

**Date:** 21 September 2023

**Item:** Chief Executive's Report

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## **This paper will be considered in public**

### **1 Summary**

- 1.1 This report provides a review of major issues and developments since the meeting of the Committee on 9 June 2023.

### **2 Recommendation**

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

### **3 Introduction**

- 3.1 The three months since the previous Committee meeting on 28 June have marked an important period in the development of what is now called Places for London. As the Quarterly Performance Report, item 6 on this agenda, makes clear there are still significant headwinds in the delivery of housing, and the impact is being felt across the industry but, nevertheless, good progress has been made, both on project delivery and in putting place the enablers that will allow Places for London to become one of the largest and more important property companies in London.

### **4 Health and Safety**

- 4.1 There were no serious injuries in the period.
- 4.2 The planned audit inspection programme of tenants has been progressing with 598 evidenced inspections completed in the year to date. Of these, 317 (53 per cent) have required an enforcement notice to be issued to the tenant.
- 4.3 Of the 317, 279 (88 per cent) were issued due to lack of the required compliance documentation specified in the lease rather than the units having inherent risk. There were also 16 Severe Warning Notices issued and 22 Warning Notices issued. Reasons for Warning Notices being issued include, for example, daisy chaining of extension leads with increased risk of electrical fire, blocked access routes or fire extinguishers not having been serviced.
- 4.4 All warning notices are monitored, and all are currently being closed within the required timeframes. This activity demonstrates the value of the risk-based audit inspection programme where we have recognised the need to proactively check compliance.

- 4.5 More broadly, and in what is a model for our future relationship with Transport for London (TfL), we are working increasingly effectively with the TfL Safety, Health and Environment (SHE) team on Health and Safety (H&S).
- 4.6 We are jointly creating a comprehensive H&S strategy for Places for London, as set out in the Quarterly Report.
- 4.7 The scale of H&S activity to monitor all Property Development and Asset Management projects, as well as create and embed a new Health and Safety Strategy, will require additional resource. The H&S professionals will sit within the TfL SHE team but be funded by and embedded within Places for London as a core component of the new organisation.
- 4.8 Places for London was also the first part of TfL to do the SHE Cultural Maturity Assessment survey developed by the TfL SHE team. The survey was open to all Places for London colleagues, and the Cultural Maturity was assessed to be Level 3.2 (Structured) on the 1-5 scale developed based on industry best practice. We are now holding joint workshops with colleagues to identify appropriate improvement actions which will deliver continuous and lasting improvement to the SHE Culture within Places for London.

## **5 Naming and Branding**

- 5.1 TTL Properties Limited (TTLP) was established in 2014 to hold TfL's shareholding in TTL Earls Court Properties Limited. In 2019, the Finance Committee approved the consolidation of TfL's commercial property into TTLP, and the following year TfL agreed to fund TTLP with £2.1bn of ordinary share capital to create the initial asset base and reflect the asset transfer transactions, with TTLP distributing, in due course, earnings to TfL in the form of dividends. These arrangements cemented TTLP as TfL's property vehicle.
- 5.2 In 2021, in response to the financial pressures created by the pandemic, TfL, the Mayor of London and HM Government agreed to utilise a commercial property subsidiary to deliver both new housing and increased long-term revenue for TfL. On 1 April 2022, TfL established the financial separation of TTLP from TfL.
- 5.3 TTLP was never intended to be a market-facing brand. Work was undertaken to consider whether the name should change – and Places for London was quickly identified as a name that better reflects our purpose whilst demonstrating a clear link with our only shareholder, TfL.
- 5.4 On 3 July 2023, TTL Properties Limited changes its name to Places for London Limited. At the London Real Estate Forum (LREF) on 27 September 2023, we are formally launching the new name. Having a clear identity is important, not least in helping us attract the people that will drive the organisation forward, but we are conscious that a new name does not in itself build any new homes or create any additional revenue. Our focus will always therefore be on delivery – on creating and managing the places that allow this city to thrive.

## 6 Delivery

- 6.1 Where we have been able to make progress, we can demonstrate the clear benefits of our approach.
- 6.2 On 10 August, along with the Deputy Mayor for Housing and Residential Development and the Leader of Waltham Forest Council, we celebrated the completion of Blackhorse View, the first of our joint venture housing developments with Barratt London and London and Quadrant (L&Q).
- 6.3 Blackhorse View now provides 350 new homes, with 50 per cent affordable housing, on what was previously an unattractive car park. The development has delivered a new public cycle hub on Forest Road along with 650 cycle parking spaces for residents. The transformation of the nearby Blackhorse Road junction also makes it easier to travel more sustainably, while the development itself also includes a new pedestrian route through the site, with more than forty new trees having been planted.
- 6.4 Blackhorse View benefits the local community and economy by providing more than 17,500 sq. ft of flexible commercial floorspace, with the potential for new cafes, local retailers and shared workspace. This will further support the Blackhorse Lane Creative Enterprise Zone. The first residents began moving in in summer 2021. Around three-quarters of the homes sold – through shared ownership, Help to Buy and private sale – have been to first time buyers.
- 6.5 As well as creating new homes for London, the scheme has helped create new jobs and apprenticeship opportunities throughout the life of the project. More than a quarter of the workforce came from the borough of Waltham Forest. The project supported apprentices working on the scheme, as well as those who have taken part in our Construction Skills programme.
- 6.6 With work now complete on the new homes at Blackhorse View, we and Barratt London have started on site on our second project together, adjacent to Wembley Park Tube station. This will deliver 454 new homes, including 40 per cent affordable housing, a retail unit, and new operational space for TfL. We will also be delivering additional planting and providing play space for children in the community. Construction is expected to take around four and a half years, with the first people moving into the new homes in 2024.
- 6.7 Other events during this period have included the topping out ceremony at Fenwick, near Clapham North Tube station, with the support of the London Borough of Lambeth. Fenwick is a site of 46 homes (100 per cent affordable) that is being directly delivered by Places for London in partnership with the borough.
- 6.8 Work also continues at our scheme at Kidbrooke in the Royal Borough of Greenwich, where we and our joint venture partner Notting Hill Genesis are on track to complete 343 new homes by March 2024 in Phase 1 of the development that will ultimately bring 619 new homes to the borough, with 50 per cent affordable housing.

- 6.9 In July 2023, local public consultation events took place on our proposed plans for Edgware town centre. In a joint venture with Ballymore, we aim to deliver nearly 3,500 new homes, including up to 1,100 affordable homes, creating hundreds of new jobs and spurring economic opportunity. The proposed scheme across the 25.4-acre site would deliver £1.7bn of investment in the local community, with improved health infrastructure including General Practitioners and dentists, new community space, a library, parks, playgrounds, extensive retail, restaurant and leisure space as well as a significant contribution to Barnet's local education budget.
- 6.10 The proposed plans unlock public and green open spaces, including access to a new 4.7-acre nature park, 400 new trees, community growing gardens and 2.5 acres of new play space for children of all ages. They would also deliver a new, fit-for-purpose transport interchange, including an electric vehicle-enabled bus garage which, in due course, would help support the increased use of electric buses across London – improving air quality and helping to tackle the climate emergency.
- 6.11 In August 2023, we completed the agreement to deliver homes at Barkingside Yard, next to Barkingside Tube station in Ilford. The agreement with Countryside Partnerships and Peabody will deliver 98 new homes (100 per cent affordable) through a mix of Shared Ownership and Social Rent. With construction set to complete in 2025, these new one-, two- and three-bedroom homes will be split across three buildings which range up to five storeys in height.
- 6.12 Sustainability is embedded throughout the design at Barkingside Yard, with the incorporation of air source heat pumps, green roofs, new allotments and communal gardens for residents. In addition, the station car parking will be reconfigured, new pedestrian crossings and solar lighting will be provided, and improved public cycle parking will be delivered through a new purpose-built secure facility. The development will also contribute towards future play space at the Fairlop Waters Country Park.
- 6.13 Also in August 2023, we issued a Prior Information Notice and a market sounding questionnaire for the opportunity to deliver up to 1,500 homes at Limmo Peninsula, next to Canning Town Tube station. This site can also support commercial spaces, publicly accessible open space and improved connectivity to the wider area. To assist the delivery of the scheme, we have acquired two plots of land from the London Borough of Newham with funding provided by the Department for Levelling Up, Housing and Communities (DLUHC).
- 6.14 We have recently received the Local Planning Authority's Planning Decision Notice for Cockfosters, where we are seeking to build 351 homes. We are keen to see the development brought forward and will shortly resubmit the s163 application to the Department for Transport (DfT).

- 6.15 We expect a decision on the South Kensington Planning Appeal. A successful appeal would allow us to build 50 homes alongside new commercial and retail space, and, crucially, would help unlock the delivery of station improvements including step-free access for the District and Circle lines at this important gateway to museums and institutions.
- 6.16 As well as the work on housing delivery, we also recently signed the contracts confirming Helical as our joint venture partner on commercial offices. The partnering arrangement will see the delivery of new high-quality and sustainable office space above or close to Tube stations, with the first three developments at Bank, Paddington and Southwark, totalling around 600,000 sq ft. All three sites have full planning permission. The buildings will be constructed on the basis of Net Zero Carbon and the joint venture will collaborate with tenants to target a rating of BREEAM Outstanding and Platinum WELL v2 Core.
- 6.17 Other properties and development opportunities may in the future be acquired by the joint venture with Helical, expanding the partnership's portfolio, subject to feasibility and assessment.
- 6.18 As is covered in Item 16 on the agenda, there is large amount of activity within Asset Management, particularly on the Arches estate. At Kilburn, in the London Borough of Camden, we have obtained full planning consent for the Kilburn Muse development, which will see us work with the local community to create a vibrant local space opposite the Tube station,
- 6.19 At Lockton Street we have planning consent from the Royal Borough of Kensington and Chelsea for the transformation of 11 arches. This will be the first new incubator space on our network that is specifically targeting new small businesses in the food sector – and we are in advanced discussions with a leading provider of shared workspace for London's food makers to curate this space.
- 6.20 Other investment is being made at Ranelagh Gardens, a run of five arches and a large external yard area that fronts onto the Thames at Putney Bridge and Wilson Walk a group of ten arches near Stamford Brook station.
- 6.21 We have also been working with Publica, a leading urban design practice, to improve the public realm around our arches, including developing a walkway from Kingsland through to Hoxton to open up our Haggerston arches. With a particular focus on safety, this work will improve connectivity and make the arches more accessible for local people as well as those who are visiting businesses on the arches.
- 6.22 Increasingly, Places for London's arches estate will be not only active, bright, safe space that offers new connections in London. It will also be the most important incubator space in London, home to hundreds of small businesses. In partnership with others, we will be providing not only physical space to start-ups, but increasingly the wider support and ecosystem that allows those new businesses to thrive.

## **7 Enabling Activity**

- 7.1 Papers elsewhere on the agenda highlight the challenges we are facing on resourcing. We recognise that we will never be able to compete with the private sector on reward. There is, however, more that we can do to demonstrate an attractive employee value proposition that includes a compelling vision for the organisation alongside a strong development programme and a clear career path.
- 7.2 As is set out at item 12 on this agenda the appointment of Strategy and Delivery Partners is an important element in our approach to resourcing. Given the uncertainties still involved in determining, for example, the opportunities from our Collaboration Agreement with Network Rail, the new partners will give access to senior, skilled resources at the points when it is required.
- 7.3 In parallel, we are progressing with the Business Plan. That work is demonstrating the clear rationale from investment in our existing assets to generate an increasing dividend for TfL whilst also growing asset values that can be leveraged to provide the capital to deliver our housing programme.
- 7.4 Given the opportunities across our portfolio and the pressing need for the homes, jobs and growth that we can provide, it is important that we maximise delivery. The Business Plan will therefore increasingly examine how we can improve efficiency. In essence, we are seeking to be as efficient as a commercial company while having the delivery ethos of a social enterprise.
- 7.5 Also critical in this regard will be the appointment of senior advisors. We have been considering for some time how we best evolve the governance arrangements in Places for London, and we believe the company would benefit from a small number of senior advisors who would be able to directly support and challenge the Executive team as well as attend and contribute to Committee meetings.
- 7.6 We are looking for people who have held very senior positions in major real estate organisations, that is, people who can assist on corporate real estate issues as well as major property transactions.
- 7.7 Interviews are starting on 12 September 2023 and we will update the Committee as we progress.

### **List of appendices to this report:**

None.

### **List of Background Papers:**

None

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