

Date: 4 June 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 at the end of Q4.
- 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 Directorates.
- 4.2 PA is pleased to note that the process for estimating project costs is being reviewed and will assure the changes in real time. We are also undertaking a review of how well recommendations from the previous PA and IIPAG-Places targeted assurance reviews have been embedded and findings will be reported to the 16 July 2025 meeting of the Land and Property 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. One recommendation was closed in Q4. A total of 12 recommendations were still open at the end of Q4 (see Figures 1 and 2 below). Seven PA recommendations were overdue at the end of Q4. Five have since been rebaselined and two have been closed.

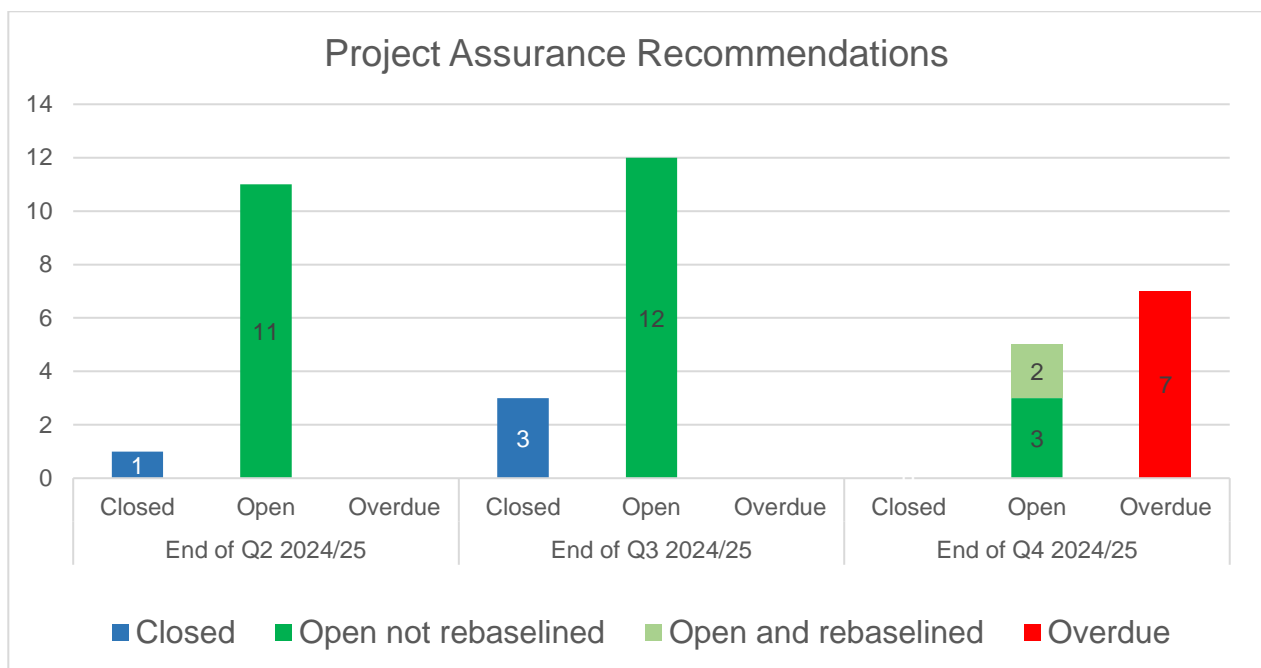


Figure 1 – Project Assurance Open Recommendations (end of Q4)

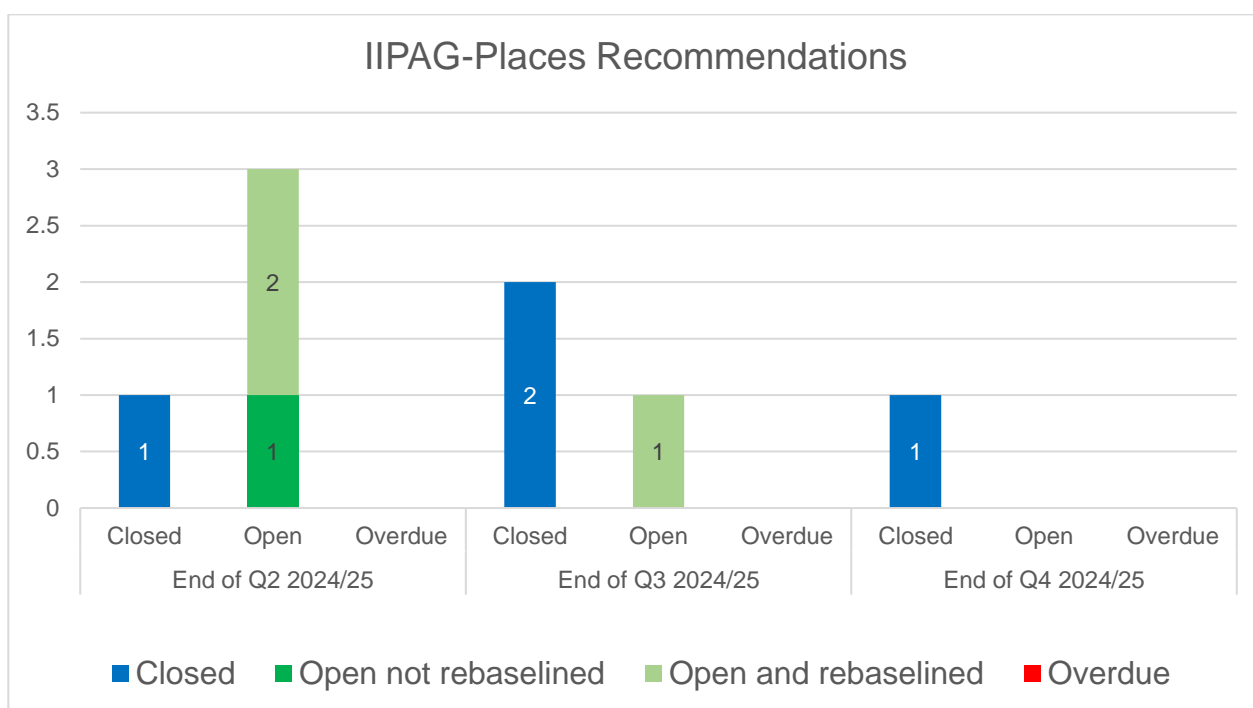


Figure 2 – IIPAG-Places Open Recommendations (end of Q4)

- 4.5 We continue to ensure that we are targeting the riskiest areas and providing the right level of information to Committees and the TfL Executive. This includes a series of sector focussed deep dives considering key risks and issues, these are included in the forward plan at Appendix 2

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

- 5.1 The QSSA audit of Asbestos Management is complete and was found to be 'requires improvement'. The audit of Implementation of Duties Under the Construction (Design and Management) Regulations 2015 is in progress with three of four sites completed. The detailed findings will be reported to the July meeting of the Land and Property Committee and the findings and draft report are being discussed with the management team.

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 report to the July meeting of the Land and Property Committee.
- 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, the IIPAG-Places investment appraisal process and hurdle rates targeted assurance review is nearing completion and the findings will be reported to the July meeting of the Land and Property Committee.
- 7.2 IIPAG-Places will continue to increase assurance activity for individual deep dives on 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 was provided to the 18 March 2025 meeting of the Land and Property Committee.
- 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 underway.

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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