

Date: 20 December 2023

Item: Places for London Assurance Update

This paper will be considered in public

1 Summary

- 1.1 This paper reports on progress with assurance activity across Places for London (Places) during Quarter 3 of 2023/24 (17 September to 9 December 2023) (Q3) and provides the status of all open assurance recommendations at the end of Period 8 (11 November 2023).
- 1.2 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

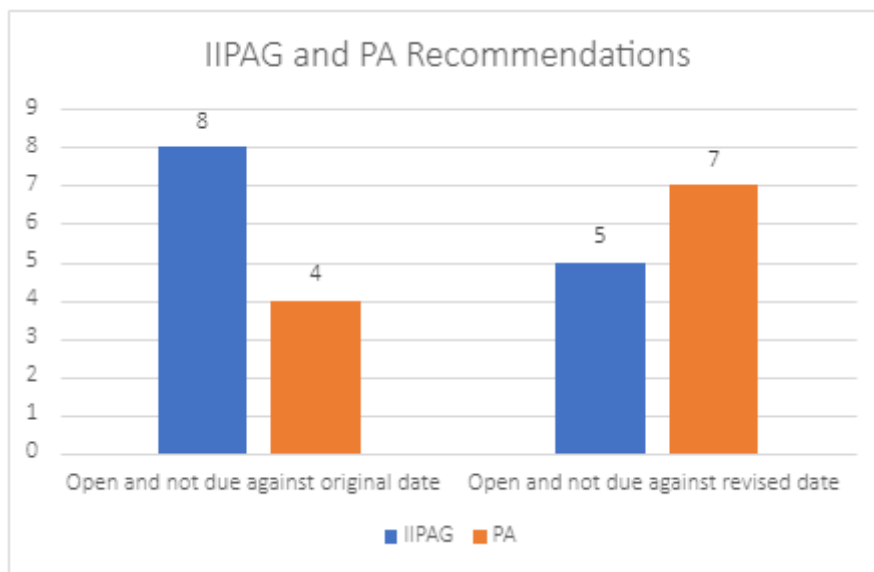
- 2.1 **The Committee is asked to note the paper and the exempt supplementary information on Part 2 of the agenda.**

3 Background

- 3.1 The Places Integrated Assurance Framework is based on a Three Lines of Defence (LoD) model comprising:
- (a) Line 1 – Management functions of Places and key interfaces;
 - (b) Line 2 (LoD2) – Project Assurance (PA) and Quality, Safety and Security Assurance (QSSA); and
 - (c) Line 3 (LoD3) – TfL Internal Audit and a sub-group of the Independent Investment Programme Advisory Group (IIPAG-Places).
- 3.2 This paper reports specifically on Line 2 (PA), Line 3 (Internal Audit) and Line 3 (IIPAG-Places) assurance progress and provides an update on Enterprise Risk management. Work in progress for LoD2 and LoD3 is set out in Appendix 1 and work starting next quarter is in Appendix 2.

4 Line 2 (Project Assurance) Assurance

- 4.1 LoD2 continues to provide assurance on an ongoing basis as well as carrying out Targeted Assurance Reviews (TARs) on key areas. We have had excellent engagement from the Places team in all assurance activities which is appreciated.
- 4.2 The two planned Q3 TARs have been moved into Quarter 4 (10 December 2023 to 31 March 2024) (Q4). The property development pipeline and prioritisation process was moved to follow the business plan update and the review of the operational works relating to the Southwark over-station development has been rescheduled to align with project procurement activities.
- 4.3 Alongside IIPAG-Places, PA has been undertaking continuous assurance on the Electric Vehicle Charging Hubs Programme, focussing on policy, business model and investment case, resourcing and procurement activities.
- 4.4 The PA team is pleased to note progress in first line assurance activities, including the establishment of the Programme Management Office. We will continue to work closely with the Places team and comment on emerging first line assurance proposals.
- 4.5 PA have completed a review of all PA and IIPAG-Places recommendations made over the last 12 months. In summary, eight recommendations were closed in Periods 6 to 8 (20 August to 11 November 2023). A total of 2 recommendations, from both PA and IIPAG-Places TARs, were still open at the end of Period 8 with none overdue (Figure 1).



4.6

Figure 1 – IIPAG and PA Open Recommendations (end of Period 8).

5 Line 3 (Internal Audit) Assurance

- 5.1 The draft audit reports for Revenue Collection and Debt Management, and the Due Diligence Process (new tenants) were issued at the beginning of September 2023. The auditor will finalise these in Q4. More detail of audit activities is contained in Appendices 1 and 2. There were no overdue actions from previous audits at the end of Q3.

6 Line 3 (IIPAG-Places) Assurance

- 6.1 IIPAG-Places work for Q3 and Q4 is set out in Appendices 1 and 2. Q3 activity focussed on assessing whether asset disposal targets within the Capital Receipts Programme can be met. Terms of Reference have been prepared for a review of the investment appraisal and investment metrics. The review will be completed in stages to align with activities within Places to review the appraisal process and investment metrics.
- 6.2 The review of asset disposal targets is now complete. IIPAG-Places examined deliverability and risks of generating the forecast capital receipts targets. IIPAG-Places' assessment is that external market conditions and internal system issues present ongoing risks to deliverability which require considered management action and performance monitoring.
- 6.3 IIPAG-Places is still engaged in a continuous assurance role in looking at the Electric Vehicle Charging Hubs Programme and the Limmo partner procurement strategy.

7 Enterprise Risk Management

- 7.1 The review of the second Level 0 (L0) risk (Places-L0-1) Failure to prevent safety incidents or meet safety commitments is now complete. An update on Places-L0-1 is covered elsewhere on the agenda for this meeting.
- 7.2 Details of the seven Places L0 risks are set out in Appendix 3.

List of appendices to this report:

Appendix 1: Places Integrated Assurance and Audit Schedule – Work in Progress
Appendix 2: Places Integrated Assurance and Audit Schedule – Forward Plan
Appendix 3: Places Level 0 Enterprise Risks

Exempt supplementary information is contained in a paper on Part 2 of the agenda.

Background Papers

None.

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