

## CONNECTED PLACES

### TRANSCRIPT

#### EPISODE 65: MINDING THE GAPS IN LONDON WITH GRAEME CRAIG

##### INTRODUCTION

[theme intro]

##### Graeme Craig:

We're a two billion pound commercial property company. I am very conscious these are public assets. We have to make sure that we are a commercially efficient organisation, but I'm very much of the view that, you know, what really drives me is we're giving people a front door. We're giving them a key to that front door. We're giving them a place that they can call their own, a place where they can lead their own life, create their own adventures. That's what makes this a job that's worth getting up and going into the office for.

##### CPC Sting

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##### Ivor:

Ask any Londoner what the city's greatest challenge is and they'll probably mention the housing crisis – or, more specifically, the affordable housing crisis.

Over the last 40 years, London's population has boomed from 6.9 million in 1980 to 9.6 million today.

London now hosts 6 million jobs, £1.5 trillion of housing assets and a £4 trillion property asset base.

All of that growth has put enormous pressure on everything from house prices to the costs of small business space.

Now, that same growth, and the pressures that come with it, are impacting cities all over the world. Living, working and running a business in major cities is becoming increasingly unaffordable.

And at the same time, public authorities have not had the resources to allow them to plan for balanced growth.

So the result is under-utilised public land that can't be easily developed by the private sector because it's associated with public infrastructure or services.

And this is where a property company like Places for London comes in.

In this episode we meet Graeme Craig, CEO of Places for London.

Graeme very generously took the time to sit down with me recently, and I began by asking him where does Places for London come into this?

**Graeme Craig:**

At the heart of this is Transport for London, TfL, owns five and a half thousand acres of land in London. And what TfL's realised initially, I think probably about 10 years ago, is that if you own five and a half thousand acres of land in London, you're a property company, whether you've acknowledged that or not.

You may as well, therefore, set yourself up like a property company with the resource, the systems, the processes, the funding that enable you to make the best use of that land that you've got. And in the case of Places for London, we're set up as a wholly owned subsidiary of TfL. We're called Places for London and really that describes better than any other name we could think of why we're here.

We're here to manage, curate, invest in, develop places. And we're not just doing it in London, we're doing it for London. So critical for us are, you know, those challenges that London faces and how can we help to address those challenges through investing, developing, managing the land that we've got. And that's going to leave us in a position where we've identified the capacity to build 20,000 homes in London, and we aim to start on all of those by 2031.

We know that London has a housing crisis, and more particularly an affordable housing crisis, therefore we want to make sure that half of all the homes that we bring forward across London are affordable. We've already completed on 1000 homes, and we've got a further 3350 under construction. And from TfL's point of view, what we're doing is creating long term revenue streams, both from the commercial development, but also the ridership, of course, from all those people who are living and working on those properties that we're developing.

But critically, critically, we're also delivering transport improvements. So we never think about this purely as a property play. We're always thinking, we're always conscious of the fact that we've only got one shareholder, that's TfL. Therefore, we always have to think about what can we do, what's the most that

we can do in order to improve the transport network as part of every scheme that we look to bring forward.

Ivor:

So Graeme, what I'm hearing is there is innovation baked into the very DNA of what you're all about. As you say, excess public sector land is typically sold off to the private sector. But what we're talking about here is an innovation almost in the reverse direction. This idea that by retaining public land that is owned by a transport operator like TFL and managing it as a portfolio, this is enabling you to innovate in how that land is used and optimised, and not just for the internal benefits of TFL, and your own portfolio, but also for the external benefits of the wider city. Have I got that right?

Graeme Craig:

Yes, absolutely. And of course, the catapult understands us about as well as anyone. We will achieve most if the public and private sectors come together. This is not me saying that we're going to do it all ourselves. We will only be successful if we do work with major organisations and critically small innovative business as well. If we do that, and if we concentrate on what matters most to us, and for us that's environmental standards, that's inclusive growth. Of course, is also long term income and critically the improvements to the transport network. But if we're working with organisations who share our ambitions, if they share our values, you know, we can do vastly more than either party could do by themselves.

And I think you know where we've got to and really this came about because of the impact of the pandemic. TfL lost 95 percent of its income pretty much overnight. TfL didn't have money to invest in property. What we did is we got agreement from the mayor, from City Hall, from UK government that we take advantage of that crisis to set up a commercially funded property company, but one with very strong social ethos that would address the challenges that London faces.

Ivor:

OK, so the other innovation I'm hearing here is that this is also allowing you to innovate by basically experimenting with a new different kind of business model that a private property developer wouldn't typically use. It seems to me like there is a very exciting experiment at play here in terms of, what does that new business model mean not just in terms of your own revenues and value but also externally for a wider city.

Graeme Craig:

I think so, and I think we're increasingly seeing the benefits of that. We have, for example, seven joint ventures at the moment. Our eighth joint venture, which

we'll launch later this year, will be for ultra rapid electric vehicle charging hubs across London, initially at five sites, ultimately, we think 65 or more. People, I think, assume, and I can understand why, that these joint ventures might be on a site-by-site basis, that we're dropping sites into joint ventures.

I think it's more interesting than that. I think for me, the way that I envisage is we're creating an ecosystem where on any individual site, we might bring together our build for rent partner with our build for sale partner with our electric vehicle charging hub partner, you know, I'm very keen that we move to having portfolio wide long term relationships with those organisations with whom we will be able to take forward this portfolio that we've got.

So much of the industry is based on one site in delivering in one property cycle. For us, we have literally dozens of sites. We will be busy for literally decades to come. We've therefore got the ability to work with the private and the public sector in order to think about how we can address again those challenges that London faces, but also the industry as a whole.

We can justify investment knowing that it may not pay back for 10 or 15 or 20 years, whether that's in technology or construction skills or anything else. But we know that we could just justify that investment because we own the land, because we've got a programme of work that will be felt across London for decades to come.

Ivor:

Graeme, I'm conscious that even though you're a relatively new organisation that you are also very upfront about the fact that you are building on a number of well-established traditions in London. So the whole area of transport-oriented development, you're learning from the great estates and the stories and the expertise that we have here in London. And also value capture for transport investment and the sort of the latest innovative thinking in that space. I'd be curious to hear your thoughts on each of those and how they are playing into the work that you're doing at Places for London.

Graeme Craig:

I continue to learn every day. It's one of the parts of the job that I enjoy most. I have been out to New York to look at the Port Authority of New York and New Jersey. I've been out to look at MTR in Hong Kong, which is still, I think, the gold standard for transit-oriented development. I've been out to Japan to look at JR East. I spend a lot of time talking to people from, actually tends to be particularly North America and Australia.

I wish I could spend more time or get more engagement with other cities in the UK because I'm absolutely convinced that all the things that we're doing in London could apply elsewhere in the UK. And it's actually one of the things I'm

keen to work with the catapult on is, well, both actually, how do we build the ecosystem that's applicable in London, but critically using the catapult network, how can we look to help other cities deploy the thinking, the strategy, the network elsewhere across the rest of the UK?

In terms of great estates. Yes, Crown Estate, Grosvenor, you know, these are all large-scale property portfolios, single owner, long term perspective, tends to have a very strong social ethos as well as being commercially successful.

And, you know, from a TfL point of view, the ironic part about all this is that TfL's predecessors were doing this a hundred years ago. Metroland, the whole creation of the Metropolitan, the Piccadilly Lines, more recently DLR, Jubilee Line extension. Not Northern Line, the Elizabeth Line. We seem to have to continue to have to learn again and again, and persuade government again and again, about the symbiotic relationship between development and investment in infrastructure.

You know, there's no one who would travel on the Elizabeth line now and think it's anything other than a good thing. And yet, at the same time, we're having to continue to seek to persuade government that we should invest in infrastructure. You know, that's something that I am certainly very clear on, is the inextricable link, and I think the, the more that we could do to demonstrate the value from the infrastructure that's being created, and particularly looking ahead to understand how perhaps increasingly development can unlock not just those homes, those jobs and the growth, but also potentially the significant investment in transport infrastructure that could lead to new stations, extensions, and potentially even new lines.

Ivor:

Why do you think we sometimes have to sort of hit refresh and relearn some of those lessons?

Graeme Craig:

I think, you know, in order to do the sort of job that we're doing, you, you can't think within a working life. You've got to be thinking decades in advance. It's one of the things that I'm fixated on is just thinking about actually what do we want to do on the streets of London and for me also it's how can we create a team that is able to take forward this fantastic opportunity.

Places for London will be around for decades to come. I'm very keen that what we do now is seen as a positive. You know, we all see the Charles Holden stations on the London underground, the Leslie Green oxblood tiles, that there have been people who've had a significant impact, significant positive impact on London who've operated within TfL.

Now we might not have the scale of impact that they will do, but we're very keen to make sure that we hold ourselves to a high standard, conscious of course of the, you know, unique design legacy that Transport for London has had. And I think that forcing ourselves to think in the long term makes it easier to get your head around these things.

**Ivor:**

You talked about investment in public infrastructure there. I want to take a slightly different tack and think about what all this means potentially for local businesses and the wider, the wider supply chain. We're particularly interested in the whole future of public procurement.

We've got the new Procurement Act coming into force later this year. The Catapult's doing a lot of work through our Innovation Procurement Empowerment Centre on helping public authorities respond to and get ready for the new procurement landscape that is coming into force later this year and looking at how we can crowd in more innovation into how we do public procurement.

I'd be curious to know your thoughts, Graeme, on Places for London's approach to engaging with the market, particularly in order to help to grow some of those local supply chains that we know are so important in the wider London economy.

**Graeme Craig:**

Yes, very happy to get into that. And for what it's worth, actually, the, the Catapult is without doubt a force for good in this space.

You know, it's an organisation that I'm keen that we work with, and I think we, we have an opportunity now in order to take things forward, and I think that working with the Catapult, certainly from a Places for London point of view, I think we can be more successful than we would be if we were doing it by ourselves.

Probably worth me saying at this stage that we've got two different relationships with the market in this context. We will be doing more development than anyone in London in the decades ahead. And as I said earlier, you know, I am keen that wherever we can, make the investment particularly focused on a London wide perspective so that we're not, you know, just assembling a transactional team to work on an individual project to get something done.

I'm very keen that we identify those organisations, large and small, who can work with us. And we can build a relationship in the way that, to be fair, we have done with our joint ventures where you build a relationship, you make the investment, you take the learnings from site to site to site. That's what I want to get to.

And I know that we're only going to be successful if we leverage, you know, the best of what the UK can offer in particular, I guess, the best of what London can

offer in terms of supporting the huge activity that we're involved in. And again, to be clear, that's increasingly we'll be getting into infrastructure, digital, you know, the way in which you manage one site isn't the way in which you manage 50 sites or 100 sites.

You know, we are going to have to work with the best in the industry to take this forward. We've also got 1500 tenants on our estate and 95 percent of them are small and medium enterprises, and we're proud of that. You know, we want to retain that SME estate. We want to promote them, to help them. And we're increasingly conscious actually that our role certainly isn't a landlord who simply gives people space.

We can do a lot as ourselves. But if we see our role as being a catalyst, one that encourages those tenants in our estate to take forward the action that will benefit them and the city, we massively amplify the impact that we can have. So for me, it's really just a question of who can we directly interface with and who are those organisations like the catapult that can do the introductions that can understand what it is that ultimately we're trying to achieve and help us to join the dots because just to be absolutely clear, you know, we are focused on delivering the widest possible benefit for this city and this country. It's a, you know, an enormously privileged position that someone like me is in. And I want, you know, as many people as we can to benefit from that.

**Ivor:**

It's really powerful to hear you say that, Graeme, and I want to pick up on some of what you said just at the end there, in a minute, about what that impact actually looks like for London and for Londoners. But before I do, another angle that I think we're particularly interested in at the catapult as well is the role of digital technologies and digital platforms when it comes to the work that you're doing, particularly around enabling development, perhaps to happen more quickly, more efficiently, more effectively, and how that plays into your wider thinking around placemaking. Where does digital feature in your thinking and your plans for the future?

**Graeme Craig:**

We have to be a digital first organisation. How we develop, how we monitor progress, you know, has to be digitally based. And, you know, what that means is that, including with our supply chain actually, we have to move away from individual joint ventures or even individual sites or individual contracts being based on a particular bespoke digital platform. We need to be investing in making sure that we are investing once and getting a tool that we can deploy across the capital.

One of the most interesting parts of the job is that we often need to drill down on detail on a particular issue, a particular problem, a particular opportunity

somewhere, you know potentially at the far end of a tube line. But also you then need to just come back and understand to what extent are we meeting London's issues because you can't solve every problem at every site, but we are keen to address London's problems in the round as much as we can.

So understanding at an individual location, what's the right answer? What's the appropriate scale of development? What's an appropriate investment that we might make in the transport network or anywhere else in order to create the appropriate public space and make sure that what we're doing ties into that local area?

To be able to understand that, but also to come back and understand from a London wide point of view, the combination of all those different interventions, are we actually addressing those challenges that London faces? That's not something you can do on a spreadsheet. It's not something you can do on pen and paper. We have to find a way of using technology to give ordinary Londoners the tools so that they can tell us what we're doing well and what we're not doing well. And we need to be in a position to respond to that.

Ivor:

Graeme, you're painting a really interesting picture of what it looks like to take an industry that is traditionally been an analogue one, and helping it to catch up with the digital world in which we all increasingly live at work and have to operate in. And we'd absolutely applaud you in your efforts in committing to that. I'm sure there's more conversations that we can be having with yourselves in terms of what that looks like going forward.

Graeme Craig:

That's one of the areas that also I'm keen to work with the Catapult, in fact we are working with the Catapult on. Because, you know, again, we continue to learn. I have never thought that we have the answers. So, you know, we're getting great insight from the Catapult. And I think to the extent to which we can use London as a testbed, we can use our estate as a testbed that might then be deployed elsewhere in the UK.

Again, there is only benefit that comes from those organisations who are seeking to do good here to come together and not try and solve these things by ourselves. And again, I just see the Catapult is a tremendous force for good and someone that can help us be more successful in London and take the benefits of that and help deploy elsewhere.

Ivor:

Just going back to what you were saying earlier about the privilege that it is to be at the bleeding edge of very new and innovative ways of working, because I can



tell that you're very motivated by the impact that all of this work has for London, as I know you've talked a lot about that in the past.

You use the phrase, "minding London's gaps" which obviously is a familiar phrase to a Londoner, but you're talking about not just minding the gap in terms of getting on the train, but minding the housing gap, minding the skills gap, the inequality gap, the green gap, those gaps in our public life in London where there is still work to be done for the benefit of people and communities.

And you know, going back to what we were saying earlier about unlocking those external rates of return that Places for London was ultimately set up to help to achieve. How does minding those gaps guide you and your team.

**Graeme Craig:**

Let me just unpick me saying that I'm in a privileged position. It's very easy. You know, we're a two billion pound commercial property company. I am very conscious these are public assets. We have to make sure that we are a commercially efficient organisation, but I'm very much of the view that, you know, as important as spreadsheets are, you know, what really drives me is we're giving people a front door. We're giving them a key to that front door.

We're giving them a place that they can call their own, a place where they can, you know, lead their own life, create their own adventures. You know, this is an enormously privileged position to be in. And we must never forget that. And even the scale of it, every single example is a life that we help to turn around every time we give someone construction skills training.

In the last three years, we've given 5300 people construction skills training, you know, because we know that we've got decades worth of work. So we can justify investing to give Londoners, some of whom may never have thought about a career in construction or real estate. We're in a, again, we're in a fortunate position, we can get out, we can talk to school children and others and explain to them the myriad of different roles that this industry offers up and we can give people training and that's what makes this a job that's worth getting up and going into the office for. And I'm acutely aware that for us to be successful, if we're delivering more change than anyone else within London, and London, we both know, is not one homogeneous landmass. It's a patchwork of individual villages and towns and cities.

It's one of the most diverse cities in the world. So how on earth, therefore, could we claim to be doing a good job unless we actually, as a team, reflect it? The diversity of London. And at the moment, certainly not at a senior level, we still don't. So that for me is just one of those things that we have to address.

It's one of those things that I am keen to leave as a legacy, a more diverse team in places for London with all the other framework and infrastructures that we're

putting in place in order to make sure that we can be successful for decades ahead. Now from an ESG point of view, I guess if we want to call it that. The environmental I take as a given, I'm still occasionally asked about how I justify the cost of net zero and I'm surprised to be asked the question because for me, it's obviously an investment.

We all see the premium that's paid for the most sustainable office buildings, with the highest well-being standards, which are, you know, attractive places to work. And of course we need that because people are in our offices are in competition with people's homes. So you've got to give organisations the highest quality, most sustainable office space that you can.

So for me, the environmental side of things I have for some time taken as a given. I'm much more actually personally driven. I think our USP is the inclusive growth, the social value that we can offer. I've spoken already about too many people feel disconnected from this city, you know, creating places that are thriving, but are also affordable, accessible, you know, that must be what we strive for. And that social value that we as this long term custodian of the land around the transport network, that for me is at the heart of what we stand for.

Ivor:

And it's wonderful to hear you say that, not least being a Londoner myself. This is important work. And particularly when you think about you know, the human and the community and the collective impact that you're that you're seeking to achieve. Ultimately, what you've just been talking about is place making, making great places and imagining a future London that's better than the London of today. I mean, if I was to ask you, what does that London look like for you, what would you say?

Graeme Craig:

That's a big question to finish with, I've got to say.

Ivor:

Very unfair, I know, I couldn't resist.

Graeme Craig:

Yeah. We know elements of it. You know, we know it's high quality. We know it's low carbon. We know that it's, I said already, affordable, accessible.

Um, let me use another, actually, authentic. It's got to feel like London. It can't just be something that's dropped down from on high. And I mentioned already just how London is this whole patchwork of villages and towns and cities. There are some great examples that already exist actually in London and elsewhere.

I think there are also too many examples that don't come up to that standard. And part of the job here, I think for us as an industry, it's just to raise the bar. Be clear about what it is that can be done. The future for Places for London is not simply to develop on TfL land. The real focus for us now is how do we convene public land to come together.

So we signed last year a collaboration agreement with Network Rail, and we've agreed to pool all of our land interests across London, just to do the maximum that we can. We will shortly be in a position where we start to have agreements not simply with Network Rail, but also with London local authorities as well.

So with London boroughs, we'll then start to pull our land interest and you can see what that then involves. What that involves is building around or building in London's town centres, and all of them have a Network Rail or TFL station or both at their heart. You can see you can start to draw a red line around what the public sector owns.

And there I think, you know, at the heart of this is how do we move away from individual organisations, even as large as TFL, thinking about how can it make the best use of its land? And start to think about actually how can we come together? How can we negotiate a solution that delivers the town centres that London needs in the future?

Proper mixed-use communities with a much more fluid relationship between working, living, enjoying yourself. How can we provide that with a technology backbone for what London needs in the future? That for me is what's exciting. It's a future in which the public sector has come together to set out very clearly what it is that we believe this city needs in the long term.

But again, critically, those commercial organisations who share the value and share the ambition, they're the ones who then come to the table and help to make it happen.

**Ivor:**

That's such an exciting vision that you've just set out there. I mean, it almost feels as though large as your portfolio is, in some ways, you're a startup that's looking to scale within the wider industry, right?

**Graeme Craig:**

It is and, you know, that for me is another fascinating element to what we're doing. Of course you can do, you know, you can build tens of thousands of homes, you've got decades worth of work on TfL's land, but why stop there? When thinking about the charging infrastructure, for example, for the bus network, why stop there?

Why not think about logistics vehicles? Why not think about emergency vehicles, borough vehicles? And for me, this is where coming together and overlaying those heat maps for what it is this city needs. Let's see what we can consolidate in the locations that are most appropriate in order to free up land to provide the homes that London needs.

But also, you know, London doesn't just need affordable homes. By goodness, it needs some, but it needs light industrial space. It needs high quality commercial space. How can we make better use of every square foot that we can of London's land in order to help this city meet the challenges ahead?

**Ivor:**

On that subject of scale, this sounds like what you're saying is that the Places for London model has a utility and a value potentially beyond London. Would you advocate for a Places for Manchester or a Places for Birmingham or a Places for Glasgow, thinking about the replicability of this potentially for other parts of the UK?

**Graeme Craig:**

I certainly would, and if there's anything that I can do, that we can do to help to make that happen. And the answer of course isn't that you take a cookie cutter approach and say, well this is what we're doing in London, therefore we're looking to impose it elsewhere in the UK, because that's obviously the wrong answer.

But this is also, I mean, comes back to yourselves really. For me, this is one of the roles that the catapult can help. You know, what are the relevant parts of what we're doing that could be applied elsewhere? How can you help to convene cities to come together? And for what it's worth, I have no doubt whatsoever that there is, I know there is, there is learning that we could take within London from what's done elsewhere in the UK.

I am very happy to share with anyone who will listen my long list of the mistakes that I've made and if that helps them take forward in Manchester or Liverpool or Newcastle or Edinburgh or elsewhere, fantastic. And if we've got someone like the catapult, someone who's esteemed as a catapult, in order to help to facilitate that, fantastic.

**Ivor:**

Well, hear, hear to all of that. Graham Craig, CEO of Places for London. It's been such a pleasure talking to you. Thank you so much for being on the Connected Places podcast.

**Graeme Craig:**

Thank you for your time.

[STING]

Don't forget you can subscribe to the Connected Places Podcast on iTunes, Spotify or wherever you get your podcasts. If you'd like to find out more about the Connected Places Catapult, visit our website at [cp.catapult.org.uk](http://cp.catapult.org.uk).

Also – don't forget that we're running the first Connected Places Summit on 20/21 March 2024 in central London.

Across two days we'll be featuring interactive content, live project showcases, inspiring thought leadership and opportunities to connect with peers from the worlds of technology, transport, mobility, cities, academia, and Government.

Registration is now live, so do put 20-21 March 2024 in your diary now, and check out the link in the show notes to register.

Theme Music on this episode is by Phill Ward Music

This is Connected Places.

I'm Ivor Wells.

Thanks for listening.