Land and Property Committee

Date: **1 October 2025**

Item: **Enterprise Risk Update – Workforce Capability and Future Ready Skills (Places-L0-02)**

This paper will be considered in public

1 Summary

1.1 This paper provides the Committee with an overview of the new Places for London's Level 0 Enterprise Risk Places-L0-02 – 'Workforce capability and future ready skills'. This risk is defined as 'where the Places for London workforce lacks the appropriate skills required of a property business faced with significant shifts in the macroeconomic climate, technology and the regulatory environment'. This risk replaces the previous Level 0 Enterprise Risk Places-L0-02 – 'Attraction and retention of our employees'.

1.2 The overall control effectiveness rating for this new risk is Adequately Controlled and the top three mitigations for Places-L0-02 are: strategic workforce planning; investment in learning and development especially in relation to digital capability; and retention of talent with specialist skills.

1.3 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 paper and the exempt supplementary information on Part 2 of the agenda.**

3 Current Status

3.1 In October 2024, we provided the Committee with an overview of the previous Places for London's Enterprise Risk covering 'Attraction and retention of our employees'. The overall control effectiveness rating for that risk was Adequately Controlled.

3.2 In preparing for this update, we considered whether this risk should still be regarded as an Enterprise Level risk. Attrition rates have fallen to below six per cent and Places for London is undertaking only very limited recruitment. Consequently, the potential impact if this risk were to be realised has much reduced. With the agreement of TfL's Enterprise Risk Management team, the level of the 'Attraction and retention of our employees' risk has therefore been reduced from Enterprise Level to Strategic Level and will be monitored via the

Places for London Strategic Risk Register. This paper provides an overview of a new Places for London's Level 0 Enterprise Risk Places-L0-02 covering 'Workforce capability and future ready skills'.

3.3 The overall assessment for this risk is Adequately Controlled reflecting measures that Places for London already has in place, for example, a comprehensive approach to learning and development, to mitigate this risk.

3.4 The Current risk level is Medium, and the Target risk level is Low. The risk levels and the control measures to address it are regularly reviewed.

4 Mitigations – Controls and Actions

4.1 Actions are being progressed alongside activity being undertaken as part of our change programme following the work completed last year on the Places for London operating model. Actions will ensure that controls are effective in both design and operation, and all have been assigned an owner and will be completed within the next 12 months.

Strategic Workforce Planning

4.2 We use horizon scanning to anticipate challenges and opportunities and to inform our strategic workforce planning. Ongoing work to reshape our operating model will include a resourcing model showing how we will address key skills gaps in our workforce and, where relevant, how we will use alternative delivery models, including partnerships.

Investment in Learning and Development

4.3 Significant progress has been made since the last update in developing our learning and development offer. This includes the completion of a skills review and the establishment of a learning and development plan to address identified gaps. Further upskilling of our people leaders is included as a specific people milestone on the Places for London scorecard for financial year 2025/26. Our digital strategy sets out a roadmap for the transformation of Places for London into a fully digitally enabled business. This is due to be updated to reflect the work needed to upskill Places for London's workforce alongside the transformation.

Retaining Talent with Specialist Skills

4.4 The TfL Job Families approach recognises the value of different skills and supports the attraction and retention of talent. A strategic approach is required for the retention of key individuals with specialist skills not frequently available in the market or among TfL's workforce. We remain keen to examine options to create a more direct link between long-term business performance, shareholder value, and reward while remaining within existing TfL and Greater London Authority policies.

4.5 All identified controls and actions for Places-L0-02 are set out in the appendix to the paper on Part 2 of the agenda. Progress against these actions will be reviewed and reported to the Committee in a year's time, in line with the Enterprise Risk schedule.

5 Key Causes and Consequences

5.1 The key causes of this risk as agreed by the Places for London Executive team and colleagues from TfL's Risk and Assurance Directorate are:

(a) lack of data literacy – decision-making is becoming increasingly data driven, supported by digital asset performance tools and advanced data analytics and modelling. This means that a higher level of data literacy is needed including the skills needed to digest and interpret data, as well as skills relating to data management and data governance. While we need to upskill our workforce, the Places for London Digital Strategy envisages bringing on board a Digital Partner who will lead on this and help us extract the maximum value from the wide range of data available;

(b) failure to upskill in response to technological advancements – artificial intelligence (AI), machine learning and automation are key drivers of productivity. It is therefore essential for the workforce to become more skilled in using AI and in understanding both its benefits and limitations. Technologies such as digital twins, big data and geo spatial analytics are now commonly used in the real estate sector. Building awareness of the use cases for these technologies will become increasingly important across Places for London. At the same time, Places for London will continue to contribute to the development of, and comply with, TfL's policies in this area including on the use of generative AI;

(c) failure to respond to changes in national and regional policy and regulation – there have been significant changes in policy over the last 12 months, especially in relation to the delivery of homes. Further changes are in the pipeline which will impact many aspects of our business. As well as responding to changes that have already taken place, it is essential Places for London can proactively identify where a proposed change in policy could affect our operations and plan our response accordingly;

(d) lack of strategic workforce planning – TfL is introducing a Strategic Workforce Planning Model. To date, Places for London has undertaken only limited strategic workforce planning, however, our current change programme includes an assessment of future talent needs based on business objectives, market trends and technological changes, and the development of an action plan to address any gaps;

(e) lack of investment in learning and development – learning and development is key to ensuring our workforce can continually adapt and thrive in an ever-changing landscape. People Leaders must act as role models and create an organisational and leadership culture which promotes continuous upskilling and empowers colleagues to take ownership of their own development. We regularly evaluate the skills within our workforce to identify gaps and prioritise training and development where it is needed most. We want to create career progression opportunities for our people and we want to ensure they are equipped to fulfil them; and

(f) failure to retain employees with required specialist skills – if individuals with specialist knowledge leave the business, this can lead to gaps in organisational capability, delays to projects and increased recruitment costs. Our key specialist skills include development management, investment appraisal and strategic stakeholder management.

5.2 The potential consequences of this risk materialising include:

(a) our skills requirement becomes misaligned to our skills profile, impacting our ability to deliver our Business Plan. Lower productivity and reduced capability mean we will be less likely to deliver against our organisational objectives including income, housing targets, shareholder returns, growth in asset value, safety and colleague wellbeing;

(b) increased costs due to need to use contractors and consultants to fill skills gaps;

(c) reduced ability to raise finance impacting the long-term viability of Places for London;

(d) loss of stakeholder and market confidence leading to reputational damage to Places for London and TfL; and

(e) challenges in recruitment if potential candidates perceive us to be slow to adopt technology as well as increased turnover of existing colleagues frustrated at lack of progress.

List of appendices to this report:

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

List of Background Papers:

None

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