

Date: 18 March 2025

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 4 of 2024/25 (8 December 2024 to 31 March 2025) (Q4) and provides the status of all open assurance recommendations to the end of Period 11 (1 February 2025) (P11).
- 1.2 A paper is included on Part 2 of the agenda which contains supplementary information that is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to the financial or business affairs of TfL. Any discussion of that exempt information must take place after the press and public have been excluded from the 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 and QSSA), Line 3 (Internal Audit and 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 1 of 2025/26 (1 April to 21 June 2025) (Q1) and Quarter 2 of 2025/26 (22 June to 13 September 2025) (Q2) is set out in Appendix 2.

4 Line 2 (Project Assurance) Assurance

- 4.1 PA continues to monitor progress with major developments and programmes within the Property Development and Asset Management Directorate.
- 4.2 PA is pleased to note that the Asset Management Directorate is reviewing the process for estimating project costs and has paused the estimating certainty Targeted Assurance Review (TAR) until this is complete. Planning is underway for a review of how well recommendations from the previous PA and IIPAG-Places TARs have been embedded and findings will be reported to the next meeting of the Committee.
- 4.3 PA has arranged for IIPAG-Places to be briefed on the Limmo procurement, Cockfosters residential development, the Southwark over station development, purpose-built student accommodation sector and digital strategy (Places for London wide and Asset Management focussed).
- 4.4 PA continues to monitor all open PA and IIPAG-Places recommendations. Two recommendations were closed in Periods 9 to 11 of 2024/25 (10 November 2024 to 1 February 2025). A total of 12 recommendations were still open at the end of P11 (see Figures 1 and 2 below). There is one critical issue overdue but we are discussing with Places for London what is practicable so may extend the due date.

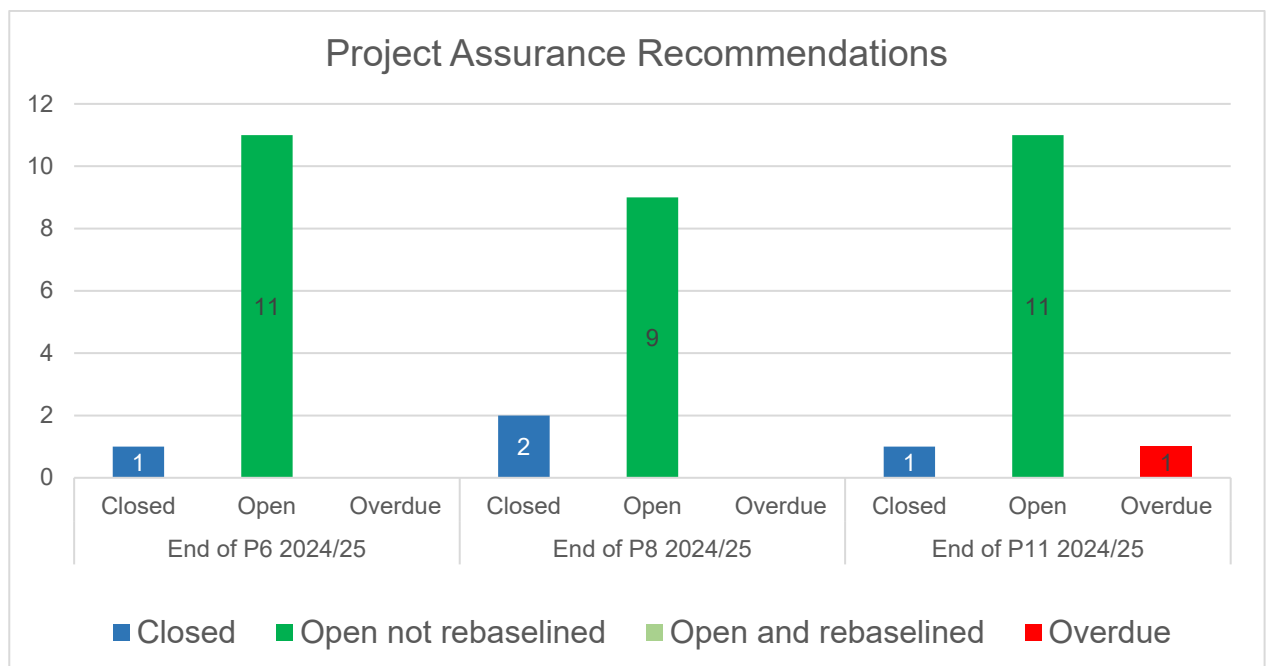


Figure 1 – Project Assurance Open Recommendations (end of P11)

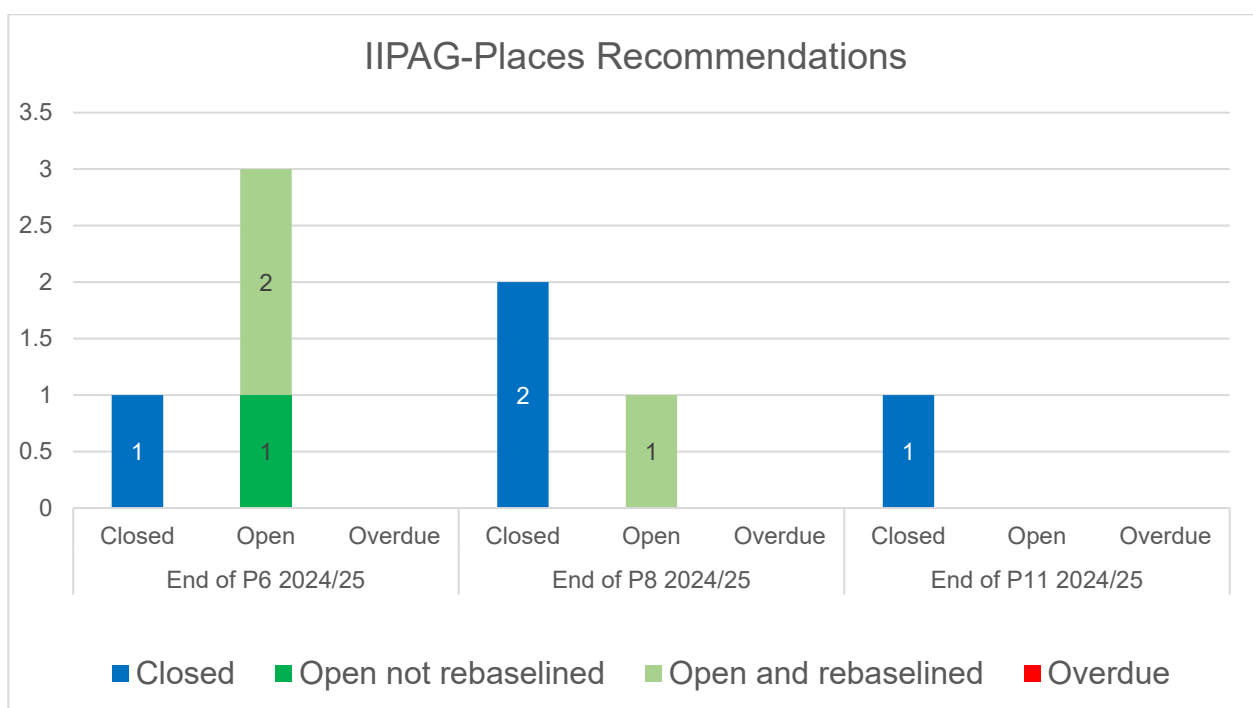


Figure 2 – IIPAG-Places Open Recommendations (end of P11)

- 4.5 We are currently reviewing our approach to assurance to ensure that we are targeting the riskiest areas and providing the right level of information to the Committee and the TfL Executive. This will include a series of deep dives considering key risks and issues.

5 Line 2 (Quality, Safety and Security Assurance) Assurance

- 5.1 QSSA audits of asbestos management and implementation of duties under the Construction (Design and Management) Regulations 2015 are underway.

6 Line 3 (Internal Audit) Assurance

- 6.1 The audit of Safeguarding in the Educational Engagement programme was rated as 'adequately controlled'.
- 6.2 The joint venture (JV) reporting audit has been split into individual audits of three of the partners: Barratt; Grainger; and Helical. All of these are underway and will build on the IIPAG-Places JV management TAR.
- 6.3 Internal Audit monitors the progress of management actions and consequent closure. There are no overdue Places for London audit actions.

7 Line 3 (IIPAG-Places) Assurance

- 7.1 In addition to the activities listed in section 4, IIPAG-Places has completed the document review and the majority of interviews for the investment appraisal process and hurdle rates TAR. The findings will be reported to the 16 July 2025 meeting of the Committee.

- 7.2 They will continue to increase assurance activity for individual Asset Management sector (retail, offices, arches and property acquisition/disposal) including reviewing plans and targets and considering risks to delivery.

8 Enterprise Risk Management

- 8.1 Details of the seven Places for London Level 0 (L0) risks are set out in Appendix 3.
- 8.2 A review of Places-L0-07 (Ineffective procurement, lack of flexible partnerships and the ineffective management of contracts) has been completed. Places-L0-06 (Inability to react to external market forces) has also been reviewed and updated. An update on both risks is provided elsewhere on the agenda for this meeting.
- 8.3 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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