

Date: 18 March 2025

Item: Places for London Performance Report

This paper will be considered in public

1 Summary

- 1.1 The Performance Report provides an update on safety, health and wellbeing; operational performance; project delivery; and the Places for London scorecard. It covers the financial year up to 4 January 2025 (Period 10), unless highlighted otherwise.
- 1.2 A paper is included on Part 2 of the agenda which contains supplementary information that is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from the meeting.

2 Recommendation

- 2.1 **The Committee is asked to note the report and the exempt supplementary information on Part 2 of the agenda.**

3 Safety, Health, and Wellbeing

Places Stand Down Day

- 3.1 The highlight of Places for London's Health and Safety work in the last quarter was our second Safety Stand Down day, on 16 January 2025. This day focused on psychological and personal safety and was attended by all available Places for London colleagues and two Committee Members.
- 3.2 The day saw the introduction of the new Places for London Personal Safety Procedure, as well as inspiring and insightful presentations, including a talk on the Grenfell Tower tragedy by Peter Apps, an award winning author and journalist.
- 3.3 Breakout sessions were held in the afternoon focusing on a variety of topics, including the safety of women and girls in public spaces, the Institute of Customer Service's 'Service with Respect' campaign, and an overview provided by the TfL Occupational Health team on the services available to staff.

Safety Incidents

- 3.4 Since the Committee's last meeting, Places for London has had three high-potential incidents, bringing the total for the year to seven. These will also be reported to the Safety and Security Panel.
- 3.5 The first incident occurred at our property in Morden which is currently on a long leasehold. Due to high winds, a loose panel from the roof of our building fell onto the roof of offices above the station. Contractors quickly contained the risk, and no injuries were reported. An investigation has been undertaken into the long leaseholder's maintenance regime for the property.
- 3.6 The second incident occurred at Embankment station where four traders were instructed to cease trading because of concerns about electrical installations in their kiosks. An investigation is underway to better understand the circumstances around the incident, including whether our inspection regime should have identified the installations and enabled Places for London to have acted sooner.
- 3.7 On 5 February 2025, there was a further high-potential incident relating to an electrical fault within a tenanted unit at Harrow on the Hill. The unit was closed, and the fault identified. An investigation was conducted in conjunction with the tenant, who has since undertaken remedial works that were assured by TfL Engineering. The final investigation report is awaited.
- 3.8 Since the last update, there has been one minor injury, bringing the total for the year to nine. All have been investigated with relevant actions undertaken. We have had no KSIs (people killed or seriously injured) this financial year.

Tenant Managed Compliance Risk Rating

- 3.9 Places for London continues with its compliance inspections of its around 1,700 tenants, with 88 per cent having had at least one compliance inspection so far during 2024/25. From these inspections, 3.6 per cent of our units have received a risk rating of 'Severe' or 'High'. This is within our scorecard target to remain below five per cent.
- 3.10 Inspections over the course of this financial year have led to 14 severe warning notices being issued to our tenants, 10 of which have now been closed. We are working with the tenants to resolve the four remaining open notices. Action has been taken to mitigate any severe risks, with the outstanding elements relating to a lack of compliance documentation.
- 3.11 Of the severe notices, nine related to retail assets, three were for arches and two for industrial properties. The majority were associated with damaged electrics or fire hazards due to poor housekeeping by tenants, such as linking two or more extension leads together, or having empty fire extinguishers.

4 Operational Performance Update

Arrears

- 4.1 At the end of the previous quarterly billing cycle (24 December 2024) Places for London had reduced its arrears to £2.45m (3.8 per cent of rent roll). This was the lowest level for at least six years and was due to significant effort by the Asset Management team to focus on debts over £40,000, followed by dedicated weekly review meetings to ensure debts remain under control.
- 4.2 By 4 January 2025, arrears had increased to £7.1m (10.9 per cent of rent roll) but most of the debt (£4.4m) was generated by the December quarter rent raise and is less than 30 days old.
- 4.3 Appendix 1 outlines our total arrears year to date.

Collections

- 4.4 As of 4 January 2025, the September to December 2024 quarter collection rate was 59.3 per cent. This is as expected and is due to the quarter just closing a few days earlier. We expect to hit 95 per cent by the next reporting cycle.
- 4.5 Collections for the June to September 2024 quarter were 94.6 per cent, in line with expectations.

	Actual	Target
March Quarter	98.8%	95%
June Quarter	95.8%	95%
September Quarter	94.6%	95%
December Quarter	59.3%	95%

Vacant Premises

- 4.6 On 4 January 2025 the Places for London void rate was the same as the MSCI World Real Estate Index (the leading industry benchmark) at 11.9 per cent. This was a major achievement, as between September and December 2024 the Index void rate increased by 1.7 per cent whereas the Places for London's void rate reduced by 2.7 per cent.
- 4.7 Of the currently vacant units, 41 are under offer at a rental value of £1.5m. A further 89 units with an Estimated Rental Value (ERV) of £2m are being marketed and there are 100 units with an ERV of £2.4m requiring works before a lease is completed. In addition, a further 243 units are included in the scope of major projects to drive more revenue from the estate.

- 4.8 The creation of property focused profit and loss accounts means we now have a way to prioritise vacant units based on the ERV and holding costs. This has helped with the longer-term reduction to our voids by making sure we allocate resources based on greatest financial return.

	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6-7	Period 8	Period 9	Period 10
Voids + Projects	14.4%	15.0%	14.3%	14.7%	14.6%	14.6%	13%	13%	11.9%
Voids (Includes properties vacant due to compliance issues or repairs)	8.5%	8.7%	7.7%	7.3%	7.3%	9.3%	8.1%	8.1%	7.4%
National Vacancy Index (MSCI)	10.3%	10.3%	10.3%	10.3%	10.3%	10.2%	10.6%	11.5%	11.9%

The 2024/25 period references relate to the following time frames, with Period 1 to 9 falling in 2024 and Period 10 falling into 2025: Period 1 (1 to 27 April), Period 2 (28 April to 25 May), Period 3 (26 May to 22 June), Period 4 (23 June to 20 July), Period 5 (21 July to 17 August), Period 6 (18 August to 14 September), Period 7 (15 September to 12 October), Period 8 (13 October to 9 November), Period 9 (10 November to 7 December), Period 10 (8 December to 4 January 2025). Periods six and seven are combined as a result of the availability of reporting data during the cyber incident.

5 Homes Delivery Update

Completions to Date

- 5.1 Places for London has now completed a total of 1,324 homes to date, of which 54 per cent are affordable (710 homes). Completions so far in the 2024/25 financial year include nine homes at Aylesbury Street (100 per cent affordable) and Kidbrooke Phase 1(b) with 369 homes (50 per cent affordable across the site).

Delivery this Year

- 5.2 Places for London is on track to achieve its target of 1,436 by 31 March 2025, which include:

- (a) Albany Road – four homes;
- (b) Fenwick Estate – 46 homes, 100 per cent affordable; and
- (c) Wembley Park Phase 1(A) – 62 homes, 40 per cent affordable across the site.

- 5.3 In addition, we are seeking to deliver 64 additional homes (40 per cent affordable across the site) at Wembley Park (Block B) by the end of this financial year which will bring our completed total to 1,500 homes.

Future Pipeline

- 5.4 As of 4 January 2025, work had started on an additional 3,060 homes with 2,349 homes due for completion over the next four years. Over the same period, we expect to obtain planning consent on a further 11,400 homes with construction to follow, including Earls Court, Edgware and Limmo Peninsula.

Delivery Against our Scorecard Milestones 2024/25

- 5.5 Appendix 2 sets out the Places for London scorecard milestones for housing delivery. As of the end of Period 10, eight of the 10 milestones had been achieved, including receipt of final tenders for the prospective Limmo Peninsula development partner. Of the remaining milestones, one (regarding Network Rail sites) remains on track, while the other (Fenwick Estate) was missed due to factors outside of our control delaying to water and electricity connections.

6 Green and Sustainability

- 6.1 Places for London's Sustainability and Inclusivity scorecard milestones are set out in Appendix 3.

Climate Risk Assessment of our portfolio – achieved ahead of target (25 September 2024) – Green

- 6.2 We have recently completed the first stage of a project to enhance our understanding of how the climate can present hazards to the Places for London estate and its users. With impacts felt across society from recent extreme weather events, this work has, for example, quantified which of our properties could be at risk from surface water flooding or excess heat stresses.
- 6.3 This first phase of the project assessed hazards from the current climate that we experience today and in the short term. We are now moving to the next phase of work in which we will assess the hazards to the estate from likely future climate scenarios, using the UK's cutting edge climate change projections. Next year, we aim to assess at least 75 per cent of the Places for London estate. Understanding both our current and likely future climate hazards is essential in managing resilience as we strive to protect and improve the quality of life for those who live and work in and around our estate.

Fifty per cent of Retail and Arches New Lettings adopting the London Lease – Green

- 6.4 The current average is 55 per cent. We expect to achieve and surpass the 50 per cent target if we continue at current rate for the remainder of the year.

Start on site for four Net Zero Carbon retrofit pilot projects – Green

- 6.5 Places for London contractors have begun preparatory and survey works at all four locations, meaning starts on site will be achieved by the end of the financial year. The next phases of construction are being mobilised with a view to completion of works by the end of March 2026.

Seven Sisters temporary market opened – Red

- 6.6 Severe issues with the building condition delayed the reopening of Seven Sisters Market. Good progress has been made recently, however, and we now expect to see the market opening in June 2025.

7 Scorecard

- 7.1 The Places for London scorecard is at Appendix 4.

Safety and Risk

- 7.2 We are on target to keep less than five per cent of our estate at high or severe compliance risk levels with Period 10 sitting at 3.98 per cent.

Colleague

- 7.3 There has been no material change since the last update to the Committee. The transfer of support staff out of Places for London continues to affect our representativeness performance.
- 7.4 Work on the Places for London People Plan is ongoing and we intended to include a series of progress milestones on the 2025/26 scorecard to track our progress.

Homes

- 7.5 We have met our target for start on sites and remain on track for completed homes. Eight of our property development milestones have been achieved, and are on course to complete a ninth which would achieve our scorecard target.

Customer Satisfaction Survey

- 7.6 Last month, we received significantly improved customer satisfaction survey results of 64 per cent. This is up from 58 per cent the previous year and above our target of 60 per cent.

Finance

- 7.7 Year to date asset disposal performance reflects a timing variance. The disposal of land at Rigby Lane has been completed and will be reflected in the results reported to the Committee's next meeting. We are on track to exceed the floor target (£9.8m) with a full year forecast of around £10m.

Sustainability and Inclusivity

- 7.8 We have achieved nine out of 10 milestones in line with our scorecard targets. As previously covered, the temporary opening of Seven Sisters Market will not be achieved this financial year.

List of appendices to this report:

- Appendix 1: Total Arrears 2024/25 (year to date to Period 10)
- Appendix 2: Property Development Scorecard Milestones 2024/25 (year to date to Period 10)
- Appendix 3: Sustainability and Inclusivity Scorecard Milestones 2024/25 (year to date to Period 10)
- Appendix 4: Places for London Scorecard 2024/25 (year to date to Period 10)

A paper containing exempt supplementary information is included on Part 2 of the agenda.

List of Background Papers:

None

Contact Officer: Graeme Craig, Director and Chief Executive, Places for London
Email: GraemeCraig@tfl.gov.uk