

Transport for London

Minutes of the Land and Property Committee

Conference Rooms 1 and 2, Ground Floor, Palestra,
197 Blackfriars Road, London, SE1 8NJ
10.00am, Thursday 23 March 2023

Members

Professor Greg Clark CBE (Chair)

Dr Nina Skorupska CBE (Vice Chair) (via Teams)

Seb Dance (from Minute 15/03/23 to Minute 19/03/23 and from Minute 23/03/23)

Anne McMeel

Ben Story (not present for the discussion of the exempt information for Minutes 23/03/23 and 24/03/23)

Other representatives

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

Executive Committee

Howard Carter General Counsel

Alex Williams Chief Customer and Strategy Officer

TTL Properties Limited (TTLP) Leadership Team

Graeme Craig Director and Chief Executive Officer

Mark Farrow Director of TTLP Strategy and Planning

Lester Hampson Property Development Director

Joanna Hawkes Interim Chief Finance Officer

Daniel Lovatt Director of Asset Management

Lisa-Jane Risk Head of Operations

Other staff

Patrick Doig Group Finance Director and statutory Chief Finance Officer

Emma Hatch Senior Property Development Manager, TTLP

Margaret Deegan Head of Property and Planning Law, General Counsel

Lorraine Humphrey Director of Risk and Assurance

Shamus Kenny Head of Secretariat

Heather Renton Head of Governance and Compliance, TTLP

Martin Mohammed Senior Property Development Manager, TTLP

Julian Thirlby Corporate Finance Senior Manager

Independent Investment Programme Advisory Group (IIPAG)

Ray Christopher Chair, IIPAG TTLP Sub-Group

Derek Williams Member, IIPAG TTLP Sub-Group

Joanne White Member, IIPAG

15/03/23 Apologies for Absence and Chair's Announcements

An apology for absence had been received from Heidi Alexander. Dr Nina Skorupska CBE was attending the meeting via Teams and was able to take part in the discussions but did not count toward the quorum. Seb Dance had notified the Chair that he had to step out of the room for a period and Ben Story had to leave at 1.00pm. The meeting was quorate throughout.

The Chair welcomed everyone to the meeting of the Committee. 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.

16/03/23 Declarations of Interests

Members confirmed that 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.

17/03/23 Minutes of the Meeting of the Committee held on 16 January 2023

The minutes of the meeting of the Land and Property Committee held on 16 January 2023 were approved as a correct record and the Chair was authorised to sign them.

18/03/23 Matters Arising, Actions List and Use of Delegated Authority

The Committee noted that since the meeting of the Committee on 16 January 2023, there had been one use of Chair's Action in relation to the Commercial Office Investment Programme Joint Venture and one use of Procurement Authority by the Commissioner in relation to the Bollo Lane development. Papers on both issues had been considered at the January 2023 meeting. Members congratulated staff on the completion of the Commercial Office Investment Programme Joint Venture.

There had been no other uses of authority nor any Mayoral Directions to TfL within the remit of the Committee.

The Committee noted the paper.

19/03/23 TTL Properties Limited Corporate Strategy

Graeme Craig and Mark Farrow introduced the item, which summarised TTL Properties Limited's (TTLP) emerging Corporate Strategy.

The Corporate Strategy was the first of a series of strategies on the agenda that, when taken together, set the long-term direction for TTLP and defined the role it aspired to play in creating the London of the future. The draft strategies provided a framework for success that balanced financial, economic, environmental and societal factors delivered by a talented, engaged and diverse workforce. They described what TTLP was doing now and what it would do in the future, how it would measure its performance, and how it would anticipate and adapt to market conditions.

These strategies would be the basis for more detailed policies, standards and plans which would address the opportunities and challenges across the business. TTLP would consolidate and condense the contents of the strategies for use in many ways, including in the materials to accompany the launch as well as the future TTLP website. The finalised version would be issued to the Committee in due course.

The Corporate Strategy aligned with TfL's priorities for the organisation in relation to delivering Mayor's Transport Strategy outcomes and a long-term revenue stream. Alex Williams and Graeme Craig provided regular updates to the TfL Executive Committee on TTLP's activities.

Members welcomed the clear and concise nature of the strategies and stressed the importance of their role in short-, medium- and long-term planning which would itself lead to refining the strategies further. It was suggested that this should include more information on the joint benefits and relationship with TfL and the advantages of working with joint venture partners while always taking a prudent approach.

On the financial context and discipline, TTLP would rigorously manage its capital commitments to reflect and ensure resilience and liquidity through economic cycles. Its Capital Discipline and Liquidity policies had been modelled to ensure they were aligned and could be refreshed in the light of experience if there was a clearly articulated justification.

Metrics relating to the shareholder objectives, once approved, would not be changed without reference to the Committee. The emphasis was on a long-term capital return rather than short-term revenue. Shareholder oversight was being strengthened through the managing and statutory Chief Finance Officers.

The Committee noted the paper.

20/03/23 TTL Properties Limited Investment Strategy

Graeme Craig, Mark Farrow and Joanna Hawkes introduced the item, which summarised the updated TTL Properties Limited's (TTLP) Investment Strategy. The strategy reflected the significant economic headwinds experienced over the past year and looked ahead to potential new sectors and opportunities.

The strategy continued to build on a sector-led approach, which would increasingly be reflected in TTLP's organisational structure and performance reporting.

The Investment Strategy was considered in conjunction with TTLP's other strategy documents, particularly the Corporate Strategy and the Environmental, Social and Corporate Governance Strategy, elsewhere on the agenda for this meeting.

TTLP would consolidate and condense the contents of the strategies for use in many ways, including in the materials to accompany the launch as well as the future TTLP website. The finalised version would be issued to the Committee in due course.

Members supported the sector approach and aspirations in the Investment Strategy, which would help inform decisions. The strategy contained a suite of metrics and as the strategy evolved, future iterations would set out which metrics applied at portfolio level and which for individual projects.

Members were keen that future updates provided some market benchmarking that compared TTLP to different sectors like great estates and private equity developers.

The Committee noted the paper.

21/03/23 TTL Properties Limited Environmental, Social and Corporate Governance (ESG) Strategy

Graeme Craig, Mark Farrow and Emma Hatch introduced the item, which summarised TTL Properties Limited's (TTLP) Environmental, Social and Corporate Governance (ESG) Strategy. The strategy provided a framework for success that balanced financial, economic, environmental and societal factors. TTLP wished to continue to be a leader in this area and set the tone for the wider real estate sector.

The ESG Strategy would be the basis for more detailed policies, standards and plans that would address the opportunities and challenges across the business. TTLP would continue to refine and improve the strategy, with a view to sharing a finalised version with the Committee, ahead of the official launch of TTLP under its new name later in 2023.

The ESG Strategy was well laid out, thoughtful and ambitious. Targets for tangible benefits would be developed and sequenced in a manageable way and TTLP would proactively set out what it stood for and act strategically, in addition to meeting the requirements of new regulations. The communication of the ambition in the ESG Strategy would also be a key driver to attracting and retaining high calibre staff.

The Committee noted the paper.

22/03/23 TTL Properties Limited People Strategy

Graeme Craig and Mark Farrow introduced the item. They set out the methodology followed in progressing the TTL Properties Limited (TTLP) People Strategy work, which included the internal and external benchmarking being undertaken, since the update provided on 30 June 2022.

In developing the TTLP People Strategy, the leadership team strove to create an environment that encompassed the best of TfL and enabled TTLP to deliver its objectives. The aim was to make TTLP a welcoming and desirable place to work, while building a team that reflected the diversity of London and could positively shape the capital's future.

Graeme Craig highlighted the proposed actions that would be undertaken while the leadership team mapped out the longer-term strategies for attracting and retaining colleagues, which would be resourced and effectively communicated, complementing the new operating model.

The Committee and leadership team recognised the importance and urgency of having the right skills, expertise and level of resource to deliver the business plan and achieve the high aspirations of TTLP. The aim was to attract a diverse range of talent as well as developing staff internally. The strategy needed to set out TTLP's unique selling points more clearly to attract staff, in addition to the planned learning and development work. While the organisation structure was almost complete, short-term tactical appointments and filling posts throughout the organisation, rather than top-down was required. TTLP would also consider if some areas of expertise could be outsourced. Available resource would be considered when sequencing the business plan to enable delivery.

The Committee noted the paper.

23/03/23 TTL Properties Limited Quarterly Performance Report

Graeme Craig, Joanna Hawkes, Mark Farrow, Lester Hampson, Lisa-Jane Risk and Daniel Lovatt introduced the item and the exempt supplementary information on Part 2 of the agenda. The item summarised the market context, health and safety performance, financial performance, operational performance, project updates and provided an understanding of the impact of TTL Properties Limited (TTLP).

On safety, the Committee noted the action taken in response to an incident at Earls Court and the collaborative work with TfL's Safety, Health and Environment team. Members welcomed the offer of a future deep-dive on safety culture and the safety improvement plan. **[Action: Lisa-Jane Risk]**

On financial performance, the Committee noted the good operational performance, despite market challenges and that underspending on capital projects was partly due to phasing issues, which it was hoped would be addressed in-year. Underspending

on asset management projects, however, was due to limited resource and longer procurement times and this would be addressed over the next year.

The Committee welcomed the strong performance in operations and the project updates.

Members requested that the report continue to evolve with data on staff vacancies and the use of non-permanent labour, and progress on voids, rent collection and acquisitions and disposals. Consideration would also be given to how joint venture finances would be reported in the Part 2 paper and how data could be presented to enable the Committee to effectively monitor how TTLP was performing against the trajectory to meet the metrics in its strategies. **[Action: Graeme Craig]**

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

24/03/23 TTL Properties Limited Assurance Update

Lorraine Humphrey and Ray Christopher introduced the item and the exempt supplementary information on Part 2 of the agenda, which provided an update on progress with programme assurance activity across TTL Properties Limited (TTLP) during Quarter 4 of 2022/23 (11 December 2022 to 31 March 2023).

Members noted the work in progress and welcomed the risk-based approach and the good collaboration between those providing assurance and the TTLP leadership team. The assurance being provided was proportionate and helping to get things right from the start, while recognising how busy the leadership team was in standing up the organisation and moving to a steady-state.

The Committee was pleased that tenant safety compliance was adequately controlled and that progress was being made on developing the plan to provide an effective first line of assurance. Members supported a strong focus on identifying fraud, both in contracts and in work with tenants, using Know Your Client processes.

The Independent Investment Programme Advisory Group TTLP sub-group was identifying cross-cutting themes and an enterprise risk framework was being developed.

Resourcing and governance were key areas of immediate focus, including around the oversight of joint venture companies, where TTLP would have a minority shareholding and representation on the joint venture boards.

Members discussed the resourcing challenges, given the significant remuneration benchmarking differentials for senior and other key roles in the private sector, internal approval processes required to provide oversight and accountability on the use of public money and the capacity of TfL's Human Resources team to support the scale of the recruitment programme.

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

25/03/23 Members' Suggestions for Future Discussion Items

Howard Carter introduced the item. Members noted that a forward plan was in development and Graeme Craig outlined the main topics. A full forward plan would be submitted to the next meeting.

A briefing was scheduled for March 2023 on market conditions, the operation and oversight of joint venture companies and branding. Dates for further briefings were being arranged.

The Committee noted the forward plan.

26/03/23 Any Other Business the Chair Considers Urgent

There was no other urgent business to discuss.

27/03/23 Date of Next Meeting

The next scheduled meeting of the Committee would be held on Wednesday 28 June 2023 at 10.00am.

28/03/23 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: TTL Properties Limited Quarterly Performance Report; and TTL Properties Limited Assurance Update.

The meeting closed at 2.07pm.

Chair: _____

Date: _____