

**Date: 5 March 2014**

**Item 10: Update: Strategic Risk Management Quarter 3 2013/14**

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**This paper will be considered in public**

**1 Summary**

- 1.1 The purpose of this paper is to update the Committee on the status of TfL's Non Project Strategic Risks and proposed mitigations at the end of Quarter 3, through discussion of the Strategic Risk Register.
- 1.2 A further paper will be considered in Part 2 of the agenda considering TfL's Quantified Strategic Risk Schedule.
- 1.3 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. This will also be considered in Part 2 of the agenda.

**2 Recommendation**

- 2.1 **The Committee is asked to note this paper.**

**3 Overview**

- 3.1 TfL currently captures strategic risk through the Strategic Risk Register (SRR), the objective of which 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.

**4 Q3 Strategic Risk Register update**

- 4.1 During Q3 two new risks have been added onto the SRR relating to IM Risk and Cyber Security, assessed as Medium and High respectively, both with Low targets. Further work is required on both of these risks in order to mitigate them, including the creation of plans and action owners.
- 4.2 During Q3 2013/14, the risks that feed into the SRR were assessed as part of the Business Areas quarterly forecast reviews.

*New Risk – IM Risk*

- 4.3 "Failure of critical IT systems (Applications, Networks and Infrastructure) impacting the delivery of key business operations" has been added to the SRR.

- 4.4 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.
- 4.5 Failure of these systems could result in disruptions to the transport network and business operations and loss of revenue.
- 4.6 The current status is estimated to be Medium with a target status of Low. A selection of mitigating actions has been proposed and action owners are still to be identified.

*New Risk – Risk of Information or Cyber security*

- 4.7 “Risk of an Information or Cyber Security incident on key services that support business and or network operations” has also been added to the SRR.
- 4.8 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.
- 4.9 This risk has currently been rated as High with a target of Low.

*New Mitigations – Other Risks*

- 4.10 All other risks ratings on the risk register remain unchanged.
- 4.11 Where risks are higher than target, new mitigating actions have been put in place during Q3 in an attempt to lower risks. Key changes are discussed in sections 4.12 and 4.13 of the paper below.
- 4.12 Maintaining a long term strategic, balanced Business Plan is currently rated as high with a target of medium. A new mitigating action is in progress to monitor and review the plan to achieve additional commercial income targets. A project is underway to set out the resource, specialist support, contracting arrangements, funding and governance required to deliver this. This emerging work will be subject to internal review at a newly convened Project Board and then Steering Group in June before discussion with the Finance and Policy Committee.
- 4.13 The risk relating to major events is currently low, with a target of very low. To help meet this target customer information and travel advice has been developed and issued to customers, businesses and stakeholders to encourage travel choices appropriate to operational plans. This action will be ongoing.

*Additional Information – TfL Pension Fund Risk*

- 4.14 At the meeting held on 18 December 2013 the Audit and Assurance Committee requested more detail on pension fund risks including the nature of risks, mitigations and timescales. This risk has been updated accordingly.

*Timing Issue – TfL Industrial Relations Risk*

- 4.15 After Q3 reporting closed, TfL experienced industrial action relating to its vision for the future of the tube. London Underground (LU) welcomed the suspension of a further Tube strike planned by the RMT and TSSA unions, as talks at ACAS led to an agreement on further talks over LU's modernisation plans.
- 4.16 As a result of this industrial action and subsequent consultation with Trade Unions, this risk is being reviewed and will be updated for Q4 reporting.

*Name change - 'Major Incident – Ticketing Systems failure'*

- 4.17 Strategic Risk 12, which was previously Major Incident – Internal Systems', has now been renamed 'Major Incident – Ticketing Systems failure'.
- 4.18 The Q3 2013/14 SRR is included in Appendix 1.

**List of appendices to this report:**

Appendix 1 – TfL Strategic Risk Register

**List of Background Papers:**

None

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# APPENDIX 1: TfL Strategic Risk Register

Quarter 3 2013/14



# Strategic Risk Register (SRR) Overview

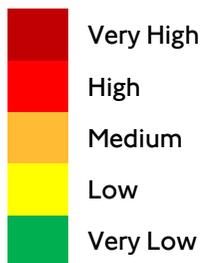


- The format adopted for use in reporting TfL's strategic risk is based on the standard risk reporting currently employed across all Business Areas (BAs). Risk is typically reported and evaluated on a qualitative basis.
- To facilitate comparative assessment, all BAs within TfL use the same assessment 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;

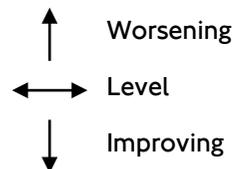
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|---|--|
| 1) Maintaining a long term strategic, balanced Plan within the constraints of available resources | 8) Security  |
| 2) Pension Fund   | 9) Major events  |
| 3) Ability to re-prioritise short term deliverables in response to external factors               | 10) Managing external stakeholder interests                |
| 4) Delivery of capital investment portfolio and contract management                               | 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:

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
	Current	Mitigating Actions	Mitigation Status	Target	Trend
<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"> <li>revenue reductions</li> <li>secondary revenue shortfall</li> <li>market conditions that limit the financial viability of property development opportunities over station assets (Crossrail)</li> <li>material shortfall in delivering the Savings and Efficiencies programme (including NSP)</li> <li>disruption to financial markets impacting TfL's ability to borrow</li> <li>counterparty insolvency</li> <li>further Government Grant reduction in future years.</li> </ul>	<b>H</b>	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 	<b>M</b>	↔
		Periodic budget monitoring to review progress against cost, fares and secondary revenue target to act as an early warning indicator. Quarterly reviews held in line with the normal accounting cycle to monitor progress against targets.	Ongoing 		
		Monitor and review plan to achieve additional income target. A project is underway to set out the resource, specialist support, contracting arrangements, funding and governance required to deliver a revised Business Plan. This emerging work will be subject to internal review at a newly convened Project Board and then Steering Group before discussion with FPC in January 2014.	In Progress 		
		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 		
		Monitor market conditions through daily checks (Bloomberg) and review of periodic reports issued by Banks on the current conditions to act as an early warning indicator.	Ongoing 		
		Increase the prospective development proceeds for sites by exploring additional commercial opportunities where applicable. Ensure TfL has some flexibility with regards to sites offered on the market, thereby optimising the Over Station Development returns in the future (Crossrail).	Fallback 		
<b>Quarter Three update:</b> The Balance Business Plan was approved by the TfL Board on 11 <sup>th</sup> December 2013.					

Value for Money						
<b>2. TfL Pension Fund</b>					<b>Owner:</b> 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).</p> <p><i>Nature of Risks (not exhaustive);</i></p> <ul style="list-style-type: none"> <li>- Investment Strategy does not pay sufficient attention to scheme liabilities</li> <li>- Trustees are exposed to future deficits</li> <li>- Funding target no sufficiently prudent</li> </ul>	<b>M</b>	<b>Mitigating Actions</b>		<b>Mitigation Status</b>	<b>Target</b>	<b>Trend</b>
		<p>Ensure that TfL has a well diversified investment strategy across all portfolios to minimise risk.</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• There is a fully diversified portfolio of return seeking assets, including alternate asset classes which is actively monitored and reviewed on a regular basis</li> <li>• 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</li> <li>• Information is also shared between the Trustee and Principal Employer</li> </ul>		Ongoing ○		↔
		<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"> <li>• Trustees agree a prudent funding target with the Principal Employer (known as technical provisions) following receipt of advice from the Actuary</li> <li>• 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)</li> <li>• Trustees will monitor the funding position of the TfL Pension Fund and the expected time to reach full funding on a quarterly basis</li> <li>• Information is shared by the Trustee to the Principal quarterly on the funding status of the TfL Pension Fund.</li> </ul>		Ongoing ○		
<p>Regular monitoring of the funding position and communication with the Trustees/Actuary regarding employer contributions.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• As well as this, 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.</li> </ul>		Ongoing ○				

Delivery					
<b>3. Ability to re-prioritise short term deliverables in response to external factors</b>					Owner: Steve Allen
<p>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.</p>	<b>Current</b>	<b>Mitigating Actions</b>	<b>Mitigation Status</b>	<b>Target</b>	<b>Trend</b>
	<b>M</b>	TfL undertakes demand forecasting, service planning and reliability, a business planning and budgeting process and an investment approval process.	Ongoing 	<b>M</b>	↔
		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 		
		Align projects and activities in the capital investment portfolio with the Mayoral Transport Strategy (MTS) and TfL corporate strategic objectives via the transport outcomes and the wider benefits they enable.	Complete 		
Manage stakeholders and keep them informed on the Business Plan position to reduce the likelihood for reprioritisation.		Ongoing 			

Delivery					
<b>4. Delivery of the capital investment portfolio and contract management</b>					<b>Owner:</b> 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.	<b>Current</b>	<b>Mitigating Actions</b>	<b>Mitigation Status</b>	<b>Target</b>	<b>Trend</b>
	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	In progress 		
Role families, competency assessment and development, resource and stakeholder management.		In progress 			
<b>Quarter Three update:</b> Rail & Underground: Key elements of the portfolio are being rebaselined and that activity will complete in time for Q1 2014/15 Surface Transport: Portfolio Boards have been established to manage the delivery of projects on the pipeline. A Review of Investment Programme Deliverability has been completed and was discussed at the 8 October Surface Board and the P6 BMR. Outcome of discussion -a list of agreed actions have been developed to address the key issues, with the action owners and deadlines. This will be monitored each period by Surface Board.					

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 either by IM or 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	
	<b>M</b>		Robust SLAs are in place with effective contract management and monitoring.	Proposed	<b>L</b>	N/A
			Ensure that TfL Standards, Policies and Procedures are adhered to.	Proposed		
			Ensure that robust Business Continuity/ Recovery Plans are in place.	Proposed		
			Undertake a comprehensive review of IT and systems risks across the BAs.	Proposed		
			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><b>Quarter Three update: New risk added.</b> A comprehensive list of the critical IT systems is yet to be determined. 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 Current and Target score and also change the status of the resulting mitigating actions. This will be completed for Q4 2014 strategic risk update.</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
		Carry out an IM wide Gap Analysis, against the Information Security Framework (ISCF).	Complete ●	L	↔
		Prioritise gaps and action plans, across IM for mitigation.	In progress ◐		
		Create and agree upon, an Internal Controls function within IM, to maintain the 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 ◌				
<b>Quarter Three update: New risk added.</b>					

Our Customers and Users					
7. <b>Disruption to quality of service</b>					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"> <li>implementing complex, major asset renewal and replacement programmes that are interrelated on an operational rail, bus operations, roads network</li> <li>frequent closures of lines or major stations</li> <li>change to operational procedures and resource requirements after completion of asset upgrades.</li> </ul> <p>These create the potential to disrupt customer service due to, possible asset/ systems failure on implementation and further knock-on effects.</p>	<b>Current</b>	<b>Mitigating Actions</b>	<b>Mitigation Status</b>	<b>Target</b>	<b>Trend</b>
	<b>M</b>	Develop and implement operational readiness plans to support introducing new assets into service. This includes governance arrangements, programme monitoring, reliability forecasting, staff training and improved incident response.	In progress 	<b>M</b>	↔
		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 		
		Develop an overarching Road Space Management Strategy, gain buy-in from the command chain and articulate to wider stakeholders. This will be combined with increases in operational capability through a network of pervasive intelligent sensors as part of a Road Space Management Cooperative System (RSMCS).	In progress 		
	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 			

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
	<b>M</b>	Major incident prevention and response planning and critical infrastructure resilience.	Ongoing 	<b>L</b>	↔
		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 		

Our Customers and Users					
9. Major events					Owner: Mike Brown/ Leon Daniels/ Vernon Everitt
	Current	Mitigating Actions	Mitigation Status	Target	Trend
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.	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 		

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.	In progress 		
		Manage Mayor's questions and produce periodic performance reports.	Ongoing 		
		Consultation with IIPAG on benchmarking to; <ul style="list-style-type: none"> <li>demonstrate organisational competence in delivering the capital investment programme,</li> <li>demonstrate an efficient and cost effective approach to whole life asset management following PAS 55 accreditation.</li> </ul>	Ongoing 		

Our Customers and Users					
<b>11. Major Incident – External</b>					<b>Owner:</b> Jill Collis/ Mike Weston
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.	<b>Current</b>	<b>Mitigating Actions</b>	<b>Mitigation Status</b>	<b>Target</b>	<b>Trend</b>
	<b>M</b>	Development of, and adherence to, Company Management System and TfL Standards.	Ongoing 	<b>M</b>	
		Monitoring, audit and review of safety performance and safety management.	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. Vulnerable road user safety action plans in development. Still early days, however, initial data for current year shows a reduction in KSIs.	In Progress 		
		Training programme to up skill managers and enable up to date risk assessments of operational assets.	On going 		
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 incidents.		Ongoing 			

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>	<b>Current</b>	<b>Mitigating Actions</b>	<b>Mitigation Status</b>	<b>Target</b>	<b>Trend</b>
	L	Ensure that all contractor equipment does not use live keys so that changes made do not inadvertently transfer to the live system.	Ongoing 	L	↔
		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 		
Carry out assurance on the performance of TfL ticketing systems through availability and reliability reviews with contractor.		Ongoing 			

Our Customers and Users

**13. Environmental impact of delivering a transport service**

Owner: Michele Dix

	Current	Mitigating Actions	Mitigation Status	Target	Trend
<p>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.</p>	<p><b>M</b></p>	<p>Deliver Mayoral aspirations on Air quality through borough programmes that support the improved air quality initiative.</p>	<p>Ongoing  </p>	<p><b>L</b></p>	<p>↔</p>
		<p>Implement technology focused capital investment projects identified in the Business Plan to deliver reductions to NOx, CO2 emissions; these will enable TfL meet regulatory targets.</p>	<p>In Progress  </p>		

**Quarter Three update:** Current mitigation plans remain on target to bring the bus fleet up to the required emission standard by 2015. Half of the targeted 900 vehicles have been retrofitted to date.

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 a deterioration in reliability.		Ongoing 			

Our People					
15. <b>People Strategy</b>					Owner: Tricia Riley
<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>	<b>Current</b>	<b>Mitigating Actions</b>	<b>Mitigation Status</b>	<b>Target</b>	<b>Trend</b>
	<b>M</b>	Develop Resourcing Strategy that facilitates resource planning for future needs and make provision to acquire these resources proactively.	Ongoing 	<b>VL</b>	
		Ongoing development of a company management system 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 		
		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 		
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 				