

OLD OAK AND PARK ROYAL DEVELOPMENT CORPORATION **2017/18 CONSULTATION BUDGET EXTRACTS**

SECTION 1 **Introduction**

The Greater London Authority (GLA) is the strategic authority for London and supports the Mayor and the London Assembly in delivering their respective responsibilities and functions. The GLA's five functional bodies are its principal delivery arms: the Mayor's Office for Policing and Crime (MOPAC; overseeing the work of the Metropolitan Police Service - MPS); the London Fire and Emergency Planning Authority (LFEPA); Transport for London (TfL); the London Legacy Development Corporation (LLDC); and the Old Oak and Park Royal Development Corporation (OPDC).

Overall Gross Revenue Expenditure of the Group

Set out below is a summary of the total capital and revenue expenditure of the GLA Group. This shows.....

Total Gross Revenue and Capital Expenditure	2016-17 £m	2017-18 £m	Change £m	Change %
Revenue:				
GLA: Mayor				
GLA: Assembly				
Mayor's Office for Policing and Crime (MOPAC)				
London Fire Commissioner (LFC)				
Transport for London (TfL)				
London Legacy Development Corporation (LLDC)				
Old Oak and Park Royal Development Corporation (OPDC)	11.8	7.3	7.3	62%
Total Revenue (GLA Services)				
Add business rates retention tariff payment to CLG to support local government services outside London				
Total Revenue (including tariff payment)				
Capital:				
GLA (Mayor and London Assembly)				
Mayor's Office for Policing and Crime (MOPAC)				
London Fire Commissioner (LFC)				
Transport for London (TfL)				
London Legacy Development Corporation (LLDC)				
Old Oak and Park Royal Development Corporation (OPDC)	0.0	0.0	0.0	0%
Total Capital				
GRAND TOTAL CAPITAL AND REVENUE				

Component Council Tax Requirements

Component council tax requirements	Approved 2016-17 £m	Proposed 2017-18 £m	Plan 2018-19 £m	Plan 2019-20 £m	Plan 2020-21 £m
GLA (Mayor)					
GLA (Assembly)					
MOPAC					
LFC					
TfL					
LLDC					
OPDC	0.0	0.0	0.0	0.0	0.0
Net Billing authority Collection fund surpluses					
Consolidated council tax requirement					

SECTION 8

OPDC MAIN BUDGET SECTION

Introduction

- 8.1 A new Mayoral Development Corporation (MDC) for the Old Oak Common and Park Royal area came into operation on 1 April 2015. The new High Speed 2 (HS2), Crossrail and Great West Mainline stations at Old Oak Common will provide the impetus for a once in a lifetime regeneration opportunity in that part of West London. The OPDC, utilising its planning and regeneration powers, will ensure that all these benefits are captured and maximised to deliver much needed jobs and homes in London. As the OPDC is a functional body of the GLA under the GLA Act it is required to have its own approved component budget and statutory council tax requirement.

Key Deliverables

- 8.2 OPDC's planning framework was approved and adopted by the Mayor on 4 November 2015. The Opportunity Area Planning Framework aims to:
- create a new urban neighbourhood at Old Oak, supporting a minimum of 24,000 new homes and an additional 1,500 in non-industrial locations in Park Royal;
 - support the creation of 55,000 new jobs at Old Oak and a further 10,000 at Park Royal;
 - protect and enhance Park Royal as a strategic industrial location;
 - ensure new development safeguards at nearby amenity assets such as Wormwood Scrubs and the Grand Union Canal; and
 - work with communities, residents and businesses to realise the strategy.

Gross revenue expenditure

- 8.3 The Mayor's proposed gross revenue expenditure for the OPDC in 2017-18 is £7.3 million.

Net revenue expenditure and council tax requirement

- 8.4 After deducting planning application fees and charges and its allocated contribution from the GLA, the **Mayor's proposed net expenditure and council tax requirement for the OPDC in 2017-18 is NIL**. Its revenue budget is summarised below on an objective basis.

OPDC – Objective Analysis

Objective Analysis	Revised Budget 2016-17 £m	Forecast 2016-17 £m	Budget 2017-18 £m	Plan 2018-19 £m	Plan 2019-20 £m	Plan 2020-21 £m
CEO Office	0.7	0.7	0.9	0.9	0.9	0.9
Planning	1.9	2.3	1.5	1.6	1.4	1.4
Development	6.3	3.6	3.4	3.1	3.1	3.0
Regeneration and Partnerships	0.9	0.7	0.0	0.0	0.0	0.0
Corporate Operations	2.0	1.9	1.6	1.6	1.7	1.7
Total expenditure	11.8	9.2	7.3	7.2	7.1	7.1
Planning application income	-0.4	-0.7	-0.4	-0.4	-0.4	-0.4
Total income	-0.4	-0.7	-0.4	-0.4	-0.4	-0.4
Net expenditure	11.4	8.6	6.9	6.8	6.7	6.7
GLA Funding for core activities	11.4	8.6	6.9	6.8	6.7	6.7
Council tax requirement	0.0	0.0	0.0	0.0	0.0	0.0

Explanation of budget changes

- 8.5 Most changes to the OPDC's budget reflect the changing scope of the organisation's work during its start-up period. An analysis of the year on year movement in the council tax requirement is set out below.

Changes in the OPDC's council tax requirement	£m
2016-17 council tax requirement	0.0
<i>Changes due to:</i>	
Inflation	
Savings	-5.9
Efficiencies	
GLA funding	4.5
New initiatives and service improvements	1.4
Other adjustments	
2017-18 council tax requirement	0.0

Inflation

- 8.6 The Budget assumes that external contracts include negotiated provisions for inflation. Staff costs have been increased in line with public sector pay guidelines.

Savings and efficiencies

- 8.7 The Budget proposes savings totalling £5.9 million.

New initiatives and service improvements

- 8.8 The Budget proposes new initiatives and service improvements totalling £1.4 million to take forward the Corporation's key deliverables.

Change in GLA Funding

- 8.9 The OPDC receives its revenue funding via the GLA. The total revenue grant made available by the Mayor is £6.9 million in 2017-18 – around £4.5 million lower than in 2016-17.

Equalities

- 8.10 Equality for all is at the centre of the corporate strategy of OPDC, which is to improve lives through employability, improved homes and exemplar neighbourhoods. The OPDC's approach to inclusion is set out in its corporate policies.

Gender Pay Gap

The OPDC has recently conducted a Gender Pay Audit to establish whether a gap exists between the pay for women and men. The audit found that the average (median) pay for women and men was the same (£24 per hour). The average (mean) pay revealed a negative gender pay gap of 5.9%, i.e. women are, on average, paid more than men within the organisation. As part of its key priorities the OPDC will continue to monitor gender and pay. Organisational best practice will be maintained to ensure that progress made with gender and pay will be maintained.

Creating a Diverse and Inclusive Workforce

- Monitor, analyse and publish workforce equalities data (including gender pay gap) and implement initiatives to address issues representation;
- Recruiting & attracting a diverse workforce, a clear action plan has been developed to facilitate this;
- Create opportunities within existing schemes (such as apprenticeships, e.g. reserve places for disabled candidates or children in care);
- Training for managers/staff on Equality Impact Assessments, specifically in areas of Equalities, Health, and the Environment;
- Bespoke training for staff on diversity and inclusion in the workplace;
- OPDC Diversity Champion, to promote equalities and diversity across the organisation;
- Ensure that there is a mix of social activities/opportunities to promote an inclusive approach to networking;

- OPDC has signed up to the Centre for the London Speaker Diversity Pledge, which publicly demonstrates our commitment to diversity.

Fairness

The OPDC's proposals will support the following objectives:

- Maximising delivery of high density housing adjacent to public transport on brownfield land;
- Working towards a 50% affordable housing target;
- Aligning with the Mayor's London Living Rent;
- Supporting a mix of housing types including rental and private;
- Enabling SME house builders to enter and compete in the building market;
- Promoting 'good development' and making best use of public sector land;
- Delivering a new strategic office location outside of existing areas, which will provide easy access for the local community;
- Ensuring proper integration of HS2 with its surroundings;
- Providing the opportunity to establish a new Creative Enterprise Zone;
- Protecting Strategic Industrial Land supply, in the UK's largest industrial area in Park Royal;
- Promoting healthy streets with great walking and cycling;
- Delivering locally produced energy.

Regeneration & Community Engagement

- Providing training and skills development for local residents and businesses;
- Building relationships with Voluntary/Third Sector who work with vulnerable communities;
- Governance – Include local communities to be involved throughout OPDC's governance structures;
- Develop Volunteering/Mentoring Opportunities for local residents and communities;
- Increase citizen involvement in policy development;
- Develop strategy and activities to engage with young people including schools;
- Reduce serious crime rates and anti-social behaviour;
- Reduce the impact of health inequalities by maximising health and sport facilities in the development area;
- Housing Development: Access/Disability; scope to consider Lifetime Homes model, adapted properties;
- Procurement: Work in partnership with Developers and Contractors and build in KPIs' for local employment;
- Places or space for religious or faith groups to practise their faiths in the development area.

Environmental Impact

- 8.11 The OPDC area will benefit from a highly connected network of new and improved streets and open spaces, which will encourage exemplary walking and cycling. Located at the only point where HS2 meets Crossrail, Old Oak and Park Royal will have one of the most connected 'hubs' on the rail network in the country. With a redesigned and improved local bus network, and a significantly transformed road network, sustainable transport will be embedded at the heart of the future masterplan.

Reserves

- 8.12 The OPDC has no reserves at present as its operational expenditure is funded by the GLA from its resources.

- 8.13

[illegible]

- 8.14 The expected total reserves at the end of each financial year are summarised below:

[illegible]

Section 9 – Draft Capital Spending Plan and Borrowing Limits

Introduction

- 9.1 The Mayor is required to prepare a Capital Spending Plan (CSP) every year for each of the GLA's functional bodies. Before issuing his final plan he is required to consult on a draft plan with the Assembly and each functional body under section 123 of the GLA Act. This section sets out the draft capital spending plan for consultation. Even though the statutory timetable for the submission of the CSP is different from the requirements for the revenue budget, the same timeframe is adopted to ease consultation. The Mayor is also required to set the borrowing limits for the GLA Group – the proposals for which are set out in Appendices A to E for the GLA and each functional body.

Key deliverables

- 9.2 Set out below is a summary of the key deliverables in the Mayor's CSP:

Draft Capital Spending Plan

- 9.3 Set out below is a summary of the Mayor's Draft Capital Spending Plan for 2017-18 which sets out the capital funding sources for the CSP in line with the format required under section 122 of the GLA Act. Further details on the GLA and each functional body's draft plan are set out in Appendices A to E. More details of the key deliverables are set out in this section under each member of the Group and in the relevant Appendices.

Draft GLA Group Statutory Capital Spending Plan 2017-18 Under Section 122 of the GLA Act (for consultation)

Section		GLA £m	MOPAC £m	LFEPa £m	TfL £m	LLDC £m	OPDC £m
A	Total external capital grants						0.0
	Opening balance of capital receipts						0.0
	Total capital receipts during the year						0.0
	Total capital grants/ receipts						0.0
B	Minimum s.120(1) grant						0.0
	Total borrowings during the year						0.0
	Total borrowings						0.0
	Total borrowings and credit arrangements						0.0
C	Total capital expenditure anticipated during the year						0.0
	Total credit arrangements in respect of requirements of 50(2) and 51(4) Local Government and Housing Act 1989						0.0
	Total capital spending for the year						0.0
D	Funding: capital grants						0.0
	Funding: capital receipts/reserves						0.0
	Funding: borrowings and credit arrangements						0.0
	Funding: revenue contributions incl. BRS						0.0
	Total funding						0.0

- 9.4 Set out below is a summary of the Mayor's draft Capital Plan to 2018-19 and how this is financed. This shows that overall the GLA Group will be investing around £xxx million more in 2017-18 than in 2015-16. This is largely because of TfL's capital investment programme.

Summary of the Capital Plan Plan 2015-16 to 2018-19	2016-17 Forecast £m	2017-18 Plan £m	2018-19 Plan £m	2019-20 Plan £m	2020-21 Plan £m	5 year Total £m
GLA						
MOPAC						
LFC						
TfL						
LLDC						
OPDC	0.0	0.0	0.0	0.0	0.0	0.0
Total						

Appendix F: Old Oak and Park Royal Development Corporation

Table 1: OPDC - Subjective analysis

Subjective analysis	Revised Budget	Forecast	Budget	Plan	Plan	Plan
	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m	£m	£m
Employee expenses	2.5	2.8	2.8	3.2	3.2	3.3
Supplies and services	9.3	6.5	4.5	4.0	3.9	3.8
Total revenue expenditure	11.8	9.2	7.3	7.2	7.1	7.1
Other Income	-0.4	-0.7	-0.4	-0.4	-0.4	-0.4
Net revenue expenditure	11.4	8.6	6.9	6.8	6.7	6.7
GLA Funding for core activities	11.4	8.6	6.9	6.8	6.7	6.7
Council Tax Requirement	0.0	0.0	0.0	0.0	0.0	0.0

Table 2: OPDC's Draft Capital Plan

OPDC's draft capital plan	Forecast Outturn 2016-17 Forecast	Proposed Programme 2017-18 Proposed	Proposed Plan 2018-19 Proposed	Proposed Plan 2019-20 Proposed	Proposed Plan 2020-21 Proposed
Expenditure					
Total expenditure	0.0	0.0	0.0	0.0	0.0
Funding					
Total funding	0.0	0.0	0.0	0.0	0.0

Table 3: OPDC's Authorised limit for external debt

	2016-17 Current Approval £m	2016-17 Revised Approval £m	2017-18 Proposed £m	2018-19 Proposed £m	2019-20 Proposed £m	2020-21 Proposed £m
Borrowing						
Long term liabilities						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Table 4: OPDC's Operational limit for external debt

	2016-17 Current Approval £m	2016-17 Revised Approval £m	2017-18 Proposed £m	2018-19 Proposed £m	2019-20 Proposed £m	2020-21 Proposed £m
Borrowing						
Long term liabilities						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Appendix G: Savings and Efficiencies

Savings and Efficiencies across the GLA Group

The total savings and efficiencies to 2018-19 which have been identified across the Group are summarised below. The figures are presented on an incremental basis and do not include any savings still to be identified.

Savings	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m
GLA: Mayor				
GLA: London Assembly				
MOPAC				
LFC				
TfL				
LLDC				
OPDC	5.9	0.7	0.4	0.1
Total				

Efficiencies	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m
GLA: Mayor				
GLA: London Assembly				
MOPAC				
LFC				
TfL				
LLDC				
OPDC	0.0	0.0	0.0	0.0
Total				

Savings and efficiencies	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m
GLA: Mayor				
GLA: London Assembly				
MOPAC				
LFC				
TfL				
LLDC				
OPDC	5.9	0.7	0.4	0.1
Total				

Appendix H: Summary of Revenue Expenditure and Financing

Introduction

The tables below summarise how the net expenditure (financing requirement) and council tax requirement is calculated for the GLA and each functional body in 2017-18.

	Gross expenditure	Fares and traffic income	Other general income	Net expenditure before use of reserves	Use of Reserves	Net expenditure after use of reserves
	£m	£m	£m	£m	£m	
Mayor's Office for Policing and Crime						
GLA Mayor						
GLA Assembly						
LFEPa						
TfL						
LLDC						
OPDC	7.3		-0.4	6.9		6.9
Total Other Services						
Total GLA Group						

Council Tax Requirement and Band D Council Tax

	Net expenditure after use of reserves £m	Specific Government Grants £m	General Government Grants £m	Retained Business Rates £m	Council Tax Requirement £m	Band D Amount £
Mayor's Office for Policing and Crime						
GLA Mayor						
GLA Assembly						
LFEPA						
TfL						
LLDC						
OPDC	6.9	-6.9	0.0	0.0	0.0	0.0
Council tax Net Collection fund (surplus)/deficit						
NNDR Collection fund (surplus)/deficit						
Total other services						
Total GLA Group						

Net revenue expenditure

The net revenue expenditure (or financing requirement) shown in the tables above - after allowing for the impact of variances in the collection of council taxes by London billing authorities - represents the sum of:

- revenue grants from the Government. These include general government grants (the Home Office police grant, police formula grant and revenue support grant) and specific grants (including the revenue element of the GLA transport grant and Home Office police funding for counter-terrorism);
- retained business rates; and
- each body's share of the Council Tax precept.

The forecast net revenue expenditure for the GLA and each functional body is set out in the table below.

Net revenue expenditure (financing requirement)	Revised Budget 2016-17	Budget 2017-18	Plan 2018-19	Plan 2019-20	Plan 2020-21
	£m	£m	£m	£m	£m
GLA Mayor					
GLA Assembly					
MOPAC					
LFC					
TfL					
LLDC					
OPDC	11.4	6.9	6.8	6.7	6.7
Collection fund (surplus)/deficit retained rates					
Collection fund (surplus)/deficit council tax					
Net revenue expenditure					

Summary of Government Grants and GLA Support 2017-18 (Provisional)

	GLA Transport Grant	Other Specific revenue grants	Home Office Police grant	Home Office Formula grant	Revenue Support Grant	Rates retention	Mayor's Resilience Reserve	Total
	£m	£m	£m	£m	£m	£m	£m	£m
MOPAC								
GLA Mayor								
GLA Assembly								
LFEPa								
TfL								
LLDC								
OPDC		6.9						
Total Other Services								
Total GLA Group								

Summary of Government Grants and GLA Support 2017-18 (Indicative)

	GLA Transport Grant £m	Other Specific revenue grants £m	Home Office Police grant £m	Home Office Formula grant £m	Revenue Support Grant £m	Rates retention £m	Mayor's Resilience Reserve £m	Total £m
MOPAC								
GLA Mayor								
GLA Assembly								
LFEPa								
TfL								
LLDC								
OPDC		6.8						
Total Other Services								
Total GLA Group								

Council tax requirement for other services

The estimated amount to be raised for other services is as follows:

Council Tax for other services	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
GLA, LFC, LLDC, OPDC and TfL net expenditure					
Government grants and Retained Business Rates					
Share of borough net collection fund surplus/deficit					
Amount for other services					

This is equivalent to a band D Council Tax of **£x.x** for 2017-18 in City of London (£x.x in 2015-16).