



THE NEED FOR A FURTHER REVIEW OF THE OPDC

Background

A year ago, our neighbourhood forum submitted a 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.

Implications for regeneration at Old Oak of the changes to the HS2 project

In her letter to the Public Accounts Committee on October 4th, DfT Permanent Secretary Bernadette Kelly gave her formal assessment (as Accounting Officer) of whether completing the Birmingham to Euston section of HS2 would continue to represent value for money. Her letter included the following statements:

*The previously stated strategic case for HS2 – to generate **transformational benefits** and rebalance the economy by joining the North and Midlands with London – **no longer applies**. However, it is reasonable to assume that **some** wider economic benefits (Level 3 benefits) should still accrue at Birmingham, Old Oak Common and Euston as a result of the creation of a high-speed railway connecting these places. (our emphasis).*

Taking all of these factors together, my judgement is that completing Phase 1 of HS2 between Euston and Birmingham including Handsacre meets the VfM requirements of MPM.

*I should emphasise however that this is the VfM of the marginal decision to continue with Phase 1 at this stage in its delivery, in accordance with Green Book guidance. Taking an estimated range for the total costs of Phase 1 and assessing them against the estimated total benefits **(i.e. including sunk costs and excluding remediation costs)** would result in a BCR range significantly below 1 and would represent poor Value for Money.*

The CEO report to OPDC Board on 23rd November includes a summary of the implications of the October 4th decisions on HS2. The report comments *We do not anticipate that the revised scope for HS2 should have any substantial impact on the strategic case for comprehensive regeneration at Old*

¹ The Old Oak Neighbourhood Forum 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.

Oak, the adoption of the Old Oak West Supplementary Planning Document, or the Outline Business Case for Old Oak West, as the fundamental elements of the project remain as before, a view shared by the multi-agency senior steering group for the OBC which includes DfT, HS2, DLUHC, Network Rail and OPDC.

Our Forum finds this claim hard to believe. Old Oak Common Station was planned on the basis that it would provide high speed rail connections to the UK's eight largest cities and handle 250,000 passengers a day. The Permanent Secretary's letter to the Public Accounts Committee says that *Not building Phases 2a and 2b reduces the benefits enabled by Phase 1 (principally up to 8 trains per hour, instead of up to 17 trains per hour) and therefore its VfM.* How can this change to the project **not** have a substantial impact strategic case for comprehensive regeneration at Old Oak? The fundamental elements do **not** remain as before.

In his six monthly report to Parliament (November 15th) Minister of State Huw Merriman MP has said: *The progress made at Old Oak Common is crucial for realising the potential for the creation of jobs and provision of housing enabled by the station through the new transport connections provided, and which the Government is working hard to achieve together, with the [Mayor of London](#). To that end I have created a taskforce including Transport for London and Old Oak and Park Royal Development Corporation ([OPDC](#)) to consider, and take forward action, on this critical part of the programme. The first meeting of the Old Oak Taskforce took place on 31 October 2023.*

This taskforce would appear to be the *newly formed senior steering group* referred to at paragraph 4.13 of the CEO report to OPDC Board on the 23rd November. It would be helpful for the public to have more information from OPDC on the brief for this 'taskforce' and what initial view this body has taken on the impact on regeneration at Old Oak of the October 4th announcements?

The Minister's 6 month report has more to say on new thinking on Euston. This section concludes: *we are considerably upping the ambition of the Euston redevelopment, where we will be looking to establish a Development Corporation to create a transformed 'Euston Quarter'.*

Continued local reservations on the realism of the OPDC Local Plan

The upper cost estimate of the London-to-Birmingham leg, in 2019 prices, had risen sharply from £45bn in June to £54bn in October. The chief executive of the National Infrastructure Commission told the Treasury Select Committee on 14th November that the London to Birmingham section of the project was still 'flashing red' following the red rating assigned by the Commission last July. Will increased DfT supervision manage to get costs under control?

Local residents at Old Oak follow these developments closely, given the planning blight on their homes and the impacts of construction work all around them. Our Forum, the Grand Union Alliance, and community organisations in Ealing are preparing responses to a current OPDC consultation on plans for 'Old Oak West'.

The HS2 website has not yet been updated to reflect the October 4th announcements. It publishes what is now misinformation about Old Oak Common station. No revised forecasts of passenger numbers at the OOC interchange are available. The public cannot make sensible responses to this consultation in these circumstances.

There are growing doubts locally that the proposals in OPDC's Draft Old Oak West SPD, as shown in visual images and using 'precedents' of successful development elsewhere in London, will ever materialise in the area around OOC station. Along with questions on why OPDC is consulting now

on development sites the availability of which still remains years away. Any substantive ‘catalyst’ impact of the rail interchange has yet to be demonstrated.

While the Minister has expressed support for *realising the potential of the area*, it is taking a long time for decisions on the OPDC’s Outline Business Case to Government to emerge. Meanwhile proposed developments at Channel Gate, consented or at pre-application stage, are pausing. Local people worry that HS2 and OPD seem now to be working on the basis that ‘nothing has changed’ post October 4th with HS2 increasing its PR activities on OOC station.

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 in the interests of the organisation but not those of the public.

Local residents at Old Oak detect some of these same behaviours at the OPDC. Hence our request that Assembly Members ask for an independent review of OPDC.

Options for a review

We suggest that the Assembly’s Budget and Performance Committee could 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 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 takes account of Government decisions on the OPDC’s Outline Business Case and the choice of ‘delivery vehicles’ to progress development and regeneration at Old Oak. The Government’s proposals to use a form of public/private development agency at Euston, for a redesigned HS2 terminus and associated mixed use development opens up an alternative option to that of a Mayoral Development Corporation. Or it could be that the Borough’s take back delivery responsibilities and address these alongside Ealing’s extensive housebuilding programme, Hammersmith & Fulham’s activity at White City, and Brent’s regeneration at Wembley.

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..

HS2 published on its website (after October 4th) a new video on construction progress at Old Oak Common. This ends by saying *we’re making real headway with what will be the most transformative transport regeneration project in the UK*. This level of hype has been shared by HS2 and OPDC since 2015, along with the repeated claim that *Old Oak will be the best connected location in the UK*. This claim was never evidenced and has become increasingly untrue. Current wording on the opening page of the OPDC website is *With unrivalled connectivity across London and the UK, Old Oak and Park Royal can become a thriving, inclusive and healthy new urban district*. Only one of the original two proposed new Overground connections remains in the OPDC Local Plan and this is unfunded infrastructure.

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 decides to approve the OPDC's Outline Business Case (its content not yet public) and to provide substantial infrastructure funding to OPDC for the next stages of 'delivery' at Old Oak, **then we would of course expect the Budget and Performance Committee to factor this into decisions on commissioning a second review of OPDC.**

The CEO report to the 23rd November Board states *The Outline Business Case for Old Oak West is proceeding well, with close engagement with colleagues in DfT, DLUHC, Network Rail, HS2 and the Infrastructure & Projects Authority, and following a number of clarifications and queries from the transport family, we anticipate an early consideration from DfT's Tier 2 investment board, possibly before the next Board meeting in January.* The report to the September 2023 OPDC Board anticipated decisions being made by Government departments that month.

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 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 to date 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 begun to compromise 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 from local people 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

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.

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 made public even in redacted form and Assembly Members have had no opportunity to assess its contents.
- 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.
- Work is getting underway on the next iteration of the London Plan. The 2022 OPDC Local Plan was prepared and submitted for Examination in 2018. Subsequently extensively modified, the Local Plan is already five years past its submission date.
- In a very changed context, a partial review of the Local Plan rather than a SPD is needed. This could reflect more realistic aspirations for Old Oak within a new London Plan. Timetables for implementation of local plan measures in LURA 2023 would need to be taken into account.

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.

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.*

The GLA budget proposals will be under scrutiny in December and in the New Year. Our experience has been that the OPDC budget receives relatively little attention compared the TfL and Police budgets, albeit that OPDC's draft budget for 2024/5 is at £11.8m and has been growing faster than inflation.

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.

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.

At the 7th December 2022 Budget and Performance Committee, OPDC CEO David Lunts said *The big priority next year [2023] is sealing the deal that will enable us to consolidate those 60 or 70 acres of land that are under the control of the Secretary of State for Transport and Network Rail. If we can do that and also assemble a funding strategy alongside that, which we think is perfectly credible, then we will be in a very, very powerful position to drive forward the delivery of the regeneration of Old Oak. However, I am not going to sit here and deny the fact that without land and capital budget it has been a very difficult project to drive at anything like the pace that has been required.*

A note of caution was wise. Subsequent exchanges with Emma Best AM clarified that OPDC had yet to finalise its 'ask' to Government but hoped to submit its second stage Outline Business Case (OPC) OBC in May/June 2023, a date which slipped to August 1st. Questions from Caroline Pidgeon AM surfaced the fact that OPDC had yet to identify a master developer or proposed partners.

At the end of this B&P Committee meeting, the chair (Len Duvall AM) asked OPDC to respond to the submissions made by the Old Oak Neighbourhood Forum and other community organisations. David Lunts did so in a letter to Peter Fortune AM of 31st January. This bears re-reading.

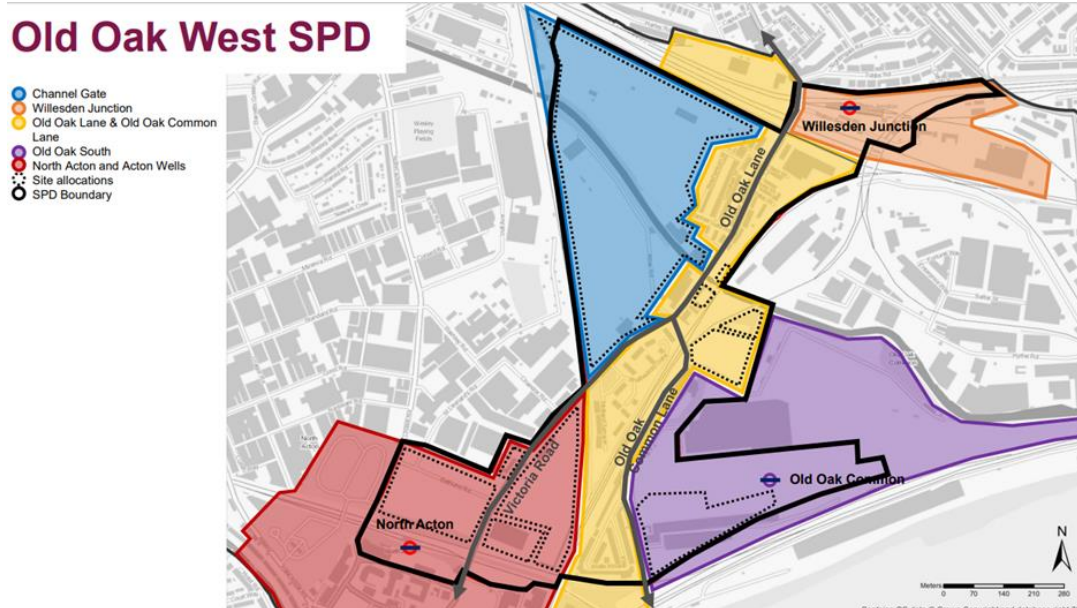
We do not feel that the concerns we raised a year ago, and the suggestions that we made, should have been dismissed to that extent that they were – including the possibility of the HS2 project being curtailed or abandoned and the need for a 'Plan B' for Old Oak.

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 (many would argue 'over-engineered') rail station sitting within a green field.



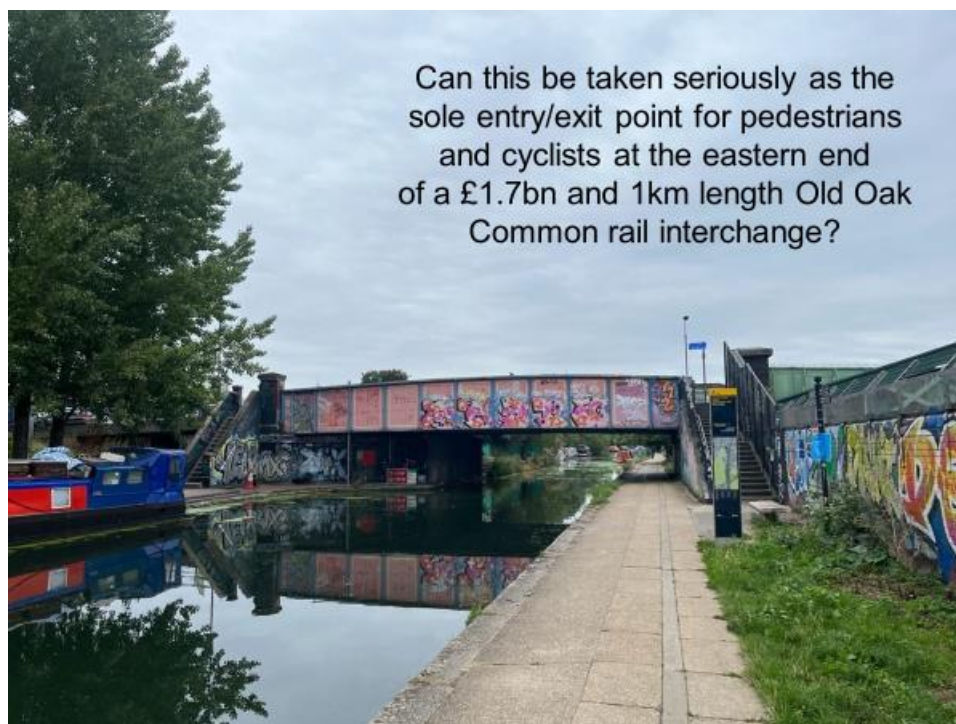
The OPDC vision of a creating a new urban district of 25,000 new homes and 60,000 new jobs has continued to be repeated and promoted since 2015, despite the series of delays, planning setbacks encountered by the Corporation, and now the latest changes and cutbacks to the HS2 project.

No objective measures nor any objective evidence has been provided that OOC station will have 'unrivalled connectivity' as still claimed by OPDC in its Draft SPD for Old Oak West. 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' or have a 'catalyst' impact given a reduced number of HS2 passengers?

In a series of stages, the position on connectivity has worsened rather than improved since the 2016 first version 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 at Old Oak Common Lane is 15-20 minutes further away by road.

- 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 the reluctance of OPDC and HS2 to acknowledge their implications, there has also been an erosion of confidence locally that the OPDC as a Mayoral Development is the right vehicle to regenerate this part of London. Our members ask the following questions:

In advance of an adopted Local Plan, OPDC granted 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? Will these prove to have been wise decisions?

Why not now wait to see revised passenger projections from HS2 on numbers who will choose to use HS2 as compared with existing services between central Birmingham and Euston, a location with successful commercial development in place and a range of much easier onward connections across Greater London and to and from the south-east?

Why not recognise that 'Old Oak West' and the HS2 construction compounds lack most of the spatial attributes and public transport connections needed to generate the commercial and residential viability required to create a 'new part of London' and a 'major town centre'?

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 and need to be reviewed in the next London Plan? A less ambitious Plan B is now needed for Old Oak.

OPDC's budget and spending

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 its work on the shift to the Corporation's current '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 do not seem to be 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 having obtained, and how much will prove to have been commissioned prematurely – as the planning context for Old Oak West continues to change?

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.

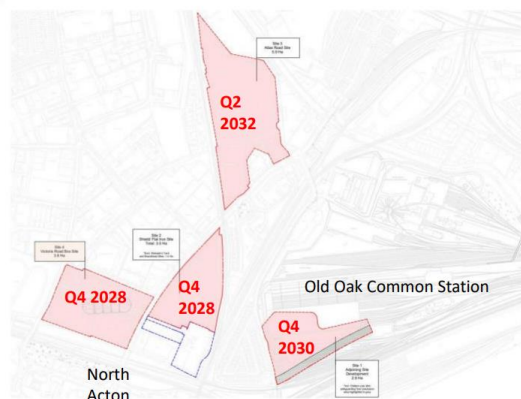
OPDC may well argue that much of the consultancy work listed in the Annexe to this submission was needed to support its Outline Business Case to Government. But has it been wise to proceed with the timing and sequencing of decisions that OPDC has chosen to pursue? The need to 'maintain momentum' has featured in a series of Planning Committee discussions on individual major applications.

Old Oak Common

HS2 Development Sites

- ASD - 2.9 ha (7.6 acres)
- Shield Site - 3.0 ha (7.41 acres)
- Atlas Road - 5.9 ha (14.58 acres)
- VRBS - 3.8 ha (9.39 acres)
- Total -15.6 ha (38.54 acres)

HS2 has provided these dates for the expected release of these site from use as construction compounds (response to FoI request)



Local people have long suggested 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 well as the imperative from above of meeting Mayoral housing targets.

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 *in a few years time*⁴. Generating false expectations is not the proper role of a planning authority. 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 *in a few years time*⁵. Generating false expectations is not the proper role of a planning authority. Our Forum has had to ask two sets of developers to correct misleading timescales on their websites, marketing housing units off plan.

Hence our further request for a second Mayoral review of OPDC – to be carried out independently of the GLA. Government needs to clarify urgently the key consequences for London of the October 4th decisions on HS2. The Mayor needs to consider the future of OPDC.

- Is private investment for a HS2 terminus at Euston a realistic prospect? Will a Euston terminus happen?
- What sort of 'development company' (as trailed in *Network North* and referred to by the Minister in his 6 monthly statement) will be created at Euston?
- Might this model prove an effective delivery vehicle for the main development sites around OOC station, currently is use as construction compounds and still in DfT ownership?
- Should the 'host' Boroughs in the OPDC area be invited to make a case for return of planning powers?

We think that it would be wrong for OPDC to be left unscrutinised, to make its own decisions over the next 6 months on how to adjust to changed circumstances. Previous experience suggests that OPDC will make these decisions in private sessions. 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

Annexes

- 1) Letter from DfT Permanent Secretary to Public Accounts Committee October 4th 2023
- 2) Analysis of OPDC expenditure on its 'Western Land's/Old Oak West strategy 2019-2023

⁵ Extract from Chair's foreword to the 2022 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.*



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From the Permanent Secretary

4th October 2023

Dame Meg Hillier MP

Chair

Public Accounts Committee

[Sent via email]

Dear Chair,

ACCOUNTING OFFICER ASSESSMENT OF DECISION TO COMPLETE PHASE 1 OF HS2

The Prime Minister has today announced a number of changes in policy in relation to the HS2 programme. These can be summarised as follows:

- The Government will continue to build HS2 Phase 1 between Euston and Birmingham, with an alternative vision for Euston in which the station is descoped, and the regeneration of the Euston campus is taken forward under new leadership focused on optimising the development and regeneration of the Euston campus. Under this new vision, the station is expected to attract private funding.
- The Government has cancelled HS2 Phases 2a and 2b to Crewe and Manchester and HS2 East.
- The Government will invest £35.9bn in alternative transport investments in the North, Midlands and nationally.

It is for Ministers to decide what the strategic aims of Government should be in relation to transport and what balance of priorities should be struck in terms of investment to deliver these.

As Permanent Secretary it is my responsibility to ensure the Department for Transport delivers the objectives of the Government. It is also my responsibility as Accounting Officer to ensure that the Department's resources are used effectively and that the spending of public funds meets the requirements of Managing Public Money (MPM).

Given these significant changes to the programme I am sharing with you a summary accounting officer assessment which will also be published on Gov.uk in due course.

The summary assessment concludes that the decision to continue with HS2 between Euston and Birmingham meets the tests of regularity, propriety, Value for Money (VfM) and feasibility as set out in MPM.

I have made a number of judgements in making this assessment. Whilst I am ultimately responsible for these judgements I have consulted the Treasury Officer of Accounts on methodology.

I wish to draw the Committee's attention the following points in particular.

Firstly, the basis for my VfM assessment of the decision to continue HS2 between Euston and Birmingham.

I have considered this assessment against a counterfactual of discontinuing Phase 1, rather than a counterfactual of continuing with all previous phases of the scheme. Not building Phases 2a and 2b reduces the benefits enabled by Phase 1 (principally up to 8 trains per hour, instead of up to 17 trains per hour) and therefore its VfM. However, under MPM and the Green Book it is usual to assess the Value for Money of planned expenditure, and not that of decisions to reduce or cancel expenditure which could result in different Value for Money, recognising that Ministers may always choose to cancel or forgo expenditure because priorities or available funding have changed.

Secondly, in calculating the Benefit-Cost-Ratio (BCR) for Phase 1 a number of assumptions have been made, in accordance with Green Book methodology as appropriate:

- i. Sunk costs are excluded; costs to go are based on a total outturn range estimated by DfT are £45bn and £54bn for the current scope (this range will need to be reviewed in the light of the now revised scope); and remediation costs which would have been incurred if Phase 1 did not proceed have been taken into account.
- ii. A range of demand scenarios has been considered.
- iii. Level 1 and 2 benefits only have been included.
- iv. As noted above, under the new plan for Euston the HS2 station is expected to attract private funding. However the costs of Euston station have not been removed. This is because there is not yet certainty on how costs and benefits will be transferred to the private sector, or how these may net off for the purposes of the BCR.

The application of these assumptions results in a BCR range for the continuation of Phase 1 between Euston and Birmingham Curzon Street (including the link via Handsacre to the West Coast Main Line) of 1.2 to 1.8.

In reaching an overall estimate of VfM, the Green Book states that the strategic case for investment should be considered alongside the BCR. The previously stated strategic case for HS2 – to generate transformational benefits and rebalance the economy by joining the North and Midlands with London – no longer applies. However, it is reasonable to assume that some wider economic benefits (Level 3 benefits) should still accrue at Birmingham, Old Oak Common and Euston as a result of the creation of a high-speed railway connecting these places.

Taking all of these factors together, my judgement is that completing Phase 1 of HS2 between Euston and Birmingham including Handsacre meets the VfM requirements of MPM.

I should emphasise however that this is the VfM of the marginal decision to continue with Phase 1 at this stage in its delivery, in accordance with Green Book guidance. Taking an estimated range for the total costs of Phase 1 and assessing them against the estimated total benefits (i.e. including sunk costs and excluding remediation costs) would result in a BCR range significantly below 1 and would represent poor Value for Money.

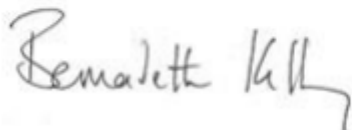
I will continue to review the need for any further accounting officer assessments as the revised HS2 scheme progresses.

Finally, I also note that the VfM of the £35.9bn of alternative transport investments proposed will need to be considered separately and on a case-by-case basis, in the light of further business case analysis for those individual projects and programmes. They are not therefore considered in the attached assessment.

If it would be helpful I would be happy to discuss further with the Committee.

I am copying this letter to the Chair of the Transport Select Committee, the Treasury Officer of Accounts and the Comptroller and Auditor General.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Bernadette Kelly', with a stylized flourish at the end.

Dame Bernadette Kelly DCB
Permanent Secretary

OLD OAK NEIGHBOURHOOD FORUM SUBMISSION TO THE LONDON ASSEMBLY BUDGET AND PERFORMANCE COMMITTEE NOVEMBER 2023

ANNEXE 2

OPDC EXPENDITURE ON ITS 'WESTERN LANDS'/OLD OAK WEST STRATEGY

This analysis of OPDC expenditure and consultancy commissions on the 'Western Lands/Old Oak West' strategy covers the period from early 2020 to February 2023). The strategy began with the OPDC's 'change of direction' from Old Oak North to the 'Western Lands' in November 2019,

The expenditure decisions recorded here are from agendas and minutes of the OPDC Board (which meets four times a year) along with Mayoral Decisions (MDs) and delegated decisions by the OPDC CEO (titled as CDs) and by OPDC Directors (titled as DDs).

The OPDC website now includes a page headed 'OPDC Decisions' with a listing of delegated decisions. Until this year it required searching the GLA website for references to 'the Western Lands' and to 'Old Oak West' to find a record of all the decisions listed below.

The OPDC website also has a page on an *OPDC Openness and Transparency Statement*. This statement reads as below:

Our commitment to openness and transparency means that we:

- *help Londoners hold us to account by publishing information on how we operate and perform*
- *ensure our decision-making processes and governance arrangements are accessible*
- *respond to requests for information quickly and comprehensively*
- *meet government expectations, but also to seek out opportunities to enhance transparency further and to remain at the forefront of local government transparency.*

Our guiding principle, underpinning our approach to transparency, is that all information should be accessible.

With only four Board meetings a year, it is inevitable that many expenditure decisions are made under delegated powers. These may be standing delegations set out in the Corporation's Scheme of Delegation to OPDC officers, or more specific 'delegations' agreed at Board meetings for defined categories of expenditure.

The material below suggests that these size and scope of delegated decisions have increased in recent years, with a Board decision in March 2022 to *Delegate to the Chief Executive Office authority to draw down and approve expenditure of up to £750,000 to carry out the necessary due diligence for potential site acquisitions, which can be funded from the facility* (the £50m loan facility from the GLA Land Fund). An £800,000 budget was approved at the same meeting *to support the development of OPDC's planning and regeneration strategy and the production of an outline business case for Western Lands.*

These are large sums of money to be spent on engaging firms of consultants, via a set of framework contracts administered by TFL as OPDC's procurement agency.

Decisions made under delegated powers are not reported back to each Board meeting. It cannot be easy for Board members (for whom Board membership is a part-time activity) to keep track of what is being spent, and to what end.

We do not see current OPDC procurement and commissioning arrangements as being *'at the forefront of local government transparency'*

CD 130 WESTERN LAND Prior + Partners (22nd January 2020)

Delegated decision report approving a commission to Prior + Partners for consultancy work to prepare a *'strong narrative, spatial plan, images and precedents'* to support the concept of the Western Land' providing a 'significant number' of homes and jobs, working with DfT, HS2 (working as HS2's agent) and Network Rail.

Reference to identifying possibilities for accelerated delivery and 'quick wins'. Output from the consultancy to be used *to gain support to the new Western Land focus from the GLA, central government and its agencies, senior politicians and stakeholders.*

Total expenditure of up to £100,000 approved by the OPDC CEO David Lunts. Consultants appointed under TfL Framework Contract 92289.

OPDC BOARD 30TH JANUARY 2020

First occasion on which the 'change of direction' and Western Lands strategy is reported to OPDC Board. Described as a 'revised delivery strategy'. Report by Delivery Director Ben O'Neill, which 'notes' the delegated decision on Prior + Partners. Paragraph 2.4 *Notes that the costs associated with the next stage of this new approach will be contained within the existing budget for 2019/20 and the approved draft budget for 2020/21;*

CD 133 : Western Land, Old Oak & Park Royal – Appointment of Savills (24th February 2020)

Delegated decision by OPDC CEO to authorise *Expenditure of £40,000 to commission Savills via an existing call off contract to support a high level capacity assessment for the comprehensive regeneration of the "Western Lands" which includes property valuation and infrastructure cost advice.*

Paragraph 1.4 *OPDC has procured Savills as its strategic property advisor on a call-off contract from January 2019 to June 2020 through a competitive tender from the HCA Technical Advisory framework. Current spend on this contract totals to £205,371, and brings cumulative spend including this decision to £245,371.*

JUNE 24TH 2020 OPDC BOARD ADVISORY PANEL REPORT ON WESTERN LANDS UPDATE.

Paragraph 1.1. *This report provides an update on progress to date in developing OPDC's revised delivery strategy. Notes 'conclusion of Prior + Partners work'.*

Minutes at 9.6.(d) d) *Approved a delegation to the Chief Executive Officer to authorise expenditure of up to £150,000 to support the Corporation's revised delivery strategy; noting this will take the approval limit to Western Land preparatory work to £358,000.*

Paragraph 3.4 *The Prior + Partners commission has helped the organisation to clearly articulate how it intends to catalyse change, attract new investment and encourage our stakeholders and partners to work together to achieve the area's full potential. The resulting document has stimulated conversations about how OPDC, working alongside its stakeholders and partners, can take its next steps*

Extracts from the Board report of June 24th as below:

- 5.2 Expenditure of up to £150,000 to develop the Corporation's Western Land funding strategy will be funded from the Delivery 2020/21 budget.
- 5.3 Any changes to this proposal, including any requirement for additional funds, will be subject to further approval via the Corporation's decision-making process.

5 Financial Implications

- 5.1 To date, OPDC has committed the following expenditure to developing its revised approach to regeneration:

Supplier Work Provided	Approved CD130/133 January 2020	Board Urgency Paper May 2020
Prior + Partners Strategic review and facilitated workshops	£100,000	£33,000
Deloitte Real Estate Land due diligence		£35,000
Savills Development capacity review, infrastructure costs, valuation advice	£40,000	
Total		£208,000

OCTOBER 13TH 2020 OPDC BOARD REPORT ON WESTERN LANDS AND LOCAL PLAN MODIFICATIONS UPDATE

Paragraph 1.4 *In the context of the Planning Inspector's interim report of October last year, our new approach to the delivery of our regeneration ambitions and our London Plan housing and employment targets, we have engaged extensively with partners and stakeholders over the first six months of this year. As a result, we are now able to progress draft Local Plan modifications and accelerate funding discussions with government.*

Relevant minuted decisions on Western Land expenditure

d) Approved expenditure of £257,000 in this financial year for preliminary technical work required to prepare a Single Housing Infrastructure Fund (SHIF) bid and business case. Together with two previous approvals, this will commit the remainder of OPDC's £440,000 budget for Western Lands preparatory work in 2020/21; (NB when was this £440k budget set? Was a SHIF bid and business case ever finalised and submitted by OPDC?)

e) Delegated detailed spending proposals to senior officers' approval, through the Corporation's decision form procedure, within the Boards approval set out in paragraph 2.4 of the paper.

In the subsequent November 2020 Spending Review and National Infrastructure Strategy, there was no reference to a SHIF programme. This suggests that this funding stream (which had been announced in the March 2020 Budget) was not in the event introduced.

DD 138 1st FEBRUARY 2021 Infrastructure Funding Strategy Assessment

Executive summary

To demonstrate that the Local Plan is deliverable, OPDC must demonstrate to its Planning Inspector that the funding gap can be addressed through other means, including potential public funding initiatives, public and/or private investment, or other sources. To ensure OPDC's has a robust and compelling argument in place, consultancy support is required to draft this aspect of the IDP.

Financial comments

Expenditure of up to £25,000 will be funded from the 2020/21 Planning Policy budget, which sits within the Planning directorate.

Decision

The Director approves: Up to £25,000 to pay for consultancy support to assess how the funding gap identified within the Infrastructure Development Plan may be addressed through alternative funding sources. in respect of the above expenditure and subject to approval of a Single Source Justification, an exemption from the requirement in the OPDC Contracts & Funding Code to procure such services competitively and to appoint Newbridge Advisors.

Justification of 'Single Source' award of contract justified in the report on the basis that Newbridge are currently working on similar projects for ODPC's delivery directorate, including work to support the development of a business case for bids to governments Housing Infrastructure Fund or equivalent. By this date OPDC had long withdrawn its HIF bid, and a Governmental SHIF funding stream never emerged.

CD144 PROCUREMENT OF NEWBRIDGE ADVISERS FOR WESTERN LANDS

FINANCIAL CONSULTANCY (Delegated decision 20 October 2020 and one week after 13th Oct Board meeting)

Executive Summary

This decision form seeks approval for expenditure on Newbridge Advisors LLP, whose services are being procured via the TFL property consultancy framework, to assist OPDC in developing its Western Lands proposal and formulating an Outline Business Case (OBC) in contemplation of submitting a bid to government for funding.

Decision

That the Chief Executive approves:

- *expenditure of up to £75K for the services of Newbridge Advisors to support the Western Lands strategy; and*
- *Use of the Direct Award provisions of the TfL Property Services framework in the procurement and appointment of Newbridge Advisors.*

CD 148 PROCUREMENT OF SAVILLS FOR WESTERN LANDS VALUATION SUPPORT (20 December 2020)

Executive Summary

This decision form seeks approval for expenditure for consultancy expenditure on development viability, valuation and cashflow modelling required to develop the Strategic Outline Business Case (SOBC) for OPDC's Western Lands delivery strategy. This work in the emerging strategy is being developed ahead of submitting a bid to government and/or the GLA for funding support. The commission will directly support the viability and deliverability of the Western Lands approach and provide greater certainty on funding requirements over time. The work will be carried out by Savills under their existing real estate advisory call-off contract with OPDC. This approval is being made under the delegation to officers granted by OPDC's Board at its October 2020 meeting. This will take cumulative approved expenditure on Western Lands preparatory work to £418,000 (further detail below).

CD 148 starts by saying *In January 2020, the Board approved OPDC's revised delivery approach which included the following the key elements:*

- *a new focus to the regeneration of the area (as supported by CD130), taking a comprehensive view of the 'Western Lands' along Old Oak Common Lane, Old*

Oak Lane and Victoria Road where key sites are owned by Department for Transport (DfT) and Network Rail;

- *developing an evidence base of the benefit of a comprehensive and coordinated approach to land, development and infrastructure funding to optimise the strategic opportunities that the area offers;*
- *securing the support of major partners including public sector landowners and funders; and*
- *developing an engagement plan to ensure local and future communities in the area can influence the development and delivery of this major opportunity for London.*

This is a retrospective re-interpretation of what the Board actually agreed in Jan 2020 on the OPDC's revised delivery approach, as minuted at the time.

The **decision in CD148** reads

That the Chief Executive approves:

1. Expenditure of up to £100k for services to be provided by Savills under the existing call-off to support the development of a Strategic Outline Business Case for OPDC's Western Lands strategy by:

i. establishing Existing Use Value (EUV) and Development Market Values (MV) for development sites under different development scenarios.

- ii. creating a financial model to set out capital expenditure, development receipts and cashflow allowing OPDC to model different scenarios of scope, speed of delivery and land arrangements
- iii. providing commercial advice and professional research to support valuation, programming and market absorption assumptions and assess the attractiveness to the development market of different development options.

(continued)

The report includes the table as below of expenditure on the Western Land strategy

Suppliers and procurement	Total Approval	Decision
Prior+Partners - initial concept work	£ 33,000	Board Urgency May 2020
Deloitte land assmebly due dilligency	£ 35,000	Board Urgency May 2020
Savills - initial viability review viability	£ 5,000	CD141
TfL Operational Property - Siobhan WL Land Assembly	£ 20,000	CD141
Newbridge - land strategy and SOBC support	£ 75,000	CD144
(Mott MAC) Infrastructure Costing (Local Plan)	£ 150,000	CD145
Total	£ 318,000	
Proposed decision: Savills viability and modelling work	£ 100,000	CD148
Total	£ 418,000	

A note at the foot of the table states the *13 October Board paper has superseded these approvals and approved a delegation for the Development Team's Western Lands budget of £440k. This approval is being sought within that delegation.*

A copy of CD 145 relating to spend £150k on *Mott Mac Infrastructure Costing (Local Plan)* cannot be found on the list of delegated decisions on the OPDC website.

Paragraph 1.5 of CD148 reads *Cumulative approved expenditure on Western Lands preparatory work totals to £418,000.* This figure, and the above table in the report on CD 148, omits the initial £100,000 approved In January 2020 for the initial Prior + Partners work (CD 130 above). It also omits the £40,000 commission to Savills (CD 133). While these fees may have been paid in the previous financial year 2019/20, this table in CD 148 appears to be a deliberate attempt to understate the '*cumulative approved expenditure on Western Lands preparatory work*'.

The 13th October Board did not specifically 'approve' a £440k Western Lands budget for the Development Team. The minutes refer to such a budget at d) (see previous page) as being in place, but when/how was it approved?

CD 149 18 January 2021

Title: Western Lands: detailed site capacity studies CEO Decision

This decision form seeks approval to procure and appoint an architecture practice to carry out detailed site capacity studies to support the development of the Western Lands delivery strategy. The commission will support the development of a strategic outline business case relating to the future potential of public sector landholdings in Old Oak and Park Royal.

Total expenditure of up to £80,000 from OPDC's Western Lands 2020/21 budget for the appointment of an architecture practice to provide technical due diligence in support of the development of the Western Lands strategy and to produce key visualisations for the Local Plan modifications consultation.

CD154 - Procurement of Savills for Western Lands Valuation Support 3 March 2021

This decision seeks approval for consultancy expenditure on development valuation, economic analysis and market research to inform the Strategic Outline Business Case (SOBC) for OPDC's Western Lands delivery strategy.

That the Chief Executive approves:

- 1. Extension of the approval under CD148 (of £100,000) by up to £25,000, and expenditure of the same for additional deliverables to be provided by Savills under the existing call-off contract to support the development of a Strategic Outline Business Case (SOBC) for OPDC's Western Lands strategy by:**

CD 158 Title: Western Lands: detailed site capacity studies – Homes England funding CD158 17 March 2021

Receipt of £50,000 from Homes England to part-fund the commission of Gort Scott to provide technical due diligence in support of the development of the Western Lands strategy. Total expenditure on the contract will remain within the £80,000 approved under CD149.

This grant from Home England has been excluded from the total expenditure figure calculated at the end of this annexe.

CD 161 Title: Savills for Western Lands Strategic Outline Case June 2021

This decision seeks approval for consultancy expenditure to complete the drafting and management of the Western Lands Strategic Outline Case (SOC). The SOC will set out the strategic, economic, financial, commercial and management cases for OPDC's Western Lands delivery strategy.

Expenditure of £60,000 in 2021/22 to fund a continuation of the existing commission with Savills, with Savills tasked with providing input on and overseeing the development of the Strategic Outline Business Case for OPDC's Western Lands strategy.

The requested spend of £60,000 is in addition to £125,000 of expenditure in 2020/21, bringing total approved expenditure on the commission with Savills to £185,000. This approval is being made under a delegation to officers granted by OPDC's Board at its March 2021 meeting.

CD165 Savills Western Lands additional input to SOC 6 August 2021

This decision seeks approval for the expenditure for technical consultancy input from Savills into OPDC's Western Lands Strategic Outline Case (SOC). Savills will also provide advice on the procurement strategy for Western Lands.

Decision: That the Chief Executive Officer approves:

1. *expenditure of £65,000 to fund the continuation of the existing contract commission with Savills, who will provide continued support in the development of OPDC's SOC and advice on the Western Lands procurement strategy.*

OPDC BOARD 30 NOVEMBER 2021 - Development Director's report

From minutes:

d) Approved expenditure of an additional £120,000 from the 2021/22 delivery budget to support the mobilisation of the Western Lands project.

g) Approved expenditure of £150,000 from the 2021/22 delivery budget to undertake the financial and property due diligence work to satisfy the Land Fund conditions for investment.

- 4.13 The fees are estimated at this stage and officers will ensure value for money is secured, through both the existing and new appointments. A summary table is included below:

Independent Due Diligence	Estimated fees
Gort Scott Architects	£20,000
Avison Young	£60,000
Property Consultants TBC	£20,000
Legal TBC	£50,000
Total	£150,000
Prior approvals ⁶	£120,000
Total	£270,000

6.1 The two expenditure approvals being requested in this paper to support the Western Lands project are contained within the existing 2021/22 Delivery Directorate programme budget of £1.190m.

CD167 Western Lands - Strategic Planning Advice 10th November 2021

This decision seeks approval for expenditure on strategic planning advice to help inform the Western Lands Strategic Outline Case (SOC) and the preparation of a business case for GLA Land Fund investment. The work is required to support the assessment of delivery options in the SOC and investment options for sites that can form an early phase of delivery within the Western Lands.

That the Chief Executive approves:

- expenditure of up to £35,000 to instruct Quod, under an existing contract, to provide strategic planning advice for the development of OPDC's Western Lands SOC and a business case for GLA Land Fund investment.

CD173 - Newbridge Advisors - Western Lands Business Case December 17 2021

This decision seeks approval for additional expenditure to extend the existing contract with Newbridge Advisors LLP for their continued support with OPDC's Western Lands Strategic Outline Business Case (SOC).

Decision

That the Chief Executive Officer approves:

i. expenditure of up to £30,000 in 2021/22 for the services of Newbridge Advisors to support the development of the Business Case for the Western Lands via the extension of an existing contract.

CD 179– CD179 Title: Western Lands priority objectives & initiation of project management office 22nd April 2022

OPDC is now planning for a mobilisation phase of its Western Lands work, having submitted its strategic outline business case (SOBC) to government departments in February 2022. This decision form seeks approval for expenditure on two consultant commissions to:

- *Facilitate work with the delivery team (OPDC, also working in partnership with Homes England) to establish the priority objectives for the regeneration of Western Lands. This work will inform the brief for a Western Lands Regeneration Strategy. This will be delivered within a three-month period and will result in an engaging document setting out the Western Land's priority objectives which OPDC can use to engage project partners and stakeholders.*
- *Provide advice on the setting up of an efficient and lean programme management office (PMO) to implement good practice as the team gears up for the next phase and set up an easily updatable and shareable system (dashboards, roadmaps, plans and similar). This will support management of the overall roadmap and plan, manage tasks and ensure progress reporting is seamless and consistent at a number of levels (i.e., working group, project, programme and Board, to the GLA and government stakeholders)*

Decision *That the Chief Executive approves expenditure of:*

£35,000 on the development of Western Lands priority objectives, comprising up to £25,000 for consultant services and up to £10,000 for graphic design and printing.

£30,000 for the procurement of consultants to support the establishment and resourcing of a programme management office, including the development of a system to support dashboards, roadmaps and plans to support its effective running

OPDC Board 24th March 2022

Minuted decisions:

11.4 The Chairman, following consultation with the Advisory Panel:

a) Delegated to the Chief Executive Officer authority to approve expenditure in 2022/23 of up to £800,000 to support the development of OPDC's planning and regeneration strategy and the production of an outline business case for Western Lands.

b) Approved the payment of a £300,000 revenue grant, subject to the consent of the Mayor, to Transport for London, pursuant to section 121 of the Greater London Authority Act 1999

The above was for 'strategic transport modelling' and improvements to Willesden Junction station

c) Approved the payment of a £60,000 revenue grant, subject to the consent of the Mayor, to the Greater London Authority, pursuant to section 121 of the Greater London Authority Act 1999

This was for the GLA Infrastructure Co-ordination Service to prepare a Utilities Reinforcement Plan

d) Delegated to the Chief Executive Office authority to draw down and approve expenditure of up to £750,000 to carry out the necessary due diligence for potential site acquisitions, which can be funded from the facility.

This sum of £750,000 is explained at 4.10 in the Board report as involving an 'initial drawdown' from the £50m Land Fund to fund pre-acquisition due diligence on shortlisted sites.

The GLA Land Fund allocation is a £50m interest-free loan facility to be used by OPDC to finance the assembly of land and any enabling costs for priority early-win sites at Western Lands. It was approved by the Mayor on 3 March 2022. It is a loan and not a grant and therefore will require to be repaid by OPDC to the GLA.

OPDC Board 22nd June 2022 - Development Director's report

Extract from report

1.5 At its last meeting, the Board approved financial delegations to progress the next stage of work. This work programme is now well developed to support both the next steps for the Old Oak West project and the early investment through the GLA Land Fund facility. To support this work over the next few years, the Board is requested to approve OPDC entering into call-off contracts for key consultants to ensure consistency of advice and mitigate the cost and delay of procuring multiple times for a recurring requirement.

Minuted decisions

Approve the procurement of the following call-off contracts for its core advisors to support the next stage of work, noting that these will be contained within the existing budget approvals granted by the Board at its last meeting:

- *Property and commercial advisory (including financial modelling)*
- *Land assembly and compulsory purchase advisory*
- *Planning consultancy*
- *Infrastructure and engineering consultancy*

- Architectural and masterplanning
- Project management and quantity surveying.

The report does not list the names of the firms who will be acting as advisers. Para 3.10 states

The appointments will be procured from the TfL Professional Services Framework with support from TfL Commercial shared services. The appointments will be commissioned by, managed by, and report to OPDC.

DD162 Funding for Ealing Council 26th October 2022

OPDC retained the 1 Portal Way application for its own determination. The planning application is for in excess of 1,000 units and 50,000 sq.m. of commercial and as such it was felt that, given its strategic nature, OPDC should retain the application for its own determination. This meant that the application fee of £140,000 was retained by OPDC. Ealing Council Planning Officers have continued to be involved in the assessment of the application and in providing comments to OPDC to inform its determination of the application.

*OPDC agreed to fund Ealing Council up to £50,000 for officer time to work on the 1 Portal Way planning application **and the Old Oak West Strategic Outline Business Case** during 2021/22, which this Decision is ratifying to facilitate the payment.*

MD3063 Old Oak and Park Royal Development Corporation Supplementary Budget 2022-23 5 December 2022

Executive summary

This decision seeks Mayoral approval for the provision of a supplementary budget of up to £1m for the Old Oak and Park Royal Development Corporation (OPDC) to support the Corporation as it gears up towards delivery of its Old Oak West strategy.

OPDC's budget for 2022-23 was set prior to receiving confirmation that its Strategic Outline Business Case (SOC) to government had been approved, so contained provision only for its core activities and not to develop the full work programme for the next stage of work to both start early delivery and to deliver a detailed Outline Business Case (OBC).

The Mayor approves:

supplementary revenue grant funding to the Old Oak and Park Royal Development Corporation of up to £1m in 2022-23 under section 121 of the GLA Act 1999 to support the Corporation start early delivery of its programme and to deliver a detailed Outline Business Case, to be funded from the MDC Reserve.

This report continues as follows

The government and the statutory Old Oak and Park Royal Development Corporation (OPDC) are in a strong position to deliver this opportunity: 80 per cent of the developable land in the area is in public sector control (Department for Transport, via its arm's-length bodies: High Speed 2 Ltd and Network Rail), and OPDC has planning and regeneration powers with a mandate and capability to bring regeneration forward.

CW28624 OPDC Financial Advisors (Western Lands) 001 variation Newbridge Advisors

Newbridge Advisors to complete strategic Outline Business Case (OBC) - 34 days of consultancy
26/04/2023 £5K - £250K

(This entry appears on the 06/02/2023 schedule of OPDC contracts greater than £5,000)

CW41577 TfL 93535 Task 267 - OPDC Strategic Development Advisory Services Deloitte LLP

The Service Provider is to provide strategic real estate and development advisory services to OPDC to support the preparation of an Outline Business Case (OBC) and to support OPDC to deliver its strategic objectives for the Old Oak West (OOW) project. The scope of services within this appointment will include but is not limited to:

- *Strategic development advisory*
- *Structuring and partnership arrangements*
- *Commercial procurement advice*
- *Finance and funding*
- *Business case support*
- *Property agency (advising on acquisitions and disposals)*
- *Asset and estate management advice*

Contract Expiration Date 06/11/2024 **£250K - £500K**

(This entry appears on the 06/02/2023 schedule of OPDC contracts greater than £5,000)

These last two items are met from the £750K 'drawdown' budget and are not double counted in the assessment of total expenditure on work on the Western Land/Old Oak West.

CD 182 Consultancy Support for Old Oak West – Western Lands

This delegated decision report refers back to the March 2022 Board decision to set up a £800,000 budget for work on Old Oak West and a £750k initial drawdown from the £50m GLA Land Fund, and to delegate decisions on the use of these budgets to the CEO.

The report is indicative of the way in which OPDC has operated in recent years with large-scale delegated budgets and reliance on a number of external consultants. Individual consultancy commissions are not tendered, and are 'procured from the Transport of London Professional Services Framework'..

The full delegated decision report can be found at <https://www.london.gov.uk/who-we-are/city-halls-partners/old-oak-and-park-royal-development-corporation-opdc/opdc-decisions/consultancy-support-old-oak-west-western-lands>.. Certain consultancy firms are named (Savills, architects Gort Scott) while recipients of other commissions are not specified. The report is partly redacted.

In this report, a 'summary of projected expenditure' is included as below. Note that expenditure from the £750k 'Land Fund' (drawn down from the GLA) is for consultancy advice and not for site acquisition costs.

OOW delivery budget		Land Fund	
Development Adv.	£140,000	Agency/Valuation	£100,000
Legal	£180,000	Legal	£60,000

Planning	£50,000	Planning	£65,000
Land assembly	£125,000		
Multidisciplinary design team / engagement specialists	£200,000	Early phase sites: architecture / multidisciplinary design team	£300,000
Surveys / due diligence	£45,000	Engineer: RRAP	£50,000
Site investigations	£60,000	Priority sites: surveys / ground investigations	£90,000
Total	£800,000		£665,000

Conclusions

By our calculations the OPDC expenditure involved in consultancy commissions on its Western Lands/Old Oak West strategy totals around **£3.6m**, as of late 2023. There may be some element of double counting of items, but we have sought to ensure that items within the recent £800k 'OOW delivery budget' and the £750k 'Land Fund drawdown' have been counted only once.

Old Oak Neighbourhood Forum November 2023