



# QUARTERLY ASSURANCE REPORT

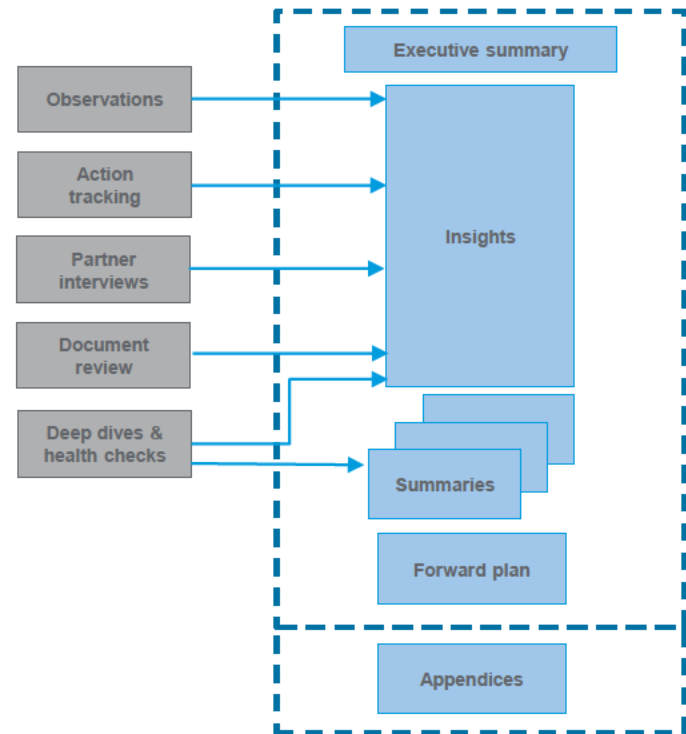
East Bank Programme

Prepared by: s.40

February 2019

# Contents

- Executive Summary
- Insights and trends
  - Deep Dive Review of UCL Supplier Engagement
  - Commentary on the East Bank Programme Board
  - Commentary on the UCL East IPB
  - Commentary on the programme risk position
- Summary of 2<sup>nd</sup> line assurance activities in period
- Forward plan of 3<sup>rd</sup> line assurance activities
- Analysis of recommendations from third line assurance
- Report Appendices
  - A: Documentation reviewed
  - B: Meetings attended
  - C: Interviewees
  - D: Insights and Trends background



# Executive Summary

## Since the November 2018 RAB:

- Partner confidence in the programme continues to improve.
- SWF outline planning application was submitted on time and the BBC AFL was signed.
- Procurements are progressing for SWF with appointment of several contractors (e.g. Substructure package). Based on market engagement there have been revisions to the packaging to enhance market appetite. SWF stage 3 cost assurance review undertaken by Turner & Townsend (T&T) (report not yet finalised).
- V&A, Sadler's Wells, and UAL are progressing with Stage 4 designs. BBC with their stage 3 designs.
- An away day was held to revise and improve the Strategic Objectives Delivery Plan (action from previous deep dive review).
- FBC funding conditions have been met and UCL completed on their lease agreement enabling draw down of their funds.
- UCL have made considerable progress over the last quarter on re-baselining programme schedules for both Marshgate and PSW.
- RSM completed a Deep Dive review of UCL's Supplier Engagement post-contractor award. Key findings are set out at page 4 of this report.
- There is agreement to appoint a programme manager for the East Bank Programme.

## The programme remains **Amber** overall for the following reasons:

- Planning on SWF remains a risk:
  - Potential objections on affordable housing approach (the approach also creates dependencies on developments external to the East Bank Programme).
  - Potential objections on wind mitigation options.
- Risks arising from BBC playing catch up (they are in stage 3 design whereas the rest of the SWF facilities are in stage 4 design).
- UCL schedule changes have yet to be agreed by the UCL Finance Committee and UCL Council. Agreed changes will need to be assessed against UCL and East Bank Programme Business cases.
- **s.43** [REDACTED]
- Potential for cost overruns.

# Risk based review – Supplier Engagement; UCL East

Confidence rating pre-mitigation

s.43

Confidence rating post-mitigation (if all actions are implemented successfully)

TBC

This review conducted in December 2018 was a deep dive review of supplier engagement for the UCL East Marshgate Project (MG1). The review is intended to assure the Risk and Assurance Board that the project is delivering in accordance with the overall requirements of the East Bank Programme timetable. Further, that plans for realisation of benefits as set out in the UCLE programme business case, are in line with the full business case (FBC) for the East Bank Programme, as submitted to HM Treasury in May 2018. The programme is rated s.43

Summary of findings from the review:

- Senior management awareness and understanding of the pressures on the project to complete on time and deliver within the approved UCL budget.
- Commitment to mitigation activities and a collaborative approach to making decisions i.e. Value Engineering, finalisation of design and scope.
- The approach to contracting is largely in line with the agreed procurement strategy in that the two-stage approach is being followed.
- Positive impact and feedback given from all parties following the appointment of T&T as project manager, who are considered assertive and have improved stakeholder engagement and management control.

s.43  
s.43

At the ARRM meeting on 18 January, the RSM team received feedback that work on baselining MG1 had progressed significantly since the fieldwork was concluded in mid December. Progress made is likely to address many of the critical recommendations raised in the report around schedule and cost.

# Insights and trends – East Bank Programme Board

## Context

RSM attended the 25<sup>th</sup> January meeting of the East Bank Programme Board (EBPB). In previous QARs, RSM have highlighted that the Board's focus is expected to evolve in line with the requirements of the programme to deliver the construction projects alongside the strategic objectives and benefits. The last two Boards (November 18 and January 19) have been transitional in nature, and include a high degree of focus of communication and progress updates on strategic objectives. In the November Board meeting there was a concern raised around the BBC signing its AfL in time, so that it could meet the conditions for FBC. This has been resolved.

## Positive points

- The Board continues to be a good vehicle for disseminating information across the various areas of work.
- The last two meetings have been particularly valuable in highlighting and communicating progress around:
  - the communication strategy, which has featured in both meetings;
  - the strategic objectives delivery plan;
  - resolution of the BBC AfL;
  - updates on the two main projects; and
  - ongoing issues such as planning application and affordable housing.

## Areas of challenge

- The key areas of challenge that were highlighted in the RSM Programme Controls deep dive still remain. These are:
  - Identify a set of baseline milestones for the programme, against which progress can be tracked.
  - Define the RAG statuses for the monthly East Bank Programme Report and introduce a narrative that explains the overall position of the programme and the rationale for any RAG changes, where they have occurred.
- With the agreement to move from monthly meetings to bi-monthly meetings, there is a risk that the communication opportunities that are currently being enjoyed through monthly meetings no longer exist.
- There is greater onus on getting the reporting information up to date and aligned with Board meetings. For example, there was a time lag of three weeks between the information contained in the programme EBPR (31 December 2018) and the date of the meeting (25 January 2019).

## Recommendations

- To implement actions from the programme controls deep dive.
- To include the newly agreed East Bank Programme manager role within proposals for managing the Programme Board going forward.

# Insights and trends – UCL East IPB

## Context

RSM attended the UCL East Infrastructure Projects Board (IPB) on 15<sup>th</sup> January 2019 (meeting 55). Since the QAR report in November the two projects, Marshgate (MG1) and Pool Street West (PSW) have gone through significant changes to address challenges around design, affordability and schedule. The programme appointed T&T as project manager for both projects and MACE as main contractor on MG1.

## Positive points

The changes to the programme are addressing a number of critical risks:

- Completion on the GLA funding and lease.

s.43

- Work with Mace has progressed significantly and revised schedules based on contractor feedback have been developed. These allow for increased client float and operational readiness.
- The IPB and Exec have agreed baseline plans for both projects – IPB on 11/12/18 and Exec on 12/12/18 and 19/12/18. This has resulted in proposed extensions to programme schedules. The extensions will still need to be agreed by UCL Finance Committee and Council in March. **Revised key dates will be shared once approved by UCL Council.**
- Over 1100 design issues have been progressed. The Core Academic Group (CAG) have carried out first pass moderation on design and assessment and these are being assessed against the MG1 programme implications.

- Evidence of good working relationship between the UCL and LLDC East Bank Programme teams.
- Procurement on PSW is progressing. Bidder interviews have taken place and the project is focusing on cost and commercial outcomes as well as assessing the scope for further VE.

## Areas of challenge

We identified the following areas of challenge:

s.43

s.43

- The project controls environment is still in the development – the IPB dashboard for project reporting does not show targeted milestones for activity over the next quarter. This will make it difficult to assess progress at monthly board meetings.

## Recommendations

s.43

- Complete work on project controls so that the newly agreed programmes are subject to robust controls.

# Insights and trends – Programme wide risk position

## Positive points

- Once fully factored into the programme-wide risk position, the proposed shift in timescales for both Marshgate and Pool Street West are likely to relax risks relating to the UCL East Programme schedule.
- The risks of delay/approval of the BBC AfL have been successfully addressed.
- The risk on **partner requirements** has evolved to a more focused risk on major changes around partner requirements, indicating greater control of a key risk.

## Challenges

- When compared against the October 2018 risk register, which was presented at the November 2018 RAB, there are some notable shifts in proximity of a number of key risks:
  - **The additional TPI risk** had a velocity rating in October 2018 of V1 (risk event will impact the business/project within 18 months). The current velocity rating assessment is V3 (risk event will impact the business/project within 3 months). This signifies a shift in impact date from May 2020 to April 2019. Its not clear from the risk information what control action has been taken.
  - The risk of **preferred procurement strategy undeliverable** (Risk 9 for January 2019 / Risk 10 for October 2018), has changed. In October, the risk was related to “a risk that we are unable to have a clean transfer of cost and time risk to trade contractors as design completion has not sufficiently progressed at the time of procurement.” This has been changed to a risk of “failure of one or more of the procurement packages”. It has also moved from an amber risk to a red risk, and given a velocity rating of V3.

## Recommendations

- RAB should seek confidence in the mitigating actions and control plans for the above two risks.
- The risk register should highlight where significant changes in risk proximity have occurred, as these may have a knock-on effect on the time available to address such risks prior to programme completion.

# Summary of UCL 2<sup>nd</sup> line assurance activities in period

## UCLE 2nd Line Assurance: Quarter 3, 2018

- Monthly Project Reporting
- Monthly Project Cost Reporting
- Monthly AECOM Commercial Report
- Monthly Risk Review Meetings
- Monthly Infrastructure Projects Board
- Monthly UCL Exec Group Meetings
- Pool Street West ITT returned and evaluation sessions held
- End Stage Marshgate RIBA Stage 3 Fit Out design reviews with users
- End Stage Marshgate RIBA Stage 4a Shell & Core design reviews with users

## Upcoming UCLE 2nd line activity

- Pool Street West ITT evaluation completed
- Marshgate Procurement meetings with contractor
- Marshgate Design meetings evaluating change requests from End Stage reports

## RSM commentary:

- RSM received evidence of close-out actions of previous reports (although some remain – see pages 28-33 of this report), giving confidence that UCL 2<sup>nd</sup> Line Assurance activities are maturing.
- The focus of 2<sup>nd</sup> line assurance remains consistent with the activity being carried out on the project. [s.43](#) [REDACTED]
- The project execution plan is still in development; this will need to be completed and implemented to gain further confidence on second line controls that support the engagement with the supplier MACE, the project team and its specialist functions, as well the Core Academic Group.



# Summary of 2<sup>nd</sup> line assurance activities in period – LLDC

## **LLDC 2nd Line Assurance: Quarter 4, 2018**

Since the last QAR, LLDC have carried out:

- Implementation reviews
- Risks reviews
- Cost reviews
- Turner and Townsend review
- Commercial assurance report
- East Bank change control process is being developed
- Developing a new second line report
- Commercial assurance role to be appointed in Feb 2019.
- The updated 2nd line assurance report will be approved through the February Investment Committee, ready for the May RAB.

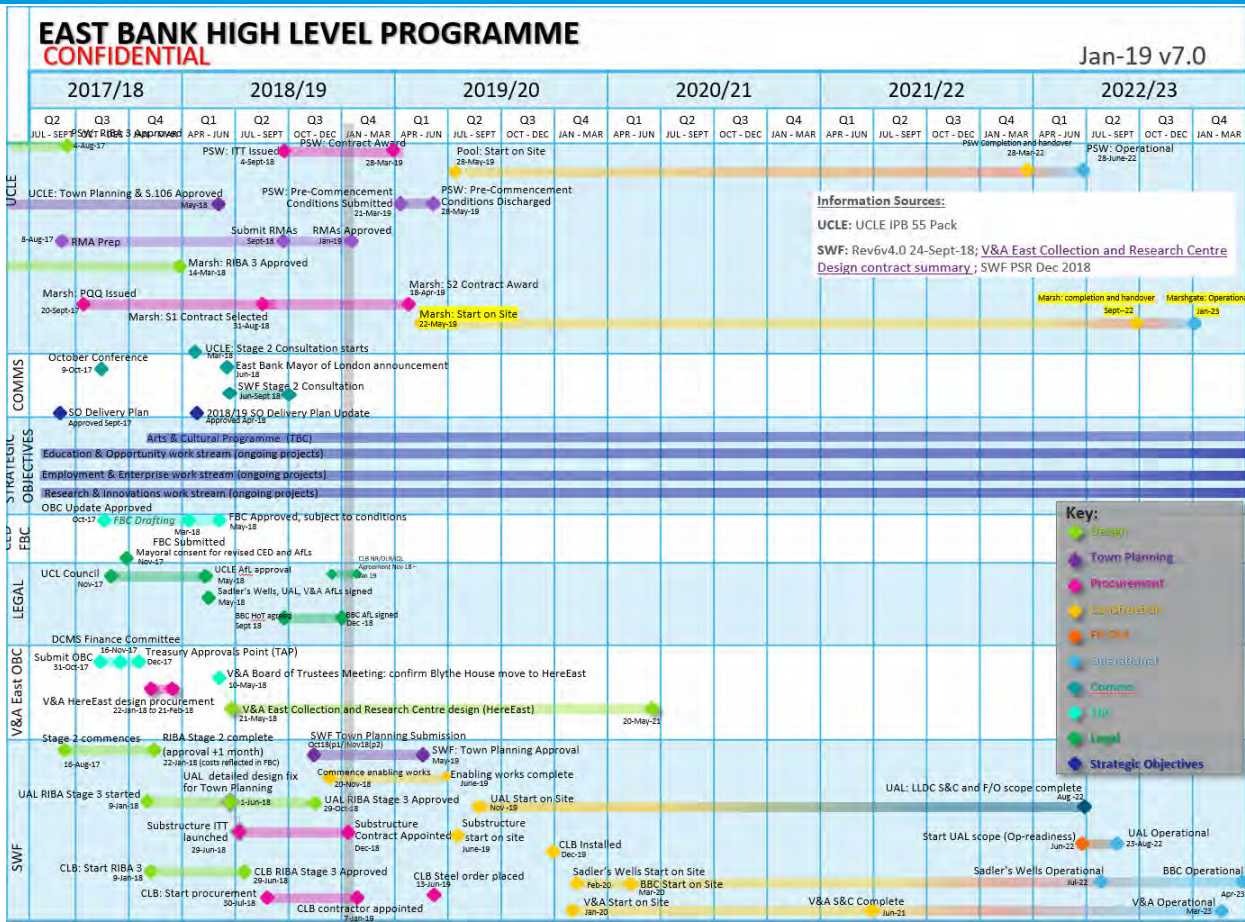
## **RSM commentary:**

The second line assurance activities carried out in quarter 4 2018 are aligned with key activities being undertaken by the SWF.

Revising 2<sup>nd</sup> Line report now programme has progressed to construction phase is appropriate. We will comment on revised 2<sup>nd</sup> Line report against the findings from the controls deep dive ahead of the May RAB.

# Forward plan of 3<sup>rd</sup> line assurance

# East Bank Swim Lanes



# Forward plan of 3<sup>rd</sup> line assurance activities Jan 19 – June 19

Discussions are in progress between RSM, LLDC and RAB Chair on how best to use RSM's 3<sup>rd</sup> Line activity now that the programme has progressed to construction phase and 2<sup>nd</sup> line reporting changed.

To be tabled at the RAB.

# Analysis of recommendations from third line assurance

# Analysis of third line assurance recommendations

## Summary

The following section include analysis of the recommendations made by RSM through all third line assurance reviews completed to date. The recommendations are organised by the areas of the East Bank Programme to which they relate i.e. some cover all projects / the programme at the over-arching level, whilst some were raised during SWF or UCL-specific deep dive or health-check reviews.

## Key headlines

### *East Bank Programme*

- There is one overdue action from the Strategic Objectives Delivery Plan ('SODP') review that was completed in April 2018. This action relates to the Strategic Objectives Board ('SOB' - previously the Strategic Objectives Working Group) revisiting their Terms of Reference ('ToR') to ensure they take account of governance requirements for the SODP.  
The updated ToR are due to be approved at the SOB on 12 March 2019. However, it is important that the roles and responsibilities are understood and applied throughout the next three months (ahead of their approval) to ensure SODP project owners are held to account for their input to the delivery of overall East Bank Programme benefits.
- There are also 17 open actions at programme-level, made up of 11 actions from the SODP review (April 2018) and six from the Programme Controls Deep Dive (July 2018). We draw the RAB's attention to two of the open actions from the Programme Controls Deep Dive which are due to be completed by the end of January 2019:
  - The first of these actions relates to the recommendation to identify a set of baseline milestones for the programme against which progress can be tracked. It is noted that discussions are ongoing and that the milestones need to be agreed with both the UCLE and SWF project teams. Whilst this action was graded as 'essential', and not 'critical', the implication is that there is insufficient programme oversight of time, cost and quality.
  - The second action focuses on the definition of RAG statuses for the monthly East Bank Programme Report, supported by narrative to explain the overall position of the programme. We note that at the point of writing, UCL RAG definitions needed to be obtained. This highlights the importance of joint working across the programme to support understanding of status against time, cost and benefit targets.

# Analysis of third line assurance recommendations

## Key headlines (continued)

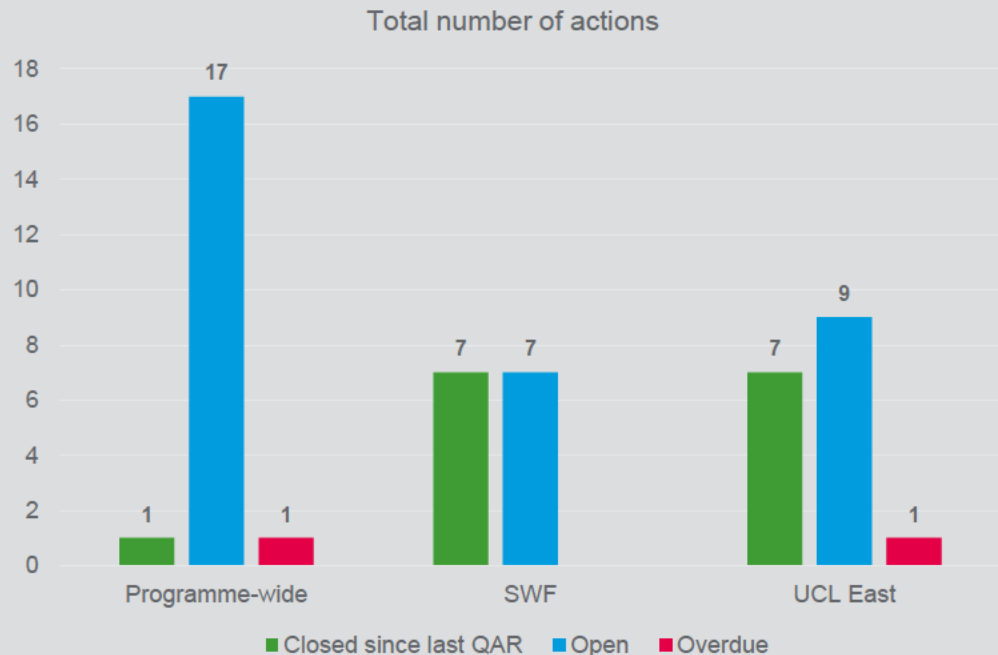
### *Stratford Waterfront Project*

- Seven actions from the Programme Controls Deep Dive have been closed, including the action to ensure that the implications of baseline programme post RIBA Stage 3 are understood and agreed with LLDC and partners. There are currently seven open actions from the recent Programme Controls Deep Dive (July 2018), four of which have revised target dates for completion from last quarter to this quarter. The remaining three actions are all within target completion date.
- We draw the RAB's attention to the four actions with revised target dates. These require updates to be made to key control documents, the controls to support the incentivisation model, the design of building-level reports including RAG ratings, and definitions of design development and change control. As the project enters the next phase (construction) and the size of the project team increases any further delay to completing these actions reduces the ability to assure the project as part of the wider East Bank Programme.

### *UCL East project*

- In the last quarter UCL has closed off seven actions from the Programme Controls Deep Dive (July 2018), including a critical recommendation to obtain and communicate understanding of the resource commitment needed from key participants ahead of key design activities. There is currently one overdue action and nine open actions remaining from the same review. The overdue action relates to defining RAG status on reports. The implication here is that without clearly defined reporting there is an overreliance on verbal updates - this in turn reduces the ability to assure the project as part of the wider East Bank Programme.
- We draw the RAB's attention to six of the nine open UCL actions that are due to be completed by 31 January 2019; which indicates that a significant level of work is either ongoing or to be completed before the February RAB. Four of these are rated 'critical' and relate to the defining of baseline milestones (in line with the programme recommendation discussed above), and definition of a core set of controls to support the UCLE project. We note that the latter is dependent on the development of the Project Execution Plan, which was due to be issued in late 2018 but requires further input from Turner & Townsend at the point of writing this report.

# Analysis of third line assurance recommendations



## Commentary:

- At a Programme-wide level, 1 assurance action has been closed in the last quarter. There is **1 overdue action**; which is an **essential** action from the review of the Strategic Objectives Delivery Plan ('SODP review') completed in April 2018.
- There are also **17 open actions** at the Programme-wide level; made up of **8 essential** and **3 recommended** from the SODP review, and **6 essential** from the Programme Controls Deep Dive carried out in July 2018.
- For the Stratford Waterfront project, 7 actions were closed in the last quarter and there are currently **7 open actions** from the recent Programme Controls Deep Dive, all **7 of which are essential**.
- In the last quarter, UCL have closed 7 actions from the Programme Controls Deep Dive. There is currently **1 overdue action** and **9 open actions** for UCL, all relating to the Programme Controls Deep Dive. The overdue action is **essential**, and of the 9 open actions, **5 are critical**, **2 are essential**, and **2 are recommended**.

The details of these actions is included in the following pages.

The UCL Supplier Engagement Deep Dive Review carried out through December 2018 and January 2019 is not included here. This is on the basis that the action plan is in the process of being agreed at the time of writing.



# Programme-wide overdue actions

Assurance review	Detail of recommendation	Priority	Management response	Target date	Status	RSM commentary
<b>Strategic Objectives Delivery Plan Deep Dive</b> April 2018	The SOWG should revisit the Terms of Reference ('TOR') so that it takes account of governance requirements for developing and delivering the SODP. In particular: i. Define the role of the SODP; ii. The emphasis being placed on working innovatively to develop creative content; iii. Responsibilities of partners at working levels; iv. Role of LLDC in co-ordinating and facilitating the development of the SODP; v. The process by which the SODP content is signed off and agreed; and vi. The expectations set out in the FBC for the SOWG and the SODP.	<b>Essential</b>	"Terms of Reference to be updated, including updating the group to 'Strategic Objectives Board,' and to include six points referenced in RSM recommendation. SO Board to consider including roles and responsibilities in the ToR for challenging the SODP content and purpose of SODP and quality of contributions and joint working (see Action 5b). See also Action 6a, relating to regular review of risks to successful delivery of the SODP, which may also be reflected in ToR."	31/12/2018	<b>Overdue</b>	Target date was revised from 28/10/2018 to 31/12/2018 in November, but is now overdue. The ToR are due to be approved at the SOB on 12 March 2019.

# Programme-wide open actions (1)

Assurance review	Detail of recommendation	Priority	Management response	Target date	Status	RSM commentary
<b>Programme Controls Deep Dive Review</b> July 2018	Identify a set of baseline milestones for the programme against which progress can be tracked.	<b>Essential</b>	A set of baseline milestones will be identified and agreed with the UCLE and SWF project teams. Developed and expanded from the new Rev 6 key milestones and UCL milestones to be incorporated.	31/01/2019	Ongoing	Within target date at time of writing; note that discussions are ongoing.
<b>Programme Controls Deep Dive Review</b> July 2018	Define the RAG statuses for the monthly East Bank Programme Report and introduce a narrative that explains the overall position of the programme and the rationale for any RAG changes, where they have occurred.	<b>Essential</b>	A set of RAG statuses will be defined and will reflect those being developed at SWF project level and UCLE project level.	31/01/2019	Ongoing	Within target date at time of writing; note that report is on track for end of Jan, but UCL RAG definitions to be obtained.
<b>Programme Controls Deep Dive Review</b> July 2018	The programme should ensure that there is an appropriate level of risk information shared from each project.	<b>Essential</b>	Programme Risk Register to include risk information from UCL, SWF and risk heat maps from new Partners.	28/02/2019	Ongoing	Within target date.
<b>Programme Controls Deep Dive Review</b> July 2018	Document the programme-wide risk management controls.	<b>Essential</b>	The PRR process will be reviewed, updated and shared more widely with UCL and SWF project teams. To be updated to include process for Partner heat maps.	28/02/2019	Ongoing	Target date revised from 31/12/2018 to 28/02/2019.

# Programme-wide open actions (2)

Assurance review	Detail of recommendation	Priority	Management response	Target date	Status	RSM commentary
<b>Strategic Objectives Delivery Plan Deep Dive</b> April 2018	A timeline for developing a framework that sets out how the five key mechanisms for the management of benefits will work together should be agreed by the SOWG.	<b>Essential</b>	Update to be provided at Programme Board on Strategic Objectives, the mechanisms through which they will be met, and the timing and accountability for delivery and monitoring.	31/03/2019	Ongoing	Target date revised from 28/10/2018 to 31/12/2018 in November 2018; and again to 31/03/2019 in January 2019.
<b>Programme Controls Deep Dive Review</b> July 2018	As EBPB is the most suitable forum to challenge and assess programme, cost, time and quality the TOR should be strengthened to ensure this happens.	<b>Essential</b>	East Bank Programme Board is the appropriate forum. Terms of Reference to be updated to include oversight of time, cost and quality during the construction phase and ensure supporting management information is provided.	31/03/2019	Ongoing	Within target date.
<b>Programme Controls Deep Dive Review</b> July 2018	Ensure that existing programme controls documents are reviewed and updated to capture; <ul style="list-style-type: none"> <li>• Roles and responsibilities of programme-wide delivery functions, meetings and groups;</li> <li>• Use, purpose and quality standards of each core control document where appropriate;</li> <li>• Interdependencies between key controls; and</li> <li>• Both the current future needs of the programme, and associated risks.</li> </ul> The document(s) should be periodically reviewed and monitored moving forward.	<b>Essential</b>	A reference document of programme controls will be developed which reflects the controls in place for UCL and SWF. Once developed these will be communicated with UCL and SWF teams.	31/03/2019	Ongoing	Within target date.

# Programme-wide open actions (3)

Assurance review	Detail of recommendation	Priority	Management response	Target date	Status	RSM commentary
<b>Strategic Objectives Delivery Plan Deep Dive</b> April 2018	Partners and LLDC should consider whether targeted external facilitation would enhance the quality of contributions and joint working between organisations around the SODP.	<b>Recommended</b>	SO Board to agree approach for challenging content and purpose of SODP as well as the quality of contributions and joint working. There may be scope to include associated roles and responsibilities in the update to the group's ToR.	31/03/2019	Ongoing	Within target date.
<b>Strategic Objectives Delivery Plan Deep Dive</b> April 2018	Map the catalytic activities within the SODP to the strategic objectives in order to assess their relative contribution to delivering benefits. Include any direct and tangible measures.	<b>Essential</b>	With input from and in consultation with the Strategic Objectives Board, SODP activities will be mapped against outputs required to meet the Strategic Objectives; the mapping will be assessed to understand the extent to which the programme is on track to meet its ambitions.	30/06/2019	Ongoing	Target date revised from 28/10/2018 to 30/06/2019.
<b>Strategic Objectives Delivery Plan Deep Dive</b> April 2018	Define selection criteria for projects that will be subject to ongoing monitoring through appropriate monitoring tools.	<b>Essential</b>	Criteria for inclusion of projects in the SODP to be agreed at SO Board. The SO Board will collectively agree which projects are key to ensure or support SO delivery and will determine, on a project by project basis, the key measures to be monitored. Third party facilitated away day planned for Dec 2018.	30/06/2019	Ongoing	Target date revised from 31/12/2018 to 30/06/2019.

# Programme-wide open actions (4)

Assurance review	Detail of recommendation	Priority	Management response	Target date	Status	RSM commentary
Strategic Objectives Delivery Plan Deep Dive April 2018	There should be periodic discussions around risks to the successful delivery of the SODP.	Essential	Risks to successful delivery of SODP to be discussed periodically at SO Board.	Embedded quarterly from 31/10/18. For review 30/06/2019.	Ongoing	With target date; note this is identified in the new ToR.
Strategic Objectives Delivery Plan Deep Dive April 2018	Risks associated with the SODP should be documented and shared.	Essential	SODP risk register to be produced.	Embedded quarterly from 31/10/18. For review 30/06/2019.	Ongoing	With target date; note risk register to be produced with the new Delivery Plan.
Strategic Objectives Delivery Plan Deep Dive April 2018	The SOWG should consider developing and maintaining an opportunity register.	Recommended	SODP opportunity register to be produced.	Embedded quarterly from 31/10/18. For review 30/06/2019.	Ongoing	Within target date.
Strategic Objectives Delivery Plan Deep Dive April 2018	Establish clear criteria for monitoring and reporting of all projects. This should include agreed milestone / interim milestone dates for estimating progress against successful achievement of key events, outputs and outcomes.	Essential	The SO Board will collectively agree which projects are key to ensure or support SO delivery and will determine, on a project by project basis, the key measures to be monitored. Third party facilitated away day planned for Dec 2018.	30/09/2019	Ongoing	Target date revised from 31/12/2018 to 30/09/2019.

# Programme-wide open actions (5)

Assurance review	Detail of recommendation	Priority	Management response	Target date	Status	RSM commentary
<b>Strategic Objectives Delivery Plan Deep Dive</b> April 2018	Establish the appropriate mechanism and baseline to report progress against (i.e. milestones), and delivery of, the SODP activity to include the Direct Measures.	<b>Essential</b>	SO Board to agree a set of milestones, based on key deliverables and projects, against which progress will be measured and reported. Third party facilitated away day planned for Dec 2018.	30/09/2019	Ongoing	Target date revised from 31/12/2018 to 30/09/2019.
<b>Strategic Objectives Delivery Plan Deep Dive</b> April 2018	The SOWG should assess the nature and level of resource contributions required to deliver the SODP.	<b>Recommended</b>	SO Board to discuss and review resource requirements across the partners.	30/09/2019	Ongoing	Target date revised from 29/06/2018 to 31/12/2018 in November, and again to 30/09/2019 in January.
<b>Strategic Objectives Delivery Plan Deep Dive</b> April 2018	Work should be done to ensure that the SODP is co-owned by partners and LLDC. In particular, this should involve obtaining periodic feedback around the extent to which members of the SOWG are bought into the SODP.	<b>Essential</b>	Periodic feedback to be sought from SO Board on extent of buy-in with SODP, at least every year during the annual updated.	31/10/2019	Ongoing	Target date revised from 29/06/2019 to 31/10/2019.

# Stratford Waterfront open actions (1)

Assurance review	Detail of recommendation	Priority	Management response	Target date	Status	RSM commentary
<b>Programme Controls Deep Dive Review</b> July 2018	Ensure that existing controls documents are reviewed and updated to capture; <ul style="list-style-type: none"> <li>• Roles and responsibilities of team delivery functions, meetings and groups;</li> <li>• Use, purpose and quality standards of each core control document where appropriate;</li> <li>• Interdependencies between key controls; and</li> <li>• Both the current future needs of the project.</li> </ul> The document(s) should be periodically reviewed and monitored moving forward.	<b>Essential</b>	The PDP and Processes and Procedures documents capture the controls on the programme. These documents will be updated in Nov 18 in line with the implementation of the new reporting platform and any stage 4 requirements.	28/02/2019	Ongoing	Target date revised from 30/11/2018 to 28/02/2019.
<b>Programme Controls Deep Dive Review</b> July 2018	Review the building-level reports and agree their content and purpose, including: <ul style="list-style-type: none"> <li>• Their role in terms of reporting between MACE and LLDC.</li> <li>• RAG statuses and definitions to be implemented based on the data sets in the new Reporting Platform.</li> <li>• A narrative that sets out the building position.</li> </ul>	<b>Essential</b>	RAG ratings and supporting narrative will be included in each section of the monthly PM report. The new online Reporting Platform to be introduced in Nov 18 will have objective automated RAG statuses. The PDP and Processes and Procedures documents will be updated to capture changes from the new online reporting platform.	28/02/2019	Ongoing	Target date revised from 30/11/2018 to 28/02/2019.

# Stratford Waterfront open actions (2)

Assurance review	Detail of recommendation	Priority	Management response	Target date	Status	RSM commentary
<b>Programme Controls Deep Dive Review</b> July 2018	Definitions of design development and change control to be included directly in key control documentation. Ensure reminders about key terms that drive design are communicated during sessions.	<b>Essential</b>	Definitions of design development and change control are in the AFLs and have been explained to the partners at each RIBA stage during Project Board Meetings and these have been repeated during the stage. For Stage 4 this will be formally recorded within the project controls documentation.	31/03/2019	Ongoing	Target date revised from 30/11/2018 to 31/03/2019.
<b>Programme Controls Deep Dive Review</b> July 2018	Fully define the controls to support the incentivisation model. Ensure they are aligned with other controls around risk, contingency and reporting. This should include how they will work in practice.	<b>Essential</b>	Management and reporting of change to the incentivised baseline and forecast incentive payment to be agreed and documented.	31/03/2019	Ongoing	Target date revised from 31/12/2018 to 31/03/2019.
<b>Programme Controls Deep Dive Review</b> July 2018	Fully define the controls to support the MPS. Ensure they are aligned with other controls around risk, contingency and reporting. This should include how they will work in practice i.e. how performance will be tracked against agreed plans and how corrective action be undertaken as required.	<b>Essential</b>	A scope of service is being developed for the procurement of a commercial assurance consultant. A control framework for the MPS will be developed in conjunction with the commercial assurance.	31/03/2019	Ongoing	Within target date.



# Stratford Waterfront open actions (3)

Assurance review	Detail of recommendation	Priority	Management response	Target date	Status	RSM commentary
<b>Programme Controls Deep Dive Review</b> July 2018	Ensure that actions are reinforced at the end of each design meeting in terms of the outcome that is required for the next design meeting. Actions should be agreed between the design team and partners.	<b>Essential</b>	Issues and actions for all partners are to be captured at each design stage and resolved.	31/07/2019	Ongoing	Within target date
<b>Programme Controls Deep Dive Review</b> July 2018	Agree a mechanism and the controls to capture partner concerns, actions and decisions.	<b>Essential</b>	Issues trackers are in place and will evolve and be refined for use in the construction phase.	31/07/2019	Ongoing	Within target date

# UCLE Project overdue actions

Assurance review	Detail of recommendation	Priority	Management response	Target date	Status	RSM commentary
<b>Programme Controls Deep Dive Review</b> July 2018	Define the RAG status on a monthly / report-by-report basis. The narrative should support the explanation of the any change and corrective action required. The use of 'Amber' should be clearly explained.	<b>Essential</b>	RAG definitions to be clarified to ensure a common understanding and consistency.	31/10/2018	<b>Overdue</b>	Target date not revised; now overdue.

# UCL Project open actions (1)

Assurance review	Detail of recommendation	Priority	Management response	Target date	Status	RSM commentary
<b>Programme Controls Deep Dive Review</b> July 2018	The programme should define and agree a core set of controls. The updated controls should: <ul style="list-style-type: none"> <li>• Reflect the current needs of both projects e.g. update the PSW PEP in line with the procurement strategy;</li> <li>• Recognise the agreed controls being applied in practice by professional advisors;</li> <li>• Set out the roles and responsibilities of the professional advisors to ensure delivery is integrated;</li> <li>• Set out how project controls are aligned to wider UCL project controls;</li> <li>• Ensure that key functions, roles and accountabilities of key individuals are included, as well as terms of reference for boards and project working groups;</li> <li>• Ensure that controls reflect the commercial obligations of advisors and can be aligned to the assessment of their contribution and performance;</li> <li>• Be communicated and implemented; and</li> <li>• Periodically be reviewed and monitored by both the PMO and second line assurance functions.</li> </ul>	<b>Critical</b>	Noted in T&T peer review. Project controls have been reviewed by T&T and revised PEP for Marshgate and Pool Street West will be issued in Sep 2018.	31/01/2019	Ongoing	This is dependent on the PEP which we understand from UCL was due to be issued in October 18. Target date revised from 30/09/2018 to 31/01/2019.
<b>Programme Controls Deep Dive Review</b> July 2018	The programme should define and agree a core set of controls. (1)	<b>Critical</b>	UCL Project Managers to review updated PEP.	31/01/2019	Ongoing	Target date revised from 31/10/2018 to 31/01/2019.

# UCLE Project open actions (2)

Assurance review	Detail of recommendation	Priority	Management response	Target date	Status	RSM commentary
Programme Controls Deep Dive Review July 2018	The programme should define and agree a core set of controls. (3)	<b>Critical</b>	Second line assurance by PMO will be implemented from Dec 2018.	31/01/2019	Ongoing	Target date revised from 31/12/2018 to 31/01/2019.
Programme Controls Deep Dive Review July 2018	Agree the baseline set of milestones against which progress can then be monitored and measured.	<b>Critical</b>	Programme, reporting and project controls will be baselined in Oct 2018 by T&T.	31/01/2019	Ongoing	Target date revised from 31/10/2018 to 31/01/2019.
Programme Controls Deep Dive Review July 2018	s.43 [REDACTED]	<b>Essential</b>	Marshgate - T&T to review Mace master programme on a monthly basis from Oct 2018 onwards.	31/01/2019	Ongoing	Target date revised from 31/10/2018 to 31/01/2019.
Programme Controls Deep Dive Review July 2018	s.43 [REDACTED]	<b>Essential</b>	Pool Street West – UCL PM to review T&T master programme from Oct 2018.	31/01/2019	Ongoing	Target date revised from 31/10/2018 to 31/01/2019.








# UCLE Project open actions (3)

Assurance review	Detail of recommendation	Priority	Management response	Target date	Status	RSM commentary
<b>Programme Controls Deep Dive Review</b> July 2018	The programme should define and agree a core set of controls. (2)	<b>Critical</b>	UCL Project Managers to monitor implementation across the team.	28/02/2019	Ongoing	Target date revised from 31/12/2018 to 28/02/2019.
<b>Programme Controls Deep Dive Review</b> July 2018	Introduce Quantitative Schedule Risk Assessment (QSRA) to challenge the assumptions and provide additional intelligence and project management information to the relevant governance structures.	<b>Recommended</b>	To be considered by T&T from Oct 2018 onwards.	28/02/2019	Ongoing	Target date revised from 30/11/2018 to 28/02/2019.
<b>Programme Controls Deep Dive Review</b> July 2018	Consider the appointment of a project risk manager within UCL Estates. s.43 [REDACTED]	<b>Recommended</b>	Noted. s.43 [REDACTED] Agreed changes to be implemented from Oct 2018 onwards.	28/02/2019	Ongoing	Target date revised from 30/11/2018 to 28/02/2019.









# APPENDICES

# Appendix A: Documentation Received

## LLDC:

-  EBPB\_Nov18
-  Deep Dive Action Tracker Update Dec 18 v1
-  Deep Dive Action Tracker Update Dec 18 v2
-  SWFT PSR - December 2018\_Final Draft
-  MASTER prog RR V13.1 - 17-01-2019 - Working Draft - Issued
-  Heat Map PRR V13.2 - 25-01-2019
-  MASTER prog RR V13.2 - 25-01-2019 - circulated to RSM

## UCL:

-  2nd Line Assurance Qtr4 2018
-  B4\_20181213\_UCLE\_Ph1-Project Calendar\_rev 4
-  IPB54\_MG1 Dashboard
-  IPB54\_PSW Dashboard
-  RSM deep dive review July 2018 - Action Plan 20190104
-  UCLE\_MG1\_PEP2.0\_GHJ\_draft 04\_Master
-  UCLE\_PSW\_PEP\_2.0\_Draft 01
-  UCLE IPB 55 Pack

# Appendix B: Meetings attended

---

- East Bank Programme Board – Friday 30<sup>th</sup> November 2018
- East Bank Strategic Objectives Board – Tuesday 4<sup>th</sup> December 2018 (*cancelled*)
- Stratford Waterfront Monthly Project Risk Review – Monday 7<sup>th</sup> January 2019 (*cancelled*)
- UCLE Infrastructure Projects Board – Tuesday 15<sup>th</sup> January 2019
- East Bank Programme Board – Friday 25<sup>th</sup> January 2019



# Appendix C: Partner Interviews

Interviewee	Organisation	Interview date
s.40	UCL	Wednesday 9 <sup>th</sup> January
s.40	Sadler's Wells	Wednesday 9 <sup>th</sup> January
s.40	UAL	Friday 11 <sup>th</sup> January
Gerry Murphy	LLDC	Monday 14 <sup>h</sup> January
s.40	GLA	Monday 14 <sup>h</sup> January
s.40	HMT	Tuesday 15 <sup>th</sup> January
s.40	V&A	Tuesday 15 <sup>th</sup> January
s.40	GLA	Wednesday 16 <sup>th</sup> January

# Appendix D: Insights and Trends background

Our insights and trends are based on observations from high level review of documentation and attendance at meetings, as well as our ongoing dialogue with the programme. These are not supported with follow up verification and/or testing that would normally apply to a deep dive assurance review.

Our assessments highlight;

- Positive points – contributing to the overall delivery of the programme.
- Concerns / areas of challenge – indicative areas of risk which may detract from delivering the programme objectives.
- Recommendations – suggested actions that may address the areas of challenge based on our high level review.

We have assigned each area of challenge to the four third line assurance categories so that we can track these over the coming QAR. This will help us with the trend analysis moving forward.

**Third line assurance categories:**

<b>Deliverability (D)</b>	<b>Control Frameworks (CF)</b>
<b>Transparency (T)</b>	<b>Value for Money (VFM)</b>

*Our insights are advisory in nature and are based on snapshot observations and one-on-one conversations with individuals involved in the programme. They are not formulated as a result of rigorous testing and should not be treated as such.*

# Disclaimer

---

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. Our work has been undertaken solely to prepare this report and state those matters that we have agreed to state to them. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Consulting LLP for any purpose or in any context. Any party other than the Board which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Consulting LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to our Client on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report. RSM UK Consulting LLP is a limited liability partnership registered in England and Wales no.OC397475 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

# About RSM

---

The UK group of companies and LLPs trading as RSM is a member of the RSM network. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm each of which practises in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction. The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

RSM Corporate Finance LLP, RSM Restructuring Advisory LLP, RSM Risk Assurance Services LLP, RSM Tax and Advisory Services LLP, RSM UK Audit LLP, RSM UK Consulting LLP, RSM Employer Services Limited, RSM Northern Ireland (UK) Limited and RSM UK Tax and Accounting Limited are not authorised under the Financial Services and Markets Act 2000 but we are able in certain circumstances to offer a limited range of investment services because we are members of the Institute of Chartered Accountants in England and Wales. We can provide these investment services if they are an incidental part of the professional services we have been engaged to provide. RSM Legal LLP is authorised and regulated by the Solicitors Regulation Authority, reference number 626317, to undertake reserved and non-reserved legal activities. It is not authorised under the Financial Services and Markets Act 2000 but is able in certain circumstances to offer a limited range of investment services because it is authorised and regulated by the Solicitors Regulation Authority and may provide investment services if they are an incidental part of the professional services that it has been engaged to provide. Baker Tilly Creditor Services LLP is authorised and regulated by the Financial Conduct Authority for credit-related regulated activities. RSM & Co (UK) Limited is authorised and regulated by the Financial Conduct Authority to conduct a range of investment business activities. Whilst every effort has been made to ensure accuracy, information contained in this communication may not be comprehensive and recipients should not act upon it without seeking professional advice.

© 2018 RSM UK Group LLP, all rights reserved

# Contact Us

---

S.40

S.40

We help organisations become more capable of delivering their bids, projects, programmes and portfolios effectively and efficiently. We help raise confidence among senior executives, stakeholders, regulators and shareholders that the time and effort invested will yield the desired results.

Where needed we also provide advice and assistance in implementing the changes which are necessary to gain the capability you seek.



<http://www.rsmuk.com/>



<https://www.linkedin.com/company/rsm-uk>



<https://twitter.com/RSMUK>