

Date: 13 March 2024

Item: **Investment Management Strategy 2024/25 – Non-Financial Assets**

---

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

### **1 Summary**

- 1.1 This paper sets out the proposed Investment Management Strategy 2024/25 – Non-Financial Assets (the Strategy) attached at Appendix 1 to this paper.
- 1.2 The Strategy provides an overview of how TfL plans to manage and grow its various commercial assets. The Strategy is to be approved by the Committee and to be noted by the Land and Property Committee at a separate meeting.

### **2 Recommendations**

- 2.1 **The Committee is asked to note the paper and approve the Investment Management Strategy 2024/25 – Non-Financial Assets, attached at Appendix 1 to this paper.**

### **3 Investment Management Strategy**

- 3.1 Statutory guidance on Local Government Investments requires that TfL prepares at least one Investment Strategy for each financial year. TfL produces a Treasury Management Strategy, covering investments held for treasury management purposes, and this Investment Management Strategy, which covers non-financial asset investments. The Investment Management Strategy sits alongside TfL's Treasury Management Strategy, which is included as another item on this agenda.
- 3.2 The Secretary of State recommends that the Strategy should be presented for approval before the start of the financial year.
- 3.3 This is an annual update of an existing strategy which was approved by the Committee in March 2023. The Strategy, attached as Appendix 1 to this paper, has been updated to make clearer which items of non-financial investment are managed through TfL's subsidiary, Places for London Limited (Places), and which are managed directly by TfL. The strategic objectives set out within the IMS have been updated to align with the shareholder objectives agreed between TfL and Places, and the strategy relating to Media and Telecommunications has been updated to reflect the latest developments.

Further to a request from the Committee at the time of that approval, the Strategy for 2024/25 will be presented to the Land and Property Committee for noting.

- 3.4 Guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) states that local authorities must not borrow to invest primarily for financial return. In addition, local authorities cannot borrow from the Public Works Loans Board (PWLB) if they plan to buy investment assets primarily for yield at any point in the next three years. This applies regardless of whether the asset was notionally funded from PWLB borrowing or borrowing from other sources.
- 3.5 The Committee and the statutory Chief Finance Officer must remain confident that the activities in the Investment Management Strategy, and elsewhere within TfL, are consistent with the guidance from CIPFA, the PWLB and Government, in that TfL's capital spending plans do not include the acquisition of assets primarily for yield, and nor do they include plans to borrow to invest primarily for yield.

**List of appendices to this report:**

Appendix 1: Investment Management Strategy 2024/25 – Non-Financial Assets

**List of Background Papers:**

None

Contact Officer: Joanna Hawkes, Director of Corporate Finance  
Email: [JoannaHawkes@tfl.gov.uk](mailto:JoannaHawkes@tfl.gov.uk)