

Date: 10 December 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 3 of 2024/25 (15 September to 7 December 2024) (Q3) and provides the status of all open assurance recommendations to the end of Period 8 (9 November 2024) (P8).
- 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 of 2024/25 (8 December 2024 to 31 March 2025) (Q4) and Quarter 1 of 2025/26 (1 April to 21 June 2025) and is set out in Appendix 2.

4 Line 2 (Project Assurance) Assurance

- 4.1 In addition to continuous assurance activities, PA has completed a targeted assurance review (TAR) on the Victoria station development and has commenced planning for a TAR considering estimating certainty for capital projects.
- 4.2 The final report of the Victoria station development TAR noted that considerable progress had been seen in setting the high level objectives and requirements and agreeing how TfL, Places for London and Network Rail (NR) will work together and make decisions. It is noted, however, that this is a complex project with significant risks.
- 4.3 This programme is being managed under the Places for London and NR collaboration agreement. There is a recognition that this is an integrated transport and property scheme which can be funded, or part funded, by property development opportunities.
- 4.4 PA is pleased to note that progress is being made to implement the recommendations from the first line assurance and Southwark over station development operational works TARs.
- 4.5 PA continues to monitor progress with major developments within the property development portfolio, performance of the asset management sectors, and other significant investment programmes including electric vehicle charging hubs. In the next two quarters we intend to review how well actions from recommendations from the previous TARs have been embedded.
- 4.6 PA has also continued to support IIPAG-Places with third line assurance activities. In addition to the regular assurance discussions for each of the Places for London directorates, we have arranged for IIPAG-Places to be updated on the Limmo Procurement, Platinum Portfolio, Southwark over station development and the purpose built student accommodation sector, retail sector, and Cockfosters.
- 4.7 PA continues to monitor all open PA and IIPAG-Places recommendations. Four recommendations were closed in Periods 7 to 8 of 2024/25 (15 September to 9 November 2024). A total of 10 recommendations were still open at the end of P8 and none are overdue (see Figures 1 and 2 below).

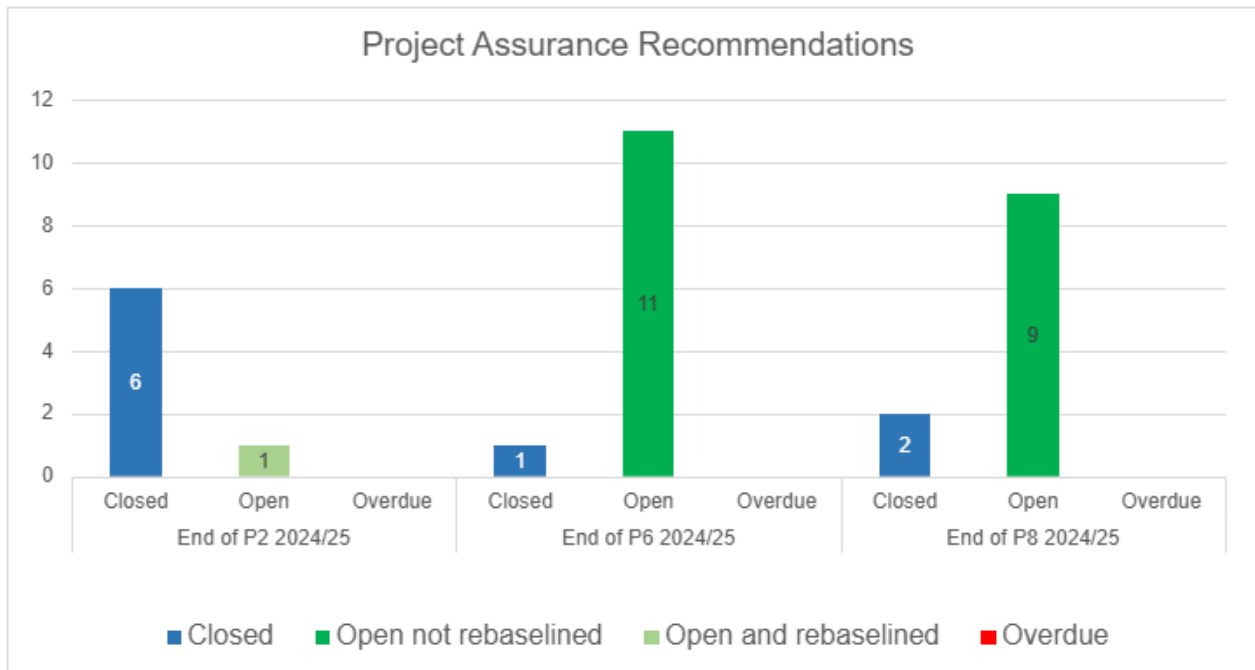


Figure 1 – Project Assurance Open Recommendations (end of P8)

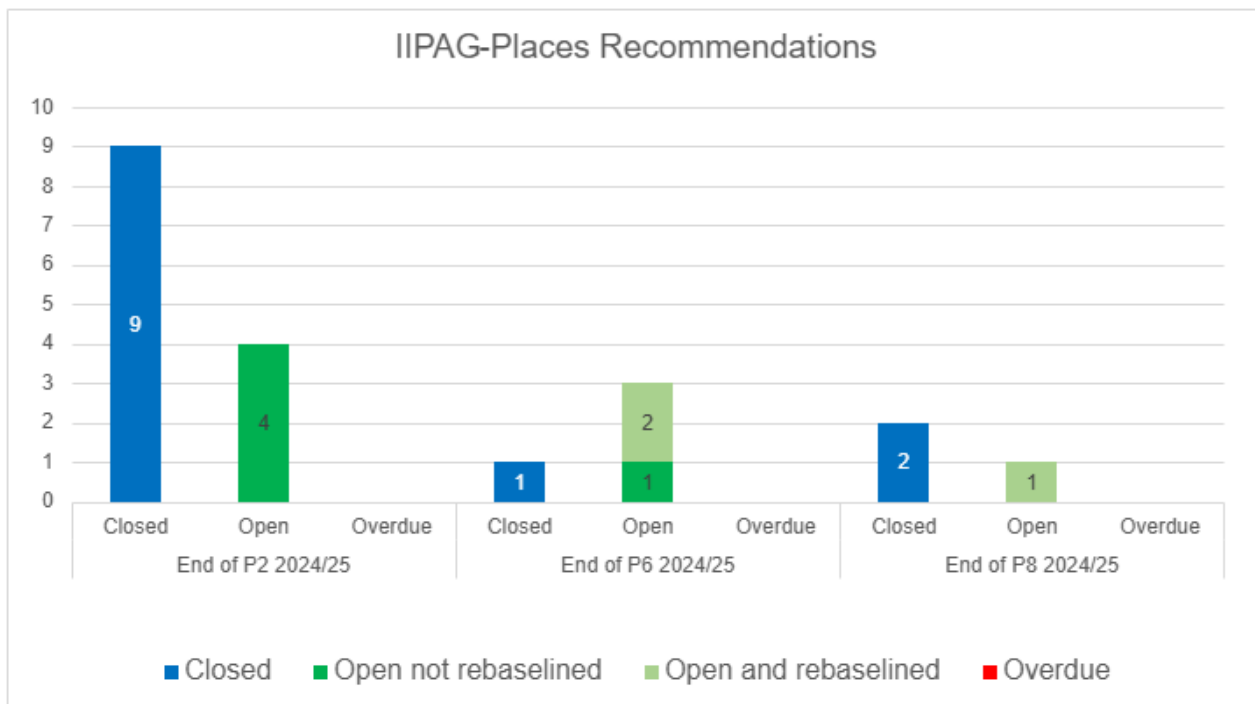


Figure 2 – IIPAG-Places Open Recommendations (end of P8)

5 Line 3 (Internal Audit) Assurance

- 5.1 The draft internal audit report for the Management of Sectors – Arches was issued in Quarter 2 of 2024/25 (23 June to 14 September 2024) and was rated as 'requires improvement'. We reported the findings to the last meeting of the Committee and are working with Places for London to finalise the action plan. Work is underway to agree the management actions with the Places for London team. The audit of Safeguarding in the Educational Engagement programme

commenced in Q3 and will provide assurance that the controls for safeguarding in the Places for London Educational Engagement programme are adequate and effective.

- 5.2 The joint venture (JV) reporting audit will start in Q4 and will build on the IIPAG-Places JV management TAR, which reported to the September 2023 meeting of this Committee, to provide assurance on the arrangements in place to ensure robust JV reporting.
- 5.3 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 welcomed the amount of progress being seen on key residential and commercial development projects, noting the complexity of many sites and challenges to delivery. IIPAG-Places will continue to increase their assurance activities for individual asset management sectors, now that key leadership appointments have been made. They will look more closely at sector (retail, offices, arches and property acquisition/disposal) plans and targets, starting with retail, and consider risks to delivery.
- 6.2 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 A review of Places-L0-01 (Failure to prevent safety incident or meet safety commitments) has been completed and an update on this risk is provided elsewhere on the agenda for this meeting for consideration. Places-L0-02 (Attraction and retention of our employees) has also been reviewed and updated. Both risks are showing an improving trend as several key mitigations have been delivered and the risk scores have reduced following reassessment.
- 7.3 It has been agreed with the Places for London Executive leadership team that their Risk Appetite and Tolerance approach will be developed in line with TfL's. This work is due to commence shortly.

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

A paper containing exempt supplementary information is included on Part 2 of the agenda

List of Background Papers:

None

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