

**Date:** 3 July 2024

**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 previous meeting of the Committee.

### **2 Recommendation**

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

### **3 Health and Safety**

- 3.1 I am pleased to report that there were no serious injuries in the year 2023/24, nor have there been any in the first three months of this year.
- 3.2 Our annual inspections scorecard measure was also achieved, with the new risk-based compliance regime contributing to an improved risk profile of our tenant-managed estate. The proportion of severe and high compliance risk-rated properties dropped from 10.1 per cent to 6.6 per cent.
- 3.3 The first two periods this financial year (1 April – 25 May 2024) has seen the proportion of severe and high compliance risk-rated properties has drop further to 4.5 per cent. This improvement is reflected in the enforcement notices issued. In the last three months there were no severe warning notices issued. In the same period last year, nine severe warning notices were issued.
- 3.4 The Quarterly Performance Report elsewhere on the agenda highlights the significant progress made in health and safety over the past year. It was fitting therefore that on 25 April 2024 – timed to mark United Nations' World Day for Safety and Health at Work – we had our inaugural Standdown for Health, Safety and Wellbeing in Places for London. All meetings were cancelled, and all colleagues were encouraged to focus on health, safety and wellbeing. There was a full programme of events throughout the day, with internal and external speakers, workshops, panels, stalls, health and wellbeing checks, and training opportunities. The day was a resounding success and cemented the importance of health, safety and wellbeing for our colleagues, customers, partners and city.

## 4 Resourcing

- 4.1 As I have previously set out to the Committee, the single most important role for us to recruit this year was the Head of Retail. I am delighted therefore to confirm that Samantha Bain-Mollison joined Places for London in May 2024, and she is now running our £600m retail estate with properties in stations and on high streets across the capital. Samantha joined Places for London after more than a decade at Shaftesbury where she was Retail Director. Samantha brings her invaluable knowledge of the sector and placemaking, and she will lead the shaping of our retail estate at this important time.
- 4.2 We have previously updated the Committee on our Operating Model Review. Following a competitive procurement exercise undertaken jointly with TfL's Human Resources function, we appointed Bain & Company to undertake the review. The review began in late April 2024 and is expected to take 13 weeks.
- 4.3 The prompt for this review was that:
- (a) Places for London's current operating model was initially designed to fit with TfL's value chain, and there is an opportunity to evolve this to a real estate capability-led structure, re-enforced with greater clarity on roles and activities;
  - (b) there is an opportunity to define the capabilities required for Places for London to play a role as a 'convenor', that is, helping to bring together TfL and adjacent public land to unlock greater value (commercial, social and environmental);
  - (c) there is a need to streamline processes and decision making, ensuring accountabilities are clear across all functions and with external stakeholders, including TfL and the Greater London Authority (GLA);
  - (d) there is a desire within Places for London to clarify the level of resourcing in different areas, ensuring that Places for London can act as an 'intelligent client' and that in-house capabilities are best in class; and
  - (e) we need to ensure we have a compelling employee value proposition which attracts and retains talent, with a proposition encompassing a strong culture, differentiating social mission, and attractive development pathways.
- 4.4 We are grateful for the input of the Senior Advisors as well as colleagues from across Places for London, TfL and the GLA. Bain & Company are making good progress, and we will share the report when it is concluded.
- 4.5 Following a further procurement exercise, Savills has been appointed as Places for London's Real Estate Partner. While we will continue to work with a range of property advisors, we will work with Savills on a strategic basis, with a Savills team increasingly embedded within Places for London. The partnership offers significant additional capacity and capability. One initial activity for Savills is reviewing the current Places for London housing programme with the aim of maximising the number of homes that can be delivered and optimising the pace of delivery.

## **5 Property Development**

- 5.1 We had initially forecast to have achieved 1,000 completions by the end of March 2024 with the delivery of the first blocks at Kidbrooke, comprising 190 homes. We did complete on 44 affordable homes in March 2024. However there has been a delay in achieving other completions, and these are now forecast for August 2024. We therefore remain on 946 completions, which we expect to rise to 1,136 in August 2024 and 1,436 by the end of the year.
- 5.2 While, at 490, the number of new home completions due this year is relatively low, this year is one of the most important years for our housing delivery programme. We will shortly be submitting planning applications for two of the largest development sites in London, at Earls Court (4,000 homes) and Edgware (3,365 homes). Later this year, we will also be selecting a partner to develop Limmo Peninsula, next to Canning Town station (1,200 homes), with that location identified as a seed site for our East London Partnership that has the potential to bring forward thousands more homes over the next decade.
- 5.3 We are making good progress at a number of existing development sites. Less than a year on from a ground-breaking at Wembley Park attended by the Commissioner and Tom Copley, the Deputy Mayor for Housing and Residential Development, on 3 May 2024 we toured the site with members of the Mayor's Homes for Londoners Board. Board members were impressed with the quality and pace of construction and the very encouraging sales results.
- 5.4 The first affordable housing block should reach practical completion this November 2024, enabling Metropolitan Thames Valley Housing to start moving in tenants. The new train crew accommodation should be ready for London Underground to take possession in April 2025. The whole site is forecast to reach practical completion in early 2027.
- 5.5 On 17 May 2024, we welcomed Wes Streeting, the Shadow Secretary of State for Health and Social Care, and Tom Copley to Barkingside where we are building 98 homes for social rent in partnership with Vistry and Peabody. The site, on a former builder's yard, highlights the impact we can have in providing high-affordable, mid-density, low-carbon development immediately next to the transport network.
- 5.6 Earlier, on 24 April 2024, Palmerston Crescent received planning approval from the London Borough of Enfield. This site will provide 31 homes (50 per cent affordable). The next step at Palmerston Crescent is to work with the developer and Council to finalise the section 106 agreement with start on site forecast for 2025.

## **6 The Living Sector**

- 6.1 Our housing programme currently focuses on traditional housing typologies, specifically private for sale, build to rent and affordable housing. We have recently begun consideration of broadening the housing typologies we deliver to help meet the wider needs of London.

- 6.2 The Private for Sale sub-sector is currently the majority of our pipeline, with a mix of small and medium-size developments, as well as large-scale major regeneration projects. Although at a difficult moment in the real estate cycle, we are well positioned to deliver this sub-sector with best-in-class partnership delivery vehicles to support new home delivery in London. In 2024/25 we are expecting to complete a cumulative total of 1,436 homes, which builds on the 946 homes completed in 2023/24.
- 6.3 Many of the existing rental homes in London are owned by private landlords who own very few properties on individual basis, leading to a market of mixed accommodation and management quality. With purpose-built rental homes managed professionally and on-site, Build to Rent offers not only a solution to the supply of rental homes, but also better standards and quality for the rental sector and Londoners. As the Committee is aware, Places for London has an existing multi-site joint venture (Connected Living London) with the UK's largest landlord, Grainger PLC.
- 6.4 Places for London has previously considered the option of student housing only as part of its major mixed-use developments at Earls Court and Edgware. There are 93,700 purpose-built student accommodation (PBSA) beds in Greater London, with 2.5 students per PBSA bed in London. The shortfall is made up by students living at home or in private rental accommodation – and the latter reduces space available for the wider housing market. There have been 10,768 PBSA beds built between 2019 and 2024. In that time, student numbers have continued to grow at 9,000 to 10,000 per year, with this growth expected to continue to exceed new supply.
- 6.5 Our delivery pipeline and significant landholdings in London offer opportunities to provide PBSA. We believe there is potential for a PBSA scheme at Southwark (see below). Alongside this location, we will review this sub-sector to assess the opportunity elsewhere in London. In doing so, we will consider options for relationships and partnerships, including with London universities.
- 6.6 Later Living is the catch all term used for the types of accommodation available to those in later life. In the UK this is still an emerging sub-sector. Meeting this housing need will become increasingly important for London given that the ageing population is predicted to grow by over 170 per cent by 2040. We have no existing involvement in this sub-sector, but there are opportunities to consider it across our landholdings. We propose to review this sub-sector, though there is work to do to determine a clear proposition for Places for London.
- 6.7 Co-living offers a room or small apartment within a communal property benefitting from shared amenities and facilities. The existing co-living market is relatively small, with 2,820 co-living beds in London, accounting for 82 per cent of the total UK market. It is not currently deemed a core element of our proposition, but we will continue to monitor the sub-sector as it evolves.

## **7 Southwark Over Station Development**

- 7.1 Southwark Over Station Development (OSD) is a development site in which Places for London owns a leasehold interest. As one of the three seed sites in the

Platinum Portfolio joint venture, Southwark OSD has planning permission for the development of best-in-class, sustainable commercial offices.

- 7.2 Based on its remit to maximise both shareholder and social value, Helical, as appointed development manager together with the consultant team, has reviewed the development options. Helical recommends that the joint venture consider progressing a mixed use PBSA and affordable housing scheme.
- 7.3 The joint venture remains committed to developing office-led schemes, including at 10 King William Street (formerly Bank OSD) and at Paddington Triangle OSD. The joint venture is also considering other office-led development opportunities in the Places for London estate.
- 7.4 The characteristics and key benefits associated with a mixed-used use PBSA and affordable housing development at Southwark OSD are presented below. The benefits are based on the current design and may change as the design is progressed.
- (a) a new PBSA building comprising 429 self-contained student rooms above the station;
  - (b) a separate building comprising 40 new affordable homes in a second, standalone building adjacent to the station – these homes would replace the London Borough of Southwark’s previous proposal to develop 25 homes immediately adjacent to the OSD site;
  - (c) the delivery of affordable housing and PBSA will help to alleviate pressure on housing in London through creation of additional homes and diverting demand for student accommodation away from private housing;
  - (d) the buildings’ massing, configuration of uses and design will complement the adjacent Styles House apartment block and Southwark station;
  - (e) enhanced pedestrian experience of a more generous public realm, including its surrounding streets, Isabella Street, The Cut, and Joan Street, which will be retained instead of stopped-up and developed; and
  - (f) enhancement works to the existing Southwark station, including operational improvements and rationalisation of space, and enhanced Santander Cycle stand provision.
- 7.5 The joint venture will continue to assess the implications of a PBSA scheme at Southwark OSD. Subject to discussions, once the joint venture has issued a revised business plan for shareholder approval, we will assess the required changes to the agreements authorised by the previous approval and new approvals will be sought as required, in accordance with TfL Standing Orders.

## **8 Sustainability and Inclusivity Strategy**

- 8.1 We have previously shared with the Committee the centrality of Environment, Social and Governance to how we will achieve our core objectives on housing

delivery and revenue growth – as well as the critical importance to Places for London of the social elements of the agenda.

- 8.2 We are about to publish our first Sustainability and Inclusivity Strategy. The Strategy provides a new framework that will enable us to drive better environmental, social and economic outcomes for the city between now and 2030, building on the progress we have made to date.
- 8.3 We have developed our approach in conjunction with our shareholder, and the Strategy fully supports the ambitions set out in TfL’s Corporate Environment Plan and its other environmental and social commitments. We have also engaged broadly within the property sector, so our intentions draw on best practice in comparable organisations.
- 8.4 The Strategy is based around three interconnected, ambitious goals for 2030:

<b>Pillar</b>	<b>2030 Goal</b>	<b>Why this is important</b>
Promoting vibrant and diverse communities	Provide 40,000 Londoners with affordable housing, workspaces and support.	Engaging our local communities to provide dynamic, inclusive and accessible places that make a positive contribution to neighbourhoods.
Creating healthy places for people and planet	Achieve Net Zero Carbon across our operations and head office and set ambitious targets for all new developments.	Reducing our impact on the environment and adapting to climate change by providing healthier spaces, embracing nature and reducing energy costs to ensure a portfolio that is fit for the future.
Supporting and developing local economies	Increase our contribution to London’s economy by 20 per cent.	This plan will help drive inclusive growth through economic opportunity, bringing neighbourhood investment and jobs and skills for communities in partnership with our customers and supply chain.

- 8.5 Our immediate priorities are set out in the Places for London 2024-25 scorecard approved by the Committee at its last meeting, and progress will be reported to the Committee.
- 8.6 Work to devise, develop, and embed the Strategy and all interventions in the current financial year are funded from existing budgets. We have allocations in the new Places for London Business Plan for investment in the existing portfolio, including works to achieve the net zero carbon transition and other outcomes to deliver social and economic benefits. Work is underway to ensure that all development activity covered by the Strategy is included in the financial plan that

will inform the updated Business Plan to be shared with the Committee in the autumn.

- 8.7 A link to the new Sustainability and Inclusivity Strategy will be sent to all Committee Members.

## **9 Branding and Marketing**

- 9.1 In April 2024, Places for London and our design partner Pentagram won two awards at the European Transform Awards. Transform is the only global magazine specialising in rebranding and brand development, and the magazine recognises the most innovative, creative and successful brand work in the world. Our new brand won the Gold prize for Best Visual Identity in both the Public Sector and the Property, Construction and Facilities Management Sector.
- 9.2 Also in April 2024, our new brand video won a Bronze award at the New York Festivals TV and Film Awards under the Best Writing category for Places for London and Rakaya Fetuga, the writer and star of the brand video who lives and works in the capital. The video showcases our tenants and the role that we play in reflecting and shaping London.
- 9.3 The brand and the video are central components of our Marketing Strategy which sets out our plans and priorities to drive brand awareness, build reputation and develop campaigns, content and thought leadership. Our aim is to establish Places for London as a socially minded, commercially focused property company that is helping deliver the homes and infrastructure urgently needed in the capital.
- 9.4 The Strategy sets out a high-level, five-year roadmap that describes the journey from the creation of the brand and the successful launch of Places for London in September 2023 to the development of a fully mature marketing approach.
- 9.5 Digital plays a major part in our strategy. Our website will provide an exceptional experience for users and clearly articulate our purpose, vision and values. Later this year, we will start promoting lettings opportunities across our estate via an integrated lettings website.
- 9.6 Our social media presence also plays a key role. We will continue to grow our following and engagement on LinkedIn and our recently launched presence on X (formerly Twitter). We will introduce YouTube and Instagram channels by the end of 2024. A content calendar sits underneath all our channels to deliver engaging and rich content to specific audiences across relevant platforms.
- 9.7 Through our approach to thought leadership, we will raise awareness amongst key audiences of Places for London being one of London's most significant and sustainable developers and landlords, delivering high levels of affordable housing. We aim to generate excitement about the scale and importance of our work and help support future recruitment and skills growth.
- 9.8 We will work closely with the TfL media team to get the greatest return on investment on all campaign and thought leadership activities, sharing case studies and marketing collateral and ensuring our annual and quarterly plans are fully aligned.

- 9.9 Marketing is an external facing function but a large part of embedding and strengthening a brand comes from building internal advocacy. To build advocacy and support our team in talking about the organisation, we are providing in-house brand training and regularly sharing engaging content.
- 9.10 Across all our marketing activity, we will monitor and measure performance, benchmarking against industry standards. We are also developing measurable key performance indicators for each channel or platform to track progress. We will provide an annual report to the Committee with updates, including marketing and brand performance.

## **10 Skills Academy**

- 10.1 Places for London has been at the forefront of implementing practical solutions to the barriers Londoners face in entering the built environment sector. To expand our programme and our reach, we are now in the process of establishing the Places for London Skills Academy.
- 10.2 The Academy will bring together our education, skills and employment initiatives under one banner. It will be a network of specialist training providers, business partners, charities and referral organisations, aligned to connect Londoners to jobs in the built environment. In doing so, it will bring together stakeholders and also offer opportunities for partnership funding to enhance the delivery of the programme.
- 10.3 First, the Academy will help develop our approach to construction skills. We already have a network of three Construction Skills Hubs. This will evolve to a 'hub and spoke' approach. Investing in our existing assets and leveraging partner facilities will increase training from 1,000 to 2,000 learners a year by 2029/30. We also aim to increase the learners going into sustainable employment from 40 to 55 per cent. We will enable this by offering a more flexible training offer and increasing the provision of ongoing mentoring and job-coaching.
- 10.4 We will create bespoke programmes aimed at new skills development, underrepresented groups and Londoners furthest from the job market –including disabled people, neurodivergent people, homeless people and young people who need enhanced support.
- 10.5 Second, the Skills Academy will also support our customers or tenants to recruit and upskill their workforce. In our most recent customer survey, 27 per cent said they were interested in us offering responsible business skills development and 26 per cent said they were interested in development of 'core' business skills including finance and business planning.
- 10.6 We are already piloting an initiative with our Heart of the City programme, which is engaging 40 of our tenants with a business support programme. We are exploring how future programmes could be delivered in close partnership with Grow London Local (part of London & Partners – the business and destination agency for London that is supported by the Mayor of London) and other providers.



- 10.7 Third, the Academy will help increase our engagement with young people. We plan to grow our programme from 3,050 young people engaged (with 150 helped into education or employment in the built environment) in 2025/26 to 6,250 (and 430 helped) by 2029/30. The programme budget will rise from £271k to £600k, while Places for London's contribution will taper down from £150k to £50k as more partners are involved.
- 10.8 The Academy will contribute to the aims set out in our Sustainability and Inclusivity Strategy, including providing 40,000 Londoners with support, while increasing Places for London's contribution to London's economy by 20 per cent.

**List of appendices to this report:**

None.

**List of Background Papers:**

None.

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