OPDC
OLD OAK AND
PARK ROYAL
DEVELOPMENT
CORPORATION

Audited
Annual Report & Accounts

1 April 2020 to 31 March 2021

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Foreword from the Chair and CEO

We write this foreword at the end of a tumultuous and transformational year, dominated of course by the unprecedented impact of the Covid-19 pandemic, but also one in which we have pushed ahead with significant achievements to re-focus and invigorate our regeneration strategy.

The pandemic has had a terrible impact on London. We have witnessed a tragic death toll, widespread and serious illness, and a collapse in employment and incomes. Our own communities in Old Oak and Park Royal have been especially hard hit, with some of the highest levels of infection in the capital, and a disproportionate blow to livelihoods. As the lockdown started, OPDC was quick to respond, redeploying staff to support our residents and businesses, and providing direct financial help for local foodbanks and emergency provisions.

As London begins the recovery process, the need for truly affordable homes, better jobs and training, healthy streets, green spaces and accessible local facilities has never been so crucial. So, beyond the immediate impacts of Covid-19, we have been taking stock of how our plans should adapt to provide a more resilient, inclusive and healthy post-Covid environment.

Following the government's confirmation of High Speed 2 in February last year, and the Planning Inspector's interim findings on our Local Plan, we have revised our core delivery priorities around a more viable 'Western Lands' strategy. This is focussed on 90 hectares of public land, much of which will come forward for development in the coming years as High Speed 2 and Network Rail release surplus sites. We have submitted modifications to our draft Local Plan to cement this new approach into planning policy, and begun productive discussions with government, Homes England and landowners, all of who are critical to unlocking our ambitions for regeneration of this area.

Our new plans incorporate the principles of the '15-minute city', with all key facilities within a short walk, and we are confident that the London Plan's aspirations for 25,500 new homes, and 56,000 new jobs at Old Oak and Park Royal will be achievable. New homes – between 35 and 50 percent of which will be truly affordable - will be built alongside new and redeveloped high-density employment schemes that capitalise on the potential the new transport connections, High Speed 2, the Elizabeth Line and Great Western mainline services, will bring to the heart of our area, making possible a fully integrated live-work-play district for London.

The proposed modifications to our Local Plan are the key to unlocking this approach, and we hope to have the Plan finally adopted within the next year. This follows months of constructive engagement with public sector partners, the local Boroughs, landowners and residents.

Government has already acknowledged the need for infrastructure funding support and a co-ordination of surplus land to drive this vision forward, and we are now working to develop the detailed business case for investment with Homes England.

Foreword from the Chair and CEO (continued)

With signed Statements of Common Ground from all the major landowners in support of our Local Plan modifications, negotiations have already begun on the release of early sites for industrial and housing-led development that could come forward as soon as next year, following the adoption of the Plan.

Change is already well underway. The vast £1.3bn HS2 Old Oak Common Station is under construction, and new homes and industrial development are beginning to emerge. More than 6,000 new homes have been granted planning approval since OPDC was established, with over 1,500 now nearly complete. We will very shortly see 600 households moving into the heart of Old Oak to the new Oaklands scheme and are looking forward to 534 newly consented homes being built along Scrubs Lane to transform the area into a busy and attractive canal side location.

We appreciate that local residents and businesses will face inevitable disruption and inconvenience as development activity gears up, and we are working with High Speed 2, our three boroughs and residents to help ensure that construction, and especially the station building programme, causes as little disturbance as possible. Earlier this year we were pleased to help facilitate agreement between LB Hammersmith & Fulham, High Speed 2 and local residents to alleviate disturbance and intrusion into Wormwood Scrubs for essential station construction works, granting in record time a planning consent that redirects access arrangements.

Improving the local environment is one of our immediate priorities and we are working closely with local residents as part of our £1.5m Good Growth project to upgrade public realm, security and community amenities at Willesden Junction, Cerebos Gardens and the Grand Union Canal.

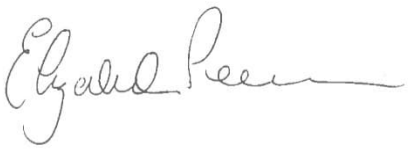
Supporting the 2,000 local businesses, particularly against the backdrop of Covid-19, has been a key priority this year too. Last summer, along with the three local boroughs, the Department for Work and Pensions and West London College, we launched our Employment and Skills Hub, 'The Forge' to broker job opportunities for local residents and employers. We have already filled 70 vacancies and are working with High Speed 2 to help fill as many of their 1,500 construction and apprentice roles as possible.

As we look forward to a managed return to the workplace, we are planning to relocate our office from the GLA in Southwark to Brent Civic Centre in July. Working side by side with one of our key local boroughs in the Wembley regeneration area will give us much better access to our site. We will also be looking to establish an additional meeting space in the heart of our area.

With a new base much closer to our project and a revised plan to deliver the scale of opportunity we know is possible, OPDC begins a new financial and reporting year with renewed optimism. Regeneration at this scale is highly complex, and no doubt the next year will throw up some challenges. But we are confident that our new focus provides the framework for creating a revitalised part of west London that new and existing

Foreword from the Chair and CEO (continued)

residents will be proud of, where business will flourish, and where opportunities will be open to all.



Liz Peace
Chairman (on behalf of the Board)
11 March 2022

David Lunts
Chief Executive Officer
11 March 2022

Narrative Report

The narrative report is a statement of the Corporation's financial performance and demonstration of value for money in the use of its resources over the financial year. The Corporation's annual statement of accounts have been prepared in accordance with the 2020/21 Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom (prepared under International Financial Reporting Standards which have been adopted as the basis for public sector accounting in the UK). All local authorities in England are required to provide a narrative report with the Statement of Accounts under the Audit and Accounts Regulations 2015.

There is also a glossary of financial terms that is intended to assist the reader to understand the specialist accounting terms that are contained within the Statement of Accounts.

1. Purpose of Major Schedules within the Financial Statements

The nature and purpose of the primary schedules included within the financial statements are set out below:

Comprehensive Income and Expenditure Statement

This statement shows both the revenue recognised and the costs incurred in the year of providing services, in accordance with the CIPFA Code of Practice.

Balance Sheet

The balance sheet shows the value, as at the balance sheet date, of the assets and liabilities recognised by the Corporation. The net assets of the Corporation (assets less liabilities) are matched by the reserves held by the Corporation. Reserves are reported in two categories. The first category of reserves is usable reserves, being those reserves that the Corporation may use to provide services, subject to the need to maintain a prudent level of reserves. The second category of reserves is those that the Corporation is not able to use to provide services. This category of reserves includes reserves that are impacted by timing differences shown in the movement in reserves statement line 'Adjustments between accounting basis and funding basis under regulations'.

Movement in Reserves Statement

This statement shows the movements in the year on the different reserves held by the Corporation, analysed between usable reserves and unusable reserves. The statement shows how the movement in the Corporation's reserves is broken down between gains and losses recognised on an accounting basis and the statutory adjustments required to control the amounts chargeable to council tax for the year.

Narrative Report (continued)

Statement of Cash Flows

The cash flow statement shows the movements in cash and cash equivalents of the Corporation during the financial year. The statement shows how the Corporation generates and uses cash and cash equivalents by classifying cash flows as derived from operating, investing and financing activities.

Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to the user of the accounts how the funding available to the Corporation for the year has been used in providing services, in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2. Overview

Comprehensive Income and Expenditure Statement

Income and expenditure, as reported in the management accounts, shows neither a surplus nor a deficit as the Greater London Authority (GLA) granted funding to meet expenditure, which fell within agreed budgets. The Comprehensive Income and Expenditure Statement shows a deficit of £0.566m due to adjustments to the cost of services for amounts not reported in the management accounts. These accounting adjustments relate to pension service costs and accumulated absences.

Balance Sheet

The balance sheet shows a net liability of £6.682m in unusable reserves relating to pensions liabilities, the accumulated absences account and capital adjustment account.

Cash Flow Statement

The cash flow statement shows an increase in cash balances by £3.670m to £8.759m.

Movement in Reserves Statement

The Corporation has a nil closing balance on usable reserves as the level of funding from the GLA matched the level of expenditure during the year. This statement shows movements relating to pensions liabilities, the accumulated absences account and capital adjustment account that give rise to a negative balance on unusable reserves of £6.683m.

Narrative Report (continued)

3. An Introduction to Old Oak and Park Royal Development Corporation

The Old Oak and Park Royal Development Corporation (OPDC) is a Mayoral Development Corporation, established under the provisions of the Localism Act 2011.

On 1 April 2015, the Mayor of London established OPDC after it was identified that the transport investment from the new proposed HS2 and Crossrail interchange station could be capitalised upon to drive forward the regeneration of brownfield land within the surrounding area, developing a dynamic new heart for West London where people want to live, work and visit; driving innovation and growth in London and the UK; and creating opportunities for local people. As a result, it has the potential to become Europe's largest regeneration project.

The High Speed Rail (London – West Midlands) Act (2017) was given Royal Assent in February 2017 and provides the legislative framework for the construction of HS2. Old Oak Common station (connecting HS2, the Elizabeth Line and National Rail) is set to open in 2026. However, there are significant opportunities to bring forward regeneration in advance of this around the existing rail stations in the area, specifically at North Acton on the Central Line and at Willesden Junction on the Bakerloo and London Overground Lines.

It is the OPDC mission to secure the maximum benefits for London and Londoners in the area, by achieving the following:

- transforming one of London's most inaccessible areas into a well-connected, world-class transport interchange;
- providing new housing and commercial development, surrounded by sustainable and thriving neighbourhoods and valued amenity space;
- protecting and improving Wormwood Scrubs.

4. Medium Term Financial Strategy

Since its inception in April 2015, the Corporation's running costs have been funded by the Greater London Authority. The Corporation's work to date has identified a significant funding gap that must be met to address the amount of strategic transport and utilities infrastructure necessary to make development viable within OPDC's boundary.

Narrative Report (continued)

5. 2020/21 Financial Summary

Revenue

The financial performance of the Corporation is regularly monitored and reviewed throughout the year to assess financial stewardship, with strong financial management and control being a cornerstone of management practices, contributing to the effectiveness and efficiency of programme and service delivery across the organisation.

Of the approved Revenue Budget of £6.8m in 2020/21, there was net expenditure of £5.405m, resulting in an underspend of £1.395m.

Table 1 – 2020/21 Outturn

Expenditure			
Directorate	Outturn	Budget	Variance
	£	£	£
CEO	844,071	1,040,500	-196,429
Corporate Operations	1,573,665	2,221,588	-647,923
Delivery	1,935,796	2,277,912	-342,116
Planning	1,051,699	1,260,000	-208,301
Total	5,405,230	6,800,000	-1,394,770

Capital

Capital Accounting is the arrangements for recognising and measuring the value of non-current assets in the balance sheet and making charges to the comprehensive income and expenditure statement to reflect the cost of using them.

Capital expenditure totalled £0.068m, funded from the Mayor's Good Growth Fund towards public realm improvements at Old Oak Lane, Willesden Junction and Harlesden Canalside to benefit local communities.

6. OPDC's Performance

A Strategic Plan was published in the summer of 2016 and set the Corporation's direction of travel. A new corporate plan will be developed for 2021/22. The 2020/21 financial year was, to some extent, a year of transition, and the Board agreed a work programme for the Corporation. This set objectives, goals and performance indicators for the Corporation's directorates. Progress was reported through a well-embedded quarterly integrated performance and finance report. These reports are considered by the Board and can be accessed here. Other core components of the Corporation's performance management framework include:

- the Corporation's budget and associated monitoring disciplines;
- an Annual Report, setting out OPDC's achievements (incorporated into this document);

- operational work plans;
- programme level plans and monitoring; and
- internal governance and performance management systems designed to manage and quality-assure delivery.

7. Developments and Achievements 2020/21

Developments and achievements over the past year include:

Supporting local businesses and communities during Covid-19

- At the start of the financial year, OPDC refocused some of its resources and staff time to support local residents and businesses to manage the significant challenges brought about by the pandemic. We launched a community support service, engaging over 150 local community groups and directing them to funding they could apply for to help vulnerable members of the community. We also supported the efforts of London Funders to review grant applications to the London Community Response Fund, helping to distribute £11m of funding, representing 1,100 grants, across community and voluntary groups.
- To provide urgent help for businesses, a number of our staff worked as Growth Hub Business Advisors for the London Enterprise Partnership, providing up to 12 hours of free Covid-19 related support to 165 businesses.
- We provided grants totalling £180,000 to our local boroughs to support food provision to those most in need.

Progressing our Western Lands strategy

- Since the Board endorsed OPDC's new delivery approach in January 2020, OPDC has continued to work collaboratively with our stakeholders in local and central government to define how best to bring forward development in the Western Lands area – focused on the large public sector land holdings that are close to the existing Willesden Junction station and the proposed new HS2 interchange hub.
- Following the Chancellor's 2020 Spending Review, a government commitment to a National Home Building Fund (NHBF) has been announced that will supersede the Housing Infrastructure Fund (HIF), with funding of £7.1bn over the next four years to unlock the delivery of new housing. Homes England has confirmed its interest in a bid from OPDC by way of a formal letter, which has been submitted in support of the Local Plan modifications. OPDC is working closely with Homes England and the Ministry of Housing, Communities and Local Government to prepare a business case in support of a future bid for strategic funding. The business case will build on the technical analysis already undertaken with a more detailed focus on the coordination of land, financing of key infrastructure, arrangements for delivery, phasing, financial and economic analysis and public engagement.

Modifying our draft Local Plan

- Work took place throughout 2020/21 on modifications to the draft Local Plan, responding to the Inspector's 2019 Interim findings which directed the removal of two site allocations within Old Oak North from the Local Plan, on the grounds that the sites were not viable for development and were unlikely to be brought forward in the Local Plan period.
- In November, OPDC worked in close collaboration with stakeholders and landowners, and ran online community engagement sessions. We also held one-to-one briefings with local authorities, stakeholders and landowners and secured widespread in-principle support for the new modifications. The community engagement programme included presenting at residents' meetings, an extensive social media campaign, two online webinars attended by over 70 residents and producing an information leaflet sent to local residents and published on our webpages. During the engagement over 60 questions and comments were received and directly responded to.
- The direction of travel for these modifications was agreed at Board in October 2020 and work then commenced on commissioning and producing the evidence base and the detailed modifications. The modifications were presented to Planning Committee on 23 February 2021 and then to Board on 4 March 2021. Following agreement at Board, the modifications were submitted to the Planning Inspector on 5 March 2021. The Planning Inspector has asked OPDC to consult on the main modifications and this will take place following the GLA elections in May 2021.
- The modifications provide improvements to the deliverability, connectivity and placemaking potential of the plans for Old Oak and Park Royal, moving the heart of the development closer to the new Old Oak Common Station and providing for substantial industrial intensification – so firmly in support of our Western Lands ambitions. The modified draft Local Plan will support the delivery of the 25,500 London Plan Home target over the lifetimes of OPDC with a forecast 13,800 homes in the first ten years.
- 'In the Making' community realm and placemaking pilot projects, including the Good Growth Fund and Great Places Scheme
- Since launching a series of projects to highlight the positive changes happening in the area as part of the regeneration of Old Oak and Park Royal, designs have been progressed from initial concepts to detailed proposals for several important projects that will benefit local residents and businesses. These included proposals for improving the public spaces around Willesden Junction and revitalising Cerebos Gardens, where OPDC supported a community group to work with landscape designers to develop a vision for these neighbourhood parks.

- The GLA's Good Growth Fund is allowing us to deliver a number of pilot projects that will help revitalise the Grand Union Canal. These include an improved ramp connecting the towpath to Old Oak Lane, a programme to work with businesses and volunteers to deliver planting and biodiversity improvements, wayfinding and public art projects along the canal and a flagship new community facility at Harlesden Canalside, which has been designed and scoped in partnership with local communities. This will accommodate the flourishing canoeing club as well as a range of facilities and other canal-side amenities.
- Launched in 2019, the Small Grants Scheme is investing £150k into community projects across Old Oak and Park Royal. Local groups can bid for sums of between £500 and £5,000, supporting our aim to showcase and celebrate the dynamism of London's largest industrial area. OPDC has allocated over £100K of funding into 20 grass-roots initiatives, these include heritage walking tours, a mini magazine showcasing Arabic food businesses, after-school art clubs and a documentary exploring green spaces in Park Royal. The programme has enabled OPDC to engage with over 1,500 participants in total, commissioning about 100 artists in the process.
- Commissioned through the Great Place Scheme (GPS) and hosted by local Broadcast Journalist, Claire Clottey, OPDC launched a series of podcasts on an introduction to Old Oak and Park Royal, through the eyes of some of the local people who experience the context of the place most frequently.
- Again, through the GPS, OPDC launched a project called London's Kitchen to highlight a range of limited-edition products developed through artist collaborations with a range of manufacturers and businesses in Park Royal. The project aims to celebrate and explore Park Royal's unique industrial heritage and will include the marketing and selling of the ranges created, with the products launching in autumn 2021.

The Forge' Park Royal and Old Oak Employment and Skills Hub

- OPDC launched its Employment and Skills Hub in December 2020. Branded 'The Forge', the Hub is being delivered in partnership with the London Boroughs of Brent, Ealing and Hammersmith & Fulham, the Department of Work and Pensions, and West London College. Led by a Delivery Board, it will focus activity on support to local businesses, particularly post pandemic, by uncovering vacancies and retaining jobs in the local area. A full business support programme is being launched in May 2021.
- The peer to peer skill sharing platform 'Echo' continues to progress well. A series of free online workshops and webinars are underway that are aimed at local businesses and community groups. These will help businesses use online tools and platforms to improve their operations and will boost business support

ahead of the Hub's full business support programme which is being launched in spring 2021.

Approving new homes

- OPDC has been set a target to deliver 1,367 homes a year in the London Plan (2021). Some 713 additional homes were either approved or given resolution to approve subject to a signed S106 agreement during 2020/21. Of these approved homes, 43 per cent (measured by habitable rooms) will be secured as affordable housing, against a strategic target in the Draft Local Plan to deliver 50 per cent affordable homes. While this falls short of the strategic target, it exceeds the threshold of 35 per cent for viability assessment as set out in the Mayor's Affordable Housing SPG.

Development management service

- 100 per cent of planning applications were determined within statutory timescales or timescales agreed through Planning Performance Agreements with applicants. There was one planning appeal in the OPDC area during 2020/21, which was allowed; however, the drafting of the Inspector's report allows for this case to be distinguished from other similar cases given its location on the edge of SIL.
- OPDC agreed a revised Scheme of Delegation and Protocol with Brent and Ealing Councils. This makes clear that OPDC can retain any application within its area for its determination and sets out a process to evidence the decision made to delegate an application and the reasoning for this.

Communication and engagement during Covid-19

- OPDC took steps to safely and effectively communicate and engage with the public during the pandemic. This included updating the Statement of Community Involvement to support remote engagement on planning policies and decisions.
- It included also making more active and engaging use of social media – our social channels saw a nearly 20 per cent increase in users, with 1,000 new followers across the year, leading to over 43,000 engagements. To reach those who were not digitally active during Covid-19, OPDC issues a community newsletter to over 40,000 properties in our area.
- We consulted online on improving Willesden Junction Station, on the draft Local Plan modifications (see above) and on plans to regenerate Harlesden Canalside; and held several community review group meetings to review upcoming planning applications.
- With construction activity now underway on Old Oak Common Station, OPDC has been working with High Speed 2 to take a joined-up approach to

communicating and engaging with affected residents. In June 2020, OPDC's Chair and Chief Executive Officer met with HS2's CEO, local MPs and borough leaders and agreed practical steps to support local people. OPDC and HS2's engagement teams established a Joint Working Group with an early focus to develop a Joint Engagement Agreement, setting out a programme of proactive engagement activities to increase local understanding of what work is being undertaken and when as well as make information easier to access and more comprehensive. The Joint Engagement Agreement was shared with OPDC's Board in November 2020 and with local boroughs and the public.

Diversity and inclusion

- A Diversity and Inclusion Management Board, made up of senior management and OPDC's staff network leads, has been established and is overseeing OPDC's work on Diversity and Inclusion – including OPDC's first Diversity and Inclusion Strategy, which will set out how we plan to uphold the highest standard of best practice, ensuring our work fully reflects the diversity of the communities in our area. We are also working on a Race Equality Action Plan.
- The role of Board Members in providing strategic leadership is crucial. We therefore held an externally facilitated session for Members in March 2021 on Inclusive Leadership.

Further information on the full range of activities carried out by the Corporation can be found on the Corporations website:

https://www.london.gov.uk/opdc

8. OPDC's Priorities for 2021-22 and Beyond

The Corporation's focus in 2021-22 and beyond will, in addition to our ongoing Covid-19 support, include:

- **Western Lands/Strategic opportunity:** Developing a funding and delivery strategy for major development in an area dominated by public sector ownership. OPDC will seek and coordinate political support and investment in land and funding to allow a comprehensive and strategic approach to regeneration.
- **Accelerated development:** Targeted interventions to address market failure and/or optimise development where land can be unlocked. OPDC will seek to maximise public benefit through a range of investment, public realm, meanwhile use and programming interventions.
- **Industrial regeneration:** Supporting the intensification of industrial land use, through infrastructure improvements, and economic development and innovation including support for emerging sectors. OPDC will work to accelerate the decarbonisation of industrial land uses through increased efficiency,

renewable energy, supporting the adoption of electric vehicles etc. and support access to skills, training and employment; with a targeted emphasis on OPDC's most disadvantaged communities.

- **In the Making:** Empowering local communities through genuine participation and agency in delivery projects. OPDC will Increase community ownership of assets and programmes, support sustainable funding and pilot new approaches to design and delivery on the ground for the benefit of OPDC's longer term development.
- **Engaging communities and stakeholders:** Developing and implementing an overarching communications and engagement strategy to support OPDC's Western Lands approach and Local Plan examination, ensuring that stakeholders and community members are consulted, listened to and enabled to help shape our development plans in a collaborative, inclusive and meaningful way.
- **Local Plan:** During 2021-22 OPDC, will be responding to the inspector's interim findings on the draft Local Plan. There will be a further public consultation and possibly additional examination hearings. The inspector will then write his final report, prior to OPDC being able to adopt the Local Plan. Work will also commence on the impacts of Covid-19 on town planning and this will inform future planning policies and guidance that OPDC produces.
- **Infrastructure Funding Strategy:** Officers will progress OPDC's Planning Obligations Supplementary Planning Document and Community Infrastructure Levy (CIL) Strategy to devise the optimal way to secure appropriate contributions from developments towards strategic infrastructure requirements. OPDC will continue to work with developers to ensure construction is continuing where safe. OPDC has a clear vision and a high-level work programme for the medium-term underpinned by the agreement of a new Corporate Plan reflecting the revised approach to regeneration.

9. Corporate Risks

The Corporation regularly reviews risks at a project, directorate and corporate level. The table overleaf illustrates the current top corporate risks identified by the Corporation.

Risk area	Mitigated Severity
Western Lands: Finance/Funding The essential public and private sector investment required to meet OPDC's delivery strategy and regeneration ambitions may not be forthcoming, due to other pressures on both public sector funding and private sector investment activities, including Covid-19 and the levelling up agenda, among others.	**RED**
Western Lands: Development activity Development on privately owned land accelerates, planning permission is sought and/or sites are exchanged without coordination/reference to OPDC delivery strategy.	**RED**
Planning: Covid-19 The impacts of Covid-19 on the construction industry may adversely affect the viability of development schemes and the speed of delivery of new homes and jobs in the OPDC area.	**RED**

The table reflects the position as of the end of March 2021, but regular risk updates are reported to the Audit and Risk Committee and can be found on the Committee's page on our website.

Jasbir Kaur Sandhu FCPFA
Chief Finance Officer
11 March 2022

Statement of Responsibility for the Accounts

The Development Corporation's responsibilities

The Development Corporation is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. In the Development Corporation, that officer is the Chief Finance Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Chief Finance Officer's responsibilities

The Chief Finance Officer is responsible for the preparation of the Statement of Accounts for the Development Corporation in accordance with proper practices as set out in the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). In preparing this Statement of Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date, and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Chief Finance Officer

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Development Corporation at the accounting date and of the income and expenditure for the year ended 31 March 2021.

Jasbir Kaur Sandhu FCPFA
Chief Finance Officer
11 March 2022

Liz Peace CBE
Chairman
11 March 2022

Independent Auditor's Report to members of the Old Oak and Park Royal Development Corporation

Opinion

We have audited the financial statements of Old Oak and Park Royal Development Corporation for the year ended 31 March 2021 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Movement in Reserves Statement,
- Comprehensive Income and Expenditure Statement,
- Balance Sheet,
- Cash Flow Statement
- the related notes 1 to 18

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

In our opinion the financial statements:

- give a true and fair view of the financial position of Old Oak and Park Royal Development Corporation as at 31 March 2021 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the corporation's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report and accounts 2020/21, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Corporation;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014;
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014;
- we are not satisfied that the Corporation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have nothing to report in these respects.

Responsibility of the Chief Finance Officer

As explained more fully in the Statement of the Chief Finance Officer's Responsibilities set out on page 18, the Chief Finance Officer is responsible for the preparation of the Annual Report and Accounts, which includes the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intends to cease operations, or have no realistic alternative but to do so.

The Corporation is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Corporation and determined that the most significant are:
    - Local Government Act 1972,
    - The Accounts and Audit Regulations 2015
    - Local Government Finance Act 1988

- Greater London Authority Acts 1999 and 2007

- In addition, the Corporation has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, general power of competence, procurement and health & safety.
- We discussed as an engagement team how and where fraud may arise. We understood how the Corporation is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit, those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Corporation's committee minutes, through enquiry of employees to confirm Corporation policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.
- We assessed the susceptibility of the Corporation's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance (through improper recognition of revenue), and management override of controls to be our fraud risks.
- To address our fraud risk around the manipulation of reported financial performance through improper recognition of revenue, we challenged the assumptions and corroborated the income to appropriate evidence.
- To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. In addition, we assessed whether the judgements made in making accounting estimates were indicative of a potential bias and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General (C&AG) in April 2021, as to whether the Old Oak and Park Royal Development Corporation had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us

to consider under the Code of Audit Practice in satisfying ourselves whether the Old Oak and Park Royal Development Corporation put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Old Oak and Park Royal Development Corporation had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Corporation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Corporation's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Corporation's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our work on value for money arrangements.

Until we have completed this procedure, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of Old Oak and Park Royal Development Corporation as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation and the Corporation's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Brittain
Ernst + Young LLP

Andrew Brittain (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
London
14 March 2022

Core Financial Statements

Comprehensive Income and Expenditure Statement

For the year ended 31 March 2021

	Notes	2020-21 £000	2019-20 £000
Gross Income	2	(4,350)	(9,927)
Gross Expenditure	2	4,917	10,618
Net Cost of Services		**567**	**691**
Financing and investment expenditure	5	67	26
Taxation and Non-specific Grant Income		(68)	(54)
(Surplus) or deficit on provision of services		**566**	**663**
Corporation tax	7	0	2
(Surplus) or deficit on provision of services after tax		566	665
Remeasurement of the net defined benefit liability / asset	10	3,051	1,151
Total comprehensive income and expenditure		**3,617**	**1,816**

Balance Sheet

As at 31 March 2021

	Note	31-March-21	31-March-20
		£000	£000
Long Term Assets			
Property, Plant and Equipment		0	0
Total Long Term Assets		**0**	**0**
Current Assets			
Short Term Debtors	8	1,869	5,129
Cash and Cash Equivalents	17	8,759	5,089
Total Current Assets		**10,629**	**10,218**
Total Assets		**10,629**	**10,218**
Current Liabilities			
Short Term Creditors	9	(3,998)	(2,695)
Provisions	16	0	(912)
Receipts in Advance - Current	15	(144)	(30)
Total Current Liabilities		**(4,141)**	**(3,637)**
Long Term Liabilities			
Retirement Benefit Obligation	10	(6,557)	(3,012)
Receipts in Advance - Non Current	15	(6,613)	(6,635)
Total Long Term Liabilities		**(13,170)**	**(9,647)**
Total Liabilities		**(17,311)**	**(13,284)**
Net Liabilities		**(6,682)**	**(3,066)**
Total Reserves	12	**6,682**	**3,066**

The unaudited accounts were issued on 31 May 2021 and the audited accounts were authorised for issue on 11 March 2021.

Movement in Reserves Statement

As at 31 March 2021

2020/21	Notes	General Fund	Total Usable Reserves	Unusable Reserves	Total Reserves
		£000	£000	£000	£000
Balance as at 1 April 2020		0	0	3,066	3,066
Movement in reserves during 2020/21					0
Surplus or deficit on the provision of services		566	566	0	566
Other Comprehensive Income and Expenditure			0	3,051	3,051
Total Comprehensive Income and Expenditure		**566**	**566**	**3,051**	**3,617**
Adjustments from income and expenditure charged under the accounting basis to the funding basis	1	(566)	(566)	566	0
Decrease or (increase) in 2020/21		**0**	**0**	**3,617**	**3,617**
Balance as at 31 March 2021		**0**	**0**	**6,683**	**6,683**

2019/20	Notes	General Fund	Total Usable Reserves	Unusable Reserves	Total Reserves
		£000	£000	£000	£000
Balance as at 1 April 2019		0	0	1,250	1,250
Movement in reserves during 2019/20					0
Surplus or deficit on the provision of services		664	664	0	664
Other Comprehensive Income and Expenditure			0	1,151	1,151
Total Comprehensive Income and Expenditure		**664**	**664**	**1,151**	**1,815**
Adjustments from income and expenditure charged under the accounting basis to the funding basis	1	(664)	(664)	664	0
Decrease or (increase) in 2019/20		**0**	**0**	**1,815**	**1,815**
Balance as at 31 March 2020		**0**	**0**	**3,066**	**3,066**

The adjustment between the accounting basis and funding under regulation is the same as that for the EFA (note 1), but the signage is opposite to the EFA.

2020/21	General Fund Balance £000	Movement in Unusable Reserves £000
Adjustments to the Revenue Resources		
Holiday pay (transferred to/(or from) the Accumulated Absences reserve)	(72)	72
Pension cost (transferred to/(or from) the Pensions Reserve)	(494)	494
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	0	0
Total Adjustments	**(566)**	**566**

Statement of Cash Flows[1]

For the year ended 31 March 2021

	Notes	31 March 2021	Restated* 31 March 2020
		£000	£000
Net surplus or (deficit) on the provision of services		(566)	(665)
Adjustment to surplus or deficit on the provision of services for noncash movements	11a	4,259	4,356
Adjust for items included in the net surplus or deficiton the provision of services that are investing and financing activities	11a	0	17
Net Cash flows from operating activities		**3,693**	**3,708**
Net Cash flows from Investing Activities		(22)	1,200
Net Cash flows from Financing Activities		0	0
Net increase or (decrease) in Cash and Cash Equivalents		**3,671**	**4,908**
Cash and Cash Equivalents at the beginning of the reporting period		5,088	180
Cash and Cash Equivalents at the end of the reporting period		**8,759**	**5,088**

1 * For further detail of the 19/20 restatement, please refer to Note 11b – Prior Period Adjustment

Accounting Policies

a) Code of practice

The Corporation is required to prepare an annual Statement of Accounts by the Audit and Accounts (England) Regulations 2015. These regulations require the financial statements to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 ("the Code"), supported by the International Financial Reporting Standards ("IFRS") adopted by the European Union and statutory guidance issued under section 12 of the Local Act 2003.

The Statement of Accounts summarises the Corporation's transactions for the 2020/21 financial year and its position at 31 March 2021. The Corporation's financial statements have been prepared in accordance with the Code and IFRS.

b) Basis of accounting

The Accounts are made up to 31 March 2021.

The accounting policies set out below have been applied consistently in the period presented in these financial statements.

The Accounts have been prepared under the accruals concept and in accordance with the historical cost accounting convention.

Where items are sufficiently significant by virtue of their size or nature, they are disclosed separately in the financial statements in order to aid the reader's understanding of the Corporation's performance.

c) Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not when cash payments are made or received. In particular, revenue from the provision of services is recognised when the Corporation can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Corporation. Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

d) Going concern

The financial statements have been prepared on a going concern basis as it is considered that the Corporation has in place appropriate funding and liquidity from the GLA, and other sources.

The outbreak of COVID-19 at the end of the 2019/20 year presented a unique and significant challenge to the Corporation. The Corporation has carried out a detailed assessment of the likely impact of COVID-19 on its financial position and performance during 2020/21, 2021/22 and beyond. Evidently, COVID-19 has posed a significant

financial challenge for the Corporation, as it has for many organisations.

However, despite these challenges, the Corporation still considers there to be appropriate funding in place and will therefore continue in operational existence for the foreseeable future and meet its liabilities as they fall due for payment. For these reasons, the Corporation does not consider that there is material uncertainty in respect of its ability to continue as a going concern for the foreseeable future and at least 12 months from the date of approval of the financial statements.

e) The application of new and revised standards

The Code requires the Corporation to identify any accounting standards that have been issued but have yet to be adopted and could have a material impact on the Statement of Accounts. At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom:

• **IFRS 16 Leases** will require local authorities that are lessees to recognise most leases on their balance sheets as right-of-use assets with corresponding lease liabilities (there is recognition for low-value and short-term leases). CIPFA/LASAAC have deferred implementation of IFRS16 for local government to 1 April 2022 (for 2022/23 financial year). There is no impact for the Corporation as it has no Operating Leases.

• **IAS 40 Investment Property:** Transfers of Investment Property provides further explanation of the instances in which a property can be reclassified as investment property. This will have no impact on the Corporation as the Corporation owns no Investment Property.

• **IFRIC 22 Foreign Currency Transactions and Advance Consideration** clarifies the treatment of payments in a foreign currency made in advance of obtaining or delivering services or goods. The Corporation does not have any material transactions within the scope of the amendment.

• **IFRIC 23 Uncertainty over Income Tax Treatments** provides additional guidance on income tax treatment where there is uncertainty. This will have no impact on the Corporation.

f) IAS 8: Accounting policies, changes in accounting policies and errors

This specifies the treatment of prior period errors discovered after the financial statements are authorised for issue. An entity is required to correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or

b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Any errors are disclosed in the notes to the accounts and present the following information:

a) the nature of the prior period error;
b) for each prior period presented, to the extent practicable, the amount of the correction:
c) for each financial statement line item affected;
d) if IAS 33 applies to the entity, for basic and diluted earnings per share;
e) the amount of the correction at the beginning of the earliest prior period presented; and
f) if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

g) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

h) Critical judgements on applying accounting policies.

In applying the accounting policies, the Corporation has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

There is a degree of uncertainty about future levels of funding for the Corporation, as the resources required to deliver housing and economic growth in the area are yet to be identified. However, the Corporation has determined that this uncertainty is not yet sufficient to provide an indication that its long-term objectives will not be achieved. It is considered that the Corporation will continue in operational existence for the foreseeable future and meet its liabilities as they fall due for payment, with ongoing funding confirmed by the GLA.

i) Assumptions made about the future and major sources of estimation uncertainty

The preparation of financial statements in conformity with the Code requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Corporation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements and specifically to note 10 to the Accounts is disclosed below:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rates to be used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.	The assumptions interact in complex ways. The actuaries review the assumptions triennially and changes are adjusted for in the accounts. Sensitivity analysis is detailed in Note 10.

j) Revenue recognition

The core principle of IFRS 15 is applied and revenue reflects the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled. The recognition of such revenue is in accordance with five steps to: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price to the performance obligations and recognise revenue when the performance obligations are satisfied.

k) Grants

Whether paid on account, by instalments or in arrears, grants are recognised as due to the Corporation when there is reasonable assurance that:

- the Corporation will comply with the conditions attached to the payments; and
- the grants will be received.

Amounts recognised as due to the Corporation are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grants have been satisfied. Conditions are stipulations that specify how the grant should be used by the Corporation and which if not met require the grant to be returned to the transferor.

Monies advanced as grants for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant is credited to the relevant service line or non-ringfenced revenue grants and all capital grants credited to the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to expenditure.

Funding by the GLA is provided to OPDC to match revenue (running) costs and spend

profile; therefore, the OPDC does not hold significant grant surpluses.

l) Corporation and chargeable gains taxation

The Corporation is subject to corporation tax and complies with the Corporation Tax Acts.

m) Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is payable to HMRC and is excluded from income.

n) Property, plant and equipment

Recognition
Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Corporation and the cost of the item can be reliably measured. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (repairs and maintenance) is charged as an expense when it is incurred.

Measurement
Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use. Where there is a legal obligation to remove the asset and/or restore the site on which it is located at the end of its useful economic life, the costs of dismantling and removing the items and restoring the site on which they are located are also included in the cost of the asset.

Assets are then carried in the Balance Sheet using the following measurement bases:
- Assets under construction – depreciated historical cost
- Non-property assets – depreciated historical cost basis as a proxy for current value.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation
Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment,

since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Disposals
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognised net within other gains and losses in the Comprehensive Income and Expenditure Statement.

o) Employee benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within twelve months of the year-end. They include benefits such as salaries, other remuneration, paid annual leave and paid sick leave – these are recognised as an expense for services in the year in which employees render service to the Corporation. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Corporation to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged to the relevant service when the Corporation can no longer withdraw the offer of those benefits.

Post-Employment Benefits

Employees of the Corporation are members of the Local Government Pension Scheme.

The Local Government Pension Scheme

The Local Government Pension Scheme in respect of the Corporation's employees is administered by the London Pensions Fund Authority (LPFA) and is accounted for as a defined benefits scheme:

The liabilities of the LPFA pension scheme attributable to the Corporation are included in the balance sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of earnings for current employees.

The discount rate is the annualised yield at the 25-year point on the Merrill Lynch AA-rated corporate bond yield curve which has been chosen to meet the requirements of IAS19 and with consideration of the duration of the Employer's liabilities. This is consistent with the approach used at the last accounting date.

- The assets of the LPFA pension fund attributable to the Corporation are included in the Balance Sheet at their fair value as follows:
  - Quoted securities – current bid price
  - Unquoted securities – professional estimate
  - Unitised securities – current bid price
  - Property – market value

The change in the net pensions' liability is analysed into the following components:

- Service cost, comprising:
  - current service cost – the increase in liabilities, as a result of years of service earned this year allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
  - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs;
  - any gain or loss on settlement of a defined benefit plan when the settlement occurs; and
  - interest on the net defined benefit liability, i.e. net interest expense for the Corporation – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
  - the return on plan assets, excluding amounts included in the interest on the net defined benefit liability, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
  - actuarial gains and losses, changes in the net pensions liability that arise because events have not coincided with the assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
  - any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/asset.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable to the pension fund in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Reserves

Reserves consist of two elements, usable and unusable. Usable reserves are those that can be applied to fund expenditure. Due to funding arrangements, OPDC does has nil balance on the General Fund due to the Corporation being fully funded. Unusable reserves cannot be applied to fund expenditure as they are not cash backed. They include the pension reserve and the accumulated absences reserve.

p) Trade and other receivables

The Corporation received planning application income in 2020/21 and there are no year-end trade receivables relating to this as funds are received at the point where a planning application is submitted along with S106 income, which is yet to be recognised as income as there are conditions attached which may require the monies to be returned to the contributor. The Corporation received GLA grant funding which is recognised as and when the grant is due to be paid to the Corporation. Other income received during the course of the year contributed towards specific pieces of work.

q) Trade and other creditors

Trade and other creditors are recognised at fair value and are the agreed amounts owed to suppliers

r) Collection of Mayoral CIL

The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008, as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. The Levy was ratified on 29th February 2012 and applies to developments agreed after 1st April 2012. The collection of the CIL is delegated to the relevant planning authority in each administrative area and the planning authority is able to retain 4% of the levy to cover the costs of administration and collection.

Accounting Policies (continued)

Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives rise to a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year the Corporation becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probably that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the obligation is settled.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives rise to a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Corporation. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives rise to a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Corporation.

Accounting Policies (continued)

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Revenue expenditure funded from capital under statute (REFCUS)

Revenue expenditure funded from capital under statute is expenditure that may be capitalised under statutory provisions but which does not result in the creation of a fixed asset for the Corporation. For example, grant paid to a third party for the purchase or creation of a fixed asset.

REFCUS is charged as expenditure to the relevant service revenue account in the year. Where such expenditure is funded from capital grants or contributions, the grant or contributions (or the portions that relate to the expenditure) are recognised as revenue grants or contributions. Both the expenditure and the grant or contribution are reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Notes to the Statement of Accounts

1. Expenditure and Funding Analysis

2020-21	Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure Chargeable to the General Fund Balances
	£000	£000	£000
Corporation	567	0	567
Net cost of services	**567**	**0**	**567**
Other Income and expenditure	(567)	566	(1)
Surplus or deficit	**0**	**566**	**566**
Opening General Fund Balance at 31 March 2020	0		
Less Deficit on General Fund Balance in Year	0		
Closing General Fund Balance at 31 March 2021	**0**		

2019-20	Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure Chargeable to the General Fund Balances
	£000	£000	£000
Corporation	690	0	690
Net cost of services	**690**	**0**	**690**
Other Income and expenditure	(690)	664	(26)
Surplus or deficit	**0**	**664**	**664**
Opening General Fund Balance at 31 March 2019	0		
Less Deficit on General Fund Balance in Year	0		
Closing General Fund Balance at 31 March 2020	**0**		

Note 1a to the EFA – Adjustment between funding and accounting basis

2020/21	IAS 19 Pension Adjustment	Accumulated Absences Adjustment	Capital Adjustment Account	Total Adjustments
	£000	£000	£000	£000
Corporation	0	0	0	0
Net cost of services	**0**	**0**	**0**	**0**
Other Income and expenditure from the funding analysis	494	72	0	566
Difference between General Fund (surplus) or deficit and CIES (surplus) or deficit	**494**	**72**	**0**	**566**

Note 1a to the EFA – Adjustment between funding and accounting basis (continued)

2019/20	IAS 19 Pension Adjustment	Accumulated Absences Adjustment	Capital Adjustment Account	Total Adjustments
	£000	£000	£000	£000
Corporation	0	0		0
Net cost of services	**0**	**0**	**0**	**0**
Other Income and expenditure from the funding analysis	647	0	17	664
Difference between General Fund (surplus) or deficit and CIES (surplus) or deficit	**647**	**0**	**17**	**664**

The adjustment between the accounting basis and funding under regulation is the same note as that for the Movement in Reserves Statement (MIRS), but the signage is opposite to the MIRS.

2. Gross Income and Expenditure Summary

Gross income and expenditure recognised in the Comprehensive Income and Expenditure Statement comprises:

Income	**2020/21**	**2019/20**
	£000	**£000**
GLA Income	(3,114)	(8,980)
Planning Application Fees	(292)	(430)
Mayoral CIL Administration	(22)	(1)
Other Income	(922)	(516)
Total Income	**(4,350)**	**(9,927)**

Expenditure	**2020/21**	**2019/20**
	£000	**£000**
Employee Benefits Expenses	3,504	3,319
Other Service Expenses	472	2,327
Consultancy and Professional Fees	486	4,590
Support Service Recharges	455	382
Total Expenditure	**4,917**	**10,618**

Amounts included in the costs of services within the Comprehensive Income and Expenditure Statement but not reported to management within the in-year budget monitoring reports include pension service costs and Corporation Tax.

3. External Audit Fees

External audit fees are made up as follows:

	31 March 2021	31 March 2020
	£000	£000
Fees payable to external auditors with regard to external audit services carried out by the appointed auditor	43	23*
Fees payable in respect of other services provided by the appointed auditor over and above external audit services	0	0

*In 2019/20 an additional fee of £11,521 was accrued in 2020/21 as it was too late to adjust the 2019/20 accounts. However, the note has been adjusted to reinstate this cost.

4. Remuneration

The remuneration paid to the Authority's senior employees is as follows:

2020/21

OPDC Staff	Name of Post Holder	Date of service	Salary (including fees and allowances)	Compensation for loss of office	Employer Pension Contributions	Total Remuneration including pension contributions
			£	£	£	£
Chief Executive Officer	David Lunts	From 01/01/2021	47,629	0	5,222	52,852
Chief Finance Officer	Jasbir Sandhu		65,752	0	9,526	75,278
Chief Finance Officer (maternity cover)	Fiona Marsh		89,802	0	10,776	100,578
Joint Head of Communications and Engagement	Patora Dyrma		64,235	0	7,708	71,943
Joint Head of Communications and Engagement	Rosalind Henville		71,295	0	8,555	79,850
Delivery Director	Benjamin O'Neill		113,739	0	13,649	127,388
Director of Land and Property	Davena Wilson		110,100	0	13,212	123,312
Director of Planning	Emma Williamson	From 03/08/2021	75,826	0	9,099	84,925
Assistant Director of Planning	Thomas Cardis	To 02/08/2020	27,723	0	3,327	31,050
Assistant Director of Planning	Claire O'Brien		60,167	0	8,603	68,770
Human Resources and Organisational Development Manager	Karen Passley		76,507	0	3,801	80,308

Secondees		
Interim Chief Executive Officer	David Lunts	To 31/12/2020
Head of Governance and Performance	Tim Somerville	

2019/20

OPDC Staff	Name of Post Holder	Date of service	Salary (including fees and allowances)	Compensation for loss of office	Employer Pension Contributions	Total Remuneration including pension contributions
			£	£	£	£
Chief Operating Officer	Douglas Wilson	Until 25/09/2019	23,474	0	2,900	26,373
Chief Finance Officer	Jasbir Sandhu		92,916	0	11,150	104,066
Chief Finance Officer (maternity cover)	Fiona Marsh	From 23/03/2020	2,296	0	276	2,572
Head of Communications and Engagement	Patora Dyrma		69,884	0	8,386	78,270
Acting Head of Communications and Engagement	Roz Henville	From 01/01/2020	12,894	0	1,547	14,441
Delivery Director	Benjamin O'Neill		101,754	0	12,210	113,965
Director of Land and Property	Davena Wilson	From 08/05/2019	97,777		10,933	108,710
Interim Director of Planning	Thomas Cardis	Until 22/09/2019	42,536	0	5,104	47,641
Assistant Director of Planning	Thomas Cardis	From 23/09/2019	43,087	0	5,170	48,257
Assistant Director of Planning	Claire O'Brien		57,637	0	8,181	65,818
Human Resources and Organisational Development Manager	Karen Passley		76,024	0	0	76,024

Secondees		
Interim Chief Executive Officer	David Lunts	
Head of Governance and Performance	Tim Somerville	From 02/09/2019

4. Remuneration (continued)

The Code requires disclosure of remuneration for the Corporation's employees whose total remuneration in the year was £50,000 or more, grouped in rising bands of £5,000. In line with the Code, entries are banded according to actual payments in the year (excluding employer's pension contributions), rather than annual equivalent salaries.

The table below discloses permanent Officers on the Corporation's payroll who earn above £50,000, but excludes seconded staff, agency staff and contractors.

Remuneration Band (£)	2020/21 Number of Employees	2019/20 Number of Employees
50,000 - 54,999	4	3
55,000 - 59,999	9	9
60,000 - 64,999	4	0
65,000 - 69,999	1	2
70,000 - 74,999	1	1
75,000 - 79,999	4	2
80,000 - 84,999	0	0
85,000 - 89,999	1	1
90,000 - 94,999	0	1
95,000 - 99,999	0	1
100,000 - 104,999	0	1
105,000 - 109,999	0	0
110,000 - 114,999	2	0
	26	21

4. Remuneration (continued)

Termination Benefits

The code requires the separate disclosure of the number and cost of compulsory and voluntary severance termination packages agreed during the year. There were no compulsory or voluntary severance termination packages agreed during the year.

OPDC is committed to supporting and harnessing a diverse and modern workforce and employs approximately 54 staff in full-time and part-time positions, including apprentices and secondees from across the GLA Group.

Members' remuneration

2020/21

Name	Title	Notes	Salary (inc fees and allowances) £'000	Expenses £'000	Employer's NI £'000	Total remuneration £'000
Elizabeth Peace CBE	Chairman and Chair Investment Committee		29	-	3	32
Julian Bell	Board Member and Audit and Risk Committee member		14	-	1	15
Muhammed Asqhar Butt	Board Member and Appointments & Remuneration Committee Member		14	-	1	15
Stephen Cowan	Board Member and Investment Committee Member		14	-	1	15
Natalie Campbell	Board Member and Chair Appointments and Remuneration Committee		18	-	1	19
Rahul Gokhale	Board Member and Audit and Risk Committee Member		16	-	1	17
William Anthony Hill	Board Member and Investment Committee Member and Chair Planning Committee	Chair Planning Committee from January 2021	17	-	1	18
William McKee	Board Member and Chair Planning Committee	Resigned November 2020	12	-	1	13
Shevaughn Sharon Rieck	Board Member and Audit and Risk Committee member		16	-	1	17
Michael Simms	Board Member and Appointments & Remuneration Committee Member		16	-	1	17
Helen Ward	Board Member and Appointments & Remuneration Committee Member		16	-	1	17
Gordon Adams	Planning Committee Member		2	-	-	2
Karen Cooksley	Planning Committee Member	Resigned February 2021	2	-	-	2
Sandra Rose Fryer	Planning Committee Member		2	-	-	2
Wesley Harcourt	Planning Committee Member		2	-	-	2
Natalia Perez	Planning Committee Member		2	-	-	2
Ketankumar Sheth	Planning Committee Member	Resigned October 2020	1	-	-	1
Matthew Daniel Stewart-Kelcher	Planning Committee Member	Joined November 2020	1	-	-	1
Peter Elijah Jonathan Mason	Planning Committee Member		2	-	-	2
Jules Pipe	Board Member	Unremunerated	-	-	-	-
Victoria Quinlan	Board Member, Investment Committee Member and Chair Audit and Risk Committee	Unremunerated	-	-	-	-

4. Remuneration (continued)

2019/20

Name	Title	Notes	Salary (inc fees and allowances)	Expenses	Employer's NI	Total remuneration
			£'000	£'000	£'000	£'000
Elizabeth Peace	Chairman and Chair Investment Committee		29	0	3	32
Julian Bell	Board Member and Audit and Risk Committee member		14	0	1	15
Muhammed Asqhar Butt	Board Member and Appointments & Remuneration Committee Member		14	0	1	15
Stephen Cowan	Board Member and Investment Committee Member		14	0	1	15
Natalie Campbell	Board Member and Chair Appointments and Remuneration Committee		18	0	1	19
Rahul Gokhale	Board Member and Audit and Risk Committee Member		16	0	1	17
William Anthony Hill	Board Member and Investment Committee Member		16	0	1	17
William McKee	Board Member and Chiar Planning Committee		18	0	1	20
Shevaughn Sharon Rieck	Board Member and Audit and Risk Committee member		16	0	1	17
Michael Simms	Board Member and Appointments & Remuneration Committee Member		16	0	1	17
Helen Ward	Board Member and Appointments & Remuneration Committee Member		16	0	1	17
Gordon Adams	Planning Committee Member		2	0	0	2
Karen Cooksley	Planning Committee Member		2	0	0	2
Sandra Rose Fryer	Planning Committee Member		2	0	0	2
Wesley Harcourt	Planning Committee Member		2	0	0	2
Natalia Perez	Planning Committee Member		2	0	0	2
Ketankumar Sheth	Planning Committee Member		2	0	0	2
Peter Elijah Jonathan Mason	Planning Committee Member		2	0	0	2
Jules Pipe	Board Member	Unremunerated	0	0	0	0
Victoria Quinlan	Board Member, Investment Committee Member and Chair Audit and Risk Committee	Unremunerated	0	0	0	0

Members of the OPDC Board, Committees, who are the Mayor or a member of the London Assembly, a member of staff of the GLA, or an employee of another statutory or public body may claim expenses but shall not be eligible to claim the Basic Board Allowance or any Committee Allowance.

5. Financing and investment expenditure

	31-Mar-21	31-Mar-20
	£000	£000
Net interest on the net defined benefit liability	68	26
Other bank and finance charges/credits	(1)	0
Total	**67**	**26**

6. Taxation and non-specific grant Income

	31-Mar-21	31-Mar-20
	£000	£000
Capital grants and contributions	(68)	(54)
Total	**(68)**	**(54)**

7. Corporation tax

a) Corporation tax

The corporation incurred losses for the year to 31 March 2021 and due to the uncertainty of future profits the Corporation does not recognise any deferred tax assets. In view of this, there is no corporation tax charge or credit for the year to 31 March 2021. (The corporation tax charge for the year to 31 March 2020 represented a prior year adjustment in relation to the year ended 31 March 2019).

	31-Mar-21		31-Mar-20
	£000		£000
Net deficit on provision of services	566		662
Corporation Tax at 19%	**(107)**		**(129)**
Effect of:			
Disallowable items	(13)		(9)
Fixed asset timing differences	(1)		
Pension Scheme adjustments	89		135
Losses	32		
Prior year adjustments	0		2
Corporation Tax	**0**		**2**

Provision to meet the Corporation's corporation tax liability had been made at 19%.

b) Deferred tax

The Corporation has potential deferred tax assets as shown in the table below. No deferred tax assets have been recognised in view of the uncertainty of future taxable profits.

Corporation Tax	31-Mar-21		31-Mar-20
	£000		£000
Assets due to:			
Pension scheme liabilities	1254		572
Timing differences on fixed assets	3		3
Tax losses	52		20

The potential deferred tax assets have been calculated using the tax rate at, 19%. The Government has announced changes to the rate of corporation tax to take effect from 1 April 2023. Companies with profits of £50,000 or less will continue to pay corporation tax at 19%. Companies whose profits exceed £250,000 will pay tax at 25%. Marginal relief will apply to companies whose profits are between £50,000 and £250,000. These changes had not been substantially enacted before 31 March 2021.

8. Debtors

	31 March 2021	31 March 2020
	£000	£000
Debtor (GLA)	0	4,768
Local Government	12	0
Central Government	50	0
Prepaid Expenses	5	12
GLA Functional Bodies	0	30
Taxation Debtor (HMRC)	191	187
Other entities and individuals	1,611	132
Total	**1,869**	**5,129**

The Corporation has entered into a grant agreement with the Greater London Authority to finance the Corporation's expenditure.

9. Liabilities

	31 March 2021	31 March 2020
Current liabilities	£000	£000
Tax Liabilities (HMRC)	(90)	(78)
Local Authorities & GLA Functional Bodies	(3,058)	(1,621)
Central Government	(4)	0
Other entities and individuals	(846)	(996)
Total	**(3,998)**	**(2,695)**

10. Pensions

Local Government Pension Scheme

The Corporation provides the opportunity for its employees to participate in the Local Government Pension Scheme. The LGPS is administered by the London Pensions Fund Authority (LPFA) and is a defined benefit statutory scheme where the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The LGPS is triennially valued in accordance with the provisions of the Local Government Pension Scheme Regulations (2013).

The fund's actuaries, Barnett Waddingham, carried out a full triennial valuation as at 31 March 2016. Employer's and employees' contributions to the Scheme were determined by the actuary following this valuation and the value of the liabilities as at this date has been rolled forward. Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund. The primary rate of contribution as defined by Regulation 62(5) for each employer, for the period 1 April 2017 to 31 March 2021, is 12%. Members pay contributions at rates correlating to pensionable salary bands. A surplus or deficit on the fund would lead to an adjustment to the contribution rates, which are reviewed every three years.

10. Pensions (continued)

Life expectancy from age 65 (Years)	31 March 2021 (after CMI 2020 update)	31 March 2021 (before CMI 2020 update)	31 March 2020
Retiring today			
Males	22.4	22.7	22.6
Females	24.4	24.6	24.5
Retiring in 20 years			
Males	23.6	24.1	24.0
Females	25.9	26.0	25.9

Financial assumptions	31 March 2021	31 March 2020	31 March 2019
	% per annum	% per annum	% per annum
Discount rate	2.05	2.35	2.45
Pension increases	2.80	1.75	2.35
Salary increases	3.80	2.75	3.85

CPI is assumed to be 0.25% per annum.

The assumptions used to measure events in the accounting period from 1 April 2020 to 31 March 2021 are set with reference to market conditions at 31 March 2021.

The estimate of the employer's past service liability duration is 35 years.

Amounts charged to the Comprehensive Income and Expenditure Statement

	31 March 2021	31 March 2020
	£000	£000
Service cost	693	865
Administration expenses	4	2
Total included in net cost of services	**697**	**867**
Net Interest on the defined liability	68	26
Total included in deficit on provision of services before tax	**68**	**26**
Remeasurement of the net defined benefit (asset) / liability	3,051	1,151
Total	**3,816**	**2,044**

Reconciliation of present value of the defined benefit obligation

	31 March 2021	31 March 2020
	£000	£000
Opening defined benefit obligation	(5,797)	(2,621)
Current service cost	(693)	(865)
Interest cost	(136)	(69)
Change in financial assumptions	(3,597)	1,177
Change in demographic assumptions	63	89
Experience gain/(loss) on defined benefit obligation	68	(3,091)
Liabilities extinguished/(assumed) on settlements	0	0
Estimated benefits paid net of transfers in	239	(225)
Past service costs, including curtailments	0	0
Contribution by Scheme participants	(226)	(192)
Closing defined benefit obligation	**(10,079)**	**(5,797)**

10. Pensions (continued)

Reconciliation of fair value of Fund assets

	31 March 2021	31 March 2020
	£000	£000
Opening fair value of Fund Assets	2,785	1,407
Interest on assets	68	43
Return on assets less interest	415	(63)
Other actuarial gains/(losses)	0	737
Administration expenses	(4)	(2)
Contributions by employer including unfunded	271	246
Contribution by Scheme participants	226	192
Estimated benefits paid plus unfunded net of transfers in	(239)	225
Settlement prices received	0	0
Closing Fair Value of Fund assets	**3,522**	**2,785**

The total return on the fund assets for the year to 31 March 2021 is £483,000.

The amount included in the Balance Sheet arising from the Corporation's obligation in respect of its defined benefit plans is as follows:

	31 March 2021	31 March 2020
Present value of the defined benefit obligation	(10,079)	(5,797)
Fair Value of Fund assets	3,522	2,785
Net (liability) / asset arising from defined benefit obligation	**(6,557)**	**(3,012)**

Local Government Pension Scheme assets comprised:

	31 March 2021		31 March 2020	
Employer asset share - bid value	£000	%	£000	%
Equities	1,956	56	1,503	54
Target Return Portfolio	808	23	718	26
Infrastructure	301	9	203	7
Property	310	9	276	10
Cash	147	4	85	3
Total	**3,522**	**100**	**2,785**	**100**

Please note that the individual percentages shown are to the nearest percentage point for each asset class and may not sum to 100%.

Sensitivity analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- year age rating adjustment to the mortality assumption.

10. Pensions (continued)

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	9743	10079	10427
Projected service cost	1213	1270	1329
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	10104	10079	10054
Projected service cost	1271	1270	1269
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	10399	10079	9769
Projected service cost	1328	1270	1214
Adjustment to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	10459	10079	9713
Projected service cost	1325	1270	1217

11. Cash flow

a) Cash flow note

The surplus or deficit on the provision of services have been adjusted for the following non-cash movements:

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

	31 March 2021	31 March 2020 Restated
	£000	£000
Increase/(decrease) in creditors	1,417	(561)
(Increase)/decrease in debtors	3,260	3,358
Increase/(decrease) in other non-cash items	(912)	912
Movements in pension liability	494	647
Adjustment to net deficit for non-cash movement	**4,259**	**4,356**

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

	31 March 2021	31 March 2020 Restated
	£000	£000
Any other items for which the cash effects are investing or financing cash flows	0	17
Adjustment to investment and financing activities	**0**	**17**

Cash Flow Statement - Investing Activities

	31 March 2021	31 March 2020 Restated
	£000	£000
Other receipts from investing activities	(22)	1,200
Purchase of property, plant and equipment	0	0
Net cash flows from investing activities	**(22)**	**1,200**

11. Cash flow (continued)

b) Prior Period Adjustment

A review carried out by the Corporation in 2020/21 of the financial statements (FS) found that 'movements in pension liability' had been overstated in 2019/20 as a result of a miscalculation in the movement between pension balances disclosed in the FS. In addition to this 'other receipts from investment activities' had been understated, due to a prior year REFCUS adjustment and the exclusion of other non-cash receipts for which have now been included in the restated 2019/20 balances in part a) of this note and in the Statement of Cash Flows. The effect can be broken down as follows:

- Effect on Statement of Cash Flows

	31 March 2020	Reinstatements - reclassification 2019/20			Restated 31 March 2020
	£000	£000	£000	£000	£000
		Increase in Debtors (rounding)	Movements in pension liability (overstated)	Other receipts from investing activities	
Net surplus or (deficit) on the provision of services	(664)				(664)
Adjustment to surplus or deficit on the provision of services for noncash movements	5,539	1	(1,184)		4,356
Adjust for items included in the net surplus or deficiton the provision of services that are investing and financing activities	17				17
Net Cash flows from operating activities	**4,892**	**1**	**(1,184)**		**3,709**
Net Cash flows from Investing Activities	17			1,183	1,200
Net Cash flows from Financing Activities	0				0
Net increase or (decrease) in Cash and Cash Equivalents	**4,909**	**1**	**(1,184)**	**1,183**	**4,909**
Cash and Cash Equivalents at the beginning of the reporting period	180				180
Cash and Cash Equivalents at the end of the reporting period	**5,089**	**1**	**(1,184)**	**1,183**	**5,089**

- Effect on Cash flow Note (Note 11a)

	31 March 2020	Reinstatements - reclassification			31 March 2020 Restated
	£000	£000	£000	£000	£000
		Increase in Debtors (rounding)	Movements in pension liability (overstated)	Other receipts from investing activities	
Increase/(decrease) in creditors	(561)				(561)
(Increase)/decrease in debtors	3,357	1			3,358
Increase/(decrease) in other non-cash items	912				912
Movements in pension liability	1,831		(1,184)		647
Adjustment to net deficit for non-cash movement	**5,539**	**1**	**(1,184)**	**0**	**4,356**

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

	31 March 2020	Reinstatements - reclassification			31 March 2020 Restated
	£000	£000	£000	£000	£000
		Increase in Debtors (rounding)	Movements in pension liability (overstated)	Other receipts from investing activities	
Any other items for which the cash effects are investing or financing cash flows	17				17
Adjustment to investment and financing activities	**17**	**0**	**0**	**0**	**17**

Cash Flow Statement - Investing Activities

	31 March 2020	Reinstatements - reclassification			31 March 2020 Restated
	£000	£000	£000	£000	£000
		Increase in Debtors (rounding)	Movements in pension liability (overstated)	Other receipts from investing activities	
Other receipts from investing activities	17			1,183	1,200
Purchase of property, plant and equipment	0				0
Net cash flows from investing activities	**17**	**0**	**0**	**1,183**	**1,200**

12. Reserves

Usable reserves

At the end of the financial year, the Corporation had no usable reserves.

Unusable reserves

	31-Mar-21	31-Mar-20
	£000	£000
Pension Reserve	6,557	3,012
Accumulated Absences Account	125	54
Capital Adjustment Account	0	0
Total	**6,682**	**3,066**

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Corporation accounts for post-employment benefits, in the Comprehensive Income and Expenditure Statement, as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Corporation makes employee contributions to pension funds or eventually pays any pension for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall between the benefits earned by past and current employees and the resources that the Corporation has set aside to meet them.

The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	31-Mar-21	31-Mar-20
	£000	£000
Balance 1 April	**3,012**	**1,214**
Remeasurement of the net defined benefit liability / (asset)	3,051	1,151
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	765	893
Employer's pensions contributions and direct payments to pensioners payable in the year	(271)	(246)
Balance 31 March	**6,557**	**3,012**

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account. As there was no settlement or cancellation of accrual made at the end of the preceding year, amounts accrued in this year are the same as the amount by which officer remuneration is charged to the Comprehensive Income and Expenditure Statement on an accrual basis. A further breakdown within pension reserves is shown in the table below.

12. Reserves (continued)

	31-Mar-21	31-Mar-20
	£000	£000
Balance 1 April	**53**	**53**
Settlement or cancellation of accrual made at the end of the preceding year	0	(18)
Amounts accrued at the end of the current year	72	18
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements	72	0
Balance 31 March	**125**	**53**

The Capital Adjustment Account absorbs the timing differences arising from the different arrangement for the consumption of non-current assets and for financing the acquisition, construction or enhancement elements of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the Corporation for the costs of acquisition, construction and enhancement.

	31-Mar-21	31-Mar-20
	£000	£000
Balance 1 April	0	(17)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Revenue expenditure funded from capital under staute	68	71
	68	54
Capital financing applied in the year:		
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(68)	(54)
	(68)	(54)
Balance 31 March	**0**	**0**

13. Related party transactions

The Corporation is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Corporation or to be controlled or influenced by the Corporation. Disclosure of these transactions allows readers to assess the extent to which the Corporation might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Corporation.

The related parties to the Corporation are:

- central government;
- other public bodies (including the Greater London Authority and other local authorities); and
- its Members and Executive Management Team.

Central government and other public bodies – Income and Expenditure

All relationships were as delivery partners to the Corporation and significant transactions for the years ended 31 March 2021 were as follows:

13. Related party transactions (continued)

	31 March 2021	31 March 2020
	£000	£000
Income		
Greater London Authority	(267)	(5,686)
Expenditure		
Local Government	105	264
Greater London Authority	4,297	351
Functional Bodies of the GLA	866	389

Year-end outstanding balances are detailed in notes 8 and 9.

Members and Executive Management Team – Income and Expenditure

Members of the Corporation have direct control over the Corporation's financial and operating policies. The total of members' allowances paid in 2020/21 is shown in note 4. Members and the Executive Management Team were required to complete a declaration regarding any related party transactions with the Corporation, which are subject to external audit. There were no disclosures by Members or the Executive Management Team in 2020/21 under the related party transactions declaration.

14. Capital Expenditure and Capital Financing

	31-Mar-21		31-Mar-20
	£000		£000
Opening Capital Finance Requirement	0		0
Capital Investment			
Plant, Property and Equipment (Assets Under Construction)	0		(17)
REFCUS - Grant payments to external organisations for capital purposes	68		71
Total Capital Spending	**68**		**54**
Sources of Finance			
Government Grants and Contributions	(68)		(54)
Total Sources of Finance	**(68)**		**(54)**
Closing Capital Finance Requirement	**0**		**0**

15. Grants

Capital Grants Receipts in Advance - Long Term Liabilities

	31 March 2021	31 March 2020
	£000	£000
S106 Grant	(6,613)	(6,635)
Total	(6,613)	(6,635)

Revenue Grants Receipts in Advance - Short Term Liabilities

	31 March 2021	31 March 2020
	£000	£000
Functional Body Grants	(100)	0*
Other Government Grants	(44)	0
Total	(144)	0

Grants Credited to Services

	31 March 2021	31 March 2020
	£000	£000
Functional Bodies Contibutions	(3,114)	(8,980)
Other Government Grants	(129)	(5)
Total	(3,243)	(8,985)

Grant Income credited to Taxation and Non-specific Grant Income and Expenditure

	31 March 2021	31 March 2020
	£000	£000
Capital Grant	(68)	(54)
Total	(68)	(54)

*To note, there was a 30k Revenue Grant Receipt in Advance included in the total current liabilities balance sheet figure of £3,637k in 2019/20.

16. Provisions

Provisions are amounts set aside to meet future material liabilities of uncertain timing or amount. During the year, the Corporation reversed a provision for electrical infrastructure upgrade work in Atlas Road that was being carried out by UK Power Networks (UKPN). UKPN notified the Corporation of a cost variation to the construction works for the new power supply at Atlas Road on the 18th December 2019. The Corporation sought expert legal advice and were successful in challenging UKPN on the detail basis of all the costs. The total provision reversed is £911,745.

Short Term Provision	
	£000
Balance at 1 April 2020	(912)
Additional provisions made in 2020/21	0
Provisions reversed in 2020/21	912
Amounts used in 2020/21	0
Balance at 31 March 2021	**0**

17. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with the Greater London Authority (GLA) repayable without penalty on notice of not more than 24 hours.

	31 March 2021	31 March 2020
	£000	£000
Bank current accounts	619	13
Other deposits	8,140	5,076
Total	**8,759**	**5,089**

18. Contingent Assets

Contigent Receivable

The Corporation has accepted a commercial offer from UKPN in relation to the variation of a Connection Agreement for a new 15MVA power supply at Atlas Road. This offer resulted in income being due to the Corporation from UKPN. Whilst most of the receivable balance has been settled in the Corporation's accounts, there remains a receivable of £285,479, which will become due when a future event in relation to the offer has been met. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets this amount has been treated as a Contingent Asset and thus not recognised in the Balance Sheet.

Contigent VAT

VAT receivable from HMRC has been treated as a contingent asset. Errors concerning unclaimed amounts in relevant quarters must be reported to HMRC outside the quarterly submission process where either:

- the net value of errors found on previous returns exceeds £10,000
- the net value of errors found on previous returns is between £10,000 and £50,000, but exceeds 1% of net outputs (Box 6 of the VAT Return) for the return period in which errors are discovered.

The total value of errors is circa £49.5k, however, there is no guarantee that HMRC will accept this claim. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets this amount has been treated as a Contingent Asset and thus not recognised in the Balance Sheet.

Annual Governance Statement

Local authorities are statutorily required to review their governance arrangements at least once a year. Preparation and publication of this Annual Governance Statement (AGS), drafted in accordance with the CIPFA/SoLACE Delivering Good Governance in Local Government Framework (2016) (the Framework), fulfils this requirement.

The Framework requires local authorities to ensure their business is conducted in accordance with all relevant laws and regulations, public money is safeguarded and properly accounted for and that resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.

The Framework also expects that local authorities will put in place proper arrangements for the governance of their affairs which facilitate the effective exercise of functions, including arrangements for the management of risk, and ensure that the responsibilities set out above are being met.

The Corporation has adopted the requirements of the Framework and has policies and processes to ensure robust corporate governance and effective internal arrangements.

Scope of responsibility

The Old Oak and Park Royal Development Corporation (OPDC) is a Mayoral Development Corporation, established on 1 April 2015, under the provisions of the Localism Act 2011. Its fundamental purpose is to secure the regeneration of the area within its boundaries and it is also the planning authority within this development area.

The Corporation is a functional body of the Mayor of London, which operates within the overall legislative and governance framework provided by the Greater London Authority (GLA) Acts 1999 and 2007, and part of the wider GLA Group. The Mayor of London appoints members to its Board and allocates its budget. The Mayor is also able to direct the Corporation in the exercise of its functions, and to delegate functions to it.

The purpose of the governance framework

The governance framework provides for the systems and processes by which the Corporation is directed and controlled, how it is accountable to its stakeholders and communities, and how it monitors the achievement of its strategic objectives and value for money.

The system of internal control is a significant part of this framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve

policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on a continuous process designed to identify and prioritise risks, to evaluate the likelihood and potential impact of those risks being realised, and to mitigate and manage them efficiently, effectively and economically.

The governance framework has been in place at the Corporation for the year ending 31 March 2021 and up to the date of approval of the Statement of Accounts. This AGS was first published in draft in May 2021. It has since been reviewed, ahead of publishing this final version. No significant governance issues have arisen since the draft was published and therefore the statement has been only slightly updated.

The Corporation can confirm that there were no substantive governance issues in 2020/21 or in the period up to the finalisation of this statement.

The governance framework

- **Board and committees**

The Corporation's Board and committees operate within the governance and openness framework prescribed by the Local Government Act 1972. During the year ended 31 March 2021, the following committees met formally:

- **Audit and Risk Committee**

To ensure the efficient and effective discharge of the Corporation's functions, through the proper administration of the Corporation's financial affairs including but not limited to the maintenance, preparation and audit of accounts, internal controls and risk management and internal and external audit.

- **Planning Committee**

To enable transparent, efficient and effective discharge of the Development Corporation's functions to determine planning applications and to respond to consultation on applications on which the Corporation is a consultee.

Committee members must be member of the Corporation's Board, except where the Mayor of London has approved the appointment of non-Board members to committees. This is the case for the Planning Committee, which is comprised of one Board member, four elected Councillors from the local boroughs and three independent members of the Committee appointed following a recruitment process.

Attendance at Board and committee meetings in 2020/21 by Members is shown below. These figures include Board Advisory Panels, Audit and Risk Advisory Panels and Planning Advisory Panels, which were constituted at the start of Coronavirus pandemic

for a limited time to inform delegated decision-making under the Corporation's Remote Decision-Making Scheme (see below).

	Board Meetings	Meetings of the Audit and Risk Committee	Meetings of the Planning Committee
Total number of meetings in the period	4	4	6
	Meetings of the Board attended	**Meetings of the Audit and Risk Committee attended**	**Meetings of the Planning Committee attended**
Liz Peace CBE (Chair)	4	-	-
Julian Bell	4	4	-
Muhammed Butt	4	-	-
Natalie Campbell	4	-	-
Stephen Cowan	4	-	-
Rahul Gokhale	3	3	-
William Hill [2]	4	-	3 of 3
William McKee CBE [3]	3 of 3	-	3 of 3
Jules Pipe CBE	4	-	-
Shevaughn Rieck	4	3	-
Victoria Quinlan	3	4	-
Michael Simms	4	-	-
Helen Ward	3	-	-
Gordon Adams	-	-	6
Karen Cooksley [4]	-	-	2 of 4
Sandra Fryer	-	-	6
Wesley Harcourt	-	-	6
Peter Mason	-	-	5
Natalia Perez	-	-	6
Matt Kelcher [5]	-	-	4 of 4
Ketan Sheth [6]	-	-	2 of 2

Vision and performance

The Corporation put in place a work programme for 2020/21, which set objectives, targets and goals for each Directorate. In addition, and later in the year, OPDC reviewed its vision, purpose and objectives for 2021/22 and beyond. These

[2] William Hill became Chair of the Planning Committee in January 2021.
[3] William McKee resigned from the Board and Planning Committee in November 2020.
[4] Karen Cooksley resigned from the Planning Committee in February 2021.
[5] Matt Kelcher, the nominee from the London Borough of Brent, was appointed to the Planning Committee in November 2020 replacing Ketan Sheth.
[6] Ketan Sheth ceased being a member of the Planning Committee in September 2020.

were received, in draft, by the Board in March 2021 and fed into a new internal Management Plan that was finalised in the autumn.

The vision and objectives in the Management Plan complement the Local Plan, which, once adopted, will be OPDC's main planning policy document for the area, setting a blueprint for how OPDC will guide regeneration over the next 20 years. The draft Local Plan was subject to a review and modification process during 2020/21. OPDC officers compiled new and updated evidence to inform the modifications required to address the Planning Inspector's interim findings and ensure general conformity with the Mayor's London Plan. There was also a round of landowner and community engagement. In March 2021, the Board approved the draft modified Local Plan for submission to the Planning Inspector.

OPDC's objectives are monitored through a robust quarterly corporate performance and financial reporting regime. This is based on quarterly dashboard reports, covering delivery, risks and spend, reviewed by the Senior Management Team, the Audit and Risk Committee and then at Board. The reports are also reviewed with senior staff at the GLA and by the London Assembly's Budget and Performance Committee. Internally, management accounts disciplines have been strengthened over 2020/21, including training for all staff to support strong financial skills and awareness.

In September 2020, the Terms of Reference for the Audit and Risk Committee were updated to enhance its remit in reviewing and challenging the Corporation's performance management framework and monitoring reports – supporting the Board in this regard. The Committee, as part of this strengthened approach, now undertakes periodic in-depth reviews into OPDC's delivery and areas of risk.

The Corporation's major programme of work is 'Western Lands', its regeneration strategy for land close to the new Old Oak Common HS2 station. In 2020/21 an internal programme board was established to oversee this work, managing risk and assuring delivery. Embedding the programme board and associated disciplines is a priority for 2021/22.

A Delivery Board (and associated governance documents) was established to oversee 'the Forge', the Skills and Employment Hub OPDC is delivering in partnership with local boroughs, Department of Work and Pensions and Ealing, Hammersmith and West London College

The Corporation's response to Covid-19

OPDC stood up its business continuity arrangements towards the end of 2019/20 as it became apparent Covid-19 would impact on the Corporation's work and staff. The switch to remote working was effected without major disruption to business operations, supported by an amendment to the Corporation's Expenses and Benefits Policy to allow the purchase, as a reclaimable expense, of ICT and home-working

equipment (this being part of a wider update of that document). Internal communications and communications to the Board were increased to reflect the change in our working environment. There were also Pulse Surveys to understand staff sentiment and the impact of the pandemic on colleagues. Additional online training was made available to support working from home and good mental health. And a new working from home DSE self-assessment form and protocol were also established to ensure all staff had a safe working environment.

Work plans were reviewed, especially those of grant programmes. As the impacts of Covid-19 and the subsequent restrictions became more evident as 2020/21 progressed, the Great Place Scheme was granted a nine-month extension to September 2021 by its funders the National Lottery Heritage Fund (NLHF) and Arts Council England. The Good Growth Funded activities, funded by the GLA, were granted a 12-month extension to March 2022.

In 2020/21, OPDC temporarily refocused its energy, staff and a modest element of expenditure to help alleviate the impact of the Covid-19 pandemic on the Corporation's local communities and businesses. Further information is set out in the Annual Report.

In line with the Mayoral Budget Guidance, issued in June 2020, OPDC undertook a thorough exercise to review and revise its budget, in line with the funding reduction scenarios outlined in the Guidance. The revised and reduced budget – from £7.8m to £6.8m – was approved by the Board in October 2020. Further review of expenditure was undertaken to inform budget setting for 2021/22, taking account of a reduced expenditure envelope for OPDC of £6.2m, £0.6m lower than for 2020/21. OPDC's budget envelope was subsequently increased in February 2021 to £6.4m.

The Corporation's governance framework proved to be flexible and resilient throughout 2020/21 as it has allowed the Corporation to continue to operate effectively, with the restrictions imposed by Covid-19. The main change to the governance framework that was required was the adoption of a Remote Decision-Making Scheme, about which there is more below. Flexibilities were also introduced to allow for electronic approval of certain formal documents.

In light of Covid-19 and the social distancing restrictions needed, OPDC reviewed its Statement of Community Involvement (SCI). Following a public consultation, the document was updated to allow for more flexible and accessible online engagement to ensure that community members and local businesses could continue to be actively involved in upcoming planning applications. The changes were adopted by the Board in November 2020.

Standing orders, delegations and code of conduct

Key governance documents for the Development Corporation comprise:

- Standing Orders, which set out arrangements for the conduct of formal meetings and other procedures of the Corporations. The Standing Orders were updated and approved by Board in March 2021. The main purpose of the update was to strengthen how incidents, including use of inappropriate or offensive language, are dealt with at Board/committee meetings.
- Code of Conduct for Members, which sets out expectations for standards of behaviour. The Code of Conduct was updated in the year to ensure a read across with the Corporation's approach to both gifts and hospitality and registration of interests. Updates were also made to make explicit the fundamental requirement to treat others with respect and for Members to act in a way that is inclusive and promotes and supports individuals' dignity
- Scheme of Delegation, which sets out arrangements for delegation of decisions to committees and officers. Amendments made to this document in response to Covid-19 are detailed elsewhere.
- Scheme of Planning Delegations, which sets out how the Development Corporation will discharge some of its town and country planning functions and responsibilities through delegation to the Planning Committee and Planning Officers.
- Planning Code of Conduct, which sets out the approach of Planning Officers and the Planning Committee Members to planning decision-making.
- Financial Regulations, which set out the framework for managing the Development Corporation's financial affairs.
- Contracts and Funding Code, which sets out policies in relation to the proper procurement of goods, services, supplies and works. The Code was updated in March 2021. Arrangements for manging contracts and grants were also reviewed and strengthened in 2020/21, including the introduction of a new register to record and help manage all such formal agreements.
- Register of Interest Guidance and form, which sets out the GLA Group approach to declaring interests to ensure all staff conduct business in line with the law and that public money is safeguarded and properly accounted for. The guidance and form were updated by the GLA in May 2020 and OPDC adopted these accordingly.

All the above documents, alongside other governance documents, are available on the Corporation's website.

A more rigorous approach to reviewing governance arrangements and updating associated policies was introduced in 2020/21. The main updates are captured throughout this AGS. This will carry on as a priority workstream for 2021/22, including ensuring we retain a commonality of approach with the GLA, while reflecting the unique requirements of the Corporation.

In 2021/22, officers plan to introduce a governance e-learning module to help cement the corporate knowledge and understanding of our main governance documents and associated requirements.

Decision-making

In May 2020, the Corporation adopted a temporary Remote Decision-Making Scheme, in response to Covid-19 restrictions and following approval by the Chair (on behalf of the Board) and the Mayor. The new Scheme temporarily modified the Standing Orders, General Scheme and Scheme of Planning Delegations to facilitate decision-making without the need for physical meetings, which were impractical given the risks and social distancing measures arising from the Covid-19 pandemic. The Corporation's approach was based on Advisory Panels considering items of business – transparently and via remote workings – before a decision by the Chair (of the Board or Committee, as relevant) under delegation.

From 1 August 2020, the legislative flexibilities allowing for remote decision-making meetings were extended to Mayoral Development Corporations also. OPDC therefore revoked its Remote Decision-Making Scheme and reverted to decision-making Board and Committee meetings, albeit with these meetings taking place 'remotely' rather than with participants in the same room. Members of the public were able to view meetings via City Hall's Media Centre.

These flexibilities expired on 7 May 2021. OPDC therefore temporarily reinstated its Remoted Decision-Making Scheme, as described above, and in the autumn reverted to in-person decision-making.

In order to enhance further our delegated decision-making processes across the organisation, we updated our decision-making forms and accompanying processes and guidance in 2020/21.

Information governance

The Corporation has strong arrangements in place to promote information governance across its services. The Corporation has a designated Data Protection Officer based at the GLA, as part of a shared service arrangement, to ensure compliance with Data Protection Legislation. Support is provided also for Record Management, Information Security and meeting Freedom of Information requirements.

There were no reported incidents relating to information governance, including data loss or confidentiality breach, in 2020/21.

Risk management, fraud and corruption

The Corporation's risk management processes embed risk management in all aspects of our work programme and ensure programme-wide and project risks are identified, quantified, mitigated and monitored effectively.

Risks and issues are managed at various different levels across the organisation: risks and issues within a project are managed by project managers; risks and issues within a directorate are managed by the relevant director; and corporate risks are owned by the SMT. Updates on corporate risks are reported to the Audit and Risk Committee on a six-monthly basis. The now well-established quarterly reporting processes provide a more integrated approach to risk management, identifying top risks for each area of the Corporation.

In 2020/21, the risk management framework was reviewed, and a fundamental update of the corporate risk register took place. Following approval of the updated framework, work has taken place with directorates to ensure risk management is embedded across the Corporation. In March 2021, Internal Audit started a review of our Risk Management Framework.

The Corporation updated its Anti-Fraud, Bribery and Corruption Policy and Whistleblowing Policy in 2020/21. There were no reported instances of fraud or whistleblowing in 2020/21.

Preventative controls include senior management authorisation of new suppliers, separation of functions for raising and authorising purchase orders, and other decision-making, procurement and accounting processes. Key detective processes and controls are the systems for authorisation of accounts payable and receivable, general ledger journals and payroll allied to senior management scrutiny of the quarterly management accounts.

A list of the main fraud risks is now integrated into OPDC's Anti-Fraud, Bribery and Corruption Policy.

Financial and legal controls compliance

The Corporation's financial management arrangements conform to the governance requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the Role of the Chief Financial Officer in Local Government:

- The Chief Finance Officer of the Development Corporation (designated in accordance with Section 127 of the Greater London Authority Act 1999) is a member of the Association of Chartered Certified Accountants (ACCA). The Chief Finance Officer sits on the SMT and is able to attend all Board and Committee meetings. She prepares the budget, including leading internal review processes, and is party to all material business decisions. Financial

advice is included on all Board papers and sign-off is required above the thresholds specified in the Scheme of Delegation.

- The Chief Finance Officer is also responsible for financial controls, governance, corporate programme management, performance measurement and for supporting the Audit and Risk Committee's work (including internal audit).
- The Chief Finance Officer is supported by a team of finance and performance professionals.

In March 2021, the Chief Finance Officer confirmed to the Audit & Risk Committee that the Corporation was in compliance with 17 standards set out in the CIPFA Financial Management Code.

The Corporation ensures compliance with relevant laws and regulations through shared service arrangements with Transport for London, for legal and procurement services. Legal advice is required for all significant decisions, whether taken by the Board or under delegated authority, and is recorded in Board and other decision papers. Contracts entered into by the Corporation are subject to review by the legal team according to risk and contract value.

Compliance with other legislation (e.g. employment or procurement) is ensured by the working policies, procedures and practices of the relevant team. Policies are approved by SMT following consultation with employees.

Diversity and Inclusion (D&I)

Under the general duty set out in the Equality Act 2010 the Corporation must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; to advance equality of opportunity; and to foster good community relations. Creating an inclusive culture is a key priority for the Corporation and the Senior Manager, Human Resources and Organisational Development is responsible for leading on diversity and inclusion across the organisation.

The Board's role in providing strategic leadership is crucial and all Board Members were invited to attend an externally facilitated Inclusive Leadership session in March 2021 to explore this in more detail.

OPDC have now established a Diversity and Inclusion Management Board, made up of SMT and OPDC's staff network leads, to oversee our work on D&I at an officer level. The group will challenge and help improve organisational practice in this area and is supporting the development of the diversity and inclusion strategy for the Corporation.

Audit and Risk Committee and internal audit

The Audit and Risk Committee helps to raise the profile of internal control and risk management, through both regular reports and by requesting information on individual areas of concern and asking the internal auditors to review particular areas of

risk. Audit and Risk Committee meetings are held in public and the papers are made available on the Corporation's website which helps to enhance public trust in financial governance.

The Audit and Risk Committee is made up of members of the Corporation's Board. It includes members with both public and private sector experience with expertise in areas including finance, audit, law and governance.

In addition to its regular reports and assurance work, in 2020/21 and in line with its updated Terms of Reference, performance and risk reporting to the Audit and Risk Committee became more formalised. The Committee now also has a new remit to review projects in depth. The first such project was OPDC's Great Place Scheme.

The Mayor's Office for Policing and Crime (MOPAC) were appointed by the Board as the Corporation's internal auditors, and their work is reported to, and monitored and reviewed by the Audit and Risk Committee. MOPAC assists in the promotion of good governance through implementation of the Internal Audit Plan, as approved by the Audit and Risk Committee each year. The Internal Audit Plan includes individual audits on activities identified as areas of risk. When complete, the reviews are reported to the executive and the Audit and Risk Committee. The Corporation's progress against agreed internal audit recommendations is monitored regularly and reported to the Audit and Risk Committee. The internal auditors provide an annual report summarising their findings for the year, attend the OPDC's Audit and Risk Committee and have regular meetings with the External Auditors.

The following reviews from the audit plan were finalised with adequate, assurance:

- Budget Monitoring and Budgetary Control – Adequate
- Community Engagement and Public Liaison Framework – Adequate
- Decisions Framework – Adequate
- Good Growth Fund – Adequate

The following reviews from the audit plan were, at the time of writing, still being finalised:

- Risk Management
- Material Financial Systems, Payroll

The terms of reference of the Audit and Risk Committee, along with Committee meeting dates, papers and minutes can be accessed using the following link:

https://www.london.gov.uk/moderngovopdc/ieListMeetings.aspx?CId=379&Year=0.

Greater London Authority Corporate Governance

The Corporation is subject to the GLA Group annual budgeting process, engages with the London Assembly and its Committees and also fulfils the requirements of any Mayoral directions given. There is also an on-going dialogue with the Mayor's office to ensure that the activities of the Corporation are aligned with the Mayor's general policy framework.

The Corporation complies with the requirements of the GLA Group Corporate Governance Framework Agreement, to ensure that common standards and procedures, in relation to governance and transparency are in place and appropriately adhered to. In adopting this framework, OPDC agreed to carry a firm commitment to being open, transparent and accountable for the Corporation's actions and behaviour. This agreement thereby has in place a Code to set down the requirements for, and to govern the activities of, elected members and, particularly in OPDC's case, its Board and Committee members. The Code also sets the requirement to govern the activities of its staff.

Meeting development needs of members and senior staff

OPDC is committed to supporting and harnessing a diverse and inclusive workforce and employs 51 staff in full-time and part-time positions, including apprentices, and secondees, and also shares resources from across the GLA Group, with a workforce generally reflecting the diversity of the community the Corporation serves.

The development of the skills and capacity of staff, managers and teams to perform effectively and respond to the ongoing organisational change is incorporated within the Corporation's performance management framework for staff. A range of flexible and structured development options to develop staff competencies and careers are available, as well as opportunities for team and management development. Board Members are offered tailored induction meetings, and additional briefing sessions, such as the Inclusive Leadership training, are held throughout the year. Staff training has addressed information governance, corporate governance, health and safety, diversity and inclusion and finance topics through lunchtime presentations, attendance and discussions at team meetings across the organisation or via staff emails and the CEO staff newsletter.

Community engagement and partnership

The Corporation's Community and Business Engagement Teams manage a programme of active engagement with local people using a variety of channels and forums.

Adapting to Covid-19 restrictions, across the year OPDC hosted consultations online, including for early activation projects at Willesden Junction Station, the Grand Union Canal and Cerebos Gardens. Engagement activities have included live Q&As,

breakout workshop sessions and Slido polls hosted on Zoom, as well as online feedback forms hosted on OPDC's webpages, which collectively have helped hundreds of local people and community groups have their say.

The Corporation has partnership arrangements in place with a number of bodies, including local authorities and landowners and other stakeholders. OPDC will continue to work closely and develop relations with the residential and business community, the three local boroughs and other key partners including Network Rail, HS2 and local politicians.

Review of effectiveness of internal control

The Corporation regularly reviews the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of SMT within the Corporation, which has responsibility for developing the governance environment, the Annual Internal Audit Opinion, and also by comments made by the external auditors.

As part of the Annual Governance Statement, all members of SMT are required to confirm that proper governance and internal control arrangements are in place for their areas of responsibility. In doing so, SMT must also identify any significant areas of concern or weakness within each directorate. All SMT confirmed proper governance and internal control arrangements were in place and there had been no breaches.

The Annual Internal Audit Opinion is a contributory factor in reviewing the effectiveness of the AGS. Based on the programme of planned Internal Audit work and other reactive audit reviews performed during the year, other than in respect of a small number of control issues that have arisen during the year, the Head of Internal Audit's overall opinion for 2020/21 was that OPDC's internal control environment was adequate and controls were in place to mitigate key risks to support the achievement of its overall strategic objectives.

The Action Plan below from 2020/21 sets out which areas where highlighted as needing further improvement to the internal controls that were monitored by the Audit and Risk Committee. Overall, based on the above, we are able to report that there were no significant weaknesses in the Corporation's governance and control framework that affected achievement of our strategic objectives in 2020/21.

Annual Governance Statement (continued)

Update on 2020/21 action plan

No.	Area to develop	Actions	Lead Officer	Status/update
1	Contract & Grant award and management	Enhance the Corporation's capacity to undertake effective contract and grant award and management.	Head of Governance	Completed and reflecting on internal audit follow-up review on related practices.
2	Governance Framework	A review and refresh of the Corporation's Governance documents, ensuring they are up to date and aligned with practice at the GLA, and including also providing clarity on the process for approving detailed expenditure within an over-arching Board approval.	Head of Governance	A comprehensive review has taken place, with notable updates referenced in this AGS.
3	Risk Management	Review the Corporation's risk management framework and ensure the corporate risk register is joined-up with the new quarterly performance and financial monitoring approach.	Head of Governance	Risk Management Framework was reviewed in November 2020 and an Internal Audit started in March 2021.
4	Strategic Plan	Review and refresh the Corporation's Strategic Plan.	Head of Governance	Objectives for each Directorate were agreed and in place for 2020/21. A refreshed vision, purpose and objectives were reviewed by the Board in March 2021. These fed into a Management Plan finalised in autumn 2021.
5	Adapting to the new normal imposed by Covid-19	Take forward a number of workstreams to ensure the Corporation continues to be open, engaged and accountable, structures its interventions appropriately, and maintains its capacity and staff wellbeing in the context of a 'new normal' imposed by Covid-19.	SMT	See 'Corporation's response to Covid-19' section.
6	MCIL and S106 monies	Introduce enhanced procedures for the cash management of MCIL and S106 monies and also increase the transparency of reporting.	Chief Finance Officer	New procedures have been introduced to strengthen the interface between Planning and Finance.

Annual Governance Statement (continued)

2021/22 action plan

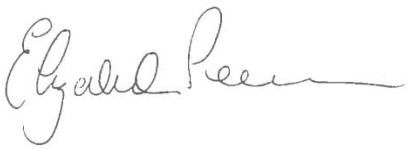
No.	Area to develop	Actions	Timescales	Lead Officer
1	Decision-making	Reinstate remote decision-making arrangements on a temporary basis and then progress plans for a return to physical meetings.	May-August 2021	Head of Governance
2	Programme management	Embed the programme board for the Western Lands and introduce mechanisms to provide oversight of significant OPDC projects.	December 2021	Director of Delivery & Head of Governance
3	Corporate Plan	Finalise a new Management Plan.	September 2021	Head of Governance
4	Board effectiveness	Complete a board effectiveness review.	March 2022	Head of Governance
5	Diversity and Inclusion	Finalise the Diversity & Inclusion Strategy.	December 2021	Senior Manager, Human Resources and Organisational Development
6	New ways of working	Put in place protocols and approaches to support effective hybrid (home and office) working.	September 2021	Senior Manager, Human Resources and Organisational Development / SMT
7	E-learning platform	Create new e-training modules to support high standards of governance at OPDC.	March 2022	Head of Governance
8	Review of governance documents	Review and update OPDC's Financial Regulations.	March 2022	Chief Finance Officer and Head of Governance

Annual Governance Statement (continued)

Conclusion and disclosure

OPDC had sound arrangements in place for corporate governance during 2020/21. No significant developments or events relating to the governance system have occurred between the end of the financial year and the signing off of this draft AGS.

OPDC is committed to keeping its governance arrangements under review, proactively identifying where and how they can be improved. Their efficacy will be monitored throughout 2021/22 and the next such statement will reflect on how the challenges highlighted in this year's statement have been addressed.



Liz Peace
Chairman (on behalf of the Board)
11 March 2022

David Lunts
Chief Executive Officer
11 March 2022

Glossary of terms

Accruals basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial gains and losses

Actuaries assess financial and non-financial information provided by the Corporation to project levels of future pension fund requirements. Changes in actuarial deficits or surpluses can arise leading to a loss or gain because;

• events have not coincided with the actuarial assumptions made for the last valuation; and/or

• the actuarial assumptions have changed.

Balances

The balances of the Corporation represent the accumulated surplus of income over expenditure on any of the funds.

Carrying amount

The balance sheet value recorded of either an asset or a liability.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the leading professional accountancy body for public services.

Creditors

Amounts owed by the Corporation for work done, goods received or services rendered, for which payment has not been made at the date of the balance sheet.

Current service cost

Current service cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits 'earned' by employees in the current year's employment.

Curtailment

Curtailments will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

Debtors

These are sums of money due to the Corporation that have not been received at the date of the Balance Sheet.

Glossary of terms (continued)

Defined benefit scheme

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

External audit

The independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Corporation has made proper arrangements to secure value for money in its use of resources.

Expenditure

This is amounts paid by the Corporation for goods received or services rendered of either a capital or revenue nature. This does not necessarily involve a cash payment since expenditure is deemed to have been incurred once the goods or services have been received even if they have not been paid for.

Fair value

Fair value is the price at which an asset could be exchanged in an arm’s length transaction, less any grants receivable towards the purchase or use of the asset.

Financial regulations

These are the written code of procedures approved by the Corporation, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

General fund

This is the main revenue fund of the Corporation and includes the net cost of all services financed by Government and other trading income.

Income

These are amounts due to the Corporation for goods supplied or services rendered. This does not necessarily involve a cash payment. Income is deemed to have been earned once the goods or services have been supplied even if the payment has not been received (in which case the recipient is a debtor to the Corporation).

Internal Audit

The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively.

Glossary of terms (continued)

International Financial Reporting Standard

Defined Accounting Standards that must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Materiality

Information is material if including, omitting or misstating it could influence decisions that users make on the basis of financial information about a specific reporting authority. In other words, materiality is an authority-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates in the context of an individual authority's financial statements.

Non-cash

These are entries on the Comprehensive Income and Expenditure Statement or Cash Flow Statement correlating to expenses that are essentially just accounting entries rather than actual movements of cash.

Provisions

Amounts set aside to meet liabilities or losses which are anticipated to be incurred but where the amount and/or the timing of such costs is uncertain.

Related parties

Related parties are central government, other Local Authorities, subsidiary and associated companies, Members and all Executive Management Team members. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household, and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

Glossary of terms (continued)

Reporting standards

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based on International Financial Reporting Standards, International Accounting Standards and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (UK GAAP) and Financial Reporting Standards (FRS).

Reserves

Amounts set aside for general contingencies, to provide working balances or earmarked to specific future expenditure.

Revenue expenditure

Expenditure incurred on the day-to-day running of the Corporation. This mainly includes employee costs, general running expenses and capital financing costs.

Treasury management

This is the process by which the Corporation controls its cash flow and its borrowing and lending activities.

Treasury Management Strategy (TMS)

A strategy prepared with regard to legislative and CIPFA requirements setting out the framework for treasury management activity for the Corporation.