

Board



Date: 23 March 2022

Item: Establishment of Land and Property Committee

This paper will be considered in public

1 Summary

- 1.1. This paper seeks Board approval to establish a Land and Property Committee of the Board. The purpose of the Committee is to set the strategic direction of TfL's land and property development activities and of TTL Properties Limited (TTLP), a wholly owned subsidiary of TfL, and to oversee and provide assurance on behalf of the Board of delivery against its business plan.
- 1.2. TTLP will operate as a commercial enterprise to deliver against the Mayor's affordable housing ambitions, while safeguarding and enhancing TfL's operational delivery and assets, and making a significant contribution to TfL's financial sustainability.
- 1.3. The draft proposed terms of reference are set out in Appendix 1. These will be reviewed later in the year as part of the Board's annual review of effectiveness in the light of early experience of the operation of the new Committee.
- 1.4. The Board is also asked to authorise the General Counsel to amend the terms of reference of the Finance Committee and Programmes and Investment Committee to reflect their relationship with the new Committee.
- 1.5. Unrelated to the establishment of the new Committee but to reflect some tidying up of Standing Orders, the Board is also asked to authorise the General Counsel to amend Standing Orders and the terms of reference of the Finance Committee to convert a specific delegation to the Finance Committee on Treasury Management approvals to a general delegation and to amend the Standing Orders that apply to the quorum at meetings to clarify that Members may attend meetings by teleconference or videoconference and take part in discussions but not decision-making, as they do not count toward the quorum.

2 Recommendation

2.1 The Board is asked to note the paper and:

- (a) **approve the establishment of a new Land and Property Committee of the Board to provide assurance and oversight for the Board on TfL's land and property development activities and the operation and performance of TTL Properties Limited and its subsidiaries, with authority, initial membership and terms of reference as appended to this paper;**

- (b) approve the amendment of the terms of reference for each of TfL's other Committees and Panels, as described in this paper, to reflect establishment of the new Committee;**
- (c) approve the conversion of the specific delegation by the Board on 29 July 2020 to the Finance Committee in relation to the approval of Treasury Management matters that are reserved to the Board to a general delegation to the Finance Committee; and**
- (d) authorise the General Counsel to implement the changes to Standing Orders and terms of reference for Committees and Panels as described in the approvals listed above and this paper.**

3 Background

- 3.1 The Mayor is committed to tackling the housing crisis in London and to build on his record-breaking delivery of genuinely affordable homes during his first term as Mayor. In October 2021, he appointed Lord Kerlake to lead a housing delivery review to further improve and streamline housing development across the Greater London Authority (GLA) Group and deliver more of the genuinely affordable homes Londoners need.
- 3.2 The effective use of TfL's land to generate income and to contribute to the Mayor's housing ambition is an important contribution to TfL's Financial Sustainability Plan. The Finance Committee has received regular updates on how TfL intends to deliver against those two aims, while safeguarding TfL's operational delivery and assets.
- 3.3 TTLP is a wholly owned subsidiary of TfL and will operate as a commercial enterprise to deliver against the Mayor's affordable housing ambitions, while safeguarding TfL's safeguarding operational delivery and assets and contributing to TfL's financial sustainability.
- 3.4 On 8 December 2021, the Board considered papers on the 2021 Board Effectiveness Review and on the Membership of TfL and its Committees and Panels and supported the proposal to establish a Land and Property Committee in 2022, following the outcome of the Kerlake Review.

4 Land and Property Committee

- 4.1 The proposed membership and terms of reference of the Land and Property Committee are attached as Appendix 1. These include the Board Members previously proposed for appointment.
- 4.2 As the governance arrangements for TTLP are developed, the terms of reference of the Committee may need to be updated. These will be reviewed as part of the Board Effectiveness Review 2022, which will be externally led, in the light of initial experience in the operation of the Committee.

- 4.3 The terms of reference of the Finance Committee and the Programmes and Investment Committee include provisions for the management of business that may fall within the remit of either Committee. It is proposed that their terms of reference be updated to include similar provisions in relation to the Land and Property Committee.
- 4.4 The terms of reference of the Finance Committee currently includes a section on Commercial Development, which will now largely fall within the Land and Property Committee, though it is proposed that the financing arrangements for TTLP will remain within the remit of the Finance Committee.
- 4.5 TTLP may in due course propose raising debt outside TfL to support its activities; those matters will remain within the remit of the Finance Committee.

5 Other proposed changes to Standing Orders and Terms of Reference

- 5.1 In addition to the changes to Standing Orders and the terms of reference of Committees in relation to the establishment of the new Committee, it is requested that two further changes be made.
- 5.2 On 29 July 2020, the Board made a specific delegation to the Committee for 2020/21 and future years in relation to the approval of the following strategies and policies, which are matters reserved to the board:
- (a) the Treasury Management Strategy (TMS) including the Investment Strategy, the Borrowing Strategy, the Liquidity Strategy, the Risk Management Strategy and the Counterparty Exposure Limits;
 - (b) any changes to the TMS during any year;
 - (c) the Treasury Management Policies; and
 - (d) the TfL Group Policy Relating to the Use of Derivative Investments.
- 5.3 On 16 March 2021, the Board made a specific delegation to the Committee for 2021/22 and future years in relation to approval of the Investment Strategy for Non-Financial Assets (IMS) and any changes to the IMS during the course of any year.
- 5.4 Elsewhere on the agenda for this meeting, the exercise of these authorities is reported in items on Matters Arising and the regular report from the meeting of the Finance Committee.
- 5.5 It is proposed that these specific delegations be converted to a general delegation. This requires an update to the Finance Committee terms of reference and an amendment to the list of matters reserved to the Board in Standing Orders. The exercise of the general delegation will continue to be reported to the Board through the regular reports of the meetings of the Finance Committee.

- 5.6 It is also proposed that the Standing Orders that define quorum be amended to clarify that Members attending meetings via telephone or video-conferencing facilities may contribute to discussions but do not count toward the quorum and cannot take part in decision-making.

Appendices to this paper

Appendix 1: Draft Land and Property Committee Terms of Reference

Background Papers

Board 8 December 2021 papers on Board Effectiveness Review 2021 and Appointments to TfL and its Committees and Panels
Finance Committee 9 March 2022 paper on Funding Update on TTL Properties Limited
Board Papers and Minutes for 29 July 2020 and 16 March 2021 on specific delegations of authorities to the Finance Committee.

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