



Old Oak and Park Royal Development Corporation

Unaudited Annual Report and Accounts

1 April 2022 to 31 March 2023

MAYOR OF LONDON

Contents

4	Foreword from the Chair and CEO
5	Narrative Report
17	Statement of Responsibility for the Accounts
18	Independent Auditor's Report
19	Comprehensive Income and Expenditure Statement
20	Balance Sheet
21	Movement in Reserves Statement
23	Statement of Cash Flows
24	Accounting Policies
34	Notes to the Statement of Accounts
55	Annual Governance Statement
69	Glossary of Terms

Chair and CEO Foreword

Old Oak Common is the only place where HS2 will meet the Elizabeth line, revolutionising transport connections to the area, bringing an exceptional opportunity to deliver one of the most important regeneration projects in the UK.

With the recent news that the HS2 Station at Old Oak Common is set to become the London terminus for some time, it's vitally important that OPDC's regeneration plans at Old Oak and Park Royal, creating a welcoming, inclusive and distinctive destination, are in delivery before the station opens in less than a decade.

Our new Local Plan provides a clear path for delivery, with a focus on Old Oak West, where government-owned development land lies in the heart of Old Oak. Working closely with government, Homes England, HS2 and Network Rail, we are preparing a detailed Outline Business Case for infrastructure funding support and the co-ordination of public land to drive our vision forward and prepare the ground for attracting key delivery partners.

To ensure our plans meet local needs, we have embarked on a comprehensive programme of engagement and co-design with our communities to inform a Supplementary Planning Document later this year for Old Oak West.

We are working with £50m from the Mayor's Land Fund to assemble the privately-owned land and deliver infrastructure to build 1,100 affordable homes in Old Oak and we have recently attracted a further £54m of government funding to support a wider programme of land acquisitions, including our first site in Old Oak Lane.

We are also working hard to deliver improvements here and now. Over the last year this has included enhancements to Willesden Junction and the Grand Union Canal, support for 2,000 businesses, placing over 160 people into local jobs through the Forge@ParkRoyal service, and support for local arts and culture through the Park Royal Design District and our newly established Creative Enterprise Zone.

Ensuring a sustainable, green future for Old Oak and Park Royal is at the heart of our plans and this year we submitted a funding plan to government for a heat network, recycling surplus energy from local data centres to provide low carbon heat for homes and our local hospital. This is the first project of its kind and scale in the UK, and subject to a successful funding bid will be a priority project in the coming year.

The year ahead promises to be a critical period for our project. One where we cement an agreement between the Mayor and government to organise land and funding, and where a clear path to delivery is established that sets the framework to secure investment partners to deliver the full promise of this remarkable opportunity.

Liz Peace
Chair
X

David Lunts
Chief Executive Officer
X



Narrative Report

An Introduction to Old Oak and Park Royal Development Corporation

Old Oak and Park Royal Development Corporation (OPDC) was established in 2015 by the Mayor of London. Our mission is to work with our communities and partners to plan, create and deliver transformational change across Old Oak and Park Royal, capitalising on the increased connectivity created by the new High Speed 2 (HS2) station at Old Oak Common, set to be operational by the early 2030s.

As the local planning authority for the area, which spans parts of three London Boroughs – Brent, Ealing, and Hammersmith and Fulham – OPDC is planning one of London's largest Opportunity Areas. Our role is to conserve and enhance the character of Old Oak and Park Royal, while increasing capacity for modern, mixed-use development, to create a greener, safer and more prosperous part of the capital.

As the delivery agent, OPDC is working closely with government, partners and stakeholders to deliver affordable homes and jobs at scale on London's largest brownfield development site.

Over the next 25 years and beyond, we will ensure that both current and future residents and businesses benefit from the huge public investment in HS2. We are working with local people to create an inclusive new district that is a well-connected, enjoyable and healthy place to work, live and play.

The key to achieving the full potential of the new Old Oak Common interchange is unlocking the public sector land holdings that will be released as construction winds down. These sites will form the basis of 'Old Oak West' – a core regeneration area,

with up to 9,000 new and affordable homes and 2.5 million square feet of new workplaces.

The past year has seen considerable progress towards realising the key steps to delivering this vision, including a newly adopted Local Plan; the preparation of an outline business case to submit to government to coordinate around 75 acres of brownfield land for development; and a substantial allocation of funding to support early site acquisitions and infrastructure and more detail is in the performance section below.

Our vision for a revitalised and sustainable Old Oak and Park Royal is encapsulated in the following principles:

Principle	What this means
Liveable and local	We will shape a place that is attractive and where people want to live, work and visit. We will do this by learning the lessons of Covid-19, working with local people, and by supporting a strong sense of community, healthy living and pride-of-place in a bustling and diverse global city.
Adaptable and Resilient	We will champion sustainable, green and innovative regeneration and development with the flexibility to respond and adapt to change, fostering economic resilience and long-term prosperity.
Inclusive and Diverse	We will be best in class in embedding fairness, equity and respect for others into everything we do. We will celebrate and protect the rich diversity and heritage that's central to Old Oak and Park Royal's unique character, while ensuring we deliver the housing and economic opportunities for those not yet part of our communities.
Integrated and Connected	We will make the most of the new and unrivalled connectivity that is coming and will work to make Old Oak and Park Royal a much more locally connected place, removing the physical barriers that exist today and making facilities, homes, work and green space accessible for all.

Developments and achievements: Our performance

Adopting our Local Plan: a planning framework to support Old Oak and Park Royal's development and regeneration

Progressing our Local Plan to adoption

- In June 2022, the Board formally adopted OPDC's Local Plan. This is a major milestone, setting a planning policy framework for the next 25 years and beyond and paving the way for 25,500 new homes and 56,000 jobs. It will also frame and guide our development work, helping us, with partners, to create a thriving community of healthy streets, high-quality and affordable homes and connected places to live and work, including an innovative industrial area and a high-density and attractive part of London capitalising on the planned Old Oak Common station.
- Following the adoption of the Local Plan, the Planning Policy team is developing a suite of Supplementary Planning Documents (SPDs). We consulted on a Planning Obligations SPD in autumn 2022 and a draft Community Infrastructure Levy (CIL) in winter 2022 and during 2023/24, we plan to adopt this SPD and the CIL Charging Schedule and consult on and adopt three further SPDs for Old Oak West, Public Realm and Green Infrastructure and Industrial. This will enable us to add important detail to the policies in our Local Plan for implementation, to deliver inclusive and sustainable regeneration that meets Mayoral priorities for a greener, healthier and more prosperous part of the city.
- A series of Place-Lab (co-design) sessions started in March 2023, and these will feed into the Old Oak West SPD.

Approving new homes

- In 2022/23, 527 homes have been approved and 247 completed. There has also been resolution to grant for an additional 457 homes and 462 co-living homes. Despite not reaching our overall target of 1,367 homes each year due to delays seen throughout the GLA and housing industry, caused by the requirement to have two staircases in buildings over 30m, the corporation is continuing to process planning applications and has a pipeline of around 8,350 new homes in the planning system.
- 100 per cent of planning applications were determined within statutory determination timescales or timescales agreed through Planning Performance Agreements with applicants. There were two appeal decisions in the OPDC area during 2022/23 and both of these were dismissed.

Planning Enforcement

- OPDC increased planning enforcement activity in 2022/23 with an emphasis on tackling unauthorised shisha lounges in the Park Royal industrial area, following local complaints around noise and light pollution, as well as safety issues. Stronger enforcement will ensure the amenity of local residents and protect London's remaining reservoirs of industrial land.
- This approach involved prompt enforcement action, working with Metropolitan Police and our host borough partners to identify and evidence breaches of planning control, and robustly defend OPDC's enforcement action on appeal. As a result,

two longstanding unauthorised shisha lounges in Coronation Road, were closed in 2022/23 following OPDC enforcement action.

Securing a land deal and funding, and procuring a delivery partner, for our Old Oak West programme

Approval of the Old Oak West Outline Business Case

- A major focus during 2022/23 has been developing the Old Oak West Outline Business Case (OBC) working closely with DLUHC, DfT and Homes England, following government's approval of the Strategic Outline Business Case (SOBC) in April 2022. This marks the next step in agreeing with government and its agencies a comprehensive, partnership approach to delivering up to 9,000 homes on land, mostly in public ownership, around the new Old Oak Common Station. The OBC is due to be submitted to the government in June-July 2023.
- Approval of the OBC will allow us to progress with further public engagement, scheme development and structuring the public sector collaboration necessary to unlock regeneration at Old Oak West.

Securing investment to support early site delivery

- In parallel to developing our OBC for Old Oak West, OPDC has secured a significant early investment from the GLA's Land Fund: £50m of loan funding to support us to deliver between 1,100 and 1,500 new homes by 2029. This represents our first major investment in the OPDC area to both support delivery of the GLA's housing target and unlock the delivery of Old Oak West.
- The funding, which was approved in March, will fund land acquisition and enabling works, which will accelerate the first phase of our Old Oak West plans. The investment also signals strongly to government the Mayor's firm support for our regeneration plans, supporting our discussion on the comprehensive regeneration, funding and delivery strategy for the wider scheme.
- In February 2023, OPDC's newly formed Development, Investment and Sustainability Committee approved OPDC's first acquisition of a land parcel through the Land Fund Facility. OPDC exchanged contracts for the acquisition of the Old Oak Café, a site within the heart of Old Oak West, at the end of March 2023.

Old Oak West Heat Network

- In 2022/23 we developed a strategic business case for a major sustainable heat and energy network, utilising waste heat generated by local data centres. The network could support many thousands of new homes as well as existing energy users, including Central Middlesex Hospital, and achieve around a 90% saving in carbon emissions. A funding bid for £35m to the government's UK Green Heat Energy Fund is currently being assessed, subject to which a detailed commercial case will be developed prior to a final decision to secure a commercial partner to take the project forward to delivery.

Accelerate delivery across Old Oak North and Park Royal

A new Regeneration and Economic Development programme

- A key priority for 2022/23 was to refocus and reposition our Park Royal programme. It is based around six distinct places, including now covering Old Oak North, and is organised around series of high-level principles and six project types: infrastructure and sustainability; public realm and placemaking; workspace and intensification; business support, skills and employability; community capacity building; and governance and engagement.
- Since securing Creative Enterprise Zone (CEZ) status for Park Royal, we continue to work with London Borough of Ealing to deliver a programme of public events, artworks and skills programmes through commissions and grant funding. This year saw the launch of our open call for ideas, where we awarded ten local projects £159,000.

Progressing our 'In the Making' public realm and placemaking projects

- 2022/23 saw the delivery of enhancements to Willesden Junction station and Old Oak Lane Towpath. We are working in partnership with the Canal and River Trust, the London Borough of Brent, the local community, businesses and other interested parties to deliver improvements for Harlesden Canalside. These will include a canal-side garden, a landscaped amphitheatre alongside two dedicated community-operated moorings and improved facilities for the canoeing club, local fitness groups and boaters. We have appointed a contractor for the improvement works and they are due to complete in summer 2023.
- OPDC has grant funded the Canal and River Trust to recruit a dedicated community organiser to run regular volunteering activities along the canal. In the past year, the Trust has engaged with five new stakeholders, organised 525 volunteering hours, cleared over 241 bags of rubbish, as well as delivered 150sqm of improved planting in October 2022 and a further 100sqm of improved planting in December 2022.

Affordable Workspace Delivery Plan

- In line with planning policy, we have developed an Affordable Workspace Delivery Plan, setting out direct delivery of affordable workspace. We are adopting an action-based research model to test the demand for different types of workspaces, informing a long-term strategy for affordable workspace for Old Oak West.
- During 2022/23 OPDC secured £150,000 additional funding to deliver a CEZ Small Business and Affordable Workspace Loan Fund. The loan fund will help creative businesses and affordable workspace providers to expand, with the added benefit that loan funding will be recycled to help additional businesses.

The Forge @Park Royal

- The Forge is our local employment brokerage service, operated in partnership with the London Boroughs of Brent, Ealing and Hammersmith & Fulham, West London College, the Shaw Trust and the Department for Work and Pensions (DWP) to improve the opportunities for local people to access jobs.

- The Forge has now advertised more than 400 vacancies, of which more than 170 have been filled and 60 of those jobs have now been sustained for more than six months. In addition, business support has been delivered to more than 200 businesses in the area. A programme of outreach in the local job centres has begun, covering Harlesden, Wembley, Queens Park and Ealing. Pre-booked job seekers have been provided with advice and support to assist in successfully securing advertised vacancies.

Our commitment to efficiency, equity and engagement

Communication and engagement

- Across 2022/23 strengthened relationships with partners and the community to create a work plan that will add social value to people and place as well as maximise opportunities for community influence, collaboration and OPDC volunteering.
- This included delivering a programme of co-design and engagement in March 2023 to support the development of the Old Oak West SPD. Engagement has reached over 20,000 Londoners, included over 24 events, with over 190 participants, representing the diverse make-up of the area, including groups representing young people, those with disabilities, the LGBTQ+ community; different faith and race organisations and women's networks.
- In September 2022, we oversaw the successful launch of the Creative Enterprise Zone at an event as part of the Park Royal Design District hosted by Deputy Mayor for Culture and Creative Industries, Justine Simons OBE and attended by an audience of local creatives, residents, businesses, councillors and journalists.
- We joined Opportunity London which allows OPDC to have greater outreach to different stakeholders and industries, with presence at both national and international industry events.
- We updated our consultation platform with key projects & consultations taking place and saw an increase in followers, including a rise in the percentage of participants from diverse backgrounds.
- We delivered a programme of workshops with young people in the OPDC area including with Park Royal College and Imperial College London to provide students with lived experience talks and insights into careers in the built environment.

Diversity and inclusion

- In 2022/23 we published OPDC's first Equity, Diversity and Inclusion Strategy (EDI), setting out how we will identify, prioritise, enable and champion equitable opportunities for both staff and the community. The strategy is accompanied by a clear and deliverable action plan with short, medium and long-term actions and includes a detailed one-year action plan, which OPDC will refresh annually.
- Following approval at Board in March 2022, we shared our strategy with key community representatives from the local area in a focused meeting to gather views and input.
- Across 2022/23 we have embedded our EDI and social objectives by supporting communities through OPDC's Small Grants programme, which provided grant

funding to 21 community projects, reaching over 45,000 beneficiaries across West London, and by regularly engaging with residents, community groups.

- In 2022/23 over 100 local volunteering opportunities were identified and promoted, from lending a hand to pack Christmas presents at a local school for disadvantaged children, to helping at foodbanks, running stalls and staffing community fetes for local families through to caring for the local area by litter picking along the canal (collecting over 2,000 bags of rubbish) and planting trees and bulbs in Park Royal.
- Mentoring and supporting skills training with young people has also been a key focus of our volunteering efforts and over the last year we have run CV and interview training workshops; a built environment and urban design workshop with local students; and attended local careers fairs.
- We also increased visits to our consultation platform, Bang the Table, by increasing the number of live project and consultation pages on the website. This higher traffic to site resulted in a rise in the percentage of participants from diverse backgrounds using our platform to 25%.
- All our major procurements this year have been assessed on the provision of EDI action plans. Actions plans have included commitments to provide training and workshops to local school, and a commitment to employ local people.
- In 2022/23 we joined Stonewall's Diversity Champions Programme, joining over 800 organisations including the GLA (Greater London Authority).

Health and Wellbeing

- In 2022/23 we trained five mental health first aiders and delivered staff sessions on lived experience and the importance of good mental health.

Organisational Development

- Our target operating model, setting out the capabilities and capacity required by OPDC over the next 3-5 years was finalised and noted by our Board. The additional resources required were agreed by the Mayor and are reflected in OPDC's 23/24 budget.

Learning and Development

- In 2022/23, we launched our new learning and development framework, key to supporting the development of our people. We have organised several learning events, visits and seminars, including using our expert consultants, where relevant.

GLA Group Collaboration

- We continued to work closely with our GLA Group colleagues to manage our shared service arrangements efficiently and promote value for money, including finance and HR digital solutions, purchase to pay processes and treasury function, recruitment and onboarding, payroll, legal advice, procurement and digital infrastructure.

Further information on the full range of activities carried out by OPDC can be found on the corporation's website: <https://www.london.gov.uk/opdc>

You can also review our Q4 report at the website above, which includes further detail on our performance against our key metrics and milestones, and read our Management Plan, which includes our medium-term priorities.

Next phase in our Strategy

Our progress over the past year has set the foundations for a new and exciting phase of our project, as we move from planning to mobilisation and on to major delivery. Looking forward, we will continue to focus on the four steps in our strategy.

The four steps	Next Steps
<p>Step 1. Adopt our Local Plan to support Old Oak and Park Royal's development and regeneration</p>	<p>Effective implementation of the Local Plan, by preparing and publishing a suite of supplementary guidance including an Old Oak West Supplementary Planning Document (SPD).</p> <p>Taking applications for at least 2,000 homes and 10,000 sqm of industrial/employment space on early development sites to Planning Committee, contributing to the area's London Plan targets.</p>
<p>Step 2. Reach an agreement with government and its transport bodies to coordinate the key public sector land holdings</p>	<p>Develop and refine OPDC's Old Oak West scheme through preparing a regeneration strategy, detailing the approach to public realm, spatial layout, social and physical infrastructure.</p> <p>The regeneration strategy will be developed with input from the community and stakeholders, creating an opportunity for significant public engagement throughout its creation. The regeneration strategy will also inform and support the development of the Old Oak West SPD, through close working with OPDC's Planning Directorate.</p>
<p>Step 3. Secure infrastructure and enabling funding</p>	<p>Deliver Land Fund objectives by progressing selected early-win sites for acquisition to either an 'offer' stage or signed exclusivity/arrangements with vendors to enable develop partner procurement to deliver first tranche of start on sites in-line with contract milestones.</p>
<p>Step 4. Procure an investment and delivery partner</p>	<p>Continuing to actively engage with the market and beginning formal development partner procurement, subject to securing an agreement to coordinate government landholdings.</p>

Financial Review

Revenue

The financial performance of the corporation is regularly monitored and reviewed throughout the year, with strong financial management and control being a cornerstone of management practices, contributing to the effectiveness and efficiency of programme and service delivery across the organisation.

The approved Revenue Budget was £6.80m for 2022/23. During year the GLA agreed to fund OPDC up to an additional £1.0m through its Mayoral Development Corporation (MDC) Reserve to accommodate the ramp-up of the Corporation's delivery phase.

The outturn net expenditure was £7.30m, resulting in an overspend of £0.50m against budget, funded as agreed by the MDC Reserve. This overspend comprises £0.47m against the establishment budget with overall programme costs £0.03m over budget.

2022/23 Outturn				
Directorate	Outturn £m	Budget £m	Variance £m	Drawdown £m
CEO	0.84	0.82	0.02	0.02
Corporate Operations	2.19	1.88	0.31	0.31
Delivery	2.67	2.06	0.61	0.61
Regeneration and Economic Development	0.84	0.81	0.03	0.03
Planning	0.76	1.23	(0.47)	(0.47)
Total	7.30	6.80	0.50	0.50

The corporation has also generated £0.08m of surplus planning income. In line with planning regulations, this income must be used to support our Planning function. The funding will be transferred to the GLA MDC Reserve and utilised in future years by OPDC to support the Planning function whilst the Development Management function continues to discharge conditions and carry out enforcement work.

Capital

Capital Accounting refers to the arrangements for recognising and measuring the value of non-current assets in the balance sheet and making charges to the comprehensive income and expenditure statement to reflect the cost of using them, that is:

- i. expenditure on an asset that will provide control of the resulting economic benefit or service potential and that has a measurable cost
- ii. revenue expenditure allowed to be funded by capital under statute (REFCUS); or

- iii. under a capitalisation direction in accordance with the Local Government Act 2003.

Capital expenditure totalled £0.12m in 2022/23, funded by partial utilisation of a capital grant from the Department for Levelling Up, Housing and Communities (DLUHC) for land acquisition.

Comprehensive Income and Expenditure Statement

This statement shows both the revenue recognised and the costs incurred in the year of providing services, in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice.

Income and expenditure, as reported in the management accounts, shows neither a surplus nor a deficit as the GLA granted funding to meet expenditure, which fell within agreed budgets. The Comprehensive Income and Expenditure Statement shows a surplus of £5.3m due to adjustments to the cost of services for amounts not reported in the management accounts. These accounting adjustments relate to pension service costs and accumulated absences.

Balance Sheet

The balance sheet shows the value, as at the balance sheet date, of the assets and liabilities recognised by the corporation. The net assets of the corporation (assets less liabilities) are matched by the reserves held by the corporation. Reserves are reported in two categories. The first category of reserves is usable reserves, being those reserves that the corporation may use to provide services, subject to the need to maintain a prudent level of reserves. The second category of reserves is those that the corporation is not able to use to provide services. This category of reserves includes reserves that are impacted by timing differences shown in the movement in reserves statement line 'adjustments between accounting basis and funding basis under regulations'.

The balance sheet shows a net liability of £0.36m in unusable reserves relating to pensions liabilities, the accumulated absences account and capital adjustment account.

Movement in Reserves Statement

This statement shows the movements in the year on the different reserves held by the corporation, analysed between usable reserves and unusable reserves. The statement shows how the movement in the corporation's reserves is broken down between gains and losses recognised on an accounting basis and the statutory adjustments required to control the amounts chargeable to council tax for the year.

The corporation has a nil closing balance on usable reserves as the level of funding from the GLA matched the level of expenditure during the year. This statement shows movements relating to pensions liabilities, the accumulated absences account and capital adjustment account that give rise to a negative balance on unusable reserves of £0.5m.

Statement of Cash Flows

The cash flow statement shows the movements in cash and cash equivalents of the corporation during the financial year. The statement shows how the corporation generates and uses cash and cash equivalents by classifying cash flows as derived from operating, investing and financing activities.

The cash flow statement shows an increase in cash balances by £10.3m to £22.3m.

Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to the user of the accounts how the funding available to the corporation for the year has been used in providing services, in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Corporate Risks

The corporation regularly reviews risks at a project, directorate and corporate level. The table overleaf illustrates the current top corporate risks identified by the corporation.

Risk area	Mitigated Severity
<p>Workforce and capacity:</p> <p>Ability to recruit into vacancies to support OPDC's growth. The UK employment market is currently incredibly competitive, and OPDC needs to fill a number of vacancies as it grows to meet its target operating model. There is a risk these vacancies cannot be filled, particularly in specialist roles, as we are competing with higher salaries in the private sector.</p>	<p>RED</p>
<p>Regeneration & Economic Development Programme</p> <p>Limited OPDC / external funding makes it difficult to deliver the strategic scale change needed in Park Royal and Old Oak North.</p>	<p>RED</p>
<p>Old Oak West</p> <p>Recent changes to central government and DLUHC (Department for Levelling Up, Housing and Communities) ministers creates uncertainty around stakeholder engagement, support and understanding the policy context. Appetite for OOW (Old Oak West) project funding, support, delivery is uncertain, and time will need to be spent briefing new ministers</p>	<p>RED</p>

The table reflects the position of the top risks most recently reported in our corporate risk register (Q4), but regular risk updates are reported to the Audit and Risk Committee and can be found on the Committee's page on our website.

Gurdip Juty

Interim Chief Finance Officer

X

Statement of Responsibility for the Accounts

The Development Corporation's responsibilities

The Development Corporation is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. In the Development Corporation, that officer is the Chief Finance Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Chief Finance Officer's responsibilities

The Chief Finance Officer is responsible for the preparation of the Statement of Accounts for the Development Corporation in accordance with proper practices as set out in the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). In preparing this Statement of Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Chief Finance Officer

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Development Corporation at the accounting date and of the income and expenditure for the year ended 31 March 2023.

Gurdip Juty
Interim Chief Finance Officer
X

Liz Peace CBE
Chairman
X

Independent Auditor's Report to Members of the Old Oak

To be updated following audit



Core Financial Statements

Comprehensive Income and Expenditure Statement

For the year ended 31 March 2023

	Note	2022-23	2021-22
		£000	£000
Gross Income	2	(8,344)	(7,100)
Gross Expenditure	2	9,186	8,195
Net Cost of Services		842	1,095
Financing and investment expenditure	5	157	132
Taxation and Non-specific Grant Income	6	0	0
(Surplus) or deficit on provision of services		999	1,227
Corporation tax	7	0	0
(Surplus) or deficit on provision of services after tax		999	1,227
Remeasurement of the net defined benefit liability / asset	11	(6,928)	(1,478)
Total comprehensive income and expenditure		(5,929)	(251)

Balance Sheet

As at 31 March 2023

	Note	31 March 23	31 March 22
		£000	£000
Long Term			
Property, Plant and Equipment	8	119	0
Total Long Term Assets		119	0
Current Assets			
Short Term Debtors	9	5,636	2,270
Cash and Cash Equivalents	17	22,325	12,053
Total Current Assets		27,961	14,323
Total Assets		28,080	14,323
Current Liabilities			
Short Term Creditors	10	(5,024)	(2,082)
Provisions		0	0
Receipts in Advance - Current	16	(1,667)	(698)
Total Current Liabilities		(6,691)	(2,780)
Long Term Liabilities			
Retirement Benefit Obligation	13	(238)	(6,319)
Long Term Borrowing	10	(50)	0
Receipts in Advance - Non Current	16	(21,446)	(11,655)
Total Long Term Liabilities		(21,734)	(17,974)
Total Liabilities		(28,425)	(20,754)
Net Liabilities		(345)	(6,431)
Total Reserves	13	345	6,431

The unaudited accounts were issued on 31 May 2023 and the audited accounts were authorised for issue on X.

Movement in Reserves Statement

As at 31 March 2023

2022/23	Note	General Fund	Total Usable Reserves	Unusable Reserves	Total Reserves
		£000	£000	£000	£000
Balance as at 1 April 2022		0	0	6,431	6,431
Movement in reserves during 2022/23					
Surplus or deficit on the provision of services		999	999	0	999
Other Comprehensive Income and Expenditure		0	0	(6,928)	(6,928)
Total Comprehensive Income and Expenditure		999	999	(6,928)	(5,928)
Adjustments from income and expenditure charged under the accounting basis to the funding basis	1	(999)	(999)	999	0
Decrease or (increase) in 2022/23		0	0	(5,929)	(5,929)
Balance as at 31 March 2023		0	0	502	502

2021/22	Note	General Fund	Total Usable Reserves	Unusable Reserves	Total Reserves
		£000	£000	£000	£000
Balance as at 1 April 2021		0	0	6,682	6,682
Movement in reserves during 2021/22					
Surplus or deficit on the provision of services		1,227	1,227	0	1,227
Other Comprehensive Income and Expenditure		0	0	(1,478)	(1,478)
Total Comprehensive Income and Expenditure		1,227	1,227	(1,478)	(251)
Adjustments from income and expenditure charged under the accounting basis to the funding basis	1	(1,227)	(1,227)	1,227	0
Decrease or (increase) in 2021/22		0	0	(251)	(251)
Balance as at 31 March 2022		0	0	6,431	6,431

The adjustment between the accounting basis and funding under regulation is the same as that for the EFA (note 1), but the signage is opposite to the EFA.

2022/23	General Fund Balance	Movement in Unusable Reserves
	£000	£000
Adjustments to the Revenue Resources		
Holiday pay (transferred to the Accumulated Absences reserve)	5	(5)
Pension cost (transferred to (or from) the Pensions Reserve)	(1,004)	1,004
Total Adjustments	(999)	999

Statement of Cash Flows

For the year ended 31 March 2023

	Note	31 March 2023	31 March 2022
		£000	£000
Net surplus or (deficit) on the provision of services		(999)	(1,227)
Adjustment to surplus or deficit on the provision of services for noncash movements	12	19	(1,090)
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	12	10,360	5,611
Net Cash flows from operating activities		9,380	3,294
Net Cash flows from Investing Activities	12	(119)	0
Net Cash flows from Financing Activities	12	1,013	0
Net increase or (decrease) in Cash and Cash Equivalents		10,274	3,294
Cash and Cash Equivalents at the beginning of the reporting period		12,053	8,759
Cash and Cash Equivalents at the end of the reporting period		22,328	12,053

Accounting Policies

a) Code of practice

The Corporation is required to prepare an annual Statement of Accounts by the Audit and Accounts (England) Regulations 2015. These regulations require the financial statements to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (“the Code”), supported by the International Financial Reporting Standards (“IFRS”) adopted by the European Union and statutory guidance issued under section 12 of the Local Act 2003.

The Statement of Accounts summarises the Corporation’s transactions for the 2022/23 financial year and its position at 31 March 2023. The Corporation’s financial statements have been prepared in accordance with the Code and IFRS.

b) Basis of accounting

The Accounts are made up to 31 March 2023.

The accounting policies set out below have been applied consistently in the period presented in these financial statements.

The Accounts have been prepared under the accruals concept and in accordance with the historical cost accounting convention.

Where items are sufficiently significant by virtue of their size or nature, they are disclosed separately in the financial statements in order to aid the reader's understanding of the Corporation's performance.

c) Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not when cash payments are made or received. In particular, revenue from the provision of services is recognised when the Corporation can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Corporation. Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

d) Going concern

The financial statements have been prepared on a going concern basis as it is considered that the Corporation will continue in operational existence for the foreseeable future and meet its liabilities as they fall due for payment for at least 12 months from the date of the approval of the financial statements, with ongoing funding confirmed by the GLA.

e) The application of new and revised standards

The 2022/23 Code introduces amendments to the following, which do not impact on any of the Council's policies:

- IFRS 1 First-time Adoption of Financial Reporting Standards
- IFRS 9 Financial Instruments
- IAS 41 Agriculture
- IFRS 3 Reference to the Conceptual Framework
- IAS 16 Property, Plant and Equipment: Proceeds before intended use
- IAS 37 Onerous Contracts: Cost of Fulfilling a Contract

f) IAS 8: Accounting policies, changes in accounting policies and errors

This specifies the treatment of prior period errors discovered after the financial statements are authorised for issue. An entity is required to correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

- a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Any errors are disclosed in the notes to the accounts and present the following information:

- a) the nature of the prior period error;
- b) for each prior period presented, to the extent practicable, the amount of the correction;
- c) for each financial statement line item affected;
- d) the amount of the correction at the beginning of the earliest prior period presented; and
- e) if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

g) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

h) Critical judgements on applying accounting policies

In applying the accounting policies, the Corporation has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

There is a degree of uncertainty about future levels of funding for the Corporation, as the resources required to deliver housing and economic growth in the area are yet to be identified. However, the Corporation has determined that this uncertainty is not yet sufficient to provide an indication that its long-term objectives will not be achieved. It is considered that the Corporation will continue in operational existence for the foreseeable future and meet its liabilities as they fall due for payment, with ongoing funding confirmed by the GLA.

i) Assumptions made about the future and major sources of estimation uncertainty

The preparation of financial statements in conformity with the Code requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Corporation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements and specifically to note 11 to the Accounts is disclosed below:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rates to be used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.	The assumptions interact in complex ways. The actuaries review the assumptions triennially and changes are adjusted for in the accounts. Sensitivity analysis is detailed in Note 11.

j) Revenue recognition

The core principle of IFRS 15 is applied and revenue reflects the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled. The recognition of such revenue is in accordance with five steps to: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price to the performance obligations and recognise revenue when the performance obligations are satisfied.

k) Grants

Whether paid on account, by instalments or in arrears, grants are recognised as due to the Corporation when there is reasonable assurance that:

- the Corporation will comply with the conditions attached to the payments; and
- the grants will be received.

Amounts recognised as due to the Corporation are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grants have been satisfied. Conditions are stipulations that specify how the grant should be used by the Corporation and which if not met require the grant to be returned to the transferor.

Monies advanced as grants for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant is credited to the relevant service line or non-ringfenced revenue grants and all capital grants credited to the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to expenditure.

Funding by the GLA is provided to the Corporation to match revenue (running) costs and spend profile; therefore, the Corporation does not hold significant grant surpluses.

l) Corporation and chargeable gains taxation

The Corporation is subject to corporation tax and complies with the Corporation Tax Acts.

m) Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is payable to HMRC and is excluded from income.

n) Property, plant and equipment

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Corporation and the cost of the item can be reliably measured. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use. Where there is a legal obligation to remove the asset and/or restore the site on which it is located at the end of its useful economic life, the costs of dismantling and removing the items and restoring the site on which they are located are also included in the cost of the asset.

Assets are then carried in the Balance Sheet using the following measurement bases:

- assets under construction – depreciated historical cost
- non-property assets – depreciated historical cost basis as a proxy for current value.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Disposals

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognised net within other gains and losses in the Comprehensive Income and Expenditure Statement.

o) Employee benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within twelve months of the year-end. They include benefits such as salaries, other remuneration, paid annual leave and paid sick leave – these are recognised as an expense for services in the year in which employees render service to the Corporation. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Corporation to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged to the relevant service when the Corporation can no longer withdraw the offer of those benefits.

Post-Employment Benefits

Employees of the Corporation are members of the Local Government Pension Scheme.

The Local Government Pension Scheme

The Local Government Pension Scheme in respect of the Corporation's employees is administered by the London Pensions Fund Authority (LPFA) and is accounted for as a defined benefits scheme:

The liabilities of the LPFA pension scheme attributable to the Corporation are included in the balance sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of earnings for current employees.

The discount rate is the annualised yield at the 25-year point on the Merrill Lynch AA-rated corporate bond yield curve which has been chosen to meet the requirements of IAS19 and with consideration of the duration of the Employer's liabilities. This is consistent with the approach used at the last accounting date.

The assets of the LPFA pension fund attributable to the Corporation are included in the Balance Sheet at their fair value as follows:

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value

The change in the net pensions' liability is analysed into the following components:

Service cost, comprising:

- current service cost – the increase in liabilities, as a result of years of service earned this year allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs;

- any gain or loss on settlement of a defined benefit plan when the settlement occurs; and
- interest on the net defined benefit liability, i.e. net interest expense for the Corporation – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Re-measurements comprising:

- the return on plan assets, excluding amounts included in the interest on the net defined benefit liability, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- actuarial gains and losses, changes in the net pensions liability that arise because events have not coincided with the assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/asset.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable to the pension fund in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Reserves

Reserves consist of two elements, usable and unusable. Usable reserves are those that can be applied to fund expenditure. Due to funding arrangements, the Corporation has nil balance on the General Fund due to the Corporation being fully funded. Unusable reserves cannot be applied to fund expenditure as they are not cash backed. They include the pension reserve and the accumulated absences reserve.

p) Trade and other receivables

The Corporation received planning application income in 2021/22 and there are no year-end trade receivables relating to this as funds are received at the point where a planning application is submitted along with S106 income, which is yet to be

recognised as income as there are conditions attached which may require the monies to be returned to the contributor. The Corporation received GLA grant funding which is recognised as and when the grant is due to be paid to the Corporation. Other income received during the course of the year contributed towards specific pieces of work.

q) Trade and other creditors

Trade and other creditors are recognised at fair value and are the agreed amounts owed to suppliers

r) Collection of Mayoral CIL

The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008, as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. The Levy was ratified on 29th February 2012 and applies to developments agreed after 1st April 2012. The collection of the CIL is delegated to the relevant planning authority in each administrative area and the planning authority is able to retain 4% of the levy to cover the costs of administration and collection. The value recognised is disclosed in the income section of note 2.

Provisions, Contingent Liabilities and Contingent Assets

s) Provisions

Provisions are made where an event has taken place that gives rise to a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year the Corporation becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probably that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the obligation is settled.

t) Contingent Liabilities

A contingent liability arises where an event has taken place that gives rise to a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Corporation. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

u) Contingent Assets

A contingent asset arises where an event has taken place that gives rise to a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Corporation.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

(v) Revenue expenditure funded from capital under statute (REFCUS)

Revenue expenditure funded from capital under statute is expenditure that may be capitalised under statutory provisions but which does not result in the creation of a fixed asset for the Corporation. For example, grant paid to a third party for the purchase or creation of a fixed asset.

REFCUS is charged as expenditure to the relevant service revenue account in the year. Where such expenditure is funded from capital grants or contributions, the grant or contributions (or the portions that relate to the expenditure) are recognised as revenue grants or contributions. Both the expenditure and the grant or contribution are reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

w) Events after the reporting period

Events may occur between the year-end and the date that the statement of accounts is issued that might have a bearing upon the financial results of the past year and the financial position presented in the balance sheet.

The code defines two types of events after the reporting period:

- adjusting events: those that provide evidence of conditions that exist at the Balance Sheet date, where material, the financial statements and notes in the

statement of accounts are required to be amended to reflect the impact of the events.

- non-adjusting events: those that are indicative of conditions that arose after the Balance Sheet date, the financial statements and the note in the statement of accounts are not amended to reflect the events, but additional explanatory notes may need to be added.

Notes to the Statement of Accounts

1. Expenditure and Funding Analysis

2022-23	Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure Chargeable to the General Fund Balances
	£000	£000	£000
Corporation	842	0	842
Net cost of services	842	0	842
Other Income and expenditure	(842)	999	158
	0	999	999
Opening General Fund Balance at 31 March 2022	0		
Less Deficit on General Fund Balance in Year	0		
Closing General Fund Balance at 31 March 2023	0		

2021-22	Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Net Expenditure Chargeable to the General Fund Balances
	£000	£000	£000
Corporation	1,095	0	1,095
Net cost of services	1,095	0	1,095
Other Income and expenditure	(1,095)	1,227	132
	0	1,227	1,227
Opening General Fund Balance at 31 March 2021	0		
Less Deficit on General Fund Balance in Year	0		
Closing General Fund Balance at 31 March 2022	0		

Note 1a to the EFA – Adjustment between funding and accounting basis

2022/23	IAS 19 Pension Adjustment	Accumulated Absences Adjustment	Capital Adjustment Account	Total Adjustments
	£000	£000	£000	£000
Corporation	0	0	0	0
Net cost of services	0	0	0	0
Other Income and expenditure from the funding analysis	1,004	(5)	0	999
Difference between General Fund (surplus) or deficit and CIES (surplus) or deficit	1,004	(5)	0	999

2021/22	IAS 19 Pension Adjustment	Accumulated Absences Adjustment	Capital Adjustment Account	Total Adjustments
	£000	£000	£000	£000
Corporation	0	0	0	0
Net cost of services	0	0	0	0
Other Income and expenditure from the funding analysis	1,240	(13)	0	1,227
Difference between General Fund (surplus) or deficit and CIES (surplus) or deficit	1,240	(13)	0	1,227

The adjustment between the accounting basis and funding under regulation is the same note as that for the Movement in Reserves Statement (MIRS), but the signage is opposite to the MIRS.

2. Gross Income and Expenditure Summary

Gross income and expenditure recognised in the Comprehensive Income and Expenditure Statement comprises:

Income	2022/23	2021/22
	£000	£000
GLA Income	(7,533)	(5,014)
Planning Application Fees	(595)	(944)
Mayoral CIL Administration	(87)	(38)
Other Income	(128)	(1,104)
Total Income	(8,334)	(7,100)

Expenditure	2022/23	2021/22
	£000	£000
Employee Benefits Expenses	4,331	3,314
Other Service Expenses	842	2,372
Revenue expenditure funded from capital under statute	898	305
Consultancy and Professional Fees	2,668	1,751
Support Service Recharges	447	453
Total Expenditure	9,186	8,195

Amounts included in the costs of services within the Comprehensive Income and Expenditure Statement but not reported to management within the in-year budget monitoring reports include pension service costs and Corporation Tax.

3. External Audit Fees

External audit fees are made up as follows:

	31 March 2023	31 March 2022
	£000	£000
Fees payable to external auditors with regard to external audit services carried out by the appointed auditor	43	59

4. Remuneration

The remuneration paid to the Authority's senior employees is as follows:

2022/23

OPDC Staff	Name of Post Holder	Date of service	Salary (including fees and allowances)	Compensation for loss of office	Employer Pension Contributions	Total Remuneration including pension contributions
			£	£	£	£
Chief Executive Officer	David Lunts		177,555	0	21,307	198,862
Chief Operating Officer	Lucy Owen		121,651	0	14,598	136,249
Chief Finance Officer	Jasbir Kaur Sandhu		95,614	0	11,474	107,088
Head of Community Engagement and Social Value	Patora Dyrma		47,078	0	5,649	52,727
Head of Communications and Strategy	Rosalind Henville		76,926	0	9,231	86,157
Director of Development	Benjamin O'Neill		115,614	0	13,874	129,488
Director of Projects	Davena Wilson		115,614	0	13,874	129,488
Director of Planning	Emma Williamson		115,614	0	13,874	129,488
Human Resources and Organisational Development Manager	Karen Passley		78,462	0	9,415	87,877

Secondees

Head of Governance and Performance	Tim Somerville	From 01/01/2020 To 01/06/2022
Head of Governance and Performance	Michelle Wells	From 04/08/2022
Chief Finance Officer (Acting)	Ray Smith	From 7/12/2022 To 31/01/2023

Interim

Chief Finance Officer	Gurdip Juty	From 01/02/2023
-----------------------	-------------	-----------------

2021/22

OPDC Staff	Name of Post Holder	Date of service	Salary (including fees and allowances)	Compensation for loss of office	Employer Pension Contributions	Total Remuneration including pension contributions
			£	£	£	£
Chief Executive Officer	David Lunts		174,074	0	20,889	194,963
Chief Finance Officer	Jasbir Kaur Sandhu		94,217	0	11,249	105,466
Chief Finance Officer (maternity cover)	Fiona Marsh	To 28/05/2021	14,659	0	1,759	16,418
Head of Community Engagement and Social Value	Patora Dyrma		44,950	0	9,123	54,073
Head of Communications and Strategy	Rosalind Henville		73,077	0	8,769	81,846
Director of Development	Benjamin O'Neill		113,739	0	13,649	127,388
Director of Projects	Davena Wilson		111,901	0	13,428	125,329
Director of Planning	Emma Williamson		113,739	0	13,649	127,388
Human Resources and Organisational Development Manager	Karen Passley		76,507	0	9,123	85,630

Secondees

Head of Governance and Performance	Tim Somerville					
------------------------------------	----------------	--	--	--	--	--

The Code requires disclosure of remuneration for the Corporation's employees whose total remuneration in the year was £50,000 or more, grouped in rising bands of £5,000. In line with the Code, entries are banded according to actual payments in the year (excluding employer's pension contributions), rather than annual equivalent salaries.

The following table discloses permanent Officers on the Corporation's payroll who earn above £50,000, but excludes seconded staff, agency staff and contractors.

Remuneration Band (£)	2022/23	2021/22
	Number of Employees	Number of Employees
50,000 - 54,999	4	5
55,000 - 59,999	9	7
60,000 - 64,999	3	1
65,000 - 69,999	0	0
70,000 - 74,999	4	1
75,000 - 79,999	7	3
80,000 - 84,999	0	0
85,000 - 89,999	0	0
90,000 - 94,999	0	1
95,000 - 99,999	1	0
100,000 - 104,999	0	0
105,000 - 109,999	0	0
110,000 - 114,999	0	3
115,000 - 119,999	3	0
120,000 - 124,999	1	0
125,000 - 129,999	0	0
130,000 - 134,999	0	0
135,000 - 139,999	0	0
140,000 - 144,999	0	0
145,000 - 149,999	0	0
150,000 - 154,999	0	0
155,000 - 159,999	0	0
160,000 - 164,999	0	0
165,000 - 169,999	0	0
170,000 - 174,999	1	1
	33	22

Termination Benefits

The code requires the separate disclosure of the number and cost of compulsory and voluntary severance termination packages agreed during the year. There were no compulsory or voluntary severance termination packages agreed during the year.

Members' remuneration

2022/23

Name	Title	Notes	Salary (inc. fees and allowances)	Expenses	Employer's NI	Total remuneration
			£'000	£'000	£'000	£'000
Elizabeth Peace CBE	Chairman and Chair Investment Committee		27	-	3	30
Muhammed Asqhar Butt	Board Member and Audit and Risk Committee member and Appointments & Remuneration Committee Member	Appointed to Audit and Risk Committee in June 2021.	14	-	2	16
Stephen Cowan	Board Member and Investment Committee Member		14	-	2	16
Natalie Campbell	Board Member and formally Chair Appointments & Remuneration Committee		16	-	2	18
Rahul Gokhale	Board Member and Audit and Risk Committee Member		16	-	2	18
William Anthony Hill	Board Member, Chair Planning Committee		19	-	2	21
Shevaughn Sharon Rieck	Board Member and Audit and Risk Committee member		16	-	2	18
Peter Elijah Jonathan Mason	Board Member - Borough leader		12	-	1	13
Amanulla Dalvi	Board Member - Chair Audit & Risk Committee	Appointed in March 2022	14	-	2	16
Jonathan Milward	Board Member- Chair Development, Investment & Sustainability Committee	Appointed in March 2022	14	-	2	16
Matthew Carpen	Board Member, Development, Investment & Sustainability Member	Appointed 16/11/2022			-	-
Ray Wall	Planning Committee Member	Appointed 30/11/2022			-	-
Saray Coutts	Planning Committee Member	Appointed 1/12/2022	-	-	-	-
Wesley Harcourt	Planning Committee Member		2	-	0	2
Natalia Perez	Planning Committee Member		2	-	0	2
Matthew Daniel Stewart-Kelcher	Planning Committee Member		3	-	0	3
Hitesh Tailor	Planning Committee Member	Appointed in June 2021	2	-	0	2
Gary Rice	Planning Committee Member	Appointed in September 2021	1	-	0	1
Steve Quartermain CBE	Planning Committee Member	Appointed in September 2021	1	-	0	1
Jules Pipe	Board Member, Mayoral representative	Unremunerated	-	-	-	-
Victoria Quinlan	Board Member, Development, Investment & Sustainability Member	Unremunerated	-	-	-	-

2021/22

Name	Title	Notes	Salary (inc. fees and allowances)	Expenses	Employer's NI	Total remuneration
			£'000	£'000	£'000	£'000
Elizabeth Peace CBE	Chairman and Chair Investment Committee *		27	-	3	30
Julian Bell	Board Member and Audit and Risk Committee member	Resigned in June 2021	3	-	-	3
Muhammed Asqhar Butt	Board Member and Audit and Risk Committee member and Appointments & Remuneration Committee Member*	Appointed to Audit and Risk Committee in June 2021	14	-	1	15
Stephen Cowan	Board Member and Investment Committee Member*		14	-	1	15
Natalie Campbell	Board Member and Chair Appointments & Remuneration Committee*		16	-	1	17
Rahul Gokhale	Board Member and Audit and Risk Committee Member		16	-	1	17
William Anthony Hill	Board Member and Investment Committee Member and Chair Planning Committee*		19	-	1	20
Shevaughn Sharon Rieck	Board Member and Audit and Risk Committee member		16	-	1	17
Michael Simms	Board Member and Appointments & Remuneration Committee Member*		15	-	1	16
Helen Ward	Board Member and Appointments & Remuneration Committee Member*		15	-	1	16
Peter Elijah Jonathan Mason	Board Member	Resigned from Planning Committee in May 2021	12	-	1	13
Amanulla Dalvi	Board Member	Appointed in March 2022	1	-	-	1
Jonathan Milward	Board Member	Appointed in March 2022	1	-	-	1
Gordon Adams	Planning Committee Member		2	-	-	2
Sandra Rose Fryer	Planning Committee Member	Resigned in September 2021	1	-	-	1
Wesley Harcourt	Planning Committee Member		2	-	-	2
Natalia Perez	Planning Committee Member		2	-	-	2
Matthew Daniel Stewart-Kelcher	Planning Committee Member		3	-	-	3
Hitesh Tailor	Planning Committee Member	Appointed in June 2021	2	-	-	2
Gary Rice	Planning Committee Member	Appointed in September 2021	1	-	-	1
Steve Quartermain CBE	Planning Committee Member	Appointed in September 2021	1	-	-	1
Jules Pipe	Board Member	Unremunerated	-	-	-	-
Victoria Quinlan	Board Member, Investment Committee Member and Chair Audit and Risk Committee	Unremunerated	-	-	-	-

*The Investment Committee and the Appointments & Remuneration Committee were disbanded in September 2021.

Members of the OPDC Board, Committees, who are the Mayor or a member of the London Assembly, a member of staff of the GLA, or an employee of another statutory or public body may claim expenses but shall not be eligible to claim the Basic Board Allowance or any Committee Allowance.

5. Financing and investment expenditure

	31 March 2023	31 March 2022
	£000	£000
Net interest on the net defined benefit liability	157	132
Other bank and finance charges/(credits)	0	0
Total	157	132

6. Taxation and non-specific grant Income

	31 March 2023	31 March 2022
	£000	£000
Capital grants and contributions	0	0
Total	0	0

7. Corporation Tax

a) Corporation tax

The Corporation incurred losses for the year to 31 March 2023 and due to the uncertainty of future profits the Corporation does not recognise any deferred tax assets. In view of this there is no corporation tax charge or credit for the year to 31 March 2023. (A similar position arose in the year to 31 March 2022.)

	31 March 2023	31 March 2022
	£000	£000
Net deficit on provision of services	999	1,227
Corporation Tax at 19%	(190)	(233)
Effect of:		
Disallowable items	1	(56)

Fixed asset timing differences	0	0
Remeasurement of deferred tax for changes in tax rates	(444)	0
Movement in deferred tax not recognised	633	0
Pension Scheme adjustments	0	235
Losses	0	54
Corporation Tax	0	0

Provision to meet the Corporation's corporation tax liability had been made at 19%.

b) Deferred tax

The Corporation has potential deferred tax assets as shown in the table below. No deferred tax assets have been recognised in view of the uncertainty of future taxable profits.

Corporation Tax	31 March 2023	31 March 2022
	£000	£000
Assets due to:		
Pension scheme liabilities	1,850	1,580
Timing differences on fixed assets	2	3
Tax losses	14	100

The potential deferred tax assets have been calculated using the tax rate of 25% (year end to March 2022: 25%), which is the rate of corporation tax that will apply from 1 April 2023.

8. Property, Plant and Equipment

	31 March 2023	31 March 2022
Property, plant and equipment	£000	£000
Acquisition in Progress	119	0
Total	119	0

9. Debtors

	31 March 2023	31 March 2022
	£000	£000
Debtor (GLA)	5,081	1,884
Local Government	53	44
Central Government	0	0
Prepaid Expenses	18	40
GLA Functional Bodies	0	0
Taxation Debtor (HMRC)	310	128
Other entities and individuals	175	174
Total	5,636	2,270

The Corporation has entered into a grant agreement with the GLA to finance the Corporation's expenditure.

10. Liabilities

	31 March 2023	31 March 2022
Current liabilities	£000	£000
Tax Liabilities (HMRC)	(98)	(78)
Local Authorities & GLA Functional Bodies	(3,494)	(1,055)
Central Government	0	0
Other entities and individuals	(809)	(817)
Deferred income	(623)	(132)
Total	(5,024)	(2,082)

	31 March 2023	31 March 2022
Non Current liabilities	£000	£000
GLA Land Fund	(50)	(0)
Total	(53)	(0)

11. Pensions

Local Government Pension Scheme

The Corporation provides the opportunity for its employees to participate in the Local Government Pension Scheme. The LGPS is administered by the London Pensions Fund Authority (LPFA) and is a defined benefit statutory scheme where the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The LGPS is triennially valued in accordance with the provisions of the Local Government Pension Scheme Regulations (2013).

The fund's actuaries, Barnett Waddingham, carried out a full triennial valuation as at 31 March 2019. Employer's and employees' contributions to the Scheme were determined by the actuary following this valuation and the value of the liabilities as at this date has been rolled forward. Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund. The primary rate of contribution as defined by Regulation 62(5) for each employer, for the period 1 April 2019 to 31 March 2022, is 12%. Members pay contributions at rates correlating to pensionable salary bands. A surplus or deficit on the fund would lead to an adjustment to the contribution rates, which are reviewed every three years.

Life expectancy from age 65 (Years)	31 March 2023	31 March 2022
Retiring today		
Males	22.0	22.4
Females	24.0	24.5
Retiring in 20 years		
Males	22.4	23.7
Females	25.5	26.0
Financial assumptions	31 March 2023	31 March 2022
Discount rate	4.80	2.55
Pension increases	2.90	3.05
Salary increases	3.90	4.05

The assumptions used to measure events in the accounting period from 1 April 2022 to 31 March 2023 are set with reference to market conditions at 31 March 2023.

The estimate of the employer's past service liability duration is 31 years.

Amounts charged to the Comprehensive Income and Expenditure Statement

	31 March 2023	31 March 2022
	£000	£000
Service cost	1,195	1,404
Administration expenses	1	5
Total included in net cost of services	1,196	1,409
Net Interest on the defined liability	157	132
Total included in deficit on provision of services before tax	157	132
Remeasurement of the net defined benefit asset / liability	(7,398)	(1,478)
Total	(6,045)	63

Reconciliation of present value of the defined benefit obligation

	31 March 2023	31 March 2022
	£000	£000
Opening defined benefit obligation	(10,939)	(10,079)
Current service cost	1,195	(1,404)
Interest cost	282	(209)
Change in financial assumptions	(7,001)	998
Change in demographic assumptions	(313)	0
Experience gain/(loss) on defined benefit obligation	456	(29)
Liabilities extinguished/(assumed) on settlements	0	0
Estimated benefits paid net of transfers in	(39)	18
Past service costs, including curtailments	0	0
Contribution by Scheme participants	264	(234)
Closing defined benefit obligation	(5,783)	(10,939)

Reconciliation of fair value of Fund assets

	31 March 2023	31 March 2022
	£000	£000
Opening fair value of Fund Assets	4,620	3,522
Interest on assets	125	77
Return on assets less interest	14	509
Other actuarial gains/(losses)	526	0
Administration expenses	(1)	(5)
Contributions by employer including unfunded	349	301

Contribution by Scheme participants	264	234
Estimated benefits paid plus unfunded net of transfers in	(39)	(18)
Settlement prices received	0	0
Closing Fair Value of Fund assets	5,858	4,620

The amount included in the Balance Sheet arising from the Corporation's obligation in respect of its defined benefit plans is as follows:

	31 March 2023	31 March 2022
	£000	£000
Present value of the defined benefit obligation	(5,783)	(10,939)
Fair Value of Fund assets	5,858	4,620
Net (liability) / asset arising from defined benefit obligation	75	(6,319)

Local Government Pension Scheme assets comprised:

	31 March 2023		31 March 2022	
	£000	%	£000	%
Employer asset share - bid value				
Equities	3,315	57	2,629	57
Target Return Portfolio	1,117	19	995	22
Infrastructure	746	13	471	10
Property	567	10	415	9
Cash	113	2	110	2
Total	5,858	100	4,620	100

Please note that the individual percentages shown are to the nearest percentage point for each asset class and may not sum to 100%.

Sensitivity analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- year age rating adjustment to the mortality assumption.

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	5,618	5,783	5,954
Projected service cost	360	379	399
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	5,794	5,783	5,772
Projected service cost	379	379	378

Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	5,947	5,783	5,625
Projected service cost	399	379	360

Adjustment to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	5,937	5,783	5,633
Projected service cost	395	379	363

12. Cash flow

Cash flow Statement – Operating Activities

The surplus or deficit on the provision of services have been adjusted for the following non-cash movements:

	31 March 2023	31 March 2022
	£000	£000
Increase/(decrease) in creditors	2,379	(1,930)
(Increase)/decrease in debtors	(3,365)	(401)
Increase/(decrease) in other non-cash items	0	0
Movements in pension liability	1,004	1,240
Adjustment to net deficit for non-cash movement	19	(1,090)

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

	31 March 2023	31 March 2022
	£000	£000
Any other items for which the cash effects are investing or financing cash flows	10,360	5,611
Adjustment to investment and financing activities	10,360	5,611

Cash flow Statement – Investing Activities

	31 March 2023	31 March 2023
	£000	£000
Other receipts from investing activities	0	0
Purchase of property, plant and equipment	(119)	0
Net cash flows from investing activities	(119)	0

Cash flow Statement – Financing Activities

	31 March 2023	31 March 2022
	£000	£000
Receipts from financing activities	1,013	0
Net cash flows from financing activities	1,013	0

13. Reserves

Usable reserves

At the end of the financial year, the Corporation had no usable reserves.

Unusable reserves

	31 March 2023	31 March 2022
	£000	£000
Pension Reserve	238	6,319
Accumulated Absences Account	107	112
Capital Adjustment Account	0	0
Total	345	6,431

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Corporation accounts for post-employment benefits, in the Comprehensive Income and Expenditure Statement, as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Corporation makes employee contributions to pension funds or eventually pays any pension for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall between the benefits earned by past and current employees and the resources that the Corporation has set aside to meet them.

The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	31 March 2023	31 March 2022
	£000	£000
Balance 1 April	6,319	6,557
Remeasurement of the net defined benefit liability / asset	(6,928)	(1,478)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	1,196	1,541
Employer's pensions contributions and direct payments to pensioners payable in the year	(349)	(301)
Balance 31 March	238	6,319

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account. As there was no settlement or cancellation of accrual made at the end of the preceding year, amounts accrued in this year are the same as the amount by which officer remuneration is charged to the Comprehensive Income and Expenditure Statement on an accrual basis. A further breakdown within pension reserves is shown in the table below.

	31 March 2023	31 March 2022
	£000	£000
Balance 1 April	112	125
Settlement or cancellation of accrual made at the end of the preceding year	13	(72)
Amounts accrued at the end of the current year	(19)	59
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements	(5)	(13)
Balance 31 March	107	112

The Capital Adjustment Account absorbs the timing differences arising from the different arrangement for the consumption of non-current assets and for financing the acquisition, construction or enhancement elements of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the Corporation for the costs of acquisition, construction and enhancement.

	31 March 2023	31 March 2022
	£000	£000
Balance 1 April	(0)	0
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Revenue expenditure funded from capital under statue	898	305
Capital financing applied in the year:		
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(898)	(305)
Balance 31 March	(0)	0

14. Related party transactions

The Corporation is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Corporation or to be controlled or influenced by the Corporation. Disclosure of these transactions allows readers to assess the extent to which the Corporation might have been constrained in its ability to operate independently or might have secured the ability to limit another party’s ability to bargain freely with the Corporation.

The related parties to the Corporation are:

- central government;
- other public bodies (including the Greater London Authority and other local authorities); and
- its Members and Executive Management Team.

Central government and other public bodies – Income and Expenditure

All relationships were as delivery partners to the Corporation and significant transactions for the years ended 31 March 2023 were as follows:

	31 March 2023	31 March 2022
	£000	£000
Income		
Greater London Authority	(8,141)	(5,843)

Expenditure

Local Government	291	356
Greater London Authority	518	341
Functional Bodies of the GLA	2,022	937

Year-end outstanding balances are detailed in notes 9 and 10.

Members and Executive Management Team – Income and Expenditure

Members of the Corporation have direct control over the Corporation’s financial and operating policies. The total of members’ allowances paid in 2022/23 is shown in note 4. Members and the Executive Management Team were required to complete a declaration regarding any related party transactions with the Corporation, which are subject to external audit. There were no disclosures by Members or the Executive Management Team in 2022/23 under the related party transactions declaration.

15. Capital Expenditure and Capital Financing

	31 March 2023	31 March 2022
	£000	£000
Opening Capital Finance Requirement	0	0
Capital Investment		
Plant, Property and Equipment (Assets Under Construction)	119	0
REFCUS - Grant payments to external organisations for capital purposes	898	305
Total Capital Spending	1,017	305
Sources of Finance		
Government Grants and Contributions	(1,017)	(305)
Total Sources of Finance	(1,017)	(305)
Closing Capital Finance Requirement	0	0

16. Grants

Capital Grants Receipts in Advance - Long Term Liabilities

	31 March 2023	31 March 2022
	£000	£000
S106 Grant	(21,446)	(11,655)
Total	(21,446)	(11,655)

*Capital Grants Receipts in Advance - Short Term Liabilities

	31 March 2023	31 March 2022
	£000	£000
Capital Grant	(1,529)	(569)
Total	(1,529)	(569)

*Revenue Grants Receipts in Advance - Short Term Liabilities

	31 March 2023	31 March 2022
	£000	£000
Functional Bodies Contributions	(100)	(100)
Other Government Grants	(38)	(29)
Total	(138)	(129)

Grants Credited to Services

	31 March 2023	31 March 2022
	£000	£000
Functional Bodies Contributions	(7,533)	(5,014)
Other Government Grants	(945)	(88)
Total	(8,478)	(3,243)

Grant Income credited to Taxation and Non-specific Grant Income and Expenditure

	31 March 2023	31 March 2022
	£000	£000
Capital Grant	0	0
Total	0	0

*Capital and Revenue Grants Receipts in Advance Short Term Liabilities add up to the Receipts in Advance Current account in the balance sheet

17. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with the Greater London Authority (GLA) repayable without penalty on notice of not more than 24 hours.

Short Term Provision	31 March 2023	31 March 2022
	£000	£000
Bank current accounts	718	355
Other deposits	21,607	11,698
Balance at 31 March 2023	22,325	12,053

18. Contingent Assets - Contingent Receivable

The Corporation has accepted a commercial offer from UKPN in relation to the variation of a Connection Agreement for a new 15MVA power supply at Atlas Road. This offer resulted in income being due to the Corporation from UKPN. Whilst most of the receivable balance has been settled in the Corporation's accounts, there remains a receivable of £285,479, which will become due when a future event in relation to the offer has been met. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets this amount has been treated as a Contingent Asset and thus not recognised in the Balance Sheet.

19. Events After the Reporting Period

There have been no events to date.



Annual Governance Statement

Local authorities are statutorily required to review their governance arrangements at least once a year. Preparation and publication of this Annual Governance Statement (AGS), drafted in accordance with the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016) (the Framework), fulfils this requirement.

The Framework requires local authorities to ensure their business is conducted in accordance with all relevant laws and regulations, public money is safeguarded and properly accounted for and that resources are used economically, efficiently and effectively to achieve agreed priorities which benefit local people.

The Framework also expects that local authorities will put in place proper arrangements for the governance of their affairs which facilitate the effective exercise of functions, including arrangements for the management of risk, and ensure that the responsibilities set out above are being met.

The corporation has adopted the requirements of the Framework and has policies and processes to ensure robust corporate governance and effective internal arrangements.

Scope of responsibility

OPDC is a Mayoral Development Corporation, established on 1 April 2015, under the provisions of the Localism Act 2011. Its fundamental purpose is to secure the regeneration of the area within its boundaries, and it is also the planning authority within this development area.

The corporation is a functional body of the Mayor of London, which operates within the overall legislative and governance framework provided by the Greater London Authority (GLA) Acts 1999 and 2007, and part of the wider GLA Group. The Mayor of London appoints members to its Board and allocates its budget. The Mayor is also able to direct the Corporation in the exercise of its functions, and to delegate powers to it.

The purpose of the governance framework

The governance framework provides for the systems and processes by which the Corporation is directed and controlled, how it is accountable to its stakeholders and communities, and how it monitors the achievement of its strategic objectives and value for money.

The system of internal control is a significant part of this framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on a continuous process designed to identify and prioritise risks, to evaluate the likelihood and potential impact of those risks being realised, and to mitigate and manage them efficiently, effectively, and economically.

The governance framework has been in place at the corporation for the year ending 31st March 2023 and up to the date of approval of the Statement of Accounts. This AGS was first published in draft in May 2023 and will be updated to reflect any changes needed as a result of the Final Audited Accounts.

The corporation can confirm that there were no substantive governance issues in the financial year 2022-23 or up to the point when this draft statement was finalised.

The governance framework

Board and committees

The corporation's Board and committees operate within the governance and openness framework prescribed by the Local Government Act 1972. As of 31st March 2022, the following committees were constituted:

- *Audit and Risk Committee (ARC)*: exists to ensure the efficient and effective discharge of the corporation's functions, through the proper administration of the corporation's financial affairs including but not limited to the maintenance, preparation and audit of accounts, internal controls and risk management, and internal and external audit.

- *Planning Committee*: exists to enable the transparent, efficient and effective discharge of the Development Corporation's functions to determine planning applications and to respond to consultation on applications on which the corporation is a consultee.

Committee members must be a member of the Board, except where the Mayor of London has approved the appointment of non-Board members to committees. This is the case for the Planning Committee, which is comprised of one Board member, four elected councillors from the local boroughs and three independent members appointed following a recruitment process.

In November 2022, OPDC's Board signed off on the establishment of the Development, Investment and Sustainability Committee (DISCo). DISCo exists to ensure the transparent, efficient, and effective discharge of the corporation's functions to facilitate delivery of development and investment projects as well as signing off on expenditure of OPDC's Land Fund up to a delegated value of £20m.

Our Scheme of Remote Decision-Making was reintroduced in June 2021 because the legislation that allowed formal meetings to take place on a virtual basis fell away in early May 2021. The Scheme was revised to provide for the Chair of the Corporation, and the chairs of committees, to determine, on a case-by-case basis, whether business falling within the remit of the Board/committee in question should be taken in Advisory Panel format (i.e. under delegation), with reference to the public health situation. This policy remains in place, subject to a quorum being present in the room.

	Board Meetings	Meetings of the Audit and Risk Committee	Meetings of the Planning Committee	Meetings of the Development, Investment and Sustainability Committee
Total number of meetings in the Period	4	3	9	1
Attendance (figure in brackets is remote attendance at an in-person meeting¹)		Attendance	Attendance	Attendance
Liz Peace CBE (Chair) ²	4	-	-	1
Muhammed Butt	4	3	-	-
Natalie Campbell	3 (+1)	-	-	-
Stephen Cowan	2	-	-	-
Aman Dalvi ³	4	1	-	-
Rahul Gokhale	4	2	-	-
William Hill	4	-	9	0
Peter Mason ⁴	3	-	-	1
Jon Milward ⁵	4	-	-	1
Jules Pipe CBE	3 (+1)	-	-	-
Shevaughn Rieck	3 (+1)	1	-	-
Victoria Quinlan ⁶	2	2	-	1
Matthew Carpen ⁷	2	-	-	1
Michael Simms	1	-	-	-
Helen Ward	1	-	-	-
Gordon Adams	-	-	4	-
Wesley Harcourt	-	-	6	-
Matt Kelcher	-	-	5	-
Natalia Perez	-	-	7	-
Steve Quartermain	-	-	6	-
Gary Rice	-	-	5	-
Hitesh Tailor	-	-	5	-
Saqib Butt ⁸	-	-	1	-
Anne Ogundiya ⁹	-	-	2	-
Sarah Coutts ¹⁰	-	-	2	-
Ray Wall ¹¹	-	-	2	-
Shital Manro ¹²	-	-	1	-

¹ Noting that remote attendees at an in-person meeting do not count towards the quorum

² Liz Peace CBE became a member of the Development, Investment and Sustainability Committee in November 2022

³ Aman Dalvi became chair of the Audit and Risk Committee in November 2022

⁴ Cllr Peter Mason became a member of the Development, Investment and Sustainability Committee in November 2022

⁵ Jon Milward became member and chair of the Development, Investment and Sustainability Committee in November 2022

⁶ Victoria Quinlan resigned as chair of the Audit and Risk Committee and became a member of the Development, Investment and Sustainability Committee in November 2022

⁷ Matthew Carpen became a member of the Board and member of the Development, Investment and Sustainability Committee in November 2022

⁸ Cllr Saqib Butt substituted for Cllr Matt Kelcher at the Planning Committee on 15th December 2022

⁹ Anne Ogundiya was appointed to the Planning Committee on 1 December 2022

¹⁰ Sarah Coutts was appointed to the Planning Committee on 1 December 2022

¹¹ Cllr Ray Wall was appointed to the Planning Committee on 1 December 2022

¹² Cllr Shital Manro substituted for Cllr Hitesh Tailor at Planning Committee on 19th January 2023

Vision and performance

The Corporation's Management Plan for 2023/24 was approved at March 2023 Board, via delegated authority to our CEO. It set out our key priorities as well as corporate and team-level goals, objectives, and milestones. The Plan has formed the basis for a refreshed approach to individual performance management, including individuals' objectives, targets and personal development. The vision and objectives in the Management Plan complement the Local Plan, which will be OPDC's main planning policy document for the area, setting a blueprint for how OPDC will guide regeneration over the next 20 years. Our Local Plan was adopted in June 2022. This has enabled us to prepare a number of Supplementary Planning Documents to add detail that will enable its implementation.

OPDC's objectives are monitored through a robust quarterly corporate performance and financial reporting regime. This is based on quarterly dashboard reports, covering delivery, risks and spend, reviewed by the Senior Management Team, the Audit and Risk Committee, the Development, Investment and Sustainability Committee and then at Board. The reports are also reviewed with senior staff at the GLA and by the London Assembly's Budget and Performance Committee. Internally, financial performance is reviewed through monthly budget monitoring reports to management. Training is provided for all staff to support their financial skills and awareness.

We have two internal programme boards that support our business planning and performance management. The Old Oak West Programme Board helps with the coordination, review and delivery of our Old Oak West programme, as we move from the planning to delivery phase.

The Regeneration and Economic Development (RED) Programme Board fulfils a similar role in respect of our reshaped work in this area.

Standing orders, delegations and code of conduct

Key governance documents for the Development Corporation comprise:

- Standing Orders, which set out arrangements for the conduct of formal meetings and other procedures of the corporation.
- Code of Conduct for Members, which sets out expectations for standards of behaviour.
- Scheme of Delegation, which sets out arrangements for delegation of decisions to committees and officers. Amendments were made to this document in September 2021 due to the disestablishment of the Appointments and Remuneration Committee and Finance and Investment Committee.
- Scheme of Planning Delegations, which sets out how the Development Corporation will discharge some of its town and country planning functions and responsibilities through delegation to the Planning Committee and Planning Officers.
- Planning Code of Conduct, which sets out the approach of Planning Officers and the Planning Committee Members to planning decision-making, and Local

Planning Authority and Delivery Agent Protocol for OPDC Staff, which sets out general guidance as how to best maintain appropriate separation between OPDC's statutory planning and delivery functions.

- Financial Regulations, which set out the framework for managing the Development Corporation's financial affairs.
- Contracts and Funding Code, which sets out policies in relation to the proper procurement of goods, services, supplies and works.
- Register of Interest Guidance and Form, which sets out the GLA Group approach to declaring interests to ensure all staff conduct business in line with the law and that public money is safeguarded and properly accounted for.

All the above documents, alongside other governance documents, are available on the Corporation's website.

These documents were in place throughout 2022/23. We also continued our rolling review of these and other governance documents, including making the following updates:

- Scheme of Delegation
- Standing Orders
- Audit and Risk Committee Terms of Reference
- Gifts & Hospitality Policy
- Whistleblowing Policy
- Expenses and Benefits Framework
- Risk Management Framework

The Financial Regulations were reviewed and updated in September 2022, following approval by the Audit and Risk Committee.

In August 2022, the Audit and Risk Committee approved OPDC's Modern Slavery Statement (MSS), via delegated authority from our Board. This set out our organisation's approach to governance in relation to employment, supply chain, sourcing practices and environmental sustainability as well as our goals for 2022/23. We have published this statement on our website as well as the Government database.

In 2021/22, we pulled together content for a governance e-learning module to cement the corporate knowledge and understanding of the corporation's main governance documents and associated requirements. This has since been rolled out and is a requirement for all staff.

Decision-making

To enhance our delegated decision-making process across the organisation, decision-making templates and accompanying process and guidance was reviewed in January 2023, including to improve the consistency and quality of decision forms with a stronger link to our Risk Management Framework.

Information governance

The corporation has strong arrangements in place to promote information governance across its services. We have a designated Data Protection Officer based at the GLA, as part of a shared service arrangement, to ensure compliance with Data Protection Legislation. Support is provided also on Record Management, Information Security Freedom of Information best practice.

There were no reported incidents relating to information governance, including data loss or confidentiality breach, in 2022/23.

Risk management, fraud and corruption

The corporation's risk management processes embed risk management in all aspects of our work programme and ensure programme-wide and project risks are identified, quantified, mitigated and monitored effectively.

Risks and issues are managed at various different levels across the organisation: risks and issues within a project are managed by project managers; risks and issues within a Directorate are managed by the relevant director and corporate risks are owned by the SMT. Updates on corporate risks are reported to the Audit and Risk Committee on a six-monthly basis. The now well-established quarterly reporting processes provide a more integrated approach to risk management, identifying the top risks for each area of the Corporation.

Our Risk Management Framework was reviewed in December 2022 and approved by our Audit and Risk Committee in March 2023. There were no material changes. The role of the new Development, Investment and Sustainability Committee was considered but the Terms of Reference do not mention a specific role for risk management, so the committee was ultimately not added to the Framework.

The Corporation's Whistleblowing Policy and Anti-Fraud and Corruption Policy and Response plan were updated in 2022/23, and a number of minor factual amends were made. The changes in the Whistleblowing Policy was presented and approved at the Audit and Risk Committee in March 2023. The changes in the Anti-Fraud and Corruption Policy will be presented to the Audit and Risk Committee in early 2023/24. Preventative controls in respect of fraud include senior management authorisation of new suppliers, separation of functions for raising and authorising purchase orders, and other decision-making, procurement and accounting processes. Key detective processes and controls are the systems for authorisation of accounts payable and receivable, general ledger journals and payroll allied to senior management scrutiny of the quarterly management accounts.

A list of the main fraud risks is integrated into OPDC's Anti-Fraud and Corruption Policy.

There were no reported instances of fraud or whistleblowing in 2022/23.

Financial and legal controls compliance

The Corporation's financial management arrangements conform to the governance requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the Role of the Chief Financial Officer in Local Government:

The Chief Finance Officer of the Development Corporation (designated in accordance with Section 127 of the Greater London Authority Act 1999) is a member of the Association of Chartered Certified Accountants (ACCA). The Chief Finance Officer sits on the SMT and is able to attend all Board and Committee meetings. They prepare the budget, including leading internal review processes, and are party to all material business decisions. Financial advice is included on all Board papers and sign-off is required above the thresholds specified in the Scheme of Delegation.

- The Chief Finance Officer is also responsible for financial controls, governance, corporate programme management, performance measurement and for supporting the Audit and Risk Committee's work (including internal audit).
- The Chief Finance Officer is supported by a team of finance and Governance and Performance Officers.

The Chief Finance Officer has confirmed that the Corporation was in compliance with the 17 standards set out in the CIPFA Financial Management Code at 31 March 2023. The Corporation ensures compliance with relevant laws and regulations through shared service arrangements with Transport for London, for legal and procurement services. Legal advice is required for all significant decisions, whether taken by the Board or under delegated authority, and is recorded in Board and other decision papers. Contracts entered into by the Corporation are subject to review by the legal team according to risk and contract value.

Compliance with other legislation (e.g. employment or procurement) is ensured by the working policies, procedures and practices of the relevant team. Policies are approved by SMT following consultation with employees.

Audit and Risk Committee and Internal Audit

The Audit and Risk Committee (ARC) helps to raise the profile of internal control and risk management, through review of the corporation's corporate performance, risk and finance reports. ARC also undertakes periodic in-depth reviews to support the Board by maintaining oversight of and providing challenge on delivery and performance. ARC meetings are held in public and the papers are made available on the Corporation's website which helps to enhance public trust in financial governance.

ARC is made up of members of the Corporation's Board. It includes members with both public and private sector experience with expertise in areas including finance, audit, law, and governance.

In addition to its regular reports and assurance work, ARC undertook the following in-depth reviews in 2022/23:

- OPDC's shared services agreement with GLA
- Interim Lessons Learnt report of the Willesden Junction Station and Old Oak Towpath Ramp public realm improvements

The Mayor's Office for Policing and Crime (MOPAC) Directorate of Audit, Risk and Assurance (DARA) acts as the Corporation's internal auditors, and their work is reported to, and monitored and reviewed by, ARC.

DARA assists in the promotion of good governance through the implementation of the Internal Audit Plan, as approved by ARC each year. The Internal Audit Plan includes individual audits on activities identified as areas of risk. When complete, the reviews are reported to the executive and ARC. The Corporation's progress against agreed internal audit recommendations is monitored regularly and reported to ARC.

The follow up reviews from the audit plan finalised in the year with each reviews' assurance rating are shown below:

- Payroll – Substantial
- Good Growth Fund – Substantial
- The Forge@ParkRoyal (formerly Employment and Skills Hub) – Substantial
- Risk Management Framework – Substantial
- Budget Monitoring and Budgetary Control – Substantial

The following new reviews from the audit plan were undertaken:

- Review of Board Governance (Advisory)
- Review and Approval of OPDC Self-Referred Planning Applications (Advisory)
- Material System – Debtors – Adequate
- Health, Safety and Wellbeing – Substantial

The following reviews from the audit plan were, at the time of writing, still being finalised:

- Engagement Strategy Implementation
- Staff Performance Review Framework
- Planning Enforcement
- Material Systems – Creditors
- Old Oak West Strategy

The terms of reference of the Audit and Risk Committee, along with Committee meeting dates, papers and minutes can be accessed [here](#).

Diversity and Inclusion (D&I)

Our commitment to supporting Equity, Diversity and Inclusion (EDI) starts from the Board and Senior Management Team. We are ambitious to go beyond the requirements in the Equality Act 2010.

In the year, a number of staff workshops were run to create an EDI Strategy and Action Plan, which was approved by Board in March 2022. The Strategy covers a five-year period, and in addition to the workshops, has been informed by external peer review and good practice at the GLA, LLDC and our local boroughs, including Brent's Race Action Plan. It also builds on our new community engagement strategy, which the Board endorsed in September 2021, and which includes strong commitments to promoting EDI in its approach to working with our communities.

The Strategy outlines our commitment to build on our good foundations to ensure EDI is truly embedded in all our work. To ensure we deliver on the commitments set out within the strategy and that we can be held to account for progress, we have agreed a set of performance indicators for each of the objectives set and the action plan will be reported back to Board annually. The annual report is due to be presented to OPDC's Board in June 2023.

All of our major procurements this year have been assessed on the provision of EDI action plans. Actions plans have included commitments to provide training and workshops to local school, and a commitment to employ local people. For example, in response to our EDI requirement for our Business Community Study, Architecture 00 set aside 10% of their project budget to hire two local researchers including a Business Relationship Partner who will help to introduce the team to the minority-ethnic led business communities in Park Royal.

We joined Stonewall's Diversity Champions Programme in Q2, joining over 800 in organisations including the GLA.

Greater London Authority Corporate Governance

The corporation is subject to the GLA Group annual budgeting process, engages with the London Assembly and its committees and fulfils the requirements of any Mayoral directions given. There is also an on-going dialogue with the Mayor's Office to ensure that the activities of the corporation are aligned with the Mayor's policy framework.

The Corporation complies with the requirements of the GLA Group Corporate Governance Framework Agreement to ensure that common standards and procedures for governance and transparency are in place and appropriately adhered to. In adopting the framework, OPDC agreed to a firm commitment to being open, transparent and accountable for the corporation's actions and behaviour. The Framework was presented and approved at Board in June 2022.

Meeting development needs of members and senior staff

OPDC is committed to supporting and harnessing a diverse and inclusive workforce and has one-part time post, and 76 full-time posts, including four secondees, with a workforce generally reflecting the diversity of the community the corporation serves. The development of the skills and capacity of staff, managers and teams to perform effectively and respond to the ongoing organisational change is incorporated within the Corporation's performance management framework for staff. A new approach for learning and development was launched in June 2022. The approach is to create a supportive learning environment to ensure that staff have the right skills and

capabilities to adapt to challenges in an agile and effective way. A suite of information about learning and development is contained on our SharePoint.

In 2022/23 for health and wellbeing of staff we trained five mental health first aiders, and delivered staff sessions on lived experience and the importance of good mental health.

Our target operating model, setting out the capabilities and capacity required by OPDC over the next 3-5 years was finalised and noted by our Board. The additional resources required were agreed by the Mayor and are reflected in OPDC's 23/24 budget.

We launched our new learning and development framework, in 22/23, key to supporting the development of our people. We organised a number of learning events, visits and seminars, including using our expert consultants where relevant.

We continued to work closely with our GLA Group colleagues to manage our existing shared service arrangements well, including our new HR shared service with TfL.

Community engagement and partnership

The Corporation's Community Engagement Team manage a programme of active engagement with local people using a variety of channels and forums in line with its Community Engagement Strategy, published in November 2021 and due for review in November 2023.

The corporation has partnership arrangements in place with a number of bodies, including local authorities, community groups and other stakeholders. OPDC will continue to work closely and develop relations with resident groups and the business community, our three local boroughs and other key partners including HS2 and local politicians.

We oversaw the successful announcement of the Local Plan adoption in June 2022, including political and community briefings, website updates and a press release fronted by the Mayor of London. The news received 100% positive coverage across regional, local and trade publications. Many site visits were arranged in the OPDC area for our partners and stakeholders inc. Future of London, LLDC, ULI, Berkeley Homes, Network Rail, Homes England & the London Diocese. We strengthened relationships with partners and the community to create a work plan that will add social value to people and place as well as maximise opportunities for community influence, collaboration and OPDC volunteering.

We oversaw the successful launch of the Creative Enterprise Zone, including press notices and social media coverage. We joined Opportunity London which allows OPDC to have greater outreach to different stakeholders and industries.

We continued to deliver OPDC's EDI and social value objectives by supporting communities and local volunteering initiatives through the Small Grants programme and by engaging with local residents, community groups/organisations and businesses, regularly, at: Small Grants project review meetings; fortnightly community drop-in surgeries at The Lab Oaklands Rise; joint community meetings with HS2;

fortnightly and Board meetings with Park Royal Business Group; and outreach meetings for OPDC's EDI action plan.

Review of effectiveness of internal control

The corporation regularly reviews the effectiveness of its governance framework including the system of internal control. The framework's effectiveness is kept under review by SMT and informed also by the Annual Internal Audit Opinion and comments made by the external auditors.

As part of the Annual Governance Statement, all members of SMT are required to confirm that proper governance and internal control arrangements are in place for their areas of responsibility. In doing so, SMT must also identify any significant areas of concern or weakness within each Directorate. All SMT members confirmed proper governance and internal control arrangements were in place and there had been no significant issues arising.

Based on the programme of internal audit, the Head of Internal Audit's overall opinion for 2022/23 was that OPDC's internal control environment was adequate and controls were, noting the recommendations made in audit reports to improve the control environment, in place to mitigate key risks to support the achievement of OPDC's overall strategic objectives.

Overall, based on the above, we are able to report that there were no significant weaknesses in the Corporation's governance and control framework that affected achievement of our strategic objectives in 2022/23.

Our update on our 2022/23 action plan and a new set of actions for 2023/24 are below.

Update on 2022/23 action plan

No.	Area to develop	Actions	Lead Officer	Status/Update
1	Board effectiveness review	Complete the Board effectiveness review, identifying recommendations for improvement.	Chief Operating Officer / Head of Performance & Governance	Completed
2	Scheme of Delegation	Review, linked to the above, the need for strengthening of governance and decision-making arrangements to support OPDC investment decisions.	Chief Operating Officer / Head of Performance & Governance	Completed
3	Land Fund governance	Also linked to the above, agree a governance framework for the Land Fund	Chief Operating Officer / Head of Performance & Governance	Completed
4	Board process	Training to support improvements in quality of Board papers and process	Head of Performance & Governance	Completed
5	Annual Report on D&I Strategy	Progress against performance indicators for EDI objectives	Chief Operating Officer / Head of Communications and Strategy	Scheduled for June Board 2023
6	Old Oak West assurance	Set up programme management office to oversee and assure effective management of the programme plan, progress, risks and issues	Chief Operating Officer	Outstanding
7	Expenses and Benefit Framework	Review and update OPDC's Expenses and Benefit Framework	Chief Finance Officer	Completed
8	Risk Management Framework	Review and update Risk Management Framework	Head of Performance & Governance	Completed
9	E-learning platform	Create new e-training modules to support high standards of governance at OPDC	Head of Performance & Governance	Roll out of mandatory e-governance training module
10	Review of governance documents	Review and update OPDC's Financial Regulations	Chief Finance Officer	Completed
11	Review of Shared Service Agreement	Review and update of OPDC's shared service agreement with the GLA	Chief Operating Officer	Reviewed at Board in June 2022

2023/24 action plan

No.	Area to develop	Actions	Timescales	Lead Officer
1	Business Continuity and Disaster Recovery	To provide assurance that the OPDC's business continuity and disaster recovery arrangements are adequacy and effective.	Quarter 1	Chief Finance Officer, Business Support Manager
2	Business Case Development (incl. SBOC & Heat Network)	To provide assurance that a framework and governance process are in place for managing, developing, and monitoring business case development.	Quarter 2	Senior Performance and Governance Manager, Director of Development.
3	Records Management – Advisory	To provide assurance that there are effective processes are in place for records management across the OPDC.	Quarter 3	Senior Performance and Governance Manager, Chief Finance Officer
4	Material Systems - Payroll	To provide assurance that key financial controls for management of payroll are adequate, operating effectively and are fit for purpose.	Quarter 4	Chief Finance Officer
5	Staff Development, Training, Capability & Skills	To provide assurance of the framework for staff development, training, capability, and skills to ensure processes are in place for monitoring, delivery, and reporting.	Quarter 3	Head of People

Conclusion and disclosure

OPDC had sound arrangements in place for corporate governance during 2022/23. No significant developments or events relating to the governance system have occurred between the end of the financial year and the signing off of this draft AGS. OPDC is committed to keeping its governance arrangements under review, proactively identifying where and how they can be improved. Their efficacy will be monitored throughout 2023/24 and the next such statement will reflect on how the challenges highlighted in this year's statement have been addressed.

Liz Peace
Chairman (on behalf of the Board)
X

David Lunts
Chief Executive Officer
X

Glossary of terms

Accruals basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial gains and losses

Actuaries assess financial and non-financial information provided by the Corporation to project levels of future pension fund requirements. Changes in actuarial deficits or surpluses can arise leading to a loss or gain because:

- events have not coincided with the actuarial assumptions made for the last valuation; and/or
- the actuarial assumptions have changed.

Balances

The balances of the Corporation represent the accumulated surplus of income over expenditure on any of the funds.

Carrying amount

The balance sheet value recorded of either an asset or a liability.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the leading professional accountancy body for public services.

Creditors

Amounts owed by the Corporation for work done, goods received or services rendered, for which payment has not been made at the date of the balance sheet.

Current service cost

Current service cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits 'earned' by employees in the current year's employment.

Curtailment

Curtailments will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

Debtors

These are sums of money due to the Corporation that have not been received at the date of the Balance Sheet.

Defined benefit scheme

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

External audit

The independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Corporation has made proper arrangements to secure value for money in its use of resources.

Expenditure

This is amounts paid by the Corporation for goods received or services rendered of either a capital or revenue nature. This does not necessarily involve a cash payment since expenditure is deemed to have been incurred once the goods or services have been received even if they have not been paid for.

Fair value

Fair value is the price at which an asset could be exchanged in an arm's length transaction, less any grants receivable towards the purchase or use of the asset.

Financial regulations

These are the written code of procedures approved by the Corporation, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

General fund

This is the main revenue fund of the Corporation and includes the net cost of all services financed by Government and other trading income.

Income

These are amounts due to the Corporation for goods supplied or services rendered. This does not necessarily involve a cash payment. Income is deemed to have been earned once the goods or services have been supplied even if the payment has not been received (in which case the recipient is a debtor to the Corporation).

Internal Audit

The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively.

International Financial Reporting Standard

Defined Accounting Standards that must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Materiality

Information is material if including, omitting or misstating it could influence decisions that users make on the basis of financial information about a specific reporting authority. In other words, materiality is an authority-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates in the context of an individual authority's financial statements.

Non-cash

These are entries on the Comprehensive Income and Expenditure Statement or Cash Flow Statement correlating to expenses that are essentially just accounting entries rather than actual movements of cash.

Provisions

Amounts set aside to meet liabilities or losses which are anticipated to be incurred but where the amount and/or the timing of such costs is uncertain.

Related parties

Related parties are central government, other Local Authorities, subsidiary and associated companies, Members and all Executive Management Team members. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household, and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

Reporting standards

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based on International Financial Reporting Standards, International Accounting Standards and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (UK GAAP) and Financial Reporting Standards (FRS).

Reserves

Amounts set aside for general contingencies, to provide working balances or earmarked to specific future expenditure.

Revenue expenditure

Expenditure incurred on the day-to-day running of the Corporation. This mainly includes employee costs, general running expenses and capital financing costs.

Treasury management

This is the process by which the Corporation controls its cash flow and its borrowing and lending activities.

Treasury Management Strategy (TMS)

A strategy prepared with regard to legislative and CIPFA requirements setting out the framework for treasury management activity for the Corporation.

OPDC
OLD OAK AND
PARK ROYAL
DEVELOPMENT
CORPORATION



@OldOakParkRoyal



OldOakParkRoyal



@OldOakParkRoyal



london.gov.uk/opdc

MAYOR OF LONDON