Land and Property Committee

Date: **10 December 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 3 of 2025/26 (14 September to 6 December 2025) (Q3) and the status of all open assurance recommendations at the end of Period 8 (P8) (12 October to 8 November 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 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 A targeted review focussing on the cost estimate for station works, which are required to facilitate the around station development, at South Kensington station is now complete. A wider assurance review will be undertaken when the concept design of the station works is complete. This will include scrutiny of the updated cost estimate, interfaces with the around station development, the procurement strategy, affordability, buildability and key risks and opportunities.

4.3 The review considered whether the cost plan was appropriate for the stage of development and reflected project complexity. The review found that preliminaries, overheads and key assumptions appeared reasonable and that benchmarking and cost estimating processes were subject to appropriate scrutiny. Recommendations were made to strengthen transparency and auditability as the project develops.

4.4 PA has arranged for IIPAG-Places to be briefed on the retail sector, property disposals, West London Partnership, the living sector plan and the offices plan and the Platinum Portfolio Paddington development.

4.5 PA continues to monitor all open PA and IIPAG-Places recommendations. At the end of P8, three recommendations had been closed and 18 recommendations were still open with one PA recommendation and one IIPAG-Places recommendation being overdue (see Figures 1 and 2 below).

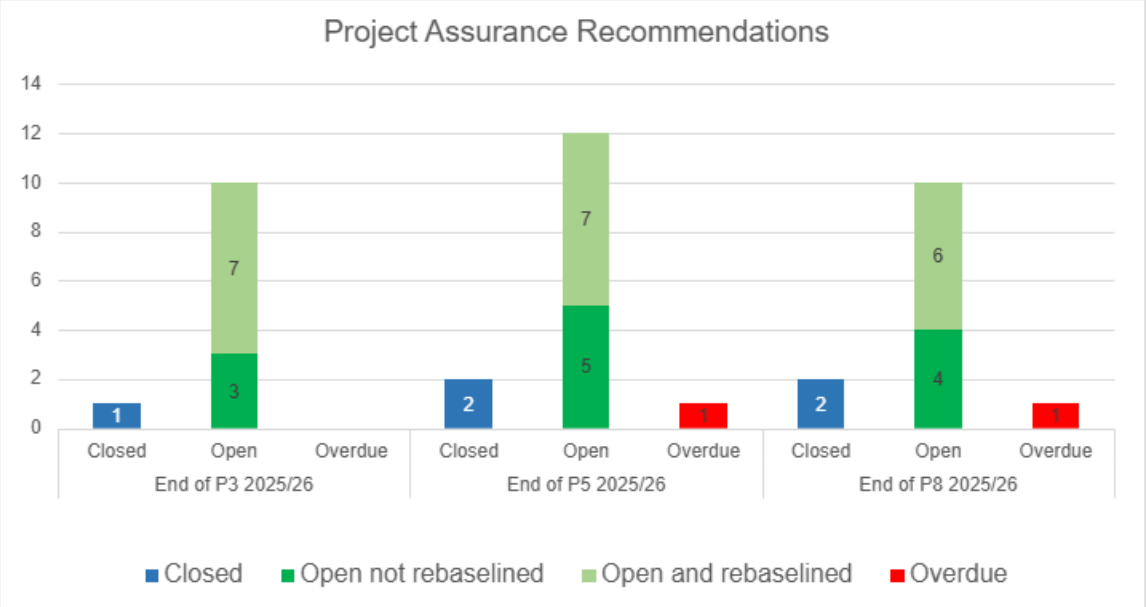

Figure 1 – Project Assurance Open Recommendations (end of P8)

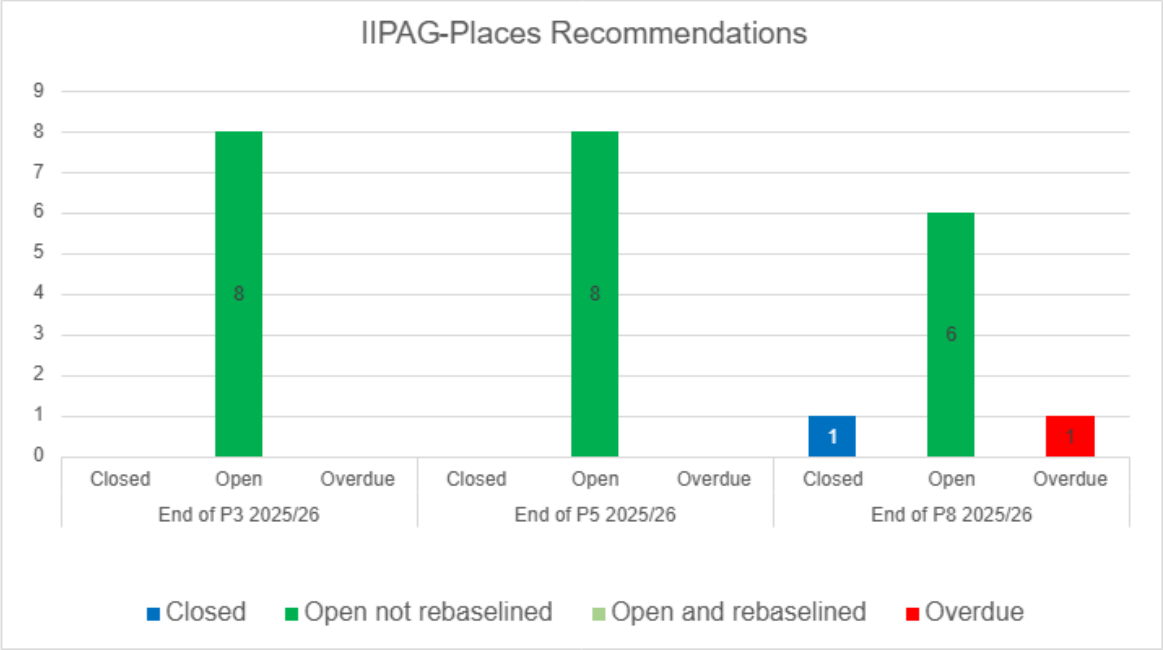

Figure 2 – IIPAG-Places Open Recommendations (end of P8)

4.6 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 There have been no new QSSA audits of Places for London since the last report. QSSA monitors the progress of audit management actions to closure. There are no overdue Places for London audit actions and one open audit action, due in January 2026.

6 Line 3 (Internal Audit) Assurance

6.1 The Financial Controls draft audit report was issued in Q3 which confirmed that the controls in place are generally effective in managing the key risks of the areas reviewed. The scope of the audit covered governance and oversight, Scheme of Authorities, balance sheet including property values – valuations and assets under construction, provisions and guarantees' register. The audit identified the administration of the Scheme of Authorities could be improved and the audit was rated as 'requires improvement'.

6.2 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, the deep dive of the office sector is underway. The affordable homes targets deep dive has been delayed to allow Places for London to consider the potential implications of the measures proposed by Government to accelerate housebuilding in London. Additional time has been allocated to this planning activity to ensure that the 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 A workshop has taken place for Places-L0-01 – Failure to prevent a major safety incident or meet safety commitments. An update on this risk is provided elsewhere on the agenda of this meeting.

8.3 The Places for London Risk Appetite and Tolerance approach has been developed in consultation with members of the Places for London Executive Leadership Group and other key stakeholders. This approach has been developed in line with best practice, benchmarked against TfL and comparative property development companies (where available), as well as considering the Places for London Investment Strategy and shareholder objectives. Three appetite levels have been agreed; 'Averse', 'Cautious' and 'Seeking'. The approach was presented to the Places Delivery Group on 3 November 2025. Details of the agreed risk categories, sub categories and appetite statements are included in the paper on Part 2 of the agenda.

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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