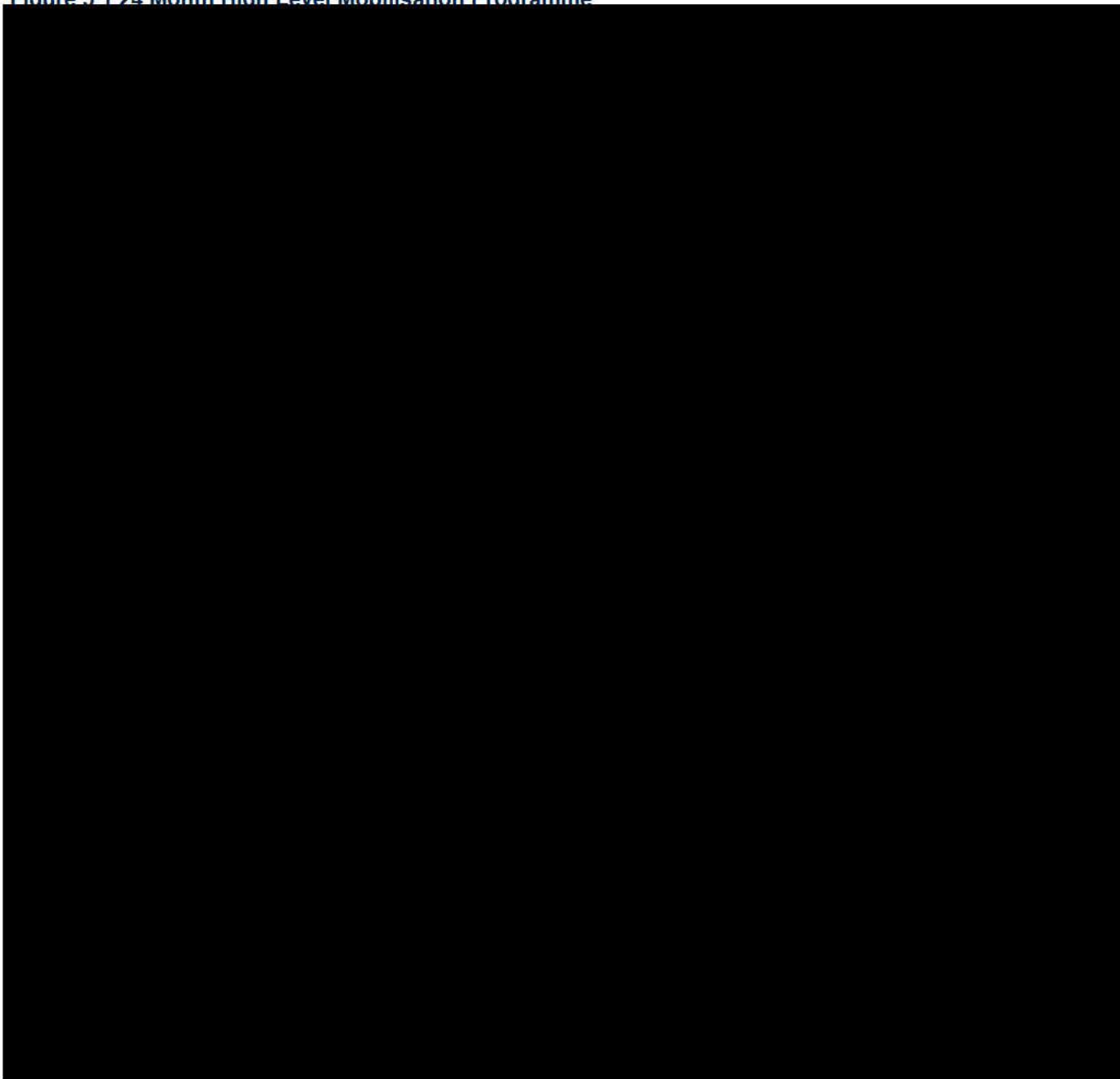
Source: OPDC, 2021.

[REDACTED]
[REDACTED]
The programme below shows how these activities fit within a high-level 24 month programme. It is necessary to undertake the activities shown in the programme to mobilise the proposals set out in this SOC and deliver benefits ahead of the opening of the OOC station.
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]



Figure 5.1 24 Month High Level Mobilisation Programme



Source: OPDC, 2022.

██████████ The above short-medium term programme supports the wider programme of benefits delivery as summarised in the chart below showing the forecast housing sales across Western Lands. M ██████████

## 5.7. Benefits Realisation

5.7.1. The Emerging Benefits Realisation Plan provides a framework for how the forecast benefits from the scheme will be managed. The Benefits Realisation table below sets out the benefits which are expected to be derived from Western Lands, and the outcomes that should be delivered and how these are aligned with the project objectives.

5.7.2. OPDC cannot work in isolation to deliver these benefits and close co-ordination with the stakeholders listed in **Table 5.7** is required to ensure they are realised in a timely manner. Furthermore, the benefits are not limited to objectives set by the GLA and GLA, they relate to wider government priorities and maximising both value and public benefit from the government land and funding.

5.7.3. **Table 5.9** on the following pages below highlights the key areas of management for the Benefits Delivery Plan.

**Table 5.9 Benefits Delivery Plan**

Scheme Objectives	Scheme outcomes	Benefits experienced	Who will benefit	Benefit Ownership	Enablers required to realise the benefit
<b>Homes:</b> maximise housing delivery to provide up to 10,000 new high-quality homes at a range of affordability levels to meet local housing need	<ul style="list-style-type: none"> <li>Delivery of up to 9,100 new homes with supporting amenities and social infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Better quality of housing and living environment</li> </ul>	Residents (new and existing)	OPDC and delivery body	<ul style="list-style-type: none"> <li>Consolidation of public land</li> <li>Procurement of master developer partner</li> <li>Investment in infrastructure to deliver serviced land parcels</li> <li>Marketing of future opportunities</li> <li>Planning consent</li> </ul>
	<ul style="list-style-type: none"> <li>50% of new homes will be affordable</li> </ul>	<ul style="list-style-type: none"> <li>Improved access to affordable housing to meet London's housing need</li> </ul>	Residents (new and existing)	OPDC and delivery body	<ul style="list-style-type: none"> <li>Consolidation of public land</li> <li>Procurement of master developer partner</li> <li>Investment in infrastructure to deliver serviced land parcels</li> <li>Marketing of future opportunities</li> <li>Planning consent</li> <li>Affordable housing grant</li> </ul>



Scheme Objectives	Scheme outcomes	Benefits experienced	Who will benefit	Benefit Ownership	Enablers required to realise the benefit
<b>Pace:</b> Accelerate delivery of 'early win' sites and infrastructure, secure completed and occupied development at scale ahead of the opening of HS2		<ul style="list-style-type: none"> <li>New homes and supporting amenities and social infrastructure</li> <li>Positive re-use of surplus Network Rail land</li> </ul>	Residents (new and existing) government	OPDC and delivery body Network Rail / DfT for land transfer	<ul style="list-style-type: none"> <li>Consolidation of surplus Network Rail land</li> <li>Funding to deliver enabling infrastructure</li> <li>Funding to acquire private land in early phase</li> <li>Planning consent</li> <li>Developer partner in place</li> </ul>
	Infrastructure delivered on HS2 Ltd worksites to accelerate delivery of homes following completion of rail works	<ul style="list-style-type: none"> <li>Improved connectivity and utilities infrastructure</li> <li>More homes and supporting amenities</li> </ul>	Residents (new and existing) Businesses benefit from improved connectivity	OPDC and delivery body Network Rail / DfT for land transfer	<ul style="list-style-type: none"> <li>Access to HS2 Ltd worksites through DfT and HS2 Ltd</li> <li>Funding to deliver infrastructure</li> <li>Funding to acquire additional rights as required</li> <li>Planning consent</li> </ul>
	Site-wide infrastructure improvements e.g. canal access and cycleways	<ul style="list-style-type: none"> <li>Improved health and well-being</li> <li>Improved connectivity</li> </ul>	Residents (new and existing), businesses and visitors	OPDC and delivery body	<ul style="list-style-type: none"> <li>Funding to deliver infrastructure</li> <li>Funding to acquire additional rights as required</li> </ul>
<b>Place:</b> Build back better to create a new piece of London that is integrated with existing communities and provides high quality spaces to live, work and play	Improved walking and physical connections between new and existing communities – including cycleways	<ul style="list-style-type: none"> <li>Improved health and well-being</li> <li>Improved connectivity</li> </ul>	Residents (new and existing), businesses and visitors	OPDC and delivery body	<ul style="list-style-type: none"> <li>Funding to deliver infrastructure</li> <li>Funding to acquire additional rights as required</li> </ul>
	New social infrastructure and amenities e.g. school, retail, health facilities and play spaces	<ul style="list-style-type: none"> <li>Improved health and well-being</li> <li>Improved outcomes for education</li> </ul>	Residents (new and existing), businesses and visitors	OPDC and delivery body	<ul style="list-style-type: none"> <li>Funding to deliver infrastructure</li> <li>Funding to acquire additional rights as required</li> </ul>
	New employment space that is well-connected to existing stations and new station at OOC	<ul style="list-style-type: none"> <li>Increased employment and training opportunities</li> </ul>	Businesses and employees (new and existing)	OPDC and delivery body	<ul style="list-style-type: none"> <li>Funding to deliver infrastructure</li> <li>Funding to acquire additional rights as required</li> <li>Developer partner</li> </ul>

Scheme Objectives	Scheme outcomes	Benefits experienced	Who will benefit	Benefit Ownership	Enablers required to realise the benefit
<b>Public value:</b> Optimise use of public sector land to invest for the long-term and drive the HS2 legacy through homes and jobs	Delivery of up 9,100 new homes with supporting amenities and social infrastructure	<ul style="list-style-type: none"> <li>Better quality of housing and living environment</li> </ul>	Residents – new and existing	OPDC and delivery body	<ul style="list-style-type: none"> <li>Consolidation of public land</li> <li>Procurement of master developer partner</li> <li>Investment in infrastructure to deliver serviced land parcels</li> <li>Marketing of future opportunities</li> <li>Planning consent</li> </ul>
	Delivery of up to 2.5m sq. ft of employment space	<ul style="list-style-type: none"> <li>Increased employment and training opportunities</li> </ul>	Businesses and employees (new and existing)	OPDC and delivery body	<ul style="list-style-type: none"> <li>Funding to deliver infrastructure</li> <li>Funding to acquire additional rights as required</li> <li>Developer partner</li> </ul>
	Enhance connectivity between existing communities the new OOC station	<ul style="list-style-type: none"> <li>Improved health and well-being</li> <li>Improved connectivity</li> </ul>	Residents, businesses and visitors	OPDC and delivery body	<ul style="list-style-type: none"> <li>Funding to deliver infrastructure</li> <li>Funding to acquire additional rights as required</li> </ul>
<b>Economy:</b> Improve physical connectivity between transport investments and industrial areas to drive job creation and regional and national economic growth	Improved walking and physical connections between new and existing communities – including cycleways	<ul style="list-style-type: none"> <li>Improved health and well-being</li> <li>Improved connectivity</li> </ul>	Residents, businesses and visitors	OPDC and delivery body	<ul style="list-style-type: none"> <li>Funding to deliver infrastructure</li> <li>Funding to acquire additional rights as required</li> </ul>



Scheme Objectives	Scheme outcomes	Benefits experienced	Who will benefit	Benefit Ownership	Enablers required to realise the benefit
<b>Environment:</b> Deliver a new urban quarter that is zero carbon, protects and enhances the existing environment and biodiversity, and supports healthy and sustainable lifestyles	More accessible open spaces – access to blue and green infrastructure	<ul style="list-style-type: none"> <li>Improved health and well-being</li> <li>Improved connectivity</li> </ul>	Residents, businesses and visitors	OPDC and delivery body	<ul style="list-style-type: none"> <li>Funding to deliver infrastructure</li> <li>Funding to acquire additional rights as required</li> </ul>
	Provision of play spaces to improve health and well-being	<ul style="list-style-type: none"> <li>Improved health and well-being</li> </ul>	Residents, businesses and visitors	OPDC and delivery body	<ul style="list-style-type: none"> <li>Consolidation of public land</li> <li>Funding to deliver enabling infrastructure</li> <li>██</li> <li>████████</li> <li>Planning consent</li> <li>Developer partner in place</li> </ul>
	Provide infrastructure to support sustainable transport and reduce car usage	<ul style="list-style-type: none"> <li>Improved health and well-being – lower carbon and NOx emissions</li> </ul>	Residents, businesses and visitors	OPDC and delivery body	<ul style="list-style-type: none"> <li>Consolidation of public land</li> <li>Funding to deliver enabling infrastructure</li> <li>Funding to acquire private land in early phase</li> <li>Planning consent</li> <li>Developer partner in place</li> </ul>
	Sustainable technologies, design and building materials in new homes and potential for district heating	<ul style="list-style-type: none"> <li>Improved health and well-being</li> <li>Reduced carbon emissions</li> </ul>	Residents, businesses and visitors	OPDC and delivery body	<ul style="list-style-type: none"> <li>Consolidation of public land</li> <li>Funding to deliver enabling infrastructure</li> <li>██</li> <li>████████</li> <li>Planning consent</li> <li>Developer partner in place</li> </ul>

Source: OPDC 2021.



## 5.8. Conclusion

5.8.1. The Management Case has set out the options for consolidating public land and how the public sector could manage delivery. At this stage of business case development this case has demonstrated the rationale for consolidating ownership of land and management of the scheme. The identity of the entity to take on this role will be further reviewed during the OBC [REDACTED]  
[REDACTED]

5.8.2. The programme demonstrates that agreement to the principle of consolidation is required [REDACTED]  
[REDACTED] to mobilise the workstreams needed to drive delivery of benefits in readiness for the opening of OOC station.

# Glossary

ASD	Adjacent to station development
BCR	Benefit cost ratio
bn	Billion
BTR	Built to rent
CPO	Compulsory purchase order
CSF	Critical success factor
DfT	Department for Transport
DLUHC	Department of Levelling Up, Housing and Communities (formerly MHCLG)
EIP	Examination in public
EME	Early market engagement
EUV	Existing use value
GIA	Gross Internal Area
GLA	Greater London Authority
GWML	Great Western Main Line
HE	Homes England
HIF	Housing Infrastructure Fund
HMT	Her Majesty's Treasury
HS2	High Speed 2
HS2 Ltd	High Speed 2 Limited
IPA	Infrastructure and Projects Authority
IRR	Internal rate of return
JV	Joint venture
KPI	Key performance indicator
LB	London Borough
LCR	London and Continental Railways Limited
LHN	London housing need
LLDC	London Legacy Development Corporation
LPA	Local planning authority
LSOA	Lower-layer super output area
LTC	Loan to cost ratio
LVU	Land value uplift
m	Million
MDC	Mayoral development corporation
MDP	Master developer partnership
MHCLG	Ministry of Housing, Communities and Local Government (now DLUHC)
MMC	Modern methods of construction
MOU	Memorandum of understanding
NIA	Net internal area
NPV	Net present value
NR	Network Rail
OB	Optimism bias
OBC	Outline business case

OOC	Old Oak Common
OOCL	Old Oak Common Lane
ONS	Office for National Statistics
OPDC	Old Oak and Park Royal Development Corporation
p.a.	Per annum
psf	Per square foot
Q	Quarter
REIT	Real estate investment trust
RLV	Residual land value
SIL	Strategic industrial land
SME	Small and medium sized enterprises
SOC	Strategic outline business case
Sq. ft	Square feet
SR	Spending Review
SWOT	Strengths, weaknesses, opportunities and threats
TfL	Transport for London
VfM	Value for money
VOA	Valuation Office Agency



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[REDACTED]

