

**Date:** 14 March 2024

**Item:** Places for London Assurance Update

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## **This paper will be considered in public**

### **1 Summary**

- 1.1 This paper reports on progress with assurance activity across Places for London during Quarter 3 of 2023/24 (17 September to 9 December 2023) (Q3).
- 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.**

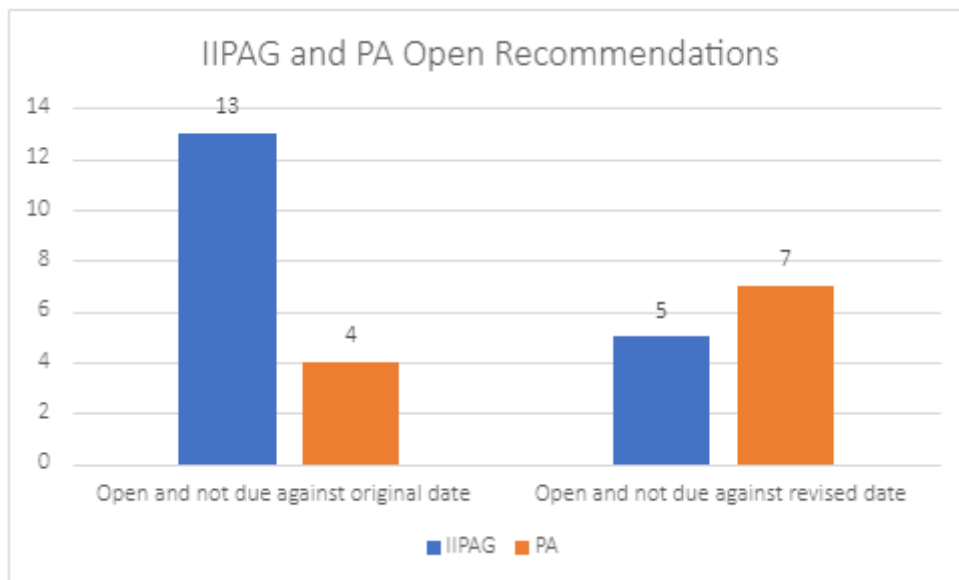
### **3 Background**

- 3.1 The Places for London Integrated Assurance Framework is based on a Three Lines of Assurance model comprising:
  - (a) Line 1– Management functions of Places for London and key interfaces;
  - (b) Line 2 – Project Assurance (PA) and Quality, Safety and Security Assurance (QSSA); and
  - (c) Line 3 – 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 Line 2 and Line 3 is set out in Appendix 1 and work starting in Quarter 4 (10 December 2023 to 31 March 2024) (Q4) is set out in Appendix 2.

### **4 Line 2 (Project Assurance) Assurance**

- 4.1 PA 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 for London team in all assurance activities which is appreciated.

- 4.2 The two planned Q3 TARs have been moved into 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 for London team and comment on emerging first line assurance proposals.
- 4.5 PA has completed a review of all PA and IIPAG-Places recommendations made over the last 12 months. In summary, eight recommendations were closed in Q3. A total of 29 recommendations, from both PA and IIPAG-Places TARs, were still open at the end of Q3 with none overdue (see Figure 1 below).



**Figure 1 – IIPAG and PA Open Recommendations (end of Q3)**

## **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 completing a review of asset disposal targets within the Capital Receipts programme. Terms of Reference have also been prepared for a review of the investment appraisal and investment metrics. IIPAG-Places is pleased that

the Finance team is undertaking a review of the process and assurance activities have been deferred to align with the outputs of this review.

- 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.
- 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 third Level 0 (L0) risk (Places-L0-1) 'Failure to prevent safety incidents or meet safety commitments' is now complete and was presented to the Land and Property Committee in December 2023.
- 7.2 Details of the seven Places for London L0 risks are set out in Appendix 3.

### **List of appendices to this report:**

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

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

### **List of Background Papers:**

None

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