
Old Oak and Park Royal Development Corporation

1. OPDC is the Mayoral Development Corporation (MDC) for the Old Oak and Park Royal area. It came into operation on 1 April 2015 to deliver the strategic regeneration opportunity provided by 134 hectares of brownfield land close to central London, creating an exemplar sustainable and inclusive community.
2. The new Old Oak Common station will be the UK's largest ever sub-surface station and will be the largest station to be built in the country in a century. When it opens (currently programmed for 2028) transport connectivity between Old Oak and Central London, Heathrow and the wider UK will be outstanding, offering an interchange between HS2, the Elizabeth line and Great Western services. The Old Oak and Park Royal Development Corporation (OPDC) will utilise its planning and regeneration powers to ensure that these benefits are captured and maximised to deliver much-needed homes, jobs and facilities.
3. This draft budget submission has been prepared in the context of recent external factors facing the OPDC, including the Government's ongoing review of HS2, the Planning Inspector's interim report on OPDC's draft Local Plan and continuing discussions with MHCLG over early phase funding for the regeneration of Old Oak.
4. Taking account of these factors, and the recent detailed land referencing exercise undertaken with local businesses and landowners, OPDC has determined that a revised phasing of their plans for Old Oak is required. This is to involve a shift away from OPDC's proposed early delivery of 'Phase 1A' at Old Oak North, and towards a combination of early delivery sites where development can be accelerated because associated infrastructure already exists, alongside a more strategic scale of regeneration for the extensive sites to the north and west of the proposed HS2 interchange at Old Oak. Most of these are in public ownership, mainly Network Rail and HS2, and OPDC will be working closely with both of these agencies in the coming period to scope their plans for bringing forward a co-ordinated and deliverable plan for major regeneration.
5. As part of this review, OPDC are no longer currently seeking to acquire land in the ownership of Cargiant (the principal landowner in Old Oak North) and consequently will work with MHCLG and Homes England to explore the potential for alternative support for their new phasing approach. OPDC has taken a prudent view of the necessary costs for the coming year, as a consequence of which it is proposed to scale back expenditure to reflect a revised phasing plan. Accordingly, the draft budget shows a reduction of £1.9 million compared to overall Mayoral funding total for OPDC outlined in the Mayor's Budget Guidance issued in June 2019.
6. OPDC's 2020-21 submission includes the costs of administering their existing statutory planning functions, which span three boroughs (Hammersmith & Fulham, Brent and Ealing); funding to support a significant increase in their interventions in Park Royal to boost the productivity and sustainability of London's largest industrial estate, including a number of third party funding bids; support to enable OPDC to work with investors and landowners to bring forward

innovative early development sites; and support for the development of new proposals, in collaboration with HS2 and Network Rail, with a view to bringing forward major proposals later next year.

Key deliverables

7. The key deliverables for 2020-21 are as follows:
 - Accelerated early delivery: Working with landowners and investors to unlock a range of sites for residential and employment uses where major infrastructure is not required;
 - Strategic Regeneration: Working with HS2, Network Rail and borough partners; Identify and bring forward proposals for the largely public sector owned 'western' land for major redevelopment. The workstreams include the development of a clear vision and strategy, alongside a feasibility study and funding proposal to support an implementation plan;
 - Early activation: A range of proposals to deliver improvements to public realm, local infrastructure and community amenities in the OPDC area that upgrade local facilities and support long-term value creation;
 - Park Royal: OPDC is delivering projects in Park Royal next year such as improving digital infrastructure, setting up the Employment and Skills Hub and improving the public realm. Some projects will commence during the course of the year but are dependent on securing external funding, for instance transport network improvements to be resourced by a bid to the TfL Liveable Neighbourhoods fund. Other projects such as Clean Growth and 5G are currently in the development/planning phase.
 - Local Plan: Progression and adoption of OPDC's Local Plan, providing a series of robust planning policies to guide future development, along with Supplementary Planning Documents (SPDs) which will provide guidance to support the successful implementation of OPDC's Local Plan policies; and
 - Planning applications: The timely consideration and determination of planning applications and an effective pre-application process that improves outcomes that support a high-quality of development, with better design and greater levels of affordable housing and social infrastructure.

Gross revenue and capital expenditure

8. The Mayor's proposed gross revenue expenditure for the OPDC in 2020-21 is £8.6 million.

Net revenue budget and council tax requirement

9. The tables overleaf set out the proposed budget for OPDC on an objective and subjective basis.

Explanation of budget changes

10. An analysis of the year-on-year movement in the council tax requirement, comparing the revised 2019-20 budget to the proposed 2020-21 budget, is set out below.

Changes in the council tax requirement	£m
2019-20 council tax requirement	0.0
<i>Changes due to:</i>	
Inflation	0.1
Savings and efficiencies	-3.1
New initiatives and service improvements	0.0
Net change in GLA funding	3.1
2020-21 council tax requirement	0.0

Inflation

11. The budget includes a provision for inflation of £0.1 million. This reflects the expected pay award in 2020-21.

Savings and efficiencies

12. The budget incorporates planned savings and efficiencies of £3.1 million. This reflects a revised phasing plan for Old Oak in 2020-21, towards a combination of early delivery sites where development can be accelerated.

Net change in GLA funding

13. The OPDC receives its revenue funding via the GLA, paid from business rates and funds held in the Mayoral Development Corporation Reserve. The funding provided by the GLA will reduce by £3.1 million in 2020-21, compared to the revised 2019-20 budget.

Equalities

14. Equality for all is at the centre of the corporate strategy of the OPDC, which is to improve lives through employability, improved homes and exemplar neighbourhoods. OPDC's corporate strategy is being reviewed, for consideration by its Board in spring 2020. The OPDC's approach to inclusion is set out in Inclusive London, the Mayor's equality, diversity and inclusion strategy.
15. The OPDC will deliver new housing and employment capacity for London in ways that are accessible and inclusive for all sections of new and existing communities. OPDC's Local Plan recognises the importance of this and seeks to deliver 'Lifetime Neighbourhoods' with inclusive design at the heart of development. OPDC is allocating funding for a range of investment, policies and programmes to positively impact equalities outcomes.
16. The OPDC is committed to creating a diverse and inclusive workforce through measures such as the development of a clear action plan to achieve the objective and monitoring, analysing and

publishing workforce equalities data. OPDC also promotes regeneration and community engagement through measures such as providing training and skills development for residents and businesses; developing volunteering and mentoring opportunities for residents and communities; and reducing the impact of health inequalities by maximising health and sports facilities in the development area.

Environmental impact

17. OPDC's draft Local Plan includes a range of environmental planning policies that will support the Mayor's target for London to become a zero-carbon city by 2050. This includes policies requiring developments to be air quality positive, biodiversity positive, reduce and re-use waste materials, minimise energy and source any energy generation needs from low carbon sources, in accordance with the Mayor's Energy Hierarchy. OPDC is developing planning guidance to support the implementation of these policies.
18. The OPDC area will benefit from a highly-connected network of new and improved streets and open spaces, which will encourage exemplary levels of walking and cycling. Sustainable transport will be embedded at the heart of the future masterplan, with a redesigned and improved local bus network, and a significantly transformed road network. The OPDC commits to implementing the new London Plan environmental policies.
19. Through its expanded programme for Park Royal, OPDC will be working to develop strategies and pilot implementation of low carbon technologies suitable to support Park Royal's development and reduce its environmental impact. This includes delivering a photovoltaic electricity pilot, working with TfL to implement vehicle charging points and looking for further opportunities to support investment in low carbon generation and energy storage technology on the estate.
20. As a member of the GLA Group, OPDC supports the measures in the London Environment Strategy, such as increasing access to tap water, reducing emissions (including through installation of solar), improving OPDC's climate resilience through green infrastructure and sustainable drainage, and reducing the OPDC's waste and increasing recycling rates.

Reserves

21. The OPDC has no reserves as its operational expenditure is funded by the GLA through business rates and balances held on the Mayoral Development Corporation Reserve. The balance of the contingency for activity in the OPDC area, held in the Mayoral Development Corporation Reserve, is available to meet unexpected operational pressures.