

Date: 21 September 2023

Item: Places for London Limited Scorecard 2023/24

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**This paper will be considered in public**

**1 Summary**

- 1.1 This paper requests approval of the annual Places for London scorecard for the financial year 2023/24.
- 1.2 At its meeting on 28 June 2023, the Committee agreed the broad outline of the scorecard submitted but asked us to consider adding some further metrics. We propose to address this by incorporating new metrics in the annual scorecard and developing a longer-term “strategic” scorecard to be put in place alongside the annual version. This new product will contain metrics that enable us to more effectively assess and report against the long-term value we are delivering for London, including benefits to the transport network and our wider economic and social impact.

**2 Recommendation**

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






**3 2023/24 Scorecard**

- 3.1 The Committee reviewed the previous iteration of this year’s scorecard at its meeting on 28 June and suggested that it should be broadened to more accurately reflect and measure performance across the business. In line with this feedback, we have updated the scorecard in section 3.6 to this paper with two additional metrics.
- 3.2 **Dividend Payable to TfL** – target set at £9.4m is set out in the Budget and agreed with TfL. Calculated from the Annual Operating Surplus, less any build to sell dividends received in year, financing costs and tax. We will work towards a single target at year end with no formal periodic reporting, though the full year forecast may be updated in year if there are any formal budget reforecasts.
- 3.3 **Cumulative Housing Completions** – a measure of delivery towards our Mayoral and Government targets for new homes. “Completion” in this context means that the housing is ready for use and a public announcement of completion has been made. Places aims to reach 1,258 cumulative homes completed by the end of 2023-24, with 442 completions in year.
- 3.4 As we are adding the two new metrics after the beginning of the financial year, both are zero-weighted. Our performance against them will therefore not count

towards the overall scorecard outturn this year, but they will be included and weighted in future years.

3.5 We have also set out the individual events and deadlines which make up the Environment, Social and Governance milestones. We will provide a report on progress at the Committee meeting on 20 December 2023, though we can confirm that the August 2023 milestone to complete the Task Force on Climate Related Financial Disclosures disclosure was achieved.

3.6 The amended scorecard is as follows:

	Measure	Target	Floor Target	Weighting
Safety & Risk 	Inspections Completed vs Planned	95%	90%	10%
	Killed or Seriously Injured (KSI)	0	0	10%
Colleague 	Total Engagement	64%	61%	10%
	All Staff Representativeness			
	Gender	45.3%	45.0%	1.25%
	Ethnicity (BAME)	27.9%	25.1%	1.25%
	Disability	9.4%	8.9%	1.25%
	Minority Faith / Belief (not Christian, Agnostic or Atheist)	15.8%	13.8%	1.25%
Homes 	% Affordable Start on Sites	47%	47%	10%
	Start on Sites (Cumulative)	4,407	4,314	10%
	Housing Completions (Cumulative)	1,258	915	0%
ESG 	Complete carbon literacy training (Band 4 and above)	100%	75%	5%
	Customer Satisfaction Survey	70%	65%	5%
	Achieve ESG Milestones	5/5	3/5	
	Complete EPCs by Mar 24	100%	100%	1%
	Attain GRESB 5* Rating	31/03/2024	31/03/2024	1%
	Publication of BBP compliant NZC roadmap	31/12/2023	31/12/2023	1%
	TCFD Report	30/08/2023	30/08/2023	1%
EV Hubs Tender Sent Out	30/09/2023	30/09/2023	1%	
Finance 	Total Revenue	£82.9m	£74.6m	10%
	Operating Surplus	£24.3m	£21.9m	10%
	Asset Disposals	£23.5m	£18.8m	5%
	Asset Investment	£(40.0)m	£(32.0)m	5%
	Dividend	£9.4m		0%

## 4 Long Term Strategic Scorecard

4.1 Places for London will be a feature of the London real estate sector for decades to come. We therefore need to complement our current focus on meeting annual targets with a way of tracking the value that is delivered over time to customers, communities, and our shareholder.

4.2 The benefits of a strategic scorecard will include:

- (a) enabling consistent focus on the direction of the business as set out in our strategies and plans and being able to clearly demonstrate progress to our shareholder, the market and London stakeholders;
- (b) better strategic decision-making and reduced risk of short-termism at the expense of the long-term health of the business; and
- (c) improved employee engagement, boosting productivity, retention and attraction as set out in our People Strategy.

4.3 Our initial thinking is that the scorecard should cover a four-year period between 2024 and 2028, which matches the next Mayoral term. Among the metrics we will consider for inclusion are:

- (a) Killed or Seriously Injured – evidencing a long-term commitment to the safety and security of all those who work for Places for London or come onto our estate;
- (b) Employee Engagement – targeting consistent, year-on-year improvement linked to the delivery of the plan sitting beneath our People Strategy;
- (c) Representativeness – tracking progress towards our People Strategy commitment to have a workforce that reflects the diversity of London’s economically active population;
- (d) Customer Satisfaction – so we can understand the long-term impact of measures we put in place to improve our customers’ experience;
- (e) Brand Recognition – initially likely to be a measure of direct engagement with the company in the months following our launch but over time we aim to track awareness and understanding of the impact of our work;
- (f) Housing Starts on Site, Completions and Percentage Affordable Housing – longer-term targets will give a better reflection of progress towards meeting our commitments to the Mayor and Government;
- (g) Sustainability – to be refined as we develop our Net Zero Carbon Roadmap, options include metrics on carbon intensity, energy use from renewable sources and asset performance;
- (h) Transport Benefits – in partnership with TfL we will explore the most appropriate metrics and how they could be measured and attributed, including passenger demand, mode shift and increases in customer satisfaction arising from Places for London schemes; and
- (i) Economic and Social Impact – we aim to have a robust measure of jobs created and the economic value created by our tenant businesses.

4.4 The strategic scorecard will reflect the substance and focus of the emerging Business Plan as well as being closely aligned to our Strategic Impact Framework, which will set out in detail how and where we aspire to deliver social,

environmental and economic value through our work. We will strike a balance between metrics for which we have or can easily collate data to report, and those for which longer-term work is needed to achieve the maturity required.

- 4.5 Working with the TfL Human Resources team, we will explore the feasibility of creating a scheme which uses the outputs from the strategic scorecard to link reward to the longer-term success of the business, including increased shareholder value.

**List of appendices to this report:**

Appendix 1: Key to Environment Social Governance (ESG) Milestone Acronyms

**List of Background Papers:**

None.

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## Appendix 1 – Key to Environment Social Governance (ESG) Milestone Acronyms

EPC	Energy Performance Certificate
GRESB	An independent organisation providing validated ESG performance data and peer benchmarks for investors and managers to improve business intelligence, industry engagement and decision-making
BBP	Building Better Partnerships is a collaboration of leading property owners who are working together to improve the sustainability of commercial buildings
NZC	Net Zero Carbon
EV	Electric Vehicle
TCFD	Task Force on Climate Related Financial Disclosures