

Date: 27 November 2024

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 during Quarter 2 of 2024/25 (23 June to 14 September 2024) (Q2) and provides the status of all open assurance recommendations.
- 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 3 (15 September to 7 December 2024) (Q3) and Quarter 4 (8 December 2024 to 31 March 2025) of 2024/25 and is set out in Appendix 2.

4 Line 2 (Project Assurance) Assurance

- 4.1 In addition to continuous assurance activities, PA has completed two targeted assurance reviews (TARs) and commenced a TAR on the Victoria station development. We continue to have good engagement from the Places for London team in all assurance activities.

- 4.2 The final report for the first line assurance review noted that considerable progress had been seen in introducing and embedding first line assurance within Places for London but that the understanding and application varied across the different parts of the business. There is, however, a recognition and awareness within Places for London that more needs to be done to strengthen and embed these processes and build on what has been achieved so far. Additional activities have been identified to achieve this, with many already in development.
- 4.3 The review of the Southwark over-station development operational works found that the delivery programme is challenging and the project team are working with the contractor to ensure that the delivery milestones are met.
- 4.4 Another TAR, considering current arrangements for the Victoria station development has commenced. This project is being managed under the Places for London/Network Rail collaboration agreement and we will consider emerging plans for the wider collaboration at an appropriate time.
- 4.5 PA continues to monitor progress with major developments within the property development portfolio and other significant investment programmes including electric vehicle charging hubs. We also plan to increase the continuous assurance focus on the asset management sectors from Q3 now that key leadership roles have been filled.
- 4.6 PA has also continued to support IIPAG-Places with third line assurance activities included arranging updates on High Barnet, Bollo Lane, the electric vehicle charging hub procurement and the property disposal process.
- 4.7 PA continues to monitor all open PA and IIPAG-Places recommendations. Two recommendations were closed in Q2. A total of 14 recommendations were still open at the end of Q2 with none overdue (see Figures 1 and 2 below).

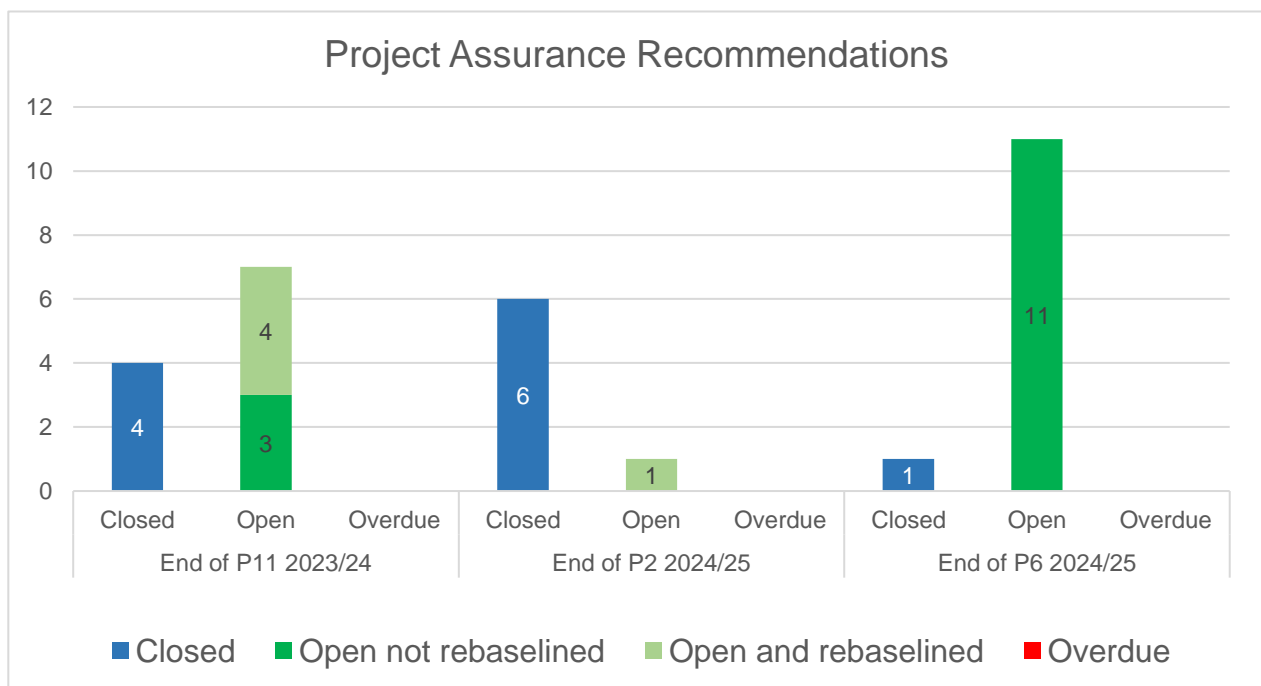


Figure 1 – Project Assurance Open Recommendations (end of Q2)

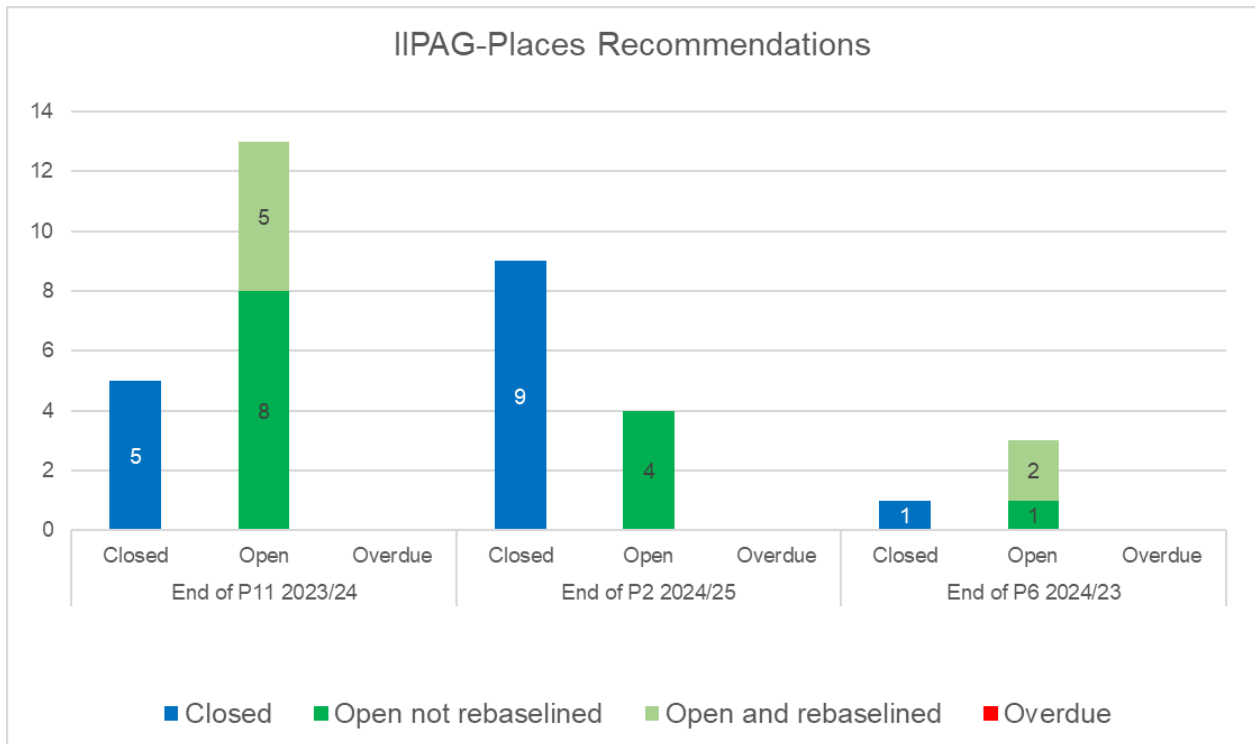


Figure 2 – IIPAG-Places Open Recommendations (end of Q2)

5 Line 3 (Internal Audit) Assurance

- 5.1 The draft internal audit report for the Management of Sectors – Arches was issued in Q2 and was rated as 'requires improvement'. Work is underway to agree the management actions with the Places for London team.
- 5.2 Internal Audit monitors the progress of management actions and consequent closure. There are no overdue Places for London audit actions.

6 Line 3 (IIPAG-Places) Assurance

- 6.1 IIPAG-Places has added to its continuous assurance work, with briefings on High Barnet, Bollo Lane, the disposals programme and the electric vehicle charging hub procurement. They have welcomed the amount of progress being seen on key residential and commercial development projects, noting the complexity of many sites and challenges to delivery.
- 6.2 IIPAG-Places will be increasing their work on individual asset management sectors, now that key leadership appointments have been made, and will look more closely at sector plans and targets, and consider risks to delivery, from Q3.
- 6.3 The investment appraisal process and hurdle rates TAR is underway.

7 Enterprise Risk Management

- 7.1 Details of the seven Places for London Level 0 (L0) risks are set out in Appendix 3.
- 7.2 The review of two L0 risks, Places-L0-02 (Attraction, retention and capability of our employees) and Places-L0-04 (Stakeholders), were completed in Q2 and updates on both risks were presented to the October meeting of the Land and Property Committee.
- 7.3 Work will commence to develop Places for London's Risk Appetite and Tolerance approach now that the TfL equivalent has been finalised.

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

List of Background Papers:

None

Contact Officer: Lorraine Humphrey, Director of Risk and Assurance
Email: lorraine.humphrey@tube.tfl.gov.uk