

# Transport for London

## Minutes of the Land and Property Committee

Conference Rooms 1 and 2, Ground Floor, Palestra,  
197 Blackfriars Road, London, SE1 8NJ  
11.00am, Tuesday 18 October 2022

### Members of the Committee

Professor Greg Clark CBE (Chair)  
Dr Nina Skorupska CBE (Vice Chair)  
Heidi Alexander  
Seb Dance  
Ben Story (via Teams)

### Board Members

Marie Pye

### Greater London Authority Observer

Lyn Garner Chief Executive London Legacy Development Corporation (via Teams)

### Executive Committee

Alex Williams Interim Chief Customer and Strategy Officer

### Staff

Graeme Craig Director, Commercial Development  
Andrea Clarke Director of Legal (for Howard Carter, General Counsel)  
Justine Curry Head of Commercial Law (via Teams)  
Margaret Deegan Head of Property and Planning Law (via Teams)  
Patrick Doig Group Finance Director (via Teams)  
Mark Farrow Director of TTLP Strategy and Planning  
Lester Hampson Property Development Director, Commercial Development (via Teams)  
Joanna Hawkes Corporate Finance Director and Chief Finance Officer, TTLP  
Emma Hatch Senior Property Manager  
Lorraine Humphrey Director of Risk and Assurance  
Paul Hymers Head of Business Partnering (via Teams)  
Shamus Kenny Head of Secretariat  
Daniel Lovatt Director of Asset Management (via Teams)  
Martin Mohammed Senior Property Manager  
Heather Renton Head of Governance and Compliance, TTLP

### Independent Investment Programme Advisory Group

Ray Christopher Chair, TTLP Sub-Group  
Peter Cornforth Member, TTLP Sub-Group  
Derek Williams Member, TTLP Sub-Group  
Joanne White Member, main group

## **12/10/22 Apologies for Absence and Chair's Announcements**

An apology for absence had been received from Anne McMeel. Howard Carter, General Counsel, was also unable to join the meeting and was being represented by Andrea Clarke. Ben Story was attending the meeting via Teams and was able to take part in the discussions but did not count toward the quorum. The meeting was quorate.

The Chair welcomed everyone to the meeting of the Committee, including Marie Pye, who was observing, Ray Christopher, Peter Cornforth and Derek Williams of the Independent Investment Programme Advisory Group (IIPAG) TTLP Sub-Group and Joanne White of IIPAG. The meeting was being broadcast live on TfL's YouTube channel 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 TfL staff after the meeting.

## **13/10/22 Declarations of Interests**

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

## **14/10/22 Minutes of the Meeting of the Committee held on 30 June 2022**

**The minutes of the meeting of the Committee held on 30 June 2022 were approved as a correct record and the Chair was authorised to sign them.**

## **15/10/22 Matters Arising, Actions List and use of Delegated Authority**

Andrea Clarke introduced the item. The use of delegated authority would be a standing item on the agenda for this Committee, as it was for the Finance Committee and the Programmes and Investment Committee. The only item to report was the use of Land Authority by the Chief Finance Officer in relation to the disposal of land at Aldgate High Street.

All actions from the inaugural meeting, on 30 June 2022, related to future papers and briefings and were captured in the forward plan, elsewhere on the agenda.

**The Committee noted the paper.**

## 16/10/22 TTL Properties Limited Half-Year Performance

Graeme Craig, Lester Hampson and Daniel Lovatt summarised the financial and operational performance of TTL Properties Limited (TTLP) in the first half of 2022/23. It linked to the paper on Investment, Business and Corporate Planning 2023/24, elsewhere on the agenda (Minute 17/10/22), and informed the strategic activity TTLP was undertaking over the next six months to be ready for the financial year 2023/24.

The paper covered the market context, financial performance, capital, operational performance and property development. The uncertain economic outlook provided challenges for TTLP and its tenants but TTLP's increasingly diverse asset base helped protect revenue at the business level. The long-term approach of investment and steady asset growth also created a more resilient business that could better withstand short-term economic downturn.

TTLP's capital commitments would be taken forward cautiously to ensure resilience and liquidity through economic cycles. TTLP would aim to deliver throughout the property cycle, accepting that its returns would not always be as high as would otherwise have been the case. Market conditions would be continuously reviewed, while bringing forward medium-density, high-amenity, high-accessibility, low-carbon places that supported vibrant life and commerce. TTLP was confident that it was well placed to meet its long-term targets.

Results from the first six months showed income, costs and operating margin performing better than budget. The best performing sector, Arches, had recently piloted an integrated operating model that would be rolled out to other sectors. More needed to be done to drive forward capital project delivery to unlock future revenue growth, and this would include investment in resource and a new, more efficient approach to procurement.

Housing delivery remained challenging in the current market, though TTLP was starting to operate at or above the pace required to deliver 20,000 homes over the next 10 years. The developments planned with Grainger and the Bollo Lane development accounted for around 75 per cent of the target and progress was being made with both. The start on some build to rent sites had been delayed as value engineering was required due to cost inflation and there was a significant underspend on asset management, which was being addressed. The supply of power, particularly in west London, remained a concern but work was progressing to resolve this. The housing programme, along with commercial office developments and investment in the existing estate, would transform TTLP's finances and the capital itself in the years ahead.

Recruiting and mobilising staff within TTLP remained a key challenge.

While TTLP's voids performance compared well to the market, it recognised the need to improve in this area as it would unlock significant value.

TfL had engaged well with its tenants during the coronavirus pandemic, which had built up goodwill and trust and was reflected in rental income despite the current economic uncertainty. Senior managers engaged with tenants regularly and had processes in place to assess credit risks and ability to pay, so that sound and rational judgements could be made on how to support them.

TTLP also had regular engagement with its delivery partners as it sought to develop strategic relationships with shared values, which did not undermine the competitive process but allowed learning from each project to be applied to future projects.

Members discussed some of the key developments including the largest, Earls Court where the recent inclusion of the Lille Bridge Depot site increased opportunities on the site and would bring operational and financial benefits to TfL with the relocation of the depot. A site visit to see the proposed development site at Earls Court would be arranged. **[Action: Secretariat]**

Members welcomed the performance report. The TTLP management team would evolve the reporting to provide similar information to listed peers in their half-year and annual reports. Members were keen to see key performance indicators and profit and loss summaries for each business area and key developments would include occupancy, void performance and yield. **[Action: Graeme Craig]**

**The Committee noted the paper.**

## **17/10/22 Investment, Business and Corporate Planning 2023/24**

Graeme Craig introduced the item, which set outlined the strategic activity TTL Properties Limited (TTLP) was undertaking over the next six months in preparation for the financial year 2023/24. This activity built on the current TTLP Investment Strategy and Business Plan, discussed at the meeting on 30 June 2022, and reflected TTLP's half-year performance and the wider market conditions.

Significant work had been undertaken on the development of the TTLP Purpose, which included a vision statement and nine operating principles, which aligned with TfL's Vision and Values. By April 2023, this work would be extended through the creation of a new document that would outline TTLP's purpose and vision and its corporate objectives, along with the measurement criteria to achieve these. This document, alongside the Investment Strategy, Environmental, Social and Governance (ESG) Strategy and Business Plan would set out how TTLP would deliver its Corporate Strategy.

The Investment Strategy provided a framework for investment decisions to enable TTLP to deliver its objectives in a way that maximised returns and mitigated risks. The two primary objectives were to generate sustainable and growing net income and to deliver new homes and communities. The first Investment Strategy provided long-term direction and the next iteration would be updated to apply lessons from current performance and to reflect current market conditions.

TTLP was also developing its first consolidated ESG Strategy which was key to the financial sustainability of its portfolio and would demonstrate the significant potential of TTLP's business to deliver environmental and social benefits to London. The development of the Strategy focused on understanding and responding to the ESG market and regulatory opportunities and the risks to the property portfolio. The Strategy would include short-term priorities, including environmental impact, social value, customer experience and unlocking value. The ESG would build on TTLP's existing GRESB accreditation, which currently applied to property development only, which ranked TTLP as the most diverse developer in the UK and the third in the

world. TTLP aspired to be net zero by 2030 but recognised this required investment in its existing estate.

The emerging Investment Strategy for 2023/24 would directly inform the Business Plan update for April 2023. The updated Plan would focus in detail on the short-term including known and committed projects, with a high-level update on the medium and long-term elements.

Given the scale of TTLP's assets, it was reviewing its digital and data capabilities with the overall goal of creating processes, systems and data that reflected a commercial property business rather than a department in an operational transport organisation. 'Digitally Connected' was one of TTLP's nine Operating Principles and was pivotal to achieving its Vision. TTLP Digital would deliver technology, data and innovation capabilities that maximised the value and return of TTLP's assets through enabling data-driven decision making and driving transformation across the organisation. The initial focus would be on bringing in new skills and ways of working and supporting ongoing data improvement to enable the business to take data-informed decision.

People were the single most important element for the success of TTLP. By the end of 2022, TTLP would have set out the core principles of its new People Plan to establish TTLP as an employer of choice, capable of attracting, recruiting, rewarding and retaining a diverse, high-performing workforce that reflects the city it served. The People Plan would be in place by April 2023.

An update on the development of these documents would be reported to the next meeting, ahead of their submission to the meeting in March 2023. The Committee would then receive regular progress reports on their delivery

Members would sponsor different elements of TTLP's work:

- (a) Branding and Position – Ben Story;
- (b) ESG (with an initial focus on energy systems and electric vehicle (EV) charging) – Dr Nina Skorupska CBE; and
- (c) Finance and Assurance – Anne McMeel.

TTLP was keen on building communities and placemaking sustainable spaces. It was looking at logistics that would support new town centres and it was working with stakeholders, small and medium enterprise tenants and boroughs to ensure that local needs were met. This included the provision of support and services and social spaces that enabled communities to easily communicate to encourage local buying, movement of staff and collaboration.

Consideration was also being given to reducing costs such as heating by looking at communal systems, though developments in this area moved quickly and systems that were affordable now could quickly become out of date. Work was also being undertaken on supporting the strategic approach of the Greater London Authority and TfL on the provision of EV charging solutions.

**The Committee noted the paper.**

## **18/10/22 TTL Properties Limited Assurance Update**

Lorraine Humphrey introduced the item and the information on Part 2 of the agenda, which provided an update on progress with programme assurance activity across TTL Properties Limited (TTLP) during Quarter 2 of 2022/23 (26 June to 17 September 2022).

The recruitment to the Independent Investment Programme Advisory Group (IIPAG) TTLP Sub-Group had been completed, with the appointments of Ray Christopher (Chair), Peter Cornforth and Derek Williams. The Sub-Group formed an essential part of the assurance framework for the work of TTLP and would be an invaluable resource for the Committee. Ray Christopher would attend future meetings, with other members of the Sub-Group and Joanne White of the main group supporting where required.

The Integrated Audit and Assurance Schedule, appended to the paper, set out the indicative workplan of continuous assurance and targeted reviews for the next six-months. Staff from the London Legacy Development Corporation would also support peer reviews. TTLP welcomed the assurance framework and assurance approach. Risk owners would attend meetings as required.

Members discussed risks relating to finance – including current economic conditions impacting both tenants and the supply chain, market conditions, stakeholders and security (including cyber security) and the importance of learning lessons from similar enterprises.

**The Committee noted the paper and the exempt supplementary information in Part 2 of the agenda and approved the Integrated Audit and Assurance Schedule at Appendix 1.**

## **19/10/22 Members' Suggestions for Future Discussion Items**

Andrea Clarke introduced the forward plan for the Committee. Members had agreed to lead on specific areas of the Committee's work and several briefings and site visits were planned.

A performance report would be a standing item and include updates on the market context, as this was an overriding risk.

Work had been commissioned on the approach to housing provision in other world cities and this would be the subject of a future briefing.

The item on TTLP's commercial strategy, scheduled for the next meeting, would include information on the approach to procurement.

**The Committee noted the forward plan.**

## **20/10/22 Any Other Business the Chair Considers Urgent**

There was no other urgent business to discuss.

## **21/10/22 Date of Next Meeting**

The next scheduled meeting of the Committee would be held on Wednesday 18 January 2023 at 10.00am.

## **22/10/22 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 item on TTL Properties Limited Assurance Update.**

The meeting closed at 1.00pm.

Chair: \_\_\_\_\_

Date: \_\_\_\_\_