

TRANSPORT FOR LONDON

SAFETY, HEALTH AND ENVIRONMENT ASSURANCE COMMITTEE

**SUBJECT: SUSTAINABILITY ASSURANCE**

**DATE: 12 MARCH 2010**

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**1 PURPOSE AND DECISION REQUIRED**

- 1.1 This report proposes an approach to the provision of sustainability assurance for Transport for London (TfL), based on a programme of cross-cutting thematic reviews.
- 1.2 The Committee is requested to note the report.

**2 BACKGROUND**

- 2.1 The Committee's Terms of Reference require it 'to satisfy itself, on behalf of the TfL Board, that the TfL Group is responding effectively to the relevant Mayoral strategies and contributing fully to Mayoral initiatives on sustainability that are transport related'.
- 2.2 At its last meeting on 17 November 2009, the Committee requested that a series of topics for review be proposed so as to provide assurance on key aspects of sustainability, thereby ensuring a robust and structured approach to sustainability assurance.

**3 THE CASE FOR SUSTAINABILITY ASSURANCE**

- 3.1 As the integrated body responsible for London's transport system, TfL's main role is to manage the transport services for which it has responsibility and to lead the implementation of the Mayor's Transport Strategy (MTS).
- 3.2 The new draft MTS seeks to deliver a transport system that 'excel[s] among those of global cities, providing access to opportunities for all its people and enterprises, achieving the highest environmental standards and leading the world in its approach to tackling urban transport challenges of the 21<sup>st</sup> century'. This will require TfL to manage its services sustainably, balancing social, environmental and economic impacts and benefits so as to optimise its contribution to the Mayor's vision for a sustainable transport system.
- 3.3 TfL also has societal impacts and influences that extend beyond the transport agenda and has, therefore, to consider its role as a responsible business, buyer and employer, taking account of wider policy drivers and Mayoral strategies on, for example, the environment, health and equality.

- 3.4 Sustainability considerations are becoming increasingly embedded in TfL's processes and projects. However, with current budgetary pressures and a programme of projects of unprecedented scale, ensuring the wider practical application of the principles of sustainability is a valuable additional mechanism to obtain and demonstrate the full value of TfL's activities.
- 3.5 Providing assurance on progress in mainstreaming sustainability is increasingly seen as an essential aspect of managing a business in a sustainable manner and ensuring continuous improvement of sustainability performance and accountability.
- 3.6 In considering an assurance programme for TfL, various good practice approaches to sustainability assurance were reviewed.
- 3.7 Large, diverse companies like BT Group and The Co-operative Group use flexible reporting and assurance processes (built around good practice management and reporting frameworks such as the Global Reporting Initiative) to create a management climate in which improvements in sustainability performance are more easily prioritised and shared. In the transport sector, private and public sector peers are gradually moving in a similar direction, while the Department for Transport (DfT) has elevated sustainability to the heart of its new transport goals (see DfT's 'Delivering a Sustainable Transport System').
- 3.8 The Commission for a Sustainable London 2012 (CSL), the independent body set up to provide assurance and expert commentary on the sustainability of the London 2012 programme, undertakes Thematic Reviews of areas that it considers of particular importance to the delivery of 'a sustainable Games'. This process, which involves CSL working closely with the London 2012 delivery partners, is widely perceived to have added value to London 2012's operations.
- 3.9 In light of the effectiveness and efficiency of the process of thematic reviews used by CSL and others, it is proposed that a similar approach should be implemented in TfL. It would allow TfL to build on existing audit and assurance processes and to consider material issues in sufficient detail to add value through the development and sharing of good practice.

## **4 PROPOSAL**

### **Objectives**

- 4.1 It is proposed that a sustainability assurance programme of cross-cutting thematic reviews is developed to assist the modes in providing assurance in relation to mainstreaming sustainability.
- 4.2 An approach to the provision of assurance focused on sustainability topics that are material to the business and external stakeholders will enable TfL to track and demonstrate progress on sustainability mainstreaming and the delivery of key sustainability benefits.
- 4.3 Specifically, the programme will aim to:
  - (a) provide assurance on aspects of sustainability that are key to the business, measured against good practice and supported by objective evidence; and

- (b) help TfL to identify and maximise the social, economic and environmental benefits that can be delivered through its transport programmes and operations.

### **Scope**

4.4 It is anticipated that the scope of the programme would cover:

- (a) A range of sustainability issues related to TfL's projects and operations, including social, environmental and economic aspects of performance. The reviews would cover key processes (eg reporting and procurement), projects (eg Crossrail and London Underground Line Upgrades), or cross-cutting issues (eg Air Quality and the Living Wage).
- (b) All of TfL's businesses, including Crossrail.
- (c) The period of the current TfL Business Plan, ie through to 2017/18.

### **Operating principles**

- 4.5 Review topics and a programme of activity will be developed and agreed with the relevant parts of the business. Preparation of the reviews will be led by Group HSE, within current resources.
- 4.6 Whereas existing TfL processes provide assurance that the organisation complies with risk management standards, the proposed programme of thematic reviews will look to build on good practice in mainstreaming sustainability. Reviews will be undertaken against Mayoral priorities as outlined in his strategies, Greater London Authority (GLA) policies (such as the Responsible Procurement Policy), TfL commitments and wider business and policy drivers relating to sustainability.
- 4.7 This review process will provide a focus for TfL's sustainability assurance programme utilising existing processes and information. This will include using TfL-wide performance reporting as a principal source of data and information.

## **5 PROPOSED TOPICS FOR INITIAL REVIEW**

### **Sustainability gap analysis**

- 5.1 It is proposed that the first review is a 'sustainability gap analysis' that takes an overview of the extent to which sustainability is, or should be, embedded into TfL's processes and programmes.
- 5.2 The gap analysis would help to inform the content of the sustainability assurance programme and focus wider mainstreaming activities going forward.

## **Climate change mitigation**

- 5.3 The Mayor's new Climate Change Mitigation and Energy Strategy, 'Delivering London's Energy Future' (CCMES), is currently out for consultation with the Functional Bodies and London Assembly. As a considerable contributor to greenhouse gas emissions, the transport sector features prominently in the draft strategy and work is ongoing to ensure that the Mayor's Transport Strategy and CCMES commitments are fully aligned.
- 5.4 The review would seek to provide assurance that TfL has the necessary programmes and processes in place to reduce its CO<sub>2</sub> emissions in line with the Mayor's requirements. The review would not address the wider emissions reduction programme for transport in London.

## **Climate change adaptation**

- 5.5 The Mayor has recently published a public consultation draft of his Strategy on Climate Change Adaptation. The draft strategy covers how London will be required to adapt to the impacts of the changing climate, particularly flooding, drought and overheating, and contains actions that relate specifically to transport and TfL's operations. In addition, the Department for Environment, Food and Rural Affairs (Defra) now requires TfL to report, through the GLA, on its adaptation plans.
- 5.6 A thematic review would consider the extent to which a risk analysis of TfL's assets and operations and action plans for mitigating the identified climate risks are in place or under development so as to protect the business and to meet the requirements of the Mayor's strategy and Defra's Adaptation Reporting Power.

## **Crossrail**

- 5.7 The Crossrail project presents a major opportunity to deliver sustainability benefits for London. Significant activity is underway to ensure that Crossrail delivers a sustainable railway in a sustainable manner. Sustainability governance processes, delivery arrangements and a Crossrail Sustainability Strategy that will inform project planning and implementation going forward are already in place.
- 5.8 The review would provide assurance that the arrangements in place allow for effective identification and management of the significant sustainability impacts and opportunities associated with the project. In the light of the activities already known to be taking place, it is anticipated that this review will provide a good opportunity for sharing good practice.

## **6 NEXT STEPS**

- 6.1 It is anticipated that a total of three to four reviews will be produced during 2010/11.

## **7 RECOMMENDATION**

- 7.1 The Committee is asked to NOTE the report.

## **8 CONTACT**

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