

THE NEED FOR A FURTHER REVIEW OF THE OPDC

Background

A year ago, two neighbourhood forums in the part of London now beginning to be known as ‘Old Oak’ submitted a joint paper to the Assembly’s Planning and Regeneration Committee¹. A second submission was made to the Budget and Performance Committee on December 7th 2022. These papers questioned aspects of the workings of the OPDC and suggested that a review of this body by the Mayor was overdue (the only previous review having been carried out in 2016).

Under Section 215 of the Localism Act there is a statutory duty on the Mayor *to review, from time to time, the continuing in existence of any existing MDCs.*

A year later, we argue that a formal review of OPDC is needed urgently. The October 4th announcements by Government, cancelling much of the HS2 project, raise questions over the future ‘vision’ for Old Oak as conceived in 2014/15 and for the future of the OPDC.

The organisational culture of HS2 has come under severe criticism in the media, and not for the first time². Parliamentary committees over many years have questioned whether HS2 managers are being honest and open on forecast costs and timelines, or are presenting an over-optimistic picture in order to keep the project underway – for reasons which are not in the public interest.

Local residents at Old Oak detect some of these same behaviours at the OPDC.

Options for a review

We suggest that the Assembly’s Budget and Performance Committee should consider the following options:

- A review commissioned before the May 2024 GLA and Mayoral elections and conducted immediately afterwards, with a finalised brief subject to the outcome of the elections.
- A review which, this time round, is carried out by a body independent of the Mayor and GLA (such as the Centre for London, the chair of trustees of this independent think tank being Fiona Fletcher-Smith who undertook the 2016 review of the OPDC as a then GLA Executive Director).
- A review which looks at the merits of returning planning powers to the three ‘host’ Boroughs (Ealing, Hammersmith & Fulham, Brent).
- A review which looks at the option of establishing a bespoke delivery vehicle for development and regeneration at Old Oak in the form of a development corporation similar to that proposed on October 4th 2023 for a HS2 terminal at Euston.

¹ The Old Oak Neighbourhood submitted a paper to the review of the work of Mayoral Development Corporations undertaken by the Assembly’s Planning and Regeneration Committee on 23rd November 2022. This was followed up with a paper discussed at the Budget and Performance Committee on December 7th. OPDC was asked to respond to the second paper and did so in a letter from CEO David Lunts to Peter Fortune AM on January 31st 2023. This OPDC letter was published at page 129 of the agenda of the B&P Committee on 21st February 2023, but was not discussed at that meeting.

² For example the Public Accounts session on 24th October 2018, which questioned the nature and extent of redundancy payments paid to departing HS2 staff and recently the extensive media coverage of what has been described as ‘fraudulent’ public expenditure by HS2 Ltd..

Depending on the outcome of the review, the work of the OPDC might transition part way through of the next Mayoral administration. This would follow the winding-up arrangements being followed for the LLDC by December 2024.

If the Government approves the OPDC's Outline Business Case (its content not yet public) and provides substantial infrastructure funding to OPDC for the next stages of 'delivery' at Old Oak, then we will of course reconsider the suggestions in this submission.

Perceived problems with the Mayoral Development Corporation model

We commented in our submissions to the Assembly last year on the inherent organisational tensions built into the Mayoral Development Corporation model. The 'delivery arm' of a MDC seems to feel that has a duty to build 'confidence' amongst investors and developers, and to maintain 'momentum' on an ambitious and complex regeneration project which will run over several decades. HS2 often makes the same case. But maintaining 'momentum' should not lead over-optimistic decision-making and what can become opaque even false reporting of costs and timelines. Nor should it compromise the role of a MDC as a planning authority.

Where there comes a point when the motivations of managers and board members begin to distort or undermine objective decision-making, external intervention is needed (as has now happened on the HS2 project). The Budget and Performance Committee published a critical report in January 2021 on OPDC's handling of its bid for £250m of HIF funding. This led to abortive public expenditure of £6.2m as acknowledged by OPDC³

Scrutiny of HS2 by Parliamentary committees (even though robustly attempted) appears to have little impact on HS2 Ltd as a Government sponsored limited company. Government has now acknowledged that project costs have been completely out of control and have drained resources away from other public expenditure priorities.

Rehearsing our concerns in brief, as set out in our 2022 submissions to the Assembly, our case for a formal review of OPDC is as follows:

- OPDC acts as planning authority as well as delivery agency. In this 2023 submission we repeat our concerns that the former role has compromised the objectivity and integrity of the latter.
- In the past two years, as the HS2 programme began to go seriously awry, OPDC has resisted suggestions to work up 'Plan B' options should the context of this national infrastructure project change or be reduced in scope.
- The 2019 shift of direction by OPDC, following withdrawal of advanced plans by Cargiant/London Regional Properties in 2018 and subsequent intervention by the Planning Inspector has led to an adopted Local Plan with fundamental underlying flaws in terms of transport connectivity and spatial planning.
- The recently published Draft Old Oak West Supplementary Planning Document does not (in the eyes of local residents) remedy these flaws.
- OPDC submitted to Government on 1st August 2023 an Outline Business Case for the next stages of 'delivery' at 'Old Oak West'. This document has not been published even in redacted form and Assembly Members have had no opportunity to assess its contents.

³ See page 11 of Budget and Performance Committee report of January 2021 and OPDC Audit and Risk Committee Paper March 2020 HIF expenditure summary.

- OPDC has obtained some funding for land assembly and infrastructure in support of its ambitions (a £50m repayable loan from the Mayor's Land Fund, £53m from DLUHC to support land assembly and £36m from the Department of Energy for a local heat network).
- Even when combined, these sums are roughly half of the £250m of Housing Infrastructure Funding which OPDC was awarded in 2018, but which was foregone when negotiations with landowners Cargiant broke down and the MHCLG conditions on the grant could not be met.

The first and only review to date of the OPDC

This was commissioned by the present Mayor in June 2016, shortly after he took office. The review was carried out by Fiona Fletcher-Smith, then an Executive Director at the GLA and published in the name of the GLA in November 2016. The Mayor responded in March 2017.

A major focus of the review was the adequacy of the Memorandum of Understanding entered between OPDC and Secretary of State for Transport on the future use of public sector landholdings at Old Oak.

The task handed to OPDC was always going to be challenging. No significant Government financial support was handed to the Corporation back in 2015, to invest in the physical infrastructure needed.

It can be argued that 'this is not the time' for a second review, in the period prior to the May 2024 elections. But how much more time should pass, before there is at least a decision on a review?

The outcome of OPDC's Outline Business Case to Government has long been promised as the key step that will secure infrastructure funding and a choice on the most appropriate 'delivery vehicle' to progress development at Old Oak West.

The OPDC Board at its September 21st meeting was told that *the Old Oak West Outline Business Case (OBC) has now been submitted to Government for scrutiny in advance of formal Governance and approval meetings in mid-September*. As of mid November no further news has been published by OPDC.

The GLA budget proposals will be under scrutiny in the New Year. Our experience has been that the OPDC budget receives relatively little attention, as a relatively small (but still significant) budget line.

Media reports of imminent cancellation of the HS2 line north of Birmingham were not mentioned at the OPDC Board meeting on September 25th. The Corporation has been recruiting staff and strengthening its delivery team *in anticipation of the approval of the OBC and in accordance with updated Target Operating Model (TOM) for the delivery of Old Oak West*.

Optimism and the need for 'momentum' appear to continue to drive OPDC decisions and actions. This is despite the fact that the key development sites at Old Oak West (in use by HS2 construction compounds) are not scheduled for release until 2028-32. This latter date is now questionable given the largest of these sites is due to be used for construction of a Euston HS2 terminus.

In a letter to our Forum of October 11th, Liz Peace as Chair of the OPDC Board wrote:

Since the Board meeting the Prime Minister has, of course, announced the cancellation of HS2 north of Birmingham, and that the link to Euston and its redevelopment will be subject to private sector capital and expertise taking over from HS2. This presents a range of questions for us at OPDC, not least around capacity and congestion at the Old Oak Common station; the programme for the phased release of some development sites; and any possible redesign of Old Oak Common station to adapt to the revised service requirements. At this stage it's less than clear that either DfT or HS2 have

complete answers to these and other queries, but my team is closely engaged with both parties and will no doubt be reporting the implications to the next Board meeting in November.

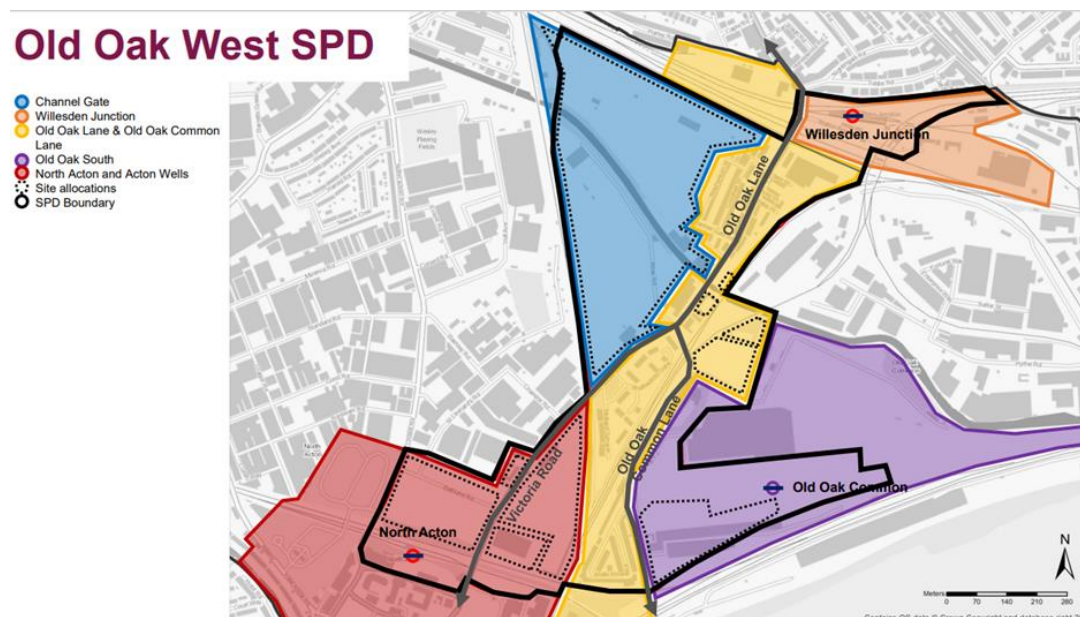
Assembly Members have been given repeated assurances, by the OPDC Chair and CEO and in responses to questions to the Mayor, that the Corporation's ambitious vision for Old Oak will secure necessary Government support and will be successfully delivered. But this is not how the position looks to local residents in the area, who have been following closely every step in this regeneration initiative since 2015.

The future of 'Old Oak West'

This part of the OPDC area lies to the west of the Old Oak Common rail interchange, as under construction. The OPDC Draft Local Plan when submitted to the Secretary of State in 2018 did not include Old Oak West as a 'Place'. Old Oak North and the Cargiant land was intended as the location for a 'major new town centre' and a new Overground station to connect with OOC station.

In late 2019, following intervention by the Planning Inspector, the OPDC *shifted its focus* to what it badged as the 'Western Lands'. The map below shows how this area, previously designated as a series of six separate 'Places' was combined as a newly defined area.

This decision was reached behind closed doors with no Board meeting or input from the public (or from the London Assembly). It was announced via a press release in November 2019



A major reason for calling for a further review of OPDC is that many local people living in the area have never subscribed to OPDC's belief that this part of East Acton and North Hammersmith can and will become a successful and sustainable 'new part of London'.

Locals are particularly unconvinced on why passengers should leave the rail interchange to work, shop or visit a proposed 'major new town centre' at Channel Gates/Atlas Road. The walk involved is a 1km route along a windswept road which for topographical and landowner reasons cannot affectively be 'activated' (see the map below).

Were Old Oak Common station to become the permanent London terminus for HS2, some might suggest that the 'catalyst' impact would be strengthened rather than lessened. We have our doubts. HS2's planners and designers have always conceived of this station as an interchange rather than as

a 'destination'. This has long been clear from HS2 consultation material, showing a state of the art (some would say 'gold-plated') rail station sitting within a green field.



The contrasting OPDC vision of a creating a new urban district of 25,000 new homes and 60,000 new jobs has continued to be repeated and promoted since 2015, despite the series of delays, setbacks encountered by the Corporation, and now the latest changes and cutbacks to the HS2 project.

OPDC's recently published SPD for Old Oak West states:

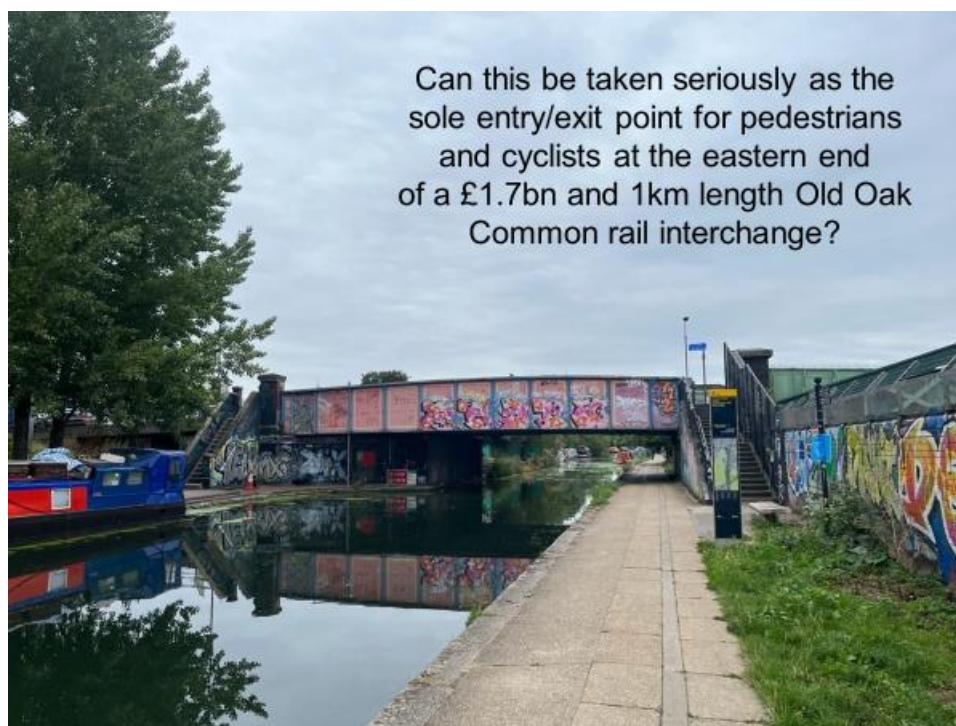
"With unrivalled connectivity across London and the UK, Old Oak and Park Royal can become a thriving, inclusive and healthy place, displaying the best practice in social and environmental design with huge benefits for current and new residents and businesses alike and making a major contribution to London's success as a global city."

HS2 has posted a new video on the engineering feats being achieved in the construction of OOC station. This ends with the claim *"we are making real headway with the delivery of the most transformative transport regeneration project ever in the UK"*.

No objective measures nor any objective evidence is provided to support these superlatives. The reality in late 2023 is that the rail station and surrounding area at Old Oak Common will have less connectivity than many other London locations. Elizabeth Line platforms will be operational sometime between 2029-2033. This key addition to London's connectivity is already in place at 41 other stations on the line. Why will an extra connection at Old Oak Common be 'transformative' given a reduced number of HS2 passengers'?

The position on connectivity has worsened rather than improved since the early versions of the OPDC Local Plan.

- In 2018 Cargiant/London & Regional Properties abandoned their well advanced proposals for 6,500 new homes and a town centre at 'Old Oak North'. This decision was conveyed to OPDC shortly before the Board agreed to submit the Regulation 19.2 Draft Plan for Examination. But the implications were ignored with OPDC believing it could force through its plans via use of CPO powers. Hence the westward 'change of direction' by OPDC a year later.
- With Cargiant's cancellation in 2018 of its proposals, one of two proposed Overground stations planned as connections to OOC station (albeit at some distance) disappeared from the Local Plan. A second 'potential' Overground station at Old Oak Common Lane remains as unfunded proposal. Willesden Junction Underground/Overground is around 1km away.
- Less noticed at the time, any form of road access to the eastern end of OOC station (from Scrubs Lane/Wood Lane in North Hammersmith) also disappeared from the Local Plan in late 2019. This is the end of the station nearest central London. The sole planned road access/exit is 15-20 minutes further away by road at Old Oak Common Lane.
- The remaining 'elevated pedestrian/cycle' route from Scrubs Lane to the eastern end of the station is very seriously sub-optimal (see image below).



As a result of these changes, and OPDC's reluctance to recognise their implications, there has also been an erosion of confidence that the OPDC as a Mayoral Development Corporation is now the most suitable body to act as 'delivery agent' for a planned 'regeneration' of this part of London.

Why we feel that our questions and challenges to OPDC continue to be ignored?

In his response to our November 2022 submission to the Budget and Performance Committee, OPDC CEO David Lunts wrote to Peter Fortune AM (who chaired the relevant committee meeting) as follows:

The Old Oak North Neighbourhood Forum has suggested an alternative development proposal to OPDC's planning and development strategy, its professed 'Plan B' (see annexe a). I met with OONF to discuss this and they presented it to our Planning Committee in 2021. This plan is, however, predicated on three key assumptions – none of which have occurred. First, that our Local Plan is not found sound (it was); second, that HS2 is cancelled (it isn't); and third, that we fail to secure government funding (which hasn't happened). As such, this leaves the 'Plan B' somewhat hypothetical and immaterial, not least as it also assumes levels of development that are far below those required by the London Plan, and which would in any event be economically unviable to build at the low levels envisaged.

We feel that we were not far off the mark in our assessment that the HS2 Phase 1 project was vulnerable to radical cutbacks. Our 'Plan B' proposals argued that OPDC should pause in its delivery plans to meet a delayed HS2 timetable for OOC station (originally due to open in 2026). We suggested a 10 year 'meanwhile' strategy of providing housing units with a 10 year lifespan on available land within the development sites adjacent to OOC station.

We argued for a more incremental and evolutionary approach to regeneration in this part of London.

Why rush to grant planning consents for scattered high-rise/high density towers across the OPDC area with no certainty of the much hyped 'catalyst effect' of HS2 at Old Oak?

Why not acknowledge that 'Old Oak West' and the HS2 construction compounds do not have the spatial attributes and public transport connections that will generate the commercial and residential demand needed to generate a 'new major town centre'? Local people have held this view long before revised figures become available for much reduced HS2 passenger numbers disembarking at old Oak Common.

Why not go back to the Mayor of London to point out that the Opportunity Area targets of 25,000 new homes and 60,000 new jobs, set in the 2016 Further Alterations to the London Plan, were never based on any solid research or analysis?

As an annexe to this second submission to the Budget and Performance Committee, we have assembled a record of OPDC decisions since 2019 to fund work on its shift to a 'Western Lands'/Old Oak West strategy.

While some of these expenditure decisions have been approved via reports to the quarterly meetings of the OPD Board, the majority have been processed as delegated decisions by the OPDC CEO or Directors.

By our calculations based on published reports, the consultancy expenditure since 2019 on OPDC's 'Western Lands'/Old Oak West strategy stands around £3.6m in late 2023. OPDC expenditure on other parts of its area (Park Royal and other 'Places' within its boundary is a separate matter.

Local people have two main concerns on this expenditure:

- Do OPDC Board members and the Mayor have a good understanding of this use of public funds? Keeping track of multiple delegated decisions is not easy. Board Members are not provided with an update of delegated decisions made between each of their quarterly Board meetings.
- How much of this consultancy input will ultimately be worth obtaining, and how much will prove to have been obtained prematurely – as the planning context for Old Oak West continues to change? (the latest changes being the impact of the cancellation of HS2 north of Birmingham, and making a Euston terminus subject to private investment).

From the moment in late 2019 when OPDC was forced to shift the location of its ‘main town centre’ and high density ‘new urban district’ from Old Oak North to Old Oak West, it was clear that the main development sites around the station would not become available for development until the late 2020s at the earliest. Last autumn HS2 provided forecast dates of 2028-32. These may now be subject to further revision, given the plan for the largest site (Channel Gate/Atlas Road) to remain in use as a construction compound for a Euston terminus.

OPDC will argue that much of the consultancy work listed in the Annexe to this submission was needed to support its Outline Business Case to Government. But has it been wise to proceed with the sequencing of decisions that OPDC has chosen to pursue?

As pointed out in our submission this time last year, the OPDC Chair’s foreword to the OPDC Local Plan (adopted finally in June 2022) gives a picture of regeneration at Old Oak which has not been true for years⁴. It has become less accurate as the years have passed.

Local people have long argued to OPDC why not get the station built and in operation, and then see what sort of a ‘catalyst’ for the area it proves to be? It is hard to accept that the drivers of OPDC’s actions and decisions since late 2019 have not included an element of maintaining ‘momentum’ for reasons of institutional self-preservation as well as meeting Mayoral housing targets.

Hence our further request for a review of OPDC – from a dispassionate and independent perspective. Government needs to clarify urgently the key consequences for London of the October 4th decisions on HS2.

- Is private investment for a HS2 terminus at Euston a realistic prospect?
- What sort of ‘development company’ as trailed in *Network North* will be created at Euston?
- Might this be a similarly effective delivery vehicle for the main development sites around OOC station, currently in use as construction compounds and still in DfT ownership?

We think that it would be wrong for OPDC should be left unscrutinised, to make its own decisions in private on how to adjust to changed circumstances. This did not work well in late 2019/early 2020 and should not be allowed to happen again in 2024.

Old Oak Neighbourhood Forum November 2023 Email oonforum@gmail.com

⁴ Extract from Chair’s foreword to the OPDC adopted Local Plan. *In just a few years’ time, Old Oak Common station, the largest ever constructed in the UK, will open with High Speed Two, Elizabeth Line and Great Western services. This will create an unprecedented opportunity for regeneration and investment as Old Oak becomes one of the best-connected places in the UK.*