

# Transport for London

## Minutes of the Land and Property Committee

Paddington Room, 11th Floor, Palestra,  
197 Blackfriars Road, London, SE1 8NJ  
10.00am, Wednesday 28 June 2023

### Members of the Committee

Professor Greg Clark CBE (Chair)  
Dr Nina Skorupska CBE (Vice Chair) (for part)  
Seb Dance  
Anurag Gupta  
Anne McMeel  
Ben Story (for part)

### Executive Committee

Howard Carter            General Counsel  
Patrick Doig             Acting Chief Finance Officer  
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

Margaret Deegan        Head of Property and Planning Law  
Alex Gilbert             Senior Strategy Manager for Com Energy, TTLP  
Emma Hatch             Senior Property Development Manager, TTLP  
Lorraine Humphrey     Director of Risk and Assurance  
Martin Mohamad        Senior Property Development Manager, TTLP  
Heather Renton         Head of Governance and Compliance, TTLP  
Sue Riley                 Secretariat  
Amy Thompson          Public Affairs and Public Relations, TTLP

### Independent Investment Programme Advisory Group (IIPAG)

Ray Christopher         Chair, IIPAG TTLP Sub-Group  
Peter Comfort            Member, TTLP Sub-Group

## 29/06/23            Apologies for Absence and Chair's Announcements

There were no apologies for absence. Dr Nina Skorupska CBE had given apologies for lateness and Ben Story would have to leave before the close of the meeting. Lyn Garner, London Legacy Development Corporation had also given apologies. The meeting was quorate throughout.

The Chair welcomed everyone to the meeting of the Committee, particularly Anurag Gupta, following his appointment to the Committee by the Board on 7 June 2023. He also expressed his thanks to Heidi Alexander, who had stood down from the Committee.

The Chair thanked Ben Story, who would be standing down from the TfL Board at the end of September 2023. Ben was appointed to the Board in September 2016 and had served on the Committee since its inception. In addition to his financial knowledge, he had been a great supporter of innovation, technology and people policies.

This was also Howard Carter's last meeting of the Committee. Since joining TfL in September 2006 as the General Counsel and Board Secretary, he had played a pivotal role in supporting Members individually and collectively and was a great teacher of rules and regulations and good conduct. He had guided the organisation through some of the most challenging periods in its history, providing wise counsel and advice. Following the announcement of the news, Members had paid generous tribute to him.

Howard Carter would continue as General Counsel until late September 2023, and arrangements for leadership of his area going forward would be notified to the Board as soon as possible.

The meeting was unable to be broadcast live on TfL's YouTube channel but the live recording would be uploaded as soon as possible after the meeting.

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.

The Committee agreed to alter the order of the agenda. The minutes of the meeting reflect the agenda order for each item.

### **30/03/23    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.

### **31/06/23    Minutes of the Meeting of the Committee held on 23 March 2023**

**The minutes of the meeting of the Committee held on 23 March 2023 were approved as a correct record and the Chair was authorised to sign them.**

### **32/06/23 Matters Arising, Actions List and Use of Delegated Authority**

The Committee noted that since the meeting of the Committee on 23 March 2023, there had been two uses of Delegated Authority by the Chief Finance Officer in relation to the Limmo land transaction and the Whitechapel project.

There had been no other uses of authority or any Mayoral Directions to TfL within the remit of the Committee.

**The Committee noted the paper.**

### **33/06/23 TTL Properties Limited Valuation Results and Capital Receipts Programme Update**

Graeme Craig and Martin Mohamad introduced the item, which provided an overview of the year-end valuation process conducted by a third-party specialist of TTL Properties Limited (TTLP) assets, as at 31 March 2023.

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. In line with its Investment Strategy, TTLP would be investing in mixed-use, high value assets to help values to grow further. Low value assets that were not connected to the transport network would be reviewed for disposal. The Committee suggested that consideration be given to charging for value-added services and betterment, which were currently offered for free, and the value creation to joint venture partnerships, to help fund projects.

Rental values were still strong despite the challenging economic conditions.

It was agreed that future reports would include all investments including joint ventures, to provide a broader overview. **[Action: Martin Mohamad]**

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

### **34/06/23 Purpose and Branding**

Graeme Craig and Amy Thompson presented the update on progress in developing TTL Properties Limited's brand and identity in line with the purpose and principles established at previous meetings.

Based on extensive stakeholder engagement and Member comments, a preferred name and logo had been selected and was currently progressing through the appropriate legal processes.

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.

**The Committee noted the paper.**

### **35/06/23 TTLP Scorecard 2023/24**

Graeme Craig and Mark Farrow introduced the TTL Properties Limited (TTLP) Scorecard for 2023/24 for the coming 12 months, including target improvements on last year's successes.

The proposed scorecard was consistent with TfL's approach across the organisation.

Emma Hatch had recently been appointed as TTLP's Environment, Social and Governance lead.

It was agreed that the following items be added to the scorecard metrics: portfolio valuation and the dividend to TfL; cumulative housing completions; and some measure of the value TTLP was delivering for TfL, London and the wider UK economy. **[Action: Mark Farrow]**

**The Committee noted the paper.**

### **36/06/23 TTL Properties Limited Quarterly Performance Report**

Graeme Craig, Joanna Hawkes, Mark Farrow, Lester Hampson, Lisa-Jane Risk and Daniel Lovatt introduced the quarterly performance report providing an update on market context, health and safety, financial performance, operational performance, project updates and understanding TTL Properties Limited's (TTLP) impact.

Despite rising inflation and the cost-of-living crisis, TTLP continued to perform well. A wide range of activity was taking place within the health and safety sphere with a view to developing a strong health and safety culture, utilising leadership, training and digital tools.

A dividend return to TfL of approximately £15m had been achieved. Recurring revenue growth was £10.5m and reflected post-coronavirus pandemic recovery growth in retail and car parks income and improved bad debt recovery. Staffing and maintenance costs had increased in line with growth and car parking income was up, although asset disposals and investment targets had not been achieved. Overall, TTLP's financial performance was on track.

TfL was flexible in its approach to TTLP dividend payments and was open to a long-term, strategic view to maximise asset value growth.

It was agreed the Dividend Policy should be separated out from the Treasury Management Strategy as a standalone document. **[Action: Joanna Hawkes]**

Daniel Lovatt reported that the asset management team was now fully integrated and recruitment was underway for several senior leadership roles. The team held quarterly meetings with the top 10 corporate customers and project teams and were on site at three of the "big four" locations: Victoria, Whitechapel, Liverpool Street and Baker Street. The key focus was in establishing asset management plans for key sites.

Voids were decreasing and focus was on attracting and retaining new tenants on site, including mitigation measures. Arrears and cash collections were broadly on target.

In relation to housing targets, several headwinds were highlighted, which included uncertainty in the regulatory environment and the impact on the property sector of inflation driven cost increases. Members recognised the risks of the current environment and the importance of gaining insight from partners to share ideas on how to best manage and mitigate those pressures. The Committee would be kept updated on any significant delays or financial impacts.

The Committee noted that TTLP was in an excellent position to unlock social and community value from its supply chain through its programmes, supporting economic growth, jobs and skills. The financial value of TTLP's contribution to the wider UK economy was being fed into the wider TfL finance work in this area.

More detailed information on social values and benefits realisation would be submitted to the next meeting, including employment and skills.

**[Action: Mark Farrow]**

It was suggested that Committee Members visit Build East, in Queen Elizabeth Olympic Park as an example of a successful employment and skills training centre.

**[Action: Secretariat]**

Mark Farrow set out TTLP's full year performance against its 2022/23 scorecard. Among the company's aims in 2023/24 was to improve its customer satisfaction scores and continue to drive up employee engagement and satisfaction.

Performance against TTLP's housing targets had been strong – the targets for starts on site and affordable housing percentage were only missed due to the loss of a developer on a key scheme later in the year. The lessons learnt from this had been built into future programme management.

TTLP had learnt a number of lessons during the pandemic. Staff were engaging with business tenants to offer support through various means if they were struggling, including through payments plans, stepped rents or re-location options. Property managers met regularly with tenants, supporting over 2,000 small and medium businesses across the TTLP estate, in a customer-focused environment. When customers entered new lease arrangements rent was always cleared down in advance.

A diverse portfolio with a balance of commercial, retail and residential developments, would provide the most value and risk adverse approach.

The Chair welcomed the report and congratulated the TTLP team on the strong performance in challenging economic circumstances.

**The Committee noted the Performance Report and the exempt supplementary information on Part 2 of the agenda.**

### **37/06/23 TTL Properties Limited Assurance Update**

Lorraine Humphrey and Ray Christopher introduced the update on progress with programme assurance activity across TTL Properties Limited (TTLP) during Quarter 1 of 2023/24 (1 April to 24 June 2023).

All actions from recent audits requiring improvement were being addressed by TTLP with a good level of engagement and collaboration.

The main areas of concern were prioritisation of resources for key activities, procurement and commercial activities and governance improvements.

The Chair thanked both the Independent Investment Programme Advisory Group (IIPAG) TTLP Sub-Group members and the Risk and Assurance Directorate for their high-quality support. This was endorsed by Graeme Craig. Assurance work was being carried out and lessons learnt applied in real time.

Members highlighted the importance of the TTLP Investment Group maintaining the highest standards of governance and assurance. The Group, chaired by Joanna Hawkes and attended by Lorraine Humphrey, met regularly with the papers shared with and commented on by the IIPAG TTLP Sub-Group.

TTLP's forward plan included work to improve its first line assurance, including the establishment of a Programme management function.

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

### **38/06/23 Enterprise Risk Update – Inability to React to External Market Forces (TTLP-L0-6)**

Mark Farrow presented the overview of the TTL Properties Limited (TTLP) Level 0 Enterprise Risk 6 – Inability to react to external forces.

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.

It was agreed that competition, liquidity and financing should be considered for inclusion as key causes of the risk. **[Action: Mark Farrow]**

The Committee thanked Joanna Hawkes and her team for their valued contribution to the work of establishing TTLP and progress to date. A new TTLP Chief Finance Officer was due to start in September 2023.

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

## **39/06/23 Electric Vehicle Charing Hubs**

Graeme Craig and Alex Gilbert introduced the update on TTL Properties Limited (TTLP) electric vehicle charging hubs programme.

A joint venture approach was proposed as the most flexible option in an evolving market.

Members stressed the importance of finding a partner who shared TTLP's ambition and values. They recommended that all feasible options for establishing the business should be explored and the risks and financial model for each should be well understood.

A site visit to an electric vehicle charging hub, and a briefing on the approach being taken to electric vehicle ventures in other cities would be arranged before the start of the procurement process. **[Action: Secretariat/Alex Gilbert]**

The Committee would be asked to approve TTLP's approach before it went out to the market and a paper would be provided to a future meeting.

**[Action: Graeme Craig]**

**The Committee noted the paper.**

## **40/06/23 Resourcing**

Graeme Craig presented the update on resourcing in TTL Properties Limited (TTLP). A range of business-critical senior roles were currently being filled and progress in filling other vacancies was good. The Chair emphasised the importance of establishing a strong core team.

TTLP was also exploring the establishment of partnerships with external organisations to supplement its permanent resource where business need required it. The Committee noted this work and agreed that it would consider a paper to approve a delivery plan at a future meeting.

**The Committee noted the paper.**

## **41/06/23 Members' Suggestions for Future Discussion Items**

Howard Carter introduced the current forward plan for the Committee.

Several informal briefing sessions had also been scheduled. Site visits would be arranged to the TTL Properties Limited development sites. **[Action: Secretariat]**

Issues around housing development and energy, including District Heating Networks, was suggested for future discussion. **[Action: Mark Farrow]**

**The Committee noted the forward plan.**

## **42/06/23 Any Other Business the Chair Considers Urgent**

There was no other urgent business to discuss.

## **43/06/23 Date of Next Meeting**

The next scheduled meeting of the Committee would be held on Thursday 21 September 2023 at 10.00am.

(Ben Story left the meeting at this point).

## **44/06/23 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 Valuation Results and Capital Receipts Programme Update; TTLP Properties Limited Quarterly Performance Report; TTL Properties Limited Assurance Update; and Enterprise Risk Update – Inability to React to External Market Forces (TTLP-L0-6).**

The meeting closed at 2pm.

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

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