



Projects and Procurement Sub-Committee

Date: MONDAY, 15 APRIL 2024
Time: 1.45 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members:

Alderman Timothy Hailes (Chairman)	Deputy Charles Edward Lord
Deputy Shравan Joshi (Deputy Chairman)	Deputy Paul Martinelli
Deputy Randall Anderson	Anett Rideg
Deputy Keith Bottomley	Tom Sleigh
Deputy Madush Gupta	Luis Felipe Tilleria
Caroline Haines	Philip Woodhouse
Deputy Christopher Hayward	

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Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

NB: Certain items presented for information have been marked * and will be taken without discussion, unless the Committee Clerk has been informed that a Member has questions or comments prior to the start of the meeting. These for information items have been collated into a supplementary agenda pack and circulated separately.

1. **APOLOGIES**

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES**

To approve the public minutes and the non-public summary of the meeting held on Monday, 12th February 2024.

For Decision
(Pages 9 - 14)

4. **PROPOSED APPROACH TO THE REVIEW OF PROCUREMENT AND CONTRACT MANAGEMENT**

Report of the Chamberlain.

For Decision
(Pages 15 - 22)

5. **UPDATE ON PORTFOLIO MANAGEMENT IMPLEMENTATION**

Report of the Chamberlain.

For Information
(Pages 23 - 32)

6. ***GW1-4: FUTURE NETWORK PROGRAMME**

Report of the Chamberlain.

For Information

7. ***GW2: FENCHURCH STREET AREA HEALTHY STREETS PLAN**

Report of the Interim Executive Director, Environment.

For Information

8. ***GW2: 65 GRESHAM STREET**
Report of the Interim Executive Director, Environment.

For Information

9. ***GW3,4,5: CLIMATE ACTION STRATEGY (CAS) – CAPITAL DELIVERY PROGRAMME FOR OPERATIONAL BUILDINGS: LMA SOLAR PV**
Report of the City Surveyor.

For Information

10. ***GW3,4,5: CLIMATE ACTION STRATEGY (CAS) - CAPITAL DELIVERY PROGRAMME FOR OPERATIONAL BUILDINGS: PARLIAMENT HILL LIDO**
Report of the City Surveyor.

For Information

11. ***GW3,4,5: CLIMATE ACTION STRATEGY (CAS) - CAPITAL DELIVERY PROGRAMME FOR OPERATIONAL BUILDINGS: WALBROOK WHARF CARBON REDUCTION MEASURES**
Report of the City Surveyor.

For Information

12. ***GW3,4,5: CLIMATE ACTION STRATEGY (CAS) - CAPITAL DELIVERY PROGRAMME FOR OPERATIONAL BUILDINGS: THE WARREN CARBON REDUCTION MEASURES**
Report of the City Surveyor.

For Information

13. ***GW4: ST PAUL’S CATHEDRAL EXTERNAL RE-LIGHTING**
Report of the Interim Executive Director, Environment.

For Information

14. ***GW5: PEDESTRIAN PRIORITY STREETS PROGRAMME - PHASE 1 (KING WILLIAM STREET TRANSFORMATION AND PROGRAMME UPDATES)**
Report of the Interim Executive Director, Environment.

For Information

15. ***GW6: BEVIS MARKS SUSTAINABLE URBAN DRAINAGE SYSTEM (SUDS)**

Report of the Interim Executive Director, Environment.

For Information

16. ***GW6: CONCERT HALL 2016 REFURBISHMENT WORKS**

Report of the CEO, Barbican Centre.

For Information

17. ***GW6: CURVE GALLERY REFURBISHMENT**

Report of the CEO, Barbican Centre.

For Information

18. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**

19. **ANY URGENT BUSINESS**

20. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act 1972.

For Decision

21. **NON-PUBLIC MINUTES**

To approve the non-public minutes of the meeting held on Monday, 12th February 2024.

For Decision
(Pages 33 - 40)

22. **STAGE 1 - PROCUREMENT OF THE MANAGED SERVICE TEMPORARY AGENCY RESOURCE CONTRACT**

Report of the Chief People Officer & Executive Director of Human Resources.

For Decision
(Pages 41 - 64)

23. **STAGE 1 - NEW SPITALFIELDS & BILLINGSGATE MARKETS WASTE MANAGEMENT & MARKET CLEANSING - PROCUREMENT STRATEGY AND EXTENSION OF CURRENT CONTRACT**

Report of the City Surveyor.

For Decision
(Pages 65 - 78)

24. **STAGE 2 - CORPORATE SECURITY SERVICES**

Report of the City Surveyor.

For Decision
(Pages 79 - 96)

25. **REVISIONS TO THE CORPORATION'S COMPETITIVE PROCUREMENT EXEMPTIONS POLICY**

Report of the Chamberlain.

For Decision
(Pages 97 - 112)

26. **PROJECTS PORTFOLIO OVERVIEW**

Report of the Chamberlain.

For Information
(Pages 113 - 142)

27. ***GW1&2: CITY OF LONDON FREEMEN'S SCHOOL DINING HALL INTERNAL REFURBISHMENT**

Report of the City Surveyor.

For Information

28. ***GW2: CENTRAL CRIMINAL COURT - CELL AREA DUCTING AND EXTRACT SYSTEM BALANCING**

Report of the City Surveyor.

For Information

29. ***GW2: CITY OF LONDON SCHOOL FOR GIRLS - INTERIM SIXTH FORM EXPANSION SPACE**

Joint Report of the City Surveyor and the Headmistress of the City of London School for Girls.

For Information

30. ***GW2: GUILDHALL COMPLEX - REFURBISHMENT OPTIONS FOR THE NORTH AND WEST WINGS**

Report of the City Surveyor.

For Information

31. ***GW4: BARBICAN FIRE SAFETY PROJECTS**

Report of the City Surveyor.

For Information

32. ***GW5: CITY OF LONDON SCHOOL MASTERPLAN - CATERING PROJECT**

Report of the City Surveyor.

For Information

33. ***GW5: PARLIAMENT HILL ATHLETICS TRACK**

Report of the Interim Executive Director, Environment.

For Information

34. ***GW5: WALBROOK WHARF DEPOT - REPLACEMENT OF MECHANICAL AND ELECTRICAL SERVICES**

Report of the City Surveyor.

For Information

35. ***GW6: CITY JUNIOR SCHOOL EXPANSION**

Report of the City Surveyor.

For Information

36. ***GW6: PHASE 1 - CITY OF LONDON SCHOOL MASTERPLAN**

Report of the City Surveyor.

For Information

37. ***GW6: CITY OF LONDON FREEMEN'S SCHOOL MAIN HOUSE
REFURBISHMENT**

Report of the City Surveyor.

For Information

38. ***GW6: 98 - 124 BREWERY ROAD N7**

Report of the City Surveyor.

For Information

39. **NON-PUBLIC QUESTIONS RELATING TO THE WORK OF THE SUB COMMITTEE**

40. **NON-PUBLIC ANY URGENT BUSINESS**

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PROJECTS AND PROCUREMENT SUB-COMMITTEE

Monday, 12 February 2024

Minutes of the meeting of the Projects and Procurement Sub-Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Monday, 12 February 2024 at 1.45 pm

Present

Members:

Alderman Timothy Hailes (Chairman)
Deputy Randall Anderson
Deputy Keith Bottomley
Deputy Madush Gupta
Caroline Haines
Deputy Charles Edward Lord
Paul Martinelli
Philip Woodhouse

Officers:

Caroline Al-Beyerty	- The Chamberlain
Genine Whitehorne	- Commercial Director
Ronnie Adams	- Chamberlain's Department
Sarah Baker	- Chamberlain's Department
Tara Crombie	- Chamberlain's Department
Daria Faeti	- Chamberlain's Department
Samantha Kay	- Chamberlain's Department
Mohammad Mostafa	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Hirdial Rai	- Chamberlain's Department
Yasin Razaaq	- Chamberlain's Department
Beena Tanna	- Chamberlain's Department
Gillian Howard	- Environment Department
Tom Noble	- Environment Department
Richard Chamberlain	- City Surveyor's Department
Marcelina Gilka	- City Surveyor's Department
Ola Obadara	- City Surveyor's Department
Peter Ochser	- City Surveyor's Department
Adrian Morgan	- Barbican Centre
John Barker	- Department for Community and Children's Services
John Cater	- Town Clerk's Department

1. APOLOGIES

Apologies were received from Deputy Shravan Joshi and Deputy Christopher Hayward.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations.

3. **MINUTES**

RESOLVED – that the public minutes of the meeting held on Monday, 15th January be approved as an accurate record.

4. **PROPOSED APPROACH TO THE REVIEW OF PROCUREMENT AND CONTRACT MANAGEMENT**

The Sub-Committee considered a Report of the Chamberlain concerning the Review of Procurement and Contract Management.

The Chair opened the discussion, with two reflections; firstly, he raised concerns about the organisations ability to effectively contract manage, secondly, he posed a question as to whether the organisation currently had the internal capacity and resources to undertake the Review given the concurrent focus on the Project Governance Review, as such, he queried whether external resource should be procured to undertake some or indeed all of the Review.

Several Members agreed with this and supported the Chair's proposal for officers to submit this paper to the upcoming Finance Committee (20th February) with the benefit of officers carrying out a costing exercise in the interim period, which would then provide Finance Committee Members with the options to keep the Review as an in-house exercise or to procure external resource to deliver it.

A Member asked officers to undertake a broader examination of the value-for-money of procuring external resources for these types of Reviews, compared with the cost of in-house options. The Chamberlain responded that this was an area which the Efficiency & Performance Working Party would be able to look at and would co-ordinate with the Chairman and the Deputy Chairman of the Finance Committee outside of the meeting.

The Director of Commercial, Change and Portfolio Delivery emphasised that the Review could be delivered currently with no further additional calls on funds, but, if Members were minded to support procuring additional external support (diluting the recommended blended approach in the Report in favour of more external support) additional funding would be required. We would also need to consider which areas we would want to keep as internal workstreams, as retaining some of these areas in-house would be the optimal approach to ensure buy-in from across the organisation.

RESOLVED – that the Sub-Committee requested that the paper was submitted to the upcoming Finance Committee (20th February) with the benefit of officers carrying out a costing exercise in the interim period, which would then provide Finance Committee Members with the options to keep the Review as an in-house exercise or to procure external resource to deliver it.

5. ***GW2: SALISBURY SQUARE DEVELOPMENT HIGHWAY AND PUBLIC REALM WORKS**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the associated highway and public realm works for the Salisbury Square Development.

RESOLVED – that the Sub-Committee noted the Report.

6. ***GW3,4,5: 1 LEADENHALL STREET SECTION 278 HIGHWAY WORKS**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the associated Section 278 highway works for the 1 Leadenhall Street Development.

RESOLVED – that the Sub-Committee noted the Report.

7. ***GW4C: ST. PAUL'S GYRATORY TRANSFORMATION PROJECT – PHASE 1**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the St. Paul's gyratory transformation project.

RESOLVED – that the Sub-Committee noted the Report.

8. ***GW5: MOOR LANE ENVIRONMENTAL ENHANCEMENTS**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the environmental enhancements for Moor Lane.

RESOLVED – that the Sub-Committee noted the Report.

9. ***GW6: 2-6 CANNON STREET PUBLIC REALM IMPROVEMENTS**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the associated public realm improvements for 2-6 Cannon Street.

RESOLVED – that the Sub-Committee noted the Report.

10. ***GW6: CURSITOR STREET / BREAMS BUILDINGS PUBLIC REALM IMPROVEMENTS**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the associated public realm improvements for Cursitor Street/Breams Buildings.

RESOLVED – that the Sub-Committee noted the Report.

11. ***GW6: MARK LANE PUBLIC REALM AND TRANSPORTATION ENHANCEMENTS - PHASES 2 AND 3**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the associated public realm and transportation improvements for Mark Lane.

RESOLVED – that the Sub-Committee noted the Report.

12. ***GW6: ST BARTHOLOMEW'S HOSPITAL ENVIRONMENTAL ENHANCEMENTS**

The Sub-Committee received a Report of the Interim Executive Director, Environment concerning the environmental enhancements for St Bartholomew's Hospital.

RESOLVED – that the Sub-Committee noted the Report.

13. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**

There were no public questions.

14. **ANY OTHER PUBLIC BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no other urgent public business.

15. **EXCLUSION OF THE PUBLIC**

RESOLVED, that – under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Local Government Act.

16. **NON-PUBLIC MINUTES**

RESOLVED – that the non-public minutes of the meeting held on Monday, 15th January be approved as an accurate record.

17. **PORTFOLIO OVERVIEW**

The Sub-Committee considered a Report of the Chamberlain concerning the Projects Portfolio.

18. **ENTERPRISE RESOURCE PLANNING (ERP) PROGRAMME SYSTEM INTEGRATOR (SI) – PROCUREMENT OPTIONS (STAGE 1) REPORT**

The Sub-Committee considered a Report of the Chamberlain concerning the procurement of the Enterprise Resource Planning (ERP) System Integrator (SI) Service.

19. **ARCHITECTURAL SERVICES FRAMEWORK - CONTRACT AWARD**

The Sub-Committee considered a Joint Report of the Chamberlain and the City Surveyor concerning the contract award for the Architectural Services Framework.

20. **BARBICAN CENTRE PUBLIC CATERING SERVICES - PROCUREMENT STAGE 1 STRATEGY REPORT AND EXTENSION OF CURRENT CONTRACTS**

The Sub-Committee considered a Report of the CEO, Barbican Centre concerning the Barbican Centre Catering Service contract.

21. **EMERGENCY AND TEMPORARY ACCOMMODATION FRAMEWORK - PROCUREMENT STAGE 1 STRATEGY REPORT**
The Sub-Committee considered a Report of the Executive Director, Department for Community and Children's Services concerning the procurement strategy and evaluation criteria for the selection of the preferred supplier(s) for the Temporary Accommodation Approved Providers Contract.
22. ***GW2: WALBROOK WHARF FEASIBILITY 2027 AND BEYOND**
The Sub-Committee received a Report of the Interim Executive Director, Environment concerning Walbrook Wharf.
23. ***GW5: CITY FUND - REFURBISHMENT/EXTENSION OF 1-6 BROAD STREET PLACE AND 15-17 ELDON STREET**
The Sub-Committee received a Report of the City Surveyor concerning 1-6 Broad Street and 15-17 Eldon Street.
24. ***PRE-GATEWAY 5 PROJECT CLOSURE: BILLINGSGATE FISH HANDLING UNIT**
The Sub-Committee received a Report of the Town Clerk concerning the Billingsgate Fish Handling Unit.
25. ***PRE-GATEWAY 5 PROJECT CLOSURE: LONDON METROPOLITAN ARCHIVES (LMA) ACCOMMODATION**
The Sub-Committee received a Report of the Town Clerk concerning the London Metropolitan Archives.
26. ***PRE-GATEWAY 5 PROJECT CLOSURE: TEMPLE AREA TRAFFIC REVIEW**
The Sub-Committee received a Report of the Town Clerk concerning the Temple Area Traffic Review.
27. **NON-PUBLIC QUESTIONS RELATING TO THE WORK OF THE SUB COMMITTEE**
There were no non-public questions.
28. **ANY OTHER PUBLIC BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There was no other urgent non-public business.

The meeting ended at 2.45 pm

Chairman

Contact Officer: John Cater
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Agenda Item 4

Committee(s): Projects and Procurement sub-Committee	Dated: 15/04/2024
Subject: Proposed approach to the review of Procurement and Contract Management	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	All
Does this proposal require extra revenue and/or capital spending?	Y
If so, how much?	c. £150,000
What is the source of Funding?	Finance Committee contingency fund
Has this Funding Source been agreed with the Chamberlain's Department?	Y
Report of: Caroline Al-Beyerty, The Chamberlain	For Decision
Report author: Genine Whitehorne, Director Commercial, Change and Portfolio Delivery, Chamberlain's Department	

Summary

This paper provides an update on the proposed scope for the review of strategic procurement and contract management activity and seeks approval of the required budget to take the review forward. Following feedback received at your Committee's February meeting, the intention is commission an external supplier to carry out the review and soft market testing has refined the likely budget requirements for the work.

The City Corporation spends roughly £151m a year purchased goods and services. In addition, construction works spend stands at approximately £292m a year. The City of London contract portfolio totals £2.24bn. These contracts cover the breadth of services delivered across the Corporation and its institutions. Therefore, the proposed review will be comprehensive and will involve not only an assessment of governance arrangements but will also consider current practice, spend behaviours, roles and responsibilities across the organisation. This review aims to evaluate the efficiency, effectiveness, and compliance with current processes and identify areas for improvement.

The review will be undertaken in phases with recommendations agreed at the end of each phase to address the most significant risks. Due to the recent examples of poor contract management, it is proposed to review the contract management phase of the strategic procurement lifecycle during phase one. It is anticipated that the entire review will be undertaken over a period of six months.

Recommendations

The Projects and Procurement sub-Committee is asked to:

- Approve the revised scope of the strategic procurement and contract management review.
- Note the proposed reporting arrangements.

The Town Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee, is asked to:

- Approve the allocation of £150,000 from the Finance Committee contingency fund to deliver this review

Main Report

Background

1. A proposal setting out the approach to a review of strategic procurement and contract management activity was brought to the Projects and Procurement sub-Committee on 12 February 2024. It was proposed to take a hybrid approach to delivering this review, securing external expertise to deliver the highest risk areas (i.e. contract management review), engaging a peer review to support broader assessment of COL capabilities and, to use the corporate transformation team to develop a comprehensive improvement plan. This proposal was rejected by the sub-Committee on the basis that Members were not assured that sufficient internal capacity exists to take forward the review at pace. Since then, officers have revised the scope of the review and carried out informal market engagement in order to determine the likely required budget.
2. Informal market engagement has taken place with the market including specialist SMEs and Big 4 consultancies. This engagement has led to a potential broadening of the scope of the review as set out in paragraph 3 below.

Current Position

3. The original scope of the review remains, including:
 - Focussed review and risk assessment of COL contract management model and arrangements
 - Assessment of the effectiveness of existing governance (excluding Member governance); including officer levels of delegation and officer-led forums (such as Category Boards)
 - Review of compliance and accountability considering culture, behaviours and relationships
 - Review of current roles and responsibilities involved in commercial and procurement activity with the development of a clear RACI model
 - Assessment of internal capabilities (across the Corporation and within the Commercial Service)
 - Review of existing COL policy and procedures (and preparedness for implementation of the new Procurement Act)

- Strategic procurement baselining and maturity assessment
 - Light-touch review of responsible procurement practice
4. Following discussions with the market, three additional areas of focus are now proposed for inclusion in the review:
- a. **Contract savings review** – identification of tactical savings opportunities from review of the Corporation’s top contracts (by value)
 - b. **Assessment of commercial opportunities presented by COL legal entities** – development of a risk-based strategy to take a more commercial approach to procurement and contracting taking into account the opportunities presented by the different COL funding pots and legal entities
 - c. **Knowledge transfer to internal COL Commercial Service** – support for the internal development of the Corporation’s internal function
5. Initial market engagement has suggested:
- There is significant interest in delivering this programme of work
 - The initial programme of work (focussed on contract management improvement, compliance, and identification of potential contract savings) is likely to take circa 12 weeks
 - Subsequent phases of activity would be delivered over a period of up to a further 24 weeks
6. The review will require a budget of approximately £150k (officers will explore the potential for risk and reward model for the contracts savings review). This is in addition to the already approved transformation funding referenced in the previous report that will be used to meet the costs of the vital required system updates.

Options

7. No additional options are being presented in this report.

Proposals

8. It is proposed to initiate a strategic procurement review through the development of a blended project team making use of specialist external expertise supported by internal resources. The scope of the review will include all procurement and contract management activity across the Corporation. The objective of the review will be to consider COL practice and assess against a recognised industry standard, including:
- Procurement planning
 - Sourcing (tactical and strategic)
 - Contract mobilisation/transition
 - Contract management and Supplier Relationship Management
 - Contract review

9. The potential outputs of the review include:
- A risk assessed compliance audit
 - A comprehensive improvement plan for procurement and contract management across COL
 - Contracts savings plan
 - Maturity assessment/diagnostic
 - COL case studies identifying existing best practice
 - A commercial assurance framework setting out future data and reporting requirements
 - Corporate capability assessment and proposed training plan
 - Commercial Service catalogue and draft Service Level Agreement
 - Refreshed Procurement Code
 - Proposals for refreshed officer level governance (i.e. Category Boards)
 - Framework for a new Commercial strategy

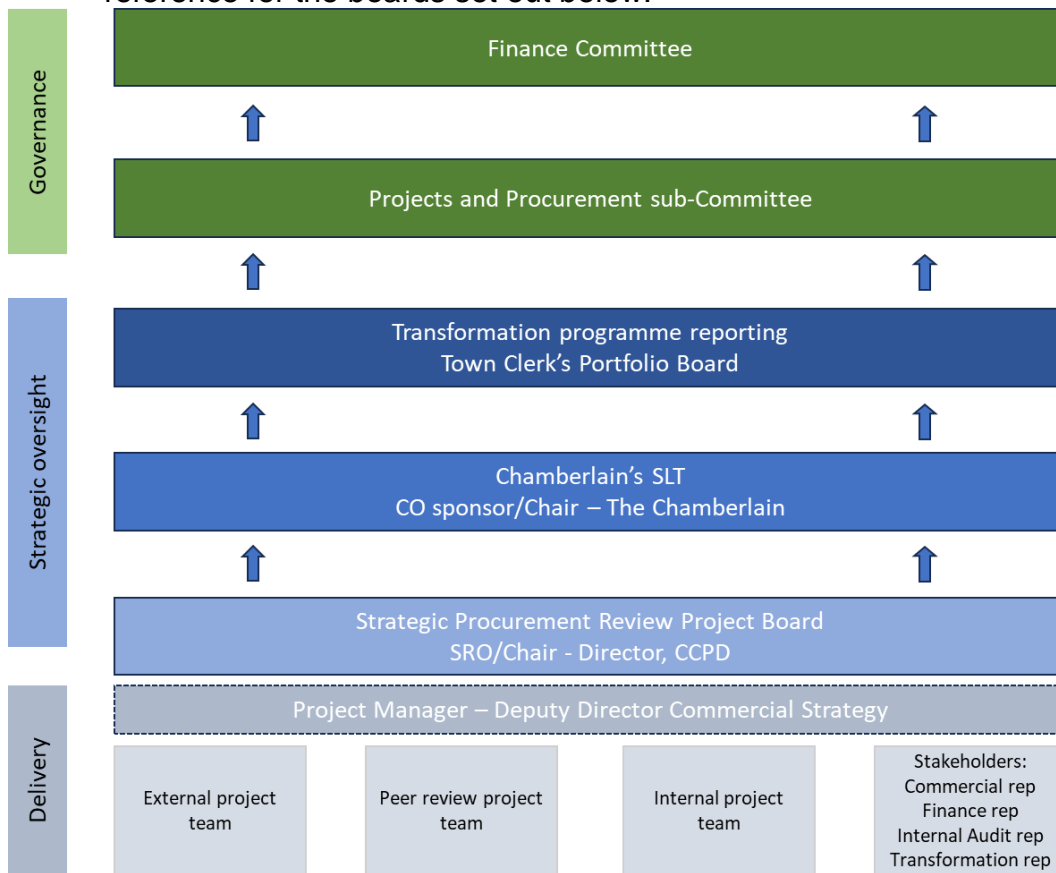
Timescales

10. The scope set out in this paper is comprehensive and will need to be delivered in a phased way. Taking a risk-based approach, the first stage of the review will be a review and risk assessment of existing contract management approach. At the end of each phase a summary report with clear recommendations and delivery plan will be reported to the relevant committee and implementation will begin immediately and be delivered concurrently with subsequent phases of the review being undertaken. An indicative timeline for delivery is set out below however specific timeframes will be dependent on the proposals received from potential providers.

Review area of focus	Likely duration	Target date
Phase 1 - Contract management review and risk assessment	Circa 12 weeks	July 2024 (report to Finance Committee)
Phase 1 – contracts savings review		
Peer review of Procurement Act preparation	tbd	No later than September 2024 (report to PPsC)
Review of procurement practice and governance	tbd	tbd
Training needs assessment	tbd	tbd
Design of future operating model with key recommendations	tbd	tbd
Approval of overall improvement plan	tbd	tbd

Governance

11. The diagram below sets out the proposed governance arrangements. If the proposals set out in this report are approved, a full Project Initiation Document (PID) will be developed that will provide greater detail regarding the terms of reference for the boards set out below.



Interdependencies

- Commercial, Change and Portfolio Delivery reorganisation
- Portfolio Management implementation
- Resources and Priorities Refresh programme: commercial workstream delivery

Key Data

12. The City Corporation spends roughly £440m per year through contracted services. The Corporation procurement categories and their total contract values are set out below:

Spend categories	No. of contracts	Total contract value £m	Invoiced spend £m 01/01/23 – 31/12/23
Property & Major Projects	224	998	292.5
People Incl. Pan London	80	416	20

Environment and facilities	155	672	41
Corporate	196	120	70
IT & Digital	133	43	20
TOTAL	788	2,249	443.5

13. In addition, there are circa eight hundred contracts on the Corporation's contract register.

Corporate & Strategic Implications –

Strategic implications – effective strategic procurement plays an important role in delivering against strategic priorities and objectives. Responsible procurement in particular, can ensure that the Corporation delivers added value through its third party spend with tangible and measurable benefits.

Financial implications – funding of £150,000 is requested from the Finance Committee contingency to meet the costs of the third party partner. The recommendations of the review may require further additional investment however these will be presented to relevant committees for decision. The implications of the review will have a significant impact on internal financial assurance and control. Effective sourcing and robust contract management will ensure Corporation contracts represent best value and the that cost assurance is provided thorough the lifetime of individual contracts.

Resource implications – there are no immediate resource implications. However, the assessment of COL roles, responsibilities and capability are in scope of this review. The findings will have direct implications on organisational structure and learning and development. In addition, any changes to policy, procedures and systems will have a significant impact on officers across the Corporation and its institutions. As such all changes will be managed in accordance with change management best practice and include a comprehensive stakeholder and engagement plan.

Legal implications – the review is intended to ensure compliance with relevant legislative and regulatory frameworks. An assessment of the Corporation's preparedness for the new Procurement Act, 2023, forms an important part of these proposals.

Risk implications – the proposals set out in this report, directly address risks identified as part of the Chamberlain's local risk register. In addition, the review will also address unresolved internal audit findings. Effective risk management is an important part of any robust contract management framework and as such this will be a particular focus of the design of any new guidance materials.

Equalities implications – there are no direct equalities implications of this report. Any recommended changes to policy, procedures or practice as a result of this review will be subject to equality impact assessments.

Climate implications – none as a direct result of this report.

Security implications – none as a direct result of this report.

Conclusion

14. Strategic procurement is an important enabling activity that can support the City to achieve the priorities set out in the Corporate Plan whilst ensuring best value and effective use of scarce resources. This review will provide a common vision for COL best practice and a comprehensive improvement plan setting out the necessary steps for achieving that vision over the next 'fantastic five years' and beyond.

Appendices

- None

Background

[Strategic procurement and contract management review – PPsC 12 February 2024](#)

Genine Whitehorne

Director, Commercial, Change and Portfolio Delivery

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Committee(s): Operational Property and Projects sub-Committee – For Information	Dated: 15/04/2024
Subject: Update on Portfolio Management Implementation	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1-12 (All)
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: The Chamberlain	For information
Report author: Genine Whitehorne, Director, Commercial, Change and Portfolio Delivery, COO	

Introduction

The Corporation has historically suffered from a fragmented portfolio of programmes and project with no single view of performance or risks. In July 2023, a recommendation was made to Policy and Resources Sub Committee to move to a portfolio management model. The new model of delivery would include a refresh of the Project Procedure, investment in skills and training, the introduction of a new ePMO system to manage projects and programmes, the establishment of a comprehensive assurance framework as well as the integration of commercial and project governance. Fundamental to the required changes would be the establishment of a single enterprise wide PMO (EPMO).

The objectives of the new governance structures are to:

1. Ensure that the governance works across all types of project – including transformation, capital and innovation
2. Provide the basis of suitably controlling project delivery – ensuring clarity and transparency to member and officer governance
3. Provide clarity on accountability and responsibility for delivery
4. Reduce the level of bureaucracy involved thereby increasing the pace of delivery throughout the Corporation and reducing delivery costs
5. Align projects and programmes to the goals of the Corporation – provide members with the ability to demonstrate to residents the outcome of particular projects and programmes

This report provides an update of progress to Project and Procurement Sub Committee as at end of March 2024.

The dashboard provided separately contains a summary of RAG ratings, major issues, risks as well as an update against the schedule.

Recommendation(s)

Members are asked to note:

- Progress to date on the implementation of the new portfolio management approach.

Key Achievements

The implementation of portfolio management is currently in a design phase of work. The achievements of the programme team to date include:

- Governance – Service Committees have been empowered to oversee projects and programmes and the officer-led CoL Portfolio Board is now in operation with the introduction of a corporate project portfolio update alongside the major programmes dashboard
- Portfolio Design – For the first time it is possible to summarise all the projects and programmes within the Corporation into 13 departmental or institution portfolios – projects and programmes have been assigned into the portfolios with a clear definition as to whom is accountable and who is responsible for delivery together with a hierarchy for resolving project difficulties
- Baselineing – A significant level of work has gone into the baselineing of over 772 projects and programmes from which 239 projects have come under Corporate oversight and assurance – the team has descoped routine procurement activity, tiered projects and programmes and sought both available budget and the overall cost envelope for these
- Project Clean-Slate – the team has initiated a project to close dormant projects, ensuring resources are focused on active and impactful projects and any locked funding is released

As a result of the above, we are building a firm foundation of portfolio management design for the subsequent transition of project governance structures to a new model of delivery.

Challenges

The team has encountered some difficulties in its work so far. These are:

1. The work on baselineing projects and programmes took longer than initially anticipated as a result of having more projects and programmes than expected – this has incurred a delay of approximately 6-8 weeks with consequential impact upon other deliverables

2. The baselining work has also highlighted that there are more project managers in existence than we have anticipated for licences for the new ePMO system – this may impact upon the budget the new ePMO system although the team is currently in discussion regarding this to manage costs
3. The work so far has required the engagement of a number of departments utilising surveys across a number of workstreams, project health-checks and data analysis – as we move towards planning the transition we need to bring focus upon communication and stakeholder engagement to ensure support for the proposals

The City of London Corporation is a unique environment, and we will need to ensure that project standards are suitably tailored and that we have engaged Members in the design of the new project procedure.

Workstream updates

Workstream	Summary of progress	Next Steps
Baselining/ Project Clean Slate	<ul style="list-style-type: none"> • Baselining work now complete • Approved process for closure of projects (in progress) 	<ul style="list-style-type: none"> • Will need refresh of baselining ahead of portfolio management implementation • Determine unspent budget of closed projects • All clean slate projects to PPsC for approval in June 2024
Portfolio Design	<ul style="list-style-type: none"> • Portfolio Design – projects and programmes assigned to portfolios with accountable and responsible owners • Summary of each Portfolio produced • Approved by CoL Portfolio Board in February 2024 	<ul style="list-style-type: none"> • Align portfolios to Corporation outcomes
Project Procedure	<ul style="list-style-type: none"> • Revised gateway process in development – to be shaped through discussions with members • Currently drafting new project procedure 	<ul style="list-style-type: none"> • Undertake workshops on governance, procurement, chamberlain engagement • Process mapping of the new gateway process • Production of new project procedure • Case studies of the new process for different types of projects

		<ul style="list-style-type: none"> • Further workshop with members prior to Portfolio Board • Approval by Portfolio Board – May • Member approvals ahead of July Court of Common Council
Healthchecks	<ul style="list-style-type: none"> • Approach designed for undertaking health-checks • Commenced health-checks on a cross section of projects and programmes 	<ul style="list-style-type: none"> • Project and Programme managers completed self-assessment • Assessment includes project plan, stakeholders, business case, resources and expertise, objectives, sponsorship • Review with sponsors • Lessons to be learned for roll out of new governance structures
ePMO System	<ul style="list-style-type: none"> • Requirements for new system determined • Preferred system identified (significant upgrade to existing system) • Procurement governance in process 	<ul style="list-style-type: none"> • Agree cost of new system or seek alternative supplier • Determine roll out plan in alignment with training, governance changes and roll out of project procedure
Transition Plan	<ul style="list-style-type: none"> • Outline plan has been developed 	<ul style="list-style-type: none"> • Two workshops required to complete transition plan – with suppliers and also with departments • Test impact e.g. use of new templates • Resource requirements and hands on-support for project managers
Change Management and Training	<ul style="list-style-type: none"> • Intranet page development for updates on Portfolio Management • We have engaged PM Academy on the design of new training and project management capability 	<ul style="list-style-type: none"> • Fortnightly emails to project managers and heads of PMO • Workshops to be developed to encourage face to face conversations • Develop specification for PM Academy to respond with a proposal

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The implementation of portfolio management is dependent upon the recruitment to the new EPMO organisation. It is intended to utilise some of these staff to support the roll out of the new framework to departments.

Member engagement

A member engagement session was held on 19th March 2024. The session highlighted the following feedback from members:

Member feedback	Response
Members seek clear definitions of what constitutes a project	<ul style="list-style-type: none"> • The team is using standard definitions of project management from the APM • We have already undertaken baselining work to remove projects that are not genuine projects (e.g. procurement) • New Project Procedure will have a clear definition and mandatory corporate standards
Members are keen to ensure that the system retains its integrity (project managers cannot circumvent or 'game' the system)	<ul style="list-style-type: none"> • Assurance framework in the use for the project procedure • Use of the ePMO system will ensure that there is one standard way • Exceptions can be agreed through standing orders
Members are keen that the new governance framework integrates with other Corporate functions – this includes contract management, procurement and Chamberlains	<ul style="list-style-type: none"> • We are undertaking a short period of process mapping the project procedure with other corporate functions (including procurement and chamberlains) to highlight how corporate functions need to work with each other • The potential integration with the new ERP system
Can project management induction training be certified?	<ul style="list-style-type: none"> • We are in discussion with PM Academy over the phased roll out of new training – this will be certified against APM as well as be tailored to the Corporation's gateway process • The team will discuss the specific requirement for induction training with PM Academy

Potential use of OpenSource software for the ePMO system	<ul style="list-style-type: none"> The team has conducted a brief appraisal of OpenSource project management software – whilst there are a number of products available and would likely to be cost effective, these do not have the functionality to manage portfolio management workflows nor the integration that is required to financial systems
Use of RAG rating - either milestone completion or percentage completion	<ul style="list-style-type: none"> The new system can report on both milestone completion and percentage completion as well as an overall RAG rating It is planned for the first phase of the rollout to concentrate upon reporting and as part of the design of the new standards the team will engage members on preferred performance indicators
Case study comparing the previous approach to the new portfolio management system, highlighting benefits, weaknesses, costs, and timelines	<ul style="list-style-type: none"> As part of its work on developing the new project the project team will include the development of scenarios according to different types of projects (e.g. transformation and capital)

A commitment was made to organise a detailed session to explore specific aspects further, ensuring everyone is aligned and informed.

Next Steps

The critical next steps are as follows:

1. Approve the new gateway process and project procedure
 - Additional member engagement session on the new project procedure
 - Review new Project Procedure with Chair of Finance Committee and Chair Project and Procurement Sub-Committee
 - Submit for approval to City of London Corporation Portfolio Board - May
 - Project and Procurement Sub Committee - June
 - Finance Committee - June
 - Court of Common Council – July
2. Undertake key enabling activities:
 - Procure the new EPMO system – we are currently discussing with the proposed provider to reduce the cost of the system
 - Agree required training provision in portfolio, programme and project management
 - Complete the recruitment to the new EPMO organisation – July 2024?
3. Develop the transition plan and commence a phased roll-out of the new project procedure and supporting structures – July/August 2024

Corporate & Strategic Implications

Strategic implications – The Corporation’s strategic priorities are achieved through the successful delivery of corporate and major projects. The proposals set out will provide assurance of the Corporation’s approach and ensure alignment with strategic priorities.

Financial implications – The proposals set out in this report will help to greater assurance regarding the value for money of project delivery. The strengthening of the approach to the development of business cases and introduction of greater rigour in regard to project forecasting will inform considerations regarding the affordability of the capital programme. Moving to industry standards and evidencing increased corporation maturity in portfolio management, will be important to support any alternative means of financing including the set-up of special purpose vehicles or joint ventures.

Resource implications – the proposals set out will require a focus on training and development for everyone involved in delivering projects across the Corporation.

Legal implications – none.

Risk implications – the approach set out in this paper is intended to support a more effective and consistent approach to risk management across all projects. The proposals are underpinned by the development of a robust assurance framework aligned to the internal audit approach. The proposals set out also seek to directly address the existing corporate risk - CR33.

Equalities implications – An initial equality analysis test of relevance has been undertaken and has shown no negative implications associated with the proposals set out in this report. The proposals are intended to ensure that consideration of equalities implications are embedded in our project and programme management approach and all new guidance and templates will be developed in consultation with the Equalities team.

Climate implications – none.

Security implications – none.

Appendices

Appendix 1 – March Portfolio Management Implementation Dashboard

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Programme	Portfolio Management Implementation			Headlines The programme is in a design phase ahead of a planned rollout commencing in Summer 2024. The design of portfolios and baselining of projects is now complete. Projects and Programmes have been assigned into Tiered Portfolios with clear definition as to responsibility and accountability for delivery. The programme team has initiated a project to close dormant projects and unlock any unused budget. Work on the project procedure is ongoing although there have been some delays as a result of delayed baselining work and the need to engage all stakeholders. Healthchecks on a cross section of projects and programmes commenced - these will triangulate feedback from the PMO, project management and the project sponsor. There is a need to manage costs of the ePMO system and we in discussion with the proposed supplier to do so.	Objectives 1.Ensure that the governance works across all types of project – including transformation, capital and innovation 2. Provide the basis of suitably controlling project delivery – ensuring clarity and transparency to members and officers 3. Provide clarity on accountability and responsibility for delivery 4. Reduce the level of bureaucracy involved thereby increasing the pace of delivery throughout the Corporation and reducing delivery costs 5. Align projects and programmes to the goals of the Corporation
Director	Genine Whitehorne				
Lead	Matthew Miles				
Period ending	31st March 2024				
Overall RAG	A	→ Schedule	R ↓		
Resourcing	A	→ Budget	A →		

Progress against plan					Schedule	Resourcing	Benefits	Budget (£000s)	
Workstream	Lead	Stage	Overall	Headlines					
Baselining & Portfolio Design	GB	Design	G →	Baselining complete. Portfolio Design approved. Need to determine unspent budget data as part of project clean slate. Clean slate projects to PPsC June 2024.	A	A	N/A	G	TBC
Change Management / Development & Training	JMK	Delivery	A →	Intranet site now running. Engaged PM Academy to produce proposal for updated training for all learner types. Need further workshops to engage departments.	A	G	N/A	G	TBC
Project Procedure	MM	Design	A →	Initial draft of PP developed. Requires further engagement with Members, Chamberlains and Procurement. Seeking June PPsC Approval ahead of CoCo in July.	R	G	N/A	G	TBC
EPMO System	GB	Procure	R ↓	Requirements complete and procurement route agreed. Current quote from supplier needs further work to bring within available budget.	R	G	N/A	A	TBC
Transition Plan	MM	Planning	G →	Transition plan to be developed once portfolio design complete, baseline established and new project procedure agreed.	A	A	N/A	A	TBC
Healthchecks	MM/GB	Planning	A →	Scope of healthchecks presented to PB Feb 2024. Currently reviewing 10-12 projects and programmes. Draft results to PB in March 24 with final results in April.	A	A	N/A	G	TBC

Major Issues & Risks							
Programme or workstream	Category	Type	Description	Impact	Probability (Risks only)	Action / Mitigation	Owner
Change Management	Stakeholders	Risk	Potential resistance to the new portfolio design	Medium	Low	Need to bring focus through transition planning workshops and structured communications	MM/JMK
Healthchecks	Resourcing	Issue	Cost of EPMO System is higher than anticipated	High		Review licence costs and reduce supplier lead workshops to reduce implementation costs	MM
Programme	Resourcing	Issue	Delays to project procedure and transition planning as a result of further baselining work than anticipated	High		Issue revised baseline plan	MM
Programme	Planning	Risk	Significant levels of change for inlight programmes which risks destabiling programme delivery	High	Medium	Detailed transition plan to be developed and agreed by Portfolio Board.	MM
Programme	Dependency	Risk	Potential that recruitment of EPMO team is delayed - resulting in insufficient resources to enable roll out of PPM framework.	High	Medium	Review in April	GW
EPMO System	Solution	Risk	There are now delays to procurement of EPMO system results in delay of roll out of new framework	High	Medium	Current procurement route can now accommodate timescales - need to keep under review	MM

Programme Healthcheck	Score	Last review	Focus and priority areas	Results
Budget	2	Feb-23	Need to review for accomodation of PM academy requirements and awaiting EPMO software pricing estimate.	
Governance and reporting	3	Feb-23	Portfolio Board in February. Corporate Projects board overseeing implementation. ToR for operational state of PB to be created.	
Resourcing	1	Feb-23	EPMO Team to be recruited.	
Schedule	3	Feb-23	Overall approach approved by SLT.Plan and schedule prepared to end of March.	
Risk and Issues	3	Feb-23	RAID constructed and in use.	
Outcomes	2	Feb-23	Measures of success identified. Not yet tracking against these.	

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