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Title: OPDC COVID-19 Budget Review

Executive Summary

At the Budget and Performance Committee meeting on 14 October 2020 the Committee resolved:

That authority be delegated to the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, to agree any output from the meeting.

Following the meeting, the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, agreed the Committee's report entitled '*The OPDC - Undelivered plans and the financial challenges of COVID-19*', as attached at Appendix 1.

Decision

That the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, agree the Committee's report entitled '*The OPDC - Undelivered plans and the financial challenges of COVID-19*', as attached at **Appendix 1**.¹

Assembly Member

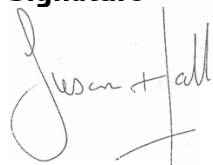
I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature

Date

12 January 2021



Printed Name

Susan Hall AM (Chairman, Budget and Performance Committee)

¹ To be attached upon release into the public domain [Appendix published – 14 January 2021]

Decision by an Assembly Member under Delegated Authority

Notes:

1. The Lead Officer should prepare this form for signature by relevant Members of the Assembly to record any instance where the Member proposes to take action under a specific delegated authority. The purpose of the form is to record the advice received from officers, and the decision made.
2. **The 'background' section (below) should be used to include an indication as to whether the information contained in / referred to in this Form should be considered as exempt under the Freedom of Information Act 2000 (FoIA), or the Environmental Information Regulations 2004 (EIR). If so, the specimen Annexe (attached below) should be used. If this form does deal with exempt information, you must submit both parts of this form for approval together.**

Background and proposed next steps:

The Mayor's Final Budget for 2020-21 was published in March 2020. Since then the COVID-19 pandemic has resulted in the largest economic crisis to face London since the Second World War.

The Mayor is anticipating losing £493 million of business rates and council tax income in 2020-21 and 2021-22, which would require significant cuts to the budgets of all Mayoral bodies. In June the Mayor asked the Greater London Authority (GLA) and its functional bodies to immediately repurpose their agreed 2020-21 Budget, to deliver in-year savings and efficiencies leading to a fundamental realignment of the GLA Group's activity to support London's recovery from the impact of COVID-19.

As a result, the Budget and Performance Committee held a series of meetings in September and October to review the impact this would have for the GLA Group. The meeting on 14 October 2020 was used to discuss future spending plans with the Old Oak and Park Royal Development Corporation (OPDC).

At the meeting on 14 October 2020 the Committee resolved:

That authority be delegated to the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, to agree any output from the meeting.

Following the meeting, the Chairman, in consultation with party Group Lead Members and Caroline Pidgeon MBE AM, agreed the Committee's report entitled 'The OPDC - Undelivered plans and the financial challenges of COVID-19', as attached at Appendix 1.

The Committee's report will be reported back to the next suitable meeting of the Budget and Performance Committee, currently scheduled for 3 March 2021.

This delegation will also be used for a separate report covering the London Legacy Development Corporation, which was also discussed at the Committee meeting on 14 October 2020.

Confirmation that appropriate delegated authority exists for this decision

Signed by Committee
Services



Date 17 November 2020

Print Name:

Laura Pelling

Tel: X. 5526

Financial implications NOT REQUIRED


NOTE: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signed by Finance Date

Print Name Tel:

Legal implications

The Transport Committee has the power to make the decision set out in this report.

Signed by Legal  Date 17 November 2020.....

Print Name Emma Strain, Monitoring Officer Tel: X 4959

Supporting detail/List of Consultees: Len Duvall AM (Deputy Chair), Siân Berry AM, Caroline Pidgeon MBE AM

Public Access to Information

Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? No

Until what date: (a date is required if deferring)

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

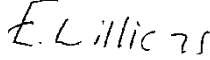
Is there a part 2 form - No

Lead Officer/Author

Signed  Date 11 January 2021

Print Name **Gino Brand** Tel: 07511 213765

Job Title **Senior Policy Adviser**

Countersigned by  Date 11 January 2021
Executive Director

Print Name **Ed Williams** Tel: X4399

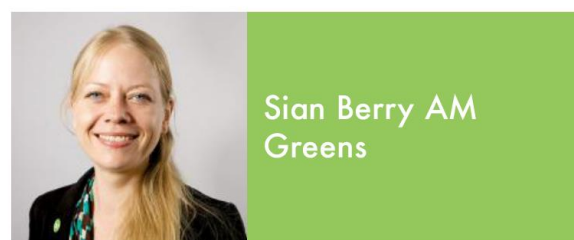
An aerial photograph of a city street with a green map overlay. The map shows a grid of streets and a central area that is highlighted in a darker shade of green. Several people are walking on the street, some carrying bags or backpacks. The overall scene is viewed from a high angle, looking down at the street.

*The OPDC - Undelivered plans and the
financial challenges of COVID-19*

Budget and Performance Committee

LONDONASSEMBLY

Budget and Performance Committee



The Budget and Performance Committee holds the Mayor to account for his financial decisions and performance across the Greater London Authority. It is responsible for scrutinising the Mayor's budget proposals and carrying out investigations across the Mayor's various policy areas, such as transport, police, fire, housing, and regeneration.

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Foreword



Susan Hall AM

Chairman of the Budget and Performance Committee

Over the past few months, the London Assembly Budget and Performance Committee has reviewed the Greater London Authority (GLA) Group Budget following the substantial impact that the COVID-19 pandemic is projected to have on its finances.

The London Assembly has a responsibility to ensure that all taxpayers' money is spent in a way that provides the best service for Londoners. In light of the budget issues facing the GLA, our Committee reviewed the Old Oak and Park Royal Development Corporation's (OPDC) budget and future plans.

Launched in 2015, the OPDC is the development agency for the regeneration of a large site in North West London spanning the London Boroughs of Hammersmith & Fulham, Brent, and Ealing. The Mayor described this redevelopment as "London's single largest opportunity area for new housing".

However, even before the COVID-19 pandemic, our Committee had serious concerns about the OPDC's budget and performance. Although having spent £42.7 million to date, the Corporation has little to show for it. The north west London site remains almost exactly the same as five years ago. Given this is enough money to build 160 homes, Londoners who live in the area must be extremely frustrated.¹ It is something taxpayers should rightly be appalled by, and something the mayoralty needs to radically shake up or abolish.

The concept of the OPDC was a good one, no one can fault that. The original plans from 2015 show that the site was going to create 25,500 homes and 65,000 jobs², with excellent transport

¹ The cost of building a typical 4 bedroom detached house of 150 metres equalling £262,500 ([source](#)).

² OPDC Opportunity area planning framework 2015
https://www.london.gov.uk/sites/default/files/O._foreword.pdf

links. However, as it stands today, nothing has been done on the ground to bring any new jobs or homes to the area, leaving a desolate wasteland and a disgracefully missed opportunity.

The OPDC applied for a £250 million Housing Infrastructure Fund (HIF) grant from the Ministry for Housing, Communities and Local Government (MHCLG), following an announcement in the 2018 Spring Budget. The OPDC was awarded the HIF funding for its proposed plans for North West London. Worryingly, in December 2019, our Committee discovered that the documents which were sent to MHCLG in support of the HIF bid funding referred to a letter of support from a local business, which was integral to all of the OPDC's plans. This, in fact, this did not exist. Confidence in the OPDC to deliver such a high-scale project has diminished to next to zero.

The London Assembly is here to hold the Mayor and the functional bodies of the GLA to account. To ensure that decisions, strategies, and actions taken are in the interest of Londoners. This report is just one example of how we do our job on behalf of Londoners. The OPDC needs to show how it brings value for money and improves the lives of Londoners across the city. Otherwise, it raises the question: what is the point of the corporation?

Executive Summary

Launched by the previous Mayor in 2015, the Old Oak and Park Royal Development Corporation (OPDC) is a Mayoral Development Corporation, a statutory body created to bring forward the regeneration of a defined area. It has the powers to acquire, develop, hold, and dispose of land and property.

The OPDC is the Local Planning Authority and regeneration agency for a large site in north-west London spanning Hammersmith & Fulham, Brent and Ealing. Its aim is to capitalise on the HS2 and Elizabeth line (Crossrail) investments in the area to create a 'whole new centre and community for West London'.³ The current Mayor has described it as 'London's single largest opportunity area for new housing'.⁴

Like most of London, the OPDC's finances will be impacted by COVID-19, and the Mayor will need to reconsider his spending allocations and priorities. The Mayor has asked the OPDC to deliver in-year savings of £1 million in 2020-21 as well as savings of up to £1.6 million in 2020-21. On current projections, the OPDC is forecast to meet these in-year savings through a revenue budget underspend. This report considers the viability of the OPDC's vision and some of the key challenges it faces in delivering it.

The OPDC has little to show for the £42.7 million, which is enough to build 160 four-bedroom homes, that the Mayor has invested into it to date. In 2019, it announced it was abandoning the plans it had been developing for the previous four years for Old Oak North—a site that was up until then considered key to unlocking regeneration in the area—in favour of a 'more strategic scale of regeneration' in an area referred to as the 'Western Lands'.⁵ Accordingly, the OPDC stopped a £549 million capital plan approved in 2019-20 that would have supported the Old Oak North development. The OPDC has underspent its revenue budget every year for the last three years, including a projected near-20 per cent underspend in 2020-21. This would seem to indicate an inability to match its actions with its ambitions.

The OPDC has given the Assembly reason to question its capacity to manage complex development projects. In 2018, the OPDC submitted a bid for £250 million in public money from the Government's Housing Infrastructure Fund (HIF) without securing the support of the pivotal landholder on the development site, and was subsequently slow to clarify details around this miscalculation.

By the OPDC's own admission, developing the new site will be 'a very difficult project', indeed the "most difficult, challenging project [David Lunts, OPDC Interim Chief Executive Officer] can

³ Introduction to the Old Oak and Park Royal Development Corporation.

⁴ Mayor's Comprehensive Spending Review submission, page 27.

⁵ Mayor's 2020-21 Budget.

recall.⁶ The OPDC holds no land, has no capital programme to develop it, and no approved Local Plan to legitimise and progress their project—three things the OPDC has itself identified it “cannot move ahead with its major regeneration plans without”.⁷ Given the piecemeal nature of land ownership on the new site, and lack of a clear strategy to attract the significant funding necessary to facilitate its development, it is hard to see how the OPDC can overcome these obstacles. However, the scale of its potential remains significant: 25,500 new homes and 65,000 new jobs if the OPDC can deliver its new vision, but it is at an early stage of development with many challenges to overcome.

⁶ Budget and Performance Committee Meeting 14 October 2020, minutes.

⁷ Budget and Performance Committee Meeting 14 October 2020, minutes.

Chapter 1: The OPDC's limited delivery history

The OPDC has spent £42.7 million since 2015 in pursuit of large-scale regeneration in north west London that has not been realised

The OPDC was established in 2015 to deliver a large-scale housing and regeneration project on a 650-hectare site in north west London that would capitalise on the HS2 and Elizabeth line (Crossrail) investment at Old Oak Common. The OPDC predicted that, when complete, the entire redevelopment of Old Oak and Park Royal would deliver 25,500 new homes and 65,000 new jobs.⁸ To date, the GLA has spent £42.7 million on the OPDC. On current projections, this will rise to £66.1 million by 2023-24.⁹

Despite the £42.7 million spend since 2015-16, the OPDC has a history of underspending and limited delivery. The OPDC plans have focused on developing a Local Plan, as well as obtaining the resources and buy-in to deliver the first phase of development around Old Oak North. This consisted of a plan to replace existing, low-density, industrial uses with high-density, mixed-tenure, sustainable residential and employment space. These plans were largely abandoned in 2019. In its 2020-21 Budget, the OPDC signalled a shift toward a new focus on 'a combination of early development sites', and a 'more strategic scale of regeneration for the extensive sites to the north and west of the proposed HS2 interchange at Old Oak' —referred to as 'the Western Lands'. In line with this change of plans, expenditure was scaled back with planned revenue expenditure down 22 per cent from 2019-20 to £8.6 million.

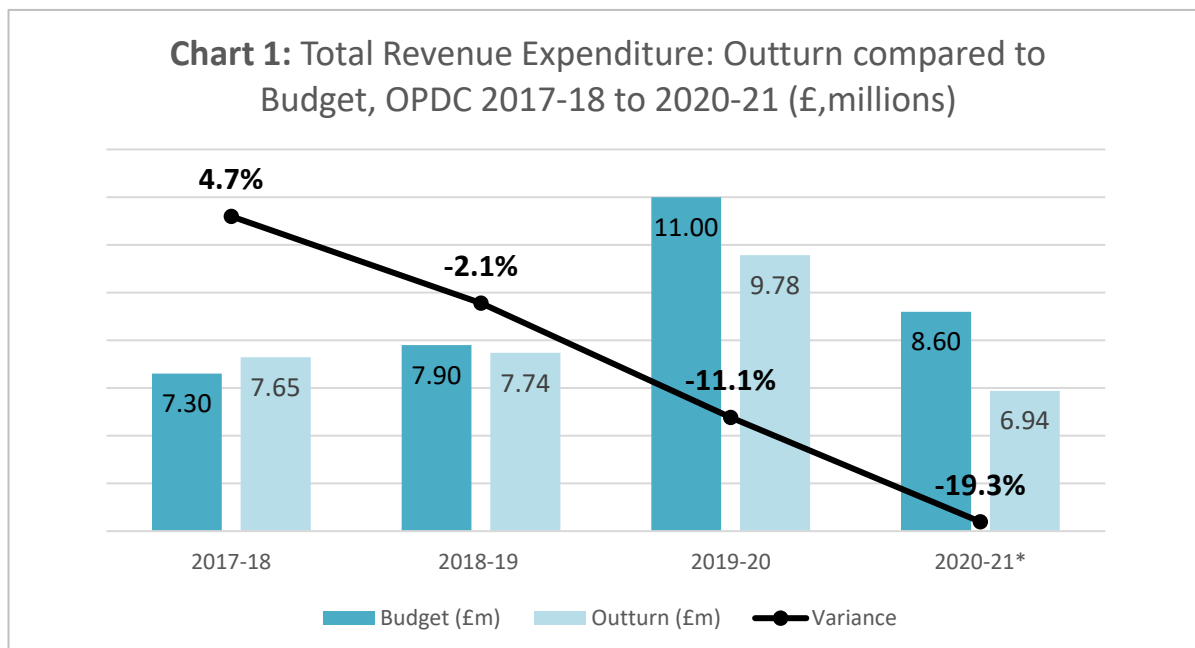
This change in plans led to the OPDC abandoning a planned capital budget of £549 million approved the previous year. This would have delivered land acquisition and preparation as well as some of the required infrastructure, such as the new road to open up Old Oak North and the power requirements for the new homes. The OPDC's Development Infrastructure Funding Study (2015) estimated that required infrastructure in Old Oak North could total £1.5 billion.¹⁰ The new approach to develop the Western Lands will also require significant infrastructure investment, although this is expected to be less than that required for Old Oak North. Despite this, the OPDC no longer has access to funding for capital expenditure and is looking to Government for a contribution.

The OPDC has also underspent its revenue budget every year for the last three years, with a projected near-20 per cent underspend in 2020-21, which includes the impact of COVID-19. (Chart 1).

⁸ [OPDC Vision and Mission](#).

⁹ Mayor's Final Budgets 2016-17 to 2020-21, OPDC Q4 Reports 2015-16 to 2019-20, and Q1 Report 2020-21.

¹⁰ [OPDC's Development Infrastructure Funding Study \(2015\)](#).



*Based on Q1 updates only

Sources: Mayor's Final Budgets 2017-18 to 2020-21, OPDC Q4 Reports 2016-17 to 2019-20, and Q1 Report 2020-21

Required in-year savings are likely be achieved through another year of underspending

The Mayor has announced that the OPDC must find in-year savings of £1 million in 2020-21 as well as savings of up to £1.6 million in 2020-21. These in-year savings are likely to be achieved through yet another year of underspends. In its Quarter 1 2020-21 Performance & Finance Report, the OPDC reported a forecasted net underspend of £1.1 million for 2020-21, suggesting it will meet the required £1 million funding reduction for 2020-21, with additional savings of £123,000.¹¹

¹¹ [OPDC 2020-21 Quarter 1 Report.](#)

Chapter 2: OPDC capacity for complex project delivery

The OPDC was conditionally granted £250 million based on a plan that had failed to attract the support of its key stakeholder

Recent OPDC revenue budgets have focused largely on securing resources to obtain and deliver a £250 million HIF bid. The bid was submitted on 10 September 2018 and conditionally awarded in the budget in March 2019.

The £250 million was intended to kick-start development on the OPDC regeneration site in accordance with its 'Phase 1a' plans. Until recently, the funding was considered crucial to addressing 'the spatial and financial challenges inherent within the scale of the development and ambition proposed'.¹²

The investment was to be used to assemble land, design and build vital roads, and install utilities infrastructure. This was intended to allow the development of homes and businesses to begin at Old Oak North, close to the new transport 'superhub' where the HS2 and the Elizabeth line are planned to meet. Old Oak North was the first of six new neighbourhoods planned for the 650-hectare site. A substantial portion of the development of the new site was to involve the use of private land owned by Car Giant — London's largest car dealership — and the primary land holder in Old Oak North.

In a press release on 13 December 2019, nine months after being awarded the £250 million and the day after the general election, the OPDC announced its intention to not progress the HIF bid and significantly shift the focus of its development away from Old Oak North, to a 'range of early sites in both public and private ownership', primarily owned by HS2 and Network Rail.¹³

After a formal summons from this Committee, on 20 January 2020 the OPDC published its HIF Business Case submission to the MHCLG (HIF bid) and the 26 conditions to be satisfied for the receipt of the funding on the London.gov.uk website. The published HIF bid details revealed that the £250 million HIF funding was set to enable the development of 13,118 new homes, 4,784 (over a third) of which were to be delivered by the primary local landowner, Car Giant.

Despite being made responsible for the delivery of over a third of the new homes included in the plan, it has emerged that at the time the bid was submitted there was clear evidence that Car Giant had no appetite to develop its land in this way. On 21 September 2018, just 11 days after the HIF bid was submitted by the OPDC, Car Giant wrote to the OPDC to inform it that they were formally objecting to the OPDC HIF bid.¹⁴ In the Budget and Performance Committee

¹² [HIF bid](#).

¹³ [OPDC Press Release, 13 December 2019](#).

¹⁴ A copy of this letter was shared with the Committee by Car Giant.

meeting on 14 October 2020, David Lunts, Interim Chief Executive Officer for the OPDC confirmed that “it was, frankly, an error for the OPDC at the time [of the HIF bid] to claim that Car Giant¹⁵ was still supportive when clearly it was no longer supportive.”

The OPDC failed to achieve buy-in from Car Giant, despite a clear appetite from Car Giant to participate in the redevelopment of the area. Between 2013 and 2017 the company developed a plan of its own, known as Old Oak Park. This scheme was taken through public consultation in December 2014 and again in June 2015.

The OPDC has said £6.2 million has been lost in pursuing its failed HIF bid.¹⁶ At the 14 October Committee meeting, OPDC Chair Liz Peace CBE stated that “we have had to change direction and that does mean to some extent writing off some of that expenditure, but absolutely not all of it.” The Committee is disappointed that, despite the investment of public resources, the OPDC has not been able to deliver at Old Oak North as originally envisaged.

The OPDC was slow to clarify the status of its key stakeholder's support of the plan it laid out in the £250 million bid

The HIF application stated that ‘Car Giant is, of course supportive of investment in the area, indicating that they plan to vacate their current site in 2022 and the OPDC has undertaken a significant amount of work to be comfortable that the Car Giant land can come forward for development’.¹⁷ The application also makes reference to support from Car Giant in a letter received by the OPDC. Similarly, as recently as 11 June 2019 the OPDC told the Assembly “at the point at which we put the HIF bid in, the proprietor of Car Giant was a willing supporter of what we were doing”.¹⁸

However, no letter of support from Car Giant was included in the ‘supporting attachments’ section of the webpage where other key stakeholders had stated their support. The *Evening Standard* newspaper reported in January 2020 that the OPDC admitted that bid documents submitted to the MHCLG “did not take into account that Car Giant was at this stage minded to abandon its earlier plans”.¹⁹ The OPDC appeared to contradict its statement from 11 June 2019 during the Budget and Performance Committee on 14 October 2020, admitting to the Assembly that it had been an error to imply that Car Giant had supported the project at the time of the bid. Liz Peace acknowledged that “when the bid went in, it did contain something that was inaccurate”. She went on, “I regret to say it was left in that L&R [London and Regional, Car Giant’s development partner] was still supporters [sic].”²⁰

There is no doubt that the HIF bid document is large and detailed. However, dismissing the reference to a letter of support as an “error” is generous. It was at best a significant error; Car

¹⁵ ‘Cargiant’ is the name of the company which trades as ‘Car Giant’.

¹⁶ OPDC Audit and Risk Committee Paper March 2020 [HIF expenditure summary](#).

¹⁷ [HIF Bid](#), page 68.

¹⁸ Budget and Performance Committee Meeting 11 June 2019, minutes, page 23.

¹⁹ <https://www.standard.co.uk/news/london/new-blunder-in-old-oak-cockup-scheme-a4347501.html>.

²⁰ Budget and Performance Committee Meeting 14 October 2020, minutes, page 33.

Giant was key to the delivery of the Old Oak North development and was expected to deliver over a third of the homes.

The OPDC has a poor track record around clear and transparent communication

Along with the lack of clarity around Car Giant's support at the time the HIF bid was submitted, the OPDC has shown a tendency towards a lack of transparency about its plans.

On 17 September 2019, the Planning Inspector for the London Plan 'Examination in Public' released his interim findings on the viability of developing the Car Giant site. The Inspector stated that the cost of an agreed relocation of £480 million, or closing down the business at £630 million, would only make development viable if the level of affordable housing was reduced below the Mayor's target. The Inspector concluded that the Car Giant land should be deleted from the Plan and the number of homes and jobs likely to be delivered adjusted downwards.

Despite the clear setback for the project, the OPDC communicated to the Assembly that it was 'encouraged by the [Planning Inspector's] intention to provide the greenlight for [its] first phase of development, unlocking 3,000 much needed homes, without impacting Car Giant's core business', and that it was 'on [its] way to meeting the conditions of the HIF bid.'²¹ It would be only three months before the announcement on 13 December 2019 that it was abandoning its HIF bid. Despite its clear interest, the Budget and Performance Committee was not informed of intentions to abandon the plans until after the press release was issued.

The reasons given in the press release for the change of plans have also been queried. While the OPDC maintained that 'the shift in approach has been triggered by recent, rapid increases in industrial land values in west London', Car Giant claimed that:

*'[The] fact that industrial land prices have since risen has only compounded the problem, but it is not the cause. Indeed, the plans proposed by the OPDC through its Local Plan submission envisaged even fewer homes, with higher social infrastructure provision, than our abandoned Old Oak Park plans.'*²²

This suggests that the OPDC Local Plan deliberately reduced the viability of the Car Giant land by increasing the level of social infrastructure and reducing the number of homes that would be developed. This would result in a reduction in income to Car Giant from the sale of homes that would be used to offset the costs of Car Giant relocating.

The Committee recognises the need for sufficient levels of social infrastructure and social housing to be present in development proposals. It further recognises that the Inspectorate's interim findings on the viability of the Car Giant site proposal show that a higher benchmark

²¹ OPDC's 20 Sept 2019 statement to the Assembly in response to Car Giant's press release of 19 Sept 2019.

²² Letter to the Mayor from Car Giant 6 February 2020.

land value and landowner's incentive premium than those assumed by the OPDC were reasons the site was no longer considered viable for the purposes of the Local Plan.²³

Mayor's controls insufficient to catch major flaw in the HIF bid

The HIF bid was approved by the OPDC Board, which included members of the Mayor's Housing and Land team. It was also approved directly by the Mayor in MD2355 on 10 September 2018.²⁴ The submission was made by the GLA, as the eligible authority, on the OPDC's behalf. The OPDC has suggested that the main forum for mayoral scrutiny and oversight of the OPDC's activities is via quarterly meetings with his Chief of Staff.²⁵ Given the OPDC's failure to successfully obtain and deliver the HIF funding, it might be expected that this level of scrutiny is increased before the Mayor commits Londoners to further expenditure on the development of the site, with £66.1 million forecast to be spent on the project by 2023-24.

The OPDC's handling of the HIF bid points to a limited capacity to manage and coordinate complex, multi-stakeholder projects

The OPDC has described its new project as being 'probably the most ambitious and potentially biggest regeneration project - certainly in London'. They have emphasised that it is a 'very difficult project' and that acquiring land from key partners will continue to be crucial to delivering their vision for the site.²⁶ At the same time, the OPDC has failed to achieve pivotal stakeholder buy-in to their plans, and made an error in providing information about these relationships in pursuing public money to progress their project.

Across Old Oak, approximately 70 per cent of the developable land is currently within public sector ownership. This public sector land has the capacity to accommodate approximately 10,300 homes and 45,900 jobs, of which 4,500 homes and 26,300 jobs could be delivered within the Local Plan period (2018-38). The public sector owns 97 hectares of land which has been agreed, in principle, to be transferred to the OPDC. This approach was announced as part of the then Chancellor's 2016 Spring Budget and, in the same year, the OPDC signed a Memorandum of Understanding with the Department for Transport. Despite this, the OPDC has not secured any land.

In the context of these challenges, the OPDC has been without a permanent Chief Executive for well over two years. David Lunts has been in post as interim Chief Executive of the OPDC since March 2019, and there are no plans to recruit a permanent Chief Executive. Prior to this, Mick Mulhern was interim Chief Executive of the OPDC from April 2018. The OPDC is also on its second Interim Chief Finance Officer.

²³ OPDC Local Plan Examination 2019 [interim findings on viability of cargiant site allocation.pdf](#).

²⁴ MD2355.

²⁵ Budget and Performance Committee Meeting 14 October 2020, minutes, page 34, 36.

²⁶ Budget and Performance Committee Meeting 14 October 2020, minutes, page 25, 26.

Chapter 3: Delivering the OPDC's 'new vision'

The OPDC's new vision remains ambitious, with homes and jobs targets unchanged

After confirming in a press release on 13 December 2019 that it will abandon plans to acquire land owned by Car Giant and the HIF funding that would have supported this, the OPDC announced plans to instead pivot to a new target area, which involves working to bring forward a range of early sites where new homes and jobs can be developed in the shorter term. This, the OPDC says, will be done alongside a focus on the public sector land holdings that are close to the existing Willesden Junction station and the proposed new HS2 and Crossrail interchange hub.²⁷

Despite the change of direction, the OPDC's target for new homes and jobs remains unaltered. David Lunts, OPDC Interim Chief Executive Officer, is quoted in the press release as saying, *"this in no way undermines our ambition for thousands of new homes and jobs as these can be achieved on many nearby public sector sites where we are already working closely with our colleagues at Network Rail and HS2."*²⁸

This position was reiterated during the Budget and Performance Committee Meeting on Monday 6 January 2020, with David Lunts confirming that there had not been a "radical moving away" from the original figures,²⁹ and again on 14 October 2020, when Liz Peace confirmed that:

*"the work we have now been doing initially will allow us to prove to an Inspector that we ... are on that trajectory to deliver the homes always envisaged for the development corporation."*³⁰

Although the Mayor, in his submission to the Comprehensive Spending Review, referred to these plans as 'well advanced',³¹ as of October 2020, the OPDC was not yet able to confirm how much it is likely to cost the taxpayer.³² David Lunts justified the wording at the 14 October Committee meeting stating that, 'By "well advanced", we mean well advanced in the sense that we are now in a position to formally consult on our [Local Plan] modifications'. This represents a start, but there remains much for the OPDC to do. It has yet to cost the necessary infrastructure or source the necessary capital funding.

²⁷ [Press release on 'new focus'](#).

²⁸ [OPDC Press Release, 13 December 2019](#).

²⁹ [Budget and Performance Committee Meeting, Monday 6 January 2020](#).

³⁰ Budget and Performance Committee Meeting 14 October 2020, minutes, page 37.

³¹ Mayor's Comprehensive Spending Review submission, page 27.

³² Budget and Performance Committee Meeting 14 October 2020, minutes, page 45.

The OPDC's new vision will be hard to realise with no land holdings of their own and highly fractured land ownership on the target site

The Committee supports the ambitious targets set by OPDC which, if realised, could capitalise on the development opportunities provided by HS2 and Crossrail and deliver high-quality homes and jobs to Londoners. However, the context for delivering these plans is extremely challenging.

Acquiring land is a priority for the OPDC. Across Old Oak, approximately 70 per cent of the developable land is currently within public sector ownership. The main public landowners are the Department for Transport, Network Rail and HS2. The remaining developable land in Old Oak is a mixture of different private ownerships of which Car Giant is the largest single landowner at 15 per cent. Across Park Royal, land ownership is predominantly privately owned and is more piecemeal.

Securing this public land is likely to be a challenge. The OPDC has reported that it '[hopes] that [it] will be able to have very constructive engagement at a sufficiently senior level in [Department for Transport] to make [its] case , but we have been building lots of bridges over the last six months'.³³ It has also argued that the fact that the land on the new site is publicly rather than privately owned (as in the previous plans for Old Oak North), 'is another reason we can be cautiously optimistic that the Government will want to at least receive our proposals for [Single Housing Infrastructure Fund] funding in hopefully a positive way'.³⁴ However, so far, there have been ongoing setbacks to the negotiations for the acquisition of the Network Rail land, attributed to engineering issues and a lack of detailed plans from the OPDC.³⁵ Much of the Network Rail land will not be available for development for 'a number of years' due to its association with HS2 worksite activities.³⁶

³³ Budget and Performance Committee Meeting 14 October 2020, minutes, page 43.

³⁴ Budget and Performance Committee Meeting 14 October 2020, minutes, page 38.

³⁵ [Budget and Performance Committee - 11 June 2019](#).

³⁶ [Budget and Performance Committee Meeting, Monday 6 January 2020](#).

Figure 1 - New Target area for the OPDC



The OPDC will struggle to deliver necessary infrastructure without any capital funding or clear plans to attract it

Development of the Western Lands will require significant infrastructure investment. The OPDC's Development Infrastructure Funding Study (2015) estimated that the required infrastructure in Old Oak North could total £1.5 billion.³⁷ Although the OPDC has argued that 'the infrastructure requirement is not quite as heavy as in Old Oak North' and that the new site will depend less on bridges and tunnels being built over canals and railway lines,³⁸ there is nonetheless likely to be a cost. On 14 October 2020, the OPDC conceded that the ultimate figure was likely to be 'in the hundreds of millions', but could not give a precise figure.³⁹

It is not currently clear where this funding will come from. OPDC intends to bid for funding from the Single Housing Infrastructure Fund, but any funding from central Government is likely to be highly competitive and could, in the post COVID-19 era and with a commitment from the current Westminster administration to level up the north of England, become even more so. The OPDC will need to work closely with the Government and Homes England to explore the potential for alternative financial support for this new approach.

The OPDC cannot progress its plans without an approved Local Plan

The OPDC cannot further progress its plans for the Western Lands without an approved Local Plan in place. Significant sections of the draft Local Plan were rejected by the Planning Inspector in his interim findings in September 2019, in which the OPDC was directed to reduce the homes and jobs targets by 30 per cent and 7 per cent respectively.⁴⁰

³⁷ [OPDC's Development Infrastructure Funding Study \(2015\)](#).

³⁸ Budget and Performance Committee Meeting 14 October 2020, minutes, page 38.

³⁹ Budget and Performance Committee Meeting 14 October 2020, minutes, page 46.

⁴⁰ [OPDC Local Plan Examination 2019, Interim Findings on viability of CarGiant site proposal](#).

The OPDC has suggested that its Local Plan will be adopted by Autumn 2021.⁴¹ However, its current Local Plan will need significant revision in order to be accepted by the Public Inspector. The OPDC has reported it is currently focusing on providing evidence that it can 'claw back some of the housing and jobs lost through the Planning Inspector's interim findings'.⁴² The OPDC's Quarter 1 2020-21 dashboard flags a top risk as 'Local Plan policy modifications may be not supported by evidence and by stakeholders'.⁴³ The OPDC's report states that this risk is decreasing as engagement with landowners continues and as evidence to support modifications is being progressed.

⁴¹ [Local Plan Examination Process, London.gov.uk](#).

⁴² OPDC Local Plan report submitted to OPDC Board 19 March 2020.

⁴³ [OPDC Q1 2020-21 Performance, Risk and Finance Report Dashboard](#).

Chapter 4: Conclusion

The Mayor took an opportunity to review the OPDC's role in the first half of this mayoral term.⁴⁴ Despite this review, London has very little to show for the millions spent on the OPDC in the period from its inception in 2015 to date.

COVID-19 is projected to have a substantial impact on the GLA Group's finances through both additional expenditure requirements and loss of income. Difficult choices will need to be made to address these emerging pressures. The viability of the OPDC's plans and the value of continued investment at the scale currently envisaged should be considered in this light.

The OPDC has itself acknowledged the difficulty of realising its plans for large scale regeneration and development without any current land holdings, capital or an approved Local Plan. It has also given the Assembly reason to question its capacity to transparently manage a complex, multi-stakeholder development project. Continued investment into the OPDC warrants substantial scrutiny given its failure to deliver previous plans.

The new HS2 station and its connection to the Elizabeth line makes this area ripe for regeneration. There is no doubt about the scale of potential in this key part of London. The original OPDC plans from 2015 show that the site was going to create 25,500 homes and 65,000 jobs,⁴⁵ with excellent transport links. However, the OPDC has failed to deliver its plans for Old Oak North; after five years there is little evidence on the ground of any new jobs or homes. The Mayor should give serious thought to how the OPDC is structured, how it delivers value for money, and whether it would benefit further from working more closely with the London Legacy Development Corporation or internally at the GLA.

⁴⁴ Review of the Old Oak and Park Royal Development
https://www.london.gov.uk/sites/default/files/opdc_review_findings_-_final_31.10.16_0.pdf.

⁴⁵ OPDC Opportunity area planning framework 2015
https://www.london.gov.uk/sites/default/files/O._foreword.pdf.

Other formats and languages

If you, or someone you know needs this report in large print or braille, or a copy of the summary and main findings in another language, then please call us on: 020 7983 4100 or email assembly.translations@london.gov.uk

Chinese

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Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

Greek

Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.

Turkish

Bu belgenin kendi dilinize çevrilmiş bir özetini okumak isterseniz, lütfen yukarıdaki telefon numarasını arayın, veya posta ya da e-posta adresi aracılığıyla bizimle temasa geçin.

Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا مذکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

Arabic

الحصول على ملخص لهذا المستند بلغتك،
فرجاء الاتصال برقم الهاتف أو الاتصال على
العنوان البريدي العادي أو عنوان البريد
الإلكتروني أعلاه.

Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઈ-મેઇલ સરનામા પર અમારો સંપર્ક કરો.

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