



City of London Corporation

Draft Outline Project Governance Framework - July 2023

CONTENTS

Introduction

This document sets out the proposed model for the new Corporation of London portfolio management framework. It has been developed based on the recommendations of the external review undertaken by RedQuadrant and, if approved, will form the basis for the detailed development of a new COL Project Procedure and Project and Programme Management (PPM) toolkit.

The proposals set out in this document and designed to strengthen our governance and assurance frameworks to better support Elected Members in the strategic oversight and risk management of the Corporation's project portfolio.

The proposals set out, represent a significant change to current ways of working and will require the engagement and cooperation of all parts of the Corporation in order to achieve success. Consequently, the further development and implementation of any proposals will be supported by proactive communications and a comprehensive change management plan.

What’s covered by this approach?

Definitions

	<i>What is it?</i>	<i>How is it managed?</i>
Project	<i>A series of tasks which need to be completed to achieve a specific outcome, requiring a set of inputs and outputs to reach a particular goal. (A project isn’t something that is part of normal business operations (BAU))</i>	<i>Project management uses processes, methods and training, together with knowledge and skills of the project manager and team to coordinate and deliver the required outputs</i>
Programme	<i>Programmes are a group of related and interdependent projects and change management activities that will deliver beneficial change</i>	<i>Programme management involves managing interdependencies across projects, prioritising and budgeting, and ensuring resource capacity and capability across the programme.</i>
Portfolio	<i>The aggregation of projects and programmes within an organisation aligned to strategic priorities</i>	<i>Portfolio management includes the selection, prioritisation and control of projects and programmes which are aligned with the organisation’s strategy and objectives.</i>
Business As Usual (BAU)	<i>Activity that is part of normal day-to-day operations and all activity with a total value of less than £250k</i>	<i>Operational management is the management of those activities that create the core services or products provided by an organisation.</i>

What's included in this definition?

For avoidance of doubt, the COL definition of projects and programmes will include both capital and revenue funded activity. This means activities such as business and service transformation will, from now on, be managed as projects/programmes.

A core principle of this approach is the decoupling of portfolio management from financial controls. This requires effective operational management process to be developed to facilitate robust management of BAU.

Introducing 'Portfolio Management'

Portfolio management enables organisations to understand delivery as a whole, developing a deeper understanding not only of individual functions but also their interdependencies. Introducing portfolio management will enable COL to make far more informed and effective decisions. This will support Elected Members to ensure projects, programmes and initiatives are aligned with COL strategic objectives and goals by selecting, prioritising, and managing the projects and programmes that deliver the most value.

The portfolio management framework set out in this document has been designed to enable the most effective balance of organisational change and business as usual. As such, recognising COL level of maturity and the need to develop internal capabilities over time,

three levels of portfolio views will be introduced in the first instance.

This will include:

- **Corporate Portfolio** - providing Members and the Executive Leadership Board with corporate visibility of the aggregate investment, risk and benefits of the entire COL portfolio of projects and programmes
- **Strategic portfolios** – bringing together activity that spans multiple projects and programmes, particularly where they are being delivered across multiple COL departments or institutions. Existing examples include the Climate Action Strategy and the Future Police Estate (see X for short case studies)
- **Chief Officer portfolios** – department/institution views delivering a comprehensive overview of resource allocation and risk management across all projects and programmes within a service area.

Determining whether activity is a project, programme or BAU

Assessing activity

The first step after identifying the need to deliver activity will be to determine whether or not the project procedure applies. To aid with this determination and to ensure consistency across COL, a simple tool has been developed. This tool can be accessed here [Prototype Portfolio Assessment Tool 23_06_15.xlsx](#)

BAU – activity that is low value (sub-£250k) or is assessed as BAU, will remain the responsibility of the relevant Chief Officer. It is recommended that, where appropriate, the corporate tools and templates are used to support the effective management of this activity, however, governance requirements will remain local and should be managed in line with the Financial Scheme of Delegation. All Chief Officers must ensure that appropriate local processes are in place to review progress and manage risks. The Enterprise Portfolio Management Office (EPMO) will provide advice and support to help establish these processes. The EPMO may also request evidence of robust processes in their corporate assurance role.

TOOL QUESTIONS - BAU

- Is this activity a one-off purchase, contract renewal or other transaction already covered by standard procurement processes?
- Is this activity cyclical?

Project – activity over £250k that is defined as a project must be managed in line with the requirements set out in the project procedure. Subsequent sections of this document provide further guidance regarding the tiering of projects and the requirements for the effective management, monitoring and reporting of projects dependent on value, risk and complexity.

TOOL QUESTIONS - PROJECTS

- Is this activity a change to existing business processes, operations or technology?
- Is this activity creating a new asset or service?
- Is this activity time-limited with a specific outcome to deliver within a set budget?

Programme – the identification of programmes is important to support the effective reporting of outcomes and intended benefits.

TOOL QUESTIONS - PROGRAMME

- Is this activity made up of separately managed projects which have dependencies on each other in order to achieve the overall objective?

Project tiering

The new Project Procedure will establish a three-tier model for the effective management of projects. The governance and assurance requirements for the three tiers are scaled in order to ensure proportionality according to the value, risk and complexity of the project and its intended outcomes.

A detailed assessment tool has been developed to ensure consistency in the tiering of projects. It should also be used to effectively manage the project throughout its lifecycle through regular review of risk factors. This means that a project’s tiering may not be fixed and a project may be escalated or de-escalated over its lifetime dependent on the changing risk profile.

The assessment tool is available here [Prototype Portfolio Assessment Tool 23_06_15.xlsx](#)

Complex projects (tier 1)

These projects are generally high value (over £20m), are strategically important (fundamental to the successful delivery of a strategic objective), delivery is likely to be complex (involves novel activity requiring innovation, high degree of uncertainty or, is a significant change to established practices) and, have a significant direct impact on people (staff and/or community).

Strategic projects (tier 2)

These projects are generally over £2m (but less than £20m) in total value, contribute to strategic objectives, delivery approach

is fairly certain with few areas of uncertainty and, impact to people is moderate or limited to a defined group of people (staff and/or community).

Routine projects (tier 3)

These projects are generally under £2m in total value, are aligned to strategic objectives but with no significant contribution to overall success, delivery is straightforward and, there is minimal impact on people (staff and/or community).

Summary:

Complex	<ul style="list-style-type: none"> ✓ high value (£20m+) ✓ delivers strategic outcomes ✓ complex to deliver ✓ high levels of uncertainty ✓ Requires new or innovative practice ✓ significant impact on people
Strategic	<ul style="list-style-type: none"> ✓ Mid value (£2m-£20m) ✓ Contributes to strategic outcomes ✓ Some uncertainty exists ✓ Requires some technical innovation ✓ Moderate impact on people
Routine	<ul style="list-style-type: none"> ✓ Low value (£250k-£2m) ✓ Aligns to strategic outcomes ✓ Clearly defined delivery approach ✓ Requires little innovation ✓ Minimal impact on people

Additionally, it is recognised that major capital infrastructure projects (likely to be in excess of £100m total project value), may require focussed scrutiny and strategic oversight of project delivery as well as alternative methods of financing. Therefore, it is proposed to create sub-set of tier 1 projects, referred to here as tier 0. The PPM requirements and criteria for tiering remain

the same as the rest of the tier 1 (complex) projects, however, governance arrangements may differ, particularly if special purpose vehicles are developed.

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PPM toolkit

A new PPM toolkit will sit alongside the Project Procedure. It is important to understand the purpose of and distinction between the two documents. The Project Procedure will determine the appropriate project governance whilst the PPM toolkit will support effective project and programme management. Project governance should not be confused with project management. Project governance deals with the strategic management and governance of a portfolio of projects to deliver business value. Project management, on the other hand, manages projects on a

day-to-day basis, making any decisions that have to be made based on the scope they have been given by the project board.

The tiering of projects will not only determine the necessary governance but also identify the mandatory requirements for effective project management. A comprehensive PPM toolkit will be developed which will include mandatory artefacts (templates) and roles for all COL projects. The table below sets out further detail regarding the requirements and their adoption this will be further developed in implementation.

Requirement	Description	Mandatory		
		Routine (tier 3)	Strategic (tier 2)	Complex (tier 1)
Documentation				
Project or Programme Brief	The programme brief is an outline definition of what a project/programme is expected to achieve in terms of benefits, outcomes, scope and objectives. It sets out the strategic intent and describes how it aligns to corporate priorities.	Yes	Yes	Yes
Project Initiation Document (PID)	The PID should clearly articulate the line of logic between objectives, deliverables, programme plan, key risks, stakeholders and project/programme governance (including gates)	No	Yes	Yes
Outline business case (OBC)*	The business case provides justification for undertaking a project or programme. It evaluates the benefit, cost and risk of alternative options and provides a rationale for the preferred solution. Business cases should contain costs and benefits and cashflow analysis. Outline business cases are typically produced at the early stage of feasibility and as such contain a level of uncertainty.	Yes	Yes	Yes
Full business case (FBC)*	The OBC should be further developed as feasibility progresses and further certainty emerges. At the conclusion of feasibility the Full Business Case should be developed and form the basis of the decision to continue the project or not.	No	Yes	Yes
Project or	High level and detailed insights to the programmes tasks, timelines, resources and critical	Yes	Yes	Yes

Appendix 2 – Proposed project governance framework

programme plan	path. For a programme this will would normally require a gantt chart. The programme plan should be approved at the programme’s board from which it becomes baselined			
Governance ToR	A terms of reference for the Governance of the programme, this will include Objectives, Meeting Membership, Chair, Gatekeeper, Frequency, Inputs and Outputs. It should articulate expected behaviours. Everyone on the board needs to understand their role	Yes	Yes	Yes
Roles and responsibilities	A document that will outline the roles, responsibilities and the relationships of key people within a programme. Should clearly articulate accountable and responsible roles. The roles and responsibilities should articulate where BAU/Operational resource is required and the means of handling resource conflicts	Yes	Yes	Yes
Product descriptions	A clear description of each of the deliverables for the programme with dates of delivery	No	Yes	Yes
RAID	Capturing and managing issues, risks (i.e. threats and opportunities), dependencies and assumptions that the programme of project has made	Yes	Yes	Yes
Benefits management strategy	The documents defines the framework within which benefits realisation will be achieved as new capability is implemented. This should articulate where a programme is enabling and responsibility for achieving the saving resides within a department. A benefits map should be utilised where for example the programme delivers social value	No	Yes	Yes
Progress report	A dashboard that will show the progress of the report. Elements include top risks and issues, timelines, status of deliverables and actions	Yes	Yes	Yes
Transition plan	A document that provides a detailed operational plan for the transition of the service from its existing state to a transformed one. A “business readiness” checklist and plan will need to be produced	No	Yes**	Yes**
Change management strategy	A document clearly setting out the approach to managing change and engaging with key stakeholders. This should consider evaluation methods in order to test buy-in and organisational posture in regard to the project’s aims and objectives.	No	Yes**	Yes**
Management systems				
Corporate PPM system	Portfolio management system used to manage individual projects and for portfolio reporting.	No	Yes	Yes
Agile tools	Depending upon the nature of the programme or project agile artifacts can be developed – MoSCoW prioritisation, backlogs, agilemoter, scrum roles, sprint backlogs, Burn charts, WIP boards etc	No	No	No
Roles				
Project	Officer accountable for successful project delivery and delivery of the objectives set out in	No	Yes	Yes

Appendix 2 – Proposed project governance framework

Sponsor/SRO	the business case. Responsible for ensuring adequate resources are available to deliver the project. For tier 1 projects, this is likely to be a Chief Officer			
Dedicated Project Director or Manager	Officer responsible for delivering the project and for providing operational day-to-day direction to project team members.	No	Yes	Yes
Change Manager	Officer responsible for supporting and facilitating the change process. Leading on engagement activity and communications with key stakeholder's. Contributes to the definition, monitoring and measurement of qualitative project benefits.	No	No	Yes**
Benefits Manager	Officer responsible for defining, monitoring, measuring and communicating the delivery of project benefits.	No	No	
Named finance lead	Finance representative	No	Yes	Yes
Named EPMO analyst	EPMO representative	No	Yes	Yes
Project/Programme Board	Supports the SRO for delivery of the project and acts as the decision making board taking decisions in line with levels of delegated authority or recommending decisions to the appropriate body.			

*NB – tier 0 large capital infrastructure projects are likely to follow the HM Treasury (Green Book) 5-stage business case model. This requirement will be set out in the project brief document.

**Mandatory elements for business change/transformation projects and programmes

Portfolio governance

The Corporation will introduce a single cohesive project governance framework to manage all its projects. This framework is intended to be proportionate and to flex to the breadth and variety of projects that the Corporation delivers.

Member governance

Members play an integral role in an effective portfolio governance framework. Members have the overall responsibility for setting strategic objectives and identifying political priorities. This underpins all decision making in the proposed model.

Members also represent the highest form of governance and scrutiny within the organisation and this model will ensure Members are enabled to focus on the projects of the most strategic importance, predominantly tier 1, complex projects. Tier 2 projects may be escalated to Members on the recommendation of the Portfolio Board.

However, through improved reporting and the development of the COL portfolio view, Members will, for the first time, have enhanced visibility across the organisation's project portfolio in its entirety and in a clear, easy to digest format (e.g. dashboards). This will allow Members to scrutinise and provide challenge of investment and resource allocation, strategic risk management and organisational performance.

The shape and form of Member governance, i.e. Committee structures, will be informed by the independent review currently

underway. This document therefore focusses on general principles of Member governance rather than specific structures.

However, it is important to recognise Member governance relating to projects takes place through two separate but related roles. The proposed model will seek to support improved corporate understanding of these roles based on the principles set out below:

Service committees – focussed on answering the question “are we doing the right thing?”. In other words, what is the need for this activity? How does this align with strategic objectives? And, will this approach deliver the outcomes required?

Project decision making committees – focussed on answering the question, “are we doing things right?”. Will the proposed approach to project delivery and management deliver success? Does the proposed approach represent Value for Money?

Officer governance

Portfolio Board

The Portfolio Board will support Members and provide assurance and confidence that effective project management controls and systems are in place. It will support more effective prioritisation by taking a collective and cohesive view across all Corporation project-related activity. The Board will also act as a gateway to Member Governance providing challenge and ensuring the

quality and integrity of information provided to enable Members and committees to focus on more significant, strategic decision making.

The Board will be responsible for:

Routine projects – tier 3
<ul style="list-style-type: none"> - Provide peer challenge to the proposed Chief officer portfolio on an annual basis - Receive Chief Officer portfolio summary on a quarterly basis - Provide effective challenge and scrutiny of underperforming tier 3 projects as part of a Chief Officer portfolio view (red rated projects or those rated amber with red risks relating to budget, time, outcomes)
Strategic projects – tier 2
<ul style="list-style-type: none"> - Review and approve the outline business case and project initiation document - Review and approve full business cases for projects valued £5m or less - Review and recommend for approval by Members, the full business cases for projects valued above £5m - Receive regular chief officer portfolio summary on a quarterly basis - Monitor project performance by exception (projects rated amber with red risks relating to budget, time, outcomes) - Provide initial challenge and scrutiny of red rated projects before escalation to Members - Identify potential solutions and/or required corporate intervention for red rated projects
Complex projects – tier 1
<ul style="list-style-type: none"> - Review and recommend for approval by Members,

<p>project charter, outline business case (over £5m), project initiation document and full business case</p> <ul style="list-style-type: none"> - Receive and scrutinise monthly project dashboards - Provide project highlight reports to Members - Provide initial challenge and scrutiny of amber (with red risks) and red rated projects before escalation to Members - Identify potential solutions and/or required corporate intervention for underperforming projects
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The successful operation of the Board will require a delegation to Town Clerk (as Chair of Portfolio Board) and/or appointed SROs to approve projects up to £5m.

The Board will be supported by a sub-group chaired by the Chamberlain. The Chamberlain’s Programme Assurance Group will support the effective corporate overview of the Corporation’s most complex/high value projects (predominantly tier 0). The Board will co-ordinate affordability considerations and financial risk considerations, assessing impact on the MTFP and advising on prioritisation in order to ensure the Corporation’s financial sustainability.

Please refer to the supplementary information at end of this document for draft Portfolio Board terms of reference.

Formalising the role of the SRO

The Senior Responsible Officer (SRO) is an important role as they are the single officer accountable for the project/programme, ensuring it meets its objectives and realises the expected

benefits. All tier 1 and 2 projects must have a named SRO. For tier 1 projects this would usually be at Chief Officer level. SROs of the City’s complex projects are directly accountable to Members and must report delivery progress to Members.

The SRO is the owner of the business case and is accountable for all aspects of governance. The responsibilities of the role include:

- articulating and communicating the vision and business objectives of the programme
- ensuring a real business need is being addressed
- assuring ongoing viability, and if necessary taking the decision to recommend stopping the programme
- securing the support and input of key external and internal senior stakeholders, including the Programme Board
- appointing, chairing and setting priorities for the Programme Board
- providing the team with clear leadership, decisions and direction throughout the programme’s life
- maintaining alignment of the programme with the organisation’s strategic direction
- ensuring the delivered solution meets the needs of the business

Please refer to the supplementary information at end of this document for draft SRO agreement document.

Key roles summary –

Elected Members	<ul style="list-style-type: none"> - Strategic leadership and overall accountability for effectiveness of the COL portfolio - Ensure investment aligns with strategic priorities - Provide oversight of the most complex, high value and high risk projects - Responsible for taking decisions for tier 1 projects - Provide a point of escalation - Hold officers to account for operational project management and delivery
Portfolio Board	<ul style="list-style-type: none"> - Executive-level board Chaired by the Town Clerk responsible for assuring the effectiveness of the COL portfolio - Makes recommendations to Members regarding investment and strategic alignment - Provides oversight of tier 2 projects - Hold Project Directors/managers to account
Chief Officers/	<ul style="list-style-type: none"> - Accountable for the Chief Officer portfolio and prioritisation within their service area - Ensure compliance with project governance framework within their area of responsibility

Appendix 2 – Proposed project governance framework

Sponsors/SROs	<ul style="list-style-type: none"> - Appointed by Members for Complex projects (likely to be a Chief Officer) - Accountable for ensuring effective project management processes and controls are in place - Accountable for ensuring interdependencies are effectively managed and a programme established - Accountable for project budget
Project/Programme Board	<ul style="list-style-type: none"> - Support the SRO to provide overall direction and management of the project/programme - Enable effective and auditable decision making and change control
Project Directors/Managers	<ul style="list-style-type: none"> - Responsible for effective management of projects - Responsible for managing project budget, identifying risks and

EPMO	<ul style="list-style-type: none"> - Central organisation responsible for enabling effective portfolio, programme and project management.
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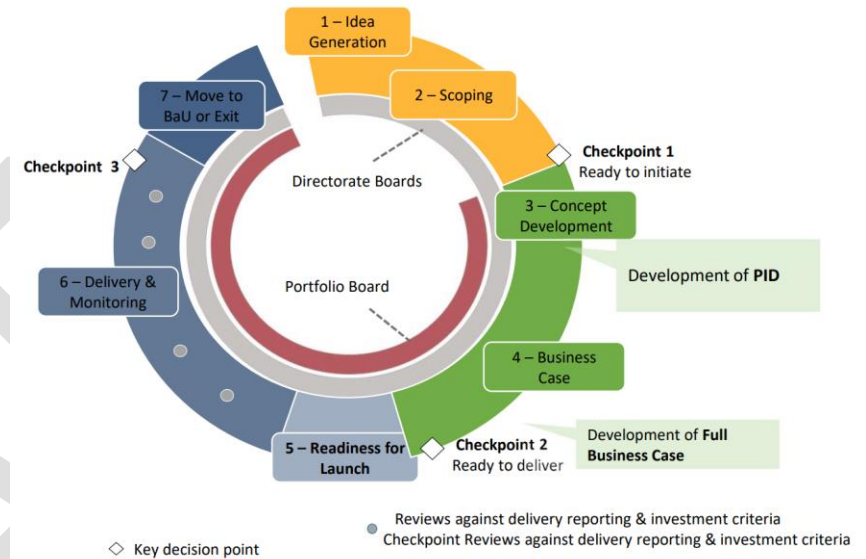
Portfolio gateways

The new Project Procedure will include a refreshed approach to the gateway process. This approach will apply to all projects regardless of value. However, the governance of the gateway approach will be dependent on the tier of the project, with Members primarily focussed on tier 1 – complex projects – governance.

The new approach will also reduce the volume of information required, moving away from the narrative heavy committee style reporting and making more effective use of dashboard reporting. For low value projects with no significant issues, it is anticipated that approval will be sought as part of a portfolio summary.

The table below summarises the new gateways and the key focus at each stage.

Project lifecycle stage	Gateway	Key decision/products
Define	Idea generation	<ul style="list-style-type: none"> Project Brief
	Scoping	<ul style="list-style-type: none"> Outline business case
Discover	Concept development	<ul style="list-style-type: none"> PID
	Business case	<ul style="list-style-type: none"> Full business case
Design	Readiness for launch	<ul style="list-style-type: none"> Delivery plan
Deliver	Monitoring delivery	<ul style="list-style-type: none"> Progress reports
Realise	Exit	<ul style="list-style-type: none"> Lessons learnt Closure report



Project leadership

EPMO

Building on the establishment of the Project Governance Division as part of the TOM, the new model will establish an Enterprise Portfolio Management Office (EPMO). The key functions of the EPMO will include:

- Developing a Centre of Excellence – a central hub setting the professional standards, capability, guidance, tools and templates for the Corporation
- Portfolio management – reporting, risk management, assurance checks
- PMO – project delivery support, project governance
- Benefits realisation – social value, benefits management

The EPMO will work closely with the Transformation and Improvement team (within the same Division), to ensure effective change and delivery support is provided. This will include a flexible resource pool that can be deployed to support project launch and to provide targeted corporate intervention to any projects with significant issues and/or risks to delivery.

The proposed structure for the new service is the subject of a separate report which also proposes the integration of the Project Governance Division with the Commercial service.

Head of Profession

The new service Director will be the head of profession for:

- Portfolio, Programme and Project Management
- Transformation
- Continuous improvement

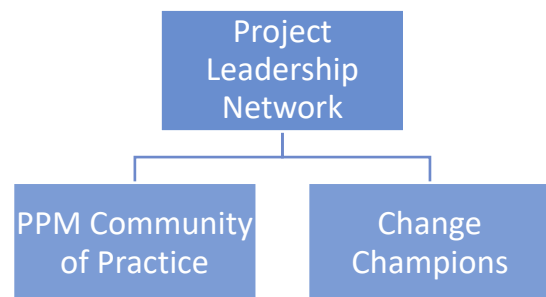
The head of profession responsibilities may be delegated to Assistant Directors and/or Heads of Service within the Division.

Hub and spoke model

The EPMO will be the Corporation's primary project management office and the Director, as head of profession, will provide professional leadership through a dual reporting line to all other Corporation project delivery and/or PMO functions.

Leadership of the wider project community

A Project Leadership Network, chaired by the Director, will be set up. The aim of this network will be to bring together project leaders from across the Corporation focussed on driving continual improvement and development of internal capabilities. They will be supported by a PPM Community of Practice and the Change Champions.



PPM Community of Practice

Project and Programme Management Community of Practice – a virtual network of all officers across the Corporation involved in the delivery of projects and programmes. The network will provide a forum to share best practice, to seek peer support, to disseminate information and share learning opportunities.

Change champions

A network of change agents from across the Corporation sharing best practice, knowledge and learning.

Professional standards - Skills and capability

The EP MO will establish clear professional standards relating to PPM for the Corporation. This will identify the roles and competencies required to achieve excellence in portfolio, programme and project management. This will be supported by a refreshed Project Management Academy with additional learner types.

The Project Management Academy

The PMA will be refreshed and additional content developed to better support the range of roles involved in effective portfolio management.

Learner type	Existing PMA capability	Target learner
Leader	*new	<ul style="list-style-type: none"> Decision makers including tier 1 SROs and Elected Members
Specialist	Advanced	<ul style="list-style-type: none"> Qualified/professional PMs Tier 1 PMs Officers working in Corporation PMOs
Manager	Practitioner	<ul style="list-style-type: none"> Tier 2 PMs
Analyst	*new	<ul style="list-style-type: none"> Additional module(s) focussing on analytics and reporting
Support	Foundation	<ul style="list-style-type: none"> Tier 3 PMs Officers providing project support roles

A mandatory portfolio management induction will also be introduced for all officers who will be working on Corporation projects. This will include consultants and/or interims.

Portfolio assurance and reporting

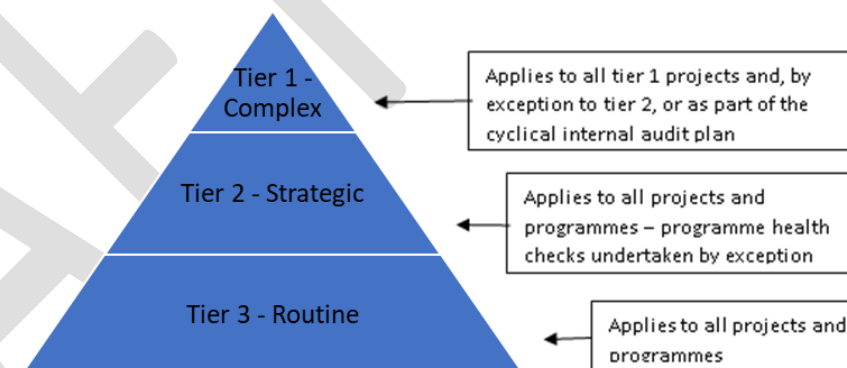
Three lines of assurance

A three lines of assurance model will be implemented to provide assurance regarding management and delivery of COL projects. A description of each of these lines is provided below:

1st line assurance	The PMO will carry out first line assurance, amongst other responsibilities, to ensure operational management and delivery is consistent. All staff are responsible for delivering in line with corporate standards.
2nd line assurance	The Centre of Excellence set standardised project, programme and portfolio tools, processes and guidance in place for all staff to support delivery. They are responsible for second line assurance providing independent assessment and ensuring first line arrangements are in place and operating as intended.
3rd line assurance	Carried out by the internal audit

function.

The diagram below illustrates how these three lines will apply to projects/programmes at each of the three tiers.



Check point reviews

As part of the Gateway process, the EPMD will work with project managers and SROs to complete check point reviews. This will ensure all projects/programmes are ready to be presented for

decision and that key risks and implications of any decisions have been identified and appropriately articulated before proceeding to the next stage.

In addition to the check point reviews, health checks will be undertaken on all Tier 1 projects on an annual basis to provide assurance that effective project management arrangements and controls are in place. This will ensure greater consistency in terms of breadth, depth and level of assurance across the portfolio. In addition to planned health checks, consequential

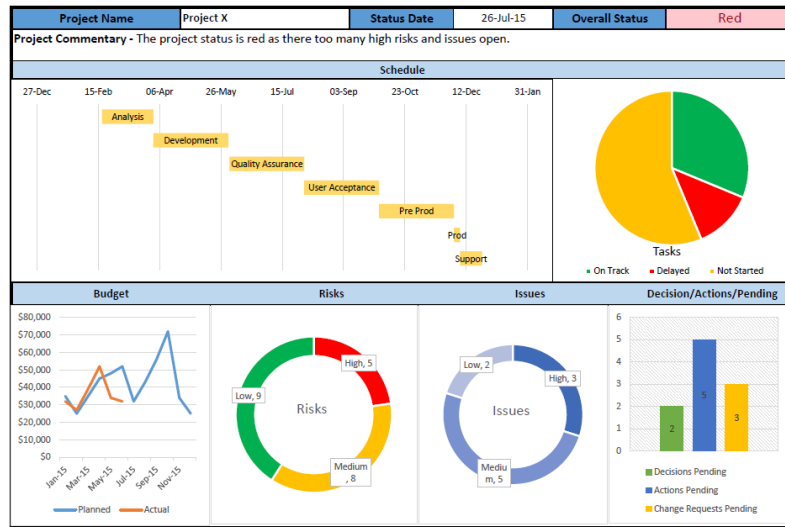
Programme health checks

health checks may also be undertaken in response to a particular event or concern. This could mean assurance activity in the form of a ‘deep dive’ to establish what actions/corporate interventions could be undertaken to find improvements. Consequential health checks could be undertaken for both Tier 1 and Tier 2 projects where significant risks and/or issues that have been identified.

Reporting format

Reporting will be developed to provide concise, focussed and easy to digest information to Members. This will be based on dashboard style reporting making more effective use of data, visualisation, benefits tracking and other performance data. The process for reporting will be automated wherever possible with the ambition of enabling access to accurate real-time data whenever required. An example of a possible dashboard report has been included below for illustrative purposes only.

Appendix 2 – Proposed project governance framework



Portfolio management system

In order to achieve the ambitions set out in regard to reporting, it is imperative that the Corporation invests in a portfolio management system. The system will represent the one source of the truth for project data and provide a comprehensive view of portfolio performance, benefits, risks and investment. Integration with the finance system would also provide the opportunity to streamline process for project forecasting,

managing and approving payments, project charging and overall portfolio cashflow reporting.

Risk management

Risk management is central to effective portfolio, programme and project management. For the first time, we will outline a consistent mandatory approach to risk management that aligns with the Corporate Risk Management Strategy. Risk and assurance will be a central consideration at each Gateway and influence the decision to proceed or to stop projects as appropriate. The EP MO will work with project managers and service based PMOs to establish a holistic corporate-wide view of risk and assurance data held on the portfolio management system. The EP MO will be responsible for maintaining a Corporation Portfolio RAID (risks, assumptions, issues and dependencies log). The output of the RAID, along with intelligence from other assurance activity (such as the programme health checks) will enable the EP MO to provide Members with an assurance assessment for Tier 1 (and by exception Tier 2) projects. This will enable Elected Members visibility of the risk profile across all of the Corporation's activities.

Benefits management and social value

The definition, monitoring and measurement of benefits is crucial to the development of an effective portfolio management framework that is focussed on enabling the delivery of intended outcomes. Central to this is the development of robust and credible business cases.

A business case provides justification for undertaking a project, programme or portfolio. It evaluates the benefit, cost and risk of alternative options and provides a rationale for the preferred solution. Therefore the business case should be treated as a live document and must be reviewed at each gateway.

Social value

Social value is about providing meaningful societal, economic and environmental benefits. The Corporation's project portfolio should deliver added value for the square mile and beyond. These benefits should be identified as part of the business case and measured through the benefits management framework.

Measuring the benefits:

Working with colleagues in the Chamberlain's department, a portfolio benefits management framework will be developed to drive greater consistency. This framework will include:

- Benefits eligibility guidance including a consistent approach to how benefits should be categorised, quantified, valued and validated

- A Portfolio-level benefits realisation plan
- Review of the benefits case at Portfolio-level reviews
- Effective arrangements to manage benefits post project/programme closure
- Clear arrangements for benefits tracking and reporting at Portfolio level, i.e., via a Portfolio dashboard;
- Regular and robust post-implementation reviews and feeding lessons learned back into forecasting and the benefits management processes.

Impact assessment and EDI

The Public Sector Equality Duty (PSED) is set out in the Equality Act 2010 (s.149). This requires public authorities, in the exercise of their functions, to have 'due regard' to the need to:

- eliminate discrimination, harassment and victimisation
- advance equality of opportunity between people who share a protected characteristic and those who do not
- foster good relations between people who share a protected characteristic and those who do not.

Further the Corporation, as a responsible employer, developer and funder, should consider what potential impact its projects could have on local communities including residents, businesses and visitors.

**Supplementary
information**

Supplementary information – Portfolio Board draft terms of reference

Purpose:

The Portfolio Board, chaired by the Town Clerk, provides officer-level strategic direction, governance, and oversight to ensure successful project delivery across the Corporation. The Board is accountable to the Operational Property and Projects sub-Committee and supports Members in carrying out their strategic oversight role.

Objectives:

- a. To support effective corporate overview of the Corporation's project portfolio ensuring alignment of projects with the Corporation's strategic goals and objectives
- b. To monitor and review project progress, including milestones, timelines, budgets, and resource allocation
- c. To identify and manage interdependencies and risks across projects
- d. To provide guidance and support to project teams, including issue resolution and decision-making
- e. To approve the deployment of the Project Manager resource pool
- f. To act as a gateway to Committee reporting project status, risks, and recommendations to relevant Committees
- g. To co-ordinate affordability and financial risk considerations
- h. To recommend issues/projects for escalation to Committee

Responsibilities by project tier:

For COMPLEX projects (tier 1)

- i. To provide constructive challenge to SROs and project lead officers and consider whether aims and ambitions are going to be achieved.
- j. To review and recommend for approval by Members, project charter, outline business case, project initiation document and full business case
- k. To receive and scrutinise monthly project dashboards
- l. To provide project highlight reports to Members
- m. To provide initial challenge and scrutiny of amber (with red risks) and red rated projects before escalation to Members
- n. To identify potential solutions and/or required corporate intervention for underperforming projects

For STRATEGIC projects (tier 2)

- o. To scrutinise the outline business case and project initiation document
- p. To review and approve full business cases for projects valued £5m or less
- q. To review and recommend for approval by Members, the full business cases for projects valued above £5m
- r. To receive chief officer portfolio summaries on a quarterly basis

- s. To monitor project performance by exception (projects rated amber with red risks relating to budget, time, outcomes)
- t. To provide initial challenge and scrutiny of red rated projects before escalation to Members

For ROUTINE projects (tier 3)

- u. To provide peer challenge to the proposed Chief officer portfolio on an annual basis
- v. To receive Chief Officer portfolio summary on a quarterly basis
- w. To provide effective challenge and scrutiny of underperforming tier 3 projects as part of a Chief Officer portfolio view (red rated projects or those rated amber with red risks relating to budget, time, outcomes)

Composition and Membership:

The Portfolio Board has collective responsibility for ensuring effective governance of the Corporation’s project portfolio and providing assurance to Members regarding the proactive management of risks and organisational capacity and capability to deliver. The table below provides further information regarding specific areas of expertise for each member of the Board.

Role	Officer	Key responsibilities
Chair	Town Clerk	<ul style="list-style-type: none"> • Chairing meetings including the agenda and ensuring effective communication • Taking project decisions of up to £5m
Finance Lead (Deputy Chair)	Chamberlain	<ul style="list-style-type: none"> • Providing advice and challenge in regard to finance and affordability considerations • Chairing the Finance Assurance sub-Group
Strategy and Performance Lead	Chief Strategy Officer	<ul style="list-style-type: none"> • Providing advice and challenge around strategic alignment, risk management and progress reporting
Construction Delivery Lead	City Surveyor	<ul style="list-style-type: none"> • Providing advice and challenge in regard to construction project delivery and market • Ensuring effective oversight of capital delivery and programme resourcing
Corporate Effectiveness Lead	Chief Operating Officer	<ul style="list-style-type: none"> • Providing advice and challenge around people,

		change and equalities issues
Governance Lead	Assistant Town Clerk and Director of Member Services	<ul style="list-style-type: none"> • Providing advice and challenge in regard to corporate governance requirements
Portfolio Management Lead	Project Governance Director	<ul style="list-style-type: none"> • Providing advice and challenge in regards to project governance and operational project management standards
Secretariat	Enterprise Portfolio Management Office (EPMO)	<ul style="list-style-type: none"> • Producing portfolio dashboard reports • Undertaking gateway reviews and making recommendations to the Board • Carrying out project health checks and reporting findings to the Board • Providing advice and challenge to SROS and project managers • Servicing the meeting
Invited members dependent on agenda*:		
Project SROs (tier 1 and 2)Boar		<ul style="list-style-type: none"> • Providing strategic direction and vision for their respective projects. Ensuring project alignment with organisational objectives. • Monitoring and reviewing project progress, including milestones, budgets, and risks. • Raising project-related issues and risks to the Portfolio Board for resolution. • Providing regular updates on project status and key decisions
Project Managers		<ul style="list-style-type: none"> • Providing regular updates on project status and key decisions • Raising project-related issues and risks to the Portfolio Board for resolution

*Attendance will be agreed by the EPMO in advance of the meeting.

Meeting arrangements:

- The Portfolio Board shall meet on a monthly basis
- A minimum of four Board members must be present for a meeting to be deemed quorate
- The Board will be serviced by the EP MO and papers will be circulated at least three working days in advance of the meeting

The Finance Assurance Board

The Portfolio Board will establish a Finance Assurance sub-Group chaired by the Chamberlain. This Group will be responsible for:

- Supporting effective corporate overview of the Corporation’s most complex/high value projects and interdependencies between them, ensuring they accord with agreed policy priorities, corporate decision making and wider objectives
- Providing constructive challenge and to consider whether project delivery plans represent best value
- Co-ordinating affordability considerations and financial risk considerations, assessing impact on the MTFP and advising on prioritisation in order to ensure financial sustainability
- Recommending issues for deep-dive review by the Corporate Portfolio Board

Sub-Group membership:

This Group is designed to be a small focussed group of key officers as set out below.

Role	Officer	Key responsibilities
Chair	Chamberlain	<ul style="list-style-type: none"> • Chairing meetings including the agenda and ensuring effective communication
Deputy Chair	Financial Services Director	<ul style="list-style-type: none"> • Providing updates on cashflow forecasting
Strategy and Performance Lead	Chief Strategy Officer	<ul style="list-style-type: none"> • Providing advice and challenge around strategic alignment, risk management and progress reporting
Portfolio Management Lead	Project Governance Director	<ul style="list-style-type: none"> • Providing advice and challenge in regards to project governance and operational project management standards
Project Leads	SROs of tier 1 (complex) projects	<ul style="list-style-type: none"> • Providing regular updates on project status and key decisions • Raising project-related issues

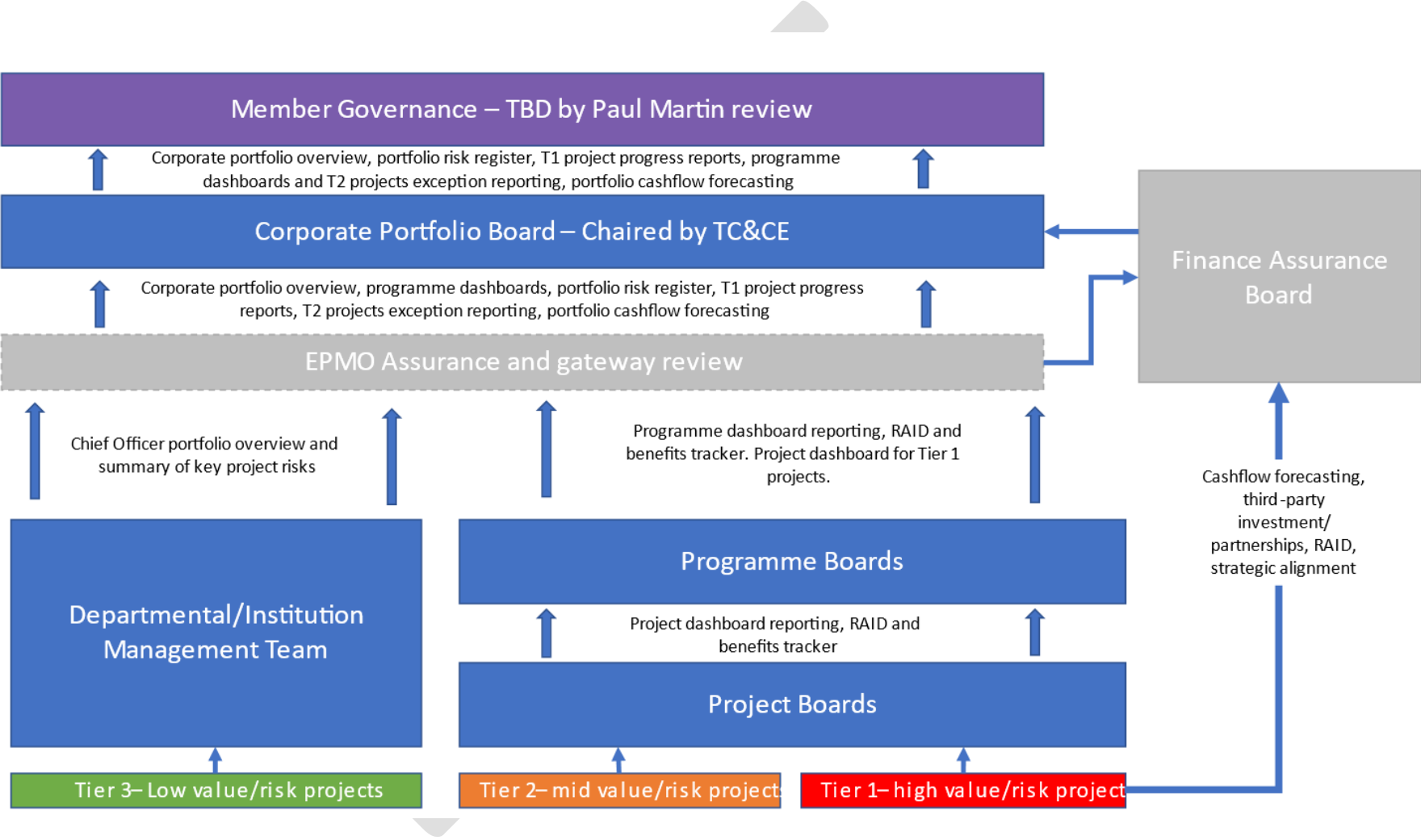
		and risks to the Portfolio Board for resolution
Secretariat	EPMO	<ul style="list-style-type: none"> • Producing portfolio dashboard reports • Servicing the meeting

Meeting arrangements:

- The Assurance Board will meet on a monthly basis in advance of the Portfolio Board meeting
- The meeting will be serviced by the EPMO
- The EPMO will provide portfolio dashboards in advance of the meeting
- The Financial Services Director will provide a monthly update on cash-flow forecasting

Other papers may be requested

Supplementary information – Portfolio Governance map



Supplementary information – SRO agreement document

**The Role of Senior Responsible Owner in
the City of London Corporation’s strategic and
complex projects**



1. Introduction

Strong leadership and clear accountability are key elements of successful project and programme delivery. Confusion about leadership roles has the potential to create risk in terms of strategic project governance, undermine accountability, and so jeopardise the success of the project/project.

This document

- defines the role and responsibilities of a Senior Responsible Owner (SRO) for the City of London Corporation’s strategic and complex projects.
- clarifies the SRO’s relationship with other roles, including what each role is accountable for and how they relate to each other.
- sets out the requirements and points to consider when selecting an SRO.

The material is based on the government guidance *The role of the Senior Responsible Owner*, published on 18th July 2019.

2. What is accountability?



A key principle for project delivery is that all accountabilities and responsibilities are defined, mutually consistent and traceable across all levels of management:

- the **accountable person** is the individual who is ultimately answerable for an activity or decision. This includes ‘yes’ or ‘no’ authority and veto power. Only one accountable person can be held to account. An accountable person has to be accountable to someone for something. Accountability cannot be delegated or shared.
- the **responsible person** is the individual who actually undertakes the task: in other words, they manage the action / implementation. Responsibility can be shared. The degree of responsibility is determined by the individual with the accountability.

3. The role of the Senior Responsible Owner

The Senior Responsible Owner (SRO) is the single officer accountable for the project, ensuring it meets its objectives and realises the expected benefits. SROs of strategic and complex projects are directly accountable to the Sponsoring Committee and will report delivery progress directly to that Committee.

The SRO is the owner of the business case and is accountable for all aspects of governance. The responsibilities of the role include:

- articulating and communicating the vision and business objectives of the project
- ensuring a real business need is being addressed
- assuring ongoing viability, and if necessary taking the decision to recommend stopping the project
- securing the support and input of key external and internal senior stakeholders, including the Project Board
- appointing, chairing and setting priorities for the Project Board
- providing the team with clear leadership, decisions and direction throughout the project's life
- maintaining alignment of the project with the organisation's strategic direction
- ensuring the delivered solution meets the needs of the business
- reporting progress and risks to the sponsoring Committee to ensure effective Member oversight is maintained

3.1 The business case

The Senior Responsible Owner is the owner of the project's business case, is the primary risk owner, and is accountable for ensuring that the project meets its objectives, delivers the required outcomes and realises the required benefits. This not only means monitoring progress on the project, but also the context within which the project will deliver. Sometimes a valid project can become redundant because the reason for its initiation no longer exists or has changed substantially. In this case, the Senior Responsible Owner should consider whether to take the decision to recommend stopping the project.

3.2 Governance and assurance

The Senior Responsible Owner is accountable for ensuring that the project has in place a governance and assurance regime that is effective, proportionate and appropriate. This will enable the project to deliver successfully and allow them to discharge their duties in terms of accountability.

The SRO also chairs the Project Board and is responsible for ensuring the right expertise throughout the life cycle of the project. Whilst the Project Director or project office might recommend how governance is designed for a particular project and put such governance in place, it is the responsibility of the Senior Responsible Owner to ensure that it is effective, proportionate and appropriate.

The SRO ensures the project reports to the sponsoring Committee in a timely fashion.

3.3 Delivery of objectives, outcomes and benefits

The Senior Responsible Owner needs to ensure that the Project Director has defined a project's management and working practices so that they lead to the planned outcomes. In addition, the SRO will need to ensure that project risk is managed throughout the lifecycle by invoking appropriate stage gates, assurance reviews and decision points.

Finally, the Senior Responsible Owner is responsible for ensuring successful transition to live service or operations. This includes delivery of the agreed outcomes and benefits, or ensuring that accountability is transferred to appropriate business ownership, for example through the relevant Chief Officer, to ensure that benefits are realised after the project has closed.

3.4 The SRO's relationship with the Project Director

The Senior Responsible Owner's relationship with the project delivery team is through the Project Director, who is normally appointed by the Senior Responsible Owner. The Project Director is accountable to the Senior Responsible Owner for driving the delivery of the project outcomes within agreed time, cost and quality constraints. The Project Director is responsible for all day-to-day decisions.

The duties of the Project Director include ensuring that:

- the project is appropriately resourced and organised
- the budget requirements are defined and managed within agreed limits
- risks and issues are identified and managed
- there is effective communication with key stakeholders
- effective project controls are in place
- the project team's activities are lawful and ethical
- accurate and timely reporting is carried out.

A Project Director is likely to have several Project Leads or Managers reporting to them, with each being accountable to the Project Director for the day to day management of the project or project assigned to them. The Project Director remains accountable for:

- ensuring all the responsibilities in the project are adequately assigned and undertaken
- maintaining the reporting and relationship with the Senior Responsible Owner
- project risks and issues; deconflicting dependencies between projects

The key to a successful relationship between a Senior Responsible Owner and a Project Director is understanding each other's role and agreeing how they want to work together: The Senior Responsible Owner steers and champions the project, while the Project Director directs it.

It is important that the Senior Responsible Owner allows the Project Director the freedom to manage the project within agreed tolerances while also providing appropriate challenge and support.

The comparison of the roles of the Senior Responsible Owner and Project Director (see Table I) sets out the accountabilities of the Senior Responsible Owner role alongside those typical of the Project Director. This covers the core requirements common across all projects and should be considered a minimum.

4. Appointing the SRO

Accountabilities should be assigned on all new projects from an early stage and shall be formalised before the initial investment approval is sought. This process starts with the appointment of the SRO.

Ideally, the Senior Responsible Owner is someone who holds a leadership position with has control or influence over that business area or operating environment into which the project's benefits and outcomes will be delivered. Sometimes it will be necessary to create a new leadership role for an incoming SRO. In this case, it is important to consider the relationship of the role with the wider business area or operating environment.

The decision to appoint an SRO to a new project, or to an existing project following the departure of a previous SRO, should be given careful consideration. Decisions on appointments will be made following CoLC Recruitment procedures.

4.1 Selecting an SRO: things to consider

Having the right leadership is a critical factor in the successful delivery of a project, and the choice of SRO therefore needs careful consideration. When deciding who should be the SRO for a project, particular consideration should be given to the following factors:

- **Position:** The SRO will normally hold a leadership position within the permanent organisation and will have control or influence over the business area or resources into which the project outcomes will be delivered.
- **Capacity:** The SRO must have the necessary time to carry out their responsibilities, taking account of any other responsibilities and commitments they may have.
- **Tenure:** The SRO needs to be able to commit to leading the project through to completion or to an appropriate milestone.
- **Knowledge, skills and experience:** The SRO may need particular subject matter knowledge (for example in a particular sector or policy domain), or professional skills, depending on the nature of the project. SROs are also expected to have prior experience of project/project delivery and to have completed, or to complete, appropriate development.
- **Personal attributes:** The SRO's key attributes, as defined in Managing Successful Programmes, are to:
 - have appropriate the experience for the responsibilities and accountabilities the role involves
 - be proactive and visible as the driving force behind the project
 - demonstrate strong leadership and decision-making skills
 - foster collaboration across the City of London Corporation to further project outcomes
 - combine realism with openness and the clarity of expression to communicate the project's vision effectively
 - be able to give purpose and direction to the project and take strategic decisions

- focus on delivery of the benefits and achievement of the end goal
- build productive relationships across the project team
- have access to and credibility with key stakeholders

When choosing an SRO, diversity and inclusion, and fair and open competition, should be given full consideration, both in terms of the design of the role and the process through which it is filled.

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Table I: Comparison of the roles of the Senior Responsible Owner and Project Director

	Senior Responsible Owner (SRO)	Project Director
What is the purpose of this role?	The Senior Responsible Owner is accountable for a project meeting its objectives, delivering the required outcomes and realising the required benefits. The Senior Responsible Owner of a CoLC complex project is accountable to Committee Members. The Senior Responsible Owner steers and champions the project.	The Project Director is accountable to the Senior Responsible Owner for establishing the governance framework and for the day-to-day management of a project to deliver the desired outcomes and outputs and realise the required benefits. They are responsible for driving the delivery of the project and overseeing it to ensure that the objectives are clearly defined and achieved within the agreed time, cost and quality constraints. The Project Director directs the project.
Typical profile	Should ideally hold a leadership position within the organisation and have control or influence over the business area or resources into which the project outcomes will be delivered.	Should be a project/project delivery professional with relevant knowledge and experience of the type and complexity of project to be delivered. Will have proven project leadership capabilities.
Accountabilities of the role		
Leadership	Provides overall leadership, decisions and direction.	Leads and manages the project and the project team on a day to day basis.
Design	Owens the overall design of the project and the temporary organisation needed to deliver it.	Establishes the temporary organisation in line with the agreed design.
Delivery	Delivers the project objectives and projected outcomes, and realisation of the benefits set out in the business case.	Creates and leads the project to deliver the agreed outcomes within time, cost and quality constraints.
Project Management	Provides strategic guidance to the Project Director and sets key strategic delivery parameters.	Provides effective leadership and management controls. Sets project controls and 'stop / go' decision points. Designs the project structure and organisation appropriate to the stage of the project. Sets appropriate delivery methodologies. Manages effective transition between project phases.

Business Case	Owns the business case, ensures and assures ongoing viability. Must refer any significant concerns about feasibility, value for money, regularity or propriety to the relevant Committee. Must obtain approval from the Court of Common Council.	Develops the business case and supports the SRO in delivering the business case objectives.
Budget	Secures budget against the business case throughout the life of the project.	Develops the budget and delivery within budget.
Resources	Appoints the Project Director, agrees the responsibilities and authority of the role and secures other resources necessary to deliver the project.	Identifies skill requirements for all stages of the project. Recruits resources within budget constraints and effectively deploys them. Builds the project team; delegates roles and responsibilities, develops capability and fosters innovation.
Stakeholder Management	Influences and manages the environment into which the project outcomes will be delivered, including relationships with key stakeholders, business owners and impacted parties.	Ensures stakeholder interests are identified and addressed. Manages stakeholder communications and ensures buy-in. Forms collaborative relationships with key stakeholders both internally and externally. Works collaboratively with the Senior Responsible Owner to jointly manage senior stakeholders.
Risks & Issues	Manages strategic risks in the operating environment.	Manages risks and issues and escalates to the Senior Responsible Owner where appropriate.
Governance	Ensures appropriate project governance is in place and chairs the Project Board.	Provides all reporting as required by the Senior Responsible Owner. Establishes and manages quality assurance and change control.
Assurance	Ensures appropriate assurance and agrees the level and frequency of assurance reviews.	Engages on assurance activities and reviews, and acts on recommendations.
Change Management	Ensures the strategic direction of the project remains aligned with any changes in political or business priorities.	Ensures effective change control is in place to agree and document changes to project scope and deliverables as agreed with the Senior Responsible Owner and other stakeholders.
Guidance & Support	Available to the Project Director to coach, advise, provide strategic direction, assist with conflict resolution and make timely decisions.	Provides support, guidance and coaching for the project team. Promotes effective individual and team performance.

<p>Project Planning & Control</p>	<p>Agrees and owns the project vision and success criteria with the Project Director.</p>	<p>Develops and agrees the vision and measurable success criteria with the Senior Responsible Owner. Develops and maintains the project plan and integrates with other inter-dependent projects/projects. Monitors and controls progress and performance, and reports regularly to the Senior Responsible Owner. Ensures appropriate standards, good practice and lessons learned are sought and applied. Ensures the outcomes / transition deliverables are well defined and agreed with stakeholders. Manages project closure and sign-off.</p>
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