

Agenda

Meeting: Land and Property Committee

Date: Tuesday 10 December 2024

Time: 2pm

**Place: Conference Rooms 1 and 2,
Ground Floor, Palestra,
197 Blackfriars Road, London,
SE1 8NJ**

Members

Prof Greg Clark CBE (Chair)
Anurag Gupta (Vice Chair)
Arthur Kay

Anne McMeel
Marie Pye
Sara Turnbull

Copies of the papers and any attachments are available on [tfl.gov.uk How We Are Governed](https://www.tfl.gov.uk/How-We-Are-Governed).

This meeting will be open to the public and webcast live on [TfL's YouTube channel](#), except for where exempt information is being discussed as noted on the agenda.

There is access for disabled people and induction loops are available. A guide for the press and public on attending and reporting meetings of local government bodies, including the use of film, photography, social media and other means is available on www.london.gov.uk/sites/default/files/Openness-in-Meetings.pdf.

Further Information

If you have questions, would like further information about the meeting or require special facilities please contact: Sue Riley, Secretariat Email: SueRiley@tfl.gov.uk.

For media enquiries please contact the TfL Press Office; telephone: 0343 222 4141; email: PressOffice@tfl.gov.uk

Andrea Clarke, General Counsel
Monday 2 December 2024

**Agenda
Land and Property Committee
Tuesday 10 December 2024**

1 Apologies for Absence and Chair's Announcements

2 Declarations of Interest

General Counsel

Members are reminded that any interests in a matter under discussion must be declared at the start of the meeting, or at the commencement of the item of business.

Members must not take part in any discussion or decision on such a matter and, depending on the nature of the interest, may be asked to leave the room during the discussion.

**3 Minutes of the Meeting of the Committee held on 1 October 2024
(Pages 1 - 8)**

General Counsel

The Committee is asked to approve the minutes of the meeting of the Committee held on 1 October 2024 and authorise the Chair to sign them.

4 Matters Arising and Actions List (Pages 9 - 14)

General Counsel

The Committee is asked to note the updated actions list.

5 Use of Delegated Authority (Pages 15 - 20)

General Counsel

The Committee is asked to note the paper.

6 Chief Executive's Report (Pages 21 - 28)

Director and Chief Executive, Places for London

The Committee is asked to note the report.

7 Finance Report - Period 7, 2024/25 (Pages 29 - 38)

Chief Finance Officer, Places for London

The Committee is asked to note the report.

8 Places for London Performance Report (Pages 39 - 72)

Director and Chief Executive, Places for London

The Committee is asked to note the report and the exempt supplementary information on Part 2 of the agenda.

9 Mid-Year Valuation Results (Pages 73 - 76)

Director of Asset Management, Places for London

The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.

10 Platinum Portfolio - Additional Commercial Opportunities
(Pages 77 - 80)

Property Development Director, Places for London

The Committee is asked to note the paper and approve additional Land Authority of £500,000 to enable the feasibility assessment of new commercial sites for development for long-term income generation from the Platinum joint venture, as described in this paper, giving a total Land Authority of £1,606.5m for that joint venture.

11 Places for London Assurance Update (Pages 81 - 94)

Director of Risk and Assurance

The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.

12 Enterprise Risk Update – Failure to Prevent Safety Incidents or Meet Safety Commitments (Places - L0-01) (Pages 95 - 98)

Head of Operations, Places for London

The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.

13 Forthcoming Procurement Transactions (Pages 99 - 100)

Chief Finance Officer, Places for London

The Committee is asked to note the paper.

14 Members' Suggestions for Future Discussion Items (Pages 101 - 104)

General Counsel

The Committee is asked to note the forward plan and is invited to raise any suggestions for future discussion items for the forward plan.

15 Any Other Business the Chair Considers Urgent

The Chair will state the reason for urgency of any item taken.

16 Date of Next Meeting

Tuesday 18 March 2025 at 1pm.

17 Exclusion of Press and Public

The Committee is recommended to agree to exclude the press and public from the meeting, in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the following items of business.

Part 2 Agenda

18 Places for London Performance Report (Pages 105 - 118)

Exempt supplementary information relating to the item on Part 1.

19 Mid-Year Valuation Results (Pages 119 - 120)

Exempt supplementary information relating to the item on Part 1.

20 Places for London Assurance Update (Pages 121 - 136)

Exempt supplementary information relating to the item on Part 1.

21 Enterprise Risk Update – Failure to Prevent Safety Incidents or Meet Safety Commitments (Places - L0-01) (Pages 137 - 144)

Exempt supplementary information relating to the item on Part 1.

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Transport for London

Minutes of the Land and Property Committee

**Paddington Room, 11th Floor, Palestra,
197 Blackfriars Road, London, SE1 8NJ
2pm, Tuesday 1 October 2024**

Members

Anurag Gupta (in the Chair)
Arthur Kay
Anne McMeel
Sara Turnbull

Lyn Garner, Chief Executive Officer, London Legacy Development Corporation

Executive Committee

Alex Williams Chief Customer and Strategy Officer

Places for London Limited Leadership Team

Graeme Craig Director and Chief Executive Officer
Mark Farrow Director of Strategy and Planning
Lester Hampson Property Development Director
Daniel Lovatt Director of Asset Management
Digby Nicklin Chief Finance Officer
Lisa-Jane Risk Head of Operations

Staff

Karen Bain Project Assurance Review Manager
Justine Curry Interim Director of Legal
Margaret Deegan Head of Property and Planning Law
Lorraine Humphrey Director of Risk and Assurance
Benjamin Lyon Governance Lead, Places for London
Sue Riley Secretariat Officer

Independent Investment Programme Advisory Group (IIPAG)

Ray Christopher Chair, IIPAG Places for London Sub-Group
Peter Cornforth Member, Places for London Sub-Group

Special Advisors to the Places for London Leadership Team

Sherin Aminossehe
Peter Vernon

32/10/24 Apologies for Absence and Chair's Announcements

Apologies for absence had been received from Professor Greg Clark CBE and Marie Pye. Anurag Gupta would Chair the meeting. The meeting was quorate.

Questions submitted by Marie Pye would be raised during the meeting and a written response sent. The Chair welcomed everyone to the meeting, including new Committee Members Arthur Kay and Sarah Turnbull.

He also put on record his thanks to Dr Nina Skorupska CBE, who served as Vice-Chair, and had made a valuable contribution to the work of the Committee.

The meeting was broadcast live to TfL's YouTube channel, except for the discussion of the information on Part 2 of the agenda, which was exempt from publication, to ensure the public and press could observe the proceedings and decision making.

The Chair reminded those present that safety was paramount at TfL and encouraged Members to raise any safety issues during discussions on a relevant item or with the appropriate member of the Executive Committee after the meeting.

33/10/24 Declarations of Interests

Members confirmed their declarations of interests, as published on tfl.gov.uk, were up to date and there were no interests to declare that related specifically to items on the agenda.

Since the last meeting of the Committee Anne McMeel had been appointed to the Board of the Houses of Parliament Restoration and Renewal Delivery Authority, the National Crime Agency, and the Board of the Rail Safety and Standards Board.

34/10/24 Minutes of the Meeting of the Committee held on 3 July 2024

The minutes of the meeting of the Committee held on 3 July 2024 were approved as a correct record, and the Chair was authorised to sign them.

35/10/24 Matters Arising and Actions List

Justine Curry introduced the item, which set out progress against actions agreed at previous meetings of the Committee.

There had been no use of Chair's Action or Delegated Authority since the last meeting.

The Committee noted the updated actions list.

36/10/24 Chief Executive's Report

Graeme Craig introduced the report, which provided an overview on major issues and developments since the meeting of the Committee on 3 July 2024.

TfL was reviewing all the recommendations from the Grenfell Tower Inquiry report.

It was confirmed that a preferred bidder had been announced for the joint venture to facilitate investment into electric vehicle charging infrastructure, with approval of the joint venture subject to the Committee's approval. They would be required to meet the highest standards of inclusive accessibility and design, including adequate parking bay widths, level paving, legible markings and suitable lighting. It was anticipated that retail and ancillary services would be provided alongside the charging hubs, which would ensure that users never felt unsafe or isolated.

The recent appointments to key posts would ensure that Places for London benefited from adequate skills set to manage the range of complex, commercial joint ventures.

Future joint venture arrangements would be entered on a pan-TfL basis to ensure capacity and resilience within Places for London.

The Skills Academy actively targeted women and girls and other under-represented groups in the construction industry through courses and events, including working alongside the London Legacy Development Corporation. It was important to also tackle the culture of the construction industry itself.

The Committee noted the report.

37/10/24 Finance Report – Period 5, 2024/25

Digby Nicklin introduced the summary of financial performance results to the end of period 5, 2024/25.

The Savills review would be submitted to the next meeting and highlight any themes or systematic obstacles to Places for London achieving its housing targets and would also be shared with the Mayor and the Greater London Authority.

The Committee noted the report.

38/10/24 Places for London Performance Report

Graeme Craig, Lisa-Jane Risk, Digby Nicklin, Daniel Lovatt, Lester Hampson and Mark Farrow introduced the report, which provided an update on market context, health and safety, financial performance, operational performance, project updates and understanding of Places for London's impact.

Members would be invited to the next Health and Safety Standdown event.

[Action: Lisa-Jane Risk]

A range of remedial actions were taken to address health and safety non-compliance by tenants, in a risk based approach, including support and advice, escalation and potentially termination of lease.

Any asbestos findings were added to a central TfL database of asbestos, which was regularly updated with real time information. The Director of Risk and Assurance was scheduled to be carrying out a review of asbestos management.

It was agreed that future health and safety compliance reporting would include breakdown of incidents by area and responsibility. **[Action: Lisa-Jane Risk]**

Joint venture partners were encouraged to share knowledge and best practice across all areas of performance.

It was anticipated that rent arrears would reduce to five per cent once a significant rent review payment had been resolved. Debt over £40,000 constituted £3.4m (62.9 per cent) of all arrears.

An update was provided on a successful Customer Services Conference, which Sara Turnbull had also attended.

A number of key developments were being realised, including BoxPark sites and the opening of Victoria Arcade.

The acquisition of land at Bank Station was to provide high quality office accommodation in a key location, which had proven to be in demand.

Land transfers to joint ventures were made at full value, including equity and capital.

A note on student accommodation and affordable housing funding would be circulated. **[Action: Secretariat]**

The previous reports on Financial Metrics (20 December 2023 meeting) would also be circulated. **[Action: Secretariat]**

It was agreed that future reports would include projected and actual property completion dates. **[Action: Lester Hampson]**

Further information on Platinum Office Joint Venture and a potential Chair's Action would be provided. **[Action: Lester Hampson/Secretariat]**

The Director of Strategy and Planning paid tribute to the Head of Environmental, Social and Governance who had developed the ESG strategy for Places for London. An inclusive growth plan was being developed and would be monitored and reported to future meetings.

The decline in colleague scorecard measures by disability and faith was due to an internal re-structuring programme within TfL. Staff remained within the organisation but no longer reported to Places for London.

Government financial support for London Fire Brigade testing required for the Edgware Road site was being sought as it would be national research resource for similar sites across the UK.

The Committee noted the report and the exempt supplementary information on Part 2 of the agenda.

39/10/24 Places for London Assurance Update

Lorraine Humphrey introduced the item, which provided an update on progress with assurance activity during Quarter 2 of 2024/25 (23 June to 14 September 2024). Ray Christopher presented the Independent Investment Programme Advisory Group reports.

Challenges across all developments, including Edgware Road and South Kensington station improvements remained.

IIPAG would continue to focus on Places for London's housing delivery and operational model. An updated Business plan would need to reflect the findings of the Saville report, scenario analysis and the updated operating model.

It was agreed that the monthly capital expenditure reports of the Property Development Director and the Director of Asset Management would be combined to provide a more integrated report to the Executive Team at Places for London and made available to the assurance team. **[Action: Lester Hampson/Dan Lovatt]**

The Committee noted the paper and the exempt supplementary information on Part 2 of the agenda.

40/10/24 Bollo Lane and West London Development Joint Venture

Lester Hampson introduced the paper setting out the residential-led property development at Bollo Lane, Ealing.

It was agreed that future reports would include the value of operational assets to TfL. **[Action: Lester Hampson]**

The Committee noted the paper and the exempt supplementary information on Part 2 of the agenda and approved an increase in Land Authority for the sum set out in the paper in Part 2 of the agenda to enable matters described in this paper and the related paper on Part 2 of the agenda.

41/10/24 Enterprise Update – Attraction and Retention of Our Employees (Places-L0-02)

Lisa-Jane Risk introduced the paper providing an overview of Places for London's Level 0 Enterprise Risk.

Attrition rates were lower than other comparable organisations. It was the aim of the team to provide an inclusive and supportive environment to all employees, including creative opportunities for staff to come together, access to network groups, volunteering opportunities and a welcome space.

The Committee noted the paper and the exempt supplementary information on Part 2 of the agenda.

42/10/24 Enterprise Risk Update – Stakeholders (Places-L0-04)

Lisa-Jane Risk introduced the paper providing an overview of Places for London's Level 0 Enterprise Risk.

It was agreed that the impact on projects of poor stakeholder relations, within a complex environment, including loss of trust, would be included in the risk management section of the next report.

[Action: Lisa-Jane Risk]

The Committee noted the paper and the exempt supplementary information on Part 2 of the agenda.

43/10/24 Members' Suggestions for Future Discussion Items

Justine Curry introduced the item. No additional suggestions were raised for future discussion items on the forward plan or for informal briefings, other than those already noted during the meeting.

The Committee noted the forward plan.

44/10/24 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

45/10/24 Date of Next Meeting

The next scheduled meeting of the Committee would be held on Tuesday 10 December 2024 at 2pm.

46/10/24 Exclusion of the Press and Public

The Committee agreed to exclude the press and public from the meeting, in accordance with paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended), when it considered the exempt information in relation to the items on: Places for London Performance Report; Places for London Assurance Update; Bollo Lane and West London Development Joint Venture; Enterprise Risk Update – Attraction and Retention of our Employees (Places-L0-02) and Enterprise Risk Update – Stakeholders (Places-L0-04).

The meeting closed at

Chair: _____

Date: _____

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Land and Property Committee

Date: 10 December 2024

Item: Matters Arising and Actions List



This paper will be considered in public

1 Summary

1.1 This paper informs the Committee of progress against actions agreed at previous meetings as set out in Appendix 1.

2 Recommendation

2.1 **The Committee is asked to note the Actions List.**

List of appendices to this report:

Appendix 1: Actions List

List of Background Papers:

Minutes of previous meetings of the Land and Property Committee

Contact Officer: Andrea Clarke, General Counsel
Email: AndreaClarke@tfl.gov.uk

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Land and Property Committee Actions List (to be reported to the meeting on 10 December 2024)

Appendix 1

Actions from the meeting held on 1 October 2024

Minute No.	Item/Description	Action By	Target Date	Status/Note
38/10/24 (1)	Places for London Performance Report: Standdown Event Members to be invited to the next Health and Safety Standdown event.	Lisa-Jane Risk	October 2024	Completed. Members have been invited to the event in January 2025 (re-scheduled from November 2024).
38/10/24 (2)	Places for London Performance Report: Health and Safety Compliance Reporting Future health and safety compliance reporting to include breakdown of incidents by area and responsibility.	Lisa-Jane Risk	December 2024	Completed. This is reflected in the Performance Report on the agenda for this meeting.
38/10/24 (3)	Places for London Performance Report: Student Accommodation A note on student accommodation and affordable housing funding to be circulated.	Graeme Craig	February 2025	A briefing will be provided to Members and will include how policy objectives in the London Plan are delivered by Places for London.
38/10/24 (4)	Places for London Performance Report: Financial Metrics The Financial Metrics paper from the 20 December 2023 meeting to be circulated.	Secretariat	November 2024	Completed. The paper was sent to Members on 4 November 2024.
38/10/24 (5)	Places for London Performance Report: Property Information Future reports to include projected and actual property completion dates.	Lester Hampson	December 2024	Completed. This is reflected in the Performance Report on the agenda for this meeting.

Minute No.	Item/Description	Action By	Target Date	Status/Note
38/10/24 (6)	<p>Places for London Performance Report: Joint Venture Further information on Platinum Office Joint Venture and a potential Chair's Action to be provided.</p>	Lester Hampson	December 2024	Completed. The Chair's Action was approved and is reported in the Use of Delegated Authority item on the agenda for this meeting.
39/10/24	<p>Places for London Assurance Update The monthly capital expenditure reports of the Property Development Director and the Director of Asset Management to be combined to provide a more integrated report to the Places for London Executive team and made available to the Project Assurance team and the Independent Investment Programme Advisory Group.</p>	Lester Hampson / Dan Lovatt	March 2025	In progress.
40/10/24	<p>Bollo Lane and West London Development Joint Venture Future reports to include the value of operational assets to TfL.</p>	Lester Hampson	July 2025	This will be included in future reports and approval papers brought forward to the Committee.
42/10/24	<p>Enterprise Risk Update – Stakeholders (Places-L0-04) The impact on projects of poor stakeholder relations, within a complex environment of mixed public and commercial interests, including loss of trust, to be included in the risk management section of future reports.</p>	Lisa-Jane Risk	October 2025	This will be reflected in the Places-L0-04 annual update scheduled for the October 2025 meeting.

Actions from previous meetings

Minute No.	Item/Description	Action By	Target Date	Status/Note
22/07/24 (1)	Places for London Quarterly Performance Report: Retail Strategy Places for London's Retail Strategy to be submitted to a future meeting.	Graeme Craig	July 2025	On the forward plan for the July 2025 meeting.
22/07/24 (2)	Places for London Quarterly Performance Report: Acquisition Strategy An informal briefing on Acquisition Strategy to be arranged.	Daniel Lovatt	March 2025	The approach to acquisitions (and disposals) will be covered as part of the Investment Strategy paper scheduled for the 18 March 2025 meeting.
26/07/24	Enterprise Risk Update – Financial Sustainability (Places-L0-03) An informal briefing on a financial distress plan to be arranged.	Digby Nicklin / Secretariat	July 2025	This will be covered as part of the Places-L0-03 annual update scheduled for the July 2025 meeting.
27/07/24	Enterprise Risk Update – Environment, Including Climate Adaption (Places-L0-05) A control action to be added to the risk template relating to insurance.	Mark Farrow	December 2024	Completed. The Enterprise Risk template has been updated.
08/03/24 (2)	Places for London Scorecard The strategic scorecard to be linked to Mayoral strategies.	Mark Farrow	March 2025	An update will be provided as part of the Places for London Scorecard paper scheduled for the 18 March 2025 meeting.

Minute No.	Item/Description	Action By	Target Date	Status/Note
09/03/24 (3)	Places for London Quarterly Performance Report An update on car parking charges to be submitted to a future meeting.	Daniel Lovatt	December 2024	Completed. An update on car parking charges is included in the Chief Executive's Report on this agenda for this meeting.
72/12/23	Places for London Assurance Update: Temporary Accommodation The subject of residential assets and options for providing temporary accommodation for London boroughs to be discussed at a future briefing.	Daniel Lovatt / Lester Hampson	December 2024	Completed. An update is included in the Chief Executive's Report on this agenda for this meeting.
76/12/23 (1) 36/06/23 (3)	Skills and Education Programme: Build East Site Visit A site visit to Build East training centre to be arranged.	Secretariat	October 2024	Completed. Two dates were offered but no Members were able to attend.
55/09/23	Electric Vehicle Charging Hubs: Leverage A detailed note on TfL's buying power and leverage to be provided to Members.	Alex Gilbert	November 2024	Completed. This was covered as part of the briefing provided to Members on Electric Vehicle Charging Hubs on 4 November 2024.
41/06/23 (1)	Members' Suggestions for Future Discussion Items: Site Visits Site visits to be arranged to Places for London development sites.	Secretariat	To be scheduled	In progress. Site visits are being arranged to align with key updates and milestones.

Land and Property Committee



Date: 10 December 2024

Item: Use of Delegated Authority

This paper will be considered in public

1 Summary

- 1.1 The use of delegated authority is a standing item on the agenda to inform the Committee of any use of delegated authority by the Committee, through Chair's Action or Financial or Land Authority (in respect of matters within the Committee's remit) granted by the Commissioner and the TfL Chief Finance Officer in accordance with delegated authorities under TfL's Standing Orders since the last meeting of the Committee. The paper also provides information on Mayoral Directions to TfL within the Committee's remit.
- 1.2 Since the last meeting of the Committee on 1 October 2024, there have been:
 - (a) no uses of specific authority delegated by the Board;
 - (b) two uses of Chair's Action in relation to: 10 King William Street – Joint Venture Debt Finance Facility; and Electric Vehicle Charging Hubs Joint Venture;
 - (c) one approval of Financial Authority or Land Authority by the Commissioner for High Barnet;
 - (d) three approvals of Financial Authority or Land Authority by the Chief Finance Officer; and
 - (e) one Mayoral Direction to TfL in relation to further financial support fund for Seven Sisters Market traders (MD3299).
- 1.3 Similar papers are submitted to the Finance Committee and Programmes and Investment Committee in respect of the use of Chair's Action or Programme and Project Authority and Procurement Authority granted by the Commissioner and the Chief Financial Officer in respect of matters within the remit of those Committees, together with relevant Mayoral Directions.

2 Recommendation

- 2.1 **The Committee is asked to note the paper.**

3 Use of Authority Delegated by the Board

- 3.1 There has been no use of specific authority delegated by the Board since the last meeting of the Committee.

4 Use of Chair's Action

- 4.1 Under Standing Order 113, in situations of urgency, the Board delegates to each of the Chair, the Deputy Chair and the Chairs of any Committee the exercise of any functions of TfL on its behalf, including the appointment of Members to Committees and Panels. If the Chair, the Deputy Chair or the Chair of a Committee is unable to exercise authority due to unavailability or a conflict of interests, that authority may be exercised by the Chair or Vice Chair of any Committee. Members will be informed as soon as practicable following any use of Chair's action using the authority of Standing Order 113 and it must be reported to the next ordinary meeting.
- 4.2 The Finance Committee and Programmes and Investment Committee both receive a standing item on forthcoming procurement activity. This shows the pipeline of work where decisions will need to be taken and flags those that require Committee approval, and whether this is anticipated to be at a scheduled meeting or by Chair's Action. To support further transparency, a similar paper which flags upcoming transactions within this Committee's remit has been added to the agenda for this and forthcoming scheduled meetings.
- 4.3 There have been two uses of Chair's Action since the last meeting.

10 King William Street – Joint Venture Debt Finance Facility

- 4.4 Approval was sought for Places for London Limited to provide guarantees associated with the joint venture debt-finance facility agreement for the 10 King William Street property being developed in a joint venture with Helical plc, approval of Authorities for which was given by the Committee on 8 March 2023. The joint venture will create a seven-storey commercial office asset with best-in-class environmental and wellbeing credentials located partly over TfL's new Bank station entrance on Cannon Street. It will provide long-term income, investment diversification and will enhance Places for London's environmental sustainability performance and credentials.
- 4.5 On 8 November 2024, Members were asked to approve additional Land Authority to allow Places for London to enter into guarantees associated with joint venture debt finance for 10 King William Street in the sum set out in the exempt Appendix and as described in the paper.
- 4.6 The Chair excluded himself from any part of the discussion or decision-making process to avoid any perception of a conflict of interest given his previous role with the joint venture's proposed lender.
- 4.7 On 12 November 2024, the Vice Chair of the Committee, in consultation with Members, noted the paper and the exempt supplementary information provided in the exempt Appendix and approved additional Land Authority to

enable Places for London to enter into guarantees associated with joint venture debt finance for 10 King William Street in the sum set out in the exempt Appendix and paper.

- 4.8 The use of Chair's Action was considered appropriate as the decision was time critical to the joint venture's construction of the 10 King William Street property and was required before the next planned meeting of the Committee to avoid the risk of diminished anticipated returns and increased risk.
- 4.9 The public paper relating to this request has been published on tfl.gov.uk. The information in the Appendix to that paper remains exempt from publication.

Electric Vehicle Charging Hubs Joint Venture

- 4.10 On 8 November 2024, approval was sought for Authorities to enable Places for London to invest in a joint venture with Fastned UK Ltd (Fastned) to fund, design, build, operate and maintain electric vehicle charging infrastructure and ancillary facilities to support the electrification of road traffic in Greater London. This includes Land Authority for the 30-year lease of 10 sites from Places for London to the proposed joint venture. Approval was also sought to establish a new subsidiary.
- 4.11 An update on the joint venture was provided to the Committee on 1 October 2024 as part of the Chief Executive's Report where it was noted that approval by way of Chair's Action would likely be sought. A subsequent briefing to available Members of the Committee was also held on 4 November 2024.
- 4.12 On 12 November 2024, the Chair of the Committee, in consultation with available Members, noted the paper and the exempt supplementary information provided in the exempt Appendix, and:
- (a) approved the formation of a wholly owned subsidiary to hold Places for London's shares in the new joint venture;
 - (b) approved Land Authority and unbudgeted Financial Authority, in the sums set out in the exempt Appendix, to support initial equity and lifecycle contributions for the five seed sites and five additional sites, and rental income for Places for London over a 30-year period per site; and
 - (c) noted that provision for electric vehicle hubs will need to be made in future iterations of the Places for London Budget and Business Plan.
- 4.13 The use of Chair's Action was considered appropriate to avoid delays in the launch of the proposed joint venture and knock-on delays to delivery timescales which would defer income generation by a financial year, as well as the resultant benefits. Reducing the time between final tender and contract award would also mitigate procurement risk, noting that an elongated process increases the risk of Fastned's tender submission becoming invalid due to price increases and/or market changes.

- 4.14 The public paper relating to this request has been published on tfl.gov.uk. The information in the Appendix to that paper remains exempt from publication.

5 Financial and Land Authority Approvals

- 5.1 Financial Authority is the authority to spend money, receive income, incur a financial liability or redistribute funds to relevant third parties in respect of their respective allocated budgets. Financial authority is automatically granted to the extent that an activity or Programme or Project is 'budgeted'. This paper reports on any use of unbudgeted Financial Authority.
- 5.2 Land Authority is the authority to engage in a Land Transaction or to dispose of any assets.
- 5.3 Since the last meeting, the following use of delegated authority has been approved by the Commissioner:
- (a) High Barnet: approved increased Land Authority to enable Places for London to enter into a Conditional Joint Venture Agreement with Barratt London to take forward a proposed development at High Barnet. The Commissioner also delegated to the TfL Chief Finance Officer to review and consider any future third-party guarantees that might be required at a future point associated with this development.
- 5.4 Since the last meeting, there have been three uses of delegated authority which have been approved by the TfL Chief Finance Officer:
- (a) Liverpool Street: approved increased Land Authority to enable Places for London to pursue the acquisition of a freehold interest in 19-33 Liverpool Street;
 - (b) Whitechapel Project: approved increased Land Authority for capital costs associated with the renovation of properties adjacent to Whitechapel station, including expanding the scope of existing works to encompass six tenanted buildings to address health and safety matters; and
 - (c) Westfield White City: approved increased Financial Authority (for an unbudgeted amount) and Land Authority to close out legacy matters connected to the Phase 2 development, including but not limited to a 'no cost' transfer of land relating to Westfield access to a junction road structure, reimbursement of costs incurred by Westfield relating to such matters, including legal, engineering and development management costs.

6 Mayoral Directions to TfL

- 6.1 The Greater London Authority (GLA) Act 1999 (as amended) permits the Mayor to issue to TfL general directions as to the manner in which TfL is to exercise its functions or specific directions as to the exercise of its functions (or not to exercise a power specified in the direction). Directions are also often made in relation to the implementation of matters in respect of which the Mayor delegates statutory powers to TfL.
- 6.2 Mayoral decision papers inviting the Mayor to issue a direction set out the financial and other implications. If those implications change over time, that will be reported to the GLA set out the financial and other implications. If those implications change over time, that will be reported to the GLA.
- 6.3 All Mayoral Decisions are issued in writing, with the information that is not exempt from publication included on the GLA's Decisions Database on its website: <https://www.london.gov.uk/about-us/governance-and-spending/good-governance/decisions?order=DESC>.
- 6.4 Mayoral Directions relating to TfL are reported to the Board's Committees for discussion as soon as possible after they are received by TfL or published. Regular reports will list the relevant Directions for as long as they are applicable.
- 6.5 Annually, the Audit and Assurance Committee considers the list as part of its consideration of the annual audit plan to ensure that appropriate audit resource is applied to assurance on TfL's work in implementing Mayoral Directions. This will also be kept under review at each quarterly meeting of that Committee.
- 6.6 A summary of current Mayoral Directions to TfL is maintained on the "How we are governed" page on our website, with links to the relevant Mayoral Decisions: <https://tfl.gov.uk/corporate/about-tfl/how-we-work/how-we-are-governed>. That page will be updated as and when further Directions are made.
- 6.7 Mayoral Directions to TfL addressing technical issues with our statutory powers or commercial development activities within the remit of this Committee are reported to this Committee.
- 6.8 There has been one Mayoral Direction issued to TfL since the last meeting, which has also been reported to the Audit and Assurance Committee on 27 November 2024 and to the 4 December 2024 Board.

Further Financial Support Fund for Seven Sisters Market Traders ([MD3299](#))

- 6.9 Seven Sisters Market is an indoor market consisting of 38 traders and plays a vital role in London's Latin American community as a specialist, culturally specific amenity. The market was housed in a TfL-owned building that had to close. As the traders were unable to trade, [MD2724](#) directed TfL to provide financial assistance to traders until a temporary market opened at Apex Gardens, as part of the Seven Sisters regeneration project. The developer withdrew from the regeneration project and [MD2868](#) directed TfL to provide further financial support while TfL progressed new plans. [MD3097](#) directed TfL to provide further financial support across all traders as they were unable to trade until a temporary market opened. [MD3097](#) confirmed that TfL had planning permission for a temporary indoor market, which was expected to open in July 2023, and was applying to open a temporary outdoor market in October 2023.
- 6.10 The opening of a temporary market has been delayed due to significant unforeseen issues in the fabric of the building, which must be resolved to make the market safe; and is not now expected until 2025. On 16 October 2024, the Mayor directed TfL to make a fourth hardship payment to traders to support them until the temporary market opens.

List of appendices to this report:

None

List of Background Papers:

10 King William Street – Joint Venture Debt Finance Facility Chair's Action paper, issued 8 November 2024

Electric Vehicle Charging Hubs Joint Venture Chair's Action paper, issued 8 November 2024

Greater London Authority Decision Making Database

Contact Officer: Andrea Clarke, General Counsel
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Land and Property Committee



Date: 10 December 2024

Item: Chief Executive's Report

This paper will be considered in public

1 Summary

- 1.1 This report provides an overview of progress and issues since the previous meeting of the Committee on 1 October 2024.

2 Recommendation

- 2.1 The Committee is asked to note the report.

3 Health and Safety

- 3.1 Again, I am pleased to report that there have been no serious injuries this year across the Places for London estate. There have been eight minor injuries, all of which have been investigated with appropriate actions taken to minimise the likelihood of such incidents reoccurring.
- 3.2 Since the previous meeting of the Committee, there have been two high-potential health and safety incidents, bring the total for the year to date to four. Compliance levels among our tenants remain high with now over 85 per cent of the estate surveyed. We have issued 11 severe warning notices to our tenants, of which five have since been closed.
- 3.3 Details of the above are contained in the Performance Report elsewhere on the agenda.

4 Housing Delivery

- 4.1 Phase 1(b) of Kidbrooke, comprising 369 homes, completed in November 2024. This brings the total number of homes completed to date to 1,324, of which 710 (54 per cent) are affordable homes. A series of further completions are due before the end of the financial year, which could potentially allow us to reach 1,500 completions.
- 4.2 Also in November 2024, we and Barratt London announced the contract exchange for a site next to High Barnet station. The site is the second development to be unlocked by the West London Partnership, our largest joint venture to date. Over the next decade, the West London Partnership will deliver more than 4,000 new homes with an estimated value of £1.9bn, across more than 60 acres of land.

- 4.3 The new site at High Barnet station will deliver approximately 300 new homes alongside small-scale commercial uses that will enhance the station area. The development will target delivering 40 per cent affordable homes, helping to boost access to housing for residents in Barnet. Construction is due to begin in 2026, with all homes due to be completed by 2029.
- 4.4 Building on the success of the West London Partnership, we are seeking to create a partnership to bring forward sites across east London. The seed site for the East London Partnership is Limmo Peninsula. Final tenders are due later this month (December 2024) from the three bidders shortlisted for the site, next to Canning Town station. Limmo has the potential for around 1,200 homes, alongside public open space and a new pedestrian footbridge. Authority from the Committee will be sought in advance of entering into a conditional joint venture agreement with the preferred bidder in March 2025. Thereafter, planning permission will be prepared. We are targeting a start on site at Limmo in January 2029.

5 Platinum Joint Venture

- 5.1 Excellent progress is being made in Places for London's Platinum joint venture with Helical. Less than 18 months on from the joint venture being formed, the joint venture has acquired the long leasehold interest in Bank over station development (now known as 10 King William Street) and works to enable the construction of the building have since commenced.
- 5.2 As previously set out to the Committee, in seeking to maximise shareholder and social value, Helical, as development manager, reviewed the development options for Southwark over station development. Helical has recommended that rather than the office use for which there is planning consent, the joint venture should instead progress a mixed-use scheme comprising a purpose-built student accommodation building and an adjoining affordable housing building.
- 5.3 The proposed scheme comprises:
- (a) a new student accommodation building of 429 self-contained student rooms above the station – the equivalent of 172 homes based on the London Plan's home counting methodology;
 - (b) 44 new affordable homes in a second, standalone building –replacing a previous proposal to develop 25 homes on adjacent land – as well as a commuted payment for affordable housing;
- 5.4 The new strategy provides additional homes, some alleviation of pressure on housing demand by the diversion of student accommodation demand away from private housing stocks, and the retention and enhancement of more public space. Critically, it offers improved financial returns and reduced capital requirements for the project compared with the office scheme.
- 5.5 The design focuses best-in-class, sustainable buildings. The affordable housing building is achieving a Homes Quality Mark of 4.5 and the PBSA building a BREEAM (Build Research Establishment Environmental Assessment Method) 'outstanding' score.

- 5.6 Given the benefits, Places for London's representatives on the joint venture's Board agreed to proceed, subject to approvals, with the planning application for the change of use.
- 5.7 The joint venture has submitted its planning application and progressed both the design and pre-application conversations with the local planning authority, the London Borough of Southwark (LBS). In part due to increased housing delivery and reduced massing, the new strategy has been welcomed by officers and councillors. The joint venture has also had constructive pre-application conversations with the Greater London Authority officers who are also in dialogue with LBS about the proposals.
- 5.8 The joint venture aims to secure planning consent from LBS in early 2025 and for construction to commence later in 2025.
- 5.9 The Platinum joint venture was established on the premise that it may acquire and develop additional office development sites. A paper elsewhere on the agenda will seek approval for funding to assess additional commercial opportunities within the Platinum joint venture.

6 Asset Management

- 6.1 Good progress is being made on the eight-storey development at 10 King William Street, above the new Bank station entrance on Cannon Street, delivering 142,000 sq ft of office and retail space. Our Platinum joint venture with Helical acquired the site from Places for London in October 2024. Enabling works have commenced with completion due by December 2026.
- 6.2 A new retail concept, Future Stores, launched on 30 October at our unit at 95 Oxford Street, next to Tottenham Court Road station. The store uses technology to make shopping immersive and interactive. Intel is the first brand to occupy the space, using it to promote new Artificial-Intelligence-enabled computing. Other Future Stores are planned in New York and Paris.
- 6.3 Having last reviewed our car parking tariffs five years ago, the first update of car parking tariffs in five years came into effect on 14 October 2024. We are committed to keeping our car parking tariffs affordable for all those who use them. The increases bring charges more in line with similar parking facilities in local areas.
- 6.4 The average all-day weekday charge across Places for London's 75 car parks rose from £5.84 to £7.45. The average all-day for Saturday rose from £3.56 to £5.96 and for Sunday from £2.85 to £5.72. There was no change to the provision of free parking within Blue Badge bays.
- 6.5 The new tariffs are expected to generate an additional £4.7m a year. All revenue generated through our car park tariffs will continue to be reinvested into the wider transport network, including delivering a range of improvements to our car park estate. More than £1m has already been invested across our car parks in the last year including resurfacing and speed calming measures; installing better, more energy efficient lighting; and a successful trial of next-generation closed circuit

television to help improve security. Further investment is planned, including more energy-efficient lighting.

- 6.6 We are seeking to move to a regime of annual tariff revisions, to be implemented at the same time as any changes to public transport fares.
- 6.7 We have been working with selected partner Fastned on finalising the joint venture business plan and contracts for our Electric Vehicle Charging Hubs joint venture.
- 6.8 The purpose of the joint venture is to fund, design, build, operate and maintain electric vehicle charging infrastructure and ancillary services to generate long-term, sustainable and growing dividends for the shareholders by delivering material improvements in the number, distribution, accessibility and sustainability of charging infrastructure in London – all of which will directly contribute to London's transition to a net zero carbon city.
- 6.9 As previously indicated, Fastned supported the development of all five proposed seed sites and expressed a strong appetite to expand the joint venture's portfolio of sites beyond the seed sites. Following contract signature, work will commence at the five seed sites with the first hub expected to open at Hatton Cross in a little over 12 months.
- 6.10 More broadly, the Asset Management team continues to put in place our new business infrastructure. The estate-wide condition survey has completed, providing critical information on the condition of the estate that will allow us to move away from reactive maintenance to a more efficient regime of planned preventative maintenance.
- 6.11 This is being combined with investment in systems. Following a procurement exercise, we have selected MRI to deliver our new property management system and Planon to deliver our new computer-aided facilities management system. Securing both of these industry-leading solutions represent a significant milestone in building out the Places for London digital infrastructure. The current programme will see us cutting over to these new systems in early 2026.

7 Marketing and Communications

- 7.1 One year on from the launch of the Places for London brand, we commissioned research from international online research data and analytics technology group, YouGov, to assess how well the new brand's identity is performing and how wide is our reach.
- 7.2 Interviews were carried out through September and October with 513 London-based stakeholders comprising 100 representatives from small and medium-sized enterprises, 50 decision makers in construction and asset management, 50 landowners, 50 engineers and architects, 50 decision makers in financial services, 200 representative London Councillors, and 13 representative London Members of Parliament.

- 7.3 Of those surveyed, 28 per cent knew of Places for London. Awareness of Places for London is highest among engineers and architects (56 per cent), and those working in construction and asset management (44 per cent). Those in financial services (18 per cent) and political stakeholders (15-21 per cent) are the least likely to have heard of Places for London. The latter results reflect the fact that over the past 12 months the focus of our political engagement activity has been based exclusively on specific schemes.
- 7.4 Among those who have heard of Places for London, 61 per cent have a favourable impression of the company, the highest score among the organisations tested. Places for London ranked higher than the other London property companies in the following categories: ‘Has a clear vision and strategy’; ‘Makes a positive contribution to the quality of life in London’; ‘Cares about its role in the community and wider society’; ‘Operates openly and transparently’; ‘Works with clients / businesses to ensure ethical / responsible business practices’; ‘Has a high-quality leadership team’; and ‘Takes action to address climate change’.
- 7.5 Overall, the research findings are very favourable and provide useful insights. Most stakeholders surveyed would be open to hearing more from Places for London. MPs are most open to this future contact, with London Councillors also interested in hearing more information about our plans in their local area. Working with TfL Government Relations, Local Communities and Partnerships and our future Communications and Engagement partner, our Strategic Engagement Lead will use these results in driving our engagement plan for 2025.
- 7.6 To help drive awareness and engagement, Places for London launched an Instagram account on 15 November. The first post, a collaboration with TfL that shared Places for London’s brand video, had over 1,000 likes and 23,000 views in four days. The channel will be used to expand our reach and promote the activity of customers on our estate.

8 Sustainability and Social Value

- 8.1 GRESB (formerly known as the Global Real Estate Sustainability Benchmark) is an independent global standard for environmental, social and governance benchmarking and reporting. It is widely used by listed property companies, private property funds, developers and investors that invest directly in real estate.
- 8.2 It was announced in November that we have retained our GRESB 5* rating for Property Development. More notably, we have the highest GRESB rating among UK Residential companies. Across all real estate categories in Europe, Places for London came fourth, a remarkable performance for the organisation.
- 8.3 As reflected in the YouGov survey referenced above, our approach to sustainability, social value and inclusive growth is seen positively by stakeholders. We are proud of the diversity of our more than 1,500 customers, 95 per cent of whom are small and medium-sized enterprises. We firmly believe that helping our customers to succeed is key to delivering inclusive growth for our communities and have recently published ‘ [We make Places for London together](#)’ which sets out our partnership approach as well as the measures we have in place to track its success.

- 8.4 This requires us to understand the unique circumstances and aspirations of each business. We then work collaboratively with customers, involving them in decision-making and being transparent about rent setting and policies. We support businesses facing challenges, including offering flexible payment options and signposting other resources including Grow London Local. We also promote inclusive growth by encouraging businesses to adopt sustainable practices, pay the London Living Wage and contribute to their local communities.
- 8.5 Introduced in January 2024, the 'London Lease' is now our standard tenancy agreement for retail and arches properties. It includes clauses encouraging environmental data sharing, helping businesses identify opportunities for energy efficiency and cost savings. It also promotes fair pay and encourages businesses to become accredited London Living Wage employers.
- 8.6 The London Lease is only one element of how we are working with our customers. We are funding a year-long Responsible Business Skills course provided by the Heart of the City for 34 of our customers. This programme helps customers develop their business in a sustainable and responsible manner. The programme provides training on energy efficiency, waste reduction and community engagement. Customers learn how to build a more resilient business that can adapt to changing market conditions. The programme helps businesses achieve accreditations such as the Good Business Charter.
- 8.7 We are ideally placed to connect our customers with each other and with expert advice. We also encourage networking and sharing best practice. Our Customer Advisory Groups bring together a diverse group of customers. We are expanding these with local and sector-based forums, offering nearby or likeminded businesses the opportunity to work and knowledge share together.
- 8.8 We held our first Customer Conference and 'We Make Places for London' awards in September 2024. The response from customers was uniformly positive and we plan to make this an annual event.
- 8.9 We know that there are specific barriers to entry to business in key sectors and for underrepresented groups. We will therefore create incubator spaces that include discounted rent, hands-on business advice and support from us on how customers can move into a long-term commercial space, whether on our estate or elsewhere. These incubator spaces will have dedicated social value metrics based on the targeted social and long-term financial value we aim to create through them.
- 8.10 Some of our vacant properties require significant investment to be in a useable condition. Where we have vacant properties that are useable, we are creating a new meanwhile property process to offer these spaces to organisations delivering social value. These meanwhile processes will focus on commercial activity. This builds on work we have done including with Camden Collective who transformed two of our vacant properties into a successful hub for start-up businesses. We have assessed opportunities for temporary housing and have come to the view that our housing delivery strategy should continue to focus on bringing forward new-build, purpose-built, high-quality housing. We believe that working with joint venture partners, targeting 20,000 homes and 50 per cent affordable housing, is the most productive way that we can address London's housing challenge.

9 Skills Academy

- 9.1 Significant progress is being made on our construction skills programme. Our new Skills Centre on Station Road in Edgware is proving very popular. The centre was funded and delivered by Places for London, our joint venture partner Ballymore and The Skills Centre, a training and apprenticeships provider.
- 9.2 We will shortly launch a new training centre at Bollo Lane, in partnership with Barratt London, contractors O'Halloran and O'Brien, and The Skills Centre.
- 9.3 In early 2025, we are opening a Plant Operations School at Earls Court. This will be London's first construction plant training facility.
- 9.4 In addition, we are working with the London Borough of Lambeth to set up a new construction skills hub in the borough. The partnership will involve Bounce Back, a charity that specialises in supporting prison leavers and young people at risk of or with a history of offending.
- 9.5 Finally, in partnership with Construction Youth Trust, Barratt London, Grainger, and Helical, we ran 'Building Future Skills – Women in the Built Environment,' a programme targeting young women with an interest in the built environment. Across three days (26 to 28 November 2024), 20 young women from our partner schools across London worked through a series of activities to gain a better understanding of the built environment and the careers available within it. The programme culminated in a Parents' Evening, where we brought together the young people, their parents and their teachers to emphasise the benefits and opportunities of a career in the built environment.
- 9.6 We have now supported over 17,000 Londoners through our education and skills programmes. This includes 8,858 young people engaged through our built environment education programme and 8,232 people trained through our construction skills hubs, with 3,043 of those trainees supported into work in the construction industry.

List of appendices to this report:

None

List of Background Papers:

None

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Land and Property Committee



Date: 10 December 2024

Item: Finance Report – Period 7, 2024/25

This paper will be considered in public

1 Summary

1.1 The Finance Report Presentation at Appendix 1 sets out a summary of Places for London's financial results to the end of Period 7, 2024/25 (1 April to 12 October 2024).

2 Recommendation

2.1 **The Committee is asked to note the report.**

List of appendices to this report:

Appendix 1: Finance Report Presentation

List of Background Papers:

None

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 The TfL Property Company

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Finance Report

**Appendix I:
2024/2025 Half Year Update
(1 April – 12 October 2024)**

Our forecasted results for this financial year show a strong operational performance, despite a significant overlay challenge to achieve the dividend.

Our capital delivery forecast indicates that spending will exceed budget due to increased investment in capital projects, aimed at generating higher income in the future.

Mid-year Financial Performance update

<p>On track to deliver the Budgeted Dividend of c£11m</p> <p>The year-to-date position for Places for London is outperforming the budget by £2.4m.</p> <p>Although we have had a £10m efficiency target this financial year, the focus has been on delivering this overlay while ensuring we still achieve the overall full-year budget targets, maintaining alignment with Places for London financial objectives.</p>	<p>Deliver Core Operating Margin of 40 per cent by FY2026/27</p> <p>The year-to-date margin is 34 per cent, excluding the TfL management fee. In comparison to last financial year, this is a strong position as the margin was inflated due to the significant bad debt recovery.</p> <p>The Asset Management team continues to focus on identifying opportunities for investment to generate future revenue growth.</p> <p>Enhanced cost controls are being implemented to drive efficiencies and improve overall financial performance.</p>
<p>Deliver Capital Investment Spend</p> <p>Full year capital spend is set to exceed target, as we continue to invest in our portfolio to generate increased future revenue returns.</p> <p>Changes in equity requirements and project timelines have led to a shift in the income and expenditure profile for the financial year. The year-to-date position is reflective of this as expenditure and income is currently lower than budget.</p>	<p>Maintain adequate liquidity to deliver on development targets</p> <p>Year-to-date cash is £68.6m, £57m higher than budget. This is predominantly driven by the re-forecast of last financial year's dividend and income tax payment to TfL, re-phased to period 13.</p> <p>Revolving loan of £200m remains undrawn. Based on the recent Business Plan the debt facility will start to be drawn down in Period 3 (25 May – 21 June 2025) next financial year. Expected draw down at Period 13 FY2025/26 is £71m. Therefore, our liquidity remains strong.</p>

On target to deliver the Budgeted Dividend of £11m

Income Statement (£m)	Year To Date		Full Year	
	Actuals	var to Budget	Draft Q2	Budget
Core Trading				
Retail	19.0	(0.4)	35.3	37.0
Arches	6.4	(0.1)	12.2	12.3
Offices	8.3	1.1	14.4	13.9
Residential	0.6	0.0	1.1	1.2
Car Parks	10.5	(0.1)	21.6	20.5
Industrial	1.2	0.5	1.8	1.5
Bus Garages	4.6	1.2	6.7	4.4
Infrastructure	2.6	0.0	4.3	5.0
Contract revenue and central income	0.9	(0.2)	0.9	2.6
Gross Property Income	54.3	2.1	98.3	98.3
Direct Property Costs	(13.7)	(1.6)	(21.7)	(21.7)
Net Property Income	40.6	0.5	76.5	76.5
Margin (%)	75%		78%	78%
Non Property Income	0.1	0.1	0.2	0.0
Central Operating Costs	(26.5)	0.4	(51.0)	(51.6)
Core Trading Surplus	14.2	1.0	25.8	25.0
Margin (%)	26%		26%	25%
Project Income (inc JV Dividends - Build to Sell)	2.5	0.4	2.6	2.8
Project Costs	(3.7)	1.0	(9.9)	(9.3)
Net Operating Surplus	13.0	2.4	18.4	18.5
Margin (%)	23%		18%	18%
Adjust for Build to Sell Dividend receipts			(1.6)	(1.8)
Interest Payable			(1.2)	(1.5)
Taxation (calculated at the applicable rate)			(4.2)	(4.2)
Forecast Dividend			11.4	11.1
Net Operating Surplus (excluding TfL Management Fee) - Scorecard	17.3	2.1	26.7	27.0

Year-to-date net operating surplus stands at £13m, outperforming the budget by £2.4m. The year-end forecast remains on track, with a projected dividend of £11.4m for TfL, highlighting robust financial performance and strategic management.

The outperformance has helped to offset the £10m stretch in the budget gradually over this financial year. However, this outperformance is expected to level out as we approach year end as the budget includes back ended stretch targets.

The stretch is being met as a result of the property team identifying opportunities to recover additional costs associated with bus depots and unbilled office income. These efforts contribute positively to our financial position and demonstrate proactive management of our property portfolio.

Expenditure on the digital strategy is lower than initially anticipated due to a strategic reprioritisation of delivery plans. This approach has allowed us to avoid unnecessary consultancy costs while maintaining focus on achieving key objectives efficiently. This reprioritisation has led to some delays in the programme's overall timeline.

Goal of 40-50 per cent Core Operating Margin due to be achieved by 2027

Income Statement - Places for London	Draft_Q2		
	FY 24/25	FY 25/26	FY 26/27
(£m)			
Core Trading			
Retail	35.3	38.0	41.7
Arches	12.2	13.8	16.0
Offices	14.4	16.9	17.9
Residential	1.1	1.2	1.6
Car Parks	21.6	24.5	24.9
Industrial	1.8	1.9	2.7
Bus Garages	6.7	5.2	5.3
Infrastructure	4.3	5.7	5.7
Contract revenue and central income JV Dividends - Build to Hold	0.9	0.0	-
	-	-	0.1
Gross Property Income	98.3	107.1	115.8
Direct Property Costs	(23.7)	(25.0)	(24.6)
Net Property Income	74.6	82.1	91.2
Margin (%)	76%	77%	79%
Non Property Income	0.2	0.1	0.4
Central Operating Costs	(40.8)	(47.4)	(45.6)
Core Trading Surplus (exc TfL Management Fee)	34.0	34.9	45.9
Margin (%)	35%	33%	40%

Core operating margin is on track to achieve 35 per cent by year-end, reflecting strong operational efficiency and effective cost management.

To meet income targets, the Asset Management team is focusing on strategic investments in assets aimed at driving revenue growth.

Additionally, the Network Rail project is transitioning to a more self-funding model. This should bring the following benefits:

- Financial sustainability: the project reduces its reliance on the Places for London operational financing, which will reduce the risk to the dividend.
- Greater flexibility: the project can be more agile, making it easier for the partnership to adjust strategies in response to changing market conditions or priorities.
- Alignment with business goals: ensures the project's success is directly linked to its ability to generate value, aligning it to Places for London's goals.

We are also reinforcing tighter controls on staff and consultant expenses to ensure rigorous financial discipline and optimise resource allocation.

Full year Net Capital expenditure exceeds budget, with the focus being on investments that will enhance operational performance going forward

Capital Account (£m)	Year To Date		Full Year	
	Actuals	var to Budget	Draft Q2	Budget
Income				
Asset Disposals	-	(10.0)	11.9	12.0
Residential	10.9	(5.4)	43.4	54.1
Commercial	60.0	(0.3)	60.0	60.5
Other	-	-	-	-
Total Capital Income	70.9	(15.7)	115.3	126.5
Expenditure				
Asset Investment	(23.1)	5.0	(40.1)	(42.8)
Asset Disposal costs	(0.0)	0.7	(0.9)	(1.0)
Residential	(13.6)	18.8	(53.4)	(48.0)
Commercial	(36.8)	3.1	(52.4)	(52.2)
Other	(0.1)	0.7	(1.4)	(1.3)
Total Expenditure	(73.7)	28.3	(148.2)	(145.3)
Net Capital				
Asset Investment	(23.1)	5.0	(40.1)	(42.8)
Asset Disposals	(0.0)	(9.3)	11.1	11.0
Residential	(2.7)	13.4	(10.1)	6.0
Commercial	23.2	2.8	7.6	8.3
Other	(0.1)	0.7	(1.4)	(1.3)
Total Net Capital	(2.8)	12.6	(32.8)	(18.8)

Year-to-date net capital stands at (£2.8m), which is £12.6m below the budgeted figure. While year-to-date net capital costs are under budget, we anticipate they will exceed the budgeted figure by year-end, driven by changes in project timelines and adjustments in equity requirements in our Joint Ventures.

Capital income year-to-date is below budget, in part due to a delay in the disposal of Rigby Lane, which is now expected to occur in November.

Full-year capital income is expected to be lower than budget, primarily due to adjustments in expected income levels in the residential portfolio.

Capital expenditure year-to-date is lower than budget. The residential and office portfolio have experienced delays, primarily due to planning issues and rephasing of costs. Connected Living London sites contribute to around £5m of this due to a delay in the equity injection while planning for second staircase was finalised.

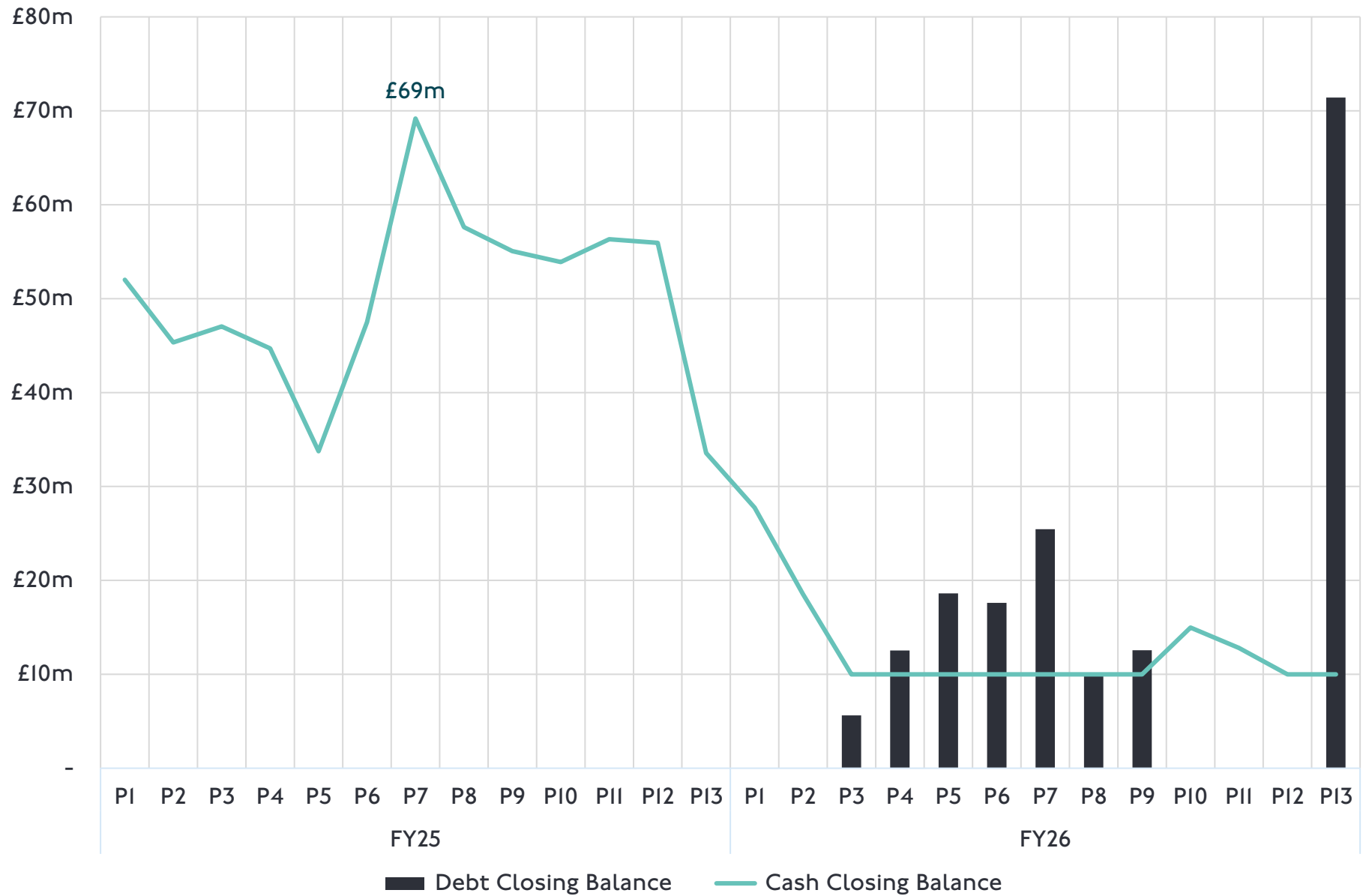
Full-year capital expenditure is expected to exceed budget, driven by investments aimed at generating operational gains in the future.

Maintain adequate liquidity to deliver on development targets

Our cash balance is currently £69m. This is significantly greater than budget, predominantly due to re-phasing the dividend and income tax payment (c£30m) to TfL from Period 7 (September/October) to Period 13 (March).

From next year onwards, we maintain our £10m minimum cash balance as we forecast to start drawing down debt in early FY24/26.

Period 13 (March) FY25/26 drawdown is mainly driven by Southwark Purpose-Built Student Accommodation scheme.



Maintain adequate liquidity to deliver on development targets

Places for London Cashflow	FY24/25	FY25/26
Opening Cash balance	£62m	£34m
Operational Cashflow	£19m	£19m
Investing Cashflow	(£34m)	(£98m)
Financing Cashflow	(£12m)	£55m
Closing Cash balance	£34m	£10m
Net Cash movement	(£28m)	(£24m)
Closing Debt Balance	£ -	£71m

- Cash balances forecast to remain positive throughout the remainder of FY24/25, with initial debt draw forecast for mid FY25/26. By the end of FY25/26, c£130m undrawn facility is forecast to be available, in addition to cash on hand, providing good liquidity.
- Operating cashflow (cash generated from the core business), remains positive at £19m in FY24/25 and FY25/26.
- Investing cashflow (cash outflow/inflow on capital expenditure net of any disposals), forecast to increase materially in FY25/26, due to key milestones being reached on Southwark Purpose-Built Student Accommodation scheme.
- Financing cashflow (cash movements associated with debt financing and intercompany payments), peaks in FY25/26 as debt draws commence.

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Land and Property Committee



Date: 10 December 2024

Item: Places for London Performance Report

This paper will be considered in public

1 Summary

- 1.1 The Performance Report provides an update on market context, health and safety, operational performance, project updates and understanding of Places for London's impact. This report covers the period from 1 April to 12 October 2024 and is set out in Appendix 1.
- 1.2 A paper is included on the Part 2 agenda which contains exempt supplementary information. This information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial and business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the report and the exempt supplementary information on Part 2 of the agenda.**

List of appendices to this report:

Appendix 1: Performance Report

A paper containing exempt supplementary information is included on Part 2 of the agenda.

List of Background Papers:

None

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 The TFL Property Company

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Performance Report

Appendix I:
2024/2025 Half Year
Update (1 April – 12 October
2024)

- 1 Safety, health and wellbeing
- 2 Operational performance
- 3 Property development
- 4 Green and sustainability
- 5 Scorecard
- 6 Market context

Safety, health and wellbeing

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Lisa-Jane Risk

Head of Operations



 The TfL Property Company

Updates

- Since the last meeting, we have had two high-potential incidents bringing the total for the year to four. The first incident was at our project in Kilburn Mews where unplanned works by the demolition contractor resulted in the partial failure of a non-structural wall. Works were stopped and the contractor stood down to allow investigations to take place. Additional measures have been put in place including physical segregation of work areas not included in the planned works.
- The second incident involved spalling render (areas of concrete which have cracked and come away from the underlying layer) from an office building. A cordon was set up by our contractor and Camden Council was involved to ensure visibility of the cordon was appropriate. Urgent remedial work has now been undertaken.

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In the past three months, we have had five instances of minor injuries, bringing the annual total to eight. All have been investigated with relevant actions undertaken. We have had zero people killed or seriously injured (often referred to as KSIs).

- We have issued 11 severe warning notices to our tenants this year. Actions are now closed for five of these, while four have resulted in legal action under Section 146 (forfeiture proceedings served by a landlord). We are working with the remaining two tenants to resolve the open notices. Action has been taken to mitigate the severe risks, with the outstanding elements relating to a lack of compliance documentation.
- Of the severe warning notices, six were retail assets, three were arches and two were industrial. The majority were due to damaged electrics or fire hazards due to poor housekeeping by tenants – such as daisy-chaining extension leads.

Look Ahead

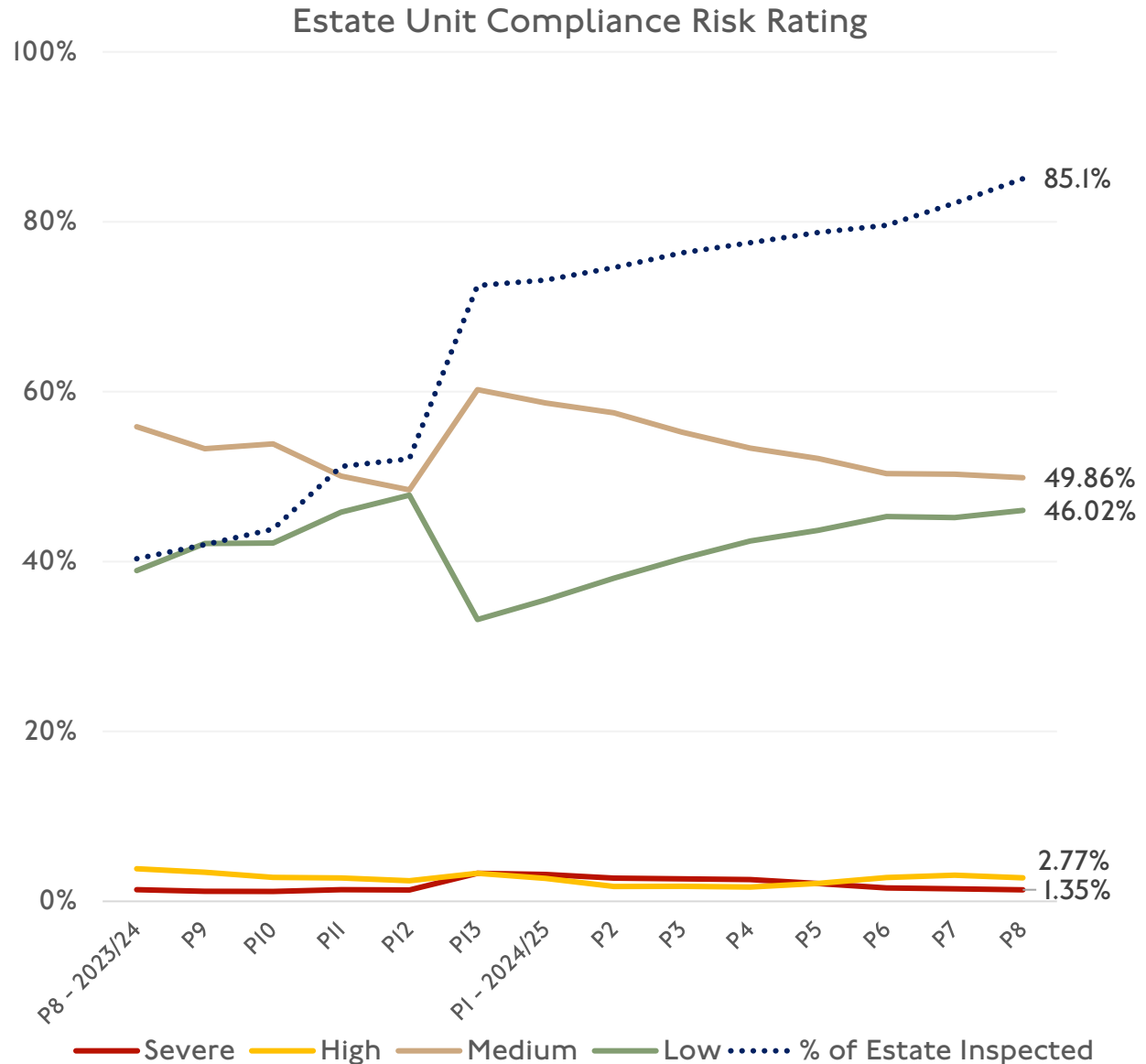
- A safety standdown day had been planned for November but has been postponed until January. The focus will remain on personal safety and will feature sessions on key themes within the TfL Colleague Safety Plan.
- We will be holding a roundtable event with our developer partners to share ideas and discuss best practice by the end of FY2024/25.

Progress remains positive and we continue to see less than five per cent of our tenants with a risk rating of 'Severe' or 'High'. We currently have around 1,700 tenants, 85 per cent of which have had a formal inspection.

We have observed a decrease in the records we have for fire extinguisher servicing. Given this, we took proactive steps to request updated compliance documents outside of our scheduled inspections. This approach has led to positive responses.

In addition, specific educational content is being sent to all tenants which will incorporate upcoming changes in legislation around the type of Aqueous Film Forming Foam fire extinguishers.

Tenant Managed Compliance Risk Rating



Operational performance

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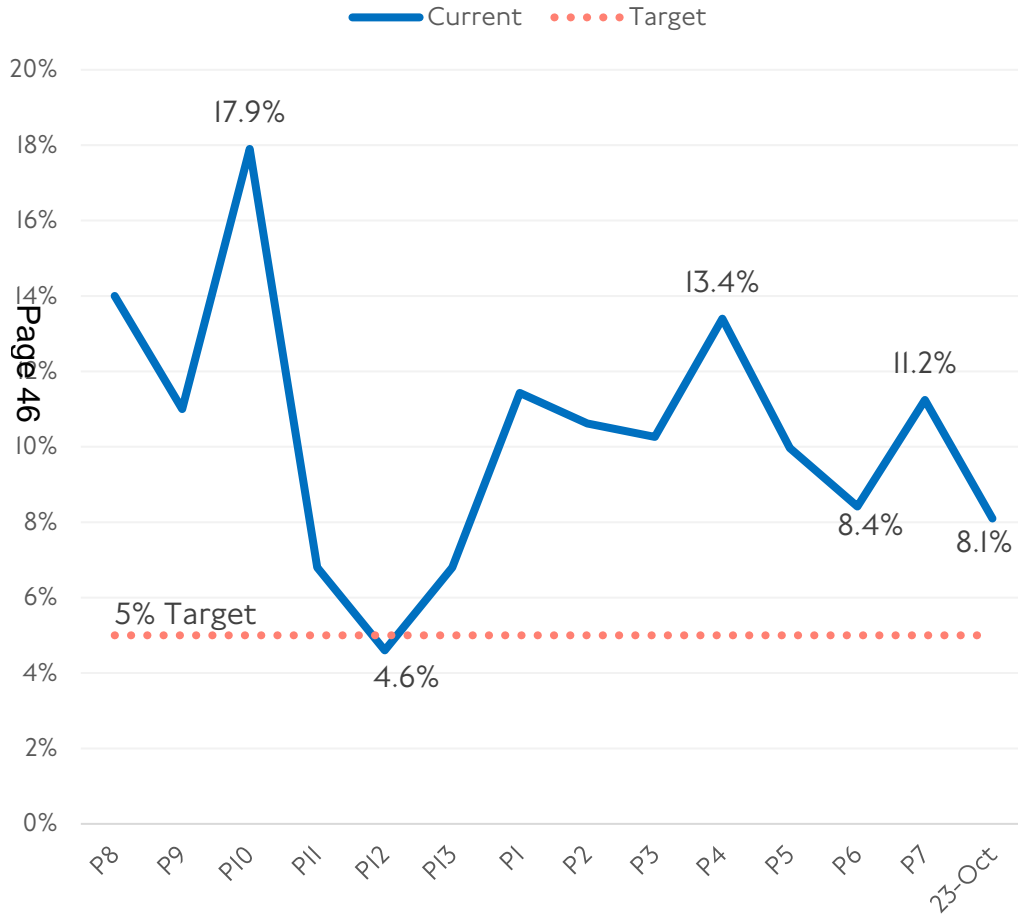
Daniel Lovatt

Director of Asset Management

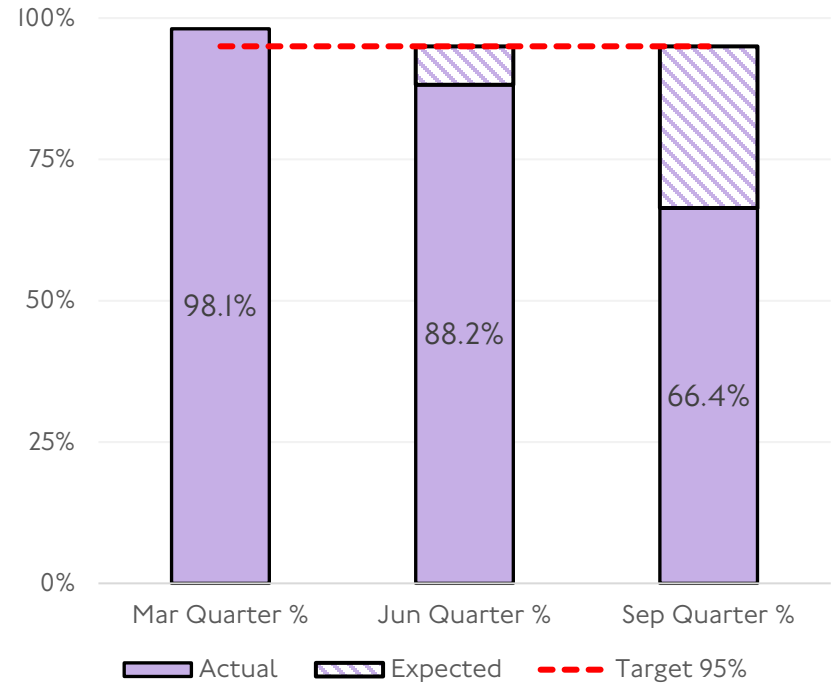


 The TfL Property Company

Arrears (as a percentage of Rent Roll)



Collection Rate (as at 12 October 2024)



June quarter will achieve over 95 per cent on receipt of one major tenant's rent which is due in November.

We are four weeks into the September Quarter (Q2) collections, and we expect to hit 95 per cent collected by the end of the quarter.

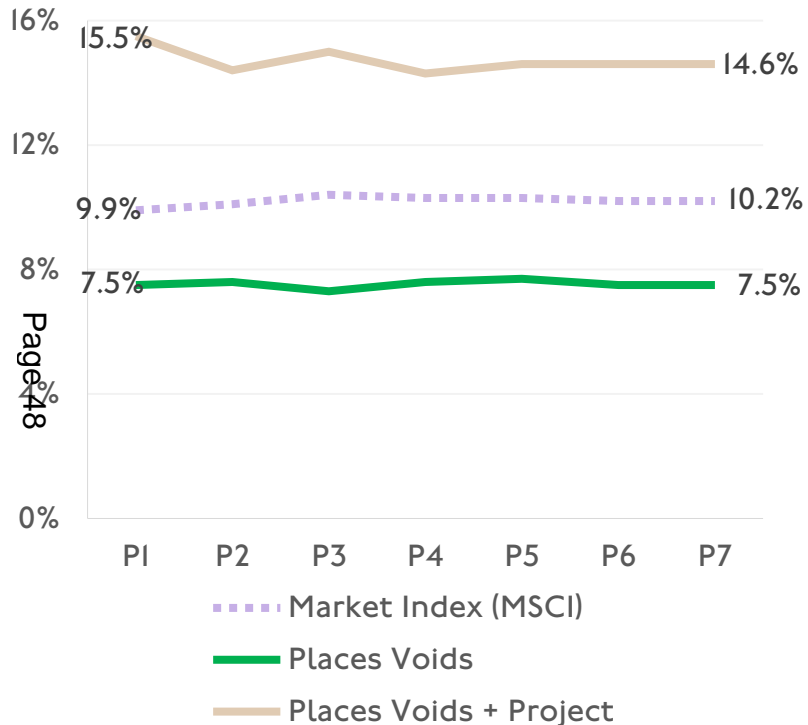
- Arrears are £5.7m as of 23 October which is 8.1 per cent of rent roll. Of the top five debtors (totalling £2.7m), payment is expected by December.
- Cash Collection as at 12 October is 66 per cent for the September Quarter (Q2) of the financial year, with the top five debtors accounting for 17 per cent of income. This is a timing issue as payment is expected shortly and none of these are disputed.
- Our average cash collection rate over the last four quarters is 91 per cent but will quickly improve to our 95 per cent target as the large debts from this quarter are paid.
- We have a particular focus on debts over £40,000 with weekly meetings to drive improved performance.
- Due to the TfL cyber incident, Places for London Credit Control and Property Managers have not had full access to view customer accounts and records. We enacted our business continuity plan with our partners to reduce the impact during the affected period.



Victoria Arcade

Vacant Premises

Market Comparison Vacancy Rate

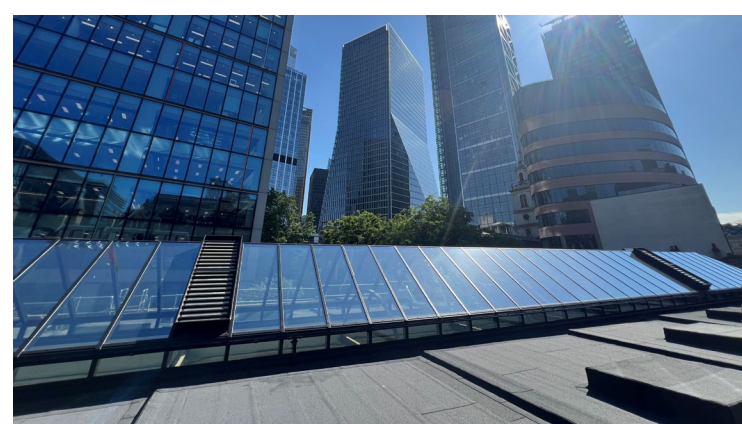


- Our current commercial void rate is 7.5 per cent. This percentage increases to 14.6 per cent, by value, when units earmarked for major refurbishment are included (projects). This compares to Morgan Stanley Capital International's (MSCI) market comparison of 10.2 per cent.
- There have been 37 new lettings completed this financial year achieving a total rent of circa £2m per annum after rent frees.
- Twenty-nine units are under offer with an Estimated Rental Value (ERV) of £1.9m. A further 84 units with an ERV of £2.2m are currently being marketed.
- Projects are expected to generate further income of around £3.7m per annum once completed and save on holding costs of circa £2.9m per annum.
- The current focus is on the top 10 per cent of the portfolio (69 units) with an ERV of £8.1m and holding costs of £1.9m.
- The team have successfully secured £2.3m in rates savings year to date with a further £1.3m in the pipeline through proactive management.

Successes:

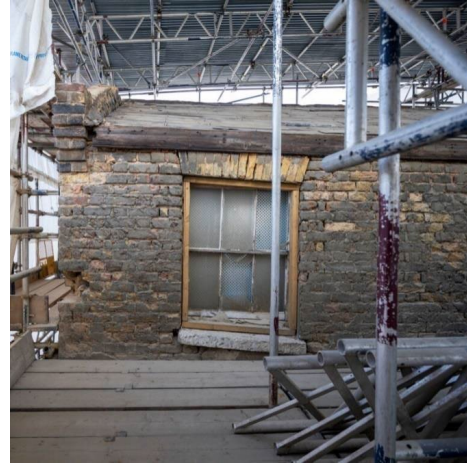
- **BOXPARK Camden** – opened on 19 September 2024 with 60 independent food and retail traders over three floors and a rooftop terrace. The market is trading very well and demonstrates how we can make strategic acquisitions and work with established partners to deliver value.
- **Future Stores** – a new retail concept – launched on 30 October 2024 at one of our units on Oxford Street. The store uses technology to make shopping immersive and interactive. Intel is the first brand to occupy the space, using it to promote new AI-enabled person computers.

Developing our Campuses: Victoria and Liverpool Street Arcade



Victoria

Liverpool Street Arcade



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Property Development Update

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Lester Hampson

Director of Property Development



 The TfL Property Company

We have completed 1,324 homes

Cumulative completions achieved to date, 1,324 homes, 710 affordable homes (54 per cent)

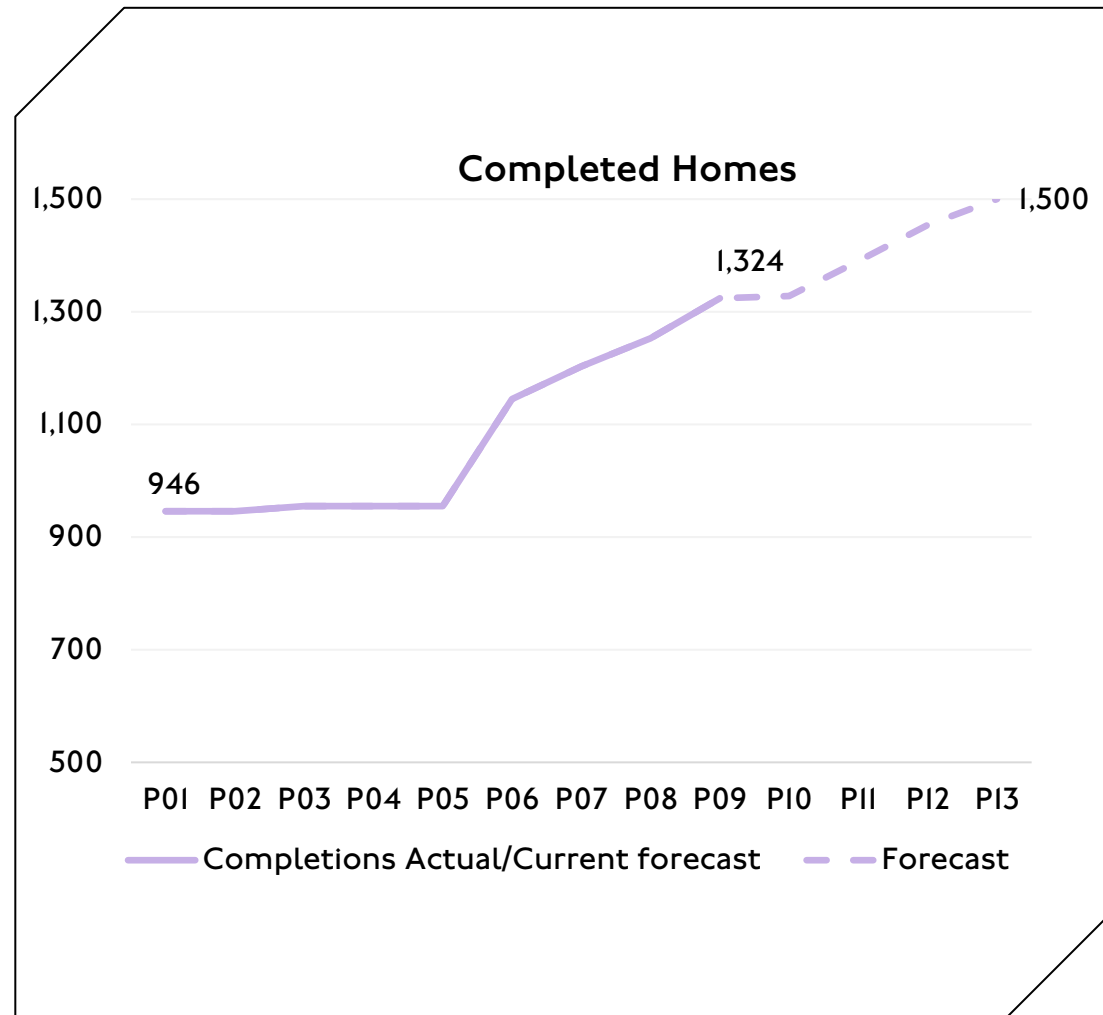
- Aylesbury Street – nine homes, 100 per cent affordable
- Kidbrooke Phase I(b) – 369 homes, 50 per cent affordable across the site

We are on track to achieve our target of 1,436 by 30 March 2025:

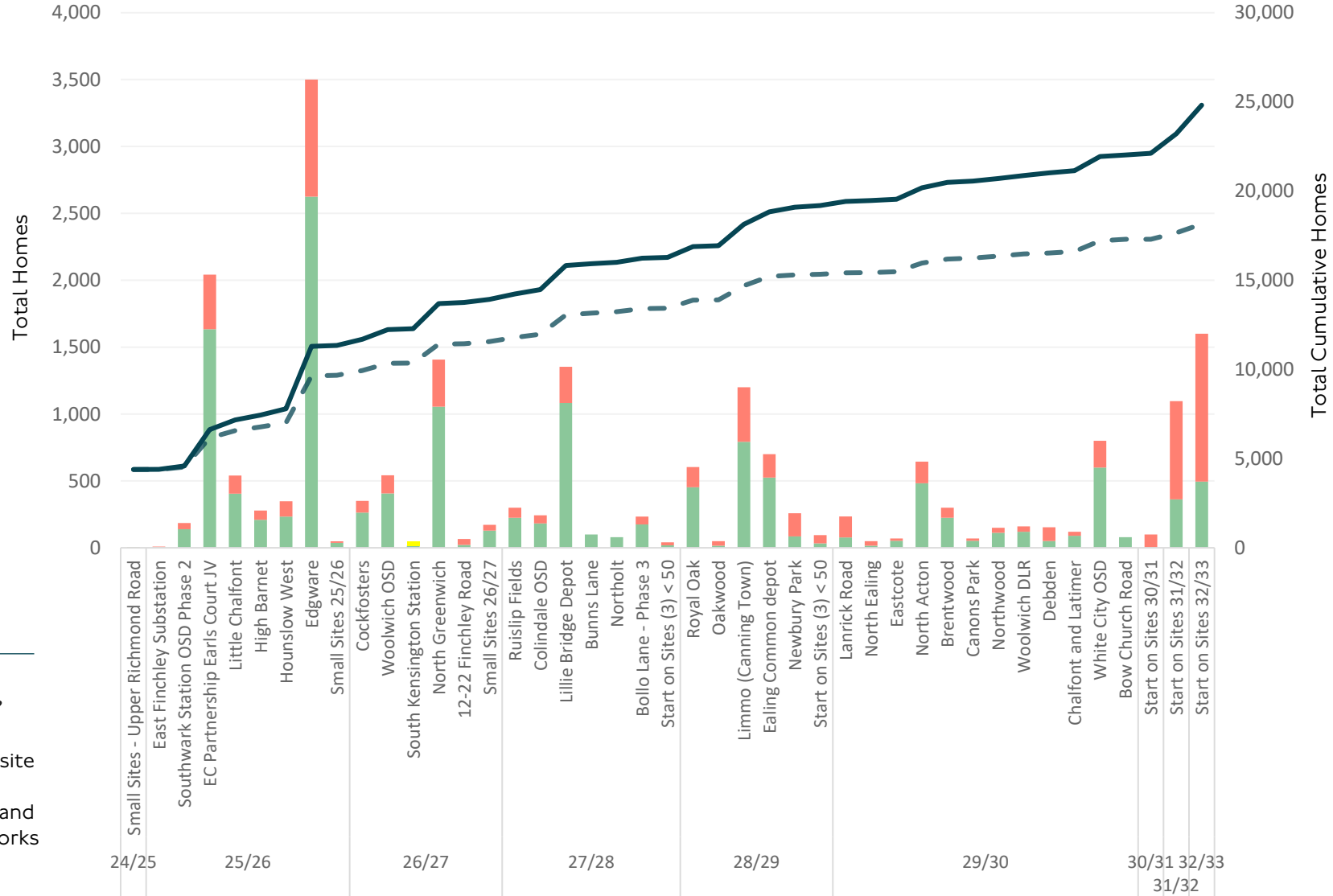
- Albany Road – four homes
- Fenwick Estate – 46 homes, 100 per cent affordable
- Wembley Park Phase I(a) – 62 homes, 40 per cent affordable across the site

We are seeking to deliver the following additional homes by the end of the financial year, bringing our completed total to 1,500 homes:

- Wembley Park (Block B) – 64 homes, 40 per cent affordable across the site, forecast to complete in February 2025



Places for London 'Starts on Site' forward look



- As of 12 October 2024, we have successfully completed the construction of 1,324 homes and have started work on an additional 3,060 homes.

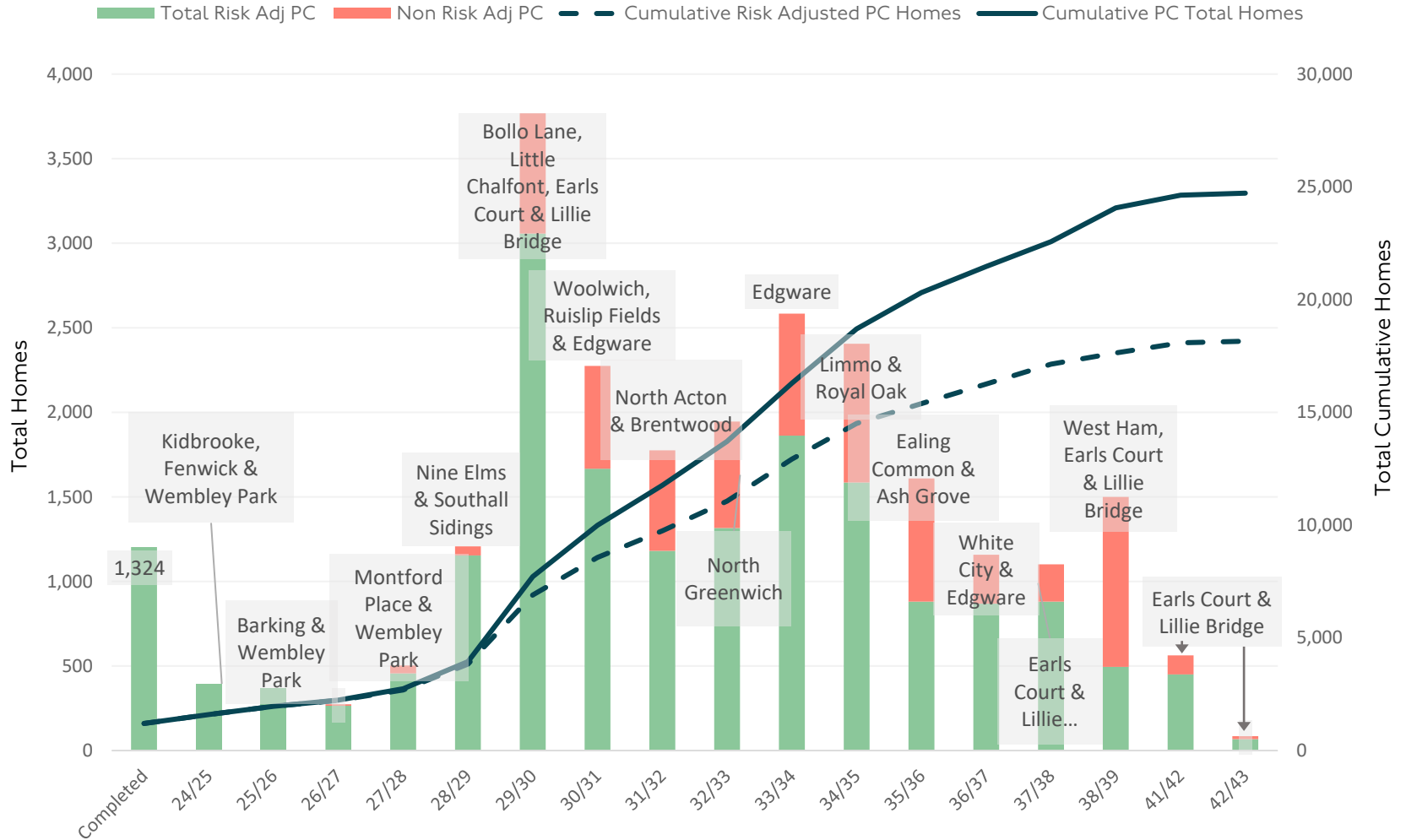
- We are forecasting that by 2031, we will have started on all sites to meet our target of 20,000 homes.

Explanation of 'start on site'

The recording of the start on site of a scheme is when planning permission has been granted and any demolition or enabling works on site have started.

Practical Completions forward look

20k Homes Programme – ‘Practical Completion’



- Forecasting to cumulatively complete 1,500 homes by FY24/25.
- Currently forecasting to complete 367 homes in FY25/26.

2024/25 Scorecard Milestones:

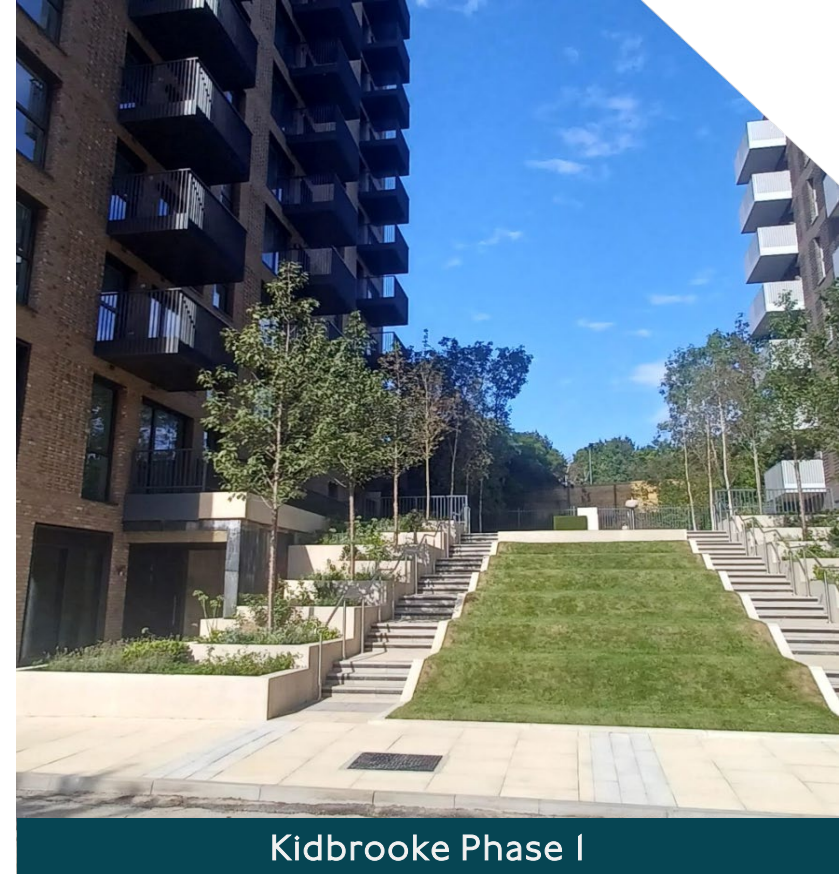
To supplement the 'Start on Sites' and 'Completion' home targets we will also be measuring ourselves against the following milestones:

Project Name	Project / Milestone	Target date	RAG
Edgware	Planning application submitted	28/09/2024	Achieved 05/07/24
EC Partnership Earls Court JV	Planning application submitted	28/09/2024	Achieved 30/07/24
High Barnet	Contracts exchanged with Barratt	27/10/2024	Achieved 24/10/2024
Kidbrooke Phase I	Phase I Practical Completion	10/11/2024	Achieved 15/11/2024
Southwark station	Station interventions - main contractor 'start on site'	28/11/2024	Achieved 05/08/24
Bank Station	Land acquired by Joint Venture	24/12/2024	Achieved 01/10/2024
Build to Rent Programme Level	Updated planning applications submitted for three Connected Living London (CLL) Build to Rent sites, nine months post Building regulations. Approved Document B compliance guidance released.	29/12/2024	Achieved 05/09/2024
Fenwick Estate	Handover of development to Lambeth	29/01/2025	Amber
Limmo (Canning Town)	Receipt of final tender	13/03/2025	Green
Network Rail + Places for London	All Gate 0 programmed meetings completed including the recommended Network Rail sites (non-major sites)*	28/03/2025	Green

2024/25 Scorecard Milestones:

To supplement the 'Start on Sites' and 'Completion' home targets we will also be measuring ourselves against the following milestones:

- We are forecasting to achieve eight of our 10 milestones.
- **Kidbrooke Phase I** was completed on 15 November 2024 (against a target of 10 November 2024).
- **Fenwick Estate:** Utility connections (water and electricity) and Section 278 works (alterations and improvements to a public highway, agreed with Lambeth Council as part of a planning application) are providing a challenge. Contractors are working with utility providers to resolve matters.



Progress on site photos

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Wembley Park
454 homes, 40 per cent affordable



Fenwick Estate
46 homes, 100 per cent
affordable



Kidbrooke - Phase One
413 homes, 75 per cent affordable



- 10 King William Street is being built beside and above the new Bank station entrance on Canon Street.
- Keltbray is engaged as the enabling works contractor by our Platinum joint venture with Helical.
- The tower crane was erected in October and basement works are underway.
- Completion of the 145,000 sq ft best in class office building is anticipated in December 2026.

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10 King William Street



Southwark OSD – inside view of the station

- Southwark Over-Station Development (OSD) – a mixed-use scheme comprising of a building 429 self-contained purpose-built student studios above the Tube station entrance, complemented by 44 affordable homes in a building west of Joan Street.
- TfL's works in Southwark station will enable the future over station development as well as renew and enhance TfL's electrical and mechanical plant.
- Station works will complete in June 2025 allowing the joint venture's building works to commence.

Green and Sustainability

Mark Farrow

Director of Strategy & Planning



2024/25 Scorecard Milestones:

	Description	Scorecard Target	Expected Date / Result	RAG
Sustainability Milestones		9/10	9/10	
Promoting vibrant and diverse communities	Allocate five assets to micro or small businesses for meanwhile use	31/03/25	24/07/2024	Achieved
Creating healthy places for people and planet	Science-based Carbon Targets (SBTi) confirmed	31/12/24	31/12/2024	Green
	Start on site for four Net Zero Carbon Retrofit pilot projects	31/03/25	31/03/2025	Amber
	Complete high-level Portfolio-wide climate risk assessment	31/01/25	25/09/2024	Achieved
Supporting and developing local economies	EV Charging preferred bidder decision	31/12/24	25/09/2024	Achieved
	Complete Responsible Business Skills customer training pilot	31/03/25	28/02/2025	Green
	Educational Engagement Programme covering 15 schools and 1,000 young people	31/03/25	30/12/2024	Green
	50% of Retail and Arches New Lettings adopting the London Lease	50% of leases	50% of leases	Green
	Seven Sisters Temporary Market Opened	31/12/24	30/06/2025	Red
Making it happen	Retain GRESB 5* Star Rating (Property Development)	5* Star Rating	5* Star Rating	Green

High level portfolio wide Climate Risk Assessment – achieved ahead of target (25 September 2024)

Outputs were presented to the Places for London Sustainability Steering Group and approved. The next step is to build further awareness across the business, with engagement sessions with our Asset Management colleagues which started in November.

50 per cent of Retail and Arches New Lettings adopting the London Lease

Current average is 49 per cent with lower uptake from Arches. We expect to achieve the 50 per cent target.

Start on site for four Net Zero Carbon (NZC) retrofit pilot projects

Three retail sites have been agreed with initial designs provided by an external consultant. Confirmation of a fourth site is pending and is planned to be an arch. Financing for the scheme has been agreed in principle.

Seven Sisters temporary market opened

Opening of the market has been delayed until spring 2025 due to major issues in the fabric of the building – for example:

- Voids discovered under the floor slabs
- Asbestos ducting
- Unexpected foundations / structures found below the ground
- Unsupported fire hearths at 1st floor level that required additional structural works
- Timber flooring on 1st floor that required strengthening or replacement
- Insufficient electrical supply to service the demands of the market and delays getting power established

Scorecard

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Mark Farrow

Director of Strategy and Planning



Scorecard

Scorecard

Note: The Scorecard only captures 'Leadership Representativeness – 'Gender' and 'BAME' due to the population size of this community precluding us from reporting other protected characteristics due to requirements around anonymity and dependency on self-declaration

2024/25 Places for London Scorecard

	Measure	Current Score	YTD Target	Target	Floor Target	Year End Forecast	Weighting	RAG
Safety & Risk	Tenant Compliance Risk Profile	3.1%	5%	5%	7.5%	5%	10%	G
	Killed or Seriously Injured (KSI)	0	0	0	0	0.0%	10%	G
ESG	Total Engagement	N/A	N/A	62%	61%	62%	5%	G
	Leadership Representativeness – Gender	46.3%		46%	44%		5%	G
	Leadership Representativeness - BAME	15.8%		Tracking only				
	All Staff Representativeness							
	- Gender	46.4%		48.0%	46.0%		1.25%	A
	- Ethnicity (BAME)	26.9%		28.0%	25.0%		1.25%	A
	- Disability	7.0%		9.4%	8.9%		1.25%	R
	- Minority Faith / Belief (not Christian, Agnostic or Atheist)	12.8%		18.5%	15.0%		1.25%	R
Customer	% Affordable Start on Sites	47%	47%	47%	47%	47%	5%	G
	Start on Sites (Cumulative)	4,384	4,383	4,383	4,383	4,384	5%	G
	Housing Completions (Cumulative)	1,203	1,203	1,436	1,432	1,460	5%	G
	Property Development Milestones	6/10	6/10	9/10	7/10	8/10	5%	A
	Customer Satisfaction Survey	65%	60%	60%	58%		5%	G
	Green and Sustainability Milestones	3/10	3/10	9/10	7/10	9/10	15%	G
Finance	Total Revenue	£54.3m	£37.1m	£98.3m	£88.5m	£98.3m	10%	G
	Operating Surplus	£17.3m	£11.8m	£27.0m	£24.3m	£27.0m	5%	G
	Asset Disposals	£0.0m	£9.0m	£12m	£9.8m	£14.3m	5%	G
	Asset Investment	£(23.1)m	£(21.1)m	£(42.8)m +-10%	£(42.8)m +-20%	£40.1m	5%	G
	Dividend			£11m	£11m	£11m	0%	G

Safety and Risk

We are on target to keep less than five per cent of our estate at high or severe compliance risk levels.

Colleague

There has been no material change since the last update. The impact of the transfer of support staff out of Places for London continues to impact our results.

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More work is being done on declaration and response rates, though at between 77 and 95 per cent these are already much higher than wider TfL.

Work on the People Plan is ongoing and with plans to include more focused milestones on the scorecard next year to track progress.

Customer Satisfaction

In September we delivered our first customer conference which was attended by 80 customers and Places for London colleagues – the feedback survey has affirmed that it was a great success. The mid-year pulse survey closed showing an encouraging 65 per cent satisfaction albeit with a sample size of 47 customers, one third the typical annual survey.

The pulse survey serves as a tool to inform further work in the customer space and does not contribute to the scorecard target.

Homes

We have met our target for start on sites and remain on track for completed homes. Six of our property development milestones have already been achieved and we are expecting to meet at least eight out of 10 milestones.

Finance

We are currently behind on asset disposals due to the delayed disposal of Rigby Land, but this is expected to be completed this financial year. We are on course to meet all year-end financial targets.

Green

We are on course to achieve nine out of 10 milestones in line with our scorecard targets. There is risk around the carbon net zero retrofits, but there is still confidence this will be achieved. The temporary opening of Seven Sisters Market will not be achieved this financial year. Three milestones have been completed.

Market context

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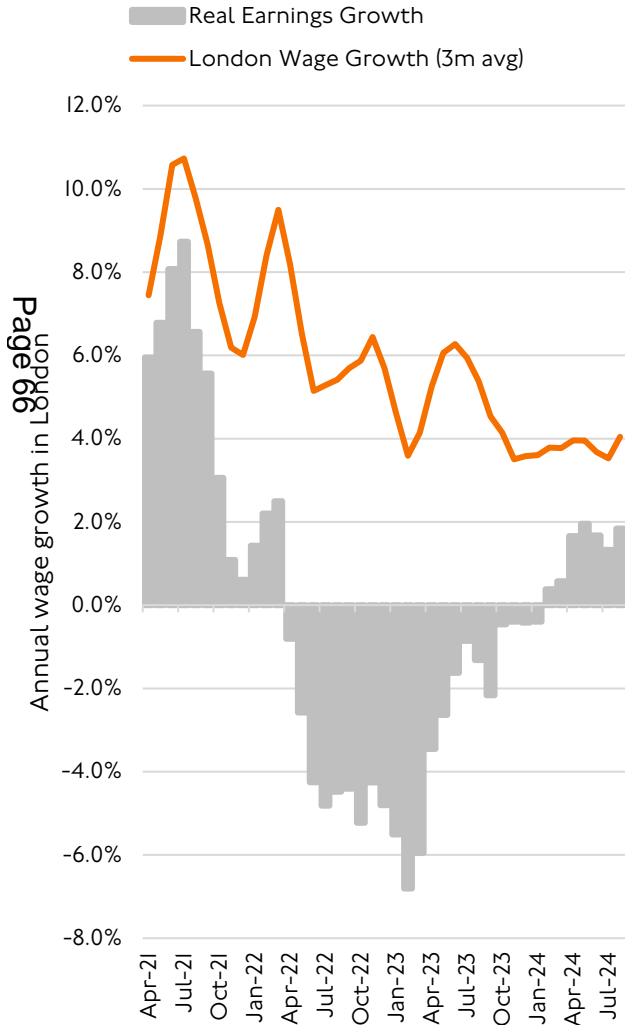
Graeme Craig

Director and Chief Executive

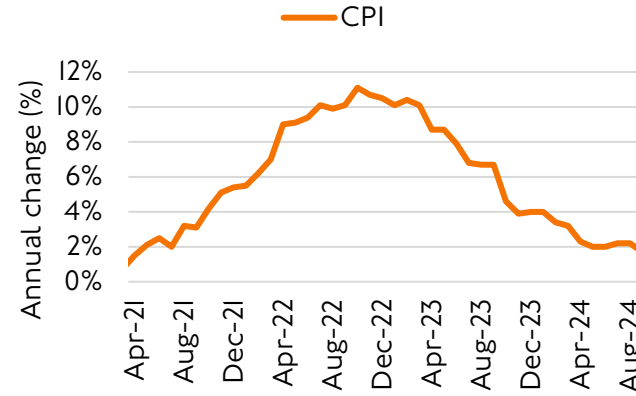


Inflation fell below target in September and second base rate cut in November

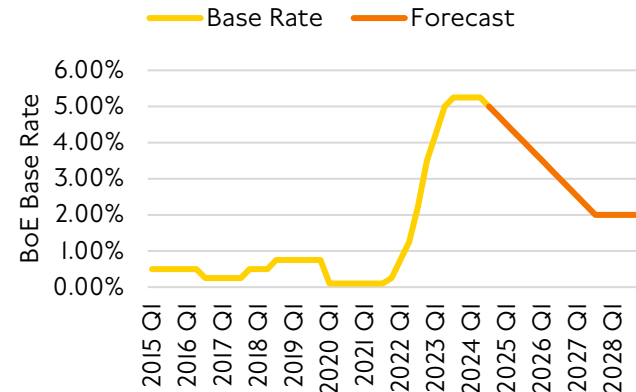
Nominal wage growth was four per cent in the year August 2024, with real growth of 1.8 per cent



Inflation was 1.7 per cent in September 2024, below the two per cent target for the first time since April 2021



Base rate was cut to for the second time (to 4.75 per cent) in November. With the next cut expected in 2025



UK Gross Domestic Product (GDP) growth is expected to have eased in Q3 2024, rising by 0.3 per cent after 0.5 per cent growth in Q2 2024. GDP is expected to finish 2024 1.9 per cent higher than 2023, before growth rate slows down to 1.5 per cent in 2025.

Inflation fell to 1.7 per cent in September, the first time it has been below the two per cent target since April 2021. It is forecast to rise again by the end of the year.

The Bank of England cut interest rates for the second time in November 2024, bringing them down to 4.75 per cent.

Swap rates rose following the budget, with five-year Sterling Over Night Indexed Average (known as SONIA) swaps back over four per cent in early November 2024, having fallen to 3.8 per cent in early October.

London rental growth continues to ease, while sales values rise. Viability continues to challenge the urban land market

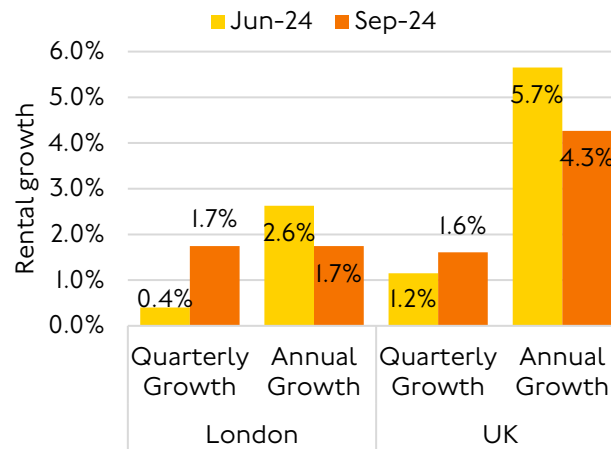
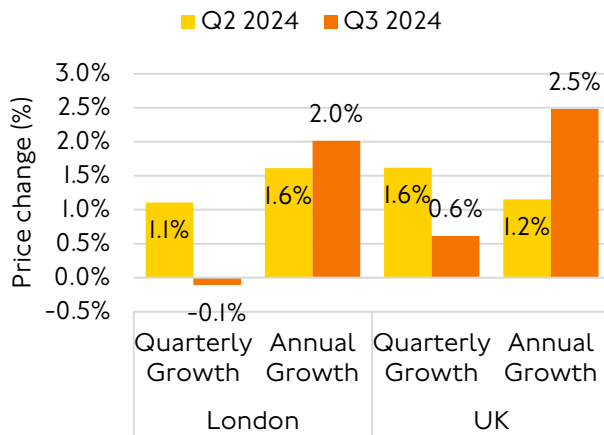
Quarterly house price growth was 1.1 per cent in Q2, up from 0.8 per cent in Q1 – with annual price growth of 1.6 per cent

Rental growth strengthened in Q3, reflecting the strong seasonal letting period. But annual growth continues to ease, down to 1.7 per cent

Annual rental growth in London continued to ease, with rents rising by 1.7 per cent in the 12 months to September 2024. The latest Royal Institute of Chartered Surveyors data on new tenant enquiries continues to strengthen. However, affordability challenges in the capital are limiting the rate of growth, with households spending 39 per cent of their gross income on rent on average. Savills forecast this will continue to be the case over the next five years, with rental growth just below that of income growth over the period.

Following three quarters of growth, London house prices remained broadly flat – falling by 0.11 per cent in Q3 2024. Despite this, annual growth rose to 2.0 per cent. The activity has been supported by lower cost of mortgage debt.

UK urban values fell slightly by 0.3 per cent in Q3 2024, taking total annual falls to 1.7 per cent. High-density flat-led schemes continue to face viability challenges. There is a significantly reduced pool of buyers, except for student housing where currently, urban values are exceeding those for private sale and Build to Rent.

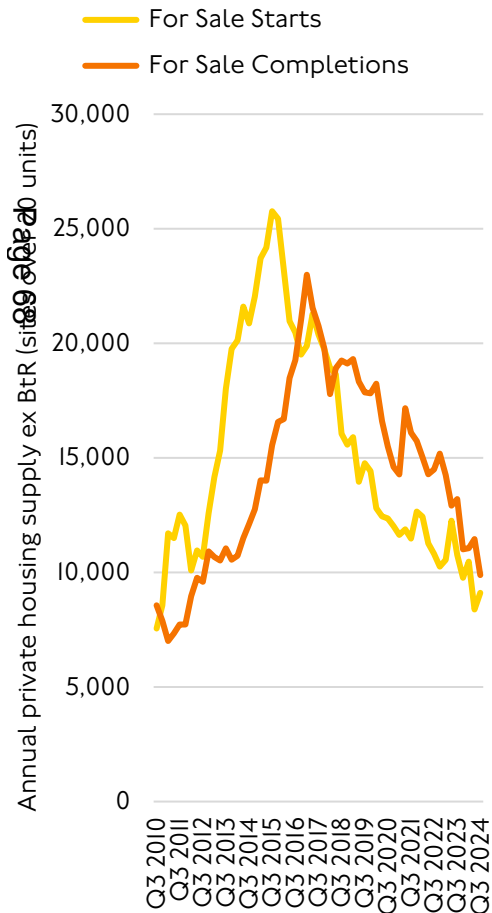


Savills forecast rental growth of 2.5 per cent in London in 2025, with five-year growth of 14.2 per cent between 2025 and 2029

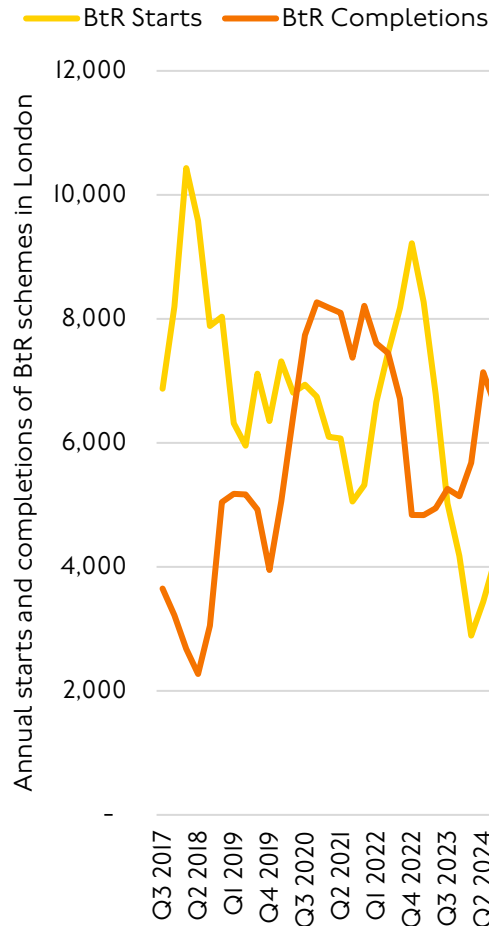
	2024	2025	2026	2027	2028	2029	2025-29
Mainstream UK rental growth (%)	4.0	4.0	3.5	3.0	3.0	3.0	17.6
Mainstream London rental growth (%)	1.5	2.5	2.5	2.5	3.0	3.0	14.2

An uptick in new construction starts for both Build to Rent and private sales in Q3 2024, but challenges remain

Private sale construction starts rose slightly in Q3 compared with the Q2 but are -55 per cent below the same period of 2023.



The number of Build to Rent starts in Q3 rose for the third quarter in a row, with 1,286 units started construction across London.



Build to Rent (BtR) starts on site have continued to recover in Q3 2024, with around 1,300 new homes starting construction. This is over double the level started in the same quarter of 2023. As a result, the annualised figure has risen to over 4,000. This remains well below the levels seen during 2021 and 2022. There has also been a pick-up in new for sale starts, which saw around 1,700 new homes begin construction in Q3 2024. Whilst an improvement this remains below the level of activity seen during 2021 and 2022. We expect the level of new construction starts to remain below these historical levels during 2025 as the sector continues to face headwinds around construction costs and labour availability.

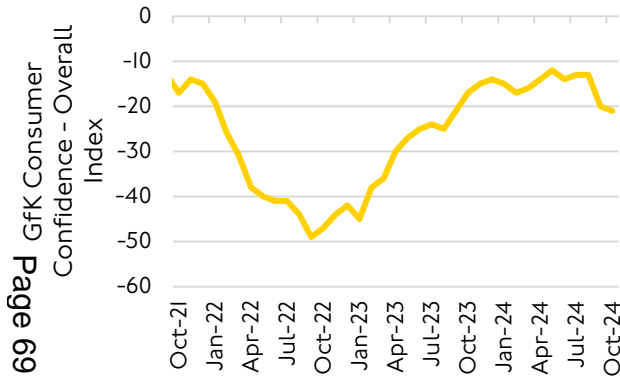
Mirroring the shift in starts, the number of new homes receiving planning permission across London has risen in Q3, with a further around 4,200 gaining consent in the quarter. This brings the rolling annual number back up to around 19,400, the same level as it was at the end of Q1. However, it remains below the long-term average, which will reduce the medium-term pipeline further.

Viability remains a challenge for bringing forward new high-density schemes in London, and there is little evidence that this will change significantly in the short term. Further falls in interest rates and sustained improvement in buyer demand is required. There is also potential that completion of new developments will be further delayed due to bottlenecks in the Gateway signoff procedures for the Building Safety Act.

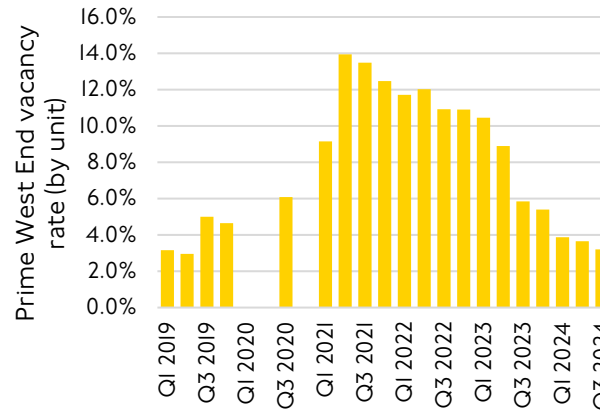
Market context

Consumer confidence has fallen in recent months, but sales volumes remain resilient

Consumer confidence has weakened significantly in the past two months. As the expectations for the Budget weighed on households and businesses.



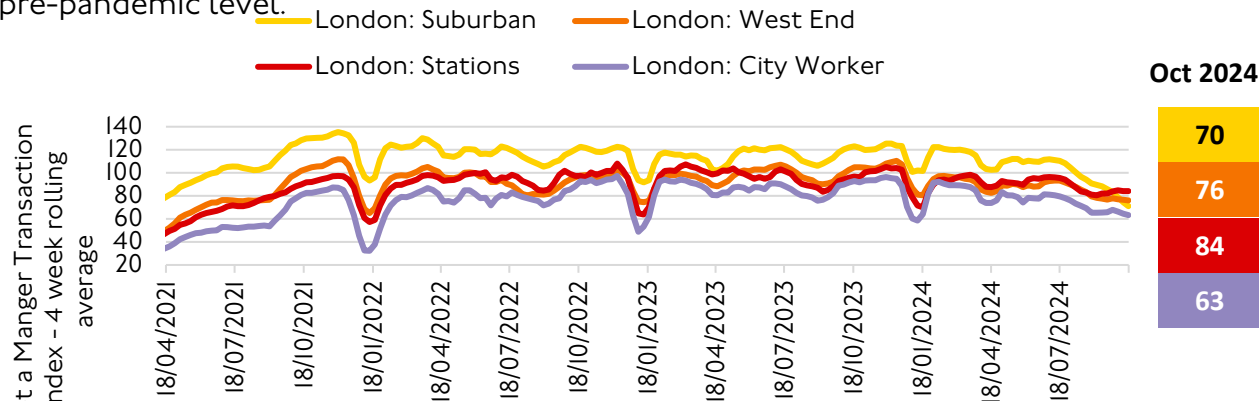
Prime West End vacancy rate by unit count continues to fall, reaching 3.2 per cent in Q3 2024.



During September and October consumer confidence dropped significantly to a level last seen in September 2023 as a result of consumers holding tight ahead of potential changes to their finances and taxes. With the Budget past and interest rates cut again, we could see an improving picture over the near term.

Retail spend across the West End was strong in July and August, up one per cent year on year in each month but fell in September. Domestic appetite continues to drag on performance. International visitor spend is a key driver of performance. Flight bookings to London are up year on year for November and December, which is likely to support higher international spend in the West End in the run up to the end of the year.

Sales volumes in Pret remain weakest in The City, where there have yet to surpass pre-pandemic levels, whereas the Suburban London markets continue to outperform their pre-pandemic level.

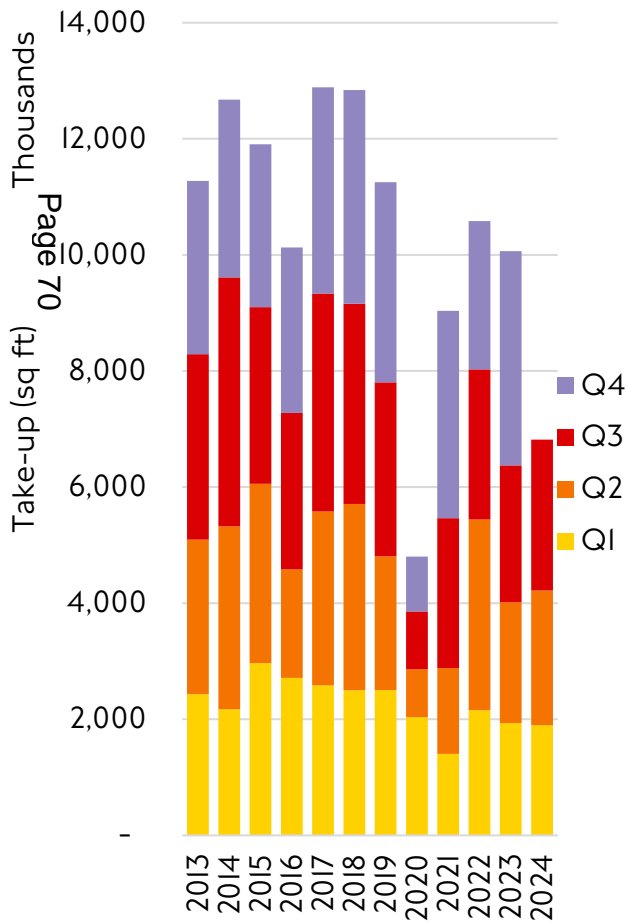


Sales across all London markets for Pret fell during August, September and October. This is likely a response to the changes to the Pret subscription that was announced in July and came into force in September. It appears the largest impact on sales in Pret has been felt in their Suburban branches, with stations being the most resilient. The former is now trading 30 per cent below its pre-coronavirus pandemic levels having averaged 10-15 per cent above throughout 2023.

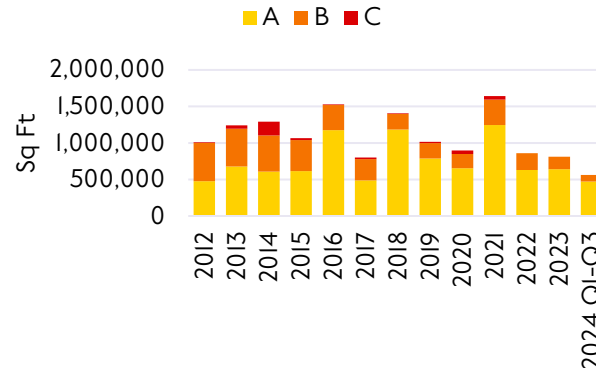
The Pret Index is calculated against a baseline of January 2020 (pre-pandemic). When the figure is above 100 it implies that sales are above their pre-pandemic level and when below 100 they are below pre-pandemic levels.

Central London office leasing activity continues to strengthen, but light industrial and Greater London offices are more subdued

A total of 2.6m sq ft of office space was let in central London in Q3, the strongest Q3 since 2019. Total area so far (in 2024) is 6.8m sq ft, above the five-year average (6.3m sq ft).



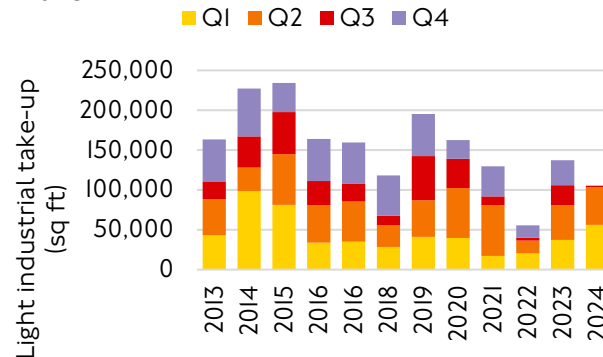
250,000 sq ft of office space was let across Greater London in Q3, bringing the total in 2024 to 562k sq ft.



Office leasing in central London continued to rise during Q3 2024, with the highest third quarter of activity since 2019. This brings the total amount of space let this year to 6.3m sq ft, 13 per cent higher than the five-year average. However, the same was not true in Greater London, with take-up in the first nine months of 2024 10 per cent below the same period of the previous year.

Best in class space continues to be sought by occupiers, with 84 per cent of all space let across Greater London being Grade A. Continued focus on sustainability by occupiers means that this will continue.

Light industrial leasing activity collapsed to 2,000 sq ft in Q3 2024, the lowest quarterly total in over a decade. But a strong HI means total let space in Q1-3 2024 is in line with the same point in 2023



Greater London office supply has fallen further, with six per cent less space on the market in November 2024 than August 2024. This has been driven by a fall in Grade B stock. Changing regulations around Minimum Energy Efficiency Standards (MEES) & Energy Performance Certificates (EPCs) is likely to worsen this as we approach 2027 deadline.

Light industrial take-up continued to fall in Q3 2024, with 2,000 sq ft let. This is the lowest quarter in over a decade and is a marked difference to the strong first half of the year. This could reflect business uncertainty during the summer.

Opportunities

- London's stronger economic growth in 2025 will drive demand for commercial and residential space.
- Increased international flight arrivals will support retail spending in the run up to Christmas.
- Slower pace of interest rate cuts will keep mortgage costs higher for Buy to Let landlords, which will likely push more to leave the sector. Especially alongside increased regulation, this would create more need for high-quality Build to Rent.
- The increase in additional Stamp Duty of Buy to Let landlords to five per cent (from three per cent) introduced in the recent Budget will likely drag on demand from 'Buy to Let' landlords to purchase homes – especially in London where the increase would be most keenly felt. This will also create additional demand for Build to Rent.

Risks

- The extra Stamp Duty for 'Buy to Let' landlords will reduce potential demand from this buyer group for new homes being built for sale.
- Higher inflation forecasts could slow down the pace of interest rate cuts, keeping mortgage and other finance costs higher for longer.
- Lower occupier demand for older office stock threatens rental levels, leading to a higher risk of voids and reduced ability to capture rental growth.
- Rising house prices will put pressure on affordability for potential homeowners and first-time buyers.
- Further slowing rental growth in London could impact viability on Build to Rent schemes.
- Tender price inflation forecasts highlight potential pressure on viability of new schemes.

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Land and Property Committee



Date: 10 December 2024

Item: Mid-Year Valuation Results

This paper will be considered in public

1 Summary

- 1.1 This paper provides an overview of the mid-year valuation for Places for London's investment assets and joint ventures as at 30 September 2024.
- 1.2 A paper is included on the Part 2 agenda which contains exempt supplementary information. This information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial and business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.**

3 Investment Portfolio

- 3.1 Since 2019, Places for London has commissioned an independent valuation of its investment portfolio, conducted annually until 2023 and on a bi-annual basis thereafter. The valuation is carried out by a leading global commercial real estate service company CBRE. This update is for the mid-year valuation with a date of 30 September 2024.
- 3.2 The valuation process focuses on assets held by Places for London for commercial investment purposes, across six sectors: retail, office, arches, residential, car parks, and industrial and infrastructure.
- 3.3 The valuation is produced using asset-specific data and market information. This includes recent market transactions, occupational information, lease details and asset plans. Dependant on the asset class and use, an appropriate valuation methodology is applied in line with the prevailing market practice.
- 3.4 The total value of Places for London's investment portfolio as at 30 September 2024 is £1.467bn, an increase of £14.4m (0.9 per cent) since the valuation on 31 March 2024. Adjusting for disposed assets, the like-for-like value increased by £16.8m (1.2 per cent).
- 3.5 Table 1 below sets out the investment portfolio valuation summary as at 30 September 2024.

Table 1: Investment Portfolio Valuation Summary 30 September 2024

	Market Value 30 September 2024 (£m)	Market Value 31 March 2024 (£m)	Valuation Change (£m)	Valuation Change (%)
Valuation	1,467	1,453	14.4	0.9
Like-for-Like	1,467	1,450	16.8	1.2
Passing Rent	60.7	61.0	(0.3)	(0.5)
Rental Value	89.3	89.6	(0.3)	(0.3)

- 3.6 The value growth is in part a result of the uplift in the valuation of 'car parks', due to the recently implemented tariff increase.
- 3.7 The increase in value on a like-for-like basis is similar or better than our leading commercial market peers and key market indexes.
- 3.8 Although interest rates have stabilised and begun to decline over the past six months, the market is still recovering with slowed capital growth and reduced investment volumes across all sectors of the commercial real estate market.
- 3.9 Table 2 below sets out Places for London's investment portfolio value by sector.

Table 2: Investment Portfolio Value by Sector

Sector	Market Value September 2024 (£m)	Valuation Change to September 2024 (£m)	Valuation Change to September 2024 (%)	Like-for-Like Valuation Change to September 2024 (%)	Portfolio by Value (%)
Retail	613.3	4.3	0.7	0.9	42
Office	199.6	(2.7)	(1.3)	(1.3)	13
Arches	142.1	(0.1)	(0.1)	(0.1)	10
Residential	68.5	0.5	0.7	0.7	5
Car Parks	166.1	8.2	4.9	5.6	11
Industrial and Infrastructure	278.1	4.2	1.5	1.5	19
Total	1,467	14.4	0.9	1.2	100

*Change figures provided for March 2024 to September 2024

- 3.10 The market has exhibited a preference for prime assets, leading to stable or slightly improved returns. While secondary assets experienced less favourable yield performance, reflecting investor caution towards assets with perceived higher risk.
- 3.11 In the retail and industrial sectors, this divergence has led to a shift towards well-located assets providing essential goods and services, and industrial properties with high demand such as logistics warehouses.
- 3.12 Similarly, yields for prime office spaces in central London have begun to stabilise, as demand shifts towards sustainable and high-quality spaces. Secondary offices face greater challenges in value with upward trending yields, reflecting investor caution. This is reflected in Places for London's commercial office valuations.
- 3.13 A recent reduction in mortgage rates stimulated buyer activity in the residential sector, reflected in a slight decrease in yields and a minor increase in values.
- 3.14 Car parks have experienced the most significant increase in value due to the recently implemented tariff increase across the sector.

List of appendices to this report:

A paper containing exempt supplementary information is included on Part 2 of the agenda.

List of Background Papers:

None

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Land and Property Committee



Date: 10 December 2024

Item: **Platinum Portfolio – Additional Commercial Opportunities**

This paper will be considered in public

1 Summary

- 1.1 This paper seeks approval for Places for London's additional investment in the Platinum joint venture to assess the feasibility of new office property development opportunities.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and approve additional Land Authority of £500,000 to enable the feasibility assessment of new commercial sites for development for long-term income generation from the Platinum joint venture, as described in this paper, giving a total Land Authority of £1,606.5m for that joint venture.**

3 Background to the Platinum Joint Venture

- 3.1 On 9 March 2023, via Chair's Action, the Committee approved unbudgeted Financial Authority and Land Authority to enable TTL Properties Limited (now Places for London Limited) to invest in a joint venture to create a growing long-term income stream from a portfolio of high-quality, commercial assets with best-in-class environmental and wellbeing credentials located near central London transport interchanges.
- 3.2 The joint venture, known as the Platinum joint venture, was formed with Helical plc (Helical) in July 2023. Places for London holds a 49 per cent equity stake in the joint venture. Helical holds the remaining 51 per cent.
- 3.3 Helical was selected as Places for London's commercial office development joint venture partner following a competitive procurement process. Helical is a Real Estate Investment Trust listed on the London Stock Exchange with a strong record of office and residential development in central London.
- 3.4 The Platinum joint venture is a core element of Places for London's Investment Strategy. As well as long-term income and financial returns that can be reinvested across the portfolio, the joint venture will provide investment diversification and enhance Places for London's environmental sustainability performance and credentials. Its initial three development sites are Bank Over Station Development (OSD), Paddington OSD and Southwark OSD. It was established on the premise that it may acquire and develop additional development sites.

- 3.5 The Bank OSD property is now known as 10 King William Street (10KWS). In October 2024, the joint venture acquired from Places for London the long leasehold interest in 10KWS. The Committee recently approved, via Chair's Action, additional Land Authority to enable Place for London to enter into guarantees associated with the joint venture debt finance, as referenced in the Use of Delegated Authority paper elsewhere on the agenda. Works to enable the construction of the building have now commenced.
- 3.6 The joint venture is also progressing with the design of Southwark OSD and Paddington OSD buildings and has committed to acquire the long leasehold land interests in both sites in 2025 and 2026 respectively.

4 Additional Commercial Opportunities

- 4.1 To continue to deliver commercial and social benefits, the joint venture is looking for additional commercial-led sites. Prior to committing to acquire and develop a site, the joint venture needs to invest in design and other advice and consult the local planning authority to establish how to approach the development. To make this investment the joint venture needs capital from Places for London and Helical.
- 4.2 A potential commercial development and investment opportunity for the joint venture has been identified at Charterhouse Street. The Charterhouse Street site is located south of Farringdon station. The site comprises a small vacant office building and underutilised operational land located to the north and east of the building. The site is within TfL group's ownership.
- 4.3 The joint venture is interested in the development prospects for the site. The joint venture has proposed to assess the feasibility of the development opportunity on the site in the first quarter of next year.
- 4.4 All new office buildings developed by the joint venture may be considered by TfL for its future head office accommodation before construction commences and before other potential tenants.
- 4.5 The anticipated cost of assessing the feasibility of the Charterhouse Street development opportunity, including a contingency, is £450,000. Places for London's share of this cost would be £225,000, which is included in both the Places for London Budget and its Business Plan.
- 4.6 Places for London is therefore seeking additional Land Authority of £500,000 for investment as equity into the joint venture to fund feasibility studies to assess additional commercial development opportunities for the joint venture. Up to £225,000 of this requested Land Authority will be used at an initial stage to fund the Charterhouse Street feasibility work to be completed by mid-2025. The balance could be committed by the Director and Chief Executive of Places for London to fund additional feasibility studies for an additional site or sites by the joint venture, with Helical funding its share.
- 4.7 With its joint venture development activity increasingly established, Places for London is in a position to bring to the next Committee meeting a paper that sets out the future programme of activity and the associated approvals, such that an individual approval as is required here will no longer be required.

List of appendices to this report:

None.

List of Background Papers:

Commercial Office Investment Portfolio Joint Venture Chair's Action paper, issued 9 March 2023

10 King William Street – Joint Venture Debt Finance Facility – Land and Property Committee Chair's Action paper, issued 8 November 2024

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Land and Property Committee



Date: 10 December 2024

Item: Places for London Assurance Update

This paper will be considered in public

1 Summary

- 1.1 This paper reports on progress with assurance activity across Places for London during Quarter 3 of 2024/25 (15 September to 7 December 2024) (Q3) and provides the status of all open assurance recommendations to the end of Period 8 (9 November 2024) (P8).
- 1.2 A paper is included on Part 2 of the agenda which contains exempt supplementary information. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.**

3 Background

- 3.1 The Places for London Integrated Assurance Framework is based on a Three Lines of Assurance model comprising:
 - (a) Line 1 – Management functions of Places for London and key interfaces;
 - (b) Line 2 – Project Assurance (PA) and Quality, Safety and Security Assurance (QSSA); and
 - (c) Line 3 – TfL Internal Audit and a sub-group of the Independent Investment Programme Advisory Group (IIPAG-Places).
- 3.2 This paper reports specifically on Line 2 (PA), Line 3 (Internal Audit) and Line 3 (IIPAG-Places) assurance progress and provides an update on Enterprise Risk management. Work in progress for Line 2 and Line 3 is set out in Appendix 1 and work starting in Quarter 4 of 2024/25 (8 December 2024 to 31 March 2025) (Q4) and Quarter 1 of 2025/26 (1 April to 21 June 2025) and is set out in Appendix 2.

4 Line 2 (Project Assurance) Assurance

- 4.1 In addition to continuous assurance activities, PA has completed a targeted assurance review (TAR) on the Victoria station development and has commenced planning for a TAR considering estimating certainty for capital projects.
- 4.2 The final report of the Victoria station development TAR noted that considerable progress had been seen in setting the high level objectives and requirements and agreeing how TfL, Places for London and Network Rail (NR) will work together and make decisions. It is noted, however, that this is a complex project with significant risks.
- 4.3 This programme is being managed under the Places for London and NR collaboration agreement. There is a recognition that this is an integrated transport and property scheme which can be funded, or part funded, by property development opportunities.
- 4.4 PA is pleased to note that progress is being made to implement the recommendations from the first line assurance and Southwark over station development operational works TARs.
- 4.5 PA continues to monitor progress with major developments within the property development portfolio, performance of the asset management sectors, and other significant investment programmes including electric vehicle charging hubs. In the next two quarters we intend to review how well actions from recommendations from the previous TARs have been embedded.
- 4.6 PA has also continued to support IIPAG-Places with third line assurance activities. In addition to the regular assurance discussions for each of the Places for London directorates, we have arranged for IIPAG-Places to be updated on the Limmo Procurement, Platinum Portfolio, Southwark over station development and the purpose built student accommodation sector, retail sector, and Cockfosters.
- 4.7 PA continues to monitor all open PA and IIPAG-Places recommendations. Four recommendations were closed in Periods 7 to 8 of 2024/25 (15 September to 9 November 2024). A total of 10 recommendations were still open at the end of P8 and none are overdue (see Figures 1 and 2 below).

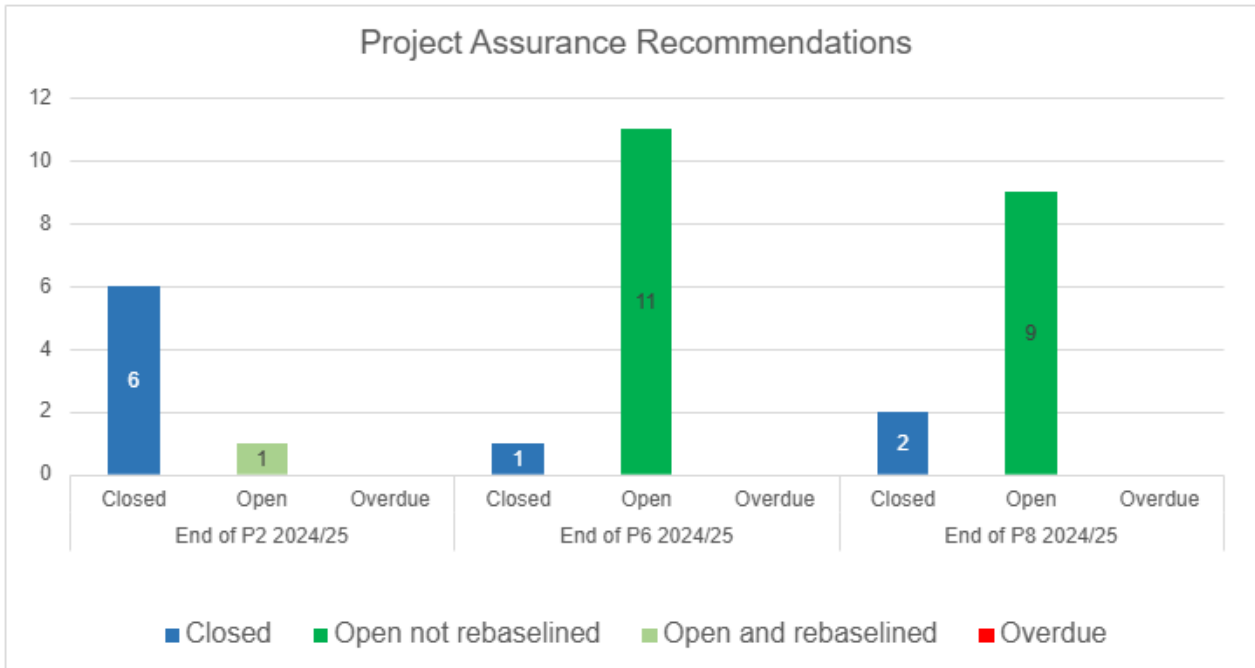


Figure 1 – Project Assurance Open Recommendations (end of P8)

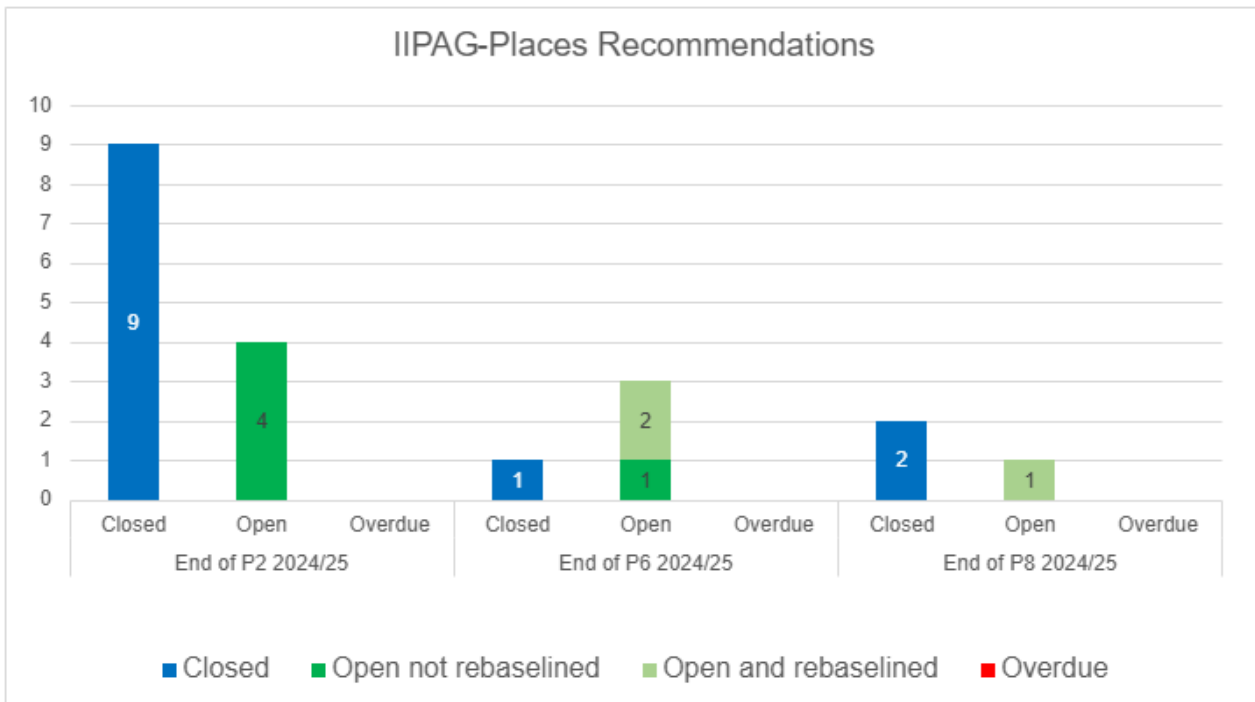


Figure 2 – IIPAG-Places Open Recommendations (end of P8)

5 Line 3 (Internal Audit) Assurance

5.1 The draft internal audit report for the Management of Sectors – Arches was issued in Quarter 2 of 2024/25 (23 June to 14 September 2024) and was rated as ‘requires improvement’. We reported the findings to the last meeting of the Committee and are working with Places for London to finalise the action plan. Work is underway to agree the management actions with the Places for London team. The audit of Safeguarding in the Educational Engagement programme

commenced in Q3 and will provide assurance that the controls for safeguarding in the Places for London Educational Engagement programme are adequate and effective.

- 5.2 The joint venture (JV) reporting audit will start in Q4 and will build on the IIPAG-Places JV management TAR, which reported to the September 2023 meeting of this Committee, to provide assurance on the arrangements in place to ensure robust JV reporting.
- 5.3 Internal Audit monitors the progress of management actions and consequent closure. There are no overdue Places for London audit actions.

6 Line 3 (IIPAG-Places) Assurance

- 6.1 IIPAG-Places welcomed the amount of progress being seen on key residential and commercial development projects, noting the complexity of many sites and challenges to delivery. IIPAG-Places will continue to increase their assurance activities for individual asset management sectors, now that key leadership appointments have been made. They will look more closely at sector (retail, offices, arches and property acquisition/disposal) plans and targets, starting with retail, and consider risks to delivery.
- 6.2 The investment appraisal process and hurdle rates TAR is underway.

7 Enterprise Risk Management

- 7.1 Details of the seven Places for London Level 0 (L0) risks are set out in Appendix 3.
- 7.2 A review of Places-L0-01 (Failure to prevent safety incident or meet safety commitments) has been completed and an update on this risk is provided elsewhere on the agenda for this meeting for consideration. Places-L0-02 (Attraction and retention of our employees) has also been reviewed and updated. Both risks are showing an improving trend as several key mitigations have been delivered and the risk scores have reduced following reassessment.
- 7.3 It has been agreed with the Places for London Executive leadership team that their Risk Appetite and Tolerance approach will be developed in line with TfL's. This work is due to commence shortly.

List of appendices to this report:

- Appendix 1: Places for London Integrated Assurance and Audit Schedule – Work in Progress
- Appendix 2: Places for London Integrated Assurance and Audit Schedule – Forward Plan
- Appendix 3: Places for London Level 0 Enterprise Risks

A paper containing exempt supplementary information is included on Part 2 of the agenda

List of Background Papers:

None

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Places for London Integrated Assurance and Audit Schedule – Work in Progress

Appendix 1

Priority	Topic	Evidence of Need	Type	Who	Status	Objectives
1	Management of Arches	<ul style="list-style-type: none"> There are around 850 commercial railway arches and it is essential that management of this sector is effective to ensure it yields expected returns of £11.6m per annum. 	Audit	Internal Audit (IA)	Draft report issued	<ul style="list-style-type: none"> Provide assurance that the management of the Arches Sector is effective.
2	Joint venture (JV) reporting	<ul style="list-style-type: none"> The Independent Investment Programme Advisory Group (IIPAG) undertook a targeted review of structuring and management of JVs in 2023 and the immaturity of the arrangements in place for JV reporting was identified. 	Audit	IA	Planning underway	<ul style="list-style-type: none"> Build on the IIPAG findings and provide assurance on the arrangements now in place to ensure robust JV reporting.
3	Safeguarding in the Educational Engagement programme	<ul style="list-style-type: none"> The Education Engagement programme works with selected schools to increase underrepresented groups in construction where there is a huge skills shortage. The team works with students under 18 and it is essential that safeguarding processes and controls are in place. 	Audit	IA	Underway	<ul style="list-style-type: none"> Provide assurance that the controls for safeguarding in the Educational Engagement programme within Places for London are adequate and effective.

Priority	Topic	Evidence of Need	Type	Who	Status	Objectives
4	Victoria Station Development	<ul style="list-style-type: none"> • Large complex development being considered with Network Rail. • Programme moving at pace. 	Targeted	Project Assurance (PA)	Complete	<ul style="list-style-type: none"> • Consider appropriateness of arrangements focussing on objectives, governance, funding, project management, resourcing, stakeholder management and risk.
5	Investment appraisal and project financial hurdles	<ul style="list-style-type: none"> • Projects and investments are appraised using financial hurdles. • Places for London has reviewed the investment appraisal process and hurdle rates. 	Targeted	IIPAG	Underway	<ul style="list-style-type: none"> • Provide assurance on the investment appraisal process, new hurdle rates and their application and governance regarding exemptions.
6	Estimating accuracy	<ul style="list-style-type: none"> • Evidence of cost estimates increasing as project design develops. 	Targeted	PA	Underway	<ul style="list-style-type: none"> • Review the process for estimating costs/applying risk, benchmarking and applying lessons learnt.
7	Electric vehicle charging hubs	<ul style="list-style-type: none"> • Delivery partner recently procured to deliver electric vehicle charging hubs. 	Continuous	PA/IIPAG	Ongoing	<ul style="list-style-type: none"> • Provide assurance on the development of the partnership and assess key decisions.
8	Limmo development	<ul style="list-style-type: none"> • Complex site with significant constraints. Procurement of a delivery partner is underway. 	Continuous	PA/IIPAG	Ongoing	<ul style="list-style-type: none"> • Provide assurance on the procurement and assess key decisions.

Priority	Topic	Evidence of Need	Type	Who	Status	Objectives
9	Continuous assurance activities	<ul style="list-style-type: none"> • A number of functions and strategies are developing. • There are a number of large, complex development programmes and sites. • Strategies are emerging for the key asset management sectors. 	Continuous	PA/IIPAG	Ongoing	<ul style="list-style-type: none"> • Assess key decisions and highlight areas for targeted assurance.

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Places for London Integrated Assurance and Audit Schedule – Forward Plan

Appendix 2

Quarter 4 (8 December 2024 to 31 March 2025) of 2024/25 (Q4) and Quarter 1 (1 April to 21 June 2025) of 2025/26 (Q1)

Priority	Topic	Evidence of Need	Type	Who	When	Objectives
1	Financial controls	<ul style="list-style-type: none"> This is part of our cyclical key financial controls audit work. 	Audit	Internal Audit	2025/26 Q1	<ul style="list-style-type: none"> Provide assurance that effective financial controls are in place including the process to monitor and control spend against authority and commitment.
2	Asbestos management	<ul style="list-style-type: none"> This is part of a programme of asbestos audits across TfL following a revision to the TfL Standard. Not previously assured in Places for London. 	Targeted	Quality, Safety and Security Assurance (QSSA)	2024/25 Q4	<ul style="list-style-type: none"> Check compliance with the revised TfL Standard and compliance with regulatory requirements.
3	Implementation of Construction (Design and Management) (CDM) duties	<ul style="list-style-type: none"> Places for London acts as CDM client on a number of projects. 	Audit	QSSA	2024/25 Q4	<ul style="list-style-type: none"> Seek assurance that Places for London is adequately meeting its duties as a CDM client and receiving the appropriate assurance from Principal Contractors and Designers.
4	Management of TfL Tenants	<ul style="list-style-type: none"> A previous audit in March 2023 found this process to be 'adequately controlled' the audit has been deferred to 2025/26 accordingly. 	Audit	QSSA	2025/26 Q1	<ul style="list-style-type: none"> Seek assurance that the Compliance team are managing the risk from short and long term tenants on TfL property.

Priority	Topic	Evidence of Need	Type	Who	When	Objectives
5	Key investment decisions	<ul style="list-style-type: none"> • Second and third line assurance as required to support authority requests/ investment decisions. 	Continuous	Project Assurance/ Independent Investment Programme Advisory Group	Ongoing	<ul style="list-style-type: none"> • To provide a recommendation on key decisions and investment requests to support decision makers.

Risk	Risk Title
Places-L0-01	Failure to prevent safety incidents or meet safety commitments
Places-L0-02	Attraction and retention of our employees
Places-L0-03	Financial sustainability
Places-L0-04	Stakeholders
Places-L0-05	Environment including climate adaptation
Places-L0-06	Inability to react to external market forces
Places-L0-07	Efficient and high performing supply chains and effective procurement

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Land and Property Committee



Date: 10 December 2024

Item: Enterprise Risk Update – Failure to Prevent Safety Incidents or Meet Safety Commitments (Places-L0-01)

This paper will be considered in public

1 Summary

- 1.1 This paper provides an overview of Places for London Limited's Level 0 Enterprise Risk 01 - 'Failure to prevent safety incidents or meet safety commitments' (Places-L0-01).
- 1.2 The risk is defined as 'failure to prevent a major safety incident, comply with safety law or systemic failure to meet safety commitments and targets as laid out in the Mayor's Transport Strategy, TfL's Vision and Values roadmaps or Places for London's corporate strategy.'
- 1.3 Significant work has taken place over the last 12 months which has moved the current assessment of this Enterprise Risk from 'High' to 'Medium' and from 'Requires Improvement' to 'Adequately Controlled'. This paper, together with the paper included within Part 2 of the agenda identifies further actions with the aim of reducing the risk assessment to 'Low' in 12 months' time.
- 1.4 A paper is included on Part 2 of the agenda which contains exempt supplementary information. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from this meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.**

3 Background

- 3.1 This Enterprise Risk relates to the potential impacts arising from a failure to prevent a major safety incident or meet safety commitments by Places for London. These could include a fatality, major injury or reduced mortality of a colleague, contractor, tenant or customer, regulatory action, prosecution and fines, and also result in additional unplanned spend to achieve homes targets or fund increased maintenance. A major safety incident in a Places for London property close to the transport network could also result in a failure or disruption in service delivery.

- 3.2 A major safety incident could also negatively impact public, Mayoral, stakeholder market and investor perception of Places for London's risk management capability and lead to lenders taking a more risk averse approach or potential partners not wanting to participate in Places for London projects. It could also make Places for London a less attractive proposition to existing and potential employees.
- 3.3 Previously, the risk level was assessed as 'High' with a target assessment of 'Medium' within 12 months. The 'Overall Control Effectiveness Rating' of this risk was assessed as 'Requires Improvement'. Working closely with TfL's Safety, Health and Environment (SHE) team, we have developed and embedded further key controls and completed actions to mitigate this risk.
- 3.4 The current risk level is now assessed as 'Medium' with a target assessment within the next 12 months of 'Low'. The 'Overall Control Effectiveness Rating' is now assessed as 'Adequately Controlled'. Specific actions taken over the last 12 months include embedding the team of SHE Business Partners, dedicated to Places for London, into our business, the completion of our programme of asset condition surveys and the establishment of annual SHE improvement plans.
- 3.5 We have continued to build our assurance framework, through for example our Safety, Health and Compliance Advisory Group. This Group provides a forum for in-depth discussion and peer review on matters of safety, health and property compliance. It performs deep-dives on safety, health and compliance related topics and reviews the effectiveness of improvement actions taken.
- 3.6 Last year we also undertook an assessment of our SHE culture, which indicated that our culture was 'Structured'. Measures taken to improve on this include the development of our Safety, Health and Wellbeing Strategy which is based around three pillars, Health and Wellbeing, Beyond Bricks and Mortar and Learning and Collaborating. That was launched at our successful Safety, Health and Wellbeing Stand Down Day in April. We have also increased the number of SHE Leadership Engagement Tours we undertake and extended the group that undertakes these to include the wider senior leadership team. We undertook a review to pinpoint any skills gaps and identified several areas where further training was required. This is now being delivered.
- 3.7 We have also increased our use of data and systems, including TfL's Information Exchange system to record and manage incidents, and iAuditor (now called SafetyCulture) to record the findings of planned general inspections across our estate. We have introduced a safety and compliance scorecard which enables us to better understand our risk profile and inform our investment planning and decision-making. We have also begun to share best practice and benchmark our performance against that of other organisations.

4 Controls and Mitigations

- 4.1 The controls to manage this risk, consisting of 14 preventative controls and six corrective controls are detailed in the related paper on Part 2 of the agenda together with a list of actions, that will ensure that the controls are effective in both design and operation and meet the 'Target Assessment' of 'Low' within 12 months. All actions have been assigned an owner and we are targeting their completion within the next 12 months.
- 4.2 The three key mitigations for this risk actions include development of a tailored version of the SHE Management System, for Places for London, developing a long-term approach to how we manage and maintain our assets and continuing to enhance our assurance activities. Alongside embedding the TfL Colleague Safety Plan together, these measures will enable us to better protect people and assets, gain better insights, and make more informed decisions. Progress against these actions will be reviewed and reported to the Committee in 12 months' time. Places for London leadership will review progress periodically.
- 4.3 The following actions are considered to be the key mitigations which will move the assessment of the risk from Medium to Low within 12 months:
- (a) SHE Management System – we currently operate under TfL's SHE Management System. We will build on this to create a tailored version more appropriate for a property business rather than a transport authority. This will include a framework for technical assurance for all projects across our estate which is being produced in conjunction with TfL Engineering. Another key focus will be on embedding the recently published TfL Colleague Safety Plan, including at our next Safety Stand Down day in January where the theme will be on personal safety;
 - (b) Long-term approach – we have recently completed a procurement for a new computer-aided facility management system. This is an important milestone in the journey towards taking a more long-term approach to the way in which we manage and maintain our assets. The system will enable us to use the insights gained from the recently completed asset condition surveys to develop a five-year planned maintenance programme, targeting investment where it is most needed, and to establish performance metrics that will enable direct comparison with companies in our sector. We will continue to work with the TfL SHE team, to identify further ways of gaining better insights to inform our decision making; and
 - (c) Assurance, monitoring and benefits realisation – we are using insight to drive action, alongside training for all Places for London colleagues. This includes assurance frameworks, health and safety tours and leading indicators to monitor compliance, infrastructure performance, project benefits realisation and the efficacy of the SHE Management System and activities. Assurance also extends to the activities of third parties on our estate. We have an extensive programme of monitoring tenant compliance, that has reduced our exposure to risk. We will continue to build on this alongside assurance of our suppliers and partners. Working with the SHE team, we will rerun the SHE Culture Assessment during 2025/26 to measure improvements. We will also extend the role of the Safety, Health and Compliance Advisory Group to include evaluation and peer review of

significant proposed changes to organisation or management arrangements for Places for London to consider their impact on safety, health and compliance management.

List of appendices to this report:

A paper containing exempt supplementary information is included on Part 2 of the agenda.

List of Background Papers:

None

Contact Officer: Lisa-Jane Risk, Head of Operations, Places for London

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Land and Property Committee

Date: 10 December 2024

Item: Forthcoming Procurement Transactions

This paper will be considered in public

1 Summary

1.1 This paper sets out a summary of the major new procurements or contract extensions planned over the next six months and identifies any approvals anticipated to be required by way of Chair's Action before the next planned meeting.

1.2 A paper on this topic will be brought as a regular item to future meetings of the Committee.

2 Recommendation

2.1 **The Committee is asked to note the paper.**

3 Background

3.1 The Finance Committee and Programmes and Investment Committee have started receiving regular reports setting out a procurement pipeline and identifying matters where it is anticipated that approvals may be required by way of Chair's Action before the next planned meeting of that Committee.

3.2 In Places for London the majority of contracts decisions are taken at officer level, in accordance with TfL Standing Orders. There is, however, a recognised need to provide this Committee with a forward look on the pipeline of major procurements.

3.3 Data collation is being refined and future iterations of this report will include more detail.

4 Forward Programme

4.1 There is only one major project in Places for London that is expected to be approved in the next six months. This is the appointment of a joint venture partner to develop the Limmo Peninsula site in Canning Town. The contract is expected to be awarded in January 2025 and to start in March 2025.

4.2 It is not currently anticipated that any approvals will be required from the Committee by way of Chair's Action before the next planned meeting of the Committee on 18 March 2025.

List of appendices to this report:

None.

List of background papers:

None.

Contact Officer: Digby Nicklin, Chief Finance Officer, Places for London
Email: digbynicklin@tfl.gov.uk

Land and Property Committee



Date: 10 December 2024

Item: Members' Suggestions for Future Discussion Items

This paper will be considered in public

1 Summary

- 1.1 This paper presents the current forward plan for the Committee and explains how this is put together. Members are invited to suggest additional future discussion items.

2 Recommendation

- 2.1 **The Committee is asked to note the forward plan and is invited to raise any suggestions for future discussion items.**

3 Forward Plan Development

- 3.1 The Board and its Committees and Panels have forward plans. The content of the plan arises from a number of sources:
- (a) standing items for each meeting: minutes; matters arising and actions list; and any regular quarterly reports. For this Committee these include the Chief Executive's Report and performance, finance and assurance updates;
 - (b) annual updates on Places for London's Enterprise Risks;
 - (c) land and property schemes that require Committee approval; and
 - (d) items requested by Members: the Deputy Chair of TfL and the Chair of this Committee will regularly review the forward plan and may suggest items. Other items will arise out of actions from previous meetings (including meetings of the Board or other Committees and Panels) and any issues suggested under this agenda item.

4 Current Plan

- 4.1 The current plan is attached as Appendix 1. Like all plans, it is a snapshot in time and items may be added, removed or deferred to a later date.

List of appendices to this report:

Appendix 1: Land and Property Committee Forward Plan

List of Background Papers:

None

Contact Officer: Andrea Clarke, General Counsel
Email: AndreaClarke@tfl.gov.uk

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Land and Property Committee Forward Plan

Appendix 1

Membership: Professor Greg Clark CBE (Chair), Anurag Gupta (Vice Chair), Arthur Kay, Anne McMeel, Marie Pye and Sara Turnbull

Abbreviations: DCE Places (Director and Chief Executive of Places for London); CFO Places (Chief Finance Officer of Places for London); DSP Places (Director of Strategy and Planning, Places for London); DAM (Director of Asset Management, Places for London), HO Places (Head of Operations, Places for London), PDD Places (Property Development Director, Places for Lond)

Standing Items		
Use of Delegated Authority	General Counsel	Any use of delegated authority or receipt of Mayoral Directions within the remit of the Committee
Chief Executive's Report	DCE Places	Quarterly update on key activities
Places for London Finance Report	CFO Places	Quarterly update on finance
Forthcoming Key Transactions and Activities	CFO Places	Quarterly update on key transactions and procurement activities
Places for London Performance Report	DCE Places	Quarterly update on performance
Places for London Assurance Update	Director of Risk and Assurance	Quarterly update on assurance matter

18 March 2025		
Business Plan Update	CFO Places	Annual
Places for London Scorecard	DSP Places	Annual approval
Places for London Investment Strategy	DAM Places	
Limmo Peninsula	DCE Places	
Enterprise Risk Update – Inability to React to External Market Forces (Places-L0-06)	CFO Places	Annual
Enterprise Risk Update – Efficient and High Performing Supply Chains and Effective Procurement (Places-L0-07)	DSP Places	Annual

July 2025 [TBC]		
Places for London Retail Strategy	DAM Places	
Full-Year Valuation Results	DAM Places	Annual
Enterprise Risk Update – Financial Sustainability (Places L0-03)	CFO Places	Annual
Enterprise Risk Update – Environment including Climate Adaptation (Places L0-05)	DSP Places	Annual

October 2025 [TBC]		
Enterprise Risk Update – Stakeholders (Places-L0-04)	HO Places	Annual
Enterprise Risk Update – Attraction and retention of our employees (Places-L0-02)	HO Places	Annual

December 2025 [TBC]		
Mid-Year Valuation Results	DAM Places	Annual
Enterprise Risk Update – Failure to Prevent Safety Incidents or Meet Safety Commitments (Places-L0-01)	HO Places	Annual

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