

Board



Date: 25 July 2023

Item: Report of the Meeting of the Land and Property Committee Panel held on 28 June 2023

This paper will be considered in public

1 Summary

- 1.1 This paper provides a summary of the items considered by the Land and Property Committee at its meeting on 28 June 2023.

2 Recommendation

- 2.1 **The Board is asked to note the report.**

3 Committee Agenda and Summary

- 3.1 The papers for the meeting of the Committee held on 28 June 2023 were published on 20 June 2023 and are available on the [TfL website](#) with a link to the video recording of the meeting on [TfL's YouTube channel](#).

- 3.2 The main matters considered by the Committee were:

- (a) Matters Arising, Actions List and Use of Delegated Authority;
- (b) TTL Properties Limited Valuation Results and Capital Receipts Programme Update;
- (c) Purpose and Branding;
- (d) TTLP Scorecard 2023/24;
- (e) TTL Properties Limited Quarterly Performance Report;
- (f) TTL Properties Limited Assurance Update;
- (g) Enterprise Risk Update – Inability to React to External Market Forces (TTLP-L0-6);
- (h) Electric Vehicle Charging Hubs; and
- (i) Resourcing.

- 3.3 A summary of the items considered is provided below. The more detailed minutes of the meeting will be published ahead of the meeting of the Committee on 21 September 2023.

4 Issues Discussed

Matters Arising, Actions List and Use of Delegated Authority

- 4.1 The Committee noted two uses of Delegated Authority by the Chief Finance Officer in relation to the Limmo land transaction and the Whitechapel project.

TTL Properties Limited Valuation Results and Capital Receipts Programme Update

- 4.2 The Committee noted an overview of the year-end evaluation process of TTL Properties Limited (TTLP) assets, as at 31 March 2023, conducted by a third-party specialist.
- 4.3 Fifty-two per cent of TTLP's asset values were held in 15 per cent of the portfolio, with a long tail of low-value assets. TTLP will focus on, and invest in, the high-value assets to deliver optimal long growth whilst reviewing options for low-value assets, especially those that require significant investment, for example, to meet net zero carbon targets. The Committee suggested that consideration be given to charging for value added services and betterment, which were currently offered for free. There would be continued focus on joint venture partnerships.
- 4.4 Rental values were still strong despite the challenging economic conditions.
- 4.5 It was agreed that future reports would include all investments, including joint ventures, to provide a broader overview.

Purpose and Branding

- 4.6 The Committee noted the update on progress in developing TTLP's brand and identity, in line with the purpose and principles established at previous meetings.
- 4.7 Based on extensive stakeholder engagement and Member comments, a preferred name and logo had been identified and was currently progressing through the appropriate legal processes.
- 4.8 The visual identity had been developed in accordance with TfL's accessibility, inclusion and diversity guidelines, and in alignment with the Greater London Authority, and would be launched in September 2023.

TTLP Scorecard 2023/24

- 4.9 The Committee noted the TTLP Scorecard for 2023/24 for the coming 12 months, including target improvements on last year's successes.
- 4.10 The proposed scorecard was consistent with TfL's approach across the organisation.

- 4.11 It was agreed that the following items would be considered for inclusion in the scorecard metrics: valuation; TfL dividend; housing completions; and impact on UK economy, including jobs and skills development.

TTL Properties Limited Quarterly Performance Report

- 4.12 The Committee noted the quarterly performance report providing an update on market context, health and safety, financial performance, operational performance, project updates and understanding TTLP's impact.
- 4.13 Despite rising inflation and the cost-of-living crisis, TTLP continued to perform well. It had so far outperformed budget in the current year.
- 4.14 Dividend Policy was noted to be part of the TTLP Treasury Management Strategy as a standalone document. It was agreed that Health & Safety reporting would be split between those areas where TTLP has direct and indirect responsibility.
- 4.15 Voids continued to decrease following a sustained focus on tenant engagement. This included both attracting higher quality tenants retaining new tenants and improved mitigation measures. Arrears and cash collections were broadly on target.
- 4.16 More detailed information on social value and benefits realisation would be submitted to the next meeting, including employment and skills. This would include impact on the wider UK economy.
- 4.17 Housing starts had been strong despite the loss of a developer at a late stage in one of the programmes. The lessons learnt on this had been built into future programme management.
- 4.18 The Chair welcomed the report and congratulated staff on the strong performance in challenging economic circumstances.

TTL Properties Limited Assurance Update

- 4.19 The Committee noted the update on progress with programme assurance activity across TTLP during Quarter 1 of 2023/24 (1 April to 24 June 2023).
- 4.20 All actions were being addressed as the result of recent audits requiring improvement, with a good level of engagement and collaboration but first line assurance needed to be further developed.

Enterprise Risk Update – Inability to React to External Market Forces (TTLP-L0-6)

- 4.21 The Committee noted the overview of the TTLP Level 0 Enterprise Risk – Inability to react to external forces.

- 4.22 Improvement was required in the management of this risk but a programme of actions over a 12-month period, as set out in the report, were being implemented.
- 4.23 It was agreed that competition, liquidity and financing be considered for including in the key causes of the risk.

Electric Vehicle Charging Hubs

- 4.24 The Committee noted the paper on the electric vehicle charging hubs programme.
- 4.25 A joint venture approach was being proposed, as the most flexible and currently preferred option in an evolving market.
- 4.26 Members stressed the importance of finding a partner with shared values that would align with TTLP/TfL's culture and to consider a range of operating models and address all risks inherent within the proposal.
- 4.27 A site visit to an electric vehicle charging hub and a briefing on international benchmarking models in other cities would be arranged before the start of any procurement process.
- 4.28 A proposal paper on the financial model, including assurance, would be submitted to the next meeting of the Committee.

Resourcing

- 4.29 The Committee noted the update on resourcing in TTLP.
- 4.30 Critical roles were currently being filled. A partnership model approach of public and private sector real estate was also being considered.
- 4.31 Further details on staffing and resourcing would be submitted to the next meeting of the Committee, including risk mitigations and transition arrangements.

List of appendices to this report:

None

List of Background Papers:

Papers submitted to the Land and Property Committee on 28 June 2023

Contact Officer: Howard Carter, General Counsel

Email: HowardCarter@tfl.gov.uk