Land and Property Committee

Date: 1 October 2025

Item: Places for London Assurance Update

This paper will be considered in public

1 Summary

1.1 This paper provides the Committee with an update on progress with assurance activity across Places for London during Quarter 2 of 2025/26 (22 June to 13 September 2025) (Q2) and the status of all open assurance recommendations to the end of Period 5 (P5) (20 July to 16 August 2025).

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 3 (14 September to 6 December 2025) (Q3) and Quarter 4 (7 December 2025 to 31 March 2026) (Q4) 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 The first stage of a targeted review of the process for estimating costs is complete. A second stage, considering proposed changes to the process, may need to be undertaken to supplement continuous assurance activities.

4.3 The review considered the estimating process for asset management projects and identified opportunities to improve existing arrangements to ensure that cost estimates, which are used to inform investment decisions, are robust. Those involved recognise the need to strengthen the process and there is a clear desire to achieve this.

4.4 A targeted review focussing on the cost estimate for station works at South Kensington station is underway. The station works are required to facilitate the around station development and the outputs of this review will help with funding discussions for the station works.

4.5 PA has arranged for IIPAG-Places to be briefed on the Platinum Portfolio, West London Partnership, the emerging living sector plan and the arches plan.

4.6 PA continues to monitor all open PA and IIPAG-Places recommendations. Two recommendations were closed in Periods 4 to Period 5 (P5) of 2025/26 (22 June to 16 August 2025). A total of 21 recommendations were still open at the end of P5 (see Figures 1 and 2 below) with one overdue.

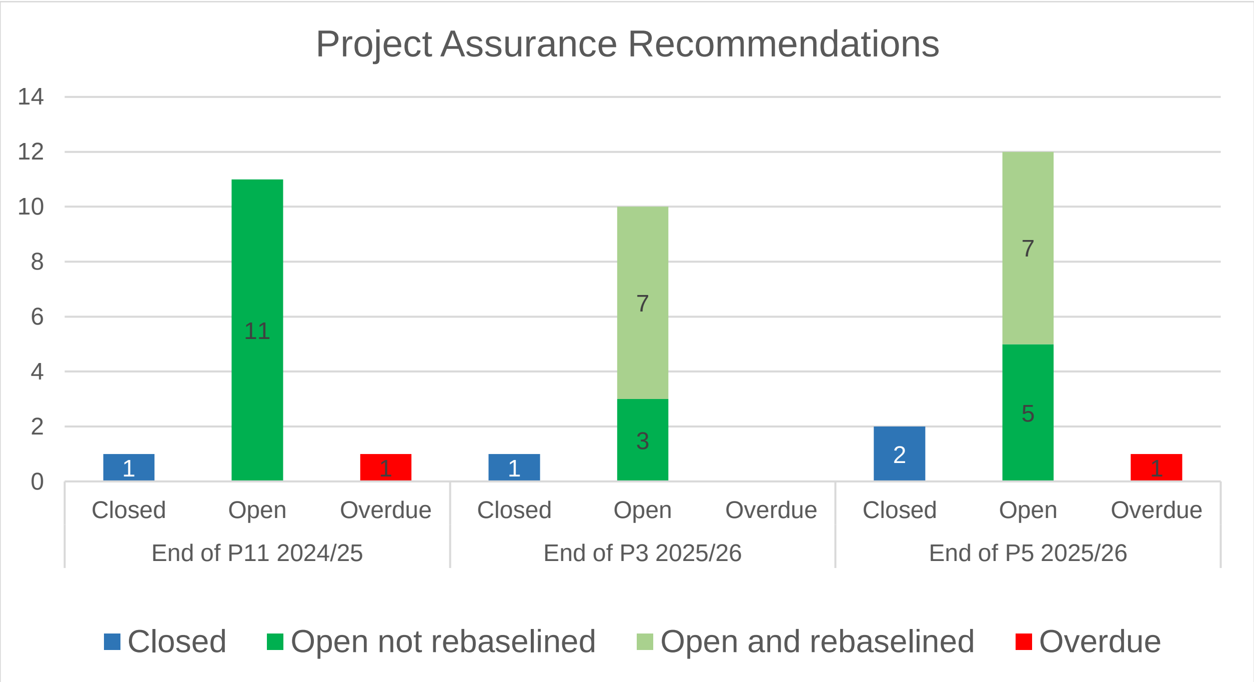

Figure 1 – Project Assurance Open Recommendations (end of P5)

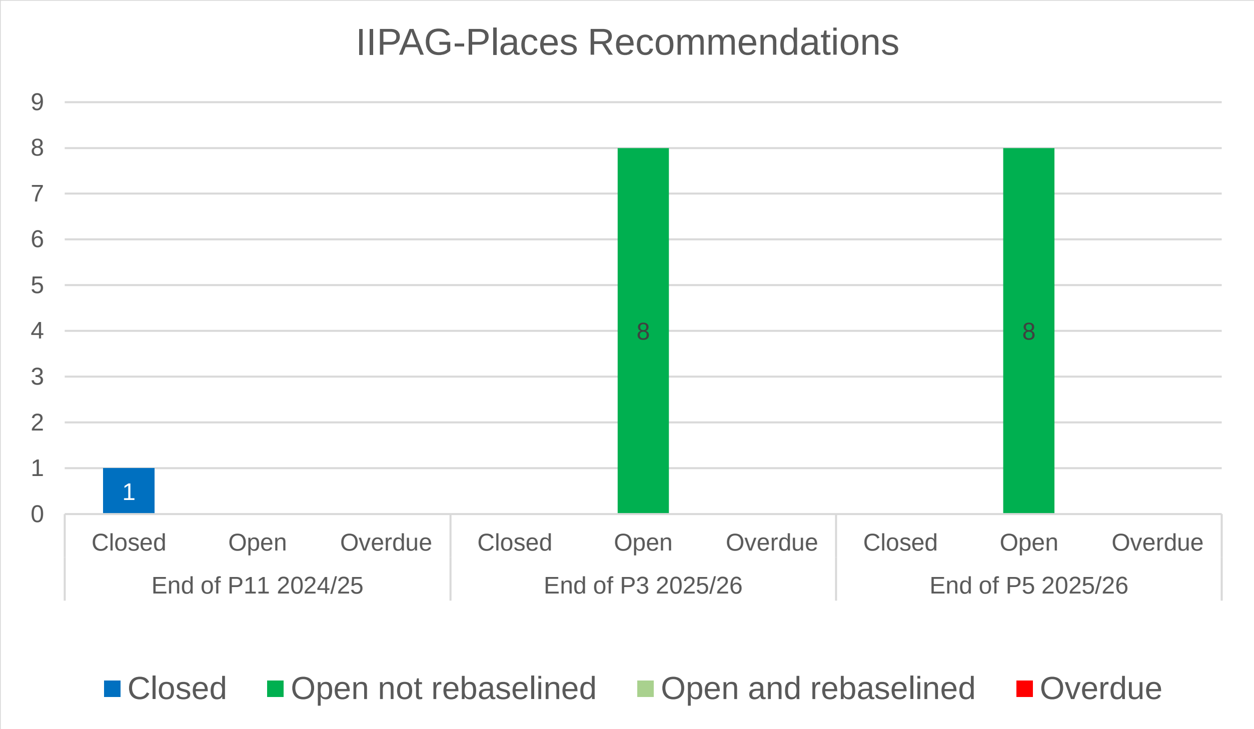

Figure 2 – IIPAG-Places Open Recommendations (end of P5)

4.7 We continue to review our approach to assurance and to ensure that we are targeting the riskiest areas and providing the right level of information to this Committee, the Audit and Assurance Committee and the TfL Executive.

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

5.1 The QSSA audit of Places for London: Management of TfL Tenants was concluded as 'adequately controlled'. Three actions were raised by the audit and all have now been closed.

5.2 QSSA monitors the progress of management actions and consequent closure. There are no overdue Places for London audit actions.

6 Line 3 (Internal Audit) Assurance

6.1 One Internal Audit memo was issued in Q2. This was a consolidated memo on the Adequacy of Joint Venture (JV) Reporting that pulled together findings from independent reviews of three JVs, Grainger, Barratt and Helical which were reported to the Committee in July 2025.

6.2 The consolidated memo concluded that while JV reporting controls are generally adequate, consideration should be given to implementing a more consistent governance, reporting and assurance framework across current and future JVs.

6.3 The Financial Controls audit is in progress and will be reported on in Quarter 3.

6.4 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 set out in Section 4, planning continues for deep dives of the office sector and affordable homes targets. Additional time has been allocated to this planning activity to ensure that that deep dives can be undertaken efficiently and provide the right information to this Committee, the Audit and Assurance Committee and the TfL Executive.

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 Workshops and reviews of Places-L0-02 (Workforce capability and future ready skills) and Places-L0-04 (Stakeholder management is inadequate) have been completed. Updates on both risks are provided elsewhere on the agenda for this meeting. The title of Places-L0-02 has changed from “Attraction and retention of our employees” to “Workforce capability and future ready skills”. Supporting data confirms that attraction and retention is not an enterprise level concern for Places for London.

8.3 The Risk Appetite and Tolerance work is progressing well and was recently discussed with the Places for London Executive Leadership Group. The next step is for it to be discussed at the Places Delivery Group, then the agreed approach will be presented to this Committee.

8.4 The Places for London Risk Management Procedure has been finalised and published on the TfL Management System.

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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