

Date: 30 June 2022

Item: People Plan

This paper will be considered in public

1 Summary

- 1.1 This paper summarises the initial work to be undertaken on a TTL Properties Limited (TTLP) People Plan, which will return to the Committee for further consideration.
- 1.2 The plan will be strategic, beginning with a review of the leadership team but subsequently encompassing all elements of the organisation's strategies, policies and culture in relation to its people.
- 1.3 The People Plan will reflect the importance of this opportunity. TTLP needs to balance its ongoing role within TfL while, in effect, being a £1.7bn start-up that has the opportunity to deliver substantially growing value back to TfL while transforming the real estate industry in its ambitious approach to sustainability and social value. The chance to create a diverse and inclusive team is at least as important in terms of legacy as what will be delivered on the streets of London.

2 Recommendation

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

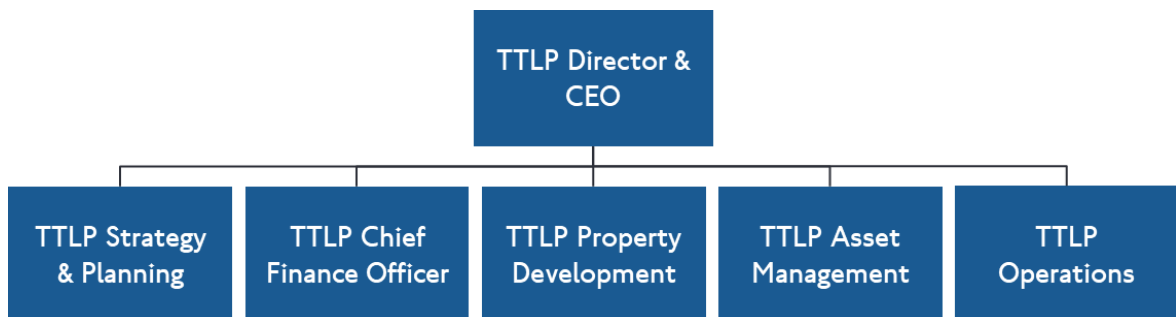
3 Background

- 3.1 TTLP owns and manages some of the best real estate assets in London, and it has the twin objectives of delivering a long-term return to TfL and creating social value across the capital, including building tens of thousands of new, low-carbon homes with high levels of affordable housing. Critical to TTLP's success – and closely aligned with its Purpose and Branding – is TTLP's People Plan.
- 3.2 The financial pressures caused by the pandemic have, as in so many organisations, led to people challenges, including frozen pay, less internal movement between roles and a fall in employee engagement.
- 3.3 More resource will be required to deliver the TTLP Business Plan, but it is important that TTLP does not simply recruit into the existing structure. TTLP must first ensure that it has the organisational structure, leadership and employee value proposition to attract and develop the people who will become the future leaders of London's newest great estate.

- 3.4 With commercial funding of TTLP in the process of being agreed, now is the time to create an organisational structure and People Plan for TTLP that reflects a commercial property company rather than a department in an operational transport business.
- 3.5 In addition, and with a programme that will take decades to fully deliver, there is an opportunity for TTLP to build and develop an in-house team that reflects the communities of London, helping address a long-standing lack of diversity across the property industry.

4 Operating Model

- 4.1 TTLP’s current organisational structure reflects its history as a department within TfL, including a dependency on TfL for delivery of shared services. With commercial funding, TTLP’s operating model now needs to evolve, and TTLP is working with the TfL People and Change team to produce a fit-for-purpose structure. This includes benchmarking target organisations, including The Crown Estate, Grosvenor and Land Securities Group plc. While moving to a new structure, all existing TfL policies and controls will continue to apply.
- 4.2 TTLP will report into TfL’s Chief Customer and Strategy Officer who will also be the chair of the TTLP company board. TTLP will adopt a simple, flat structure that reflects both TfL’s own value chain and commercial best practice. This structure will see TTLP focus exclusively on commercial property matters.



- 4.3 As well as reviewing the structure and scale of the commercial property functions, an assessment is being undertaken on TTLP’s professional support activities. Procurement will be particularly important as TTLP will need to move away from transactional interactions based on pre-existing TfL frameworks to long-term, flexible relationships across multiple sites with the leading commercial organisations who are capable of adding value to TTLP’s extensive portfolio.
- 4.4 Work has also begun on the development of the detailed operating model for TTLP. As part of the operating model exercise, activity analysis and value chain development are underway. These will leverage the work being undertaken across TfL. The activity analysis and value chain work will be used to assess where changes could be made to the future model to ensure the Investment Strategy and Business Plan are delivered in the most effective and efficient way.

- 4.5 It is further proposed that TTLP now works with TfL and external organisations to create a market-facing People Plan that reflects TTLP's purpose, aspirations and financial obligations. This work on the People Plan will align with the development of the new TTLP Operating Model, enabling us to set out the skills and experience required to progress in TTLP, informing TTLP's approach to learning and development, progression, succession planning, and reward.

5 People Plan

- 5.1 To build the team to take the organisation forward will require TTLP to deliver an end-to-end People Plan that encompasses how it attracts, recruits, onboards, develops, performance manages and rewards its people. Such a plan will therefore effectively define TTLP's approach to reward, benefits, career development, work environment and culture.
- 5.2 The people plan will contain the following elements:
- (a) **People vision and strategy** – setting out the organisation we want to be and how will we get there – this will be a clear, simple vision and strategy understood by the entire business and driving all people-based decisions;
 - (b) **Organisational culture** – from the outset, we need to set out the culture we want to drive the changes in behaviours and ways working; articulating what TTLP will feel like to work in and how we want our people to feel;
 - (c) **Organisational behaviours** – articulating how we want people to behave, taking the TfL behaviours but setting out how those apply in TTLP, so that people are clear about how they should act and behave;
 - (d) **Ways of working** – we will need our people to do things differently, being efficient and effective in everything we do, and challenging ourselves every day to drive a positive change;
 - (e) **People development** – we have an opportunity to revisit our approach to people development, and an obligation to do so if we want to cost-effectively create a high-performing organisation that reflects the diversity of London;
 - (f) **Talent management** – as well as developing our people, we should be actively identifying talent and high potential, and assisting those individuals' career journeys in order that we retain the best people to deliver for TTLP;
 - (g) **Recruitment strategy and talent acquisition** – a targeted bespoke approach to ensure we recruit diverse candidates with the skills and culture we are seeking to build in TTLP, aligned to the organisation's vision and capabilities;
 - (h) **Reward strategy** – develop a market-facing total remuneration strategy and fairly rewarding our people; and
 - (i) **Retention strategy** – developing a strategy that aims to keep the best people within the business.

- 5.3 The first step in the People Plan will be a review of the existing leadership of TTLP, to ensure that has all the capabilities required to transform the organisation from a department in a public body to one of the largest commercial property companies in London.
- 5.4 We therefore propose to procure an independent review of the future requirements of the TTLP leadership team. This will ensure that the structure and associated job descriptions are aligned – and that we will be able to stand up the right team with the right skills. Identified gaps will be addressed through recruitment and / or development to ensure that TTLP can take forward this exciting and ambitious agenda. The approach will subsequently be rolled out to the wider management team.
- 5.5 Retention of existing talent will be key to the early success of TTLP. To help with this and improve engagement with and ownership of the new organisation, we plan to make the existing wider team central to the creation of the TTLP People Plan.
- 5.6 The existing team will also be asked to support recruitment more directly. TTLP's People Plan will recognise that TTLP's best marketing tool is its own people. Reflecting TTLP's principle of being a digital-first organisation, we will propose using video, audio and social media to engage prospective candidates by promoting the stories of our own people, some of whom are amongst the best in the industry. These would sit alongside traditional job advertising portals, events and careers days. Across all channels, we will particularly highlight the strides that TTLP has made on diversity – while recognising that more needs to be done.
- 5.7 To support diversity in recruitment, we will emphasise the benefits of working in TTLP, including policies such as flexible working, and opportunities for development. To fully address the issue of inclusivity will require us to engage with groups rarely connected with real estate.
- 5.8 We will take a long-term view, building on our existing apprenticeship routes as well as identifying and attracting candidates who may have a non-property background but relevant skills and capability.
- 5.9 For too many communities in London, a career in real estate is not considered a realistic prospect. TTLP has had success both in its schools outreach programme, and its construction skills programme where over 1,000 people have been helped into long-term employment, with 65 per cent of trainees from black and minority ethnic backgrounds and 10 per cent with a disability or learning difficulty.
- 5.10 It is not a viable long-term strategy for TTLP to compete with the top end of the commercial market in terms of reward. TTLP will need to consciously align its reward offering to the market, benchmarking for each role, but it will also need to propose an offering based on the opportunity to work on world-class projects, to be part of an organisation that is leading on sustainability and social value, and to receive ongoing, high-quality development. Together, these will allow us to recruit the talent we need while avoiding the need to out-perform the market in total rewards.

- 5.11 TTLP's approach will be mindful of the recommendation of the Kerlake Report that there should be oversight of roles and salaries across GLA Group organisations as well as improved collaboration on induction, training, and expertise sharing to reduce fragmentation across the group.
- 5.12 In the TTLP People Plan, the approach to onboarding and induction will need to demonstrate that the promises made in the marketing and recruitment are seen through from raising a contract, to onboarding, career development, training, financial rewards, flexible working and team culture.
- 5.13 The People Plan is also likely to suggest a structure that encourages the ability for people to move seamlessly from one department to another, providing a more balanced approach to career development and progression.
- 5.14 The Plan will also emphasise that TTLP's people will be expected to understand the full breadth of London. One of the specific components of TTLP's People Plan will therefore be a volunteering strategy to encourage its people to work with and support communities across the capital.
- 5.15 Finally, while an intensive attraction and recruitment strategy will inevitably form a key part of the initial People Plan, the cost and management of such an exercise should not be underestimated. In future, a greater role for succession planning is expected to reduce the need for large recruitment campaigns and this will also be reflected in the Plan.

List of appendices to this report:

None

List of Background Papers:

None

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