

Date: 26 February 2025

Item: Investment Management Strategy 2025/26 – Non-Financial Assets

This paper will be considered in public

1 Summary

- 1.1 This paper sets out the proposed Investment Management Strategy 2025/26 – Non-Financial Assets (the Strategy) attached at Appendix 1 to this paper marked to show the changes proposed to the current version.
- 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 Recommendation

- 2.1 **The Committee is asked to note the paper and approve the Investment Management Strategy 2025/26 – 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 Strategy sits alongside TfL's Treasury Management Strategy, which is included as a separate item on the agenda. The statutory guidance recommends that the Strategy should be presented for approval before the start of the financial year.
- 3.2 As this Strategy applies across TfL, its approval is within the remit of this Committee, rather than the Land and Property Committee.
- 3.3 This is an annual update of an existing strategy which was approved by the Committee in March 2024. The proposed Strategy has been updated to reflect the latest developments. The content of the proposed Strategy that is relevant to Places for London has been aligned to the Places for London Investment Strategy last approved by the Land and Property Committee in March 2023. It is planned that the Places for London Investment Strategy will be updated and submitted for approval by the Land and Property Committee at its meeting in March 2025. If that updated Places for London Investment Strategy is

materially different to this Strategy, we will update this Strategy and seek the Committee's approval to the updated version at the next available meeting. Statutory guidance requires that this Strategy be approved at least once each year. Going forward, we will work with Places for London to ensure alignment between the content and approval processes for this Strategy and the Places for London Investment Strategy, as previously requested by Members. The commercial strategies of TfL which form part of the Strategy, primarily relating to Digital Media and Telecommunications, have been updated to reflect the latest developments.

- 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 Loan 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 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. The Strategy is consistent with these requirements.

List of appendices to this report:

Appendix 1: Investment Management Strategy 2025/26 – Non-Financial Assets

List of Background Papers:

None

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