

Date: 20 December 2023

Item: **Enterprise Risk Update – Failure to Prevent Safety Incidents or Meet Safety Commitments (Places-L0-1)**

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**This paper will be considered in public**

**1 Summary**

- 1.1 This paper provides an overview of Places for London Limited's Level 0 Enterprise Risk 'Failure to prevent safety incidents or meet safety commitments' (Places-L0-1).
- 1.2 The risk is defined as 'failure to prevent a major safety incident, comply with safety law or systemic failure to meet safety commitments and targets as laid out in the Mayor's Transport Strategy, TfL's Vision and Values roadmaps or Places for London's corporate strategy.'
- 1.3 If this risk were to materialise, it could result in legal action and/or significant harm to the safety of customers, users, tenants, colleagues, suppliers, contractors, other affected parties, our tenants' businesses, customer service, operational and capital spend, as well as legal action, fines and reputational damage.
- 1.4 Currently, this risk is assessed as High. While some controls for this risk are already in place, further controls are under development. As such, the Overall Control Effectiveness Rating of this risk is assessed as 'Requires Improvement'. The Target Assessment for this risk is Medium.
- 1.5 Working closely with TfL's Safety, Health and Environment (SHE) team, we have identified several key controls and actions to further mitigate this risk with action owners and outline timescales assigned. These actions include ensuring we have clear strategies, policies and programmes in place to support our safety and compliance targets. We are also seeking to make more extensive use of data, systems and monitoring. Together, these measures will enable us to better protect people and assets, gain better insights, and make more informed decisions.
- 1.6 While some new actions are being proposed here, others are already underway with all due to be completed within the next 15 months. Progress against these actions will be reviewed and reported to the Committee in 12 months' time. Places for London leadership will review progress periodically.
- 1.7 A paper is included on Part 2 of the agenda which contains exempt supplementary information. The information is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from this 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 Context**

- 3.1 This Enterprise Risk relates to the potential impacts arising from a failure to prevent a major safety incident or meet safety commitments by Places for London.
- 3.2 These could include a fatality, major injury or reduced mortality of a colleague, contractor, tenant or customer, regulatory action, prosecution and fines, and also result in additional unplanned spend to achieve homes targets or fund increased maintenance. A major safety incident in a Places for London property close to the transport network could also result in a failure or disruption in service delivery.
- 3.3 A major safety incident could also negatively impact public, Mayoral, shareholder, market and investor perception of Places for London's risk management capability and lead to lenders taking a more risk adverse approach or potential partners not wanting to participate in Places for London projects. It could also make Places for London a less attractive proposition to existing and potential employees.
- 3.4 In designing and assessing controls for this risk, we have recognised that, as we invest in our assets and the level of construction activity increases, so does the likelihood of this risk occurring. We have also considered the key learnings from the recent outcome of the sentencing hearing in relation to the Sandilands tram overturning tragedy in 2016.
- 3.5 Places for London leadership undertook a risk workshop which focused around the hypothetical situation of what might happen if effective controls and assurances were not in place. As part of this some hypothetical causes were identified, including: lack of a robust safety culture; lack of proactive approach to risk management; insufficient resources; lack of appropriate tools, systems and processes; ineffective governance and assurance; ineffective co-operation with and co-ordination of third parties; and poor performance measurement.
- 3.6 Places for London has recently undertaken an assessment of its SHE culture which indicates our culture is 'Structured'. Measures are being taken to enhance this further. We are also working with the TfL SHE team to further improve our approach to risk management, with particular focus on risk landscape, asset condition, as well as prioritising resource and effort where it will have the greatest impact. Our business plan also ensures we have sufficient resources allocated to address maintenance and building compliance matters as well as staff safety training.
- 3.7 In addition to this, the TfL SHE team has recently created a dedicated team to support Places for London with business partners assigned to different teams within Places. We have adopted a governance model for safety which mirrors TfL's own governance structure with clear roles and responsibilities for safety, together with ongoing and consistent first, second and third line assurance.

- 3.8 Given our principal third party interfaces are with stakeholders, tenants, suppliers and joint venture partners, we are enhancing our capability to measure, monitor and report on safety and act on insights before harm occurs.

## 4 Controls and Mitigations

- 4.1 Places for London has identified 21 controls to manage this risk, consisting of 15 preventative controls and six corrective controls detailed in the related paper on Part 2 of the agenda. We have developed a list of actions, also included in that related paper on Part 2 of the agenda, that will ensure that the controls are effective in both design and operation. All actions have been assigned an owner and all will be completed within the next 15 months.

- 4.2 The following controls and high priority actions are considered to be the key mitigations which will move the assessment of the risk from High to Medium within 12 months.

- (a) **Strategies, Policies and Programmes to Support Safety Strategic Targets/ambitions and Legal Compliance** – We are finalising the Places for London Health and Safety Strategy which has been informed by the findings of the SHE Culture Assessment work. This focuses on developing the skills and safety behaviours of our people and our customers. We are also developing our roadmaps showing how we will achieve the objectives of the strategy over the next three years. Places for London currently operates under TfL's SHE policy. We will develop a version more appropriate for a property business rather than a transport authority, as well as a bespoke version of the SHE Management System. We have a Places for London Health and Safety Improvement Plan in place, progress against which is reviewed periodically by leadership. Directorate- level plans feed into the business level improvement plan. The plans will be refreshed annually.
- (b) **Data and Systems** – Capturing and managing safety data and reporting intelligence to stakeholders in the business is a key control. We currently use TfL's Information Exchange system to record and manage incidents and are rolling out another system, iAuditor, to record the findings of planned general inspections across our estate and our development projects. We have commissioned a programme of condition surveys of the estate and the resulting data will allow us to take a risk-based approach, prioritising interventions and establishing performance metrics that will enable direct comparison with companies in our sector. We will continue to work with the TfL SHE team, to identify further ways of gaining better insights to inform our decision making.
- (c) **Assurance, Monitoring and Benefits Realisation** – We are using insight to drive action, alongside training for all Places for London colleagues. This includes assurance frameworks, health and safety tours and leading indicators to monitor compliance, infrastructure performance, project benefits realisation and the efficacy of the SHE Management System and activities. Assurance also extends to the activities of third parties on our estate. We have an extensive programme of monitoring tenant compliance, that has reduced our exposure to risk. Working with the SHE team, we are

rolling out a more robust regime for assuring contractor and supplier compliance. We also monitor safety performance of our joint ventures.

**List of appendices to this report:**

Exempt supplementary information on Part 2 of the agenda.

**List of Background Papers:**

None

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