

**Subject:** Budget and Capital Strategy 2019/20  
**Meeting date:** 28 November 2018  
**Report to:** Board  
**Report of:** Doug Wilson, Chief Operating Officer

**For decision**

---

**This report will be considered in public**

---

## **1 Summary**

- 1.1 As part of the GLA's annual budgeting process, the Corporation is required to submit draft revenue budget and capital strategy proposals to the Mayor by 30 November 2018.
- 1.2 This report seeks the Board's approval of our submission.
- 1.3 A report is included in Part 2 of the Agenda, which contains exempt supplemental information. The information is exempt by virtue of paragraph 3 of Schedule 12a of the Local Government Act 1972 in that it contains information relating to the business affairs of OPDC.

1.4

## **2 Recommendation**

- 2.1 **The Board is asked to approve the draft Budget and Capital Strategy for submission to the Mayor by 30 November 2018.**

## **3 Background**

- 3.1 The Mayor wrote to the Chair of the Corporation on 19 November requesting the submission of draft budget proposals for 2019/20, 2020/21, 2021/22 & 2022/23 within a control total of £9.5m for each year (Appendix A).
- 3.2 This control total is £2.7m higher than our budget for 2018/19 of £6.8m, reflecting the additional resource that officers consider will be required in the event that our bid for £250m of Housing Infrastructure Fund money is successful.

3.3 This year, for the first time, there is also a requirement to prepare a Capital Strategy. This will be aligned with our Local Plan, covering a 20-year period. Due to the commercially sensitive nature of the Capital Strategy, it will be considered in the private part of this meeting. However, once finalised, a redacted public version will be published.

3.4 Key elements of the budget process are:

- Draft submission to Mayor by 30 November 2018
- Chair and officers questioned on the submission by the London Assembly's Budget and Performance Committee on 12 December 2018
- Mayor is required to set his revenue budget and capital spending plan by 28 February 2019

#### 4 Issues for Consideration

4.1 The proposed 2019/20 draft budget submission is summarised in the table below:

2019/20 Budgets						
Description	2018/19 £	Requirement £	Capital £	Revenue £	Increase £	Increase %
Staff Budget	3,292,000	4,965,500	296,000	4,669,500	1,377,500	42%
Technical Budget	1,450,000	1,086,000	0	1,086,000	(364,000)	-25%
Commercial Budget	500,000	2,125,000	0	2,125,000	1,625,000	325%
Planning Budget	1,501,000	1,639,917	0	1,639,917	138,917	9%
CEO & Corporate	1,200,000	1,439,550	0	1,439,550	239,550	20%
Income Budget	(1,143,000)	(1,474,042)	0	(1,474,042)	(331,042)	29%
<b>Total Budget</b>	<b>6,800,000</b>	<b>9,781,925</b>	<b>296,000</b>	<b>9,485,925</b>	<b>2,685,925</b>	<b>39%</b>

4.2 Total budgeted staff costs are £5.0m, of which £0.3m has been transferred to the capital spending plan. This represents an increase of 17 staff from our existing establishment of 50, which includes 3 fixed term contracts funded by the Great Place Scheme. Board and Committee Members' allowances are also included in the total cost.

4.3 The budget for the Chief Executive's Office includes communications and engagement, health and government relations.

4.4 The work of the technical directorate encompasses masterplanning and infrastructure work in support of the development of Old Oak North together with planning for future development elsewhere.

4.5 The commercial directorate is responsible for all commercial development and land assembly work.

4.6 In addition to fulfilling the role of statutory planning authority, the planning directorate is responsible for urban design, Park Royal business support and the Great Place Scheme.

- 4.7 Corporate operations provides financial, administrative and operational support across the organisation.
- 4.8 Income includes pre-application and planning fees, Great Place Scheme funding and neighbourhood planning income.
- 4.9 Work on our proposals for 2019/20 and subsequent years will continue during the budget consultation period. However, for planning purposes at this stage, the control totals for the following three years are the same as for 2019/20.

## **5 Equality Comments**

- 5.1 Equality considerations are fundamental to the work of the Corporation, for which this funding is sought.

## **6 Financial Implications**

- 6.1 These are considered within the body of the report.

## **7 Legal Implications**

- 7.1 There are no legal implications arising from this report and it is consistent with the Corporation's legal framework.

## **8 Appendices**

A: Mayor's letter of 19 November 2018

B: Revenue Budget – 2019/20 to 2022/23

## **9 Background Papers**

None

**Report originator:** Doug Wilson, Chief Operating Officer

**Telephone:** 020 7983 4038

**Email:** [Doug.Wilson@opdc.london.gov.uk](mailto:Doug.Wilson@opdc.london.gov.uk)

