

Date: 10 December 2024

Item: Chief Executive's Report

This paper will be considered in public

1 Summary

- 1.1 This report provides an overview of progress and issues since the previous meeting of the Committee on 1 October 2024.

2 Recommendation

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

3 Health and Safety

- 3.1 Again, I am pleased to report that there have been no serious injuries this year across the Places for London estate. There have been eight minor injuries, all of which have been investigated with appropriate actions taken to minimise the likelihood of such incidents reoccurring.
- 3.2 Since the previous meeting of the Committee, there have been two high-potential health and safety incidents, bring the total for the year to date to four. Compliance levels among our tenants remain high with now over 85 per cent of the estate surveyed. We have issued 11 severe warning notices to our tenants, of which five have since been closed.
- 3.3 Details of the above are contained in the Performance Report elsewhere on the agenda.

4 Housing Delivery

- 4.1 Phase 1(b) of Kidbrooke, comprising 369 homes, completed in November 2024. This brings the total number of homes completed to date to 1,324, of which 710 (54 per cent) are affordable homes. A series of further completions are due before the end of the financial year, which could potentially allow us to reach 1,500 completions.
- 4.2 Also in November 2024, we and Barratt London announced the contract exchange for a site next to High Barnet station. The site is the second development to be unlocked by the West London Partnership, our largest joint venture to date. Over the next decade, the West London Partnership will deliver more than 4,000 new homes with an estimated value of £1.9bn, across more than 60 acres of land.

- 4.3 The new site at High Barnet station will deliver approximately 300 new homes alongside small-scale commercial uses that will enhance the station area. The development will target delivering 40 per cent affordable homes, helping to boost access to housing for residents in Barnet. Construction is due to begin in 2026, with all homes due to be completed by 2029.
- 4.4 Building on the success of the West London Partnership, we are seeking to create a partnership to bring forward sites across east London. The seed site for the East London Partnership is Limmo Peninsula. Final tenders are due later this month (December 2024) from the three bidders shortlisted for the site, next to Canning Town station. Limmo has the potential for around 1,200 homes, alongside public open space and a new pedestrian footbridge. Authority from the Committee will be sought in advance of entering into a conditional joint venture agreement with the preferred bidder in March 2025. Thereafter, planning permission will be prepared. We are targeting a start on site at Limmo in January 2029.

5 Platinum Joint Venture

- 5.1 Excellent progress is being made in Places for London's Platinum joint venture with Helical. Less than 18 months on from the joint venture being formed, the joint venture has acquired the long leasehold interest in Bank over station development (now known as 10 King William Street) and works to enable the construction of the building have since commenced.
- 5.2 As previously set out to the Committee, in seeking to maximise shareholder and social value, Helical, as development manager, reviewed the development options for Southwark over station development. Helical has recommended that rather than the office use for which there is planning consent, the joint venture should instead progress a mixed-use scheme comprising a purpose-build student accommodation building and an adjoining affordable housing building.
- 5.3 The proposed scheme comprises:
- (a) a new student accommodation building of 429 self-contained student rooms above the station – the equivalent of 172 homes based on the London Plan's home counting methodology;
 - (b) 44 new affordable homes in a second, standalone building –replacing a previous proposal to develop 25 homes on adjacent land – as well as a commuted payment for affordable housing;
- 5.4 The new strategy provides additional homes, some alleviation of pressure on housing demand by the diversion of student accommodation demand away from private housing stocks, and the retention and enhancement of more public space. Critically, it offers improved financial returns and reduced capital requirements for the project compared with the office scheme.
- 5.5 The design focuses best-in-class, sustainable buildings. The affordable housing building is achieving a Homes Quality Mark of 4.5 and the PBSA building a BREEAM (Build Research Establishment Environmental Assessment Method) 'outstanding' score.

- 5.6 Given the benefits, Places for London's representatives on the joint venture's Board agreed to proceed, subject to approvals, with the planning application for the change of use.
- 5.7 The joint venture has submitted its planning application and progressed both the design and pre-application conversations with the local planning authority, the London Borough of Southwark (LBS). In part due to increased housing delivery and reduced massing, the new strategy has been welcomed by officers and councillors. The joint venture has also had constructive pre-application conversations with the Greater London Authority officers who are also in dialogue with LBS about the proposals.
- 5.8 The joint venture aims to secure planning consent from LBS in early 2025 and for construction to commence later in 2025.
- 5.9 The Platinum joint venture was established on the premise that it may acquire and develop additional office development sites. A paper elsewhere on the agenda will seek approval for funding to assess additional commercial opportunities within the Platinum joint venture.

6 Asset Management

- 6.1 Good progress is being made on the eight-storey development at 10 King William Street, above the new Bank station entrance on Cannon Street, delivering 142,000 sq ft of office and retail space. Our Platinum joint venture with Helical acquired the site from Places for London in October 2024. Enabling works have commenced with completion due by December 2026.
- 6.2 A new retail concept, Future Stores, launched on 30 October at our unit at 95 Oxford Street, next to Tottenham Court Road station. The store uses technology to make shopping immersive and interactive. Intel is the first brand to occupy the space, using it to promote new Artificial-Intelligence-enabled computing. Other Future Stores are planned in New York and Paris.
- 6.3 Having last reviewed our car parking tariffs five years ago, the first update of car parking tariffs in five years came into effect on 14 October 2024. We are committed to keeping our car parking tariffs affordable for all those who use them. The increases bring charges more in line with similar parking facilities in local areas.
- 6.4 The average all-day weekday charge across Places for London's 75 car parks rose from £5.84 to £7.45. The average all-day for Saturday rose from £3.56 to £5.96 and for Sunday from £2.85 to £5.72. There was no change to the provision of free parking within Blue Badge bays.
- 6.5 The new tariffs are expected to generate an additional £4.7m a year. All revenue generated through our car park tariffs will continue to be reinvested into the wider transport network, including delivering a range of improvements to our car park estate. More than £1m has already been invested across our car parks in the last year including resurfacing and speed calming measures; installing better, more energy efficient lighting; and a successful trial of next-generation closed circuit

television to help improve security. Further investment is planned, including more energy-efficient lighting.

- 6.6 We are seeking to move to a regime of annual tariff revisions, to be implemented at the same time as any changes to public transport fares.
- 6.7 We have been working with selected partner Fastned on finalising the joint venture business plan and contracts for our Electric Vehicle Charging Hubs joint venture.
- 6.8 The purpose of the joint venture is to fund, design, build, operate and maintain electric vehicle charging infrastructure and ancillary services to generate long-term, sustainable and growing dividends for the shareholders by delivering material improvements in the number, distribution, accessibility and sustainability of charging infrastructure in London – all of which will directly contribute to London's transition to a net zero carbon city.
- 6.9 As previously indicated, Fastned supported the development of all five proposed seed sites and expressed a strong appetite to expand the joint venture's portfolio of sites beyond the seed sites. Following contract signature, work will commence at the five seed sites with the first hub expected to open at Hatton Cross in a little over 12 months.
- 6.10 More broadly, the Asset Management team continues to put in place our new business infrastructure. The estate-wide condition survey has completed, providing critical information on the condition of the estate that will allow us to move away from reactive maintenance to a more efficient regime of planned preventative maintenance.
- 6.11 This is being combined with investment in systems. Following a procurement exercise, we have selected MRI to deliver our new property management system and Planon to deliver our new computer-aided facilities management system. Securing both of these industry-leading solutions represent a significant milestone in building out the Places for London digital infrastructure. The current programme will see us cutting over to these new systems in early 2026.

7 Marketing and Communications

- 7.1 One year on from the launch of the Places for London brand, we commissioned research from international online research data and analytics technology group, YouGov, to assess how well the new brand's identity is performing and how wide is our reach.
- 7.2 Interviews were carried out through September and October with 513 London-based stakeholders comprising 100 representatives from small and medium-sized enterprises, 50 decision makers in construction and asset management, 50 landowners, 50 engineers and architects, 50 decision makers in financial services, 200 representative London Councillors, and 13 representative London Members of Parliament.

- 7.3 Of those surveyed, 28 per cent knew of Places for London. Awareness of Places for London is highest among engineers and architects (56 per cent), and those working in construction and asset management (44 per cent). Those in financial services (18 per cent) and political stakeholders (15-21 per cent) are the least likely to have heard of Places for London. The latter results reflect the fact that over the past 12 months the focus of our political engagement activity has been based exclusively on specific schemes.
- 7.4 Among those who have heard of Places for London, 61 per cent have a favourable impression of the company, the highest score among the organisations tested. Places for London ranked higher than the other London property companies in the following categories: 'Has a clear vision and strategy'; 'Makes a positive contribution to the quality of life in London'; 'Cares about its role in the community and wider society'; 'Operates openly and transparently'; 'Works with clients / businesses to ensure ethical / responsible business practices'; 'Has a high-quality leadership team'; and 'Takes action to address climate change'.
- 7.5 Overall, the research findings are very favourable and provide useful insights. Most stakeholders surveyed would be open to hearing more from Places for London. MPs are most open to this future contact, with London Councillors also interested in hearing more information about our plans in their local area. Working with TfL Government Relations, Local Communities and Partnerships and our future Communications and Engagement partner, our Strategic Engagement Lead will use these results in driving our engagement plan for 2025.
- 7.6 To help drive awareness and engagement, Places for London launched an Instagram account on 15 November. The first post, a collaboration with TfL that shared Places for London's brand video, had over 1,000 likes and 23,000 views in four days. The channel will be used to expand our reach and promote the activity of customers on our estate.

8 Sustainability and Social Value

- 8.1 GRESB (formerly known as the Global Real Estate Sustainability Benchmark) is an independent global standard for environmental, social and governance benchmarking and reporting. It is widely used by listed property companies, private property funds, developers and investors that invest directly in real estate.
- 8.2 It was announced in November that we have retained our GRESB 5* rating for Property Development. More notably, we have the highest GRESB rating among UK Residential companies. Across all real estate categories in Europe, Places for London came fourth, a remarkable performance for the organisation.
- 8.3 As reflected in the YouGov survey referenced above, our approach to sustainability, social value and inclusive growth is seen positively by stakeholders. We are proud of the diversity of our more than 1,500 customers, 95 per cent of whom are small and medium-sized enterprises. We firmly believe that helping our customers to succeed is key to delivering inclusive growth for our communities and have recently published '[We make Places for London together](#)' which sets out our partnership approach as well as the measures we have in place to track its success.

- 8.4 This requires us to understand the unique circumstances and aspirations of each business. We then work collaboratively with customers, involving them in decision-making and being transparent about rent setting and policies. We support businesses facing challenges, including offering flexible payment options and signposting other resources including Grow London Local. We also promote inclusive growth by encouraging businesses to adopt sustainable practices, pay the London Living Wage and contribute to their local communities.
- 8.5 Introduced in January 2024, the 'London Lease' is now our standard tenancy agreement for retail and arches properties. It includes clauses encouraging environmental data sharing, helping businesses identify opportunities for energy efficiency and cost savings. It also promotes fair pay and encourages businesses to become accredited London Living Wage employers.
- 8.6 The London Lease is only one element of how we are working with our customers. We are funding a year-long Responsible Business Skills course provided by the Heart of the City for 34 of our customers. This programme helps customers develop their business in a sustainable and responsible manner. The programme provides training on energy efficiency, waste reduction and community engagement. Customers learn how to build a more resilient business that can adapt to changing market conditions. The programme helps businesses achieve accreditations such as the Good Business Charter.
- 8.7 We are ideally placed to connect our customers with each other and with expert advice. We also encourage networking and sharing best practice. Our Customer Advisory Groups bring together a diverse group of customers. We are expanding these with local and sector-based forums, offering nearby or likeminded businesses the opportunity to work and knowledge share together.
- 8.8 We held our first Customer Conference and 'We Make Places for London' awards in September 2024. The response from customers was uniformly positive and we plan to make this an annual event.
- 8.9 We know that there are specific barriers to entry to business in key sectors and for underrepresented groups. We will therefore create incubator spaces that include discounted rent, hands-on business advice and support from us on how customers can move into a long-term commercial space, whether on our estate or elsewhere. These incubator spaces will have dedicated social value metrics based on the targeted social and long-term financial value we aim to create through them.
- 8.10 Some of our vacant properties require significant investment to be in a useable condition. Where we have vacant properties that are useable, we are creating a new meanwhile property process to offer these spaces to organisations delivering social value. These meanwhile processes will focus on commercial activity. This builds on work we have done including with Camden Collective who transformed two of our vacant properties into a successful hub for start-up businesses. We have assessed opportunities for temporary housing and have come to the view that our housing delivery strategy should continue to focus on bringing forward new-build, purpose-built, high-quality housing. We believe that working with joint venture partners, targeting 20,000 homes and 50 per cent affordable housing, is the most productive way that we can address London's housing challenge.

9 Skills Academy

- 9.1 Significant progress is being made on our construction skills programme. Our new Skills Centre on Station Road in Edgware is proving very popular. The centre was funded and delivered by Places for London, our joint venture partner Ballymore and The Skills Centre, a training and apprenticeships provider.
- 9.2 We will shortly launch a new training centre at Bollo Lane, in partnership with Barratt London, contractors O'Halloran and O'Brien, and The Skills Centre.
- 9.3 In early 2025, we are opening a Plant Operations School at Earls Court. This will be London's first construction plant training facility.
- 9.4 In addition, we are working with the London Borough of Lambeth to set up a new construction skills hub in the borough. The partnership will involve Bounce Back, a charity that specialises in supporting prison leavers and young people at risk of or with a history of offending.
- 9.5 Finally, in partnership with Construction Youth Trust, Barratt London, Grainger, and Helical, we ran 'Building Future Skills – Women in the Built Environment,' a programme targeting young women with an interest in the built environment. Across three days (26 to 28 November 2024), 20 young women from our partner schools across London worked through a series of activities to gain a better understanding of the built environment and the careers available within it. The programme culminated in a Parents' Evening, where we brought together the young people, their parents and their teachers to emphasise the benefits and opportunities of a career in the built environment.
- 9.6 We have now supported over 17,000 Londoners through our education and skills programmes. This includes 8,858 young people engaged through our built environment education programme and 8,232 people trained through our construction skills hubs, with 3,043 of those trainees supported into work in the construction industry.

List of appendices to this report:

None

List of Background Papers:

None

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