

Date: 18 June 2014

Item 16: Strategic Risk Management Update – Quarter 4

This paper will be considered in public

1 Summary

- 1.1 The purpose of this paper is to update the Committee on TfL's strategic risks and proposed mitigations as at Q4 2013/14.
- 1.2 As outlined in previous meetings, the Strategic Risk Management Panel (SMRP) has been set up to develop and implement a pan TfL strategic risk framework for the management of risks and better support decision-making. The Leadership Team have agreed an approach to ensure continuous improvement of current strategic risk reporting. An update on progress is also included in this paper.
- 1.3 This paper also updates the Committee on a recent Internal Audit undertaken in Surface Transport.

2 Recommendation

- 2.1 **That the Committee note the paper.**

3 Overview

Risk Process

- 3.1 TfL currently captures strategic risk through the Strategic Risk Register (SRR) and the Quantified Strategic Risk Schedule (QSRS).
 - (a) The objective of the SRR is to capture the key risks that could impact the delivery of TfL's strategic objectives through the thematic aggregation of the strategic Business Area level risks. The SRR can be found at Appendix 1 of this paper; and
 - (b) The TfL QSRS quantifies where possible the risks included in the SRR. It also captures project contingency and any opportunities that could materialise. The QSRS will be considered in Part 2 of the agenda.

Q4 Summary

- 3.2 The most significant change to the SRR in Q4 is a reduction of the target risk on disruption to quality of service from Medium to Low following the early signs of a reducing trend. This is driven by improved performance on London Underground, where delays to customers have reduced.

3.3 Other changes include additional mitigating actions on other risks as well as identifying target dates to complete the mitigating actions.

4 Quarter 4 Strategic Risk Register Update

4.1 During Q4 2013/14, the risks that feed into the SRR were assessed as part of the Business Areas' quarterly forecast reviews.

4.2 Key changes are outlined below.

Strategic Risk 7 – Disruption to quality of service

4.3 Having previously being static, this risk is starting to trend downward.

4.4 This is driven by improved performance on London Underground. Delays to customer journeys have reduced and the business is on track to deliver the Mayoral target to reduce delays by 30 per cent by 2015.

4.5 While this improvement moves the trend in the right direction, it would be premature to change the current status from Medium to Low.

4.6 However, this improvement, coupled with further mitigations (see section 4.7) that are currently in progress, has resulted in a reduced target risk status from Medium to Low.

4.7 Further mitigations include:

- (a) within Surface Transport, a cross-directorate Integrated Programme Improvement project, which will define work streams to deliver improvements centred on one team working to help minimise the disruption to customers;
- (b) developing the Surface Intelligent Transport Systems (SITS) to deliver all elements required to build on TfL's current on-street sensors, data assets, operational systems and business processes to establish a world class cooperative intelligent system (C-ITS). This will improve reliability through an increased ability to adapt to short, medium and long term changes in demand; and
- (c) an increased focus on Surface Tunnels & Structures Programme. This has now been added to the Road Space Management hot-spot assessment which aims to ensure that programmes are considered alongside other existing works.

Other risks

4.8 Following continued review of risks, a number of other mitigating actions have been added to the risk register as well as estimated dates for completion. For ease of reference these have been highlighted in red in Appendix 1.

Additional Information

4.9 At its meeting on 5 March 2014 the Committee requested a number of items for follow up:

- (a) People strategy – consider whether TfL has a risk of increasing challenges in recruitment and retention as economy picks up (with varying degrees of impact across different business areas);
- (b) Trend ratings – confirm that trend ratings are being considered;
- (c) Timescales to achieve targets – clarify the date or timescale that TfL expect to be at our target risk level; and
- (d) Provide an update on cyber resilience. A separate report on this will be presented to a future Committee meeting.

People strategy – increased challenges as the economy picks up

- 4.10 A corporate risk (Strategic Risk 15 – People Strategy) has already been identified that anticipates that as the UK economy moves out of recession it could have an impact on recruiting, retaining and rewarding key staff. The TfL People Strategy, which is based upon the four pillars of recruit, manage, reward and develop, seeks to ensure TfL has the right skills, capabilities and behaviours at the right cost to deliver the business priorities.
- 4.11 The Strategy takes a long term view on its resourcing options, developing and moving staff internally and building skills pipelines externally in order to meet those business priorities. Reward packages are used to ensure that the business remains competitive in the sectors in which it must compete for resources. Individual programmes within the Strategy have seen the start of workforce planning activity, and development of a resourcing strategy to identify and recommend interventions to close any resource gaps across TfL.
- 4.12 Improved integration with Business Planning and Finance will also support enhanced forecasting and management of people resources.
- 4.13 Exploratory discussions with Network Rail, the boroughs and other partners, including the supply chain, have also begun and 'communities of excellence' have been set up to explore and develop the possibility of whether sharing key project resources might be beneficial. For example, using secondment arrangements in tunnelling or power engineering sectors where demand will peak and trough. Joint education, skills and network wide industry promotions are also being planned.
- 4.14 Strategic Risk 15 – People strategy gives more detail of the mitigating actions in place to address this risk.

Consideration of Trend ratings

- 4.15 TfL considers all trend ratings on a quarterly basis. The nature of Strategic Risks suggest that they may be slower to change or influence than Operational Risks. That said, Strategic Risk 7 – Disruption to quality of service has seen a modest shift in risk trend this quarter, as identified in sections 4.3 and 4.4.
- 4.16 The new approach to risk management (as outlined in section 5), which will come into effect from Quarter 1 2014/15, will improve the management of risk (including more focus on controls, mitigating actions and target dates). As TfL's ability to

manage risk improves, it may result in an increased ability to influence trends more quickly than currently.

Timescales to achieve risk targets

- 4.17 The SSR now shows target dates by when mitigating actions are expected to be complete. These can be seen in the SRR under the “Mitigation Status” column.
- 4.18 Not all mitigating actions have an end completion date, particularly those actions that are ongoing for example. TfL will continue to have cost control measures in place to help maintain a balanced Plan. As a result this action does not have an end date.
- 4.19 Through the risk development work (as outlined in section 5) greater clarity will be given on target dates – specifically for each risk the SRR will show:
 - (a) Review Dates – for controls;
 - (b) Due Dates – for mitigating actions; and
 - (c) Next Assessment Date – for overall risk score.
- 4.20 This will give risk owners greater focus as it will highlight any controls and actions that are overdue and likely to result in deteriorating risk trends.
- 4.21 The Q4 2013/14 SRR is included in Appendix 1.

5 Strategic Risk Management

- 5.1 During Quarter 2, it was proposed that TfL adopt a staged approach to improving strategic risk management, ensuring that there is a systematic, formal and comprehensive process relating to both project and non-project risk.
- 5.2 The proposal has been endorsed by the Leadership Team and the Committee.
- 5.3 From Quarter 1 2014/15, a new Strategic Risk Register will be implemented which will give greater focus on controls, actions and the potential impact on the risk status.
- 5.4 Following implementation of this new register we will then focus on quantifying all risks – in terms of both financial and key performance impacts.

6 Internal Audit Update

- 6.1 During Quarter 4, Surface Transport had an internal audit review of its risk management arrangements. This review is part of a portfolio of audits looking at risk management across the whole business. The objective of the audit was to ensure that an effective risk management process is in operation for identifying, assessing, evaluating, managing and reporting risks. All identified actions from the previous audit have been “satisfactorily addressed” and the audit is now closed.

- 6.2 Rail and Underground (R&U) was reviewed last year and the report issued in June 2013. The objective of this audit was to ensure that an effective risk management process is in operation within R&U for identifying, assessing, managing and reporting on risk. Based on these findings Internal Audit concluded that the delivery of the risk management process within R&U required improvement and management actions were agreed to make improvements. A follow up in February 2014 concluded that all management actions had been satisfactorily addressed and the audit was closed.
- 6.3 Specialist Services is currently planned to be reviewed in Quarter 2 and Strategic Risk Management in Quarter 3.
- 6.4 The current plan is that the review of Strategic Risk Management will include the relationship and fit with other processes such as Control and Risk Self Assessment and assurance mapping.

List of appendices to this report:

Appendix 1 – Quarter 4 Strategic Risk Register

List of Background Papers:

None

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APPENDIX 1: TfL Strategic Risk Register

Quarter 4 2013/14



Strategic Risk Register (SRR) Overview

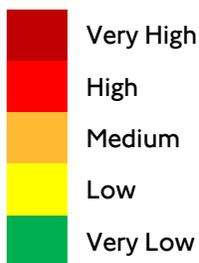


- The format adopted for use in reporting TfL’s strategic risk is based on the standard risk reporting currently employed across all Business Areas (BAs). Risk is typically reported and evaluated on a qualitative basis.
- To facilitate comparative assessment, all BAs within TfL use the same assessment criteria. The four impact categories are: cost, time, customer service and reputation.
- All risks are scored on a scale ranging from ‘Very High’ to ‘Very Low’.
- The ‘Current’ score assigned to each risk identified within the SRR is based on an assessment of the current status of the risk; this includes all mitigations that are currently under way.
- The ‘Target’ reflects the maximum possible impact that can be achieved if all the mitigations identified are completed.
- Trends are identified to highlight whether the risk is improving, worsening or is unchanged, allowing for appropriate management action to be taken where necessary.
- Currently the SRR has 15 strategic risks as follows;

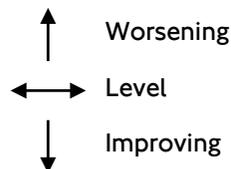
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|---|--|
| 1) Maintaining a long term strategic, balanced Plan within the constraints of available resources | 8) Security |
| 2) Pension Fund | 9) Major events |
| 3) Ability to re-prioritise short term deliverables in response to external factors | 10) Managing external stakeholder interests |
| 4) Delivery of capital investment portfolio | 11) Major Incident – External |
| 5) Failure of critical IT systems | 12) Major incident – Ticketing Systems failure |
| 6) Risk of Information or Cyber Security incident on key services | 13) Environmental impact of delivering a transport service |
| 7) Disruption to quality of service | 14) Industrial Relations (IR) |
| | 15) People Strategy |

- The following keys are used throughout the SRR: (Text in **red font** represents new additions this quarter)

Score based on ARM:



Trends:



Status Definitions:

Fallback	△	Alternative Plan
In progress	🕒	New action or business process (shaded indicating estimated progress – circa 25%, 50%, 75%)
Ongoing	🔄	Existing controls or process
Complete	●	Action complete
Proposed		Proposed action yet to be signed off / agreed by owner

Value for Money					
1. Maintaining a long term strategic, balanced Plan within the constraints of available resources					Owner: Steve Allen
<p>TfL undertakes a Business Plan each year, prioritising spend to ensure a long term strategic balanced plan. There is a risk in later years that available resources may not cover all required activities. This may be due to:</p> <ul style="list-style-type: none"> revenue reductions secondary revenue shortfall market conditions that limit the financial viability of property development opportunities over station assets (Crossrail) material shortfall in delivering the Savings and Efficiencies programme (including NSP) disruption to financial markets impacting TfL's ability to borrow counterparty insolvency Further Government Grant reduction in future years. 	Current	Mitigating Actions	Mitigation Status	Target	Trend
	H	Cost control measures in place include the quarterly forecast and review process. This review will ensure the Business Plan remains balanced over the long term and take corrective action if necessary.	Ongoing	M	↔
		Periodic budget monitoring to review progress against cost, fares and secondary revenue target to act as an early warning indicator. Periodic reviews held in line with the normal accounting cycle to monitor progress against targets.	Ongoing		
		Monitor and review plan to achieve additional Commercial Development income target.	In Progress		
		A project is underway and seeks to set out the resource, specialist support, contracting arrangements, funding and governance required to deliver a revised Commercial Development Business Plan.	Progress		
		This emerging work will form the requirements to deliver the one year and 10 year business plans and will be presented at a series of TfL forums culminating with the Finance and Planning Committee in June 2014.	30/06/14		
		Maintain cash balance via cash flow forecasting and daily checks on TfL's cash position by the Treasury team in the event market conditions prevent borrowing.	Ongoing		
		Annual review of the expected outturn of property proceeds is undertaken at the end of each year (Crossrail).	Ongoing		
		Effective scrutiny and challenge to savings delivery through greater analysis and challenge via existing BAU periodic reviews and reporting processes.	Ongoing		
Increase the prospective development proceeds for sites by exploring additional commercial opportunities where applicable.		Fallback			
Ensure TfL has some flexibility with regards to sites offered on the market, thereby optimising the Over Station Development returns in the future (Crossrail).					
<p>Comment: The imminence of 2015 general election and 2016 mayor election, creates increased political uncertainty and therefore policy direction and funding risks. This is considered throughout the business planning process and captured in the above risks.</p>					

Value for Money					
2. TfL Pension Fund					Owner: Tricia Riley
<p>TfL recognises the importance of providing good pension benefits to members. There is a risk of a potential future TfL Pension Fund deficit.</p> <p>This may be due to adverse or unmatched movements, a collapse in investment markets and/or the non achievement of expected performance as a result of inappropriate actuarial assumptions (inaccurate member data or inaccurate asset information used by the Actuary for valuation). Nature of Risks (not exhaustive);</p> <ul style="list-style-type: none"> Investment Strategy does not pay sufficient attention to scheme liabilities Trustees are exposed to future deficits Funding target no sufficiently prudent 	Current	Mitigating Actions	Mitigation Status	Target	Trend
	M	<p>Ensure that TfL has a well diversified investment strategy across all portfolios to minimise risk.</p> <ul style="list-style-type: none"> The Trustees have adopted a well diversified strategy which is set after taking advice from the Actuary and Investment Adviser and reviewed following each triennial valuation There is a fully diversified portfolio of return seeking assets, including alternate asset classes which is actively monitored and reviewed on a regular basis. The Investment Adviser assists Trustees in monitoring investment markets and changes vs. liabilities using LiabilityWatch or other appropriate funding monitoring reports together with the quarterly Investment Report. Information is also shared between the Trustee and Principal Employer 	Ongoing 	L	↔
		<p>Agreement and review of a prudent funding target with TfL Pension Fund Trustees to ensure that adequate contributions maintain the sustainability of the fund;</p> <ul style="list-style-type: none"> Trustees agree a prudent funding target with the Principal Employer (known as technical provisions) following receipt of advice from the Actuary Technical provisions are used to agree a schedule of contributions covering both further accrual (future service) and any deficit contributions together with the period over which they are to be paid (recovery plan). Trustees will monitor the funding position of the TfL Pension Fund and the expected time to reach full funding on a quarterly basis Information is shared by the Trustee to the Principal quarterly on the funding status of the TfL Pension Fund. 	Ongoing 		
<p>Regular monitoring of the funding position and communication with the Trustees/Actuary regarding employer contributions.</p> <ul style="list-style-type: none"> The Pension Fund Scheme has a detailed Risk Register listing principal risks identified by the Trustees as well as the measures and controls currently in place to mitigate risks. A Financial Management Plan (FMP), which has been reviewed by the Principal Employer, is in place to enable the Trustee via its various committees to monitor the ongoing funding position. This is monitored and reviewed quarterly but can also be reviewed at other times. The FMP uses traffic light triggers and should any be breached a discussion takes place prior to any action being taken by the Trustee. 		Ongoing 			

Delivery					
3. Ability to re-prioritise short term deliverables in response to external factors					Owner: Steve Allen
TfL is required to respond to external factors from various bodies. There is a risk that TfL is required to reprioritise its short term operational challenges and requirements. This risk is focused on the immediate two year time frame and the impact is that TfL needs to be able to successfully deliver an integrated, cost effective transport solution, maintain service delivery pledges and successfully deliver Mayoral priorities.	Current	Mitigating Actions	Mitigation Status	Target	Trend
	M	TfL undertakes demand forecasting, service planning and reliability, a business planning and budgeting process and an investment approval process.	Ongoing 	M	↔
		Leverage capability in Commercial Finance team to provide professional advice on projects, commercial agreements, areas of new business development and to analyse/structure TfL's involvement in mayoral priorities.	Ongoing 		
		Contingency planning to adjust for the impact of revenue shortfall on the short term deliverables.	Ongoing 		
Manage stakeholders and keep them informed on the Business Plan position to reduce the likelihood for reprioritisation.		Ongoing 			

Delivery					
4. Delivery of the capital investment portfolio					Owner: Mike Brown/ Leon Daniels
TfL needs to ensure efficient and effective project and contract management to enable it to meet its milestones. There is a risk that key elements of the capital investment portfolio could overspend and/or do not deliver the intended benefits.	Current	Mitigating Actions	Mitigation Status	Target	Trend
	M	Corporate Gateway Reviews and Approvals process to inform cost effective delivery of capital investment portfolio.	Ongoing 	L	↔
		Review of capital projects and programmes in the Operating Businesses.	Ongoing 		
		Consultation with IIPAG on benchmarking to; demonstrate organisational competence in delivering the capital investment programme, demonstrate an efficient and cost effective approach to whole life asset management following PAS 55 accreditation.	Ongoing 		
		Project and Programme management methodology (Pathway) has been rolled out – this will be supported by roll out of project controls effectiveness, process clarification and project management systems	01/04/15 In progress 		
Role families, competency assessment and development, resource and stakeholder management.		01/04/15 In progress 			
Q4 2013/14 update: LU and Rail: Sub-Surface stock continues to be introduced successfully with little disruption as does the Northern line signalling system. This quarter has seen the crystallisation of the ATC contract risk, delivery is still being targeted for 2018. The Rail & Underground Pas 55 audit report confirmed continued certification as well as highlighting issues for the planned certification against ISO 55001 due in March 2015. Surface Transport: Colleagues from Rail & Underground have looked at Surface Transport's new structure, which has been implemented to clarify the separation of sponsors and deliverers and to improve investment programme delivery, and have provided advice from the experience of London Underground. A review of deliver capability by IIPAG is planned.					

Delivery / Our Customers and Users					
5. Failure of critical IT systems (Applications, Networks and Infrastructure) impacting the delivery of key business operations					Owner: Mike Brown/Leon Daniels/ Steve Allen/ Vernon Everitt
<p>TfL is dependent on the availability of IT systems and technologies, to deliver its core operational activities across Rail and Underground Surface Transport and Specialist Services. Examples of critical systems include; Computerised Track Access Control, Ticketing systems, Buses, Traffic Operations, Cycle Hire and Congestion Charging.</p> <p>These systems are managed by the Business Areas (BA) through contracts with third party providers or by internal teams with specific expertise.</p> <p>Failure of these systems could result in disruptions to the transport network and business operations potentially leading to a loss of revenue.</p>	Current	Mitigating Actions	Mitigation Status	Target	Trend
	M	Robust SLAs are in place with effective contract management and monitoring.	In progress	L	↔
		Ensure that TfL Standards, Policies and Procedures are adhered to.	Ongoing		
		Investigate and ensure that robust Business Continuity/ Recovery Plans are in place.	Ongoing		
		Undertake a comprehensive review of IT and systems risks across the BAs.	In progress 01/12/14		
		Draft a comprehensive list of critical business operations and the systems that support them with clear lines of accountability for management and maintenance.	Proposed		
		Regularly review/ refresh the list of critical business operations and supporting systems.	Proposed		
		Close working with IM to ensure awareness of compatibility requirements for new system implementations and the ongoing support of new and current systems	Proposed		
<p>Q4 2013/14 update: A comprehensive list of the critical IT systems is ongoing. Further work is required to assess the full extent of risk arising from technology and systems across TfL and the outcome could change the severity of the risk score and the status of the resulting mitigating actions.</p>					

Delivery					
6. Risk of an Information or Cyber Security incident on key services that support business and or network operations					Owner: Steve Allen
TfL recognises the importance of a robust Information Technology infrastructure to support business or network operations. If security controls are not sufficiently robust, there is a risk of a harmful event occurring relating to Information or Cyber Security that could result in a disruption to service delivery (i.e. loss / degradation of key services that support business and / or network operations).	Current	Mitigating Actions / Controls	Mitigation Status	Target	Trend
	M	Prioritise gaps and action plans, across IM for mitigation.	Complete ●	L	↔
		Create and agree upon, an Internal Controls function within IM, to maintain the Information Security Controls Framework (ISCF).	Proposed		
		Recommend a Pan TfL Information Security Group be considered, and agreed upon to address Cyber Security Pan TfL.	Proposed		
Maintain Internal Controls within IM as an on-going concern.		Ongoing 🔄			
Q4 2013/14 update: An separate report is being worked on to give an update on cyber resilience in relation to Internal Audit plans.					

Our Customers and Users					
7. Disruption to quality of service					Owner: Mike Brown/ Leon Daniels
<p>TfL aims to deliver the best quality service to its customers. There is a risk of disruption to quality of service due to:</p> <ul style="list-style-type: none"> implementing complex, major asset renewal and replacement programmes that are interrelated on an operational rail, bus operations, roads network frequent closures of lines or major stations change to operational procedures and resource requirements after completion of asset upgrades. Limitations of road space in London. <p>These create the potential to disrupt customer service due to, possible asset/ systems failure on implementation and further knock-on effects.</p>	Current	Mitigating Actions	Mitigation Status	Target	Trend
	M	Within Surface, the cross –directorate Integrated Programme Improvement project will define work streams to deliver improvements centred on one team working.	In progress  01/09/14	L	↓
		Delivery of the Access Improvement plan to review and improve the processes, structure and organisations involved in the planning and management of access. This includes creation of a single, accountable access delivery organisation for the operational railway.	In progress  01/07/14		
		Develop Surface Intelligent Transport Systems (SITS) to deliver all the elements required to build on TfL’s current on-street sensors, data assets, operational systems and business processes to establish a world class cooperative intelligent transport system (C-ITS) . It will improve reliability through an increased ability to adapt to short, medium and long term changes in demand.	In progress  01/05/15		
		The Surface Tunnels & Structures programme has been added into the RSM hot-spot assessment. 1. Close working with Planned Interventions. 2. Improved environmental working to reduce noise and vibration. 3. More joined up working with utilities	Ongoing 		
Mitigate effects through diversion of resources to support travelling public. Redistribute Network Operations resources on targeted areas of the transport network to manage travel demand and minimise the worst effects of disruption.		Fallback 			
<p>Q4 2013/14 update: LU update: Delay to customer journeys has reduced and the business is on track to deliver the mayoral target to further reduce delays by 30% by 2015.</p> <p>Trend and Target have been updated to reflect the impact mitigations In Progress will have once completed and implemented.</p>					

Our Customers and Users					
8. Security					Owner: Mike Brown/ Leon Daniels
TfL provides a mass public transport system for London. There is a risk of domestic or international terrorism which may cause casualties, disrupt operational service, damage assets and create fear in the travelling public.	Current	Mitigating Actions	Mitigation Status	Target	Trend
	M	Major incident prevention and response planning and critical infrastructure resilience.	Ongoing 	L	↔
		Awareness training, CCTV, physical security measures, and internal resilience groups.	Ongoing 		
		Terrorism Insurance Cover to assist with cost of repairs to damaged TfL assets.	Ongoing 		
		Continuous reviews and prioritisation of resources based on intelligence and liaison with police and security services.	Ongoing 		
Q4 2013/14 update: Terrorism Cover is in place until the end of the 2014/15 Financial Year.					

Our Customers and Users					
9. Major events					Owner: Mike Brown/ Leon Daniels/ Vernon Everitt
TfL provides the mass public transportation system for London. This includes providing services for irregular major events such as Royal and sporting occasions. When increased demand is required, and to ensure its good reputation, TfL must be able to successfully deliver enhanced transportation arrangements.	Current	Mitigating Actions	Mitigation Status	Target	Trend
	L	Revision of timetables and possible service enhancements	Ongoing 	VL	↔
		Contingency Planning with event organisers, police and other emergency services	Ongoing 		
		Close collaboration within TfL, with other transport providers and wider stakeholders	Ongoing 		
		Major events planning and operational readiness review programmes implemented to ensure customers and users are able to travel to major events in London in a safe and timely manner.	Ongoing 		
		Customer information and travel advice developed and issued to customers, businesses and stakeholders to encourage travel choices appropriate to operational plans.	Ongoing 		
Q4 2013/14 update: The TfL Events Team has been established within Surface and is working with Rail and Underground to establish a consistent strategic view of planned events impacting on the network. Processes and structures to ensure that the picture is shared across TfL are being enhanced.					

Our Customers and Users

10. **Managing external stakeholder interests**

Owner: Vernon Everitt

TfL has to adequately manage and respond to public criticisms from informed and knowledgeable leaders. These criticisms may influence stakeholders and could impact on the perception of the organisation which may influence the availability of funding and support.	Current	Mitigating Actions	Mitigation Status	Target	Trend
	M	Continue to build relationships with key stakeholders and maintain a capable stakeholder communications team.	Ongoing 	M	↔
		Stakeholder management via the Local Implementation Plan (LIP) approval process to ensure boroughs transport policies and proposals align with the Mayoral Transport Strategy (MTS) and TfL priorities.	Ongoing 		
		Manage Mayor's questions and produce periodic performance reports.	Ongoing 		
		Consultation with IIPAG on benchmarking to; <ul style="list-style-type: none"> • demonstrate organisational competence in delivering the capital investment programme, • demonstrate an efficient and cost effective approach to whole life asset management following PAS 55 accreditation. 	Ongoing 		

Q4 2013/14 update:

Surface update on mitigation two: 2012/13 Delivery of 2012/13 programme was in line with initial forecast.
A new three year plan has been confirmed together with targets to 2016/17.

Our Customers and Users						
11. Major Incident – External					Owner: Jill Collis/Mike Weston	
<p>TfL is dedicated to the safety of the travelling public. There is a risk of an incident that leads to wide spread service disruption, asset damage and injuries and/or fatalities. This could be compounded by inability to achieve the Mayor's Road Safety target by 2020 and will adversely affect TfL's safety reputation.</p>	Current	Mitigating Actions	Mitigation Status	Target	Trend	
	M	Development of, and adherence to, Company Management System and TfL Standards.	Ongoing		M	↔
		A co-located Command and Control Centre (LUCC) is in operation and it brings together all the network system control functions to enhance safety and improve response times to possible	Ongoing			
		Communication with Environment Agency and Met Office for early warnings of significant weather effects/potential flooding.	Ongoing			
		Internal Governance (Reduced casualties Steering Group) established. This group will oversee the development and monitoring of the detailed implementation programme. External governance (Road Safety Steering Group) established.	Complete			
		Development of Procedural Blueprint. Strategic review of capacity to identify areas of deficiency, to develop a procedural blueprint outlining timelines, responsibilities, etc.	In Progress	 31/12/15		
		Training programme to up skill managers and enable up to date risk assessments of operational assets.	On going			
		Monitoring, audit and review of safety performance and safety management.	Ongoing			
<p>Q4 2013/14 update: TfL is developing specific action plans outlining interventions for the most vulnerable road users (pedestrians, cyclists, and motorcyclists) which account for over 80% of all killed and seriously injured casualties. All three safety action plans will be published between now and the spring. In March, TfL launched a document outlining its key road safety commitments, in order to gain a broader understanding of the Mayor and TfL's ambitions to deliver safe streets for all. Motor Cycle Safety action Plan was launched 21 March 14.</p>						

Our Customers and Users						
12. Major incident – Ticketing Systems failure					Owner: Vernon Everitt	
<p>TfL is committed to maintaining efficient back office infrastructure, systems and processes.</p> <p>The fare collection system, including contactless cards, may fail temporarily and result in reputational damage to TfL as well as the possible loss of confidence in the integrity of the fare collection system.</p>	Current	Mitigating Actions	Mitigation Status	Target	Trend	
			Ongoing	L	↔	
			Ensure that all contractor equipment does not use live keys so that changes made do not inadvertently transfer to the live system.			↻
			Ongoing			
			Ensure that any base data change delivered to the TfL ticketing system is tested and assured by TfL representatives before approval for implementation.			↻
			Ongoing			
			Robust change management procedures to mitigate risk of uncontrolled change.			↻
Ongoing						
The contractor has tools available to monitor performance of TfL ticketing equipment with alerts in place to identify, in real time, any potential system failures or corruptions.	↻					
Ongoing						
Close monitoring of contractors performance. Timely replacement of life expired equipment/systems. Close review / testing and trialling of system changes.	↻					
Ongoing						
Carry out assurance on the performance of TfL ticketing systems through availability and reliability reviews with contractor.	↻					
Q4 2013/14 update: Contactless payment card technology to go live at the end of 2014.						

Our Customers and Users					
13. Environmental impact of delivering a transport service					Owner: Michele Dix
TfL aims to demonstrate its commitment to managing its environmental foot print in order to meet various regulatory targets for emissions and to deliver Mayoral aspirations for air quality. There is a risk that increased service intensity across the network will drive upward pressure on emissions and hinder TfL's ability to meet the regulatory targets.	Current	Mitigating Actions	Mitigation Status	Target	Trend
	M	Deliver Mayoral aspirations on Air quality through borough programmes that support the improved air quality initiative.	Ongoing 	L	↔
		A two stage plan to reduce NOx from the bus fleet by more than 20% or 1,000 tonnes a year is underway. The first stage is to retrofit 900 older buses with NOx abatement technology; the second stage is to bring forward replacement of older buses with new ultra low emission Euro 6 buses.	In progress 		
<p>Implement technology focused capital investment projects identified in the Business Plan, to deliver reductions to NOx, CO2 emissions; and enable TfL to meet regulatory targets.</p> <p>Q4 2013/14 update: Current mitigation plans remain on target to bring the bus fleet up to the required emission standard by 2015. To date, 900 buses of Euro 3 generation have been retrofitted including those funded by the Olympic Development Authority (ODA) and jointly funded by TfL and the Department for Transport (DfT). The programme is set to achieve a higher target figure of 943 by the end of March this year. The mitigation strategy is central to helping the UK Government demonstrate prompt action to help London comply with NO2 air quality targets.</p> <p>The first pure electric buses started trials on routes 507 and 521 in December 2013. Four more will follow in the first half of 2014. EU funding has also been secured for wireless induction charging infrastructure and range-extended hybrid buses from 2014.</p> <p>Ultra low emission zone included in on going Business plan discussions. Mayoral decision on next stage with the programme due in June 2014.</p> <p>Comments: In order to completely mitigate the environmental impact of delivering a transport service would require costs that is beyond funds available in the Business Plan.</p>					

Our People					
14. Industrial Relations (IR)					Owner: Mike Brown/Leon Daniels
<p>TfL works in collaboration with Trade Unions (TUs). This is to ensure that issues are dealt with and minimise potential strikes or other work disruption. These issues may include the introduction of new technology and its perceived threat to job security, reorganisations, perceived threats to employment and employment conditions, implementation of TfL common policies and safety concerns. This could lead to a possible reduction in service and impact on TfL's reputation.</p>	Current	Mitigating Actions	Mitigation Status	Target	Trend
	H	Maintain strong links with external organisations to monitor relevant industry trends and developments impacting IR and build effective working relationships with TUs	Ongoing 	M	↔
		Embed Employee Relations Strategic Plan and adopt a tactical approach to dispute management taking into account the unique circumstances and our strategic principles	Ongoing 		
		Develop and implement communications plan to enable timely engagement with staff in order to effectively counter negative messages from TUs	In progress 		
		Regular reports from franchise/concession (Bus and Rail) operators on the status of relationship with Trade Unions, ballots and pay negotiations. There is not a higher likelihood of strike action on the bus network; however, there are impacts on cost (running extra buses), reliability and reputation. TfL's reputation could decline if there is prolonged action on the Tube as higher numbers of displaced passengers switch to cars and contribute to greater traffic leading to lost mileage on the bus network and deterioration in reliability.	Ongoing 		
<p>Q4 2013/14 update: Industrial action by the RMT and TSSA in relation to Fit for the Future – stations, has been deferred following talks at ACAS. Consultation on the proposals is currently on going.</p>					

15. People Strategy			Owner: Tricia Riley		
	Current	Mitigating Actions	Mitigation Status	Target	Trend
<p>TfL recognises the importance of a skilled and motivated workforce to help deliver excellent transport services. There is a risk that OneHR is unable to completely deliver the objectives of TfL's People Strategy which include knowledge retention, timely access to scarce resources, staff development and retention. In addition, there are people challenges in delivering the NSP target.</p> <p>"Fit for Future" Stations Programme and "Pay for Performance" proposals have been launched.</p>	M	In the context of the economic environment, Develop Resourcing Strategy that facilitates resource planning for future needs and make provision to acquire these resources proactively.	In progress  30/03/2015	VL	↔
		Ongoing development of a company management system (Launched in 2013) directly related to People Management to ensure information is consistent, simple to understand and easy to find to assist staff and managers in relation to HR issues.	Ongoing 		
		Utilise an IT solution to improve the accuracy of workforce planning.	In progress  30/06/2014		
		Implement the Managing Essentials Programme for new managers to ensure they learn skills and processes applicable to their roles in TfL to increase managerial competence (Pilot programme in progress).	In progress  15/09/2014		
		Implementation of a new Performance Management System to include documentation, guidance and behavioural framework to assist managers, manage the performance of their staff across TfL.	In progress  30/04/2014		
		The framework and evaluation process has been developed and used during business planning and prioritisation of the cycling portfolio. The long-term workforce plan across the whole of Surface Transport will be reviewed in 2014 to ensure flow of skilled resources to delivery	In progress  31/04/14		