Policy and Resources Committee

Date:	**THURSDAY, 6 JULY 2023**
Time:	1.45 pm
Venue:	**COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL**

Members:

Deputy Christopher Hayward (Chairman)
Deputy Keith Bottomley (Deputy Chairman)
Tijs Broeke (Vice-Chair)
Caroline Haines (Vice-Chair)
Munsur Ali
Deputy Rehana Ameer
Deputy Randall Anderson (Ex-Officio Member)
Deputy Henry Colthurst (Ex-Officio Member)
Mary Durcan (Ex-Officio Member)
Helen Fentimen
Deputy Marianne Fredericks
Jason Groves
Alderman Timothy Hailes
Deputy Ann Holmes (Chief Comm oner) (Ex-Officio Member)
Deputy Shravan Joshi
Alderman Ian David Luder

The Rt. Hon. The Lord Mayor, Nicholas Lyons (Ex-Officio Member)
Alderman Professor Michael Mainelli
Paul Martinelli
Catherine McGuinness
Deputy Andrien Meyers
Deputy Brian Mooney
Deputy Alastair Moss (Ex-Officio Member)
Benjamin Murphy
Alderman Sir William Russell
Ruby Sayed (Ex-Officio Member)
Tom Sleigh
Deputy Sir Michael Snyder
Deputy James Thomson
James Tumbridge
Deputy Philip Woodhouse

Enquiries: **Polly Dunn**
polly.dunn@cityoflondon.gov.uk

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Whilst we endeavour to livestream all of our public meetings, this is not always possible due to technical difficulties. In these instances, if possible, a recording will be uploaded following the end of the meeting.

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.

Part 1 - Public Agenda

1. **APOLOGIES**

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

3. **MINUTES**

    a) To agree the public minutes of the Policy and Resources Committee meeting on 8 June 2023

    For Decision
    (Pages 7 - 14)

    b) * To note the public minutes of the Capital Buildings Board meeting on 20 April 2023

    For Information

    c) * To note the draft public minutes of the Capital Buildings Board meeting on 10 May 2023

    For Information

4. **MEMBER DEVELOPMENT AND STANDARDS SUB-COMMITTEE**
    Town Clerk to be heard.

    For Decision

5. **PROJECT GOVERNANCE REVIEW**

    a) **Independent review of Project-related Member Governance**
        Report of the Town Clerk and Chief Executive.

    For Decision
    (Pages 15 - 62)

    b) **Project Governance Review - key findings and proposals for new approach**
        Report of the Chief Operating Officer.

    For Decision
    (Pages 63 - 192)

6. **NOMINATING SUBSTITUTE MEMBERS FOR OUTSIDE BODIES ON WHICH THE CHAIR SERVES (DELEGATIONS FROM THE POLICY CHAIRMAN)**
    Report of the Deputy Town Clerk.

    For Decision
    (Pages 193 - 196)

7. **ALLOCATING SAFER CITY PARTNERSHIP PROCEEDS OF CRIME ACT FUNDING**
    Report of the Executive Director of Community and Children's Services.

    For Decision
    (Pages 197 - 200)

8. **PROMOTION OF THE CONSIDERATE LIGHTING CHARTER**
    Report of Executive Director Environment.

    For Decision
    (Pages 201 - 206)

9. **APPROACH TO THE NEXT CORPORATE PLAN**
    Report of the Chief Strategy Officer.

    For Decision
    (Pages 207 - 224)

10. *** TARGET OPERATING MODEL - FINAL REPORT**
    Report of the Chief Operating Officer.

    For Information

11. *** POLICY LEADS QUARTERLY REPORT OF ACTIVITIES**
    Report of the Deputy Town Clerk.

    For Information

12. *** POLICY AND RESOURCES CONTINGENCY / DISCRETIONARY FUNDS**
    Report of the Chamberlain.

    For Information

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

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

15.   **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 items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

Part 2 - Non-Public Agenda

16.   **NON-PUBLIC MINUTES**

a)   * To note the non-public minutes of the Capital Buildings Board meeting on 20 April 2023

For Information

b)   * To note the draft non-public minutes of the Capital Buildings Board meeting on 10 May 2023

For Information

c)   To consider the non-public minutes of the informal meeting of Members of Resource Allocation Sub-Committee on Thursday 22 June and Friday 23 June 2023

For Decision
(Pages 225 - 234)

17.   **PROPOSAL TO TRANSFER THE BARKING REACH SITE FROM BARKING POWER LIMITED TO CITY OF LONDON CORPORATION**
Report of the Chamberlain.

For Decision
(Pages 235 - 244)

18.   **BASTION HOUSE/MUSEUM OF LONDON SITE - 140-150 LONDON WALL - STRIP OUT WORKS AND APPLICATION FOR NEW CERTIFICATE OF IMMUNITY FROM LISTING (CITY FUND)**
Report of the City Surveyor.

For Decision
(Pages 245 - 250)

19.   **ST LAWRENCE JEWRY CHURCH - EXTENSION TO MEMORANDUM OF UNDERSTANDING**
Report of the City Surveyor.

For Decision
(Pages 251 - 272)

20.   *** FINANCE FOR GROWTH: A ROADMAP**
        Report of the Executive Director of Innovation and Growth.

                                                            For Information

21.   *** MAJOR PROJECTS - HIGH LEVEL FORECASTS AND CASH FLOW**
        Join report of the Chamberlain and Chief Operating Officer.

                                                            For Information

22.   *** DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY
        POWERS.**
        Report of the Deputy Town Clerk.

                                                            For Information

23.   **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

24.   **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND
        WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE
        PUBLIC ARE EXCLUDED.**

POLICY AND RESOURCES COMMITTEE
Thursday, 8 June 2023

Minutes of the meeting of the Policy and Resources Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 8 June 2023 at 1.45 pm

Present

Members:
Deputy Keith Bottomley (Chairman)
Tijs Broeke (Vice-Chair)
Caroline Haines (Vice-Chair)
Deputy Rehana Ameer
Deputy Randall Anderson (Ex-Officio Member)
Deputy Henry Colthurst (Ex-Officio Member)
Mary Durcan (Ex-Officio Member)
Helen Fentimen
Deputy Marianne Fredericks
Jason Groves
Alderman Timothy Hailes
Deputy Ann Holmes (Chief Commoner) (Ex-Officio Member)
Deputy Shravan Joshi
Alderman Ian David Luder
Catherine McGuinness
Deputy Brian Mooney
Alderman Sir William Russell
Ruby Sayed (Ex-Officio Member)
Tom Sleigh
Deputy James Thomson
Deputy Philip Woodhouse

In Attendance (observing online)
James Tumbridge
Benjamin Murphy

Officers:

Ian Thomas	-	Town Clerk and Chief Executive
Bob Roberts	-	Deputy Town Clerk
Gregory Moore	-	Assistant Town Clerk and Executive Director, Governance and Member Services
Jen Beckermann	-	Executive Director and Private Secretary to the Chairman of Policy and Resources Committee
Polly Dunn, Clerk	-	Town Clerk's Department
Sam Hutchings	-	Town Clerk's Department
Philip Saunders	-	Town Clerk's Department
Kristy Sandino	-	Town Clerk's Department
Benjamin Dixon	-	Town Clerk's Department

Alex Homans	-	Town Clerk's Department
David Mendoza Wolfson	-	Town Clerk's Department
Chris Rumbles	-	Town Clerk's Department
Michael Cogher	-	Comptroller and City Solicitor and Deputy Chief Executive
Paul Wilkinson	-	City Surveyor
Caroline Al-Beyerty	-	The Chamberlain
Sonia Virdee	-	Chamberlain's Department
Damian Nussbaum	-	Executive Director of Innovation & Growth
Paul Wright	-	Deputy Remembrancer
Emma Moore	-	Chief Operating Officer
Genine Whitehorn	-	Chief Operating Officer's Department
Lisa Moore	-	Chief Operating Officer's Department
Dionne Corradine	-	Chief Strategy Officer

1. **APOLOGIES**
   Apologies were received from The Rt Hon The Lord Mayor Nicholas Lyons, Alderman Professor Michael Mainelli, Deputy Andrien Meyers, Paul Martinelli and Deputy Christopher Hayward.

2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
   There were none.

3. **MINUTES**

   a) The public minutes of the Policy and Resources Committee meeting on 11 May 2023 were approved as an accurate record, with the addition of Deputy James Thomson in the list of apologies.

   Matter Arising

   Crime and Disorder Scrutiny Committee Appointments
   RESOLVED: That Tijs Broeke and Caroline Haines be appointed to Crime and Disorder Scrutiny Committee as Policy and Resources Committee's nominated representatives.

   b) The public minutes of the inquorate meeting of the Equality Diversity and Inclusion Sub-Committee on 7 March 2023 were noted.
   c) The public minutes of the Resource Allocation Sub-Committee meeting on Wednesday 8 March 2023 were noted.
   d) The draft public minutes of the Operational Property and Projects Sub-Committee meeting on 17 April 2023 were noted.

4. **WARDMOTE RESOLUTION**
   The Committee considered a Wardmote Resolution from the Ward of Farringdon Without seeking assurances on implementation of a new governance structure

in order to efficiently deliver the full Museum of London scheme in the Ward by 2028.

The City Surveyor referred to the independent review of projects that was due to be reported to the next Policy and Resources Committee meeting on 6th July 2023 and would allow Members an opportunity to consider the issue further. With regards to immediacy of any future further drawdowns of funding on the Museum of London Project, there had been agreement at the last tripartite meeting between the Museum of London, Greater London Authority and City Corporation of a mechanism to deal with future drawdowns through Capital Buildings Board, with one final payment due in Q1 2024.

A Member added that in responding the Ward, it should be stressed that the Museum of London Relocation project was being led by the New Museum Board. The City Corporation, as a principal funder of the project can give assurances in terms of making its funding payments but cannot give assurances on areas not under its control.

The Chairman suggested Members await the governance review of projects report coming to the next meeting, its recommendations and move forward from there.

RESOLVED: That Members: -

- Note the Wardmote Resolution from the Ward of Farringdon Without;
- Agreed to receive the independent review of project governance report and consider its recommendations before issuing a formal response to the Ward.

5. **FUNDING FOR LIVERY COMMITTEE WEBSITE**
The Committee considered a report of the Deputy Town Clerk seeking approval of Policy Initiatives Funding in support a Livery Committee website.

A Member, also Chairman of Finance Committee suggested certain conditions should be included with any approval of funding in looking to ensure the website was fit for purpose, how it would benefit the wider Livery and City and also setting out a strategy towards making the website self-sustaining.   A report was requested back in one year detailing what had been completed, what the benefits were proving to be and what was going to be done moving forward.

Diversity was referenced, with a website considered to be an effective way of reaching different communities and allowing people an opportunity to research and gain knowledge of the Livery through information being accessible in one place. It was questioned why the website would need to become self-funding given Common Hall was a constituted executive body of the City Corporation.

The Deputy Town Clerk confirmed funding was needed to update the content and content management system, manage daily backups and ensure the site remained secure. The Deputy Town Clerk confirmed he would be happy to report back in a year updating on the latest position.

REOLVED: That Members: -

- Approved an award of £20,000 per annum, charged to the Policy Initiatives Fund, be made for a three-year period (financial years 2024/5-2026/27) to pay for the administration of the Livery Committee website;
- Agreed to a review taking place in one year and being reported to Policy and Resources Committee.

6. **SOCIO-ECONOMIC DIVERSITY TASKFORCE**
The Committee considered a report of the Executive Director of Innovation and Growth updating on a work of a Socio-Economic Taskforce and seeking approval to the City Corporation renewing its status as one of Progress Together's Founding Partners.

A Member questioned whether it would be possible to extend this work into healthcare, with the sector needing to find more staff over the next five years and there being a number of issues that would be relevant. The Director responded and suggested the approach could work in other areas, including healthcare, and that he would be happy to talk to colleagues in other areas interested in spearheading this type of approach to share knowledge.

A Member questioned the Membership of the Progress Together Board, with the Director agreeing to circulate this information following the meeting.

RESOLVED: That Members: -

- Agreed to renew the City of London Corporation's status as one of Progress Together's Founding Partners for a further two years with £52,500 of additional support from Section 106 (S.106) funds in 2023/2024, and a maximum of £75,000 in 2024/2025. Any contribution will again come from Section 106 planning contributions, agreed by the committee and ringfenced for skills. We are not seeking additional resources outside of these available funds. This would ensure our commitment matches the commitment from the other 11 Founding Partners such as Fidelity, Man Group and Santander.
- Agreed to delegated authority being granted to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to agree the sum to be released, to agree the exact nature of support for Progress Together and to implement the agreed support measures (subject to the measures being within the Terms of Reference of Policy and Resources Committee and within the agreed sum).

7. **SUPPLIER DIVERSITY SPONSORSHIP**
The Committee considered a report of the Chief Operating Officer seeking approval of additional funding towards 'Options to Promote Supplier Diversity'.

There was a suggestion that the City Corporation should consider convening a Chief Procurement Officers Group in the City to drive supplier diversity. A concern was raised regarding the use of Policy Initiatives Fund to prop up a regular budgetary item rather than through using Local Risk Budget.

Alderman Ian Luder remarked on how he considered there to be a missing option and moved an amendment to the recommendation, seconded by Henry Colthurst, as follows:

'To approve an <u>additional</u> allocation of £34,000 ~~for £44,000~~ from the 2023/24 Policy Initiatives Fund to 'Options to Promote Supplier Diversity' <u>for regular membership plus the additional spend items indicated in paragraph 11</u>.'

A debate on the proposed amendment followed, with clarity sought on how previously approved funds had been utilised. Clarity was also sought and provided on the difference between chartered and regular membership, with Members noting that it was down to optics and offering greater access.

The Chief Operating Officer clarified that previous funding had gone towards membership of MSDUK along with a programme of activity to support delivery of supplier diversity, with efforts remaining ongoing against work in this area.   It was now about taking it up to the next phase of Membership alongside activity, with the City Corporation wanting to take action and lead in this space and look to encourage other organisations to sign up. MSDUK was a body representing ethnic minority businesses that offered a database of potential suppliers with which the City Corporation could do business.   It was about getting people into the supply chain and making a difference.

The Chairman concluded the debate and moved to a vote on the proposed amendment.   A vote followed, with three Members voting in in support of the amendment, a majority of Members voting against it and there being no abstentions. As such, the amendment was not carried.

RESOLVED: That Members: -

- Approved an additional £44,000 from the 2023/24 Policy Initiative Fund to 'Options to Promote Supplier Diversity'.

Deputy Henry Colthurst registered his voted against the recommendation.

At the conclusion of the item, it was proposed that the ongoing use of Policy Initiatives Fund should be reviewed, with the Chamberlain confirming that this would be wrapped up as part of budget setting with Resource Allocation Sub-Committee Awayday due to discuss the City Corporation's political priorities moving forward.

8. **GLOBAL CITY OF SPORT - A NEW SPORT STRATEGY FOR THE SQUARE MILE (2023-2030)**
The Committee considered a report of the Deputy Town Clerk setting out work that had taken place to respond to Member requests to prioritise sport and develop a strategy to guide this work over the medium term.

Members welcomed the report. There was recognition of the importance sport has on health and wellbeing. It was stressed how all options should be explored when considering potential sports centres, including use of existing venues and

facilities, working with partners and neighbouring boroughs. Golden Lane Leisure Centre was highlighted as being important to local residents and it being possible to turn this site round very quickly. Members noted that any future plans for Golden Lane Leisure Centre would be a decision for Members.

There was a concern raised regarding use of Policy Initiatives Fund to support a strategy over multiple years, with no conditions being included. However it was acknowledged that the Communications & Corporate Affairs Sub Committee would monitor the progress of the strategy and ensure the funding was being used appropriately.

The importance of engaging with businesses in the Square Mile was highlighted, with a number of businesses working in support of sport. It was also suggested that reference to what the City Corporation does outside of the Square Mile in support of sport should be promoted, with the Chairman agreeing on the importance of this point.

The Chairman concluded the discussion and stressed how a Sport Strategy was needed to offer strategic direction, with it being important to continue working on a vision for the Square Mile and with points raised by Members being picked up during its delivery and it remaining a live discussion. The Chairman proposed that Members support three years of funding today as proposed, whilst noting that future funding sources and where money comes from moving forward on sport would need to be considered by the Chamberlain. The Policy Initiatives Fund is intended to support areas that require temporary funding for initiatives of deemed corporately important.

RESOLVED: That Members: -

- Endorsed the new Sport Strategy for the Square Mile – Global City of Sport 2023-2030; and

- Agreed an allocation from the Policy Initiatives Fund of £175,000 each year for 3 years from 2023/24 to 2025/26 to cover costs of delivering Phase 1 of the sport strategy, to be categorised as 'Sport Strategy' and charged to City's Cash.

9. **INNOVATION AND GROWTH (IG) PERFORMANCE (FPS)**
The Committee received a report summarising the performance of the Innovation and Growth Department's (IG) Financial and Professional Services (FPS) related activity across the 2022/2023 financial year. The Chairman confirmed that notice of a question had been received from Deputy Henry Colthurst as follows:

How does Innovation and Growth view its responsibilities vis a vis increasing footfall in the Square Mile. Also whether an annual review covering all City Corporation strategies could be produced setting out how they had progressed, where they were going and bringing these all together and allowing them to be reviewed on an holistic basis to ensure the end result was the most effective.

The Director of Innovation and Growth responded and stressed that Destination City was about driving up footfall and spend in the City, with update reports to follow providing an update on this.

There was a question raised regarding Policy Initiatives Fund and whether an update of all funding allocated and outcomes achieved could be provided, to which the Chamberlain responded confirming an annual return on Policy Initiatives Fund was already part of reporting to Policy and Resources Committee and with this due to come through as soon resources within the team would allow it.   In terms of linking strategies, the annual Policy Initiatives Fund update report could provide a link to core objectives and corporate outcomes that were being met.

The Chairman added how he had been a personal advocate of an annual report detailing what was being delivered against the Corporate Plan, the impact and what was being achieved.

The Chairman concluded the item confirming the Committee were looking for thoughtful and measured reflections from the Chamberlain in responding to the challenge of Members today on the number of bids coming through against the Policy Initiatives Fund.

RESOLVED: That the report be received, and its content noted.

10. **REGULATION OF INVESTIGATORY POWERS (RIPA) ACT 2000 UPDATE REPORT**
The Committee received a report of the Comptroller and City Solicitor and Deputy Chief Executive providing an update on use of Regulation of Investigatory Powers Act 2000.

RESOLVED: That the report be received, and its content noted.

11. **POLICY AND RESOURCES CONTINGENCY / DISCRETIONARY FUNDS**
The Committee received a report of the Chamberlain providing a schedule of projects and activities which have received funding from the Policy Initiatives Fund, the Policy and Resources Committee's Contingency Fund and Committee's Project Reserves for 2023/24 and future years with details of expenditure in 2023/23.

RESOLVED: That the report be received, and its content noted.

12. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
A question was raised as follows:

Financial Services and Markets Bill – Jason Groves questioned what progress had been made on the City Corporation's submission relating to the Financial Services and Markets Bill.

The Chairman responded confirming that the City Corporation intends to provide a response to HM Treasury's call for proposals with drafting of the

submission underway. The deadline being 4 July. We already have a rich source of metrics through our benchmarking study and State of the Sector report and would be drawing on these to inform the submission.

Overall, our submission would argue that for the regulators to drive growth and competitiveness they need to improve performance on a) regulatory activity b) sustainable finance c) tech and innovation d) open and global. The metrics should flow from that.

Officers welcome feedback from Members. Officers were also engaging with trade associations so that we reflect the industry view.

13. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There were no additional items of business.

14. **EXCLUSION OF THE PUBLIC**
RESOLVED: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

15. **NON-PUBLIC MINUTES**

a) The non-public minutes of the Policy and Resources Committee meeting on 11 May 2023 were approved as an accurate record.
b) The non-public minutes of the inquorate meeting of the Equality Diversity and Inclusion Sub-Committee on 7 March 2023 were noted.
c) The non-public minutes of the Resource Allocation Sub-Committee meeting on Wednesday 8 March 2023 were noted.
d) The draft non-public minutes of the Operational Property and Projects Sub-Committee meeting held on 17 April 2023 were noted.

16. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were none.

17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED.**
There were no additional items of business.

The meeting ended at 3.20pm

Chairman

Contact Officer: Polly Dunn
polly.dunn**@cityoflondon.gov.uk**

Committee(s): Policy and Resources Committee	Dated: 06/07/23
Subject: Independent review of Project-related Member Governance	**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?	**£n/a**
What is the source of Funding?	**N/A**
Has this Funding Source been agreed with the Chamberlain's Department?	**N/A**
Report of: Town Clerk and Chief Executive	**For Decision**
Report author: Genine Whitehorne, Commercial Director and acting Project Governance Director, Operations	

Summary

The Project Governance review was commissioned by the Operational Property and Projects sub-Committee and approved by the Policy and Resources Committee in October 2022. The review aimed to assess existing governance arrangements and to recommend a future approach that would support an effective and proportionate governance and assurance framework for the delivery of projects across the Corporation and the institutions. In March 2023, the Policy and Resources Committee amended the scope of the review to include an independent assessment of existing Member governance (i.e. committee structures).

Paul Martin, a former London borough Chief Executive, was commissioned to undertake an independent review of current arrangements. His findings and recommendations have been provided as Appendix 1 of this report. It is important that the findings and recommendations are understood within the context of a challenging public sector environment and increased scrutiny of investment and governance arrangements.

The much publicised financial difficulties experienced by numerous local authorities across the country has given rise to increased scrutiny of organisational effectiveness and the occurrence of Public Interest Reports (PIRs). These PIRs have consistently identified shortcomings in corporate governance as a direct contributor to a lack of effective investment management in the authorities in subject. Central Government are moving forward at pace with the establishment of the new Office for Local Government (OFLOG) which will act as an independent body collating and reporting data on local government performance. It is imperative in this context, that the Corporation exemplifies clear and decisive decision making. Whilst in previous years the opportunity to defer decision making may have been appropriate in order to manage political tensions, the time for action is now. The

Corporation must withstand external scrutiny and challenge as to whether it has been capable of addressing identified issues no matter how complex.

The officer proposals for a new approach to project governance are subject to a separate report on this Committee's agenda. It is important that the relationship and interdependencies of the approaches set out in the two reports are understood.

Recommendation(s)

Members are asked to:

- Note the findings of independent review into project-related member governance set out in Appendix 1.

- Approve the following recommendations:
  1. Service committees are recognised as the sponsoring body for projects and responsible for taking decisions about the delivery of individual projects with the exception of capital projects over £100m
  2. The existing capital projects over £100m will remain the remit of the Capital Buildings Board supported by any sub-Group it may establish
  3. The Museum of London new museum project is not a Corporation project and as such oversight remains with the New Museum Board and any funding issues managed through the tri-partite meetings
  4. Future capital projects over £100m will be assessed on an individual basis to agree the appropriate governance
  5. Changes to the terms of reference for Operational, Property and Projects sub-Committee (OPPSC) as set out in sub-Appendix A to establish it as the oversight body for the new portfolio management approach
  6. Reporting line for OPPSC should be to a single grand committee namely, the Finance Committee, and subsequent changes to the to the terms of reference for P&R as set out in sub-Appendix B
  7. Changes to the CBB terms of reference as set out in sub-Appendix C
  8. The dissolution of the Markets Board and the transfer of its responsibilities to the Port Health and Environmental Services Committee (PHESC) and the subsequent changes to the PHESC terms of reference as set out in sub-Appendix D
  9. The continuation of the Barking Reach Group with an amendment to its terms of reference to include two members with relevant experience and expertise, from recent time served on the Markets Board, elected by the Court of Common Council

Main Report

Background

Paul Martin undertook his independent review between April and June 2023. Mr Martin met with 28 Members in total either in 121s or as part of group engagement

sessions. The progress of his work was overseen by a Member Steering group consisting of:

- Chairman, Policy & Resources Committee
- Chairman, Finance Committee
- Chairman, Corporate Services Committee
- Chairman, General Purposes Committee of Alderman

The purpose of the Steering Group was:

- To oversee the activity of the expert advisor
- To ensure the review delivers the objectives agreed by P&R
- To facilitate engagement with all Members of the Court of Common Council who would like to participate in the review

This Group had no influence over the findings or recommendations set out in Appendix 1.

Current Position

The findings of the independent review are set out in Appendix 1. This includes recommendations directly related to the scope of this review as well as several extraneous issues that emerged during the review and that Members may want to consider in wider discussions regarding the workings of the Corporation.

Corporate & Strategic Implications

Financial implications - there are no immediate financial implications as a result of the proposals set out in this paper.

Resource implications - there are no immediate resource implications as a result of the proposals set out in this paper.

Legal implications - there are no immediate legal implications as a result of the proposals set out in this paper.

Risk implications – the independent reviewer has identified a number of significant risks related to the Corporation's current approach to project governance. The proposals set out in Appendix 1 aim to address these risks specifically in regard to ensuring assurance regarding the financial affordability of projects and managing any potential conflicts of interest as a result of current structures.

Equalities implications – there are no immediate equalities implications as a result of the proposals set out in this paper.

Climate implications - there are no immediate climate implications as a result of the proposals set out in this paper.

Security implications - there are no immediate security implications as a result of the proposals set out in this paper.

Conclusion

The Corporation has an ambitious agenda that has the potential to contribute economic, societal and sustainability benefits across the Capital (and beyond). Effective governance that enables successful project delivery will be crucial to realising these benefits. The findings of the independent review are presented to Members for consideration.

Appendices

1. Findings and recommendations of the independent review into project-related member governance including the following sub-appendices:
    a. Proposed amendments to the Operational Property and Projects sub-Committee terms of reference
    b. Proposed amendments to the Policy & Resources Committee terms of reference
    c. Proposed amendments to the Capital Buildings Board terms of reference
    d. Proposed amendments to the Port Health and Environment Committee terms of reference
2. Terms of reference of the Project Governance review
3. Paul Martin biography

Genine Whitehorne
Commercial Director and acting Project Governance Director

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MEMBER GOVERNANCE OF PROJECTS

1 Terms of reference, timeline, process, thanks

1.1 The City of London Corporation (CoLC) commissioned me on 29th March 2023 to undertake an independent review of the political governance of project management. This commission followed an earlier review of project governance which was undertaken by the consultancy Red Quadrant and was complete prior to my commission. The Red Quadrant review dealt with the governance of projects by officers, but its terms of reference did not include the implications of change for political oversight and decision-making, nor the thresholds which should apply to project reporting to members. My report should therefore be read alongside the outcome of this earlier review.

1.2 The terms of reference for my work were agreed by the Policy & Resources Committee at its meeting on 23rd March 2023 as follows:

"Review of Member Governance including (but not limited to) Capital Buildings Board, Operational Property and Projects Sub-Committee, Markets Board and any other associated Committee; develop proposals for improvements to Member governance to support the development of a portfolio management approach; that Member focus is on strategic oversight and direction of projects; and that Members can fulfil their democratic responsibilities in relation to value for money, governance and delivery; to consider the Member governance position service committees should hold vs. cross-cutting committees for projects".

1.3 My review incorporates consideration of the comprehensive range of projects and programmes within what is proposed to be a unified portfolio. Of course, I have paid particular regard to the major projects already underway that are overseen by the Capital Buildings Board as well as the likely future pipeline of projects, including the redevelopment of the Barbican Centre.

1.4 In terms of methodology, I have read and reviewed numerous CoLC reports and minutes, viewed committee meetings on the CoLC YouTube channel, and met members and officers at the Guildhall both in group discussions and 1/1 meetings during the week commencing 15th May 2023. The Chairman of the Policy & Resources Committee wrote to all members to explain this process and there followed a letter from the Town Clerk & Chief Executive to all members to invite those interested to meet me if they wished. I have met with 28 members in total. I have been able to meet with every member who requested to do so. Occasionally, I have heard potentially important observations which fall outside the terms of reference for my review but may still be worth capturing without recommendations so that they are not lost and members can return to them in the future if necessary. I have

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therefore included these extraneous observations towards the end of this report.

1.5 I would like to place on record my thanks to the many officers and members with whom I have met, who have been welcoming and generous with their time and insights.

2 Professional background and declaration of interests

2.1 Between 1998 and 2022, I have worked as a Chief Executive of major local authorities, always unitary/all-purpose councils, including Peterborough City Council, the London Borough of Sutton, the London Borough of Wandsworth, the London Borough of Richmond-upon-Thames and (in recent years as an Interim Chief Executive) at the Government of Jersey and the London Borough of Ealing. I have also worked as a senior civil servant in the (then) Office of the Deputy Prime Minister as Regional Director (Government Office for the South East). In terms of major projects and regeneration, between 2010 and 2021 as Chief Executive of the London Borough of Wandsworth, I worked on the regeneration of Nine Elms including the reactivation of Battersea Power Station, the redevelopment of the New Covent Garden Market and the Tax Increment Financing of the Northern Line Extension.

2.2 Moving on to my limited interests in the City of London Corporation, as a member of the Central London Partnership over the period 2010/2021 I have worked with the two immediate predecessor chairs of the Policy & Resources Committee. My wife worked for the City of London's planning department between 2017 and 2019. Finally, I have known the Clerk & Chief Executive since 2019 as a neighbouring south London Chief Executive when he worked at the Royal Borough of Kingston-upon-Thames while I was Chief Executive at the London Boroughs of Wandsworth and Richmond-upon-Thames.

3 Recent drivers for governance change at the City of London Corporation

3.1 The City of London Corporation is unique in its history dating back to the Norman Conquest, and this continues into the present day with a role and range of responsibilities that includes the functions of a local authority but extends well beyond these to incorporate wider business and charitable activities. Overlaid upon this impressive heritage, the CoLC has a clear track record of thoughtfully reviewing its ways of working to ensure it reflects contemporary expectations in governance, outlook and social responsibility. During my review, I heard that a proactive approach to reassessing organisational context - identifying risk and repositioning the Corporation - was successfully adopted 25 years ago as the new Government elected in 1997 reviewed the structures of local government and London local government in particular.

3.2　This approach of methodical and careful review has continued in recent years. A 2011 internal governance review (upon which I draw in this report) was followed by a 2019 commissioned review of Lord Lisvane, which included in its terms of reference:

"to review the governance arrangements of the organisation by undertaking a comprehensive examination of the City Corporation's Code of Corporate Governance, to ensure that the arrangements are efficient, fair, transparent and accountable".

3.3　Lord Lisvane reported in September 2020, and I have had a close regard to his report and recommendations in my own much narrower. His recommendations have in part been implemented – for example, in a reduction in, and simplification of, the number of committees. In part, though, they have not been implemented - for example, Lord Lisvane recommended the abolition of two committees named in my terms of reference, the Markets Board and the Capital Buildings Board and their incorporation into a wider Property Committee. The reasons for unimplemented recommendations may be that on some issues members were ultimately unconvinced of the case for change, potentially heightened by the unpropitious context of the pandemic. Change management is much more difficult in the absence of physical presence. Sensibly, the very recent Light Touch Governance Review (LTGR) has sustained a focus on his recommendations, for example leading to the recent decision to merge the Property Investment Board and Financial Investment Board amongst other decisions. The LTGR considered several potential changes that are relevant to my review, including a single reporting line for the Operational Property & Projects Sub-committee (OPPSC) which currently reports to two Grand Committees, and the future role of the Capital Buildings Board (CBB) and these have been referred to in my review.

3.4　The broader findings of the Lisvane review which are relevant to my work three years later are: a "lack of corporate endeavour"; "multiple involvement of committees"; silos; the rejection of an open-ended approach to dispensations (itself drawing on advice obtained from Philip Kolvin KC); and on standards more generally, a finding that,

"the Corporation must set itself to maintain and support the promotion of those highest standards, and its Members need to be fully engaged in this endeavour".

3.5　In such a complex and wide-ranging organisation as the CoLC, it is unsurprising if change develops incrementally towards an agreed long-term strategy. Desmond Tutu observed that "there is only one way to eat an elephant: a bite at a time". Inevitably, Lord Lisvane did not consider the level of detail that is the subject of this narrower report, although I think it is important for each stage of the journey to take heed of what has come before and to build in the spirit of continuous improvement. The corollary is that members need to have regard for earlier recommendations that were valid but perhaps placed in the "too difficult" box. There are great risks in not tackling practice head-on which we know to

be wrong.

3.6   Other recent drivers for change include the Target Operating Model (TOM). This was initiated in 2020 and is substantially complete. The project focused on the work of officers and aimed to address some of the issues in the Lisvane report – notably, a simplified and more corporate organisation utilising improved processes and at lower cost. A report to the Policy & Resources Committee on 23rd March 2023 provided an interim outcome including an acknowledgment that the TOM:

"will not deliver culture change or transformational change –further thinking of how the success of the programme will be measured, and whether the organisation is fit for purpose will follow in the final report".

3.7   TOMs of Olympian ambition can become overly focused on organisational restructuring to the exclusion of reforms to the culture and processes of the organization; and the scale of the change invariably means that not every intention is fulfilled, and the organisation needs to return to some issues for more incremental change. Nevertheless, the TOM has provided a welcome platform in respect of project and programme governance that combines previously separate teams and provides a more coherent officer structure to deliver the complete portfolio of CoLC projects and programmes.

3.8   The current Corporate Plan is in its final year, and arrangements for its extension or successor are currently under discussion. The existing Corporate Plan is not a significant driver for change in the Corporation, not least because it was written prior to some of the fundamental changes described below. It is very high level in its approach and lacks the detail which could drive prioritisation, organisation development, placemaking and a more corporate approach with a shared ethos. Some members observe that they are unclear on how even very significant projects became commitments in the first place, apparently lacking the authority of agreed priority in a corporate plan or even a clear business case prior to initiation. The proposed approach to portfolio management will certainly address the second point, and a more granular Corporate Plan will address the first. The current Corporate Plan's imprecision and lack of salience inevitably undermines clarity of direction, pace and change in other more detailed CoLC plans and strategies – for example, the Corporate Property Asset Management Strategy which aligns to the current Corporate Plan and therefore does not reflect the imperatives we face in 2023.

3.9   I heard a widespread appetite – amongst officers as well as members – supportive of a more consistent, energetic and commercial approach which is seen not simply as desirable but imperative to achieve the Corporation's ambitions. This would also support continuing reforms to the internal governance of the Corporation, which would normally feature in a Corporate Plan as the concomitant accompaniment to an account of strategic priorities and targets.

4 Recent wider drivers for change

4.1 The scale of ambition in the CoLC is impressive, even daunting, and with projects to which the Corporation is already committed totalling around £2 billion; this level of commitment exceeds anything in the Corporation's long history. While there may be many reasons for the extent of this ambition, the backdrop to this is a period of seven years since the Brexit referendum which has been characterised by uncertainty about the country's future trading arrangements followed by the pandemic, its consequent lockdowns and the accompanying shock to the economy and working practices generally. This has inevitably impacted not just on the economic circumstances and challenges facing the Square Mile, but on the Corporation's capacity to address itself to major challenges including the £140 million bow wave of investment required to adequately maintain its own estate.

4.2 Of course, the success of the UK economy is substantially dependent upon the competitiveness and attractiveness of the Square Mile. Destination City powerfully describes the Corporation's commitment to Global Britain. The commitment to achieve climate change goals provides an additional level of demands. Meanwhile, the CoLC is operating in the same context of skills shortages as all other employers and for this reason the recruitment and retention of staff has rightly been elevated to the level of a Red Risk. Four of the five Red Risks facing the Corporation are relevant to this report – in addition to skills shortages, the remaining three being unsustainable medium-term finances (city funds); unsustainable medium-term finances (city cash); maintenance and renewal of physical assets including property. The Corporation has an appetite for transformational projects and change that will severely test its capacity and finance to deliver them. The reconciliation of (well-judged) ambition with (limited) capacity is a backdrop to my work. The way through this conundrum requires a commercial approach coupled with a can-do attitude.

5 The principles of good governance and effective project management

5.1 The principles of good governance have been developed over many decades, in this country and internationally, and have been codified by the CoLC in various policies and commitments of which I have found the 2021 Member/Officer Charter especially useful. This Charter brings together the Members' Code of Conduct with the Seven Principles of Public Life and defines the standards of good governance in the Corporation. It therefore features in the Corporation's Annual Governance Statement. Two requirements are especially relevant to my review, to which I will return –

"It is not the role of Members to involve themselves in the detail of day-to-day

management of the Corporation's services, employees and workers"; and

"while individual Chairs/Chairmen are in the same constitutional position as all other Members, having no legal authority to make executive decisions, they have certain other powers (e.g., the control and conduct of meetings) as well as a broader leadership role".

5.2   I have reviewed the Members' Code of Conduct and this is comparable to other codes I have known, and I have seen no reason to believe it has been broken on matters relating to my review. However, I do note that the Code refers to, "not allowing other pressures, including the financial interests of yourself or others connected to you, to deter you from pursuing…the interests of the Corporation or the good governance of the Corporation in a proper manner", which is a consideration I return to later.

5.3   Turning to the principles of effective programme and project management, these have become well established in both commercial and public practice and are reflected in the Red Quadrant review. Complexities are generated within a democratically accountable context which requires clarity on how the political governance of the organisation relates to its managerial governance. These complexities are more acute in the CoLC than in most local authorities partly because the CoLC's functions extend well beyond any council. The absence of an executive/scrutiny separation means there is no single committee that provides comprehensive political oversight of projects and programmes, which in councils is typically provided by the Cabinet. Additionally, member affinity to a particular committee can serve to reinforce the silo working which is a feature of the officer departmental structure. It follows that for overall coherence it is essential for CoLC to have a strong corporate centre and an organisational culture that reflects that legally this is a single organisation.

5.4   There is no definitive rule book on the respective accountabilities of members and officers for projects – both large and small. Public sector organisations need to identify for themselves how they perceive these demarcation lines, having regard to their scale, risks and bandwidth. At a national level, the Infrastructure and Projects Authority (IPA) is the Government's centre of expertise for infrastructure and major projects. The IPA provides expert project delivery advice, support and assurance to government departments, and ensures that projects are delivered efficiently and effectively, and improve performance over time. The CoLC equivalent has been established through the TOM and provides a platform to ensure coherent oversight of the portfolio of projects and a culture of continuous improvement.

5.5   Nevertheless, it is a fact that the public sector's track record of managing projects is at best mixed. The Public Accounts Committee report "Lessons from major projects and programmes" (2019/2021) describes an often unsatisfactory experience of cost overruns; value for money risks; insufficient capacity to deliver; concerns about transparency; and insufficient skills and leadership. The report finds that around 75% of major programmes

in the private and public sectors overspend or are delivered late. An interesting finding from this report is the need for a culture described as Tell It Like It Is –

"creating trust within organisations requires leadership; leaders must be willing to hear bad news in order to instil the right behaviours in their teams".

5.6   This is important, because it is a reminder that the effective governance of projects is about organisational leadership and culture, as well as structures, processes and thresholds.

5.7   Moving on to the appropriate role for members in respect of major projects, Government guidance on project management is that:

"the sponsoring body acts as the driving force for a programme or project providing: top-level endorsement for the programme's or project's rationale and objectives; direction to the senior responsible owner, addressing escalated risks and issues; and making or referring decisions that are above the Senior Responsible Owner's delegated authority".

5.8   The implication for the CoLC is that it needs to be clear for any given project who the sponsoring body is (which may be a member or officer board) and the identity of the SRO.

5.9   What lessons should the CoLC draw from the experiences of national Government in project and programme management? The need for culture, processes and accountabilities to be aligned in the SRO/Sponsor Board so that respective officer and member responsibilities are clear; robust planning processes that are well informed by expert technical and financial inputs to ensure the maximum possible realism and accuracy in forecast timescales and costs; a culture that is open, challenging, respectful and encourages accurate reporting without an optimism bias; an alignment between those accountable for projects with the expertise and experience to manage or scrutinise them, with training to support these roles; and streamlined processes that enable thresholds of delegated decision-making that empower those accountable to proceed with their work without excessive complex bureaucracy.

5.10   Effective project risk management incorporates an approach known as "three lines of defence" to ensure that the risks of cost overruns and delays (which are endemic in major public sector projects) are controlled and that there is a separation in powers which minimises the possibility that excessive reliance is placed on any single individual or entity. These three lines of defence are described as: first, the day-to-day work of the SRO and his/her team to manage the project within agreed parameters; second, the Programme Management Office which oversees the entire portfolio of projects and programmes; and third, Internal Audit which provides assurance and reports on governance and risk management.

5.11 I have reflected these 'three lines of defence" in the recommendation for change to the political structures with which I conclude, so that Members have the reassurance that there is not a potential single point of failure, at the same time as avoiding the risk of duplication of effort and confusion.

6   The Operational Property and Projects sub-committee

6.1   The Operational Property and Projects Sub-committee (OPPSC) is a new committee, which met for the first time on 30th May 2022. It was formed following the Lisvane report which recommended a general culling of what was seen as an excessive number of committees and sub-committees. It was the product of a merger of three former sub committees, the Corporate Asset Sub Committee, the Procurement Sub Committee and the Projects Sub Committee, each of which met for the final time in January/February 2022.

6.2   The OPPSC has three broad sets of responsibilities: first, overseeing a substantial part of the Corporation's property assets to ensure that the corporate landlord function is managed effectively; second, overseeing procurement; and third, overseeing the Corporation's projects and programmes. My terms of reference relate to this third strand although I have heard that the OPPSC is taking a proactive and challenging approach to identifying under-utilised or potentially redundant properties for disposal which is extremely important given the legacy backlog of maintenance and the need to identify capital receipts to support the corporation's major projects. Although asset management has not been a focus for my review, I have been asked to comment on how the Corporation might better incentivise property occupiers to take a proactive and energetic approach to asset disposal. A new Corporate Property Asset Management Strategy is required to drive pace and prioritisation in the shrinkage of the estate and consequent disposal of properties. This strategy could take action on various fronts:

6.3   First, targets for asset disposal need to feature prominently in the Corporation's performance management priorities, starting with the objective setting of all Chief Officers.

6.4   Second, an incentive needs to be provided so that service committees derive some benefit from an asset disposal rather than this benefit being entirely received by the corporate organisation. This could be achieved in a share of either the revenue savings of an asset disposal or agreement on the acceleration of a desired service capital requirement.

6.5   Third, asset disposals invariably require service transformation which in turn requires change management capacity to enable the disposal to become available. It is therefore helpful if this short-term capacity is supported with the specific goal of achieving the

required disposal(s).

6.6   Finally, in any wide-ranging and corporate organisation progress is achieved wherever leadership focus places its attention, rigour and priority – if the Corporation focuses sustained leadership attention (both political and managerial) on asset management and disposal, this will yield certain benefits in achieving its goal. The focus and drive of the Capital Buildings Board is a case in point, and also a reminder that this level of attention might not receive universal acclaim, but a measure of friction is inevitable and even desirable in order to achieve progress that is required by the wider organisation.

6.7   The Light Touch Governance Review (LGTR) has recently considered the pressures on the OPPSC as part of its wider review and has recommended that the review of project management should consider how the workload of the committee could be better managed to enable a more strategic and proportionate overview of projects which focusses members' attention on the key issues that demand political attention. The LTGR also commented on the dual reporting line of the OPPSC to both the Policy & Resources Committee and Finance Committee which is felt to be sub-optimal and requires addressing through my review.

6.8   I have found that the OPPSCC is an important and effective part of the Corporation's governance and decision-making, benefitting from clear terms of reference and political leadership. Although the committee's responsibilities are wide-ranging, they make sense in terms of their coverage and synergies between the three main functions. If the OPPSCC did not exist, it would be necessary to invent it. Therefore, I am clear that the committee is a strength which should be retained and built upon. The challenge is to ensure that its terms of reference logically reflect the new approach to the management of projects and programmes, that it does not duplicate decisions taken elsewhere and that the thresholds which are applied are realistic in terms of the committee's overall workload.

6.9   If approved by the Policy & Resources Committee at its meeting on 6th July 2023, the new approach to project and programme management identifies three tiers of projects – Tier 1 is described as Complex Projects of over £20 million which require member oversight; Tier 2 is described as Strategic Projects of between £2 million and £20 million; and Tier 3 is described as Routine Projects of between £250,000 and £2 million. The proposed approach will result in all Tier 1 projects being subject to Member-level governance, with challenge and scrutiny of lower tiers being led by officers and escalated to Members by exception. Fifteen projects (5.6% of the total projects in the portfolio) will be in Tier 1. In addition, it is proposed that the business cases for projects in Tier 2 - valued at over £5 million - will be approved by members. In order to strengthen governance across the spectrum of projects, the new Portfolio board chaired by the Town Clerk & Chief Executive will provide collective chief officer responsibility of the corporate portfolio and act as an effective gateway for member governance. The definition of "major projects" (valued at over £100 million and currently overseen by the Capital Buildings Board) is not one that

up until now has featured in corporate projects policy, but going forward I expect this to change in the new proposed approach. In the officer recommendations, there will be a sub-set of tier 1 projects described as tier 0. The project and programme management requirements remain the same as Tier 1 projects but governance arrangements will be bespoke, involving the Capital Buildings Board and any special purpose vehicles that might come forward in the future.

6.10   As current practice is for all projects over £50,000 to come to members, the new approach represents a very significant streamlining of the process which will result in a reduction of reports to members about low value and routine projects.

6.11   I have considered where the Sponsor Body role should be exercised for Tier 1 projects that will be overseen by members, as well as Tier 2 projects where applicable. The choice is between this responsibility being undertaken by the OPPSCC itself, and/or the relevant committee. I recommend that this role should be undertaken by a single relevant service committee. My reasoning is that it is a fundamental part of the service committees' role to oversee the high-level management of change in the committee's area of expertise and responsibility, and that the oversight of the more strategically significant projects should be undertaken in a way that aligns with the usual operating model of the Corporation.

6.12   It seems to me that the OPPSC should oversee the process of the new Portfolio Management Office. What might this look like in practice? First, the Director of Project Governance will report to the OPPSC and keep the committee informed of relevant issues in the PMOs activities. Second, the OPPSC will consider and determine issues that require member decisions on process – examples will include any judgement calls on whether Tier 2 projects should be overseen by members, or – if several committees have a legitimate interest in a single project, which committee should have primacy and how a second service committee with an interest might best be kept in the loop. Third, the OPPSC will receive an Annual Report from the Town Clerk & Chief Executive on the work of the Portfolio Board, together with an analysis of lessons learned during the year including any relevant findings from internal audit reports. The OPPSC will not become involved in the detailed oversight of individual projects, and repetition of papers going to multiple committees should be eliminated. Sponsor Boards which report to their parent service committees will operate as the single Project Board for Tier 1 projects, and a streamlined gateway process will mean fewer routine reports coming to committees – typically, the new model should require 2 gateway reports with regular dashboard reporting enabling members to retain an overview of progress.

6.13   If agreed by the Policy & Resources Committee, the OPPSC will be politically accountable for the PMO and will ensure that any adjustments or changes as may be necessary to ensure the process works to the satisfaction of all are addressed.

6.14   Turning to the reporting line for the OPPSC, at present it is a dual reporting line to the

Policy & Resources Committee and the Finance Committee. The assessment of all members with whom I have discussed this issue is that this should be rationalised to a single reporting line to streamline the process, eliminate any duplication and ensure clear lines of accountability. A case could be made for a reporting line to either committee. In view of recommendations I make later in this report, and not to overburden the Policy & Resources Committee, I recommend that the OPPSC should be a subcommittee of the Finance Committee.

6.15   I have applied indicative track changes to the current Terms of Reference of the OPPSC and this appears at sub-Appendix A. The recommended single reporting line of the OPPSC to Finance Committee necessitates changes to the current Terms of Reference of the Policy & Resources Committee and this appears at sub-Appendix B.

7   The Capital Buildings Board

7.1   The first meeting of the Capital Buildings Board (CBB) took place on 13th July 2022. Its predecessor committee, the Capital Buildings Committee, had its final meeting on 12th January 2022. The predecessor Capital Buildings Committee was a non-ward Grand Committee reporting to the Court of Common Council, while its successor is a sub-committee of the Policy & Resources Committee. The terms of reference and operating scope of the CBB appear to be substantially unchanged from its earlier manifestation as a committee and the chairman has been in place for at least five years. The CBB is responsible for major construction projects in excess of £100 million – currently there are three of these: the Salisbury Square project; the enabling work for the new Museum; and the Markets relocation project to the London Borough of Barking & Dagenham.

7.2   Lord Lisvane did not address himself in detail to the workings of the Capital Buildings Board, but he recommended that it should be incorporated within a wider Property Services Committee – a recommendation which of course hasn't been adopted by members to date.

7.3   The LTGR identifies a number of issues relating to the CBB – there are differing views and my meetings with members identified a range of opinions about the Board's remit, ways of working and effectiveness which I have sought to listen to carefully and understand. In particular, some members of the Markets Board are critical of the CBB and would like to see political oversight of the markets co-location project move to the Markets Board's own oversight. I have heard concerns that the CBB has a tendency to micromanage projects, challenge detail and generate both uncertainty and delay in contract works. It is also clear that relationships with the New Museum project have not always been easy and it is widely thought that time and costs were incurred by the negotiations with market

traders regarding their lease surrender in 2020.

7.4   The CBB has also been the subject of Internal Audit reports in 2021 and 2022. These
        reports made recommendations relating to the work of both officer and member activity
        relating to the CBB, although regrettably neither the CBB nor the chairman were aware of
        these reports until very recently. An overview of the recommendations of these reports
        together with responses made by both officers and members was considered and agreed
        at the Board's last meeting on 10th May 2023. I do not intend to address in detail these
        findings except in so far as a question over governance arrangements was raised by
        Internal Audit, to which the officer response is that the political and managerial
        governance of major projects is currently under review.

7.5   Having started my work with a neutral, even slightly skeptical, view of a central
        subcommittee overseeing major projects on behalf of frontline services, I have become
        increasingly convinced of its value and importance.

7.6   There is no doubt in my mind that the Capital Buildings Board and in particular its
        Chairman have made, and are making, a significant contribution to the work of the City of
        London Corporation and that they have added a significant level of added value to the
        projects under their supervision. I have seen a schedule of the interventions made by the
        CBB and its Chairman over a period of time, and they convincingly describe timely and
        well-judged actions followed by impactful outcomes. I have heard a pattern of officers (in
        several departments) who work closely with the CBB and its Chairman express the view
        that the Board is an especially effective component of the Corporation's governance
        machinery. It is almost certainly true that there are moments when the CBB's challenge
        and detail orientation are not welcomed, but the purpose of this review is to take a view
        on whether these frustrations are fundamental and an indicator of the need for change,
        or a more understandable feature of the creative friction between the corporate centre
        and the services which it supports. I lean towards the second conclusion.

7.7   The culture and committee-style approach of the CoLC is for service leadership of major
        projects and programmes, and to this extent the CBB goes somewhat against the grain of
        a more devolved and decentralised approach. However, at the heart of the role of the
        Policy & Resources Committee is a disciplined approach to the overall strategic direction
        of the Corporation and a focus on ensuring that macro-opportunities and risks are
        understood and controlled. The Corporation's risk register identifies that the highest risks
        are seen as the balancing of the city's ambitions with its financial resources. It therefore
        seems to me that now would be the wrong time to loosen the central expertise and
        controls on what are very significant capital sums with risk attached – both financially and
        reputationally.

7.8   Potentially, given a continuing remit for the CBB to oversee projects over £100 million, the
        capacity of the Board could become stretched as the current three projects are joined by

pipeline projects for the Guildhall refurbishment and the Barbican renewal.

7.9 In practice, I think this may be less of a problem than it appears to be. In respect of the Salisbury Square development, this project is being well-handled with positive relationships with the Police Authority. It appears to be common ground that this project is well-governed and the heavy lifting for the project is behind us.

7.10 Turning to the new Museum's enabling works, which is now nearly complete. The project is properly managed by the New Museum Board which reports to the main Museums Board. The Policy & Resources Committee has one representative on the New Museums Board and CBB has two observers. Effective tripartite meetings take place between the CoLC, the GLA and the Museum itself. In a letter to all Members dated 31st March 2023, the Chairman of the Policy & Resources Committee stated that "the new Museum Board will be the single body responsible for delivering the project with the MoL Board acting as the client body". This is consistent with one of the recommendations from the recent Internal Audit report referred to above and in my view is the proper governance arrangement. In effect, the CBB role in respect to the Museum will conclude during the course of 2023. Accountability for the authorisation of the release of further tranches of funding to the Museum rests with the Policy & Resources Committee which will be informed by the tripartite meeting referred to above, the insight of members serving on the New Museums Board and, when necessary, the CBB. The future call on CBB capacity is therefore very limited.

7.11 The third project – Markets Colocation – is at an earlier stage of development, not yet with detailed planning permission, and decisions still to be taken about the potential for a commercial partner and the maximum realisation of the city's acquired asset. I deal with this project in greater detail in the following section on the Markets Board, but I do conclude that this project should be retained within the remit of the Policy & Resources Committee, and consequently the Capital Building Board.

7.12 Moving on to the pipeline projects in excess of £100 million, I am somewhat in the realm of speculation because it is not certain if, or when, potential major projects may be in a position to finalise approved business cases which under current arrangements would transfer to the CBB. This depends on a successful programme of asset disposal to achieve capital receipts; the identification of commercial partners (potentially in a joint venture) to share costs, benefits and risks; and the potential for sponsorship, fundraising and philanthropic efforts.

7.13 Under these circumstances, it seems to me premature to take a definitive view on pipeline construction projects valued over £100 million. In the case of the Guildhall refurbishment, I expect this would sit within Policy & Resources Committee and the CBB. In respect of the Barbican renewal project, when the feasibility study which has recently been initiated leads to a business case which requires contract expenditure over £100

million, under current arrangements the project would transfer to the CBB. My sense is that as the Barbican Centre Board has successfully developed a personality of its own featuring strong representation from the artistic and cultural industries it might be more analogous to the Museum project. Consideration should be given to the Sponsor Board being a subcommittee of the Barbican Centre Board with representation from the PRC/CBB as in the New Museum project.

7.14   Having endorsed a continuing remit of the Capital Buildings Board, I need to say something about the opinions to the contrary and what might be done to ensure that a creative tension does not become dysfunctional.

7.15   In relation to working practice, I encourage all members to have regard for the 2021 Member/Officer Code which states that:

"it is not the role of Members to involve themselves in the detail of day to day management of the Corporation's services, employees and workers"; and
"individual Chairs/Chairmen are in the same constitutional position as all other Members, having no legal authority to make executive decisions".

7.16   In the context of major projects, this means that the Board is the Sponsor Body for the projects under its control but should recognise at all times that the SRO for projects is accountable for the day-to-day decision-making under his/her direction. SROs are responsible to the CBB, and it is essential that their respective roles are recognised and acknowledged by all participants. The Chairman's authoritative leadership should be leavened by the contribution of other members and indeed officers.

7.17   It has also been said to me that the Board has a pronounced Masonic presence, and that the Chairman's long tenure in this position has led to this role becoming a fixture. True as these observations may be, they do not generate any improper or unconstitutional practice.

7.18   I conclude that the CBB should continue and that in the immediate future its capacity will not be overwhelmed. Future major projects need to be rigorously assessed on their merits, with business cases submitted to the PRC when it becomes clear that expenditure will exceed £100 million. The governance oversight of these projects needs to be assessed on a case by case basis at that time but, as I have observed, I would expect a strong case for a bespoke arrangement for the Barbican Centre as a globally significant cultural centre with significant stakeholder non-executive membership.

7.19   The current terms of reference of the Capital Buildings Board state that it operates "without recourse to any other Committee". Given a recommendation that the CBB will be the Sponsor Board for projects within its remit, there is no requirement for this clause going forward. The clause might be seen, in some way, to separate off the CBB from the

Corporation's wider decision-making machinery and in particular from corporate committees which are relevant to the CBBs work, an obvious example being the Audit & Risk Management committee. It would be helpful to remove this clause from the CBBs terms of reference and I have made this amendment to the Board's Terms of Reference in sub-Appendix C – although the Board's current autonomy for relevant property disposals remains in place.

8   The Markets Board

8.1   Alone amongst the three committees named in my terms of reference, the Markets Board is a Grand Committee, reporting to the Court of Common Council. The potential abolition of the Markets Board/Committee has been contemplated for at least 10 years. In September 2013, at the request of members, officers considered the option of abolishing the then Markets Committee and incorporating its role in the Port Health & Environmental Services Committee. In the event, that decision was not taken. Seven years later, Lord Lisvane came to a similar conclusion and recommended abolishing the committee and incorporating its work into a new Property Committee. Again, that decision was not taken.

8.2   The renaming of the Markets Committee to become the Markets Board following the Lisvane report appears an entirely linguistic change without accompanying changes to the ways of working. There may have been an intention to change existing practices, but that has not happened. The Board is a Grand Committee and is therefore a committee, albeit described as a Board.

8.3   The driver for abolishing the Markets Committee is substantially its slender work programme. Lord Lisvane wrote:

"I acknowledge the strong sense of connection that many members of this Committee feel with the markets and their development; but it is a lightly loaded Committee which meets every two months. Much of the routine business can be left to Officers and the consolidation project will fall to the new Property Committee. I recommend that it should be abolished".

8.4   The Markets Relocation programme cannot, of course, be described as "routine business" and I know that the Markets Board feels that it – rather than the Capital Buildings Board - should itself be accountable for this project and that efforts have been made to ensure that the Markets Board has representation on a recently formed subgroup to the CBB, the Barking Reach Group. I understand and respect the expertise and experience that is represented on the Markets Board, and can appreciate their view that it follows that they are the relevant service committee to oversee the relocation programme.

8.5   However, the Markets Board as it is currently constituted has a major fault line running through it. This is the evident conflict of interests that exists because market traders are represented on the Board, in one case as a full Board member and in others as coopted representatives of the market traders. Of course, market traders have unrivalled experience and expertise in the operation of markets and I do not question that they are crucial stakeholders. This is their lives and livelihoods, and it would be foolish indeed for the Corporation not to take close heed of their knowledge and experience. This liaison and engagement should take place outside of the formal decision-making process.

8.6   The commercial interest of market traders means that they should not be routinely present as contributing members at the Board's meetings and certainly not serve as a full Board member. It is surprising that the Corporation has permitted this situation, as I have rarely, if ever, seen such an obvious conflict of interest in a public sector committee. This evident conflict of interest is a consequence of a decision of the Court of Common Council on 21st April 2022 which determined:

"that Members who are directors or employees of companies who hold tenancies or licences be permitted to act as Members on the Markets Board".

8.7   The conflict of interest that is built into the structure of the Board is compounded by the lack of care in handling the expression of that conflict. While the opportunity to express interests is utilised at the start of meetings it would not be apparent what those conflicts are to a member of the public listening to the webcast meeting. Such a serious and obvious conflict should be explicitly stated at each meeting in full: but even this would not ameliorate the structural conflict.

8.8   The consequence of the interests of market traders being represented on the Markets Board is, inevitably, that their voices drive the agenda for the meetings and the Board's deliberations. For example, at the Markets Board meeting on 8th March 2023 a long discussion took place on free car parking concessions which the relevant officer described (correctly in my view) as being 'Business as Usual' – in other words, a matter delegated to officers which should not be determined by members. Nevertheless, and despite reservations expressed by at least one member, the conclusion of the discussion was that the following meeting should consider the issue within the context of an annual calendar. This is one of several entirely operational issues which the Markets Board considered.

8.9   The brief Terms of Reference for the Markets Board states that it has:

"oversight of the management of all matters relating to Smithfield Market, Billingsgate Market and New Spitalfields Market and the letting of all premises therein".

8.10   In practice, this means that the Markets Board has adopted a roving brief to challenge and discuss operational matters relating to the Markets. As we have seen, the 2021 Member/Officer charter states that:

"It is not the role of Members to involve themselves in the detail of day to day management of the Corporation's services, employees and workers".

8.11   The Markets Board breaches this rule at each of the meetings I have observed in the pursuit of operational detail and what appears to be a wrestle with officers over management control. The Board's Chairman works as effectively as it is possible within the context and remit that has been given to him. Despite the efforts of the Board's Chairman and members, the committee has a relentlessly operational focus and indeed is hardwired to achieve this outcome, sometimes developing an interrogative nature in the questioning of officers and a degree of scepticism about their contributions.

8.12   Ideally, Members take a strategic and dispassionate view of the services under their direction. They take advice from professional officers and treat this advice with respect. They are driven by data and evidence. They do not become involved in detailed operational matters. I conclude that the Markets Board is set up to fail in this regard.

8.13   Moving on to the Markets Colocation project, at its meeting on 15th March 2023, the Capital Buildings Board agreed to form a new Barking Reach Group. The proposal which was agreed was for:

"the Capital Buildings Board (CBB) (to) retain overarching responsibility for oversight and delivery of the programme but, through a smaller group of Members, more active participation for detailed discussions and scrutiny of decisions will be enabled, providing assurance to CBB. As such, this option ensures effective Member oversight and leadership whilst providing clear and approved governance to enable agile decision making through the SRO".

8.14   The membership of the new Group is inclusive, comprising representation from the CBB, the Policy & Resources Committee, the Finance Committee and the Markets Board together with options for external representatives. Its initial meetings are very promising, reflecting the major strategic issues facing the relocation project.

8.15   I conclude that the Barking Reach Group is a well-judged model of working and provides the basis for being the Sponsor Board for this major project. It is currently constituted as an informal working group reporting to the CBB, rather than a decision-making committee with powers delegated to it from the Policy & Resources Committee. The Barking Reach Group therefore guides the SRO and is a sounding board to develop options.

8.16 Future options should certainly include the possibility of the Corporation working in partnership with a private company or, conceivably, a relevant public sector agency working in this field. This could be through a form of joint venture or Special Purpose Vehicle which enables risks, costs and benefits to be shared perhaps giving consideration to the setting up of a limited holding company wholly owned by City Cash to sit alongside third-party investors and reassure them that their investments are not being hampered by internal bureaucratic delays. Although such an approach might be a new endeavour for the Corporation, there are many examples of similar approaches in local authorities in London and elsewhere and much good practice and learning from which to draw. Although the detail of what this might look like in practice is beyond the scope of my review, I believe the Corporation is already hitting the ceiling of what can be achieved within its own financial resources, and is ready to consider forming commercial partnerships which can leverage specialist expertise, external finance and risk share. This approach certainly requires a focused group of members to get into the detail of the options and their implications. I believe that the Barking Reach Group is the optimum current forum to do so, possibly acting as the template which might be copied by later programmes as they transition from CoLC projects into projects involving third-party investors.

8.17 I have considered whether the Barking Reach Group should report directly to the Policy & Resources Committee and be reconstituted as a formal sub-committee, taking on independence from the Capital Buildings Board. There are attractions to this model – not least because the Barking Reach Group will consider the wider issues around stakeholder engagement, detailed planning permission and potential commercial approaches to the new site which are outside the CBB's usual remit. On balance, I conclude that the tapering down of CBB workload on the Salisbury Square/New Museum projects should provide the necessary space for the Markets Colocation project and therefore I have not made this recommendation. I believe it would be the sensible option to consider in the future as the BRG develops its involvement with third-party investors.

8.18 Returning to the future of the Markets Board itself, we have seen that it has an inappropriately operational focus, and in effect acts as a management committee to the Director of Markets. If members agree that the colocation project should be handled by the CBB together with the Barking Reach working group, I conclude that the time has come for the Court to take what is the logical step which has been under consideration for at least a decade, abolish the Markets Board and transfer the political oversight role elsewhere. The Board's remit for the strategic oversight of the markets could be transferred to the Port Health & Environmental Services Committee (PHESC) which was the preferred option in the 2013 review referred to above; or to the Policy & Resources Committee itself given that this has responsibility for the Markets Colocation programme. Both options have their merits. The PHESC has a remit which includes a number of similar, frontline services whereas the PRC is of course predominantly a corporate and strategic committee.

8.19 Mindful of the operational remit of the markets, and that the PHESC already has responsibility for certain specialist and environmental services including outside of the Square Mile, I conclude that the case for transfer to the PHESC is the stronger one. At the point in the future when the markets have entirely relocated outside the Square Mile, oversight might more logically sit with the Property Investment Board as the markets might be seen wholly as a commercial investment asset.

8.20 I recommend that if the Markets Board is abolished, the Barking Reach Group should include amongst its membership two members elected by the Court of Common Council who have recent experience and expertise from recent time served on the Markets Board to provide for corporate memory and the retention of current working relationships.

8.21 I fully appreciate that a recommendation to abolish the Markets Board is one that will not find favour with all members. As the Board is a Grand Committee, this will be a decision for the Court of Common Council to take. I hope that the Court will reflect that my recommendation is not a knee-jerk reaction to recent events but has been under consideration for at least a decade. A post-Lisvane effort to reform the previous committee as a board has had no discernable impact. I conclude that if the Markets Board is not abolished now, this is an issue that will not go away and will reemerge (for a fourth time) in the near future. High standards of governance in public sector organisations are a pre-requisite of our national life, and local authorities which have attracted attention for their arrangements have been subject to Public Interest Reports.

8.22 I have applied indicative tracked changes to the PHESC Terms of Reference at sub-Appendix D.

9   Service committees and the New Museum Board

9.1 Service committees – including the Barbican Centre Board and the Police Authority but also external partner organisations like the Museum of London - have the expertise and experience relevant to their responsibilities and should be responsible for projects within the new framework. They should be empowered to undertake their work with streamlined and proportionate oversight. For Tier 1 projects that will operate under the direct sponsorship of a Member Board, the most successful models that the Corporation has implemented feature a subcommittee operating as a Project Board with a range of internal and external people who bring together the appropriate expertise and experience to manage the project. The City of London Primary Academy Project Board is seen as a successful example of this model. It is important for the streamlined gateway process to be adhered to: for capital building works, the two key decision points are agreement to the business case and submitting the project for planning permission at RIBA Stage 3.

9.2   It is also important for service committees to take heed of the wider culture and ways of working that the Corporation as a whole seeks to adopt. In the famous aphorism, 'culture eats strategy for breakfast', and in keeping with this spirit I believe that committees occasionally request the continuation of practice which is historic, for example requiring papers "for information" because delegations no longer require decisions to be taken by committee. This is a warning sign that improved and streamlined processes can be unwound by apparently reasonable member requests. The risk is that the significant efforts to modernise and streamline the decision-making process – increasing thresholds of delegation, focusing political decision making on the highest tier of risk and opportunity, eliminating excessive gateway reporting – are undermined by member requests to sustain current ways of working and thereby inhibit the more businesslike approach that is needed. In order to avoid these risks, a certain discipline needs to be adopted – for example, eliminating all "for information" reports. I acknowledge that the Corporation is paying attention to the need for a wider programme of culture change, and this is important for the new portfolio approach to project and programme management to work effectively.

9.3   It is equally true that corporate committees must take care not to micromanage responsibilities that have been delegated to service committees and, in the case of the Museum of London Board, should ensure an appropriately strategic and high-level relationship built on regular tripartite meetings.

10   Issues raised in my review that are extraneous to my terms of reference but may be of interest to members

10.1   During the course of my review, a number of issues were raised with me which are extraneous to my terms of reference but strike me as important and worthy of note. I have not made recommendations on the issues that follow because they are outside my terms of reference but register them as ones which strike me as important to the future success of the City of London Corporation and to which the Policy & Resources Committee might want to return in the future.

10.2   The first of these relates to the importance of inclusivity of all members to put themselves forward for senior elected roles which require significant time commitment. Currently, no Special Responsibility Allowances (SRAs) are paid to members holding office. This has been raised with me in the context of the growing, and welcome, newer members and diversity in the Court and the difficult position this places members who have the will and ambition to hold a leadership role, but not necessarily the financial means commensurate with the time commitment. I appreciate that this issue is currently under consideration with a report being prepared by Sir Rodney Brooke for the Policy & Resources Committee. The City of London Corporation is anomalous currently, certainly to local authority

comparators and although I recognise that this may be a difficult decision for members, it is a nettle that needs to be grasped.

10.3   The second is the nomenclature of Chairman of Policy & Resources Committee. Again, this is not a new issue (it was commented on by Lord Lisvane) but it seems to me that it is a question that will keep returning until it is convincingly addressed. The Lord Mayor's position is widely understood externally and internationally, and the title is both historic and also enjoys currency. The same cannot be said of the Chairman of Policy & Resources which is a cumbersome substitute for Leader of the City of London Corporation or other more recognisable descriptor of the Chairman's role. The reason that this is important is that as London and the UK urgently need to raise its international profile in the highly challenging circumstances of 2023, anything which obscures the leadership and external impact of the City of London needs to be addressed. Although I appreciate that the City of London Corporation is not a local authority, the political leader of all political institutions will have a title which unambiguously communicates its position. For example, the Government of Jersey (not a local authority) is headed by its Chief Minister. When promoting the island overseas, it is perfectly clear, immediately, that the Chief Minister is charged with overall political leadership. The title "Chairman of Policy & Resources Committee" does not meet this clarity test, and therefore is worthy of reconsideration.

10.4   The third is the skills shortages within both the public and private sectors which will be very familiar to members. The reasons for these skills shortages are numerous and they appear to be a persistent feature of the post pandemic landscape. I note that the Recruitment & Retention of staff has recently been elevated to a Red Risk in the Corporation's Risk Register. Amongst other activities, a current review of pay practice may help the Corporation become as competitive on renumeration as it needs to be, but it is important for members to appreciate that organisational culture is also a crucial factor that will either assist, or inhibit, the city in attracting and retaining key staff. This is of course a key role for the Town Clerk & Chief Executive and his top team, but it is also important for members who provide leadership on this culture. I have noted that the Target Operating Model effectively sidelined considerations of culture, but this remains an important consideration for both members and officers. In any industry, the most talented and capable people will gravitate towards organisations in which they feel trusted, empowered and challenged to be high achievers. This is equally true of the City of London Corporation and merits regular attention and benchmarking.

10.5   The fourth is the complexity of the Corporation's three roles reflected in the city cash/city funds/charitable funds distinction. I am sure that the Corporation's finest minds have grappled with how to reflect these different roles in the governance of the organisation, and that the complexity genuinely sets the corporation apart from all other public sector institutions. It is important for officers and members to understand the category that any particular agenda item and paper is set within, if only because the legislation relating to public access to information applies in differing ways. I understand that officers are

encouraged to indicate on the front of committee papers the relevant provenance of the paper – perhaps this should be a mandatory feature of all reports, recognising that some papers will be a combination or hybrid of two or three of these roles.

10.6   The fifth and final matter is the coordination of cultural and placemaking strategy. The City has unique cultural and place-based attractions, and of course these are central to the major projects to which the CoLC has committed. Destination City raises the profile and strategic significance of cultural strategy. However, it isn't clear to me how this potential and these commitments are brought together in a collaborative way with all relevant partners. I understand that the consultancy Publica has been commissioned to develop a cultural planning framework to cover the whole of the Square Mile, while a cultural content strategy is being developed to consolidate quality control. These actions are definitely needed – there seems to me to be a gap in the city's strategic leadership of the Square Mile's cultural offer, and the scale of investment that the Corporation is making in culture suggests this needs addressing.

11   Summary – future proposed member oversight of projects and programmes

11.1   The City of London Corporation has embarked on an ambitious and far-reaching programme of major projects demanding a governance and organisational framework that is proportionate to the opportunities and risks of these projects. The Corporation's next Corporate Plan needs a sense of urgency to 'catch up' with these commitments in order that the whole organisation can support a unified direction, and to ensure the organisational culture, processes and structures necessary for success.

11.2   The new approach to the Portfolio Management Office means that Tier 1 and Tier 2 projects (valued over £5 million) will be overseen by members in the relevant service committee, Capital Buildings Board or (in the case of the New Museum) its equivalent external board. This is the first line of defence.

11.3   The Operational Property & Projects Sub-committee – reporting to the Finance Committee – will take an overview of the entire PMO (Tiers 0 to 3) at a high level, utilising a dashboard of metrics to provide members with clear insight into progress. The OPPSC will focus on the process – ensuring that the right skills and expertise are in place at both officer and member levels. The OPPSC will consider how best to ensure multiple committees are adequately sighted on projects where this is relevant, and make any recommendations it may see fit on best practice and the development of a more commercial approach. This is the second line of defence.

11.4   The Audit & Risk Committee will continue to review working practices, especially on higher spend/higher risk projects, and report their findings to the relevant SROs and

Sponsor Boards. This is the third line of defence.

11.5 Reports to member Sponsor Boards should focus on two key gateway decision points – the proposed business case to initiate the project; and the point of developed design (RIBA Stage 3).

11.6 Capital Buildings Board will continue its remit for the Salisbury Square project and the Markets Colocation project. The detailed development of the Markets Colocation project will be overseen by the Barking Reach working group, reporting to Capital Buildings Board. The New Museum project will be overseen by its existing Board with minimal future involvement necessary by the CBB. The optimum member governance of pipeline capital construction projects in excess of £100 million will be considered on their individual merits and circumstances. In respect of the Barbican Centre renewal, the optimum arrangement may be (as with the Museum) a Project Board reporting to the service committee. Conversely, the Guildhall refurbishment construction would remain with the Capital Buildings Board.

11.7 The Markets Board will be abolished and its functions transferred to the Ports & Environmental Health committee.

12 Recommendations

12.1 I recommend that the Policy & Resources Committee considers the issues raised in my report and, if so persuaded, makes recommendations to the Court of Common Council to abolish the Markets Board and amend the terms of reference for the Operational Property and Projects Sub-committee, the Policy & Resources Committee and the Port Health & Environmental Services committee in line with the four appendices to this report.

13 Closing statement

13.1 I hereby conclude my independent review. I have embarked on this review with the utmost commitment to fairness, objectivity, and transparency. My goal was to provide a comprehensive evaluation, considering both strengths and areas for improvement. Through extensive research and consultation with relevant stakeholders, I have strived to offer valuable insights and recommendations.

13.2 It is important to note that this review is intended to serve as a catalyst for positive change, promoting robust decision making, efficiency, and excellence. I hope that my findings and recommendations will inspire productive discussions and actions, leading to tangible and sustainable improvements in the areas under review.

13.3   Once again, I express my gratitude for the opportunity to conduct this review and wish to express my sincere thanks to all those who participated in this review or supported its delivery. Your contributions have been invaluable in shaping my understanding and enriching the final outcomes.

Paul Martin
June 2023

Introduction

The Corporation has an ambitious portfolio of projects to deliver to achieve its strategic objectives. Effective project governance has an important role to play to ensure the projects deliver intended benefits, represent best value and support a renewed focus on effective financial control.

The Corporation's approach to project and programme management has developed over time, with the governance last reviewed in 2018. It is timely to carry out a comprehensive review in order to provide assurance regarding the corporation approach. This review is intended to be a comprehensive but rapid piece of work that delivers tangible outputs with clear plans for implementation if approved.

Current issues

The current approach presents a number of issues that affect the Corporation's ability to efficiently manage projects and provide corporate oversight across the project portfolio. These issues present the following challenges:

- Too much time spent on low cost/low risk items
- Inefficient and bureaucratic processes
- Non-alignment with industry standard
- Large committee agendas that do not allow Members to focus on the high value/complex projects
- Limited capacity within the PMO to focus on assurance.

Review scope

The scope of this review will cover the entire project eco-system, including projects of all sizes, whilst recognising proportionality as a key principle.

The intended outcomes from the review are:

- The City Corporation is confident project and programmes represent best value and deliver the intended benefits
- Project governance is risk-based and enables Members to focus on strategic issues and areas of high risk and/or value
- Members are assured that lower risk/value projects are well managed and that an effective assurance framework exists to identify any potential issues or risks
- Officers are empowered to effectively manage the projects they are responsible for, to take prompt decisions to manage operational risks and, are enabled by corporate systems and financial processes
- The Corporation is clear on the role of the PMO ecosystem and its capacity to fulfil this role effectively
- The project delivery operating model represents value for money with a clearly articulated value proposition

Summary of key areas of focus:

Area of focus	Activity
Roles and responsibilities	• Review and agree definitions of roles including Members (OPP and Service Committees), PMO/MPO and officers in relation to the project lifecycle • Refresh OPP sub-Committee terms of reference (in light of above)
Project definition and criteria	• Review and agree a corporate project definition including capital projects, major projects and, business change • Review of current thresholds and introduction of a new approach taking into account value/risk
Review of effectiveness of project governance	• Review of PMO and MPO project governance • Consideration of more effective alignment across corporate and major projects • Review approach to business case development to ensure projects have clearly defined benefits and requirements including quality, functionality and performance. • Review of project management lifecycle from business case to benefits realisation and proposal of appropriate levels of governance at each stage • Introduction of common approach to project governance that better enables a portfolio approach to the management and governance of projects across Corporation departments • Review of effectiveness of costed risk, optimism bias and budget allocation approach
Review of our project management systems and assurance framework	• Review use of project management systems/tools (including Project Vision) and develop proposals for future system requirements to effectively support the new project management operating model • Develop assurance framework to support effective project management and maintain corporate visibility of all projects and risks • Establish an effective reporting framework to the relevant sub-Committees
Review of the corporate governance capacity	• Review of current PMO/MPO business processes and practice to ensure efficiency • Assessment of capacity required to enable the proposed project governance approach (right-sizing) • Review of the Project Governance Director job description
Review of organisational capability	• Undertake a corporation training needs analysis (building on previous work) • Development of a long-term plan and funding model for the Corporation PM Academy • Articulation of the future role of the Project Leadership Group (community of practice)
Review of Member governance structures relating to effective project delivery and management	• Review of Member Governance including (but not limited to) Capital Buildings Board, Operational Property and Projects sub-Committee, Markets Board and any other associated Committee • Develop proposals for improvements to Member governance to support the development of a portfolio

| | management approach; that Member focus is on strategic oversight and direction of projects; and that Members can fulfil their democratic responsibilities in relation to value for money, governance and delivery |
| | • To consider the Member governance position service committees should hold vs. cross-cutting committees for projects |

Timescales for delivery

An indicative timeline for delivery is set out below.

Review phase	Likely duration	Target date
External review and development of recommendations	8 weeks	November-February2023
Internal engagement and detailed design	6 weeks	March – April 2023
Expert review of Member project-related governance and development of recommendations	6 weeks	April-May 2023
Internal governance and approvals		• Finance Committee (06/06) • Policy & Resources (06/07) • Court of Common Council (20/07)
Phased implementation	Tbc (dependent on recommendations), will be prioritised into workstreams	September 2023+

It is anticipated that full delivery of the implementation plan will take up to 12 months. However, the delivery plan will be prioritised to ensure immediate priorities are delivered within the first few months. The full plan will be presented to Members for approval as an output of the review phase.

Managing the review

The review will be led by the Project Governance Director acting as Senior Responsible Officer.

For the review of operational project management, the Chief Officer Sponsor will be the Chief Operating Officer and the Member Sponsor is the Chairman, Operational Property and Projects sub-Committee. The initial review will be led by an externally commissioned consultancy.

The review of Member governance (committee structures), will be led by an expert advisor who will be accountable to a Member steering group (please see below for details regarding membership of this group). The Chairman of Policy & Resources is

the Member Sponsor for this element of the review and the Officer Sponsor is the Town Clerk. Day to day management of the activity will be led by the Project Governance Director to ensure continued alignment with the wider review.
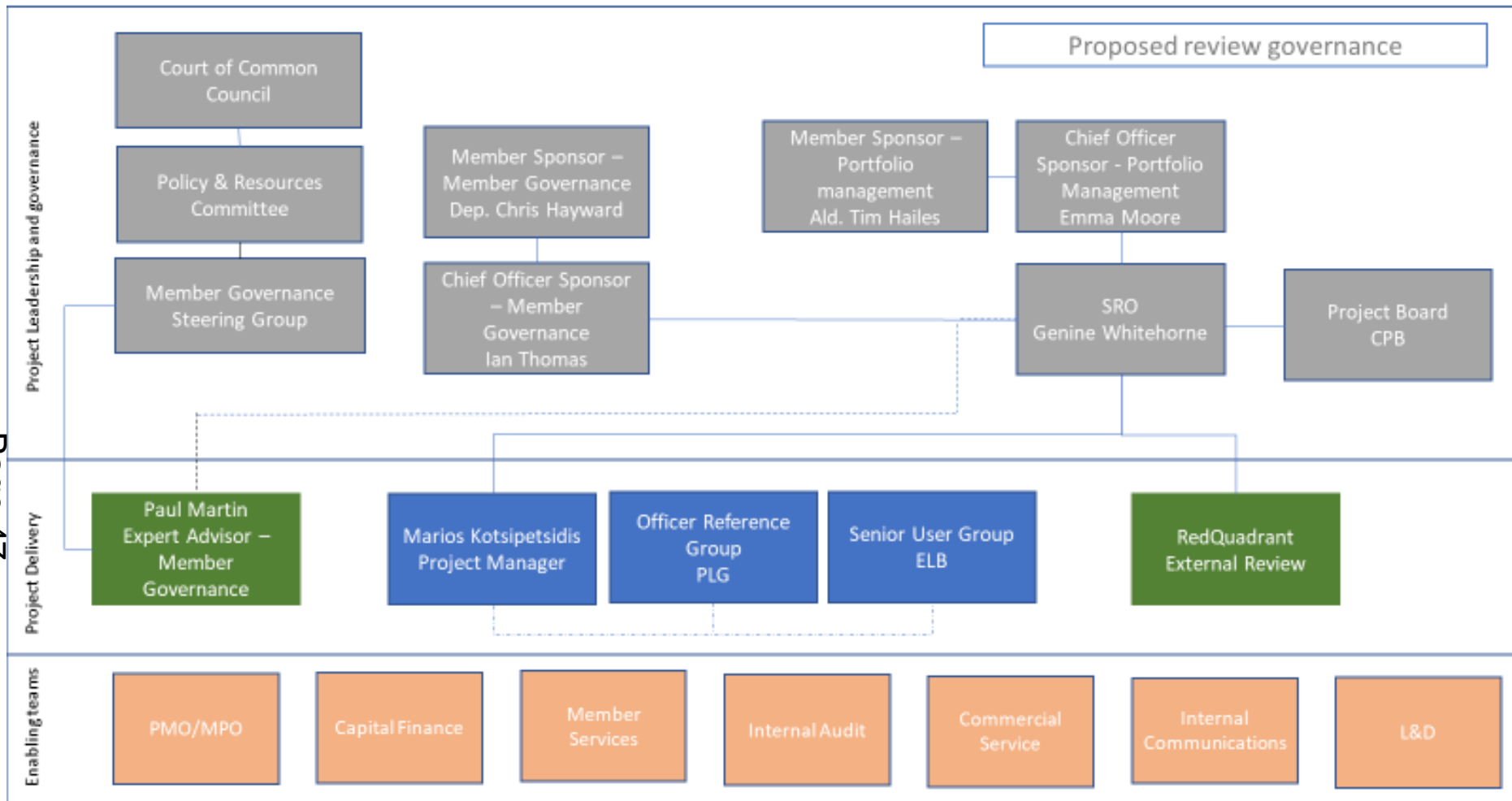
Member governance steering group:
- Chairman Policy & Resources Committee
- Chairman Finance Committee
- Chairman Corporate Services Committee
- Chairman General Purposes Committee of Aldermen

Terms of reference for this group have been proposed in Appendix 2.

The proposed governance model for the review is set out in Appendix 1.

Appendix 1 – PG review governance model

Proposed review governance

Project Leadership and governance

- Court of Common Council
- Policy & Resources Committee
- Member Governance Steering Group
- Member Sponsor – Member Governance Dep. Chris Hayward
- Chief Officer Sponsor – Member Governance Ian Thomas
- Member Sponsor – Portfolio management Ald. Tim Hailes
- Chief Officer Sponsor - Portfolio Management Emma Moore
- SRO Genine Whitehorne
- Project Board CPB

Project Delivery

- Paul Martin Expert Advisor – Member Governance
- Marios Kotsipetsidis Project Manager
- Officer Reference Group PLG
- Senior User Group ELB
- RedQuadrant External Review

Enabling teams

- PMO/MPO
- Capital Finance
- Member Services
- Internal Audit
- Commercial Service
- Internal Communications
- L&D

Terms of Reference – Member Governance Steering Group

The Member Governance Steering Group (the Steering Group) has been established following the decision taken by the Policy and resources Committee on 23 March 23, to amend the scope of the ongoing project governance review to include review and assessment of the effectiveness of existing Member governance and to make recommendations for the future approach.

The scope of this activity includes:
- Review of Member Governance including (but not limited to) Capital Buildings Board, Operational Property and Projects sub-Committee, Markets Board and any other associated Committees as well as scope for cross-cutting committees for projects
- Develop proposals for improvements to Member governance to support the development of a portfolio management approach; that Member focus is on strategic oversight and direction of projects; and that Members can fulfil their democratic responsibilities in relation to value for money, governance and delivery

The purpose of the Steering Group is:
- To oversee the activity of the expert advisor
- To ensure the review delivers the objectives agreed by P&R
- To facilitate engagement with all Members of the Court of Common Council who would like to participate in the review

Membership:

The Steering Group will be comprised of the following Chairmen:
- Chairman, Policy and Resources Committee
- Chairman, Finance Committee
- Chairman, Corporate Services Committee
- Chairman, General Purposes Committee of Aldermen

This membership has been designed to include the Chairmen of the Grand committees for both the Capital Buildings Board and the Operational Property and Projects sub-Committee. It also includes representation from Corporate Services Committee, to ensure a focus on the officer/Member relations and the implications of any changes on Corporation staff.

In the event of diary clashes/unavailability, deputies are **not** permitted to attend Steering Group meetings

Working arrangements:
The Steering Group will meet as required to deliver the Report. Meetings will be hybrid with an option to attend in person at Guildhall.

The Steering Group will be supported by the Project Governance Director.

Mr Paul Martin Bio

Paul's first Chief Executive job was in the newly created unitary authority of Peterborough City Council, aged 37 (1998/2002). To diversify his experience, he then took a role in central government as Regional Director, Government Office of the Southeast (2002/2005).

He has the unusual distinction of having been a London borough Chief Executive in four different places - Sutton (2005/10); Wandsworth (2010/20); Richmond-upon-Thames (concurrently with Wandsworth in a shared service, 2016/2020); and Ealing (as interim Chief Executive, 2022).

Key achievements include the regeneration of London's Battersea Power Station and the wider Nine Elms area, now home to Apple's European HQ. Paul worked on this for over a decade and led the council's officer team in the programme governance of the area's regeneration, which included the tax increment financing of the construction of the Northern Line extension. Regeneration in local places rarely gets bigger than this - 25,000 new jobs, £7.9 billion in economic growth, 16,000 new homes.

Another highlight was the creation of the shared service between two very different London boroughs - Wandsworth and Richmond-upon-Thames, serving a population of 550,000. The priority here was to maintain and improve service standards while dramatically reducing costs by £20 million each year in increased efficiency. Careful planning coupled with attention to the ethos and values of each council, and building on the best achievements of both councils, created a strong platform to build a durable shared service. The only arrangement of its kind nationally, it has now seen both councils through change in political administration and the transformation of cross cutting leadership capacity and capability.

After delaying his retirement to lead the councils of Richmond and Wandsworth through the pandemic, Paul was head hunted for the role of interim Chief Executive for the self-governing state of Jersey (2020/2021). This involved spending a year living and working in Jersey as the island's interim Chief Executive, following a turbulent period for the state. The Government fulfils the roles of both national and local government, it is the island's legislature and wholly owns nearly all the island's key infrastructure (including telecoms, airport, ports etc.) making this a fascinating place to work. Importantly, the island has only very limited party politics - most States Assembly members are independents, including the whole of the Council of Ministers. This provides quite a different, pertinent context to working within a party-political council as he has done earlier in his career.

During a distinguished career, as a CEO for over 25 years, Paul has worked with over 1,000 councillors, learning much about the ingredients of a great partnership between officers and members based on a shared understanding of roles and mutual respect. His view is that effective governance lies at the heart of this, and helps organisations get the most out of their whole teams.

In a quest to continue his development and learning, last year he applied for and was awarded, an EB 1 visa by the US Federal Government as "an alien of extraordinary ability" - in order to experience living and working in the US. Recently, he has been working for a UK based management consultancy which is considering growth in the US market. This has involved living and working in the County of Los Angeles - the biggest local authority in the US serving 10m residents, with $807billion in annual output.

Finally, Paul is dedicated to the highest standards and innovation in public services, to help ensure the present and future prosperity and well-being of populations. He believes this depends on great people working for great organisations that have the ambition to be world class.

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Operational Property and Projects Sub-Committee

Composition
- the Chairman and a Deputy or Vice Chairman of the Policy and Resources Committee
- the Chairman and Deputy Chairman of the Finance Committee or their nominee
- Four Members appointed by the Policy and Resources Committee
- Four Members appointed by the Finance Committee
- Up to two Members to be co-opted by the Sub-Committee from the Court of Common Council with relevant experience.

The Chairman and Deputy Chairman to be elected from amongst the Sub-Committee Membership

Terms of Reference
To be responsible for:-

Projects
a) Overseeing the total portfolio of projects overseen by the Chief Executive's Portfolio Management Board and receiving regular high level dashboard reports on their progress, identifying notable risks and proposed mitigations;
b) Making proposals to the Resource Allocation Sub-Committee/the Policy and Resources Committee for projects to be included in the capital/supplementary revenue programme;
c) Determining how political oversight of relevant Tier 1 and Tier 2 projects can best be achieved where several committees are stakeholders on the proposed project and when projects in excess of £100 million require Policy & Resources Committee oversight;
d) Reviewing the City Corporation's project management processes, development of project management skills and expertise and the systematic embedding of commercial approaches that share investment and risk.

Procurement
e) To scrutinise and be responsible for value for money on all City of London Corporation and City of London Police procurement contracts above thresholds stipulated within the City of London Corporation's Procurement Code (total contract value) at key stages, including initial tender strategy to final contract award sign off.
f) To consider and recommend all procurement contracts above thresholds stipulated within the City of London Corporation's Procurement Code £4m to the Finance Committee
g) To invite representative(s) from the relevant Spend Committee to attend meetings ensuring decisions are made corporately.
h) To provide officers with advice focussed specifically on value for money, and consider lessons learned when major contracts are coming to an end (i.e. before the (re)tender process begins).

i) To review and consider approvals of £4m50k+ waivers for the Chamberlain's department contracts.

j) To work with the ~~Grand~~ Finance Committee to review and to monitor performance against the Chamberlain's Departmental Business Plan and related corporate initiatives in order to promote value for money and ensure compliance with the UK Public Contract Regulations and the Corporation's Procurement Code.

Corporate Assets

k) To be responsible for the effective and sustainable management of the City of London Corporation's operational property portfolio, to help deliver strategic priorities and service needs, including;

   i. agreeing the Corporate Asset Management Strategy;

   ii. responsibility for reviewing and providing strategic oversight of the Corporation's Asset Management practices and activities and advising Service Committees accordingly;

   iii. responsibility for reviewing and providing strategic oversight of the Corporation's Facilities Management practices and activities and advising Service Committees accordingly;

   iv. To maintain a comprehensive Property Database and Asset Register of information which can be used in the decision making process;

   v. In line with Standing Orders 53 (Asset Management Plans) and 56 (Disposal of Surplus Properties) and the duties set out within legislation, including the Localism Act 2011 and the Housing and Planning Act 2016, to monitor the effective and efficient use of all operational property assets;

   vi. Oversight of the management of operational leases with third parties, occupation by suppliers and those granted accommodation as benefits-in-kind; and

   vii. In accordance with Standing Orders 57 and 58, the Sub Committee can make disposals of properties which are not suitable to be retained as investment property assets.

l) In accordance with thresholds stipulated within Standing Orders 55, 56 and 57, the Sub-Committee can approve acquisitions and disposal of operational properties which are not suitable to be re-use or to be retained as investment property assets.

m) The power to commission from Service Committees periodic management information on asset management performance including, where relevant:

   i. third party agreements, income, rent arrears (including HRA)

   ii. efficiency of operational assets including vacant space and utilisation in accordance with SO 55.

n) To be responsible for the upkeep, maintenance and, where appropriate, furnishing for operational properties (including the Guildhall Complex) which do not fall within the remit of another Service Committee;

o) To monitor major capital projects relating to operational assets to provide assurance about value for money, accordance with service needs and compliance with strategic plans;

p) To recommend to the joint meeting of the Resource Allocation Sub-Committee and the Efficiency and Performance Sub-Committee the annual programme of repairs and maintenance works (including surveys, conservation management plans, hydrology assessments and heritage landscapes) planned to commence the following financial year, and to monitor progress in these works (when not included within the Project procedure);

q) To be responsible for strategies, performance and monitoring initiatives in relation to energy;

r) To monitor and advise on bids for Heritage Lottery funding; and

s) To provide strategic oversight for security issues across the Corporation's operational property estate; with the objectives of managing security risk; encouraging consistent best practice across the Estate; and, in conjunction with the Corporate Services Committee, fostering a culture of Members and officers taking their responsibilities to keeping themselves and the buildings they occupy secure.

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KEAVENY, Mayor	**RESOLVED:** That the Court of Common Council holden in the Guildhall of the City of London on Thursday 21st April 2022, doth hereby appoint the following Committee until the first meeting of the Court in April, 2023.

POLICY & RESOURCES COMMITTEE

1. **Constitution**
A Non-Ward Committee consisting of,
- four Aldermen nominated by the Court of Aldermen
- 20 Commoners elected by the Court of Common Council, at least four of whom shall have fewer than 10 years' service on the Court, and two of whom shall be residents (NB. these categories are not exclusive i.e. one Member can fulfil both criteria)
- the following ex-officio Members:-
    The Right Honourable the Lord Mayor for the time being
    The Chief Commoner
    Such Members of the Court of Common Council as have seats in Parliament
    The Chairmen of the following Committees:-
        Finance
        Planning & Transportation
        Port Health & Environmental Services
        Police
        Community & Children's Services
        ~~Establishment~~ Corporate Services Committee
        Barbican Centre
        Culture, Heritage and Libraries
    The Deputy Chairman of the Finance Committee

2. **Quorum**
The quorum consists of any nine Members.

3. **Membership 2022/23**

ALDERMEN

5	Timothy Russell Hailes, J.P.
7	Ian David Luder, J.P.
2	Nicholas Stephen Leland Lyons, Sheriff
13	Sir David Wootton

COMMONERS

4	(4)	Shravan Joshi, M.B.E., Deputy
14	(4)	Edward Lord, O.B.E., J.P., Deputy
19	(4)	Wendy Mead, O.B.E.
2	(2)	Mary Durcan, *for a two year term*
1	(1)	James Thomson, Deputy *for a one year term*
3	(3)	Rehana Banu Ameer, Deputy
11	(3)	Marianne Bernadette Fredericks, Deputy
18	(3)	Catherine McGuinness
3	(3)	Andrien Gereith Dominic Meyers, Deputy
7	(3)	Thomas Charles Christopher Sleigh
6	(2)	Keith David Forbes Bottomley, Deputy
6	(2)	Christopher Michael Hayward, Deputy
6	(2)	Caroline Wilma Haines
28	(2)	Sir Michael Snyder, Deputy
6	(2)	Philip Woodhouse, Deputy
1	(1)	Munsur Ali
5	(1)	Tijs Broeke
1	(1)	Brian Desmond Francis Mooney, Deputy
1	(1)	Benjamin Daniel Murphy

5   (1)   James Richard Tumbridge

together with the ex-officio Members referred to in paragraph 1 above.

4.   **Terms of Reference**
To be responsible for:-

General
(a)   considering matters of policy and strategic importance to the City of London Corporation including matters referred to it by other Committees and/or Chief Officers;

(b)   the review and co-ordination of the governance of the City of London Corporation including its Committees, Standing Orders and Outside Bodies Scheme, reporting as necessary to the Court of Common Council, together with the City Corporation's overall organisation and administration;

(c)   overseeing, generally, the security of the City and the City of London Corporation's security and emergency planning;

(d)   the support and promotion of the City of London as the world leader in international financial and business services and to oversee, generally, the City of London Corporation's economic development activities, communications strategy and public relations activities;

(e)   the use of the City's Armorial bearings;

(f)   the appointment of the City Surveyor;

(g)   general matters not otherwise expressly provided for within the terms of reference of any other Committee;

(h)   the functions of the Court of Common Council as walkway authority and under Part II of the City of London (Various Powers) Act 1967 (excluding the declaration, alteration and discontinuance of City Walkway) for the purposes of promoting works to the Barbican Podium;

(i)   approving the City Corporation's annual contribution to the London Councils' Grants Scheme and agreeing, alongside other constituent councils, the proposed overall budget;

(j)   making recommendations to the Court of Common Council in respect of:
(i)   the appointment of the Town Clerk & Chief Executive, Comptroller & City Solicitor and Remembrancer;
(ii) the Corporate Plan, Community Strategy, and other corporate strategies, statements or resolutions;
(iii) the issuing of levies to all the constituent councils for their contributions to the London Councils' Grants Scheme, for which the Court of Common Council is a levying body; and
(iv) the promotion of legislation and, where appropriate, byelaws;

Resource Allocation
(k)   determining resource allocation in accordance with the City of London Corporation's strategic policies;

Corporate Assets
(l)   (i) determining the overall use of the Guildhall Complex; and

(ii) approving overall strategy and policy in respect of the City Corporation's assets;

Projects
(m)   ~~scrutiny and oversight of the management of major projects and programmes of work, including~~ considering all proposals for capital and supplementary revenue projects, and determining whether projects should be included in the capital and supplementary revenue programme as well as the phasing of any expenditure;

Hospitality
(n)   arrangements for the provision of hospitality on behalf of the City of London Corporation;

Privileges
(o)   Members' privileges, facilities and development;

Sustainability
(p)   strategies and initiatives in relation to sustainability;

(q)   **Business Improvement Districts**
responsibility for the functions of the BID Proposer and BID Body (as approved by the Court of Common Council in October 2014);

(r)   **Sub-Committees**
appointing such Sub-Committees as are considered necessary for the better performance of its duties including the following areas:-
* Resource Allocation
Outside Bodies
Communications and Corporate Affairs
Freedom Applications
Capital Buildings
Competitiveness
†[i]Civic Affairs *(including such items concerning the standards regime as set out in sub-section (s))*

Operational Property and Projects (jointly with the Finance Committee)

~~Property Investment (jointly with the Finance Committee)~~

~~Financial Investment (jointly with the Finance Committee)~~

Equality, Diversity and Inclusion ~~(jointly with the Corporate Services Committee)~~

* The constitution of the Resource Allocation Sub Committee is set by the Court of Common Council and comprises the Chairman and Deputy Chairmen of the Grand Committee, past Chairmen of the Grand Committee providing that they are Members of the Committee at that time, the Chairman of the General Purposes Committee of Aldermen, the Chairman and Deputy Chairman of the Finance Committee, the Chairman of the Establishment Committee, the Senior Alderman below the Chair and six Members appointed by the Grand Committee.

† the Working Parties or Sub Committees responsible for hospitality and Members' privileges shall be able to report directly to the Court of Common Council and the Chief Commoner able to address reports and respond to matters in the Court associated with these activities.

(s) **Standards and Code of Conduct**

Following the decision of the Court of Common Council on 14 January 2021, the Committee ~~(through its Members' Privileges Sub-Committee)~~ shall have interim responsibility for the following matters, previously under the purview of the Standards Committee, until such time as the Court determines otherwise:-

(i) promoting and maintaining high standards of conduct by Members and Co-opted Members of the City of London Corporation and to assist Members and Co-opted Members to observe the City of London Corporation's Code of Conduct;

(ii) preparing, keeping under review and monitoring the City of London Corporation's Member Code of Conduct and making recommendations to the Court of Common Council in respect of the adoption or revision, as appropriate, of such Code of Conduct;

(iii) keeping under review, monitoring and revising as appropriate the City of London Corporation's Guidance to Members on the Code of Conduct;

(iv) keeping under review by way of an annual update by the Director of HR, the City of London Corporation's Employee Code of Conduct and, in relation to any revisions, making recommendations to the ~~Establishment~~ <u>Corporate Services</u> Committee<u>;</u>

(v) keeping under review and monitoring the Protocol on Member/Officer Relations and, in relation to any revisions, making recommendations to the ~~Establishment~~ <u>Corporate Services</u> Committee;

(vi) advising and training Members and Co-opted Members on matters relating to the City of London Corporation's Code of Conduct.

(t) **Freedom Applications**

Responsibility for all matters relating to Freedom Applications;

(u) **Capital Buildings**

Responsibility for major capital building projects (defined as projects for new or substantially refurbished buildings or associated preparatory works and enabling projects with an estimated budget of £100 million or more, or which have been otherwise referred to the Committee) which have been approved in principle by the Court of Common Council and are being directly delivered by the City of London Corporation;

~~(v)~~ ~~**Operational Property and Projects (joint with Finance Committee)**~~

~~The Operational Property and Projects Sub Committee is responsible for the effective and sustainable management and strategic plans for the City of London Corporation's operational property portfolio; this includes the monitoring of capital projects, acquisitions and disposals, and the upkeep, maintenance and, where appropriate, furnishing for operational properties (including the Guildhall Complex). In addition, the Sub Committee is responsible for strategies, performance, and monitoring initiatives in relation to energy usage, and for monitoring and advising on bids for Heritage Lottery funding.~~

~~It provides dedicated scrutiny for all City Corporation and City of London Police procurement contracts above £2m, with a view to driving value for money;~~

Benefices

(w) All matters relating to the City's obligations for its various benefices.

<u>Equality Diversity and Inclusion</u>

<u>(x)</u> <u>To have oversight of the City of London Corporation's policies and practices in respect of equality and inclusion, including the implementation of the Equality Act 2010 and other relevant legislation through the establishment of the Equality, Diversity and Inclusion joint Sub Committee with the Policy & Resources Committee.</u>

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Capital Buildings Board

Composition
- The Chairman and Deputy or a Vice Chairman of the Policy & Resources Committee
- The Chairman and Deputy Chairman of the Finance Committee or their nominee
- Three Members appointed by the Policy & Resources Committee
- Five Members elected by the Court of Common Council, at least one of whom shall have fewer than five years' service on the Court at the time of their appointment
- The Chairmen and Deputy Chairmen of those service committees which will become responsible for completed capital building projects, or their nominees (ex-officio)*
- The Chairman of the General Purposes Committee of Aldermen, or their nominee.

Such Chairmen and Deputy Chairmen (or their nominees) to become ex-officio Members of the Committee upon the Court of Common Council giving its approval in principle for the project to proceed, with their membership to cease upon the new building being handed over to their Committee.

- Together with up to two non-City of London Corporation Members and a further two Court of Common Council Members with appropriate experience, skills or knowledge to be appointed by the Board.

The Chairman to be Chairman of Policy & Resources or their nominee.

Terms of Reference
In respect of major capital building projects† which have been approved in principle by the Court of Common Council and are being directly delivered by the City of London Corporation, to be responsible for (without recourse to any other Committee):-

(a) overall direction and co-ordination;

(b) financial control and variances within the overall approved budget for the project;

(c) review of progress;

(d) decisions on significant option development and key policy choices; and

(e) decisions in relation to the acquisition and disposal of properties related to the project, including disposal or alternative use of current operational properties to be vacated on completion of the project. Such properties, upon the approval of the capital building project, shall sit outside of the normal Standing Orders (53-60) governing acquisitions and disposals.‡

In respect of Major Capital Building projects and/or programmes which have been approved in principle by the Court of Common Council and where the City of London Corporation is a major funder:-

(f) Monitoring of progress against agreed milestones; and

(g) The release of the City of London Corporation's funding.

† Defined as projects for new or substantially refurbished buildings or associated preparatory works and enabling projects with an estimated budget of £100 million or more, or which have been otherwise referred to the Committee.

‡ Such transactions shall therefore not require the additional approvals of the Property Investment Board, Operational Property and Projects Sub-Committee, Finance Committee, and Court of Common Council. However, the Policy & Resources Committee shall reserve the right to retain ultimate decision-making powers in respect of properties where the disposal is considered to have significant strategic or policy implications.

Notes:

Whilst the Board will need to have dealings with external parties relevant to the buildings concerned in projects for which the Board is responsible, ownership and custody of these relationships shall rest with the relevant service committee and the Capital Buildings Board shall act in accordance with this.

Terms of Reference

To be responsible for:-

(a)

all the City of London Corporation's environmental health, port health, animal health, consumer protection, licensing (with the exception of those which are in the province of another Committee), public conveniences, street cleansing, refuse collection and disposal, the street trading enforcement functions in the London Local Authorities Act 1990 including any decision as to whether the s.101 arrangements should be discontinued, and cemetery and crematorium functions;

(b) the implementation of those sections of any Acts of Parliament and/or European legislation which direct that the local authority take action in respect of those duties listed at (a) above;

(c) the appointment of the Director of the Built Environment (acting jointly with the Planning & Transportation Committee);

(d) the appointment of the Director of the Markets and Consumer Protection (acting jointly with the Markets and Licensing Committees);

(e) the appointment of the Director of Open Spaces (acting jointly with the Open Spaces & City Gardens Committee);

(f) determining any appeals against a decision not to grant City premises a licence under the provisions of the Marriage Act 1994 and the City of London (Approved Premises for Marriage) Act 1996 to conduct civil marriage ceremonies;

(g) the appointment of the City of London Coroner;

(h) making recommendations to the Court of Common Council in respect of the making and sealing of byelaws for the variance of charges at the Animal Reception Centre.

(i) oversight of the management of all matters relating to Smithfield Market, Billingsgate Market and New Spitalfields Market and the letting of all premises therein;

(j) the appointment of the Director of Markets.

Committee(s): Operational Property and Projects sub-Committee – For Information Policy and Resources Committee – For decision Finance Committee – For decision	Dated: 03/07/2023 06/07/2023 18/07/2023
Subject: Project Governance Review – key findings and proposals for new approach	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?	Y
If so, how much?	£550,000
What is the source of Funding?	Transformation Fund carry-forward
Has this Funding Source been agreed with the Chamberlain's Department?	Y
Report of: Chief Operating Officer	For Decision
Report author: Genine Whitehorne, Commercial Director and acting Project Governance Director, COO	

Summary

The Project Governance review was commissioned by the Operational Property and Projects sub-Committee (OPPs) and approved by the Policy and Resources Committee in October 2022. The review was a direct response to a commitment by Members to address the persistent issues in relation to lack of proportionality, clarity and understanding of existing policy and processes. The review aimed to assess existing governance arrangements and to recommend a future approach that would support an effective and proportionate governance and assurance framework for the delivery of projects across the Corporation and the institutions. The scope of this review included both corporate projects and major projects focussing on operational management and decision-making at officer level.

This report sets out the findings of the review and the proposal to introduce a portfolio management approach that provides greater assurance to Members regarding the delivery of strategic objectives, allocation of resources and management of strategic risks and issues. This approach is intended to provide cohesive oversight of all Corporation project activity allowing Members with visibility of the performance and associated risks across the entire project portfolio for the first time. This will allow for more effective challenge and scrutiny thereby ensuring project delivery aligns with strategic and investment priorities.

The proposals set out in this report, represent a significant shift in approach for the Corporation. At the heart of the proposals is the recognition of the need to ensure business and operational processes are robust, to enable a shift in Member focus from operational detail to outcomes and strategic oversight in support of the TOM principles and Member/Officer charter. The new approach will enable Members to focus on the most complex activity whilst being assured that effective operational

procedures are in place to manage more routine activity. This will result in a reduction in the total number of projects in the Corporation's portfolio. However, Members will retain oversight of roughly £2bn or 80% of the total project portfolio value. The proposed changes have been designed to ensure best value through project delivery and to ensure issues of affordability and financial sustainability are considered at the outset of any project. The proposals aim to bring us in line with recognised best practice and to ensure more effective and efficient use of resources including both Officer and Member time.

If approved, the first phase of implementation will focus on establishing strong foundations for developing the portfolio model over time. This includes ensuring the integrity of our data, developing the project management system and, establishing the Enterprise Portfolio Management office. This phase will also include work to map and test proposed operational processes and to undertake the detailed update of the Project Procedure. During this time, Officers will work with colleagues to understand implications for specific areas of the Corporation, such as Investment Property Group, to ensure conversations regarding increased agility in delivery is aligned with the development of the Project Procedure.

The scale of the Corporation's ambition is huge and it is right that we assess our operational practices and policies to ensure they live up to that ambition.   If approved, implementing the proposals will require a long-term commitment to continuous improvement and culture change. The proposals include a series of qualitative and quantitative measures to assess impact and to ensure the intended benefits are realised.

The scope of the review was amended, by the Policy and Resources Committee, in March 2023 to include assessment of existing Member governance (i.e. committee structures). The findings and recommendations regarding Member governance are subject to a separate report on the agenda. Whilst the review of Member governance has been carried out independently, it is important that the relationship and interdependencies of the approaches set out across the two reports are understood. The recommendations in this report however are agnostic of Member governance arrangements.

Members are asked to note that it is intended to make use of the Town Clerk's transformation fund to implement the proposed changes and to meet the first year's operating costs. This has been approved, in principle, by Officers but is subject to the Chamberlain's further engagement with the Chairman and Deputy Chairman of the Policy and Resources Committee.

Recommendation(s)

Members are asked to:

Note
- the findings of the externally-led Project Governance Review set out in this report and in Appendix 1.
- proposals for the creation of an Enterprise Portfolio Management Office as part of an integrated Commercial, Change and Portfolio Delivery directorate

and the subsequent merger of the existing Commercial Director role with the Project Governance Director role, which has been covered by the Commercial Director since the TOM changes (01/04/2022).

Policy and Resources Committee are asked to endorse the following recommendations for onward approval by the Court of Common Council:

- Approve option 4B of this report for the development of a portfolio management framework including the new definition of projects and programmes (as set out in paragraph 19).
- Note the current Project Procedure will be retained for a period of 3-6 months whilst detailed design work is undertaken and the final version of the new Project Procedure will be presented to Members for decision.
- Delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of Policy and Resources, to amend the current project procedure to incorporate the temporary measures previously approved by the Operational Property and Projects sub-Committee, namely delegation to (approved and trained) Officers to approve project-related decisions up to £1m for corporate projects and to descope routine procurements from the Project Procedure
- Note the implementation plan set out in Appendix 3.

Finance Committee are asked to agree the following recommendations:

- Authorise the Chamberlain to amend the Financial Scheme of Delegation and Finance Regulations, as necessary to implement the recommendations contained in this report once approved.

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Main Report

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Background

1. The Corporation has an ambitious portfolio of projects and programmes to deliver to achieve its strategic objectives. Effective project governance has an important role to play to ensure planned activity delivers the intended benefits, represents best value and supports effective financial controls.

2. The Corporation's approach to project and programme management has evolved over time, with the governance last reviewed in 2018. Since then, there have been a number of special arrangements put in place. These include the Investment Property Group (IPG) expedited process, the CLS schools' pilot, and the regular maintenance process. However, the definition of what constitutes a corporate project has remained fairly broad, and therefore continues to include non-project activity such as procurement and other low value activity that should be considered as business as usual. Conversely, it does not include resource or change projects which do not involve capital funding but are nonetheless of strategic importance, scale or complexity.

3. The Operational Property and Projects sub-committee was constituted in May 2022 as a result of the Governance review. This new sub-committee took on the remit of three (previously separate) committees. With very low project thresholds (£50k for capital projects), it was recognised that the sub-committee

would not be able to manage the volume of business presented at each meeting or to provide meaningful scrutiny in a way which adds value and, as such, a temporary delegation to Chief Officers of £1m was agreed subject to them completing appropriate training. At this time there were 340 live projects on the corporate project management system.

4. Major Projects, defined as projects over £100m in total value, are governed by a separate sub-Committee, the Capital Buildings Board. These projects are not subject to the Project Procedure, sit outside of the gateway process and are supported by a dedicated Major Projects Office (MPMO), part of the Project Governance directorate. Major projects are, by definition, high value and complex programmes that carry significant project delivery and reputational risks if not effectively managed. There are currently three major projects in delivery (Museum of London enabling works, Salisbury Square Development and, the Markets Co-location Programme) and a potential further two major projects in development (Barbican Renewal and the Guildhall Masterplan).

5. Given the importance of ensuring effective project delivery, it was therefore considered essential to carry out a comprehensive review in order to recommend a new industry standard/best practice approach.

Current Position

Approach to the review:

6. The review was split into distinct phases:

Phase	Timeframe	Area of focus
Phase 1	Dec 22 – Feb 23	Independent external review and validation of internal observations
Phase 2	Mar 23 – May 23	Design of new approach based on recommendations from Phase 1

7. Please note the timelines above differ from those set out in the original report to OPPs and P&R in late 2022 due to a delay with the commissioning process, capacity issues within the Project Governance division and the change to the terms of reference scope and the subsequent need to align formal reporting to Members with the independent work on Member governance.

8. In order to manage capacity whilst the review was underway, OPPs approved temporary changes including; a temporary delegation of £1m to trained[1] Chief Officers and nominated directors; descoping of routine procurements and, the continuation of the interim leadership arrangements for the Project Governance division.

Findings of the review:

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[1] officers were required to complete specially commissioned Senior Responsible Officer (SRO) training in order to make use of the delegation.

9. RedQuadrant (RQ), a consultancy company, was commissioned to undertake the review in order to ensure objectivity, to draw on industry standards and identify best practice from other comparable organisations. The review included desktop analysis of relevant Corporation policies, review of project reports, key documentation, project system and risk register supported by 121s and workshops with key officers from across the Corporation and a survey focussed on skills and capability.

10. RedQuadrant's summative report is provided in full as Appendix 1. A summary of their findings is set out in the table below. Please note that much of the narrative set out in the table below has been taken verbatim from their report.

RQ findings	How this affects COL effective project delivery
Low thresholds	Inefficient and often includes operational business as usual activity
Unsuitable definition of a 'project'	The existing definition of a 'project' as anything that results in 'tangible physical deliverables' suffers from being simultaneously too wide (since e.g., procurement activities end up defined as 'projects') and too narrow (since resource based or change projects do not meet this definition of 'project')
A fragmented portfolio	There is no central location which oversees all projects within the City or that allocates effort and resources according to Corporation priorities. Project proposals which don't meet the existing definition of 'project' may thereby go unfunded or underfunded (despite meeting Corporation priorities). Alternatively, they may end up funded piecemeal without oversight, which risks accumulating hard-to-track expenditures for projects that do not meet Corporation priorities.
Lack of clarity on project roles and responsibilities	Across the Corporation, there is an inconsistency in how key project roles are established, as well as a lack of understanding regarding the purpose of such roles.
Assurance/risk management	The greater the proportion of decisions put to the Committee, the greater the proportion of Committee time spent on operational issues and approving minor expenses. This in turn severely decreases the amount of time available to focus on the kind of strategic issues and oversight of risks.
Budget allocation and drawdown	Delegation to Project Managers is minimal. They must seek Committee approval to access (already approved) project budgets, even for low-value sums. They cannot move project funding across workstreams, within the same project, without seeking Committee approval first. Project Managers experience these restrictions as disabling, as a barrier to effective and agile management of operational risks. The status quo frustrates Project Managers even as it exhausts the Committee.

Strategy and vision	There are inadequate or inconsistent processes in place for project selection, prioritisation, and resource allocation. There is an overly broad definition of 'project' and no clear and consistent framework for ensuring that there is distinction between programmes and projects, and that these are systematically prioritised to deliver the greatest benefits against strategic objectives
Governance and oversight	Governance responsibilities are disproportionately placed with Members rather than Officers. The limited delegation to Officers, coupled with a lack of clarity on project roles and responsibilities, has led to projects requiring additional oversight to compensate. This is a vicious cycle, which leaves Officers without the necessary powers, and Members without the necessary time, to do their respective jobs effectively.
Management and capability	The Corporation requires a deeper understanding of best practices for project and programme management, and to develop capability and skills particularly in the latter. This lack of consistency in the way that projects are managed, as well as to limited or unclear processes for project and programme governance, risk and assurance and benefits management is further exacerbating the issues identified.

11. These findings were not unexpected and validated the decision by OPPs to undertake a review into existing arrangements. The findings built on observations set out in a number of previous reviews including:

   - The review of Corporation governance undertaken by Lord Lisvane recommendations
   - Internal audit reviews - a series of reviews carried out across 2021 and 2022 by Internal Audit to examine the adequacy and effectiveness of governance arrangements in place across the City Corporation's portfolio of Major Programmes
   - Maturity assessment carried out by the Chief Operating Officer in September 2021 and validated by the assessment of the acting Project Governance Director in May 2022.

12. Other significant issues that have been identified by officers involved in project delivery include:

   - Ambiguity regarding governance in early stages for potential major projects with limited established governance for feasibility and business case development.
   - Focus on capital delivery with limited view of wider project outcomes and interdependencies
   - Concerns regarding resourcing of projects, insufficient capacity included as part of project initiation process.

13. A recurring issue that has arisen during conversations with both officers and Members, is the insufficient assessment of required capacity as part of the

project initiation process including, not only, dedicated project delivery resources but capacity required from key corporate services such as finance, procurement and legal services. A strengthened focus on business case development will help to address this issue.

Response to the review:

14. It is clear that the Corporation's current approach is inadequate and does not live up to the scale of Members' ambitions. As a leader of industry and a public sector body, it is important that our operations and business practices are fit for purpose and deliver best value. Issues regarding organisational project management capability and capacity have also been identified as key risk on the Corporation's risk register (CR33). It is important that these issues are now addressed and not allowed to persist.

15. The remainder of this report will set out the recommended approach, and investment required, to deliver an effective portfolio management approach across the Corporation. Whilst we have needed to undertake comprehensive design work to turn the RedQuadrant recommendations into a proposed model, we have also taken the opportunity to implement immediate changes to maximise quick wins and to create testbeds for more fundamental changes. This proactive approach has already begun to deliver benefits and has ensured that no momentum has been lost following the review stage. The improvements implemented include:
    - The development of a Senior Responsible Officer (SRO) agreement document based on central government standards. This has been prototyped with the appointment, by Members, of the Chief Operating Officer as the Markets Co-location Programme SRO
    - The introduction of a monthly major programmes dashboard reported to Capital Buildings Board (and on a quarterly basis to Policy & Resources Committee)
    - Closer working between the Corporate PMO and the MPMO to build greater resilience across the now combined teams
    - Additional training for MPMO analysts on Portfolio, Programme and Project Management (P3O).
    - The appointment of a Future Police Estate Portfolio Manager to begin developing a strategic portfolio that brings together all the critical projects and programmes across COL and COLP that are central to the successful delivery of new police accommodation
    - The commencement of the Chamberlain's finance transformation programme with a specific focus on improving the capital finance processes and decoupling project governance from financial controls

Options

16. *Option 1 - Do nothing* – the Corporation could continue with the status quo and accept the limitations and risks this presents. This option requires no additional investment. **Not recommended.**

17. *Option 2 - Limited review of the Project Procedure* – the Corporation could update the Project Procedure in order to review current thresholds to bring greater proportionality to the existing approach. This would address a limited number of issues identified in the review but not introduce a portfolio management approach. Significant risks regarding strategic alignment of investment with priorities, lack of capacity and capability to deliver projects, fragmented oversight of the total portfolio and, a lack of strategic focus for Member oversight would continue. Limited additional capacity may be required to deliver this option given that the lack of resilience across the PMOs would continue. **Not recommended.**

18. *Option 3 - Limited review of the Project Procedure and increase in capacity in the PMO/MPMO* - This option builds on the previous one by attempting to increase the capacity and resilience in the PMO combined team. This would require some investment to right-size the team but would not address the issues regarding the fragmentation of the portfolio and the lack of coherent governance for major projects whilst in the early stages of feasibility. It would not address issues regarding assurance, Member strategic oversight or the alignment of investment with priorities. **Not recommended.**

19. *Option 4 - Adopt a portfolio management approach* - agree and implement the model set out in Appendix 2. This option would deliver significant improvements and provide greater assurance regarding the Corporation's ability to deliver its priorities. This option requires both short-term investment to support implementation and long-term investment to increase capacity and capability across the Corporation. **This option is recommended** and further options are provided below regarding the level of investment required.

- Option 4A – deliver the proposed changes (as set out in Appendix 2) within existing resources and limit ambitions to get to 'better' (highest level of maturity against the IPA model) in only three of the seven themes. This would not require additional capacity to deliver but would significantly impact the ability to deliver the changes at pace. It is likely that the timeline set out in the implementation plan would need to be adjusted to at least a five year timeline. External resources would still be required to support the system developments and the refresh of the PMA Academy, therefore this option includes an investment of c. £65,000 plus ongoing operational costs.
- Option 4B - deliver the proposed changes (as set out in Appendix 2) and engage interim project support to implement the changes. This would establish strong foundations and significant changes in year one and deliver sustainable improvements over a further two-year period. This requires additional capacity to deliver, and it is proposed to engage an interim project manager and PMO analyst for a period of 6 months to support the programme and ensure continued alignment with work in the Chamberlain's department. An outline implementation plan has been included as Appendix 3. This approach includes additional anticipated costs of £160,000. **This option is recommended.**

Proposals for the adoption of option 4

20. RedQuadrant recommended a comprehensive overhaul of the Corporation approach. At the core of the recommendations is the implementation of a Portfolio Management Framework, which consists of two portfolio management cycles: portfolio definition (structures and functions) and portfolio delivery (good governance for project and programme delivery). This Framework can be applied to the totality of the Corporation's portfolio including both capital and revenue projects of any size.

21. The framework can be described using two phrases:
   - '*Doing the right things'* – alignment with strategic objectives, allocation of resources in line with investment priorities and, management of benefits to deliver intended outcomes
   - *'Doing things right'* – effective governance and project management framework ensuring excellence in delivery
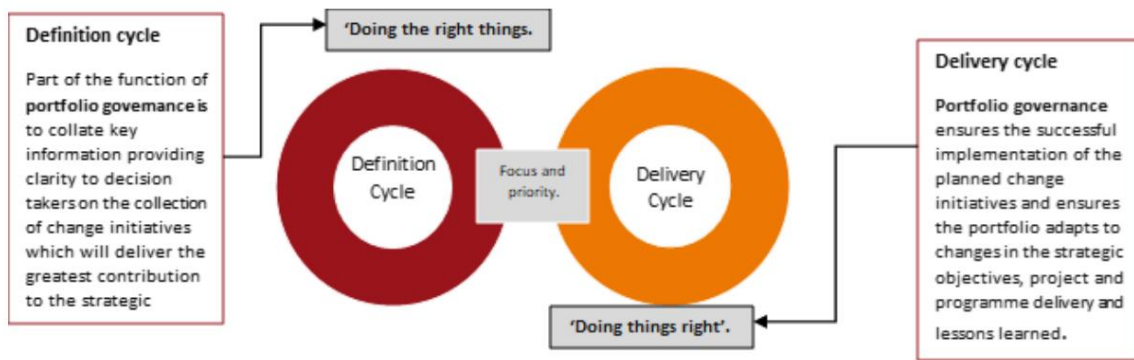
22. There are two major forms of change being proposed for the current projects ecosystem:
   - Changes to supporting structures and functions: The introduction of a Portfolio Board, repositioning of existing resources to establish an Enterprise Portfolio Management Office, EPMO, (fully resourced), and clarification of roles and responsibilities across different stages of project delivery.
   - Procedural changes: Changes to processes related to finance and risk management, definition, categorisation, tiering, reporting, roles and responsibilities, toolkits with standardised templates such as updated Business Cases based on industry best practice, systems, and a new gateway assurance process.

23. The proposals set out in this report have been developed to support Elected Members in their role as strategic leaders by providing greater assurance regarding the policies, processes and procedures that will underpin effective project delivery. The proposals also bring a renewed focus on developing the internal capabilities within the Corporation to provide Members with confidence in the ability of officers to deliver successfully.

24. It is important to note that a Portfolio Management Framework is more than the adoption of a new delivery standard. It is a total transformation that requires a change in culture, mindset, and processes across the organisation. Whilst the proposal to adopt a portfolio management framework is considered to be the right direction of travel for the organisation, it is essential to recognise the

substantial gaps that need to be addressed before embarking on this journey fully. The proposed approach to change management is set out in Appendix 5 of this report.

25. A detailed account of the proposed model is set out in Appendix 2. A summary of the key proposals is provided below.

Definition

26. We will establish a clear definition of a project, programme and, portfolio and how these differ from business as usual operational activity. The proposed definitions are in line with industry standards:

	What is it?	*How is it managed?*
Project	*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))*	*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*
Programme	*Programmes are a group of related and interdependent projects and change management activities that will deliver beneficial change*	*Programme management involves managing interdependencies across projects, prioritising and budgeting, and ensuring resource capacity and capability across the programme.*
Portfolio	*The aggregation of projects and programmes within an organisation aligned to strategic priorities*	*Portfolio management includes the selection, prioritisation and control of projects and programmes which are aligned with the organisation's strategy and objectives.*
Business As Usual (BAU)	*Activity that is part of normal day-to-day operations and all activity with a total value of less than £250k*	*Operational management is the management of those activities that create the core services or products provided by an organisation.*

Thresholds

27. It is proposed to set a minimum threshold of £250k for corporate projects. This is in line with existing thresholds for ring-fenced funding. This will mean activity below this value will usually be managed through operational management processes in line with the financial scheme of delegation. However, it is important to note that the proposals move away from tiering projects on value

alone and therefore some activity below £250k may be subject to project governance dependent on the outcome of the tiering process.

28. All projects will be assessed against three different tiering categories; tier 3 – routine projects, tier 2 - strategic and, tier 1 - complex projects. The proposed financial thresholds will be supported by an assessment of risk and complexity in order to agree the final tiering of each project. A summary of the key factors that will be used to assess the tiering of each project is provided in the following table:

Routine	✓ Low value (£250k-£2m) ✓ Aligns to strategic outcomes ✓ Clearly defined delivery approach ✓ Requires little innovation ✓ Minimal impact on people
Strategic	✓ Mid value (£2m-£20m) ✓ Contributes to strategic outcomes ✓ Some uncertainty exists ✓ Requires some technical innovation ✓ Moderate impact on people
Complex	✓ high value (£20m+) ✓ delivers strategic outcomes ✓ complex to deliver ✓ high levels of uncertainty ✓ requires new or innovative practice ✓ significant impact on people

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

Portfolio Board

30. Introduce a Town Clerk-led Portfolio Board to provide collective Chief Officer responsibility of the corporate portfolio and to act as an effective gateway for member governance. This would require the increase of the level of officer delegations from the £1m temporary delegation to £5m for trained tier 1 SROs and the Town Clerk. This proposal would be supported by a robust assurance framework that ensures risks are effectively managed and that projects are escalated to Members through the early identification of potential performance issues. The Portfolio Board will be supported by a sub-group led by the Chamberlain focussed on co-ordinating affordability considerations, financial risk considerations, assessing impact on the Medium Term Financial Plan and advising on prioritisation in order to ensure financial sustainability.

PPM framework

31. Introduce clear requirements for all project and programme management activity including defined project roles and required project documentation. This would be driven by the proposed Centre of Excellence and underpinned through a comprehensive learning and development offer.

Refreshed Project Management Academy (PMA)

32. The findings of the capability survey (please see Appendix 5) found that whilst we have strengths in project management capability this is not distributed across the Corporation and we lack capabilities in programme and portfolio management. Therefore, it is proposed to update the PMA to address these areas and to identify priority learners to complete training. This would include a mandatory induction for anyone involved in project delivery including consultants and interims.

Introduce an Enterprise Portfolio Management Office (EPMO)

33. Establish a professional and well-resourced team to support the development of the portfolio management approach, to provide challenge and assurance to support effective project delivery, to set the standards for PPM throughout the Corporation and, to provide leadership of the wider PPM community. See paragraphs 42-50 for more detail.

What would this mean for the Corporation's project portfolio?

34. There are currently 355 projects on the corporate project system. Following an initial review, it is estimated that roughly 50% of these projects should be reviewed further as they are nearing closure or have been inactive for a significant period of time, and therefore should be closed and any remaining resources reallocated. It is important to note that this assessment has been undertaken by the PMO and may differ from the recommendations of individual project managers. This is due, in part, to the fact that services are not incentivised to close projects that have stalled, and, in the absence of a robust portfolio assurance framework, these projects have been allowed to drift. Therefore, it is anticipated that once we have implemented an effective portfolio management framework, supported by a well-resourced EPMO, challenge sessions can be held to review those projects that have been dormant for a significant period of time. This has the potential to reduce the size of our future corporate portfolio to around 200 projects (including the existing major programmes and future business change projects).

35. Under the new proposals activity under £250k will largely be descoped from project governance. There are currently 45 projects under this threshold. These 'projects' include activity such as:
    - Installation of car park and other signage at the Barbican
    - Refurbishment of the Guildhall Art Gallery cloakroom and toilets
    - Installation of water drinking foundations

36. In addition routine procurement activity (such as the leasing of 16 new Steinway pianos for Guildhall School of Music and Drama) is also currently subject to the Project Procedure. It is considered that the types of activity listed above is low risk and best managed through procurement governance at service level supported by robust operational procedures.

Breakdown of future portfolio:

37. Removing low value and BAU activity, leaves a potential corporate portfolio with a total value of c. £1bn plus the existing major programmes and the pipeline of transformation projects (yet to be identified).

38. The breakdown of the remaining portfolio is provided below. Please note that the validation of data held in the system and reconciliation with Oracle will be a priority for the first phase of implementation.

Tier	No. of projects	Total value (m)	Examples of projects in tier
Tier 3 - routine	61	£53.63	- Guildhall Event Chairs - Tower Hill coach and car park LED lighting - Windows and Common Parts Redecorations Programme - Windsor House
Tier 2 - strategic	54	£385.4	- GSMD/Barbican heating, cooling and ventilation - Blackfriars bridge parapet replacement and repainting - Candlewick House, 116-126, Cannon Street, EC4 (IPG)
Tier 1 – Complex	8*	£602.3*	- Refurbishment of Electra House, 84 Moorgate, EC2 Bridge House Estates (IPG) - York Way Estate Housing Delivery Programme

*The figures provided in this table, exclude the major programmes. With the addition of the major programmes, tier 1 increases to 11 live projects (with 2 in the pipeline), with a total value of c. £2.1bn. Under the proposed model, Members will have direct visibility and strategic oversight of that £2.1bn which represents roughly 80% of the overall corporate portfolio value.

39. The new approach will bring about a cohesive view of the Corporation's total project portfolio aligned around strategic priorities. This should remove the risks associated with the existing fragmented portfolio and remove any ambiguity regarding appropriate project governance. It will also create clear and measurable pathways from ideation through to delivery and, drive an enhanced focus on business case development ensuring focus on strategic alignment and prioritisation.

40. Currently, corporate projects are split into nominal tiers that determines the extent of the required project documentation. All projects have to go to committee for consideration regardless of the value (though there is currently some streamlining for light/regular projects which means gateways 3, 4 and 5 may be expedited). Complex/regular projects over £5m have to go to Court of

Common Council for approval. There currently is little proportionality built into the governance framework and strategic priorities risk being lost amidst the sheer volume of member reporting.

41. The proposed approach will result in all tier 1 projects being subject to Member-level governance, with challenge and scrutiny of lower tiers being led by officers and escalated to Members by exception.

What will this mean in practice?

42. The following statements have been developed to illustrate what the intended outcomes are for different stakeholders. These statements will be used to develop the qualitative measures for assessing the success of our transformed approach:

	We…
Elected Members	• Are able to focus on strategic priorities and provide oversight for the most complex projects/programmes • Have visibility across the entire corporate project portfolio and understand the impact of this activity • Are confident that we have the appropriate capacity and capability to deliver the ambitions of the Corporation • Are confident that any potential issues or risks will be picked up by the corporate assurance framework and brought to Members with potential solutions identified
Chief Officers	• Support Elected Members to provide strategic oversight and challenge across the Corporation's portfolio • Empower and enable capable team members to do their jobs well • Challenge each other to ensure investment aligns with priorities across departmental boundaries • Proactively manage risks and identify solutions to emerging challenges
Staff	• Are clear of our responsibilities in relation to managing projects and programmes • Are trusted to use our skills and experiences to do our jobs well • Have access to the tools, guidance, support and training needed to do our jobs • Understand the Corporation's governance processes and feel that the organisation's procedures make it easier to get things done
Public/ residents	• Are confident the Corporation's project activity is well managed and represents value for money • Have visibility of the impact of public spending
Internal and external audit	• Are able to take assurance from the work of the EPMO • Can rely on the consistent application of agreed and robust governance arrangements for delivery of projects

	• Have access to appropriate metrics to identify exceptions/poor compliance/potential project failure enabling targeted audit work to be initiated.

Organisational structure

43. As aforementioned, the Corporation's project governance processes are currently supported by two separate Project Management Offices that were brought together in May 2022 as a result of the TOM.

   • The Corporate Project Management Office (PMO) – responsible for the Project Procedure (aka gateway process), chairing the Corporate Projects Board and, supporting projects through the corporate governance and in to OPPs. This team is made up of two full-time equivalents (FTE) and is responsible for facilitating the successful delivery of 355 projects.

   • The Major Projects Management Office (MPMO) – responsible for supporting the major projects portfolio (c. £1.5bn total value). This team supports the Capital Buildings Board and provides project support to all programmes. This team is made up of three FTE.

Current PMO and MPMO responsibilities

44. Due to the limited capacity within the teams, the primary focus of both teams is supporting project/programme leads to navigate the Corporation's governance and ensuring quality of reports presented to Members. There is also a significant amount of time dedicated to helping projects to engage with the capital finance process and to unblock payment issues.

45. The profile of time spent now and what it should look like in the future is set out in the table below:

Activity	Corporate PMO % time spent	MPMO % time spent	Future (EPMO) % time spent
Payments and invoicing	5	30	5
Project admin	5	20	5
Governance	75	15	10
Risk management	5	10	35
Progress reporting	10	25	10
Project assurance	0	0	35

A new integrated Commercial, Change and Portfolio Delivery division

46. Since April 2022 the Commercial Director has also fulfilled the role of acting Project Governance Director following the exit of the former Project Governance Director through the TOM process. This arrangement has helped identify and confirm benefits of integrating the two teams for the long-term and the teams will now be merged as an officer-level reorganisation to realise significant synergies between the function and responsibilities of the two service areas:

- The proposed changes to the Project Procedure (through the clearer definition of BAU), will result in less activity through project governance that will instead be picked up and managed through procurement governance.
- Integration provides greater assurance against the risk of activity being descoped from projects and not being picked up by procurement governance.
- The challenges faced by the two current teams in terms of developing more customer-focussed enabling functions are similar and many of the key stakeholders are shared.
- An integrated model represents better value for money as there is the opportunity to share a single director role and resources in areas such as data and analytics. There is also the potential to bring a far greater focus on understanding and communicating the impact of the Corporation's investments in a more radical and transformative way.
- The integrated service is better placed to articulate, champion and measure societal and environmental impact across contractual and project-related investments.

Developing the portfolio management office

47. Best practice suggests that for a portfolio of circa 200 projects, 10-12 posts would be needed to properly administer and support this and the cost should represent roughly 3-5% of total financial investment. The proposed approach seeks to develop best value by integrating two existing divisions in order to share resource wherever possible.

48. Within the new model, the team will be working as the professional leaders of portfolio, programme and project management providing guidance, challenge and assurance to enable excellence in project management. The new Enterprise Portfolio Management Office (EPMO) will include the following functions:
    - 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

49. It is anticipated that the establishment for the new Division can be contained within the cost envelope available through existing local risk provision and project related funding on central risk. If this approach is supported by Members, detailed design of the structure will be progressed. Consultation with staff will be carried out as appropriate and if necessary, approval for specific roles will be sought from the Corporate Services Committee in line with corporate policies.

50. In addition to the core team, it is proposed to develop a resource pool of professional project managers that can be deployed to support corporate priorities. Instances when it may be appropriate to draw on resources from the corporate pool may be when departments who do not regularly undertake

projects require support to move from ideation to delivery or where, through the assurance framework, it is identified that there are significant issues with an existing project and additional capacity and/or corporate intervention is recommended as a solution.

51. The project managers in the resource pool will also be responsible for supporting the development of internal capabilities by taking on coaching roles and delivering learning opportunities. It is proposed to test this model for the first 18 months with three Corporate Project Managers to establish the working practices, develop criteria for deployment and to understand the potential return on investment in order to develop the business case for the longer-term development of the pool. The cost of the resource pool for one year is estimated to be £225,000 based on three grade F posts including oncosts.

Approach to implementation

<u>Benchmarking our maturity</u>
52. We have undertaken an assessment of our portfolio maturity against the government project delivery professional standard. The Corporation scores as 'in development', the lowest level of maturity across all seven themes set out in the standard. The proposals set out in this report (and the associated appendices), are designed to ensure we progress against all elements of the standard. It is important to acknowledge that the implementation plan set out is designed to develop sustainable improvements. Therefore, this is a long-term plan based on a comprehensive redesign supported by incremental and continual improvement. Our progress against the maturity model will be regularly monitored to ensure the intended benefits are delivered.

53. The graph below illustrates Corporation maturity now and maps out plans for development over the next three years.

Portfolio maturity - ambition

54. As shown in the table, the priority areas of focus, for year one (set out in the attached implementation plan), are: governance and project delivery; leadership and capability and; programme and project management. The overall aim is to get to best in class across all themes by the end of year three which is considered an appropriate maturity level to reach given the size and scope of our activity.

Standard Theme	Now	12 months	24 months	36 months
Governance and project delivery	In development	Better	Best	Best
Leadership and capability	In development	Better	Best	Best
Portfolio management	In development	Good	Better	Best
Programme and project management	In development	Better	Best	Best
Planning and control	In development	Good	Better	Best
Finance and commercial	In development	Good	Better	Best
Solution delivery	In development	Good	Better	Best

Phased implementation

55. It is proposed to take a phased approach to implementation with phase one changes aiming to go live in Jan 2024.The priorities for the first phase include:
   - Data integrity and validation (cleansing of data held in the project system and reconciliation with Oracle)
   - Upgrade of project management system
   - Establishment of EPMO and internal reorganisation
   - Detailed design and business process mapping
   - Updates to the Project Procedure
   - Updates to associated policies and procedures
   - Health checks on tier 1 projects
   - Transition of tier 1 projects to new model

Further details are included in Appendix 3.

56. In order to manage priorities whilst these changes are being implemented it is proposed to make permanent, the temporary measures approved previously by OPPs, namely the delegation to (approved and trained) Officers to approve project-related decisions up to £1m for corporate projects and to descope routine procurements from the Project Procedure. It is proposed to seek delegation to officers to make tactical changes to the Procedure to improve decision making in the interim.

Investment required

57. The creation of the new division can be achieved within budgets that already exist on central and local risk. The intention is to combine these budgets and use the that to fund the new structure. However, as set out in the implementation options, in order to deliver the scale and pace of change needed, a one-off investment of £225k is required. Additionally, it is recommended that a corporate project management resource pool is developed to provide professional corporate support and intervention where required. This is proposed as a more cost effective model in comparison to interim resources where day rates are likely to be high (£700 per day and above). The internal resource pool will also better support the development of internal knowledge and capabilities.

58. A summary of the investment required as a result of the proposals set out in this paper is provided below:

Investment	Cost	Type
Portfolio management implementation plan	£225k	One-off
Sub-total	£225k	
Establishment of the new Commercial, Change and Portfolio Delivery division – core budget	No additional investment required	Ongoing
Corporate project management resource pool	£225k	Ongoing
Annual operating budget (includes licenses, training, system maintenance)	£100k	Ongoing
Sub-total	325k	
GRAND TOTAL	**£550k**	

Managing the change

59. Effective change management will be key to ensure that the changes set out in this report are achieved. This is a corporate wide change and whilst it will be led by the COO department, it is important that all parts of the Corporation buy-in to the changes and develop a sense of ownership of these proposals. The benefits set out will improve the working experiences for all Corporation staff including those in our institutions and should help to make it easier to navigate corporate governance and processes.

60. The proposals include the strengthening and formalising of existing networks who will take a lead role in continuing to refine the proposals and implementing them. The key networks will include:

- 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.

61. Appendix 5 provides a summary of the intended change management approach.

Measuring our success

62. Assessment of progress against the project delivery standard (as set out in paragraphs 53-54) will be used to measure improvements and to assess whether the Corporation is developing at the pace required. The qualitative outcome statements (set out in paragraph 42) will also be used in order to measure the impact of change on particular stakeholder groups. In addition the existing Project Governance division business plan identifies the following targets which we will aim to achieve in the first phase of the implementation plan (Q4 23/24).

#	KPI	Current Perform-ance	Direction of Travel/ Target
1	Programme health check carried out on all major projects	New measure	100%
2	Named SRO on all major projects and high value corporate projects	New measure	100%
3	% of SROs who have completed SRO training	New measure	100%
4	% of dedicated PMs who have completed requisite training	New measure	tbc

Key data

63. The Corporation has a project portfolio of over £2bn. This is currently split into corporate and major projects with limited oversight over the impact and delivery of the entire portfolio. There are 355 corporate projects, three major projects and two additional pipeline projects. No coherent corporate governance exists to manage business change activity and therefore it is unknown how many

strategic transformation projects are taking place or the quantum of investment in this type of activity.

Corporate & Strategic Implications

64. 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.

65. Financial implications – The proposals set out in this report will help to provider 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.

66. Resource implications – the proposals set out will require a focus on training and development for everyone involved in delivering projects across the Corporation. Proposals for the development of the Project Management Academy are set out in Appendix 2 and the approach to staff engagement is set out in Appendix 5. The proposals for the integration of the Commercial and Project Governance divisions will be managed in line with corporate HR policies and will include engagement with all affected individuals. It is not anticipated that the integration of the two teams will lead to any adverse implications for staff members. An equalities impact assessment will be conducted on the proposals for the new structure.

67. Legal implications – none.

68. 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.

69. 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.

70. Climate implications – none.

71. Security implications – none.

Conclusion

72. Our current approach puts our ambition at risk. The Corporation has a generational opportunity to make a real and lasting difference in the Capital and beyond, but this requires us to think differently and to invest in developing the professionalism and capabilities needed to deliver.

Appendices

- Appendix 1 – RedQuadrant summative report
- Appendix 2 – outline project governance framework
- Appendix 3 – proposed implementation plan
- Appendix 4 – RedQuadrant capability survey finding
- Appendix 5 – approach to change management
- Appendix 6 – case studies highlighting challenges with existing governance approach

Background Papers

Project Governance Review OPPs (cityoflondon.gov.uk)

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Project Governance Review

City of London Corporation

Report from RedQuadrant

Contents

1. Introduction

1a why are we doing the work (drivers for change and context)

In recent years the Corporation has undergone several changes and developments in its approach to project management. In 2018, the Costed Risk provision was introduced, as was the Project Management Academy, and a revised version of the Projects Procedure. This was then followed by the implementation of the new TOM, which was followed by a number of special arrangements, including the Investment Property Group (IPG) expedited process, the CLS schools' pilot, and the regular maintenance process.

However individually justifiable these changes and developments have been, the cumulative effect has been a fragmentation of approaches, with common practices within individual departments becoming inconsistent both with each other and with the City's Projects Procedure.

This inconsistency has given rise to numerous issues, as identified by the Corporation in the original review brief. As you recognise in that document, it has become necessary to ensure that official procedures and actual practice align with each other, and that both are in alignment with the best interests of the City of London Corporation.

The current approaches create risk for the Corporation, particularly in the following areas:

- The provision of consistent governance and oversight,
- The alignment of scarce resources to strategic objectives,
- Ensuring operational efficiency and effectiveness

Oversight is especially key here. The Corporation currently has no single or collective point of oversight for their projects, and no robust framework to help ensure successful delivery of those projects. This needs to be remedied if the Corporation is to make headway in addressing the other issues they face.

1b. What have we been commissioned for.

RedQuadrant have been commissioned to undertake a review of the Corporation's entire project ecosystem, including projects of all sizes, whilst recognising proportionality as a key principle. The objectives of the work were not to duplicate the scope of the recent Member governance review and therefore, the agreed Committee structure OPP sub- Project Governance Committee and Capital Buildings Board) will remain unchanged (other than potential recommendations to refine Committee terms of reference to include any changes necessitated by the final agreed operating model).

We were commissioned for a total period of 2 months and the work was broken down:

Stage A&B   Initiation and Review
Stage C Develop and Enhance - including contact with parallel disciplines.
Stage D Finalise and develop implementation plan.
This report summarises the overall findings and recommendations emerging from this review.

An important point of clarification regarding this commission: as we discovered during the course of this review, <u>there is a confusion of terminology embedded in the system that the Corporation is currently using.</u> What the Corporation refers to as its existing "projects procedure" is in fact an amalgam of what the industry standard would recognise as a 'projects procedure' *and* an 'operational procedure', with the latter being concerned with business-as-usual activity. The industry standard terms as they appear in the APM glossary are as follows:

Business-as-usual	An organisation's normal day-to-day operations. Also referred to as steady state.
Operations management	The management of those activities that create the core services or products provided by an organisation.
Project	A unique, transient endeavour undertaken to bring about change and to achieve planned objectives.

Please note that RedQuadrant has (only) been commissioned to undertake a review of the Corporations *project* ecosystem, including its *projects* procedure. It has not been commissioned to undertake a review of the Corporation's operations procedure. Engaging with any aspect of this would have been squarely beyond the scope of our commission and therefore an inappropriate use of the allotted time.

During the course of this review, we have addressed the confusion of terminology in the Corporation's existing system, illustrated how to disambiguate 'projects' from 'business as usual', and explained the importance of doing so.

A natural result of all of this is that not everything which the Corporation is accustomed to categorising as part of their "projects procedure" is covered by the review or this report. This is not a failure but a feature. Again, we are illustrating what the appropriate boundaries of a project ecosystem are, which is the most valuable insight we can offer the Corporation.

1c. Anticipated benefits/objectives

The proposed portfolio management operating model stands to provide considerable improvements to the financial efficiency of the organisation. It offers consistency in the project delivery approach, which can lead to improved efficiency and reduced costs over time. It offers clarity, and therefore to improved alignment between project goals and strategic objectives, which can ultimately lead to better value for money. It offers flexibility, enabling the Corporation to respond more effectively to shifting market conditions and to opportunities, which can improve the overall value delivered by the portfolio. Above all, it offers the opportunity for continuous improvement, via a centre of excellence devoted to the continual refinement of the operating model, ensuring that the Corporation can continue to deliver value over time.

2. The current state

2a summary of approach and problem statements

The overarching issue is that the "projects procedure" as it stands acts as the core process for all activity in the Corporation, covering business as usual activity, projects, and major programmes. As such, it is not properly what the industry standard would call a "projects procedure" at all, but rather, an amalgam of a projects procedure and an operational procedure. This "one size fits all" approach has contributed towards some of the following issues, as identified in the original brief:

1. LOW THRESHOLDS. The existing threshold of £50k for capital projects means that any undertaking above that figure must be submitted to Operational Property and Projects sub-committee. This committee formed in May 2022 to take over what was formally the remit of three separate sub-committees. The sheer quantity of capital projects which fall above the £50k threshold has meant committee members facing agenda packs of more than 600 pages, plus supplementary pages. This is not conducive to efficiency. This issue is aggravated by the fact that the Corporation has an unsuitable definition of a 'project'.

2. AN UNSUITABLE DEFINITION OF A 'PROJECT'. The existing definition of a 'project' as anything that results in 'tangible physical deliverables' suffers from being simultaneously too wide (since e.g., procurement activities end up defined as 'projects') and too narrow (since resource based or change projects do not meet this definition of 'project'). On the one hand, this adds to the aforementioned problem of the overstuffed agenda packs. On the other, it excludes transformational activities or change projects from the usual capital projects procedures. Not only is it unclear how such projects (for they are *projects*) are to obtain funding, but it is also unclear how their associated business plans are to be subjected to appropriate scrutiny or their outputs evaluated. This contributes towards the problem of the Corporation's fragmented portfolio.

3. A FRAGMENTED PORTFOLIO. As we can see, the guidelines and procedures as they stand only capture conventional capital projects. They do not capture transformational activities or change projects. As a result, there is no central location which oversees *all* projects within the City and allocates effort and resources according to Corporation priorities. Project proposals which don't meet the existing definition of 'project' may thereby go unfunded or underfunded (despite meeting Corporation priorities). Alternatively, they may end up funded piecemeal without oversight, which risks accumulating hard-to-track expenditures for projects that do not meet Corporation priorities. The latter concern would be largely mitigated if there was a clear, agreed understanding of what decisions (budgetary and otherwise) lie within the remit of particular roles within the Corporation. Unfortunately, as things stand, there is a lack of clarity on project roles and responsibilities.

4. LACK OF CLARITY ON PROJECT ROLES AND RESPONSIBILITIES. Across the Corporation, there is an inconsistency in how key project roles are established, as well as a lack of understanding regarding the purpose of such roles. In such circumstances, it is easy for

Project Managers to either overestimate or underestimate the appropriate scope of their role. Current procedures focus on mitigating the former error, by pushing as many financial decisions as possible up the ladder. But underestimating the appropriate scope of the Project Manager's role carries serious risks of its own and in fact reduces the Corporation's capacity for effective assurance/risk management.

5. ASSURANCE/RISK MANAGEMENT. The greater the proportion of decisions put to the Committee, the greater the proportion of Committee time spent on operational issues and approving minor expenses. This in turn severely decreases the amount of time available to focus on the kind of strategic issues and oversight of risks, as well forcing under-developed business cases into funding assumptions too early. Delegating operational issues and decisions regarding minor expenses to Project Managers would address this issue. Unfortunately, as things stand, delegation to Project Managers is minimal, owing to the current structure of budget allocation and drawdown.

6. BUDGET ALLOCATION AND DRAWDOWN: As things stand, delegation to Project Managers is minimal. They must seek Committee approval to access (already approved) project budgets, even for low-value sums. They cannot move project funding across workstreams, within the same project, without seeking Committee approval first. Project Managers experience these restrictions as disabling, as a barrier to effective and agile management of operational risks. The status quo frustrates Project Managers even as it exhausts the Committee.

3. The approach to the review (what we have done)

3a. How we have engaged with stakeholders on journey

In approaching this review, we have drawn on our understanding of a range of industry standard approaches, including portfolio management, as well as on our considerable practical experience of delivering portfolio management frameworks. This has enabled us to de-risk the required changes, and to tailor our approach and recommendations to your specific context.

It should be noted that our engagement with the original project team was interrupted by a team change at the Corporation, which occurred partway through the project. This has resulted in a situation where the new members of the Corporation team are still getting up to speed with the required changes as RedQuadrant's involvement draws to a close. Whilst this is less than ideal, we are confident that the clarity of our recommendations, in combination with the consistent team leadership provided by Genine Whitehorne will suffice to ensure that the programme retains the necessary momentum.

Over the past few weeks (with a total of 2 months allocated to the project), we have conducted the review in the following stages. Prior to the start of each stage, we have engaged with the Corporations project team and SRO to discuss, refine, and agreed both the approach to the stage work plans and the key deliverables/outputs required at the end.

Stage A: Initiation; and B: Review and evaluate current designs.

The initial desktop phase of the process was of necessity a short one. It was further constrained by the need to be mindful of morale. Owing to the recent TOM and the governance review, the Corporation has experienced a number of significant changes in a very short period of time, some of which have been difficult and stressful. As a result, there was an understandable level of change fatigue amongst stakeholders, a reluctance to re-visit and discuss issues which may have already been discussed in relation to the TOM. Therefore, in order to minimise any negative impact on morale and thus maximise stakeholder engagement with the project, we focused our attentions on validating assumptions from the initial brief.

Our initial review was completed through engagement interviews and document review. We engaged with the following relevant stakeholders:

- Staff in project operational roles,
- Staff in governance roles,
- The PMO, and
- Senior Stakeholders

We made use of their insights in order to:

- understand and assess the current expectations of service delivery,
- identify and conform the specific requirements for the Corporation, and
- understand the current context for this project (including ambitions for the future),
- confirm non-negotiables.

We began by arranging a number of focussed sessions with sample representatives from a cross section of the organisation's ppm community. We conducted 1:1 engagement/ workshops with stakeholders at all levels. This included:

- Representatives from both the Corporate PMO and the Major Projects PMO,
- Representatives from the Corporate and Major Projects Programme,
- Project Managers from the following directorates:
    - Environment,
    - Surveyors,
    - Community and Children's Services

Our samples therefore reflected the breadth of specialisms and experience within the Corporation, placing us in the best possible position to understand concerns and to suggest improvements.

We took a blended approach, based upon a number of industry benchmarking standards, to support our independent evaluation and to use as a guide in conducting stakeholder interviews. In particular, we made use of the following tools:

- P3M3 - A self-assessment questionnaire designed to explore and evaluate an organisations maturity and process capability with respect to, programme and project management.
- Infrastructure and Project Authority's (IPA) Project Routemap - A support tool which provides practical advice based on learning from other major projects and programmes.

The themes we explored were as follows:

Themes	Description
1. Requirements	Delivering strategic project outcomes and realising the benefits
2. Governance	Establishing clear accountability and empowering effective decision-making
3. Organisational design and development	Organising the project team to deliver successfully
4. Risk Management	Managing uncertainties and opportunities
5. Delivery planning	Readying the project for transition into delivery

Stage C: Develop and enhance design.

During this stage, we focussed on identifying the Portfolio management operating model which would work best for your organisation, and how it would connect with your existing assurance processes.

As with the initial desktop phase, it was necessary to be considerate regarding stakeholder sensitivities arising from the recent work on the TOM. Therefore, it was agreed that the scope of this phase should be focussed on the 'to-be' model, rather than the more in depth 'as is' processes, with this knowledge being provided by the Corporations project team members. It was also agreed that we would revise our initially planned scope for stakeholder involvement in this stage. The original intention was to establish working groups of subject matter experts and wider stakeholders in

developing the building blocks for each of the identified deliverables. This was revised to a mixture of smaller focussed groups. 1:1 sessions and workshops in relation to each deliverable.

We also worked in parallel with the Chamberlains Transformation programme to understand key dependencies between the two work strands and ensure that these are captured in our recommendations.

The following list represents the key deliverables, or building blocks for which the revised approach, outputs and stakeholders were agreed prior to commencement:

1. Portfolio Definition – new operating model
2. Portfolio Delivery (defining good governance for projects and programmes)
   2.1. Roles and Responsibilities
   2.2. Governance, Assurance and Risk Management – Links to Chamberlains Transformation
   2.3. Definition, Categorisation and Tiering (to support portfolio prioritisation)
   2.4. PPM Systems and Reporting
3. Skills and Capability – analysis
4. Community of Practice – options
5. PM Academy – funding options

(Our recommendations regarding each of these deliverables is explored in depth in section 5, below.)

We designed the blueprint for the above building blocks based on industry standards, and incorporated strong links with:

- MoP, the Portfolio Management Framework developed by the Cabinet Office,
- The IPA Routemap
- Government functional standards (which incorporate best practice Prince2 and MSP) for:
  - The Project Delivery framework,
  - The Project Capability framework.

Additionally, we worked alongside the Chamberlains Transformation programme and drew on lessons learnt from working with similar public sector organisations when making recommendations for a proposed Scheme of delegation, Costed risk.

The requirement for a summative report with recommendations on future design was merged into the next stage activity.

D) Finalise design and plan implementation

We have worked to finalise the design of the Portfolio management operating model into Blueprints templates and provided extra supporting information in the form of guidance, and tools.

1. Produce finalised design documents.
2. To engage with senior leaders to brief them on the future portfolio operating model.
3. Develop blueprint plans for adopting the new operating model with associated implementation timeframes.

We have presented our findings and recommendations on the proposed new Portfolio Operating model and enhanced Project and Programmes delivery cycle through a number of engagements with Senior Stakeholders, Project managers and to the PLG and Corporate Projects Board.

Coming to the end of our engagement, we have been introduced to the Corporations project team working on the Net Zero Climate strategy. Through a number of engagements, we have briefed them on the changes to the Portfolio, programmes, and projects processes (Portfolio Ecosystem) which align to government functional standards that we have recommended. In addition to the, proposal to introduce more structured feasibility assessments (overseen by the Portfolio Board) which would include a number of impact assessments and the new Gateway Review process based on IPA (OGC) guidelines.

Finally, we have developed this summative report of our findings.

4. Our findings

4a. What works well.

We found significant strengths within the organisation which provide a foundation upon which to build. Above all, it's clear that you have dedicated and capable staff. Our survey showed a good level of project management skills and capability within the organisation, and most of the respondents would welcome career development at the City of London Corporation. This makes them an excellent workforce base to develop. Also demonstrative of the strength of the workforce is the excellent engagement we saw in the workshops and the 1-1's. Staff are clearly keen to give their views in and suggestions to improve the project management process. This is indicative that you can expect positive ongoing engagement during implementation, which is a very positive sign.

We also found useful examples of best practice within the organisation. Notably, the IT department has strong project and programme management practices, which could serve as a blueprint for further development in other areas of the organisation. Furthermore, all Stakeholders had a high opinion of the Project Management Office, agreeing that they were responsive and knowledgeable.

4b. What requires improvement

We have categorised our findings by area, but also indicated how each of the findings connects to the issues identified in the initial brief and discussed in Section 2. This should indicate the systematic nature both of the issues themselves and of our proposed solution.

1. LOW THRESHOLDS
2. AN UNSUITABLE DEFINITION OF A 'PROJECT'
3. A FRAGMENTED PORTFOLIO
4. LACK OF CLARITY ON PROJECT ROLES AND RESPONSIBILITIES
5. ASSURANCE/RISK MANAGEMENT
6. BUDGET ALLOCATION AND DRAWDOWN

- **Strategy and vision** – there are inadequate or inconsistent processes in place for project selection, prioritisation, and resource allocation. There is an overly broad definition of 'project' and no clear and consistent framework for ensuring that there is distinction between programmes and projects (2), and that these are systematically prioritised to deliver the greatest benefits against strategic objectives. (3, 5).

- **Governance and oversight** – Governance responsibilities are disproportionately placed with Members rather than Officers. Insufficient delegation to Officers, coupled with a lack of clarity on project roles and responsibilities, has led to projects requiring additional oversight to compensate. This is a vicious cycle, which leaves Officers without the necessary powers, and Members without the necessary time, to do their respective jobs effectively.

  However (as we shall explore later in 'Recommendations') such ongoing oversight as is required need not be provided by the Members themselves, but could instead sit with a Portfolio Board, whilst accountability for delivery of individual projects and programmes remains within Service Areas/ Directorates. Delegating decision making in this way would allow SRO's and PPMs to follow a more comprehensive framework, that supports all key activities associated with delivery. Meanwhile, relieving Members of the additional scrutiny of projects responsibility of

project enabling them to take a more strategic perspective, and thereby strengthen the Corporations strategy and vision. (1, 2, 3, 4, 5, and 6).

- **Management and capability** - The Corporation requires a deeper understanding of best practices for project and programme management, and to develop capability and skills particularly in the latter. This lack of consistency in the way that projects are managed, as well as to limited or unclear processes for project and programme governance, risk and assurance and benefits management is further exacerbating the issues identified.

  All Stakeholders agreed that the PMO were responsive and knowledgeable and would welcome a more proactive approach from them through all phases of the project lifecycle. However, both the Corporate PMO and MPPMO are currently wholly under-resourced to achieve this. It stands in need of investment in order to enable it to effectively support the whole organisation and provide the full breadth of a PMO service offering.

  Part of the issue is the inappropriately broad definition of 'project', which has led (for example) to Members receiving project reports for the purchase of vehicles or pianos to replace existing assets. However, capacity within the PMO is limited not only by the volume of projects, but also by the scope of reporting, a lack of delegated powers, and a lack of clarity regarding the scope of some roles (1, 4). The PMO are currently unable to report on interdependencies between projects or to present an holistic view of projects across the current Portfolio. The impact of this is to limit the Corporation's capacity for an overall strategic vision.
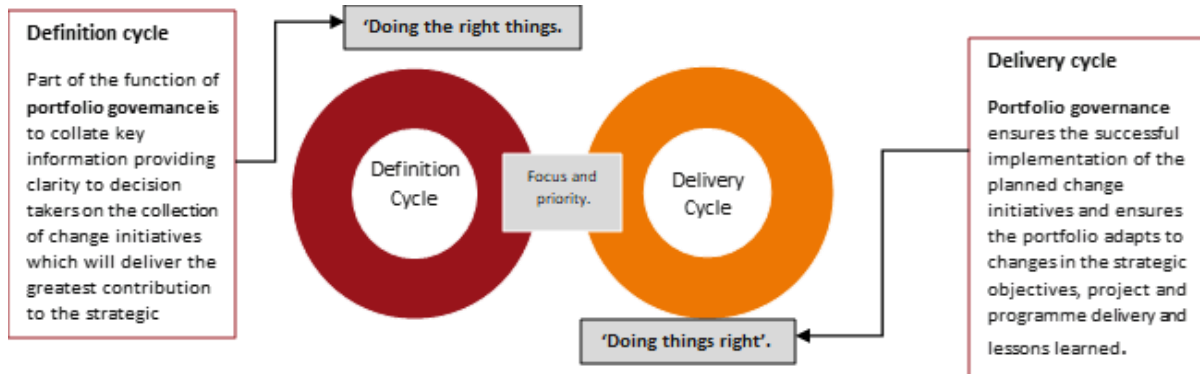
  Proper risk management requires a clear connection between project approval and finance approval. As things stand, there is a disconnect between the two, and notable variation between individual projects, with some going directly to the town clerk's office for approval, instead of following the routes articulated in the project's procedure (1, 3, 4).

  The Corporation's capacity for risk management is also affected by the disproportionate amount of time spent on operational issues and approving reports for nominal sums, rather than more strategic issues and oversight of risks. The cause of this is the high number of reports submitted to the Committee, which is itself caused by the inappropriately broad definition of 'project'. The overall effect is to force under-developed business cases into funding assumptions too early.

  There is a corresponding problem with establishing programmes of work. All activity is classified as a project, which means the Corporation is not making best use of industry standards that would support revenue/ transformation change programmes and the inherent processes which for example emphasise tracking benefits management. Assessing these benefits requires drawing out a clear connection between activities and intended outcomes which a project management approach does not emphasise. Stakeholders we interviewed agreed in general that tracking benefits and lessons learned is not routinely carried out beyond gateway 6, and often not within a project (should be a programme). Whilst capacity was cited as a barrier, most stakeholders were keen to be able to do this.

5. Our proposed model

5a. Summary overview of how it works.

Definition cycle

Part of the function of **portfolio governance** is to collate key information providing clarity to decision takers on the collection of change initiatives which will deliver the greatest contribution to the strategic

'Doing the right things.

Definition Cycle

Focus and priority.

Delivery Cycle

'Doing things right'.

Delivery cycle

Portfolio governance ensures the successful implementation of the planned change initiatives and ensures the portfolio adapts to changes in the strategic objectives, project and programme delivery and lessons learned.

At the core of our recommendations is the implementation of a Portfolio Management Framework, which consists of two portfolio management cycles: portfolio definition (structures and functions) and portfolio delivery (good governance for project and programme delivery). This Framework can be applied to the totality of the Corporations investment portfolio, capital, and revenue projects.

The implementation of this framework will break down silos in the organisation and promote a more integrated and streamlined project delivery process. It will also ensure that the portfolio aligns with organizational strategy and goals, and that interdependencies, benefits, and risks are identified and managed. The proposed approach also suggests organising work into sub-portfolios, which can help to ensure that BAU and cyclical work are not subjected to unnecessary ppm controls, thereby improving the efficiency and effectiveness of portfolio management overall.

It is important to note that a Portfolio Management Framework is more than the adoption of a new delivery standard. It is a total transformation that requires a change in culture, mindset, and processes across the organisation. Whilst the proposal to adopt a portfolio management framework is the right direction of travel for the organisation, it is essential to recognise the substantial gaps that need to be addressed before embarking on this journey fully.

This transformation needs to begin by establishing a set of consistent practices and processes, which are essential to successful portfolio management, and which are currently lacking in the Corporation.

We therefore recommend an incremental approach to building out the foundational elements of good portfolio management practice. This approach can help the organisation to address the gaps identified in the design phase of the review teams work and gradually implement best practices over time. The speed and efficacy of this process will depend on the organisation's resources, capacity, and change appetite. It is essential to have a clear understanding of these factors before embarking on the journey fully. Low change appetite within the organisation can be a challenge, but it's not insurmountable. It will be crucial to communicate the benefits of portfolio management and the need for change clearly to build support for the initiative and increase the organisation's change appetite over time.

There are two major forms of change being proposed for the current project's ecosystem.

- Changes to supporting structures and functions: The introduction of a Portfolio Board, Office, and EPMO (fully resourced), and clarification of roles and responsibilities across different stages of project delivery.
- Procedural changes: Changes to processes related to finance and risk management, definition, categorisation, tiering, reporting, roles and responsibilities, toolkits with standardised templates such as updated Business Cases based on industry best practice, systems, and a new gateway assurance process.

Making changes to the way that project and programmes finance is managed, in connection with the proposed changes in the Chamberlain's transformation process, will mean that risk tolerances will be set and agreed, and funding will be available for more detailed feasibility studies to improve the accuracy of business cases. See annex three for more details.

Both of these forms of change represent a substantial shift in the current operating model of the project ecosystem. The structural changes will result in more centralised oversight and coordination of projects within the portfolio, with greater emphasis on strategic alignment and ensuring quality. The procedural changes will result in more consistent and standardised processes for managing risk and assurance across all projects and programmes within the portfolio. This will be facilitated by the EPMO and the use of ppm methodologies as appropriate, in simple terms governance for projects v programmes, capital v revenue, appropriately scaled.

It will be important to carefully plan and communicate these changes to all stakeholders to ensure that they are properly understood and implemented. It will also be important to provide training and support to staff to upskill them in the new ppm processes and practices. Additionally, ongoing monitoring and adjustment will be necessary to ensure that the processes are effectively implemented and deliver the expected benefits.

To help implement and support these changes, we recommend that the Corporation look to develop a centralised portfolio management office. This centralised office will be in a position to provide oversight and coordination for the portfolio of work, and to develop clear definitions, processes and principles for program and project management, risk management and delivery management. The establishment of this office should be regarded as a medium to long term goal. In the short to medium term, we recommend that the Corporation lay the necessary foundations required in advance of setting up this new office.

Later in this report, we will provide step-by-step guidance for a programme of incremental improvements, each of which will have an immediate positive effect as well as cumulatively preparing the Corporation for the end goal of a centralised portfolio management office. Firstly, however, we will go through a fuller explanation of the portfolio management approach and offer an account of how this approach will benefit the Corporation.

Note that whilst the Portfolio Management Framework can make drastic improvements to the current project ecosystem, its success will rely on changes to the underlying operational changes for instance how BAU activity will be managed once de-coupled from the 'Portfolio ecosystem' as well as cultural and environmental. This work should be considered as a part of a broader transformation effort that addresses not only the current project ecosystem and BAU operational and approval processes but the organisation as a whole e.g., Members commission feasibility assessments/ business cases prior to confirming a project/programme decision on activity. This transformation will require leadership (Officers and Elected members) to come together provide a clear vision and engage employees in the change process to ensure a successful outcome.

Why - Portfolio management

Portfolio management enables organisations to review all work programmes as a whole, developing a deeper understanding not only of their individual functions but also their interdependencies. By understanding the causal interrelationships between different areas of the organisation, senior leaders are able to make far more informed and effective decisions regarding the prioritisation and sequencing of work. They are able to align their projects, programs and initiatives with their strategic objectives and goals by selecting, prioritising, and managing the right mix of projects and programs that deliver the most value.

Portfolio management relies on the implementation of a management framework, which defines how the portfolio should be directed and managed. A portfolio management framework consists of a coordinated collection of practices which, when applied together, enable the most effective balance of organisational change and business as usual, while remaining within a specific funding envelope.

The coordinated collection of practices includes:

- *Agreed roles and responsibilities* for portfolio management, enhancing understanding of *who* will make *what* decisions and *when*.
- *Agreed overarching policies and practices regarding*:
  - Governance
  - Risk management
  - Assurance
- *Agreed applied processes* for:
  - Project selection,
  - Prioritisation,
  - Resource optimisation,
  - Performance measurement,
  - Regular portfolio reviews

We can think of this as the *who*, the *what*, and the *how*. Who is responsible for making the decision? What high-level organisational strategy and goals should inform that decision? How can we best ensure success? The ability to answer these questions is key to effective portfolio management.

How this approach will benefit the City

As things stand, there is a fragmented approach to managing the portfolio of projects across the Corporation, with transformation or change activities excluded from procedural guidelines. Whilst our findings show there are structures in place which could support such activities, they are hampered by one or more of:

1. resource (Corporate PMO and MPPMO) capacity issues,
2. unclear definitions of ppm activity,
3. low thresholds,
4. lack of delegation,
5. lack of portfolio expertise to fulfil this type of function effectively.

This in turn is preventing the development of oversight of all projects within the City and hampering its ability to adequately track and scrutinise the weight or effort of resource apportionment against Corporation priorities**.**

Implementing a Portfolio Ecosystem in the City will help to address the specific weaknesses in the current project governance structure, improving the City's ability to:

1. Deliver projects and programmes effectively and efficiently (e.g., delivering specified outputs to time and cost),
2. Deliver outcomes through projects and programmes, including 'hard' outcomes such as capabilities delivered through equipment or infrastructure as well as 'soft' outcomes delivered through changes in behaviours and cultures,
3. Align its change activities with its objectives,
4. Avoid over-committing to change, and thus risking failure both in the change process and in the delivery of Business as Usual (BAU).

5b. Proposal and Recommendations - structure and processes needed to make it work.

Portfolio Definition – Operating Model

Our recommended operating framework consists of the following elements:

City of London Corporation- Proposed Portfolio Ecosystem
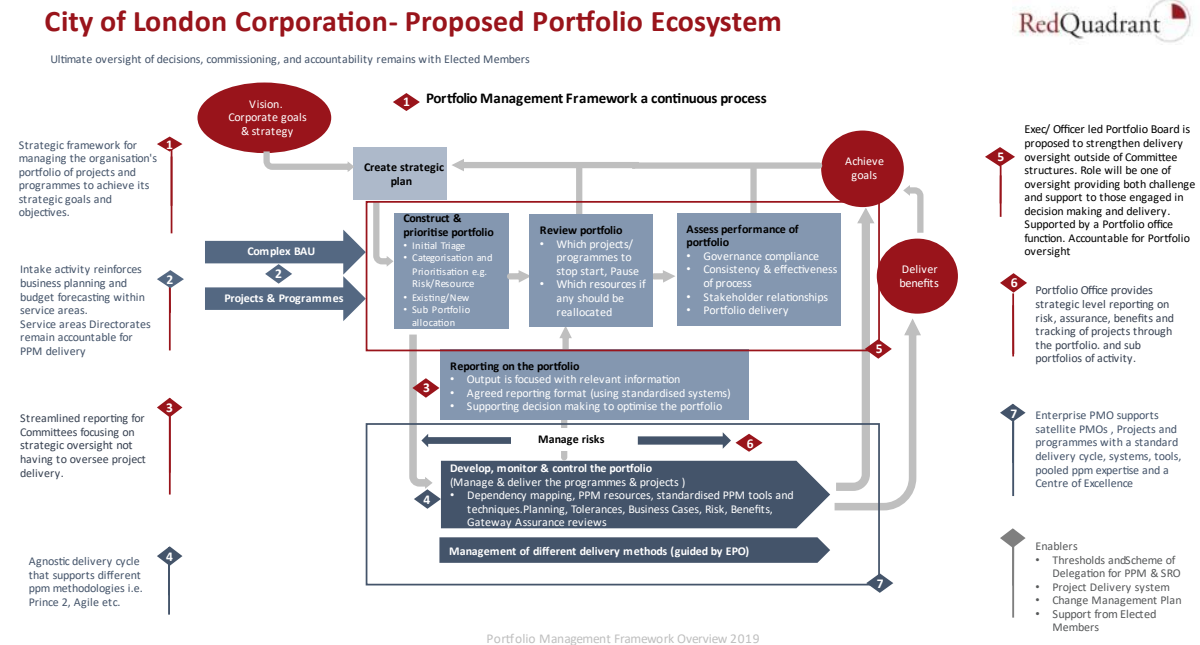
The Portfolio operating model recognises and emphasises the important role of Elected members in providing ultimate oversight of decisions, commissioning, and accountability. By reducing their involvement in micromanagement of project delivery, Elected members can focus on setting strategic priorities, identifying new opportunities, and ensuring that the Corporation is moving in the right direction.

1. **Portfolio Ecosystem** - Proposed operating framework provides a structure for aligning and prioritising projects, allocating resources, and monitoring progress and outcomes. It does not for example assign projects such as engineering/ infrastructure etc but seeks to centralise PMO activity whilst recognising the different delivery methodologies required.
2. **Intake activity** reinforces business planning and budget forecasting within service areas. Cyclical/Routine BAU activity would not be managed through this process, although stakeholders have indicated that more complex BAU would benefit from additional project governance to support delivery.
3. **Streamlined reporting** for Committees focusing on strategic oversight. This implies that Programme board level delivery oversight is managed by Officers and not by Service Committees.
   Reporting will need to be designed agreed with wider stakeholder involvement and standards of reporting templates agreed.
4. **Enhanced project and programme delivery** practices. Is describing an agnostic and enhanced delivery cycle (aligned to government functional standards for ppm delivery) it supports different ppm methodologies i.e., Prince 2, Agile and should be determined by the

nature of the programme or project. The Enterprise PMO should look to define what these methodologies will be.

5. **Portfolio Office** provides strategic level reporting on risk, assurance, benefits and tracking of projects through the portfolio. and sub portfolios of activity.

6. **Officer led Portfolio Board** is proposed to strengthen delivery oversight outside of Committee structures. Role will be one of oversight providing both challenge and support to those engaged in decision making and delivery. It will be responsible for managing Portfolio operations but accountability for delivery remains with individual departments or service areas.

7. **Enterprise PMO** supports satellite PMOs, Projects and programmes with a standard delivery cycle (new project and programme management processes), systems, tools, pooled ppm expertise and a Centre of Excellence

The models also require the **definition of sub-Portfolios of work**. There are a number of approaches, to achieve this but it will be down to the organisation to select the most appropriate one. Examples include alignment of sub-Portfolio to the top 5 strategic objectives, alternatively these sub-Portfolio could be aligned thematically. It helps to frame the definition of sub portfolios in terms of the management information requirements of the organisation.

By defining the sub-portfolios, it will **support project and programme selection and prioritisation**, and allow for clear and measurable objectives and ppm goals to be defined. This will ensure that the portfolio remains aligned with organisational strategy and goals and that resources are used efficiently. Regular review and performance measurement will help to identify areas for improvement and ensure the portfolio remains aligned with organisational strategy and goals over time (vis the Portfolio Office and Portfolio Board functions).

The project governance review was preceded by a process improvement project in the Chamberlain's service that also included recommendations for the management of financial risk; and the dependencies between the two activities. These have been incorporated into the proposed portfolio management operating model.

Managing Financial Risk in a Portfolio Management Framework

People
- Strategic financial input at early stage
- Finance business partners assigned to each project/programme
- Job descriptions clearly articulating financial responsibility
- Enhanced accountability, i.e., as local risk
- Delivery roles with requisite financial acumen
- Mandatory financial training provided by Chamberlain's service

- Delegated authority to portfolio board
- Quarterly project/programme monitoring
- Inclusion of financial tolerances in budget approval process
- Amended scheme of delegation and financial regulations to support delegated authority
- Robust and standardised financial templates to support decision making
- Centralised project/programme financial dashboard
- Project management module integrated with Enterprise Resource Planning (ERP) system
- System configuration that enables self-service

Process, Tools & Systems

Benefits and outcomes

Proposed Benefits (to the operating framework as a whole)

- A clear structure for decision-making, communication, and reporting across the organisation, ensuring that all stakeholders are aware of the portfolio's objectives, progress, and performance.
- Clear processes around definition and categorisation, allowing BAU/Low value activity to be filtered out of the Portfolio and new projects and programmes processes at the initiation stage.
- Projects and programmes can be prioritised effectively.
- The opportunity to create a Portfolio Board, with clear terms of reference, and the authority to recommend stopping projects.
- Central oversight of the Portfolio pipeline enables clear visibility of strategic alignment, risk profile, resource management and dependencies.
- Streamlined, transparent, evidence-based decision-making.
- Merge funding and project /programme approvals allowing for faster turnaround time for decisions to be made and funding to be released.
- Improved information flows, allowing governance bodies to be proactive, and to make decisions to delay or desist actions, or to recommend interventions.
- Consistent, effective delivery of projects and programmes in line with Government Functional Standard

During implementation the activities within each stage will need to be refined, e.g., level of delegated authority and decision making that the proposed Corporate Portfolio Office structures are allowed. This may for instance include changes to the TORs of the OPP committee once reviewed against the proposed TORs of the Portfolio Board.

Key Changes Required

The proposed changes to supporting structures and functions are as follows:

Officer led Portfolio Board to be established, reporting to the Town Clerk.

We propose the creation of a Portfolio Board, supported by a Portfolio Office. This will strengthen delivery oversight outside of Committee structures. These central oversight functions will coordinate delivery, strategic reporting and monitoring, assurance, risk, and investment.

The Portfolio Boards proposed remit:

- Their role will be one of oversight providing both challenge and support to those engaged in decision making and delivery.
- The Board will exert its influence through the gateway review processes, which overlay project and programme management practices, and which are aligned to portfolio management.
- The Board will have a mandate to recommend stop/ pause/ rejection of ppm activity.
- The Board will make recommendations on investment decisions.

- The Board will provide (through the Portfolio Office) an Initial project filter, implemented prior to member oversight, that ensures that only projects that are likely to be feasible are accepted.

- Capital funding to be ringfenced for general pre-feasibility and feasibility activities, and will sit with the portfolio board, enabling them to maintain central oversight and to support alignment to strategic objectives. The Board would make recommendations on new proposals after completion of these activities.

The **Portfolio Board** works in the space where corporate objectives and delivery processes meet. Its function is to maintain awareness and alignment. There currently exists a corporate level projects board, which has tried to undertake some of the functions described above. This could be requisitioned to form an early-stage Portfolio Board. However, Service Areas / Directorates will remain accountable for project or programmes delivery.

Portfolio Office and Enterprise PMO (as the Hub to satellite PMO's in the Corporation and Institutions)

Current

The Corporate PMO and MPPMO are made up of two full time staff each, who are not in a position to provide the full range of services normally associated with a PMO. Additionally, there are a number of additional PMOs that operate across the Corporation acting independently of each other.

We propose the establishment of a common approach to portfolio management via a centralised portfolio management office which will consist of the office supporting the Portfolio Board and the enterprise level PMO.

The Portfolio Office will help the Portfolio Board make decisions by providing it with an accurate and detailed view of progress against the strategic objectives. It will administer the Portfolio Board processes, and coordinates activity with other Boards.

This function does not exist and would require investment.

Enterprise level PMO (EPO): As part of this Portfolio Office structure, there would be a central EPO function. This function will manage the front-end delivery cycle, which projects and programmes will follow.

- This enterprise level PMO will function as the Centre for all other PMOs within the organisation, encompassing both the Corporate and the Major Programmes PMOs. As part of implementation, it is recommended that an assessment is made to determine the number and specific function of all the PMOs that exist within the Corporation, with a view to merging these under the Enterprise Level Office. Institution PMOs are excluded from and suggestion of a merger in implementation. They would instead function as spokes to the main Hub EPO. (There may be value in undertaking a cost/benefit analysis of this in the future).

- The EPMO will set the standards for ppm delivery, provide tools, templates, and guidance, and administer alignment to the new project and programme management delivery standards, through the articulation of a service catalogue.
- Within this structure there will be a pool (permanent / temporary) of delivery experts. Their initial function will be to build the Portfolio management framework, but in the longer term, the EMPO will be comprised of an internal staff of delivery experts.
- This office would also house a Centre of Excellence Function, focussed on improving the City's in house ppm capability and capacity, and managing the evolution of the inhouse Project Academy/ or other training and development functions in coordination with Learning and Development functions within the Corporation.

This function does not exist and would require investment. Currently only one individual remains in the Corporate PMO, and this is insufficient to meet the Corporation's ongoing needs. There is also an Interim Head of Strategy/PMO to manage the development of this function.

Portfolio Delivery - enhanced projects and programmes processes

Current

Based on our analysis, the current project procedure has several limitations and weaknesses and does not meet the needs of all stakeholders involved in the project and programme delivery process. As previously indicated from stakeholder feedback it is felt that the current process/gateways add unnecessary governance for what should be routine BAU activity. The procedures focus is on construction projects, and the restriction to capital projects between £50k-£100m, creates limitations for other types of projects and creates inconsistencies across the Corporation. Some but not all of these issues are contributing to inconsistent project practices across the Corporation. It should be noted that there are some areas within the Corporation that have strong ppm standards, but feedback suggests that by and large the lack of clarity around the project's procedures, in terms of gateways, as well as the number of committee approvals required, ultimately detracts from the efforts of 'getting on with the job'.

The current projects procedure also has significant issues with the Gateway process. The lack of clear governance roles, and the absence of an assurance process, are causing excessive scrutiny of low value/BAU activity. This leads to an onerous and cumbersome process for those involved. The Gateway documentation is not proportionate, which results in key documents being submitted on non-standard templates, which is aggravating the difficulties with the process. There is also confusion about who is responsible for supporting the Gateway process and maintaining standards, which is further complicating the situation.

Proposed

We propose that the Corporation adopt a more up to date holistic ppm delivery framework, that is agnostic of methodology, and fit for providing appropriate and proportionate governance across projects and programmes. It should be flexible, risk-aware, and stakeholder-focused, and should provide clear and effective communication channels. It should also provide a standardised framework for ALL projects and programmes, and set out a consistent, repeatable process for delivery.

Recommendations

- Separating BAU activity from the new Portfolio Ecosystem and adopting standards of project and programme management aligned to industry standards will support the Corporation in addressing key issues with the current project procedure and Gateway process. Alongside the other recommendations (see Chamberlains Transformation review) This will help streamline the ppm delivery processes overall.
- The enhanced ppm process would apply to ALL projects and programmes across the Corporation, as part of the new Portfolio Ecosystem. It would ensure that Officers are empowered to effectively manage the projects they are responsible for, and to take prompt decisions to manage operational risks. It will also ensure that they are enabled by corporate systems and financial processes, as the Corporation develops a more streamlined, joined-up process focussed on the needs of Project and Programme delivery teams.
- The proposed changes should also help to increase the visibility of strategic alignment, risk profile, resource management, dependencies, finance, benefits, and consistent quality of delivery. By aligning with government functional standards for ppm delivery, which themselves align with a Portfolio Management framework, the Corporation could ensure that it is following best practices in the field and achieving the highest standards of project and programme delivery.
- In conjunction with the Portfolio office, the enhanced projects and programmes process will facilitate regular aligned ppm reporting into corporate boards on the current status of initiatives, risks, issues, dependencies, progress against key targets, deliverables, and benefits. Details of further enhancements can be found at Annex 7.

Proposed Benefits/ Outcomes:

- The new process would apply to ALL projects and programmes across the Corporation, ensuring increased visibility of strategic alignment, risk profile, resource management, dependencies, and finance, as well as putting more effective controls in place to ensure quality of delivery.
- The Corporation would have an up to date and industry best practice approach to delivery.
- The Corporation would build core competencies within project and programme management teams and provide opportunities for career development.
- Project closeout would be better facilitated. There would be a clear handover to the business receiving the change, a consistent financial closeout process, and lessons learnt.
- A clearer project definition, along with an initial project filter developed prior to member oversight, will ensure that only projects that are likely to be feasible are accepted.
- Project and Finance approval would be brought together (see Chamberlains Transformation Recommendations) and through the new Business Case process.
- An improved and integrated assurance process based on the 3 lines of defence model including adopting a new Gateway process as defined in annex 3. (These assurance enhancements through a revised gateway process can also incorporate additional checks against other Corporate ambitions such as the Net Zero Strategy).

Key changes required.

Listed below and described in more detail in section seven.

Recognising that BAU activity is no longer part of the Portfolio ecosystem and subject to new project and programme management processes (exception being complex BAU to be agreed as part of implementation activity). There are two major changes being proposed for the current project's Ecosystem:

Firstly - The introduction of a Portfolio Board, Office, and EPMO, with clarification of roles and responsibilities across different stages of project and programme delivery. Alongside the financial recommendations aligned with the Chamberlains Transformation project this would bring in new delegations and approval routes,

Furthermore, making changes to the way that project and programme finance is managed, in connection with the proposed changes in the Chamberlain's transformation process, will mean that risk tolerances will be set and agreed, and funding will be available for more detailed feasibility studies to improve the accuracy of business cases, and long-term ppm budget and finance reporting.

Secondly - Changes to processes related to finance and risk management, definition, categorisation, tiering, reporting, roles and responsibilities, toolkits with standardised templates such as updated Business Cases based on industry best practice, systems, and a new gateway assurance process.

Both of these changes represent a substantial shift in the current operating model of the project ecosystem. The first change will result in more centralised oversight and coordination of projects and programmes within the portfolio, with greater emphasis on strategic alignment and ensuring quality. The second change will result in more consistent and standardised processes for managing risk and assurance across all projects and programmes within the portfolio. This will be facilitated by the EPMO and the use of ppm methodologies as appropriate, in simple terms governance for projects v programmes, capital v revenue, High risk vs low risk, appropriately scaled.

It will be important to carefully plan and communicate these changes to all stakeholders to ensure that they are properly understood and implemented. It will also be important to provide training and guidance to staff to upskill them in the new processes and procedures. Additionally, ongoing monitoring and adjustment will be necessary to ensure that the new practices are effectively implemented and deliver the expected benefits.

Overall, these changes represent a significant transformation in the current project ecosystem and will require a thoughtful and deliberate approach to implementation. With the right planning, communication, and support, the Corporation could ensure that it is following best practices in the field and achieving the highest standards of project and programme delivery.

5c. Benefits of the structure and how it mitigates problem statements.

The ultimate benefit is to support the aim of the corporate plan: 'to strengthen the character capacity and connections of the city, London and the UK for the benefit of people who live, learn, work and visit here'. Implementing the suggested framework will ensure the City Corporation is justifiably confident that their projects and programmes represent best value and deliver the intended benefits for stakeholders.

The goal of Portfolio Management is to align the Corporation's resources and initiatives, enabling it to achieve its strategic goals. It involves the continuous evaluation and optimisation of the portfolio of projects, balancing investment, and risk across the Portfolio. Programmes and projects to deliver the desired outcomes, ensure effective use of resources and manage risk.

The implementation of a Portfolio Ecosystem, as proposed, would provide the necessary framework and support to manage the portfolio effectively. This will help ensure that the sum of the parts of the Corporation's portfolio of work delivers the desired outcomes, and allow for adaptation if priorities, desired outcomes, available resources, or delivery context change. It would also make it possible to compare individual projects and see them as part of a bigger picture.

The Portfolio Ecosystem will empower officers to effectively manage the projects they are responsible for. They will have the necessary autonomy to take prompt decisions and manage operational risks, whilst being properly supported by corporate systems and financial processes.

It will therefore ensure that Members are able to focus on strategic issues and areas of high risk and/or value, confident in the knowledge that lower risk/value projects are well managed, and that an effective assurance framework exists to identify any potential issues or risks.

Our recommendations clarify the role of the Portfolio ecosystem, including the proposed Enterprise PMO, and its function in maintaining project and programme management standards across the organisation. We have also recommended further investment in this function, improving its capacity to fulfil this role effectively.

Our recommendations would also ensure that delivery activities have an enhanced overall impact. The Portfolio process, combined with stronger programme management, will 'join up' projects and programmed into coherent groupings. The greater visibility of these connections will facilitate the realisation of 'soft' outcomes, which would be delivered through changes in behaviours and cultures.

Overall, the proposed portfolio management operating model will offer:

Consistency: By standardising the project and programme delivery approach, the operating model can help ensure that projects are delivered consistently, regardless of the project team or project type. This consistency can lead to improved efficiency and reduced costs over time.

Clarity: This clarity can lead to improved alignment between project goals and strategic objectives, which can ultimately lead to better value for money.

Flexibility: A proposed delivery cycle that is designed to be flexible and can adapt to changing project requirements or organisational priorities. This can help the Corporation respond more effectively to shifting market conditions or emerging opportunities, which can improve the overall value delivered by the portfolio.

Continuous improvement: Through a centre of excellence that continually refine the operating model, the Corporation can ensure that it continues to deliver value over time. This can include identifying areas for improvement, implementing best practices, and incorporating feedback from stakeholders.

In summary, the proposed portfolio delivery operating model can represent value for money if it is designed to align with the Corporations strategic objectives and is regularly assessed and refined to ensure that it continues to meet the needs of the Corporation and its stakeholders.

6. Implementation plan

6a. What you need to do

In recognition of the Corporation's starting point, implementation will need to be incremental starting with a focus on the foundations of good programme and project management. The speed and approach will need to acknowledge the appetite for change and the available capacity to deliver change. This needs to manage the risk of over-committing to change and adequately account for the need to maintain business as usual and ensure the delivery of corporate priorities.

Detailed bespoke blueprints to support key implementation activities have been developed and define the way in which the Portfolio Definition functions work in conjunction with Portfolio Delivery processes. Included within this are guidance and examples of the roles, responsibilities, processes, and tools necessary for successful implementation.

To successfully implement the recommendations, there needs to be a focus on wider enablers, beyond the direct implementation of the Portfolio Management Framework.

- It is critical that operational management arrangements (including business planning and budget forecasting) are strengthened, and clear governance and approval arrangements are put in place for business as usual and cyclical activities. This will release committee capacity to focus on strategic priorities by increasing trust. This is a major task but needs to go hand in hand with the implementation of the Portfolio management framework to ensure benefits are realised.

- Executive leaders will need to take more ownership and accountability for central oversight. For their part, Elected Members will need to sign up to and fully support the delegation of authority to executive leaders. The eventual goal of this should be the establishment of a portfolio board staffed by executive leaders, who will relieve the Members of some of their current project governance responsibilities.

- The implementation will be most successful if there is sufficient investment in resources to support the change process. It is recommended that a transformation programme team, bringing experience of delivering change in a complex organisation, is established to lead and manage the change process. It is acknowledged that some progress has already been made towards building this team.

- Investment is also vital to sustain the benefits of implementation. Immediate priorities include strengthening of the project management office to support its transformation to an Enterprise PMO, provision of targeted training across the organisation to build and embed capability and standardisation of ppm systems and processes to create strong foundations.

- Additional levers that sit outside of this review, related to financial thresholds and a Scheme of Delegation, via the Chamberlains Transformation project will play a key role in shaping the success of the Portfolio Ecosystem.

6b. Order to do it in

Phased Implementation of a Portfolio Management approach

It is recognised that adopting a Portfolio Management framework is a long-term ambition and will need to happen in phases, at a pace which matches the Corporation's appetite for change and capacity for managing the transition. The initial step will involve getting sign off and buy in to the recommendations and proposed operating model defined in this report. The next step will be refining these into workplans/ workstreams to build out the implementation plans (depending on what mix of recommendations is finally agreed upon).

Pre-implementation or 'Discovery' phase activities will include an assessment of readiness for initiating Implementation:

Resources – Investment decision needed on the resources required to support immediate implementation activity. Proposed:

- Interim AD of Portfolio – to be responsible for the overarching Portfolio Ecosystem Transformation Programme
- Interim Head of Strategy / EPMO – In post
- Head of Transformation Change Management x2 - In post
- Short term programme planner to build and capture this Transformation programme activity, milestones, and dependencies with other transformation activity.
- Expert level Programme Management resources x 3 to support with building out Portfolio Strategies, Tools, and templates, and supporting new projects and programmes to get off the ground using the new processes. Can support as ppm lead workstreams.
- PPM analyst support x2 to support with data collection and analysis.

Portfolio Definition (operating model)

The highest priority in terms of Portfolio Definition would be to work with senior stakeholders such as the Town Clerk and Elected Members, to set out the overall vision and strategy for the Portfolio, ensuring alignment with Corporate Priorities, and clarity for Delivery teams.

Portfolio Delivery

- **Centralised Database for ppm data and reporting** - Standardised Project Management System, This requires an immediate decision post Project Governance Review completion. Given the associated timeframes with design of the system, training, rollout and embedding the use of this system across all ppm activity this requires an immediate start.
- **Definitions, Categorisation, Tiering and Prioritisation**– Agree on the proposed definitions for Complex BAU (to be managed as a project/programme), Projects and Programmes and the proposal for categorisation and tiering of projects and programmes. Once agreed commission this activity for an initial picture of the Portfolio pipeline.
- **Work with the Chamberlains department** – Inform activity such as developing standardised templates which capture finance data requirements both for project and programmes and financial forecasting and aligning the schedule of finance monitoring and forecasting with the Portfolio Delivery cycle. Additionally, to introducing standardised business case templates and defining the processes to be followed.

- **Scope requirements and Draft Job Descriptions for Portfolio support functions** - In order to arrive at Initial Operating Capacity (IoC) there will need to be a minimum level of staff in the Portfolio Office and EPMO. It is therefore essential to get the recruitment process underway.
- **Development of Portfolio Strategies** i.e., Risk and Benefits management, supported by standardised documentation and Tooling - Several strategies will need to be defined at Portfolio level, for example Risk Management. The development of these strategies can begin immediately; once signed off, the implementation team can then begin building a toolkit of standardised templates, guidance, and documentation to support project and programme delivery. They can also inform the design of the ppm system in terms of reporting.
- **Change Management strategy and plan** – The activity and support that will run throughout the implementation to help embed the changes within the Corporation.
- **Skills and Capability** – Work with L&D and HR colleagues to broaden the skills and capability survey or conduct a separate training needs analysis (TNA) to build a holistic picture across the organisation. This can be used to inform training and development requirements and align with implementation activities to ensure that staff are suitably skilled and prepared to adopt the new ways of working**.**

7. Annex

Supplementary guidance and tools to support this section can be found in the Blueprint Appendix

1. Proposed - Roles and Responsibilities.
Proposal for clear roles and Responsibilities inc. SRO / Sponsor and project/ Programme Boards

The review team held workshops and 1-1 discussions and explored a range of documents including project and programme board terms of reference (ToR), job descriptions (JDs) for project roles, and the project procedure document, to provide a better understanding of how the current project governance structure is operating, and where there may be inconsistencies or gaps.

The review team found that there appears to be an inconsistent approach to defining roles and responsibilities across the City's project governance process and that this appears to contribute to confusion among stakeholders about who is responsible for what. Potentially impacting on project outcomes.

Additionally, the interviews suggested that project managers fulfil multiple roles in addition to their primary role as a project manager. This can and does, lead to capacity issues and ineffective delivery of some responsibilities. A specific example is benefits tracking post project close which is not routinely carried out. This is a critical activity which ensures benefits are realised over the longer term with projects delivering the full value intended.

The review work also found that project and programme board Terms of Reference pointed to a variation in quality and definition. There are good areas of practice such as the Major programmes board whose approach was consistent and well defined although very administrative heavy.

SRO role descriptions were not apparent. However, it is acknowledged that a role specification has been created for SROs in recent weeks. Current lack of clarity on this means that those agreeing to be SRO's underestimate the capacity, obligations and knowledge required to undertake the role effectively.

Proposed

To address these issues, it will be important to establish clear and consistent definitions of roles and responsibilities across the portfolio governance lifecycle. See Blueprint appendix.

Recommendations

It is recommended that you define clear roles and responsibilities at project definition stage and adopt standard roles and responsibilities as part of the enhanced projects and programmes process. This will be supported in part by the EPMO who will provide standards for good governance. This will give a better distinction between the roles of a project manager, programme manager, benefits manager, business change functions, risk management, finance Business Partner and SROs.

It is also recommended that this includes responsibilities, and accountabilities for each project and programme, and those of project boards and that the role of service committees are captured at the start. In addition, this should include clearly defined delegated authority given by the new scheme oof delegation This will enable accountability of responsibilities, facilitate decision making and reduce delays.

It may also be necessary to reassess the workload of project managers to ensure that they are not being overburdened. Additional resources may be needed to fulfil roles in the new ppm governance standards and ensure that responsibilities and roles are effectively carried out.

Benefits / Outcomes

- ✓ Empowerment through clearer definition of roles and responsibilities
- ✓ Through the proposed initial filter/ triage of projects also assess the availability and level of PM resource and other key roles required for successful delivery, to avoid overburdening individuals.

Changes Required

- ✓ Through the establishment of the Portfolio office structures, the EPMO can establish good guidelines for project and programme governance and roles and responsibilities.
- ✓ Looking to the future ensure career defining pathways are adopted in conjunction with HR/ L&D.

2. Proposed - Governance, Assurance and Risk Management

An effective and proportionate Governance, Assurance and Risk Management approach for PPM establishing key lines of defence and an effective and proportionate Risk management processes across the Portfolio ecosystem.

The requirement was to propose an effective and proportionate project Governance, Assurance and Risk Management approach for PPM establishing key lines of defence and an effective and proportionate Risk management processes across the proposed Portfolio ecosystem.

We worked closely with key stakeholders in Corporate Risk and Strategy, Audit and Finance to review the current policies and strategies around Assurance and Risk, how these interact with the current Gateway process and projects procedure and validated the issues that were raised in the project brief. Next, we worked with stakeholders such as the Head of Audit and Corporate Risk Lead as well as the Head of Corporate Strategy to develop a proposal for a more effective approach to Portfolio Governance, Assurance and Risk Management, based on best practice in similar local government organisations as well as industry best practice i.e., Government Functional Standard for Portfolio, Programme, and project delivery.

Governance

The oversight and ownership of individual projects and programmes currently sits with SROs, and Project Boards, however SROs are not empowered to deliver against these governance requirements. The Corporation relies heavily on Members and committees (rather than officers) to carry out such functions as project oversight, risk management, and assurance functions; the OPP Sub Committee Terms of Reference state that Members are responsible for authorising individual projects and overseeing the Corporation's 'programme of projects to ensure their delivery within the parameters set by the Resource Allocation Sub-Committee'. A common thread fed back from all stakeholders is the view that there is excessive direct involvement of committees and Members in the project procedure/gateway, and Members feel overwhelmed by heavy Committee agendas and meetings in which a disproportionate amount of time is spent on the detail of low value/BAU activity which is drawn into the gateway process drawing focus away from strategic decision-making. The Corporate Projects Board reviews projects and programmes but does not provide any triage, definition or categorisation which would more effectively determine proportionate Governance arrangements. There also seems to be a lack of clarity around the approach to stopping poorly performing projects; feedback from stakeholders indicates that this rarely happens.

Proposals:

Through the Portfolio Ecosystem and coordinating functions specifically the EPO introduce more robust standards for establishing good governance arrangements for ppm activity.

Recommendations:

To create a Portfolio Board with the proposed remit as follows:

- Role will be one of oversight providing both challenge and support to those engaged in decision making and delivery.
- Exert its influence through the gateway review processes which overlay project and programme management practices aligned to portfolio management.
- Have a mandate and recommend stop/ pause/ rejection of projects.
- Make recommendations on investment decisions.
- Initial project filter be developed prior to member oversight that ensures that only projects that are likely to be feasible are accepted
- Capital funding ringfenced for general pre-feasibility and feasibility activities and sits with the portfolio board to maintain central oversight and support alignment to strategic objectives. Board would make recommendations on new proposals.
- Update the TORs of the OPP committee to reflect these changes.

Outcomes/Benefits

- Moving more of the Governance into the Officer space enables elected Members focus on strategic decision-making and areas of high risk and/or value whilst giving assurance that lower risk/value projects are well managed.
- Streamlined reporting and recommendations underpinned by Governance and Assurance that is evidence-based, informed by understanding of risk and focused on quality of delivery
- Effective check and challenge through the coordinating Portfolio functions and Portfolio Board

Changes required:

- Work with Members to revise the Terms of Reference for the OPP Sub-Committee
- Work with stakeholders in Audit and Risk Management to develop Terms of Reference for the Portfolio Board
- Develop a clear, standardised methodology for assessment and prioritisation of activity, balancing investment, and risk across the Portfolio.

<u>Assurance</u>

From our findings there is evidence of good practice across some project areas, but Assurance is focussed on Capital projects – i.e., projects delivering tangible assets from £50k to £100m in value, which is only a subset of all project and programme activity. Revenue-based projects such as transformation and Digital are completely excluded and there seems to be a degree of variability in the way that existing processes are applied, tracked, and reported. Governance structures are in place but effectiveness in providing proportionate scrutiny or check and challenge and balancing this against requirements to deliver projects efficiently can vary.

The result of this is that Members spend a disproportionate amount of time in sub-committees scrutinising low-risk, low value projects because the assurance is not built into the process.

Many successful organisations in the public and private sector adopt a three/four 'lines of defence' assurance model. The HM Treasury, Audit and Risk Assurance Handbook, draws attention to the support required for Accounting Officers and Boards, who have multiple issues competing for their attention. Assurance draws attention to the aspects of risk management, governance and control that are functioning effectively and, just as importantly, the aspects which need to be given attention to improve them. A well-designed assurance framework helps.

Proposals:

Implement Corporation-wide, integrated assurance processes for all programmes and projects within the new Portfolio Ecosystem, based on Government Functional Standard for ppm delivery. The proposed also includes updating the Gateway Assurance framework based on checkpoints, standardised documentation and evidence, and Assurance Reviews carried out throughout the process on high priority projects by centralised oversight functions with knowledge and expertise in key areas such as Risk management, Planning and resources, Benefits management, and Finance.

Recommendations:

To create a Portfolio Office and EPMO to support the Portfolio Board, carry out 1st and 2nd line assurance activities and support Project and Programme Managers with guidance and tools to manage delivery more effectively.

It is recommended to adopt a 'three lines of defence' model of assurance which would work as follows:

1st line Assurance – The PMO carries out 1st line assurance, amongst other responsibilities, and ensures that ppm management and delivery is consistent. All staff are responsible for delivering in line with these standards. In itself assurance does not deliver a project or programme, but it can identify and help mitigate any risks to successful delivery.

2nd line Assurance - The Portfolio Office sets standardised project, programme and portfolio tools, processes, and guidance in place for all staff to support delivery. They are responsible for 2nd line assurance (including Gateway reviews) providing independent assessment and ensuring 1st line arrangements are in place and operating as intended.

3rd line Assurance – carried out by internal Audit.

It is also recommended to adopt systematic Assurance Reviews at Gateways/Checkpoints based on a methodology outlined in Government Functional Standard for ppm delivery, with an objective, evidence based scoring framework, enabling reporting with stop/go recommendations to decision-making bodies.

Benefits/Outcomes:

- Risk and assurance elements are integrated within the Portfolio Ecosystem and would give Members confidence that project and programmes represent best value and deliver the intended benefits.
- Project governance will be risk-based, moving more into the Officer space under the new Portfolio Board. This will allow Members to focus on strategic issues and areas of high risk and/or value whilst gaining assurance that lower risk/value projects are well managed.
- An effective assurance framework based on the 3 lines of defence model will identify any potential issues or risks and give scope for early intervention at checkpoints which are tailored to the needs of the Corporation.

Changes required:

- Work with Audit/ Risk to co-produce the new processes and ensure alignment with corporate standards for Assurance and Risk management, on the basis of the 3 lines of defense model (see Blueprint Appendix).
- Implement the new standards for Gateway reviews which integrate Assurance and Risk management processes. These would be overseen by the new Portfolio Bord and allow Members to focus on strategic decision-making.
- Portfolio office functions will also need to define the process / level of scrutiny that will be required depending on the categorisation/ Tier rating for the various levels of Programmes/ projects. This is key to developing proportionate Governance and Assurance pathways, enabling smaller fewer complex projects to progress without unnecessary delays and ensuring that Governance and Assurance of more complex high-risk projects and Programmes adds value for the Delivery team.
- Staff and key stakeholders across the corporation will require awareness training to familiarise them with the new projects process.
- Additional resources and or co-opting internal staff will need training on how to conduct checkpoint assurance reviews.
- Requirement to develop and define the Assurance and Checkpoint criteria based on best practice frameworks/methodology (Government Functional Standards) and develop associated guidance.
- Requirement on having a suitable IT system that can automate logging of assurance/ checkpoint reviews and RAID items.

Risk Management

Portfolio risk management is a structured assessment and analysis process. The goal is to mitigate activities, events, and circumstances that will have a negative impact on a Portfolio, and to capitalise on potential opportunities.

Additionally in portfolios, there are usually a large number of interdependencies and competing priorities. Portfolio risk management is crucial, because of the significant impact a component failure will have. In some instances, one component risk can potentially increase the risk of another, underlining its importance. **Balancing these risks would be a core function of the Portfolio Board.**

Risk Management is currently carried out a basic level for projects within the Gateway process; Guidance for Officers on how to progress between the Gateways together with the necessary documentation and processes to follow is provided in the Project Toolkit maintained by the Town Clerk's Programme Office and published on the Corporate intranet.

Project Managers are expected to record and report on their project status during the project's lifetime. The 'project status' is expressed in its simplest form as a RAG status (aka Red, Amber, Green).

There are areas of good practice, however our review work has identified challenges and gaps in the risk management approach within the project ecosystem. Examples identified to us include poorly managed project risk registers, no detail of mitigations or targets dates etc. indicating that the elementary requirements of risk management tracking and managing are not being adequately addressed. It should be noted that there are exceptions across the organisation. From our findings it is also concerning that projects have been approved without recognising these potential risks and their impact on project delivery.

'Costed risk' is used in project budget process, however this is often inaccurate and becomes a barrier to effective delivery.

The lack of capacity for the Corporate PMO to support risk management is a recognised issue and should be addressed by ensuring that appropriate resources and support are available to support risk management efforts.

Finally, the lack of consistent approach to managing risk across projects that fall outside of the current Gateway process is a major concern. It is unclear what the Risk Management arrangements are for all other projects and programmes across the Corporation.

Further issues have been identified through the Chamberlain's Transformation review which relate to project and programme risk management, for example:

- *The existing project brief and project proposal requirements are not sufficiently robust to adequately support decision making. Consequently, projects that would not otherwise be considered feasible are progressed further down the gateway process than project fundamentals would dictate.*

- *Feasibility Funding Amendment Stakeholders have indicated that limited access to prefeasibility or feasibility funding contributes significantly to the quality of project briefing and proposal documents they are able to produce*

- *Stakeholders have indicated that the current Corporate Projects Board (CPB) is ineffective in its role of initial project oversight due predominantly to its composition and the quality of proposals it receives.*

The project governance review of the Corporations Project Ecosystem was preceded by a process improvement project in the Chamberlain's service that included recommendations for the management of financial risk; these have been incorporated into the proposed portfolio management framework. See below.

Governance Review
Managing Financial Risk

Proposals

- We are proposing a more defined and standardised processes to strengthen current Governance arrangements, (Portfolio Board/ links to Committees) and Assurance and Risk management procedures.

Recommendations

- The proposed new Risk Management arrangements would be overseen by centralised support functions, i.e., the Portfolio Office and EPMO and supported by **standardised documentation and methodology – for example the establishment of risk tolerance and appetite at project and programme level, to replace the 'costed risk' approach.**

- Risk would form a key strand of the **centralised data and insight** reported in by projects and programmes, enabling the Portfolio Board to maintain a **live overview of the risk profile across the Portfolio.**

- **Through a central database of projects and programmes which will contain all related risk and assurance data and reporting, managed by Portfolio oversight functions (Portfolio Office and EPMO)**. This would link to the PPM data held by the other PMOs and allow each to support the other, make validation easier and provide the portfolio board with a holistic view.

- **The Portfolio Board will have oversight of the risk profile** across the portfolio and will mandate intervention where necessary, for example recommending that projects are stopped where risks are not being controlled.

- **Project tolerances clearly defined** at the outset of the project.

- **Risk and assurance will always be considered at 'gateways',** existing processes don't mandate formal review and considering it along with other PPM data should result in more effective gateways and controls.

The aim is to develop the skills needed at Service and Directorate level to allow them to be 'self-checking'. This is the same as the PPM model and the aim is that the central risk and assurance is there to check and validate what Services and Directorates have done and not to manage these risks or provide first line

assurance – the centralised Portfolio functions will operate as second line assurance, with Audit operating as third line in the 3 lines of defence model.

Outcomes/Benefits:

- Strategic reporting which provides clear oversight of the type and where the greatest risk is held in the organisation.
- Transparent evidence-based recommendations for decision-making, approvals and funding which can be taken with a high degree of confidence.
- Integrated assurance though the Portfolio Ecosystem and good ppm governance standards
- Assurance and governance controls established at the start of the project or programme. Assurance reviews for closure would require a standardised Benefits plan, financial statement and tracker, as well as a transition plan to BAU.
- Assurance reviews will inform recommendations around finance and risk.
- Robust checkpoint process ensures that project and programme delivery is consistently high quality and cost effective across the Corporation.

Changes required:

- Standardised and consistent practice through the introduction of new Portfolio definition and delivery structures
- Introduction of Risk Tolerances into projects and programmes
- Risk and Assurance strategies defined in conjunction with corporate requirements.
- Templates, and tools facilitated and mandated through the new EPMO function.
- IT system that supports central logging and reporting on Risk, assurance
- A new Gateway review procedure that integrates the necessary checks and balance throughout the delivery lifecycle of projects and programmes
- Training to support staff in understanding their responsibilities (duties) to support the organisation manage and mitigate risks as well and learning to understand and apply the new processes.

3. Proposed - Definition and Categorisation

Deliverable for clear PPM Definition and Categorisation including an innovative approach to project thresholds and criteria considering value/risk based on best practice project management in similar public organisations as well as Tiering to facilitate future prioritisation of the Portfolio.

The review team worked with the CoL PMO team to map existing processes across Corporate and Major Projects and PMO and carried out a series of initial stakeholder interviews and workshops to check and validate the issues raised in the Project Brief. Next, we identified and engaged with stakeholders across the Corporation, including the Head of Audit and Assistance Director of Finance and worked in parallel with Chamberlain's Transformation programme lead to develop a tailored approach. Draft outputs were tested at weekly team meetings.

Our findings showed that currently there are no standard corporate definitions of what a project/programme is. The only determinant of what activity is drawn into the Gateway process is a financial threshold of £50k, which is very low and means that most if not all activity is drawn in. The challenges this leads to are:

- A fragmented Portfolio containing too many (350) projects with too much time spent on low risk items.
- Operational/BAU activity drawn into the Gateway process.
- Inefficient and bureaucratic process
- Nonalignment with industry standards
- Costed risk is difficult to assess accurately and limits the ability to respond in an agile, flexible way to project delivery challenges.

There is also a variation in the use of templates and documentation. The Gateway process has an existing set of standardised documentation, there is also an existing project management toolkit which is available on the Town Clerk's site. Although there are examples of good practice in developing business cases and initial project documentation, the feedback from project delivery staff is that it is not always clear which templates to use and they will often develop and use their own, which leads to inconsistent quality and standards.

Additionally, there are a number of interconnected issues with finance and project delivery, which are highlighted in the Chamberlain's Transformation Review:

- *Currently, all capital spends larger than £50K and smaller than £100m is defined as a capital project and subjected to the onerous gateway process.*

- *The existing project brief and project proposal requirements are not sufficiently robust to adequately support decision making. Consequently, projects that would not otherwise be considered feasible are progressed further down the gateway process than project fundamentals would dictate*

Proposals:

To mitigate these challenges and enable Portfolio management and effective focus on the right activity within the portfolio of work it is essential to consider:

- Adopting a set of clear definitions of what project/programme activity should be included in the Portfolio vs BAU activity which should be managed and monitored operationally by the business.
- Adopting a new scheme of financial delegation to better facilitate project budgeting and forecasting
- Adopting a standardised methodology for categorising and tiering projects and programmes to allow de facto prioritisation of the Portfolio and sub portfolios once established.
- Adopting a standardised documentation and templates for Opportunity Framing, Project Initiation and Business Cases

Recommendations:

In parallel with the recommendations from the Chamberlain's transformation review:

- *It is recommended that the project definition be amended to ensure that only complex transactions requiring project management skills and oversight are defined as projects. A project definition and categorisation tool has been suggested. It would need to be refined as part of implementation, along with a risk/complexity and value scoring matrix to help determine the Tiering of projects and programmes.*
- *It is recommended that an amended initial project filter be developed prior to member oversight that ensures that only projects that are likely to be feasible and best achieve stated outcomes are subjected to the full governance process. The Portfolio Office / EPO would undertake this.*
- *Feasibility Funding -. It is recommended that a portion of the capital funding available to the City be ringfenced for general pre-feasibility and feasibility activities and allocated to service departments on an objective basis. This would be delegated to the Portfolio Office function to provide that central oversight.*
- *Develop a new scheme of financial delegation. – (to also address the issue of Budget draw down with additional support via a senior accountant and mandatory finance training for project managers)*
- *Develop tools and methodology for categorisation and Tiering.*

Outcomes/Benefits

- Overall prioritisation of Portfolio activity
- Removal of BAU from the Portfolio Ecosystem
- More robust and accurate business cases
- Only feasible projects and programmes enter the Member arena.
- Improved analysis and grip on project and programme risk and complexity

Changes required:

- Standardised Opportunity Framing template (see Blueprint Annex for example)
- Assessment tools to be developed in implementation using objective criteria based on the priorities and needs of the Corporation (see Blueprint Annex for examples)
- Standardised Business Cases to be developed (see Blueprint Annex for examples)
- Develop a new scheme of financial delegation to support and underpin this process (see example in Blueprint Annexe). This will need to be developed in parallel with the Chamberlain's Transformation programme.

We have provided examples to illustrate the recommendations, however these products will need to be further defined and developed in implementation to best meet the needs of the Corporation in conjunction with key stakeholders such as Members and Chamberlains, for example.

4. Proposed - Skills and capability.

Understanding of organisational capability (PMO ecosystem) to deliver improvement plan inc. skills analysis.

The review team carried out a skills and capability survey to establish a baseline view of skills and capability within the organisation to inform what would be needed to support a portfolio approach to deliver the City of London improvement plan. The survey consisted of 35 questions, mostly multiple choice but with some free text boxes to provide both qualitative and quantitative data. This was sent to 70+ project and programme managers across the corporation and the institutions. 52 people responded which is statistically significant. The survey highlighted some good skills and capability but also a number of significant gaps. This was further evidenced through the stakeholder engagement activities.

Key quantitative data from the survey showed the following:
- Gaps in skills and capability for programme management, SRO, Change Management and Benefits Management.
- No evidence of skills or qualifications in portfolio management
- Good skills and capability in Project Management.
- Staff would welcome further training on programme and project management.
- Most projects are high risk or high value.

Key qualitative data showed:
- Change control management is elongated and unnecessarily complicated.
- Unhelpful level of gatekeeping
- Many projects and programmes are managed on top of the day job, which reduced capacity to do project management well and has led to stress and impact on health.
- Managing multiple stakeholders is a challenge.

Proposed
To support your PPM staff in their professional development and build internal capability, it is suggested that the corporation look to adopt a standard framework for key PPM roles which define core competencies and behaviours.

Recommended actions.
If you wish to move to a structured and comprehensive portfolio model, it is key to ensure the right skills and capability are in place. In the first instance this would involve conducting an organisation wide TNA.

To achieve this, it is recommended that you invest in your staff and adopt a structured and focused L and D model. You have in place the PM Academy which would provide an excellent building block for upskilling of PM's should you choose to continue with it. A suggested framework route would be to align with the Government Project Delivery Capability Framework. This is an excellent tool that describes job roles, capabilities, and learning, for project delivery professionals across government. It contains four elements:
- A career pathway/ common set of job roles
- A set of competencies
- A signpost for development opportunities specific to job roles
- The criteria and process to obtain accreditation as a Government Project Delivery Professional

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1124745/PDCFv3.pdf

Benefits /Outcomes
- ✓ Workforce skilled to do the work efficiently and effectively.
- ✓ Career pathway to support retention of talent pool of skilled people to delivery projects and programmes.
- ✓ Skills and capabilities to meet the corporation's strategic objectives.

Key change required.
- ✓ Move to working within a structured L & D framework and Consider PM Academy to support.

5. Proposed - Community of Practice (PLG)

Proposal for future of project leadership group (community of practice)

The team carried out a Review of the Project Leadership Group terms of reference and membership, had discussions with PLG members and carried out a desktop review to inform options for the future of the group.

We found that the Project Leadership Group is currently operating as a Best Practice Community of Practice for senior officers and has a noticeably clear set of accountabilities and objectives. They have only had a couple of meetings in the current format so there is no measure of success to date.
PLG have little power and influence over changing any processes or rules but can change tools and templates that sit within processes. The Corporate Projects Board role, also an officer board, has more influence and power and needs to be considered in the context of the future of a COP so there is not duplication of activity.

Discussions at various workshops across the organisation and with Institutions indicated that project managers would also value a community of practice as a forum for sharing everyday work issues and as an opportunity for peer learning. (Helping Community of Practice)

Recommendations

In suggesting the future role for a COP, it is recommended that:

You consider the immediate requirement to support the transformation programme as it moves towards implementation. The PLG could repurpose to focus on supporting this activity, and its role may need to continue to flex as implementation progresses. Specifically, it could:

- Act as a mechanism for raising awareness of any changes during implementation of the Portfolio Ecosystem and taking a role as change champions. Being the driving force for the changes required to aid the transition to the new ways of working. Play a role in cascading information to teams.
- Use the group meetings as space to collaborate, innovate, challenge, and reflect and plan how they will prepare the ppm community for the change.
- Provide vital support to defining the EPO service catalogue and associated tools and templates supporting the move towards a Portfolio ecosystem.
- The PLG role should be considered in the context of the role of the Corporate Projects Board (CPB) going forward so there is no duplication of effort or accountability.

It is also recommended that you look to establish smaller communities of practise so information from the PLG can be cascaded to them directly, as part of the change management in implementation. The project managers, in their stakeholder workshops, reflected that they would value a community for practice to share learning.

Benefits and outcomes

- Improved project performance: By sharing best practices, tools, and techniques, a PM CoP can help project managers to improve their skills and knowledge, resulting in better project performance, reduced costs, and improved outcomes.
- Knowledge sharing and retention: A PM CoP provides a platform for project managers to share their knowledge and experience, which helps to retain critical knowledge within the organization. This is especially important when project managers leave the organization or retire.
- Improved collaboration: A PM CoP encourages collaboration between project managers and other stakeholders, leading to better communication, coordination, and alignment across the organization.
- Increased innovation: A PM CoP can foster a culture of innovation by providing a forum for project managers to share new ideas, approaches, and technologies, and to experiment with new methods and tools.

- Reduced risk: A PM CoP can help organizations to identify and manage project risks by sharing lessons learned and best practices, resulting in fewer errors, delays, and cost overruns.
- Professional development: A PM CoP can provide opportunities for professional development, such as training, mentoring, and coaching, which can improve employee satisfaction, engagement, and retention.
- Improved organizational performance: By improving project performance, knowledge sharing, collaboration, innovation, risk management, and professional development, a PM CoP can ultimately contribute to improved organizational performance, competitiveness, and sustainability.

In summary, a PM CoP can provide a range of benefits to an organisation, including improved project performance, knowledge sharing and retention, improved collaboration, increased innovation, reduced risk, professional development, and improved organizational performance.

Key changes

- ✓ Invite further discussion with PPM colleagues to understand what they need from a community of practice to help shape its role as it goes forward.
- ✓ Refocus ToR so the group has a role and accountability in shaping and delivering the change.

6. Proposed - funding for PM Academy

Proposal for future of Corporation PM Academy

Current

The team carried out a review of the existing funding model, had discussions with the project team who set up PM Academy and explored options for future funding model.

In addition, during the various workshops held, further insight was gleaned from stakeholders about their views on the PM Academy.

We found the PM Academy to be a well-constructed model with a clear pathway, set up to deliver good, accredited training, customised to the organisation.

- It is valued by those in the organisation who have undertaken the training. (evidenced through stakeholder interviews and workshops)
- Its set up and initial delivery was via the PMO lead as a project (15 modules delivered x6)
- Believed to be funded as a project with no ongoing budget (Not able to confirm)

The course has not been run since 2020 due to:

- Lack of resource to administer - people and funding.
- TOM work was due to look at ownership /delivery of the training in the wider context - this work has not yet provided an outcome.

Current costs for PM Academy - £10K which includes:

- Fifty licences
- Administration / hosting
- Accreditation to APM
- There is an additional cost of £400 / module.
- The course consists of 15 modules and each module has a 30-45minute video and a live session with external trainer (classroom/virtual)
- Minimal input is required to start it running again as the bulk of the development work has been done.
- It may need some adjustments to reflect changes in practices over the last two years.
- If a portfolio approach is adopted, the content would need to reflect the changes in approval routes and other enhancements to support the new way of working.
- Costs would need to be factored into any changes.

Currently the following is not clear:

- Which service owns the training module?
- Where the budget would come from for ongoing delivery
- How it would be resourced to administer the training and to develop any changes

Options on Funding models

We considered all the information gathered including feedback from stakeholders and propose the following options:

Option one - Recharge each directorate (including institutions) for individuals that attend to support development, hosting, and maintenance. This would provide an ongoing funding stream for hosting and maintenance but would impacts on service budgets.

Option two - Cost each project and programme so that a specific portion or percentage is allocated to the PM Academy for development, hosting, and maintenance. This would create a funding stream to support the PM Academy and could be capitalised against the project so less impact on service budgets. This would need to be agreed with L&D.

Option three - Offer training outside the organisation – the following would need further consideration to support the development of a 'go to market' proposal:

- Is your current training model maturing enough to support offering training externally.
- What is your value proposition for this training / why should they come to you.
- How will this be funded, administered, and costed.
- How will you build awareness of the training and how will you track its success.

- Who is your customer – inside the organisation you have a defined customer base, how will you target your audience externally.

Recommendations on Funding

Options 1 and 2 of the funding models are considered and costed up in detail for best comparison. External training should be a longer-term aspiration for when the Portfolio Ecosystem and good ppm governance standards are more mature. At which point the organisation is demonstrating high standards of PPM delivery to showcase as part of this external offering.

Assess the level of demand for PM Academy training for project managers as the skills survey indicated a good level of project management skills and capability within the organisation. Programme management capability in this survey was low. This will help inform if it would have a return on investment. The skills survey showed 35 out of the 55 who responded had more than 5 years PM experience and most of these had a PM qualification.

Recommendations on Ownership

Should the PM Academy be reinstated, it is recommended that initial ownership could reside withing the Centre of Excellence function as part of the Portfolio Office. It should however be linked to HR and L& D with a view to it being part of the wider corporate training portfolio and aligned to any PPM job descriptions. This will ensure the PM Academy has clearly defined learning objectives and outcomes and effectiveness of the training program me is evaluated and feedback fed into future iterations.

Recommendations on Learning Modules

The training offer for PM Academy should be reviewed to establish if it needs to be pivoted to meet demand in other areas such SRO/change management / finance where there is currently a gap. Additional costs for development would then apply.

A budget should be set for the PM Academy, which should include:
- appropriate FTE to administer the PM academy and to measure and assess the impact of the learning intervention. (approx. 1 day / week)
- sufficient funding to allow for PM Academy development of new modules, hosting costs and updating as processes change. (Cost of changes and approx. 1 FTE / week to deliver)

This is an estimate based on all fifteen modules being run 3 x / year.

Benefits and outcomes

In-house project management (PM) training courses can be an effective way to support an organization's project portfolio management (PPM) community. Potential benefits:

- Consistency: In-house PM training courses can ensure that all members of the PPM community have a consistent understanding of project management principles, processes, and tools. This can improve communication and collaboration among team members, as well as the quality of project deliverables.
- Tailored content: In-house PM training courses can be tailored to the specific needs and challenges of the organization's PPM community. This can help to address gaps in knowledge and skills, as well as provide opportunities for professional development and career growth.
- Enhanced team building: In-house PM training courses can provide opportunities for team members to learn together and build relationships, which can improve collaboration and teamwork across the PPM community.

Overall, in-house PM training courses can be an effective way to support an organization's PPM community, improving consistency, knowledge retention, and team building, while also being cost-effective and tailored to the organization's specific needs.

Key change

- ✓ Set up L& D process for training – PM academy to be considered as part of this alongside options to expand remit of PM Academy

7. Proposed - PPM Systems and Reporting

Proposal for effective project systems and reporting

Current

A range of stakeholder workshops were conducted to understand the current position for PPM systems and reporting. These reflected that the current IT system used to manage projects does not effectively support project management activities is out of date and not used robustly, therefore hampering efforts to deliver a portfolio function. It also lacks some tools, templates, and integration with other systems, which can create challenges in managing projects in a consistent and efficient way. Additionally, there are resourcing implications for making improvements to the system despite an upgrade being available and paid for. Compounding this, there is only one individual who has the expertise to complete updates and provide system support which is a single point of failure.

Reporting practices and templates also appear to be inconsistent across projects, with information often missing and the level of detail provided is not always appropriate for the audience. For example, committees get too much detailed information. Good project management practice involves the use of a RAID log for tracking Risks, Issues, Assumptions and Decisions and at present there are gaps in this practice. Decisions are embedded in committee reports, which often results in the Town Clerks office having to track back through multiple reports to find these.

Stakeholder workshops highlighted that project managers use a range of different tools for project management including, excel spreadsheets, MS project, PowerPoint and contractors do not have access to necessary systems so MPMO officers have to do it for them.

Proposed

Implement an effective IT system to manage PPM and portfolio reporting in the Portfolio Ecosystem.

Recommended

It is recommended that you implement an effective IT system to manage projects as an important step in improving the Corporation's portfolio management approach. The system should be able to provide a centralised and standardised platform for managing all projects and programmes, including the ability to capture data on project performance, resources, risks, issues, decisions, and dependencies.

The system should also be able to generate standardised templates to support the Portfolio Ecosystem. Additionally, there should be a centrally located file store for saving key project documents such as project initiation documents, business cases, and project plans which the new EPO is able to access. This will ensure that all projects and programmes are following a consistent approach, making it easier to compare, assess and track progress. The IT system should also be designed to support the new Portfolio Management framework, with features such as dashboards for monitoring project performance, alerts for risks and issues, and the ability to track dependencies and benefits, as well as ensure integration with finance systems. It should also be user-friendly and accessible to all project teams, making it easier to collaborate and share information.

We worked with stakeholders to identify the potential options available for an effective IT system. This is a core foundational capability that would need to be in place so any decision would need to be taken in view of the Corporations urgency to move to a portfolio management approach. The most time and cost-effective options is to upgrade the current Project Vision system to the web version which is already paid for.

Proposed Benefits:
- ✓ System supports a portfolio management approach and brings the organisation closer to achieving that vision.
- ✓ It would provide a centralised location for capturing key project documents.
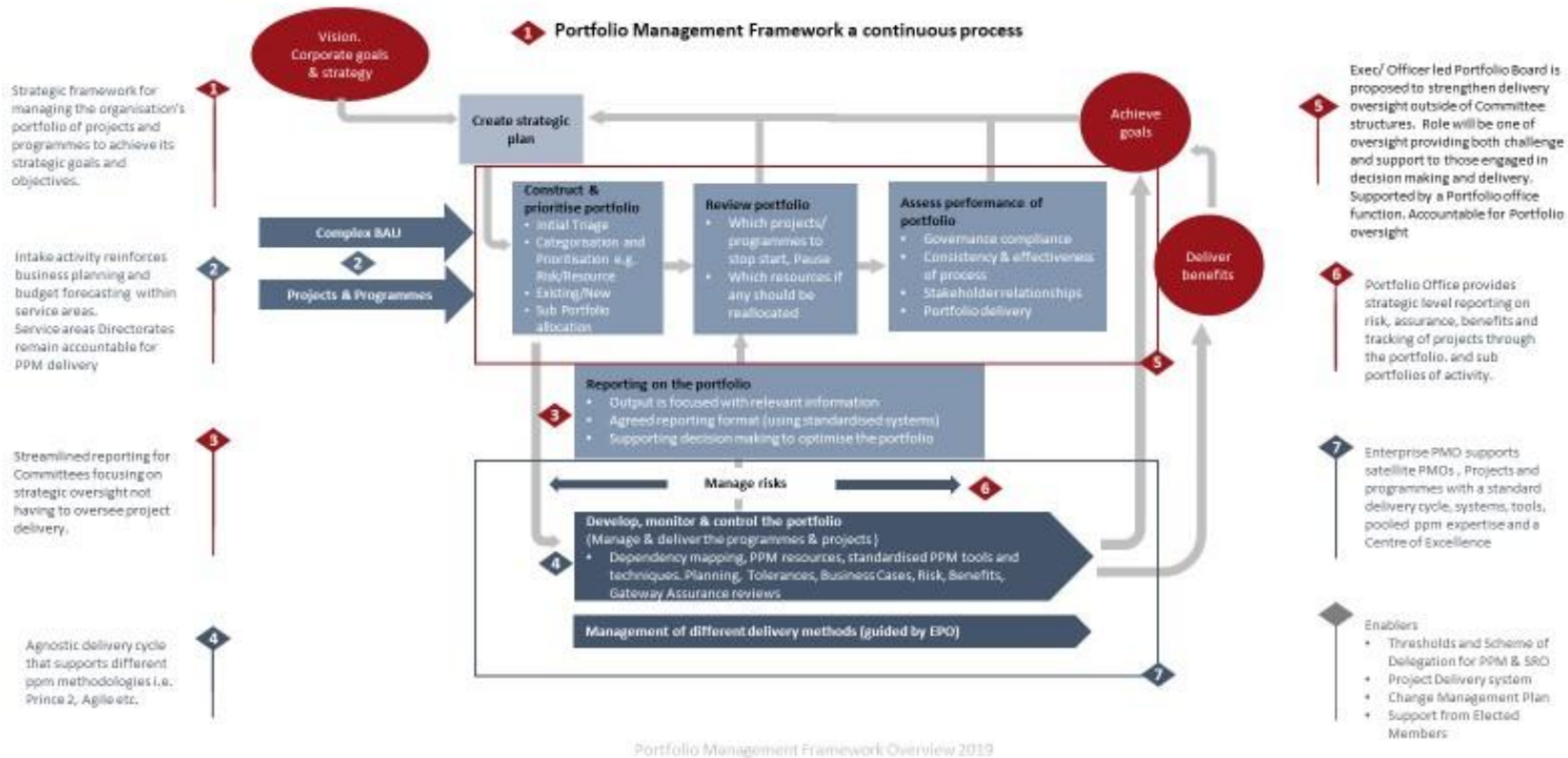- ✓ It would provide greater opportunity for staff to collaborate.

Key changes required.
- ✓ Requirement to plan for an implementation with costed resource to deliver.
- ✓ Considerable work will be required to set the system up (design) to meet project and reporting requirements.

Figure 1 - Portfolio Operating Model

Note: BAU/Cyclical activity could be tracked, monitored, and reported via the Portfolio Office as Sub portfolios of work. It would however not drop down into section 7 which incorporates new programme and project management practices – Portfolio Deliver.

Figure 2 - Portfolio Building Blocks

Building Blocks - Proposed Portfolio Management Ecosystem

Corporate Plan and Strategic Objectives

Coordinating functions
providing oversight

Portfolio Board
- Role will be one of oversight providing both challenge and support

Portfolio Office function
- Coordinates strategic level / portfolio reporting and supports the Portfolio Board

Enterprise PMO function
- Functions as the Hub for all other PMO's in the organisation

Centre of Excellence function
- Project Academy
- Community of Practice (PLG)

categorise, prioritise and balance implementation of new activity

Delivery Management
Standardised across the Organisation

PPM Systems and Reporting
- Tools, templates and IT systems

Project Financials
- Project Definition Threshold
- Scheme of Delegation

Projects procedure aligned to Government functional standards for PPM delivery
- Definition and categorisation
- Roles and Responsibilities
- Assurance
- Risk Management
- Project and Programme governance

A portfolio management ecosystem would make it possible to compare individual projects and see them as part of a bigger picture.

The would be supported by the coordinating functions and an enhanced projects procedure.

In turn this would help to create the conditions for addressing the other challenges such as systems and processes, assurance, risk mgmt. and delivery capability in a more effective way.

In the proposed new process, there are additional levers that sit outside of this review, related to financial thresholds and a Scheme of Delegation. These levers will play a key role in shaping the success of the Portfolio Ecosystem.

Skills and Capability - Learning and Development

Change Management - Transformation Team

RedQuadrant

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

	What is it?	*How is it managed?*
Project	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))	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
Programme	Programmes are a group of related and interdependent projects and change management activities that will deliver beneficial change	Programme management involves managing interdependencies across projects, prioritising and budgeting, and ensuring resource capacity and capability across the programme.
Portfolio	The aggregation of projects and programmes within an organisation aligned to strategic priorities	Portfolio management includes the selection, prioritisation and control of projects and programmes which are aligned with the organisation's strategy and objectives.
Business As Usual (BAU)	Activity that is part of normal day-to-day operations and all activity with a total value of less than £250k	Operational management is the management of those activities that create the core services or products provided by an organisation.

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	✓ high value (£20m+)
	✓ delivers strategic outcomes
	✓ complex to deliver
	✓ high levels of uncertainty
	✓ Requires new or innovative practice
	✓ significant impact on people
Strategic	✓ Mid value (£2m-£20m)
	✓ Contributes to strategic outcomes
	✓ Some uncertainty exists
	✓ Requires some technical innovation
	✓ Moderate impact on people
Routine	✓ 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.

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

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 Corproation 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
- 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
- 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
- Review and recommend for approval by Members,

project charter, outline business case (over £5m), project initiation document and full business case
- 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

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	- 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	- 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/	- Accountable for the Chief Officer portfolio and prioritisation within their service area - Ensure compliance with project governance framework within their area of responsibility

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Sponsors/SROs	- 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	- 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	- Responsible for effective management of projects - Responsible for managing project budget, identifying risks and

EPMO	- Central organisation responsible for enabling effective portfolio, programme and project management.

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	• Project Brief
	Scoping	• Outline business case
Discover	Concept development	• PID
	Business case	• Full business case
Design	Readiness for launch	• Delivery plan
Deliver	Monitoring delivery	• Progress reports
Realise	Exit	• Lessons learnt • Closure report
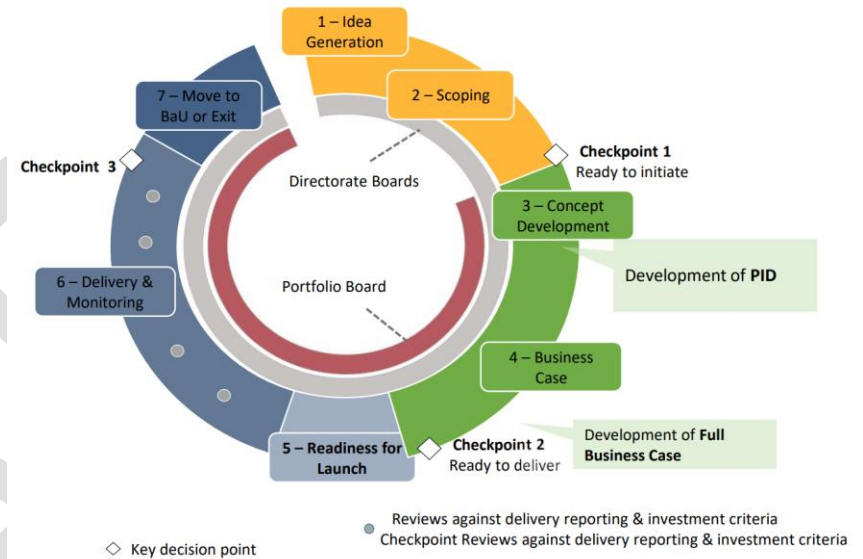
Project leadership

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.
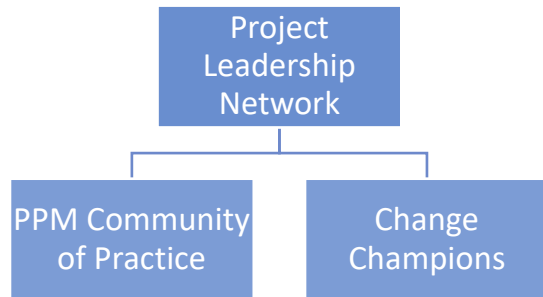
PPM Community of Practice

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 EPMO 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	• Decision makers including tier 1 SROs and Elected Members
Specialist	Advanced	• Qualified/professional PMs • Tier 1 PMs • Officers working in Corporation PMOs
Manager	Practitioner	• Tier 2 PMs
Analyst	*new	• Additional module(s) focussing on analytics and reporting
Support	Foundation	• 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.
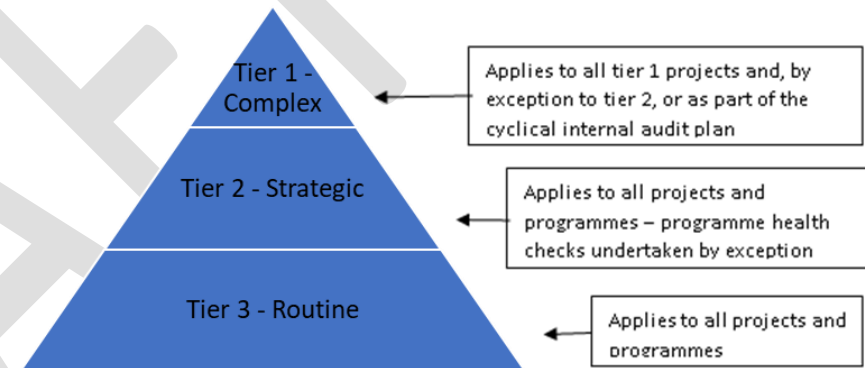
Check point reviews

As part of the Gateway process, the EPMO 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 cold 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.

| Project Name | Project X | Status Date | 26-Jul-15 | Overall Status | Red |

Project Commentary - The project status is red as there too many high risks and issues open.

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 EPMO 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 EPMO 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 EMPO 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	• Chairing meetings including the agenda and ensuring effective communication • Taking project decisions of up to £5m
Finance Lead (Deputy Chair)	Chamberlain	• Providing advice and challenge in regard to finance and affordability considerations • Chairing the Finance Assurance sub-Group
Strategy and Performance Lead	Chief Strategy Officer	• Providing advice and challenge around strategic alignment, risk management and progress reporting
Construction Delivery Lead	City Surveyor	• 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	• Providing advice and challenge around people,

		change and equalities issues
Governance Lead	Assistant Town Clerk and Director of Member Services	• Providing advice and challenge in regard to corporate governance requirements
Portfolio Management Lead	Project Governance Director	• Providing advice and challenge in regards to project governance and operational project management standards
Secretariat	Enterprise Portfolio Management Office (EPMO)	• 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		• 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		• 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 EPMO 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	• Chairing meetings including the agenda and ensuring effective communication
Deputy Chair	Financial Services Director	• Providing updates on cashflow forecasting
Strategy and Performance Lead	Chief Strategy Officer	• Providing advice and challenge around strategic alignment, risk management and progress reporting
Portfolio Management Lead	Project Governance Director	• Providing advice and challenge in regards to project governance and operational project management standards
Project Leads	SROs of tier 1 (complex) projects	• Providing regular updates on project status and key decisions • Raising project-related issues

|		
		and risks to the Portfolio Board for resolution
Secretariat	EPMO	• 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
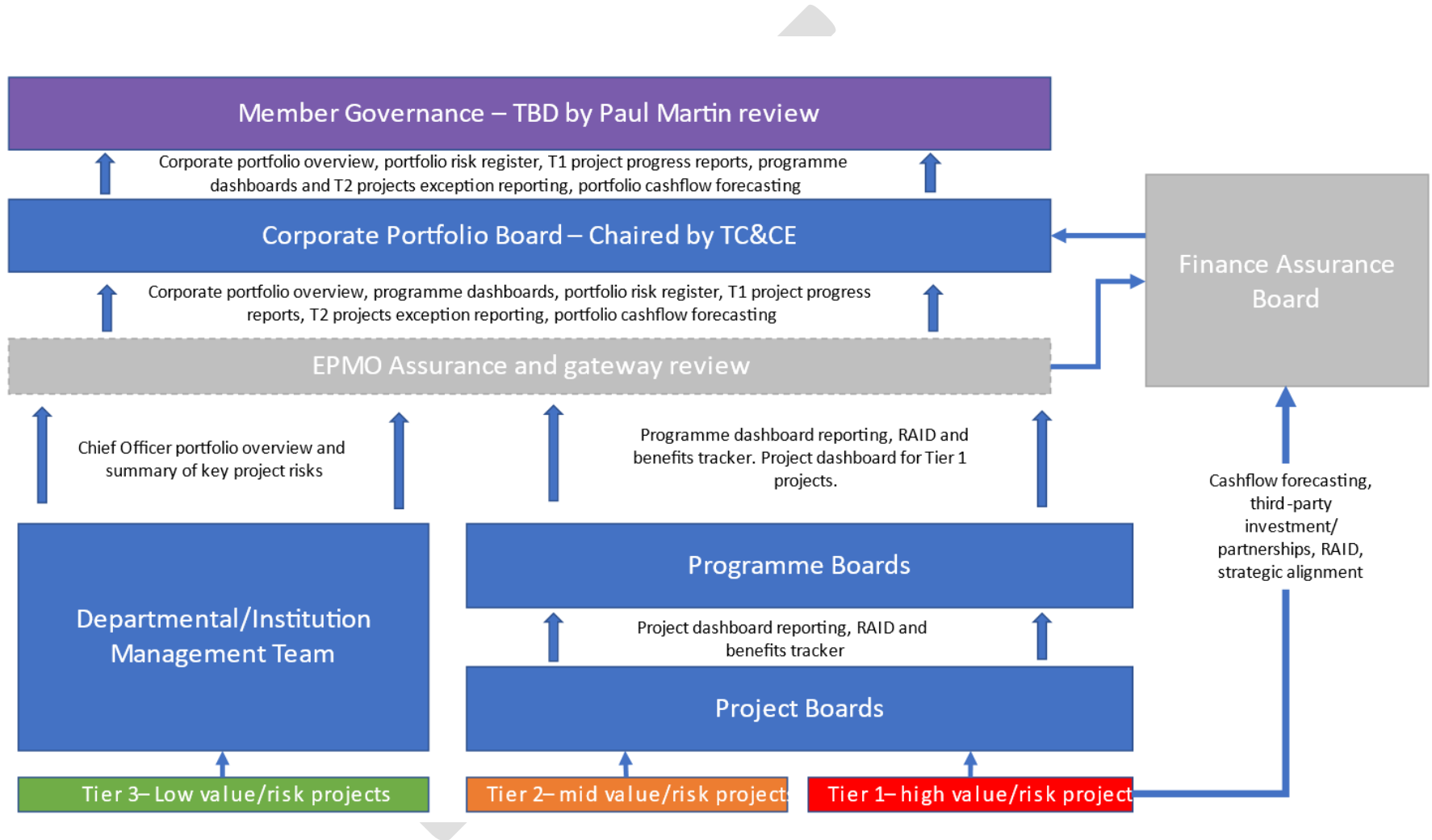
Supplementary information – SRO agreement document

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.

DRAFT

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	Owns 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.

Project Planning & Control	Agrees and owns the project vision and success criteria with the Project Director.	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.

Appendix 2 – Proposed project governance framework

APPENDIX 3 - Portfolio management – draft implementation plan

The development of a portfolio management approach is a medium-long term ambition. The aim has been set of reaching the top level of maturity against the government project standard over three years. The implementation plan set out below focusses on activity required in the next 12 months with the first phase of changes due to be implemented by January 2024.
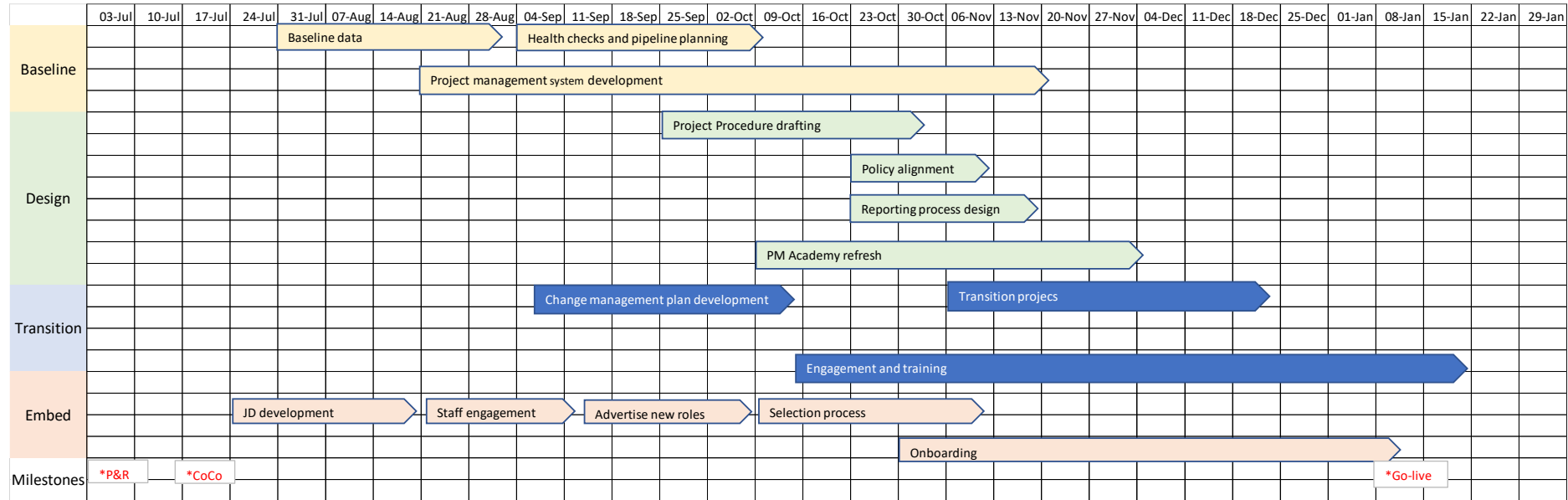
Phase	Phase objectives	Key activity	Timeframe	Resource plan		Investment required
				Lead	Additional support required	*Total resource costs included under separate section below
Phase 1 - baselining	• Establish an accurate view and	Complete assessment and tiering of all existing corporate projects	3 weeks	Corporate PMO Manager	1x PMO Analyst	
		Undertake data cleansing exercise and reconciliation of data held on	3 weeks	Corporate PMO Manager	1x PMO Analyst	

		project system with finance system				
	• Build a robust and credible dataset • Develop the IT infrastructure to enable effective portfolio management • Refine the proposed resource model	Upgrade project management system and develop portfolio reporting structure	16 weeks	Corporate PMO Manager	Cora systems implementation support	£30,000 upgrade £15,000 - support
		Carry out high-level programme health check of existing major programmes	6 weeks	Head of Major Programmes	1x Project Manager	
		Work with ELB to identify business change project pipeline	6 weeks	Head of Transformation & Improvement	None	
		Finalise design of new division and commence recruitment process	8 weeks	Acting Project Governance Director	None	
Phase 2 – detailed design	• Develop efficient and effective procedures and business processes • Develop the first tranche of documents as part of the PPM toolkit • Develop core learning and development offer	Update Project Procedure including process maps and workflows	6 weeks	Acting Project Governance Director	1x Project Manager 1x PMO Analyst	
		Work with stakeholders to align Financial Scheme of Delegation, Procurement Code, Risk Strategy and any other governance document	4 weeks	Acting Project Governance Director	1x Project Manager	
		Establish Portfolio Board governance	3 weeks	Head of Major Programmes	None	
		Develop reporting business processes	3 weeks	Head of Major Programmes	1x PMO Analyst	
		Undertake portfolio risk reviews	6 weeks	Acting Project Governance Director	1x Project Manager	
		Review and update Project Management Academy	8 weeks	Corporate PMO Manager	Learning provider and	£20,000 *See below for ongoing costs

					ongoing license costs	
		Design mandatory induction module	3 weeks	Head of Major Programmes	1x Project Manager	
		Develop project artefacts and updated project procedure	6 weeks	Corporate PMO Manager/Head of Major Programmes	1x Project Manager 1x PMO Analyst	
		Define Head of Profession role		Acting Project Governance Director	None	
		Launch PPM network		Acting Project Governance Director	None	
		Develop change management plan		People & Change Lead	None	
Phase 3 - transition		Transition projects to new structure		Head of Portfolio (new role)	None (within new structure)	
		Rollout training in new approach		Head of Portfolio	None (within new structure)	
Phase 4 - embedding		Project health checks for all tier 1 projects		Head of Portfolio	None	
		PMA training for tier 1 PMs		Head of Portfolio	1x Project Manager	
		SRO mandatory training		Head of Portfolio	None	
		Implementation review		Director, Project and Change Delivery	Internal Audit support required	
					Sub-total	£65,000

Total resource requirements						
n/a	n/a	Interim PMO analyst	24 weeks	n/a	n/a	£60,000
n/a	n/a	Interim Project Manager	24 weeks	n/a	n/a	£90,000
n/a	n/a	Finance transformation consultant (1 day per week)	12 weeks	n/a	n/a	£10,000
					Sub-total	**£160,000**
					GRAND TOTAL	**£225,000**

Annual operating budget required:

- Project system: licenses - £50,000
- PM Academy delivery - £30,000 (for first two years after which we can assess the potential to move to an in-house delivery model)
- APM accreditation - £15,000
- Staff training budget - £5,000

Project Governance review

Skills and Capabilities

23 January 2023

The challenge

- The scope

    - A review of organisational capability by undertaking a corporation training needs analysis (building on previous work)

- Deliverable outputs

    - Analysis of current skills identified to create 'as is' picture via skills and capability survey

    - Capability framework descriptions for key PPM roles to support future portfolio TOM

- Deliverable outcome

    - Understanding of organisational capability (PMO ecosystem) to deliver improvement plan including skills analysis.

RedQuadrant

What we did

- A skills and capability survey was run to establish a baseline view of skills and capability within the organisation to inform what would be needed to support a portfolio approach to deliver the City of London improvement plan.

- The survey consisted of 35 questions mostly multiple choice but with some free text boxes to provide both qualitative and quantitative data.

- This was sent to 70+ project and programme managers across the corporation and the institutions.

- 52 people responded which is statistically significant.

RedQuadrant

Summary

Quantitative data showed:

- Gaps in skills and capability for programme management, SRO, Change Mangement and Benefits Management.

- Good skills and capability in Project Management.

- ⑩ Staff would welcome further training on programme and project management

- Low maturity of the organisation in terms of a Portfolio delivery approach.

Qualitative data showed:

- Change control management is elongated and unnecessarily complicated.

- Many projects and programmes are managed on top of the day job, this has the follow impacts:

    - Reduced capacity to do project management well – stress and impact on health.

    - Managing multiple stakeholders is a challenge

Skills and Capability 4

RedQuadrant

Proposal

If you wish to move to a more structured portfolio delivery model it is proposed that the gaps in skills and capability are addressed.

To support effective portfolio management, it is important that each role has defined, key responsibilities, technical and behavioural competencies and qualifications.

Consideration would need to be given to how the organisation meets these gaps in the short term as training would need to be front loaded to ensure the right skills and capability are in place to support a successful implementation.

To measure the impact of improving the skills and capability of the portfolio is it proposed that the survey is run again during implementation.

Skills and Capability 5

RedQuadrant

Recommendation

If you wish to move to a structured and comprehensive portfolio model, the following recommendation is key to ensuring the right skills and capability are in place.

- It is recommended that a structured and focused L and D model should be adopted, such as the Project Delivery Capability Framework. This is an excellent tool which describes job roles, capabilities and learning for project delivery professionals across government. It contains four elements:
  - A career pathway/ common set of job roles
  - A set of competencies
  - A signpost for development opportunities specific to job roles
  - The criteria and process to obtain accreditation as a Government Project Delivery Professional.
  - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1124745/PDCFv3.pdf

RedQuadrant

OUTPUTS FROM THE SURVEY

General

Themes

- Most project/programme roles are in Environment and City Surveyors services less in institutions and DCSS.

- Grades of PM's and Programme Managers are mainly E – H

- Most projects and programmes are large and of significant risk to the organisation.

1. Please select the department where your role is based

COO	1
City Surveyors	17
Environments	20
DITs	0
Chamberlain's	0
DCCS	6
Institution (Barbican, City of L...	8
Other	0
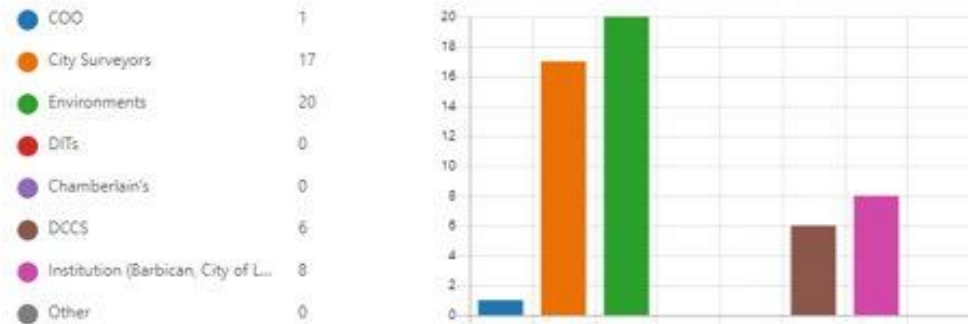
Project / programme scale

- It was critical and/or large in c...
- It was significant in terms cost...
- It was desirable to achieve but...
- Local change or development ...

Projects
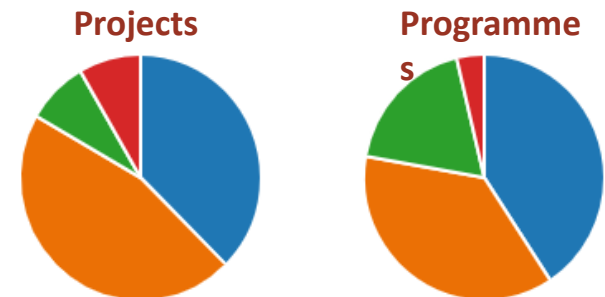
Programmes

Key point – High value/high risk projects and programmes need the right framework in place for delivery and oversight

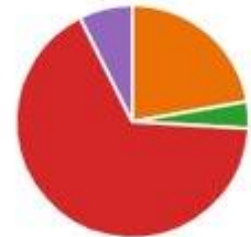Skills and Capability 8

RedQuadrant

Themes

- Most projects and programmes are infrastructure with some cyclical works and procurement activity.

- Service improvement and change accounts for a small proportion.

10. What best describes your project?

🔵	Procurement activity - Regular...	2
🟠	Cyclical works/Asset manage...	8
🟢	ICT – IT Infrastructure, IT asset...	3
🔴	Infrastructure –creating/renov...	28
🟣	Service improvement/change ...	7
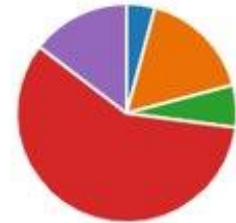
15. What best describes your programme?

🔵	Procurement activity - Regular...	0
🟠	Cyclical works/Asset manage...	6
🟢	ICT – IT Infrastructure, IT asset...	1
🔴	Infrastructure –creating/renov...	18
🟣	Service improvement/change ...	2

Key point – there is some activity that is not true programme or project and should not be considered as part of the portfolio eg procurement

Skills and Capability 9

RedQuadrant

Project Management

Themes

- Most projects sit within the £1mil - £50mil value.

- Most PM's had over 5 years experience.

- Most had a PM qualification

8. What is your length of experience in project management?

● Less than 6 months	3	
● 6 months to 2 years	3	
● 2 to 5 years	7	
● More than 5 years	35	
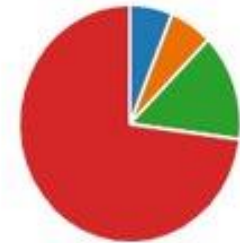
Project management range of training including Prince2 and PM Academy
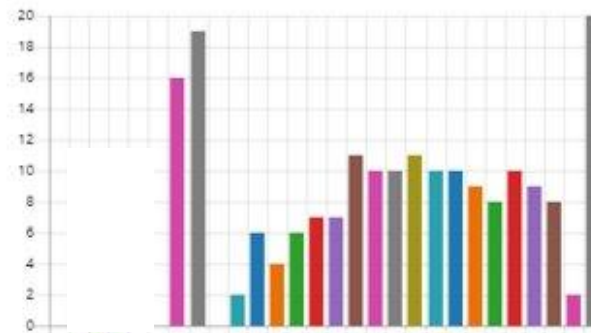
Key point – most Project Managers are experienced and well trained

RedQuadrant

Programme Managment

Themes

- Over half the respondents indicated they supported a programme and were Programme Managers.

- Most had 2 -5 years + experience. Only 5 people are qualified MSP practitioners and 4 to foundation level.

- Programme values sit mostly at the - £1mil - £50 mil value or £100mil or above.

13. What is your length of experience in programme management?

● More than 5 years		14
● 2 to 5 years		10
● 6 months to 2 years		2
● Less than 6 months		1
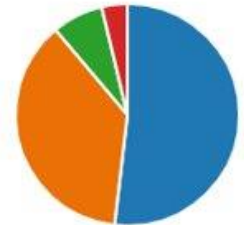
16. Do you have any of the following qualifications?

● Management of Portfolios (M...		0
● Management of Portfolios (M...		0
● Managing Successful Program...		4
● Managing Successful Program...		5

Key point – Programme management qualification is a gap and therefore a risk as programme value is high.

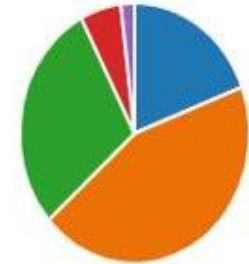Skills and Capability 11

RedQuadrant

Portfolio Management

Themes

- The organisation had a low maturity in portfolio management. Most responses fell in the initial, managed, defined, level of maturity.

- No evidence of portfolio management qualifications or skills.

25. Which of the statements below best describes the maturity level of the organisation in Portfolio management?

- Initial. Processes are seen as u... 10
- Managed. Processes are chara... 23
- Defined. Processes are well-ch... 15
- Quantitatively Managed. Proc... 3
- Optimizing. Processes are stab... 1

16. Do you have any of the following qualifications?
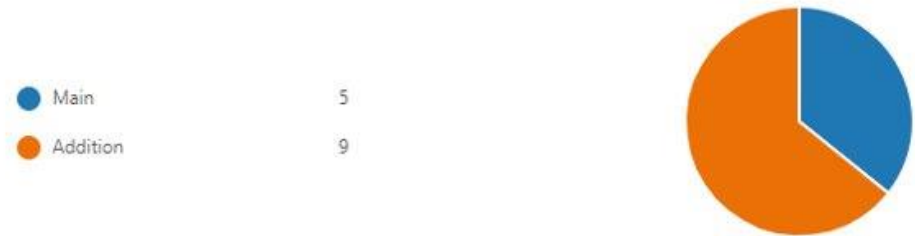
- Management of Portfolios (M... 0
- Management of Portfolios (M... 0

Key point - Portfolio management skills and training is a gap and would be required to support a portfolio delivery approach.

RedQuadrant

SRO

Themes

- Most have never been an SRO

- The SRO is split between being their main role and an additional role

- Most use up to 2 days a week to fulfil the SRO role.

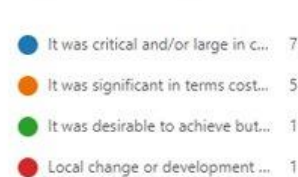- Nearly all had some programme or project management experience.

- SRO's are particularly difficult to assign for the City Surveyors (*evidence systems workshop*)

- There is a lack of understanding of what is required as an SRO such as: decision making / time impact /need to understand the project or programme. (*evidence systems workshop.*)

- Some training is provided for SRO's but this does not cover the whole remit of an SRO

30. Is this work your main job role or in addition to your main role?

- Main — 5
- Addition — 9

32. Which if the following descriptions best describes the project or programme you are SRO for:

- It was critical and/or large in c... — 7
- It was significant in terms cost... — 5
- It was desirable to achieve but... — 1
- Local change or development ... — 1

Key point – SRO skills training is a gap – this is a risk as most project are high risk and high value
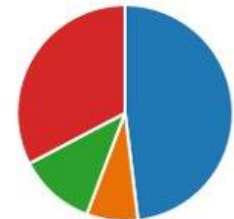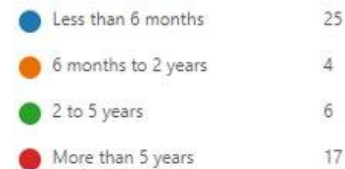
Change Mangement

Themes

- Over half the respondents had not had a role supporting business change.

- Most had limited experience of business change.

- There is an expectation that business change is carried out as part of a project or programme but a lack of understanding as to what this entails. (*Evidenced by stakeholder engagement meetings-stage A*)

22. Have you ever been in a role facilitating or supporting business change?
(If you are unclear on what business change is or how it differs from project and programme management please go directly to next question).

- Yes   18
- No   34

24. What is your length of experience in change management?

- Less than 6 months   25
- 6 months to 2 years   4
- 2 to 5 years   6
- More than 5 years   17

Key point – Change Mangement skills and training are a gap
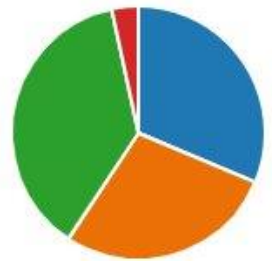
RedQuadrant

Systems

Themes

- Project Vision is used by nearly all respondents, but in general only for reporting.

- Other tools and systems used are mainly: MS project and excel spreadsheets.

35. What project systems do you use?

● Project Vision	37	
● MS Project	33	
● Excel spreadsheet	44	
● Other	4	

Key point – information from the survey to be fed into systems deliverable

Skills and Capability 15

RedQuadrant

Qualitative data

Comments from the survey:

- Change control management is a point of contention.

- Unhelpful level of gatekeeping

- Lack of knowledge that makes the most rudimentary activity unnecessarily complicated.

- Staff resources have not been sufficiently allocated so I'm not managing my day job or the project well.

- I'm fulfilling management roles beyond my current role in relation to multiple stakeholders – capacity issue

- I would be interested in MSP qualification

- I'm keen to do Prince2 when my current project allows time

- I'm always keen to improve my learning

Skills and Capability 16

RedQuadrant

We will employ established Change management methodologies to ensure potential risks are assessed and mitigated before deployment of any changes. These approaches will support the implementation of this programme by engaging directly with those affected by creating an open dialogue and ensuring the purpose and benefits of the change are understood throughout the Corporation.

The impact these changes will have on each stakeholder will be assessed through the change curve (as below). This will be the primary model used to understand and measure how change is being received, and ensure pro-active interventions take place to support each group through the change curve, by listening to their concerns and demonstrating the benefits of the change.
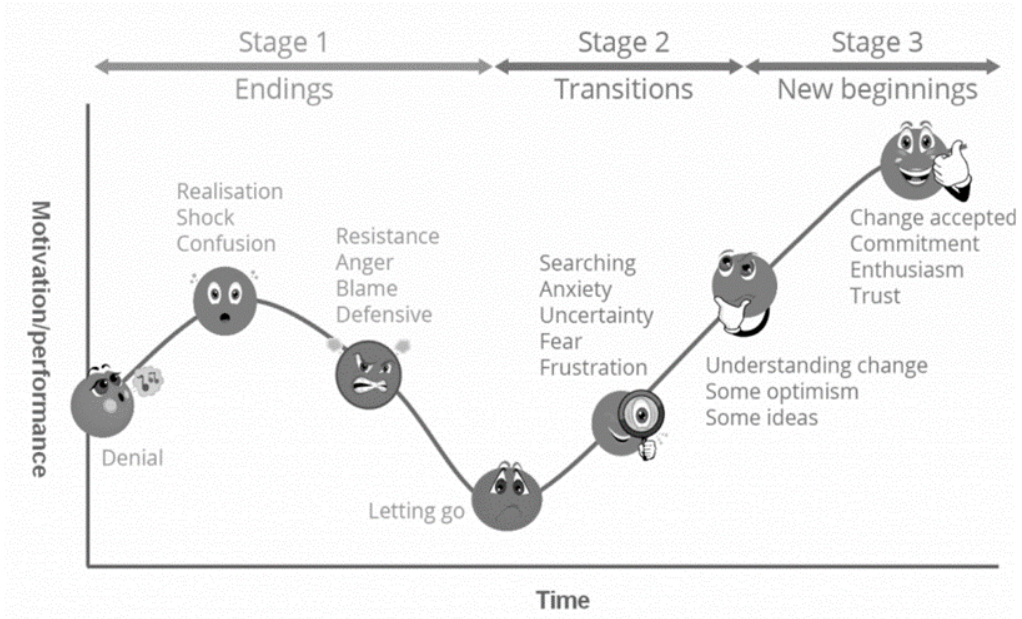
Engagement Strategy

The following engagement strategy will be utilised to identify key stakeholders; target audience; key messages; communication channels; and those who will deliver the messages.

Where possible, a two-way communication approach (such as open discussions and workshops) will be used to interact with those affected, as it is important that they are able to express any concerns they may have and are afforded the opportunity to ask questions. An 'organisational conversational model' will support deployment and provide a framework for the Programme Team to communicate directly with those affected by the change. Research demonstrates that those prepared for change are more likely to be engaged with the process when this approach is followed.

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Other significant issues that have been identified by officers involved in project delivery include:

- Ambiguity regarding governance in early stages for potential major projects with limited established governance for feasibility and business case development.

The Markets Co-location Programme (MCP)
The MCP's initiation phase ran for five years until it was approved as a Major Programme in October 2022. During that period c. £164m was spent on the programme, of which c. £133m was for the acquisition of the Dagenham Dock site and associated expenses.   *In 2017, a team was established to produce a Strategic Outline Case and subsequently the Outline Business Case. This team consisted of the Programme Director and three contractors leading on the existing sites, the future market and communications, respectively. The small team needed to work very quickly and flexibly and decisions had to be made fast. There was no clear established governance framework for dealing with this type of large conceptual endeavour. Reports were however submitted to P&R on a regular basis. The success of the early stages of the programme also relied on direct communication with the Chairs of relevant Committees. The programme needed to design its own governance structures for smaller decisions by setting up the MCP Officers' Programme Board, Member-led informal working groups as well as regular updates to respective Chairs.*   *Since there was no PMO function available, programme management support was initially contracted through external consultants, which did not offer good value for money. From 2019, the programme recruited a dedicated internal programme management resource and was supported by the newly-established Major Programmes Office. Since the MCP business case was approved in October 2022, recruitment has been underway to develop an in-house resource model and the programme has now moved under the remit of the Capital Buildings Board.*

- Focus on capital delivery with limited view of wider project outcomes and interdependencies

Future Police Estate Portfolio (FPEP)
The FPEP is comprised of six construction projects that will constitute the future police estate. This includes the new Police HQ at the Salisbury Square Development as well as several CoLP enabling workstreams and projects, with numerous interdependencies between them. The interdependencies cover budget, resource, risks, timelines and scheduling as well as scope and change request management.   *Formerly the portfolio has been managed without taking a strategic portfolio-wide approach ad it has been recognised that this has at times resulted in the programmes/projects/workstreams being managed independently of each other,*

> *without full appreciation of the dependencies the constituent parts of the portfolio have on each other. However, the Commissioner and City Surveyor have been working over the past year to establish a portfolio approach at officer level. However, it is important that corporate governance also develops to take a more strategic portfolio management approach.*

- Concerns regarding resourcing of projects, insufficient capacity included as part of project initiation process.

A recurring issue that has arisen during conversations with both officers and Members, is the insufficient assessment of required capacity as part of the project initiation process including, not only, dedicated project delivery resources but capacity required from key corporate services such as finance, procurement and legal services. A strengthened focus on business case development will help to address this issue.

Committee(s):	Dated:
Policy and Resources – For decision	06/07/2023
Subject: Nominating Substitute Members for Outside Bodies on which the Chair Serves (Delegations from the Policy Chairman)	**Public**
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	8
Does this proposal require extra revenue and/or capital spending?	**N**
If so, how much?	**n/a**
What is the source of Funding?	**n/a**
Has this Funding Source been agreed with the Chamberlain's Department?	**n/a**
Report of: Deputy Town Clerk	**For Decision**
Report author: David Mendoza-Wolfson, Office of the Policy Chairman	

Summary

In discharging their role as Chair of Policy and Resources, the Chair represents the City Corporation on several outside bodies. These have accumulated over many years and comprise a variety of different subject areas and roles. For instance, the Chair might serve as a nominated Director or more informally as a member of a bodies' advisory board.

In recognition of time pressures, especially as many bodies meet at times which conflict with one another or with the Corporation's Committees, and the positive advantages to be gained from widening the pool of engagement to better reflect the Court expertise, this report recommends permission for the Chair to nominate a Member to be their designated replacement or substitute on different outside bodies. In the first instance the substitute is intended to be the Deputy Chair of Policy, a Vice Chair or a Policy Lead.

A number of potential bodies where this might be achieved has been identified and set out in Appendix 1. Nothing in the Terms of References of these bodies would prevent or preclude Policy and Resources from recommending these changes.

Recommendation(s)

Members are asked to:
1. Endorse the proposal to allow for the Chair of Policy and Resources to nominate specific Members to either replace them on an outside body or act as their substitute, as set out in in Annex 1.

2. To delegate authority to the Town Clerk in consultation with the Chair and Deputy Chair of Policy and Resources to nominate replacements if any of the nominated individuals are no longer able to fulfil their role due to personal or professional commitments, as well as to make similar appointments to other outside bodies as and if identified throughout the civic year.

Main Report

Background

1. The Chair of Policy and Resources sits on a number of outside bodies' board of directors and advisory boards, alongside their extensive committee and other commitments.

2. Often, both the outside bodies and the City Corporation, benefit from the presence of a senior Member of the Corporation at these meetings. However, due to time constraints, it often is not possible for the Chair of Policy and Resources to attend these meetings.

Current Position

3. Currently, when the Chair of Policy and Resources is unable to attend these meetings, either there is no Corporation representation, or an unofficial substitute will be sent in their place. Clearly this is sub-optimal and does not assist the Corporation's ambitions in supporting ongoing relationships with these organisations.

Proposal

4. It is being proposed that where appropriate, the Chair of Policy and Resources nominates a Member to either replace them or be their formal substitute for certain outside bodies.

5. These substitutes should all either be Deputy Chair of Policy and Resources, a Vice Chair of Policy and Resources or a Policy Lead.

6. Each decision to nominate a substitute, and the nature of that substitution, will be taken to Policy and Resources to note.

7. The efficacy of these arrangements will be kept under review and if they prove useful, then consideration may be given to expanding or extending the number of bodies to which this is applied.

8. Similarly, if arrangements are considered to be going well, it is recommended that renewed recommendations are brought to this committee on an annual basis to ensure good governance.

9. In the event that any of the nominated individuals can no longer fulfil their role due to personal or other commitments it is recommended that authority is delegated to the Town Clerk, in consultation with the Chair and Deputy Chair of Policy, in accordance with Standing Order 41b, to make amendments to the list of nominees.

10. Further, to delegate authority to the Town Clerk to, in consultation with the Chair and Deputy Chair of Policy, make similar appointments to other outside bodies as and if identified throughout the civic year.

Corporate & Strategic Implications

Financial implications

None

Resource implications

None

Legal implications

None

Risk implications

None

Equalities implications

Under the Equality Act 2010, all public bodies have a duty to ensure that when exercising their functions they have due regard to the need to advance equality of opportunity between people who share a protected characteristic and to take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people and encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low. The proposals contained in this report do not have any potential negative impact on a particular group of people based on their protected characteristics.

Climate implications

None

Security implications

None

Conclusion
11. To maximise the benefits to both outside bodies and the City of London Corporation of having representation on said bodies, it is being proposed that for some outside bodies a formal substitute is appointed when the Policy Chair cannot attend. For others, it is being proposed that an alternate Member is nominated to replace the Policy Chair as CoLC representative on said body.

Appendices
Appendix 1 – Table of nominations for replacements and substitutions to outside bodies

David Mendoza-Wolfson
Office of the Policy Chairman

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Appendix 1
Table of nominations for replacements and substitutions to outside bodies.

The Policy Chair has nominated the following Members to be their formal substitute at the following outside bodies:

Board Name / Position	Recommendation	Nominated Member
Scottish Green & Sustainable Financial Services Taskforce Taskforce Member	To recommend a nominated substitute to deputise for the Policy Chair	Keith Bottomley, as Policy Lead for Sustainability
Financial Services Skills Committee Board Member	To change the Corporation's representative from the Policy Chair to the Deputy Policy Chair	Keith Bottomley
Professional & Business Services Council PBSC Member Representative	To change the Corporation's representative from the Policy Chair to a Vice Chair of Policy	Tijs Broeke
Centre for Finance, Innovation and Technology Board Member	To change the Corporation's representative from the Policy Chair to the Policy Lead for Innovation and Technology	Madush Gupta
Innovate Finance Board Observer	To recommend that the Policy Lead for Innovation and Technology join the Board as Observer, and to deputise for the Policy Chair when required	Madush Gupta
Heart of the City Council Member	To change the Corporation's representative from the Policy Chair to the Policy Lead for SMEs	Paul Singh

Committee: Policy and Resources	Dated: 6 July 2023
Subject: Allocating Safer City Partnership Proceeds of Crime Act funding	**Public**
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1; 12
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: Judith Finlay, Executive Director of Community and Children's Services	**For Decision**
Report author: Simon Cribbens, Assistant Director – Commissioning and Partnerships	

Summary

The City of London Police provide funds derived from recovered Proceeds of Crime Act monies to support the work of the Safer City Partnership. The City Corporation receives and administers these monies in its capacity as one of the "responsible authorities" who collectively make up the Safer City Partnership. This report seeks Member endorsement of the arrangements proposed to enable the dispersal of such funds as an interim measure whilst updates are pursued to the formal Officer Scheme of Delegations due to come forward in the autumn.

Recommendations

Members are asked to:

- Endorse the Safer City Partnership's decision to utilise the Central Grants Unit to administer and manage Safer City Partnership Proceeds of Crime Act grants including making grant recommendations to the Safer City Partnership
- Approve the proposed delegation to the Executive Director of Community and Children's Services (or other chief officer nominated by the Town Clerk) to formally authorise the payment of POCA grants approved by the Safer City Partnership.

Main Report

Background

1. The Safer City Partnership (the SCP) is the City of London Corporations name for its community safety partnership. It is not a typical committee of the City Corporation as Policy & Resources Committee is. Instead, it fulfils the relevant duties of the Crime and Disorder Act 1998 for certain key public sector bodies to

work as a "partnership" to make places safer. The partnership is the collective term for those public bodies – the "responsible authorities" – required to work together to formulate and implement strategies for the reduction of crime in their area.

2. The responsible authorities include the City Corporation, the Commissioner of the City of London Police, the NHS North East London Integrated Care Board (ICB), the London Fire Commissioner and London Probation Service. The responsible authorities are required to appoint a Strategy Board which has responsibilities (some of which are statutory) relating to the responsible authorities' performance of their statutory community safety partnership obligations. The Chair of the SCP Strategy Board is Commander Umer Khan of the City of London Police, and the Deputy Chair is Gavin Stedman, Port Health and Public Protection Director from the City Corporation.

3. The work of the SCP is co-ordinated by the Corporation's Community Safety Team, which sits within the Department of Community and Children's Services. The Crime and Disorder Scrutiny Committee holds the SCP and its partners to account for the delivery of its strategy.

4. A component of funding to support projects that deliver the SCP's strategy comes from the Asset Recovery Incentivisation Scheme (ARIS) which funds derive from monies recovered under Proceeds of Crime Act 2002 (POCA). This legislation grants the police and other public bodies the power to confiscate assets and cash from individuals who are convicted of offences or have benefitted from their illegal activities. The majority of POCA money goes to the police to reinvest in asset recovery and crime prevention under the ARIS and this is overseen by the City of London Police Authority Board.

5. Until the financial year 2021/22, the SCP received a 10% share of the City of London Police's ARIS allocation. The impact of the covid pandemic, and a period of review of the SCP, meant that this allocation was not spent, and the arrangement was ceased. However, the SCP has a £300,000 reserve from prior allocations.

6. The allocation of POCA funding had been managed by the Corporation's Community Safety Team. However, in order to improve due diligence and strengthen the allocation process, the SCP agreed revised criteria for the assessment of bids for such funding, and further agreed that the Corporation's Central Grants Unit (CGU) should administer and manage its POCA grants.

7. These decisions also support the fulfilment of relevant regulatory requirements to have in place arrangements governing the review of the expenditure of partnership monies (Crime and Disorder (Formulation and Implementation of Strategy) Regulations 2007).

8. It is intended that the Central Grants Unit will manage the funding relationships with successful applicants and ensure projects are monitored and evaluated.

Current Position

9. The City Corporation holds POCA funding – and may receive further funding - on behalf of the SCP. It is intended that this arrangement continue.

10. A strategic review of the SCP, and renewal of its strategy, paused funding allocation. With both a renewed SCP and new SCP strategy in place, Members are now being asked to endorse the arrangements which will enable the SCP to disperse funding – via the Corporation's CGU - in order to deliver to its priorities.

11. The use of such funding is determined by the priorities of the SCP, as set out in the renewed Safer City Partnership Strategy (2022-2025). The SCP has agreed that the CGU administer a grant application process for bids delivering to the criteria set or revised by the SCP. Parties – including partners of the SCP and community and voluntary sector groups - will be invited to apply for grants between £5,000 - £50,000.

12. For the 10% share of the POCA which is assigned to the SCP, there is no assigned Committee responsible and, as such, proposals are being brought forward to your Policy & Resources Committee which, under its terms of reference, is responsible for any matters not provided for with other committees'.

Proposals

13. Members are asked to endorse the role of the CGU to manage and administer the SCP's POCA grants, including to receive bids, assess them against the SCP's agreed criteria and present them to the SCP for decision.

14. As the SCP is not a structure or committee of the City Corporation, it is proposed that the authority to approve the release of funds in line with the decisions of the SCP is delegated to a chief officer nominated by the Town Clerk. It is suggested that this is the Executive Director of Community and Children's Services.

15. Long term, this will be secured through an amendment to the Corporation's Scheme of Delegation to Officers – currently subject to wider review. However, to ensure this process does not prevent the dispersal of funding in the interim, it is proposed that Members approve the proposed delegation in the interim.

16. The CGU will monitor and report the use of grant funding and report this to the SCP. Member oversight of the use of these resources will be through reporting to the Crime and Disorder Scrutiny Committee.

Corporate & Strategic Implications

Financial implications

17. In 2021, the CGU's costs for delivering their service are projected to be no more than 5-10% of the value of the SCP's annual grant spend.

Resource implications

18. None.

Legal implications

19. These are referenced in the body of the report.

Risk implications

20. None.

Equalities implications

21. None.

Climate implications

22. None.

Security implications

23. The ability to disperse grant funding to projects and initiatives delivering to the Safer City Partnership Strategy will contribute to a safer more secure city.

Conclusion

24. The City of London Corporation is in receipt of POCA funding but currently has no agreed way to administer this in a strategic fashion. This report provides a proposal for an officer-level governance framework, supported by the SCP, that will enable the funds to be distribute the monies in an efficient and beneficial manner.

Appendices

- None

Simon Cribbens
Assistant Director – Commissioning and Partnerships
Community and Children's Services

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Committee(s): Policy and Resources Committee	Dated: 06/07/2023
Subject: Promotion of the Considerate Lighting Charter	**Public**
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	5,10,11
Does this proposal require extra revenue and/or capital spending?	Yes
If so, how much?	Up to £100,000
What is the source of Funding?	Policy Initiatives Fund
Has this Funding Source been agreed with the Chamberlain's Department?	Y
Report of: Executive Director Environment	**For Decision**
Report Author: Bhakti Depala, Head of Planning Delivery and Rob McNicol, Assistant Director Policy and Strategy	

Summary

The City of London Corporation has developed a draft Lighting Supplementary Planning Document (SPD) which is proposed to be adopted by the Planning and Transportation Committee in July 2023.

The SPD incorporates a Considerate Lighting Charter (CLC), which is a set of actions that will help ensure that buildings and public spaces in the Square Mile achieve right light, in the right places, at the right time.

Building owners, managers and occupiers will be encouraged to sign up to the Charter, to commit to the principles and actions of the Charter, to minimise the amount of artificial lighting they use and to switch off their lights when unoccupied.

This paper is requesting funding from the 2023/24 Policy Initiative Fund to engage a consultant to undertake targeted stakeholder promotion and encourage the adoption of the Considerate Lighting Charter with City building owners, managers and occupiers.

Recommendation(s)

That, Members:

- Agree to provide up to £100,000 from the 2023/24 Policy Initiatives Fund, categorised as Communities and charged to City's Cash in order to finance the engagement of a specialist stakeholder consultant to engage with City building owners, managers and occupiers to encourage the adoption of the Considerate Lighting Charter.

Main Report

Background

1. The City of London Corporation has developed a draft Lighting Supplementary Planning Document (SPD) which is proposed to be adopted by the Planning and Transportation Committee in July 2023. The development of the SPD followed the adoption of the City Corporation's comprehensive lighting strategy ('Light + Darkness in the City: A Lighting Vision') in October 2018, which has led to now well-established and exemplary lighting of the Square Mile's public realm.

2. The Lighting SPD has been developed to ensure that new development that comes forward in the Square Mile is complementing the approach to lighting envisioned in the City Corporation's lighting strategy, with an expectation that new developments will achieve "the right light, in the right place, at the right time." New development not only brings opportunities to install good quality lighting systems that minimise light spill and carbon emissions, but also has an effect on the public realm, especially where new public spaces are being created.

3. While the SPD can influence new developments in the City, there are many existing buildings and spaces that have the potential to improve their lighting. The Lighting SPD is therefore proposed to incorporate a Considerate Lighting Charter (CLC), which will set out clear pledges that building owners, managers and occupiers can sign up to, including a commitment to turn off lights in unoccupied interior spaces when they are not in use.

4. The Charter will go further, with signatories also pledging to:

    - Install infrared/'smart' lighting systems to minimise the amount of light used.

    - Review their lighting systems to reduce energy consumption, improve sustainability and safety, and consider equality, diversity and inclusion.

    - Train staff on how lighting systems should be operated to embed good lighting practice.

    - Install measures such as low-glare lighting and blinds to minimise glare and the visibility of lights from outside buildings.

    - Procure light fittings that have the minimum embodied carbon and lowest operational energy, and can be easily repaired, replaced, and recycled.

Proposal

5. If Members of the Planning and Transportation Committee agree the adoption of the City of London Lighting SPD, the proposal is for the City Corporation to be able to roll out a communications campaign to promote it through extensive stakeholder engagement. Officers consider it would be valuable to appoint a specialist consultant to lead a targeted stakeholder promotion campaign. The consultant would proactively:

- Engage with building owners, managers and occupiers to sign up to the Charter;

- Signpost and promote good lighting practice to potential Charter signatories, including that set out in the Lighting SPD, the City Corporation's lighting strategy, and publications from the Institute of Lighting Professionals;

- Identify key target areas within the City where improvements to the internal lighting of buildings and privately owned public realm would have the greatest impact;

- Identify key performance indicators and milestones in the delivery of the campaign;

- Identify opportunities to promote the Charter and the City Corporation's overarching approach to lighting to a broad range of stakeholders, including London and national government; businesses; lighting professionals; developers, architects and designers.

6. It is proposed to engage a consultant over an 18-month period.

7. This work would be supported by the Town Clerk's Communications Team through the following channels:

- Media: news releases, opinion pieces including in City A.M. and City Matters newspapers, and interviews.

- Social media: amplification of messaging across relevant City Corporation channels.

- Advertising: adverts would be placed in key media including City A.M.

- Digital: a dedicated web page on the City Corporation website would be published.

- Internal comms: the City Corporation would become a signatory and an intranet article would be published informing staff.

8. The work would be supported by the Environment Department's Partnerships and Engagement Team, including through communicating with the Business Improvement District (BIDs) who work closely with occupiers within their districts.

Corporate & Strategic Implications

9. Strategic Implications – None

10. Financial Implications – It is proposed that the required funding of £100,000 is drawn from your Committee's 2023/24 Policy Initiatives Fund, categorised as Communities and charged to City's Cash. The current uncommitted balance in the 2023/24 Policy Initiatives Fund is £814,001 prior to any allocation being made for any other proposals on today's agenda.

11. Resource Implications – Officers in Environment Department and Corporate Communications and External Affairs will work together to procure a specialist consultant and manage the relationship with the specialist consultant to ensure they are working with business owners, managers and occupiers and appropriate monitoring is carried out.

12. Legal Implications – None

13. Risk Implications – None

14. Equalities Implications – The design of lighting that affects the public realm has an important role to play in ensuring that the City is safe and feels safe for everyone after dark, including women and girls. Lighting design also needs to take into account accessibility requirements, particularly for disabled people. The Charter requires those carrying out a review of lighting systems to seek to improve safety and to consider equality, diversity and inclusion.

15. Climate Implications – Better lighting complements the delivery of our Climate Action Strategy (2020-2027) through reducing energy consumption.

16. Security Implications – Lighting of the public realm can have an impact on public safety. The Considerate Lighting Charter requires signatories to review their lighting, seeking to improve safety.

Conclusion

17. The adoption of the Lighting SPD and associated Considerate Lighting Charter presents an opportunity for the City to position itself as a leading force in promoting area wide sustainable behaviour and reduce energy consumption. The Lighting Charter would be the first of its kind encouraging businesses to review their existing lighting strategies and make positive changes to minimise the amount of artificial light they use.

18. Officers consider it would be valuable to appoint a specialist consultant to lead a targeted stakeholder promotion campaign. The consultant would pro-actively go out to engage with building owners, managers, and occupiers to sign up to the Charter.

19. Officers therefore request that the Committee agree to provide up to £100,000 from the 2023/24 Policy Initiatives Fund to finance the engagement of a specialist consultant.

Bhakti Depala, Head of Planning Delivery and Rob McNicol, Assistant Director, Policy and Strategy

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Committee(s): Policy & Resources Committee Court of Common Council	Dated: 6 July 2023 20 July 2023
Subject: Approach to the next Corporate Plan	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Chief Strategy Officer	For Decision
Report author: Barbara Hook Assistant Director Corporate Planning	

Summary

This report seeks approval for a revised approach to delivering the next Corporate Plan. Policy and Resources Committee are asked to agree that, instead of an Annex covering 2024,[1] a five-year Corporate Plan (2024-2029) is delivered to start in April 2024. Agreement to this course of action would also extend the Corporate Plan 2018-23 until March 2024 (the earlier decision to produces an Annex had provided a de facto extension).

Recommendation

Members to agree:

- The next Corporate Plan be produced to cover April 2024 - March 2029, commencing on 1st April 2024.
- The Corporate Plan 2018-23 is extended (without any additions) to end on 31st March 2024 and this recommendation is proposed for agreement at the Court of Common Council on 20th July.

Main Report

Background

1. The City of London Corporation's Corporate Plan 2018-23 was due to conclude in 2023. To give recent changes within City of London Corporation time to settle, it was agreed by this Committee on 20th October 2022 that a narrative covering 2024 be prepared and annexed to the Corporate Plan 2018-2023, with a new Corporate Plan 2025-2030 to follow. The Corporate Plan Annex 2024 workstream formed part of the wider Resources and Priorities Refresh (RPR) Programme.

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[1] Resources and Priorities Review Update 20th October 2022

Current position

2. Having reviewed the current situation, we now propose moving directly to a new Corporate Plan running from April 2024 – March 2029, reflecting Political priorities along with wider City Corporation strategy and planning that commenced post 2018. The Corporate Plan Annex workstream will end, but the activities and engagement conducted will inform the new Plan 2024-29.[2]

3. This report asks Members to amend the earlier decision for a 2024 Annex to be attached to Corporate Plan 2018-23 and instead proceed directly to a Corporate Plan 2024-29. Setting a clear vision and values for the City Corporation to provide direction and focus for the next five-year period is now considered to be in the best interest for the organisation, staff and stakeholders.

4. It will be challenging to deliver a Corporate Plan 2024-29 in the timescale available. Communicating a clear purpose is essential but it will not detail everything that the City of London Corporation does. Working assumptions include:

    a. The Corporate Plan, alongside collaborative leadership support and wider transformational change such as the People Strategy, and Resources and Priorities Refresh (RPR) programme workstreams, will play a key part as a catalyst for improved ways of working but it alone cannot produce culture change or solve silo working, prioritisation, or budget challenges.
    b. Corporate Plan objectives will be associated with clearly defined outcomes, supported by ways of measuring and reporting performance – including reporting on underlying data that is shareable within the organisation.
    c. The Corporate Plan is a living document that is reviewed and refreshed. Other reviews (e.g. Adult Social Care, Children's Care, Housing), that will not have delivered in time to be reflected, can be linked in later.
    d. No new money for FY2024-25. Finance pressures exist within the MTFP. New ideas/initiatives will need to be affordable within existing budgets, cost neutral or revenue making as a result of Income Generation, start FY2025-26 or later. From FY 2025-26, we will align our business planning cycle with the Corporate Plan cycle, so that Departments and Institutions create five-year business plans that are aligned and reviewed annually; the business planning cycle will need to be significantly improved as part of this.
    e. In the longer term the Corporate Plan should be linked and aligned to individual performance.

5. Under the City of London Corporation governance process, decisions about the Corporate Plan are made by the Court of Common Council. Policy and Resources Committee are asked to provide their recommendation to the Court

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[2] The Resources and Priorities Refresh programme is ongoing; its remaining workstreams are Operational Property, Commercial, including Income Generation, and Productivity.

of Common Council that Corporate Plan 2018-23 be extended to end on 31st March 2024.

Next steps

6. Members will be consulted on Corporate Plan2024-29 development and reports to update this Committee will be provided.

7. An indicative timeline for producing the Corporate Plan 2024-29 can be found at Appendix 1.

Corporate & Strategic Implications

Strategic implications – when approved, the Corporate Plan 2024-29 will form the City of London Corporation corporate strategy, covering the five year period as well as providing context and direction longer term.

Financial and Resource implications – the Corporate Plan 2024-29 product will be delivered by the Corporate Strategy and Performance Team under the Chief Strategy Officer's direction within their existing budgets and resources.

Legal implications - None

Risk implications - None

Equalities implications – the Corporate Plan 2024-29 will be developed in line with our Public Sector Equality Duty 2010 and is intended will have a positive impact on the City of London Corporation's fostering of greater diversity, equality and accessibility for all.

Climate implications - None

Security implications – None

Conclusion

7. The Committee is asked to provide their agreement as per the recommendations set out in this report.

Appendices

Appendix 1 – Corporate Plan 2024-29 timeline

Appendix 2 – Corporate Plan 2018-23

Background Papers

Policy and Resources Committee 20 October 2022 - Resources and Priorities Refresh (RPR) Update
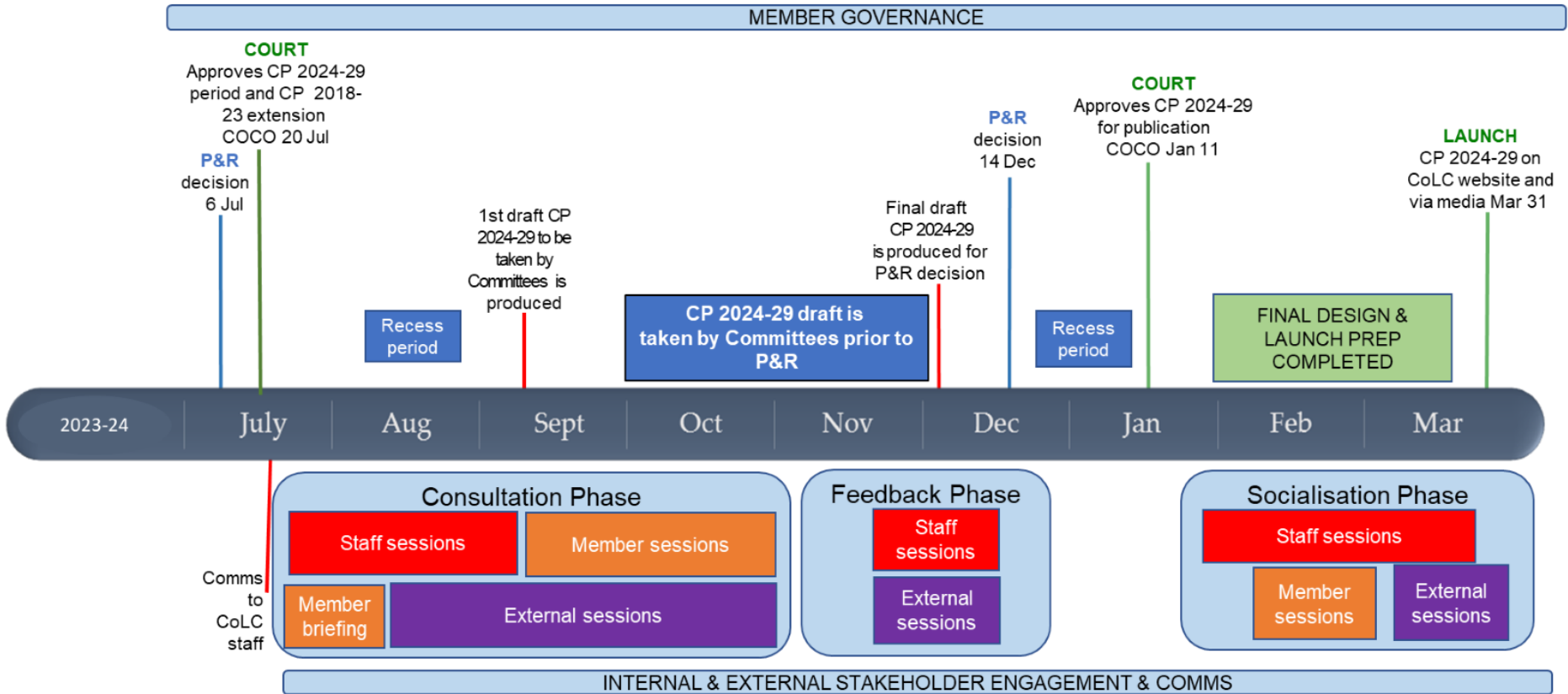
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Appendix 1: Indicative timeline for Corporate Plan 2024-29

MEMBER GOVERNANCE

COURT
Approves CP 2024-29 period and CP 2018-23 extension COCO 20 Jul

P&R
decision 6 Jul

P&R
decision 14 Dec

COURT
Approves CP 2024-29 for publication COCO Jan 11

LAUNCH
CP 2024-29 on CoLC website and via media Mar 31

1st draft CP 2024-29 to be taken by Committees is produced

Final draft CP 2024-29 is produced for P&R decision

Recess period

CP 2024-29 draft is taken by Committees prior to P&R

Recess period

FINAL DESIGN & LAUNCH PREP COMPLETED

| 2023-24 | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |

Comms to CoLC staff

Consultation Phase
- Staff sessions
- Member sessions
- Member briefing
- External sessions

Feedback Phase
- Staff sessions
- External sessions

Socialisation Phase
- Staff sessions
- Member sessions
- External sessions

INTERNAL & EXTERNAL STAKEHOLDER ENGAGEMENT & COMMS
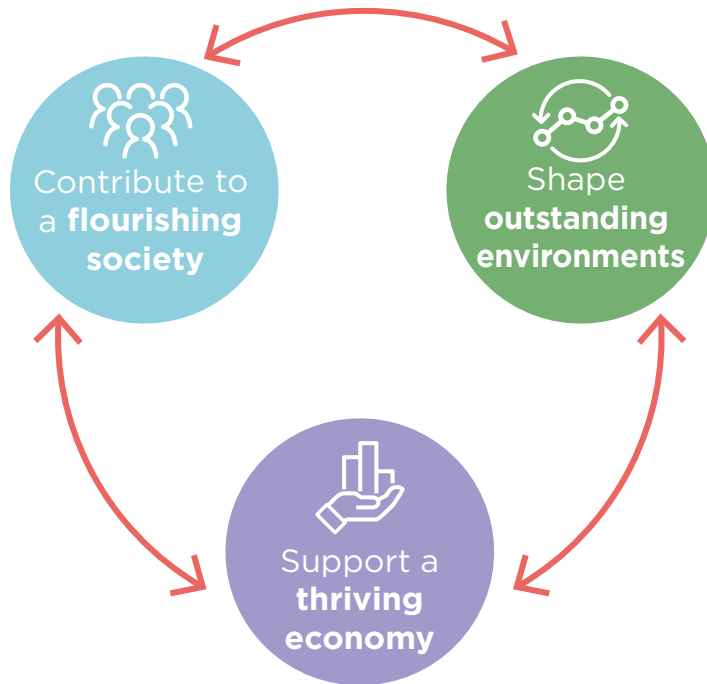
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Our
Corporate
Plan 2018 – 23

Our vision

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK.

We aim to…

Contribute to a **flourishing society**

Shape **outstanding environments**

Support a **thriving economy**

By strengthening the character, capacity and connections of the City, London and the UK for the benefit of **people who live, learn, work and visit here.**

Everything we do contributes towards the achievement of twelve outcomes:

Contribute to a flourishing society

1. People are safe and feel safe.

2. People enjoy good health and wellbeing.

3. People have equal opportunities to enrich their lives and reach their full potential.

4. Communities are cohesive and have the facilities they need.

Support a thriving economy

5. Businesses are trusted and socially and environmentally responsible.

6. We have the world's best legal and regulatory framework and access to global markets.

7. We are a global hub for innovation in finance and professional services, commerce and culture.

8. We have access to the skills and talent we need.

Shape outstanding environments

9. We are digitally and physically well-connected and responsive.

10. We inspire enterprise, excellence, creativity and collaboration.

11. We have clean air, land and water and a thriving and sustainable natural environment.

12. Our spaces are secure, resilient and well-maintained.

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Our vision

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally-successful UK.

Who we are

The Square Mile is the historic centre of London and is home to the 'City' – the financial and commercial heart of the UK. Our reach extends far beyond the Square Mile's boundaries and across private, public and charitable and community sector responsibilities. This, along with our independent and non-party political voice and convening power, enables us to promote the interests of people and organisations across London and the UK and play a valued role on the world-stage.

There are

513,000

workers in the City of London, or 10% of London's total workforce. **1 in 58** UK workers are employed in the City.
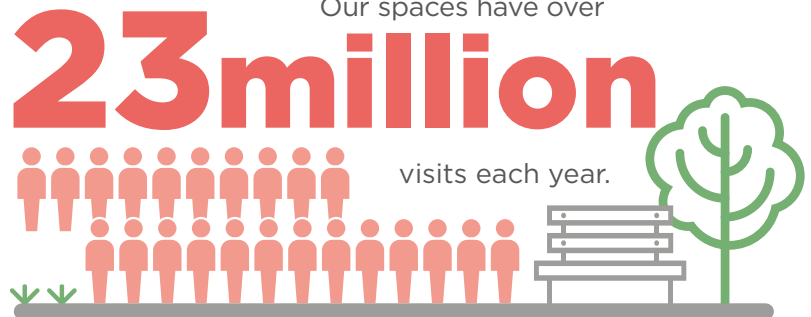
We look after over

11,000 acres

of green spaces.
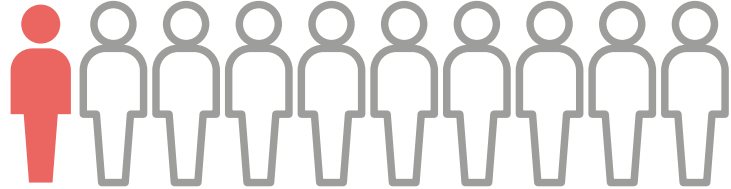
That's approximately the same size as 20 Hyde Parks

Our spaces have over

23million

visits each year.

The City Corporation's charity-funder, City Bridge Trust, is London's largest independent charitable funder, distributing around

£20million

a year.

Page 216

We are the country's

fourth biggest

funder of culture, investing

£110m

every year in heritage and cultural activities of all kinds.

The UK financial services industry contributed

£75bn

in tax revenue in 2018.

11% of the total tax contribution to the UK is generated from financial services.

The City Corporation is ranked as the

TOP

academy sponsor in the country for pupil progress by the Sutton Education Trust.

There are approximately

7,500

residents living in the City of London.

In 2017,

18.4m
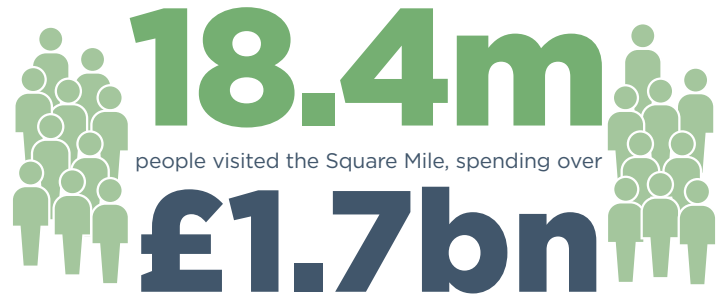
people visited the Square Mile, spending over

£1.7bn
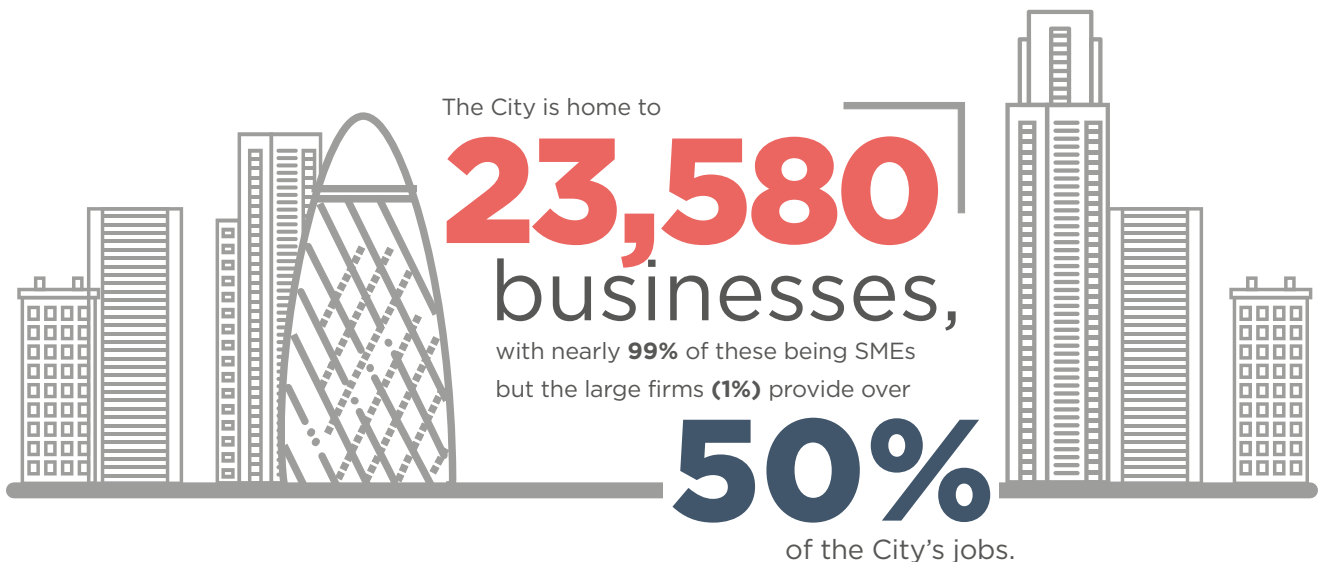
The City is home to

23,580 businesses,

with nearly **99%** of these being SMEs but the large firms **(1%)** provide over
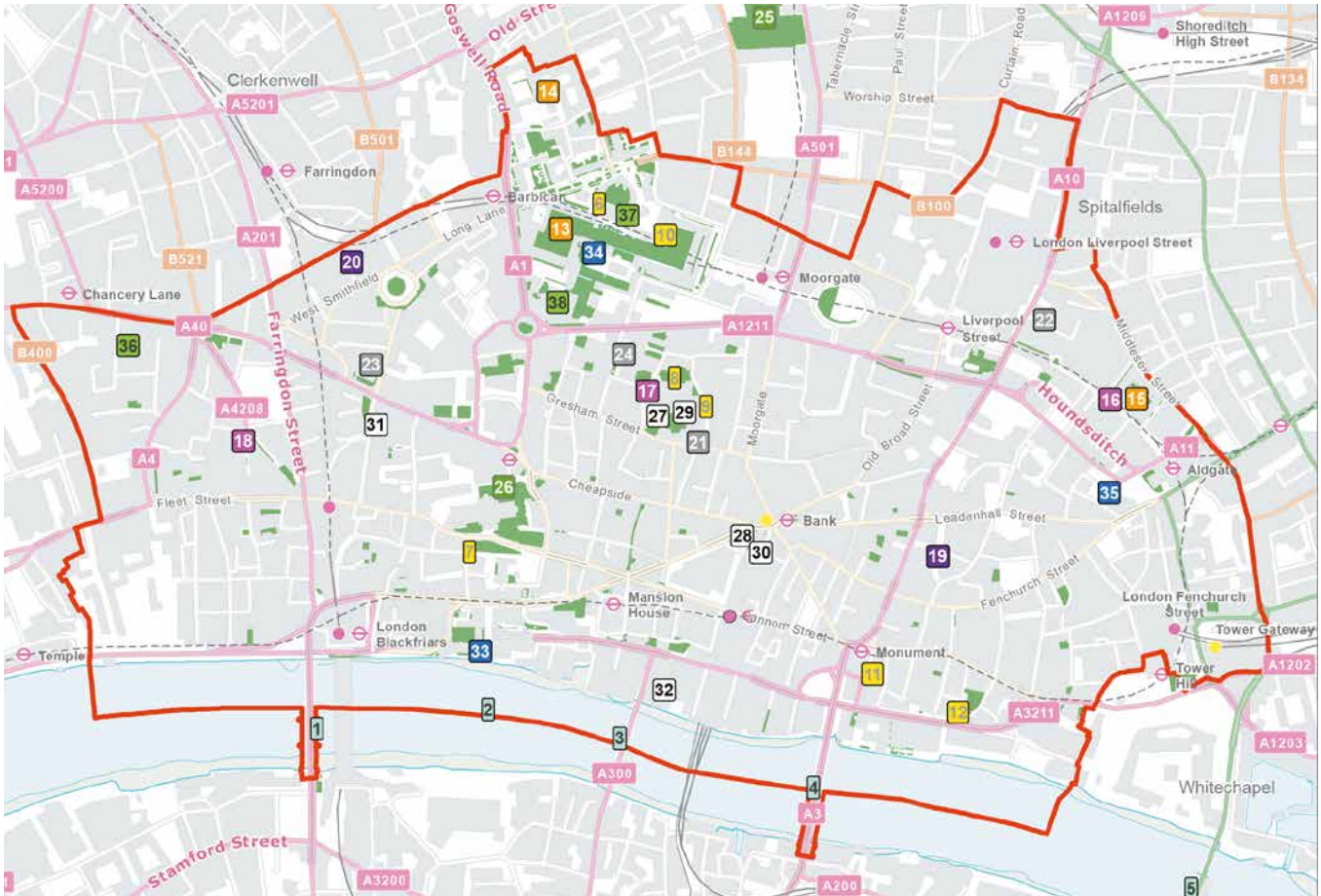
50%

of the City's jobs.

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Our responsibilities

Beyond our statutory duties for the City, London and the UK, we are also responsible for a wide portfolio of work and institutions both inside and outside the Square Mile.

Our responsibilities in the Square Mile

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—— *City of London Boundary (Square Mile)*

Correct as of April 2018

Bridges
1 - Blackfriars Bridge
2 - Millennium Bridge
3 - Southwark Bridge
4 - London Bridge
5 - Tower Bridge

Cultural Attractions
6 - Barbican Arts Centre
7 - City of London Information Centre
8 - City of London Police Museum
9 - Guildhall Art Gallery and Roman Amphitheatre
10 - Guildhall School of Music and Drama
11 - The Monument
12 - Billingsgate Roman House & Baths

Housing
13 - Barbican Estate
14 - Golden Lane Estate
15 - Middlesex Street Estate

Public Libraries
6 - Barbican Library
16 - Artizan Street Library
17 - City Business Library/ Guildhall Library
18 - Shoe Lane Library

Markets
19 - Leadenhall Market
20 - Smithfield Market

Police Stations
21 - City of London Police Headquarters
22 - Bishopsgate Station
23 - Snow Hill Station
24 - Wood Street Station

Public Spaces
25 - Bunhill Fields
26 - City Gardens (all green areas)

Other
27 - City Bridge Trust
28 - City of London Magistrates Court
29 - Guildhall
30 - Mansion House
31 - The Old Bailey
32 - Walbrook Wharf

Schools
33 - City of London School
34 - City of London School for Girls
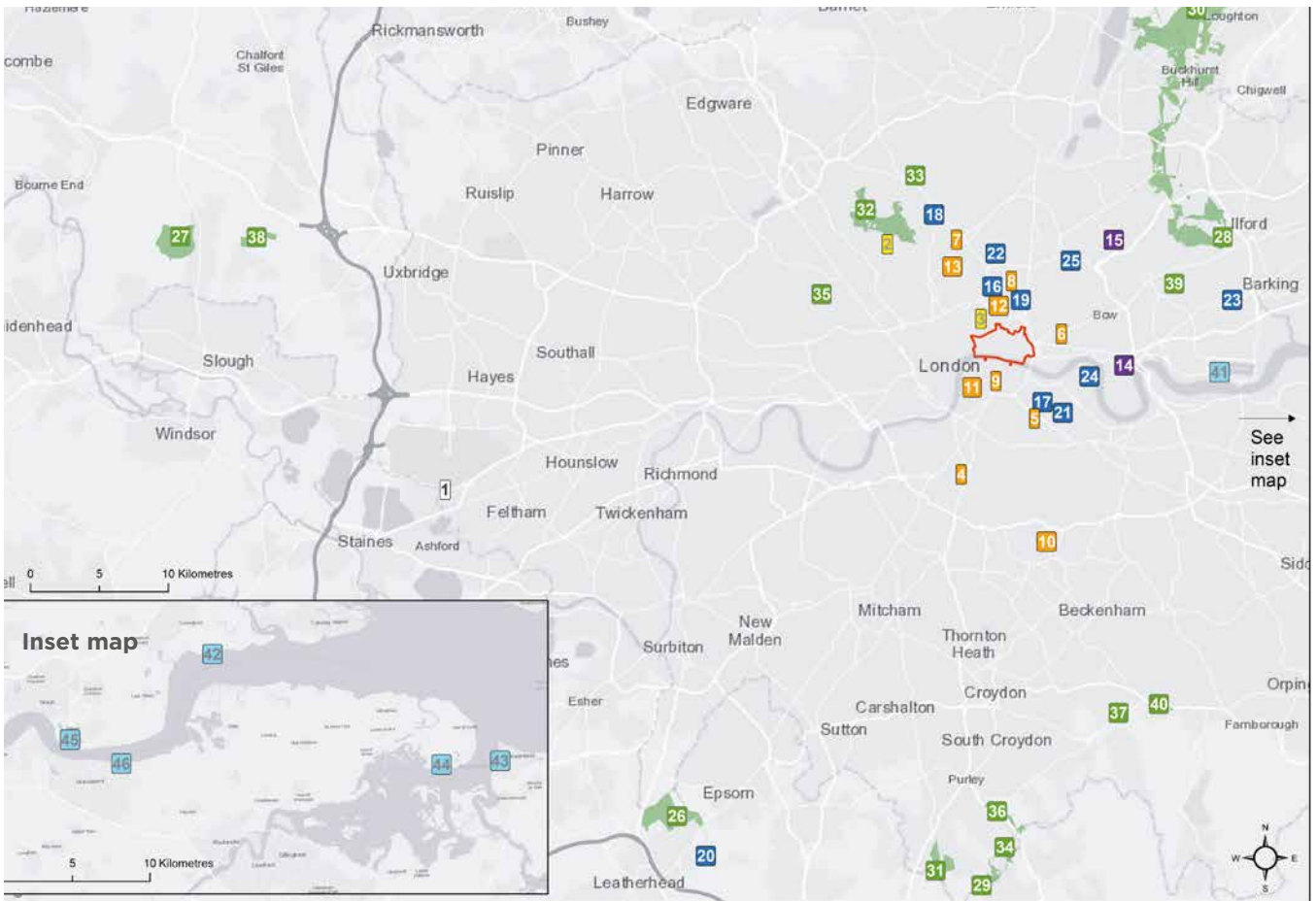35 - Sir John Cass's Foundation Primary School

Part-fund
36 - Gresham College
37 - London Symphony Orchestra
38 - Museum of London

We are also responsible for the development of Culture Mile, in the north-west corner of the Square Mile, between Farringdon and Moorgate.

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Our responsibilities outside the Square Mile

—— *City of London Boundary (Square Mile)*   *Correct as of April 2018*

Animal Health

1 - Heathrow Animal Reception Centre

Cultural Attractions

2 - Keats House
3 - London Metropolitan Archives

Housing

4 - Almshouses
5 - Avondale Square
6 - Dron House
7 - Holloway Estate
8 - Isleden House
9 - Southwark Estates
10 - Sydenham Hill Estate
11 - William Blake Estate
12 - Windsor House Estate
13 - York Way Estate

We are also responsible for offices in Europe and Asia.

Markets

14 - Billingsgate Market
15 - New Spitalfields Market

Schools

16 - COL Academy (Islington)
17 - COL Academy (Southwark)
18 - COL Academy Highgate Hill
19 - COL Academy Shoreditch Park
20 - City Of London Freemen's School
21 - Galleywall Primary
22 - Highbury Grove Secondary' School
23 - Newham Collegiate Sixth Form Centre
24 - Redriff Primary School
25 - The City Academy, Hackney

Public Spaces

26 - Ashtead Common
27 - Burnham Beeches
28 - Cemetery and Crematorium

29 - Coulsdon Common
30 - Epping Forest
31 - Farthing Downs and New Hill
32 - Hampstead Heath
33 - Highgate Wood
34 - Kenley Common
35 - Queen's Park
36 - Riddlesdown
37 - Spring Park
38 - Stoke Common
39 - West Ham Park
40 - West Wickham Common

Ports

41 - London City Airport
42 - London Gateway
43 - Sheerness
44 - Thamesport
45 - Tilbury
46 - Denton Office

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The coming five years

2018-23 is likely to be another period of significant change on a global, national and regional level, bringing with it significant threats as well as opportunities.

Preventing climate change, terrorism and cyber-crime, and countering their effects, will remain high priorities. So too will retaining the UK's competitiveness, in the context of Brexit, increases in the cost of living and reductions in public sector spending.

Disruptive changes, such as the digitisation of our work and personal lives, are likely to bring both threats and opportunities to our residents, workers, visitors, partners and our own organisation.

And, of course, things will happen that we're not expecting but that we will want to respond to positively and constructively.

Our commitments

To do so, we will need to be relevant, responsible, reliable and radical as an organisation. We will need to think and act strategically and at pace. And we will need to ensure that everyone can share in the benefits we aim to create.

This means as individuals we must be open: to unlocking the full potential of our many assets – our people, heritage, green and urban spaces, funds, data and technology; to trying new things and learning as we go; and to working with our stakeholders and partners who share our aims.

How we'll use this plan

This plan is designed to be used as a strategic framework to guide our thinking and decision-making and help ensure that everything we do takes us closer to achieving our vision.

It sets out our vision, the aims and outcomes that drive us, our responsibilities, challenges and commitments and the high-level actions we'll take to help our elected Members and staff see where to focus their efforts to achieve sustainable systemic change.

In year one we will use it to develop our strategic priorities, to decide how best to go about delivering them, to allocate resources towards pursuing them and to find out what effect we are having as a result.

Over the five-year term of the plan we will use it to identify where we need to innovate, with whom we can collaborate and how we can align and drive all our activities to achieve the greatest possible impact on the things we feel are important.

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To contribute to a flourishing society

1. People are safe and feel safe

We will…

a. Prepare our response to natural and man-made threats.

b. Tackle terrorism, violent and acquisitive crime, fraud, cyber-crime and anti-social behaviour and facilitate justice.

c. Protect consumers and users of buildings, streets and public spaces.

d. Safeguard children, young people and adults at risk.

e. Educate and reassure people about safety.

2. People enjoy good health and wellbeing

We will…

a. Promote equality and inclusion in health through outreach to our working, learning and residential communities and better service design and delivery.

b. Raise awareness of factors affecting mental and physical health.

c. Provide advice and signposting to activities and services.

d. Provide inclusive access to facilities for physical activity and recreation.

3. People have equal opportunities to enrich their lives and reach their full potential

We will…

a. Promote and champion diversity, inclusion and the removal of institutional barriers and structural inequalities.

b. Provide access to world-class heritage, culture and learning to people of all ages, abilities and backgrounds.

c. Promote effective progression through fulfilling education and employment.

d. Cultivate excellence in academia, sport and creative and performing arts.

4. Communities are cohesive and have the facilities they need

We will…

a. Bring individuals and communities together to share experiences and promote wellbeing, mutual respect and tolerance.

b. Support access to suitable community facilities, workspaces and visitor accommodation.

c. Help provide homes that London and Londoners need.

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To support a thriving economy

5. Businesses are trusted and socially and environmentally responsible

We will…

a. Champion the ease, reliability and cost-effectiveness of doing business here.

b. Model new ways of delivering inclusive and sustainable growth.

c. Support, celebrate and advocate responsible practices and investments.

d. Advocate and facilitate greater levels of giving of time, skills, knowledge, advice and money.

6. We have the world's best legal and regulatory framework and access to global markets

We will…

a. Promote regulatory confidence founded on the rule of law.

b. Influence UK and global policy and regulation and international agreements to protect and grow the UK economy.

c. Lead nationally and advise internationally on the fight against economic and cyber-crime.

d. Attract and retain investment and promote exports of goods and services across multiple global markets.

7. We are a global hub for innovation in financial and professional services, commerce and culture

We will…

a. Support organisations in pioneering, preparing for and responding to changes in regulations, markets, products and ways of working.

b. Strengthen local, regional, national and international relationships to secure new opportunities for business, collaboration and innovation.

c. Preserve and promote the City as the world-leading global centre for financial and professional services, commerce and culture.

d. Promote London for its creative energy and competitive strengths.

e. Promote the UK as open to business and enterprise and for its world-leading education offer.

8. We have access to the skills and talent we need

We will…

a. Promote the City, London and the UK as attractive and accessible places to live, learn, work and visit.

b. Champion access to global talent.

c. Identify future skills needs, shortages and saturations.

d. Champion investment in relevant skills and diverse talent pools.

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To shape outstanding environments

9. We are digitally and physically well-connected and responsive

We will…

a. Champion and facilitate a world-leading digital experience.

b. Develop and trial smart innovations and better manage demand.

c. Advocate ease of access via air, rail, road, river and sea.

d. Improve the experience of arriving in and moving through our spaces.

10. We inspire enterprise, excellence, creativity and collaboration

We will…

a. Provide world-class spaces for businesses and markets to thrive.

b. Curate a vibrant, attractive and complementary blend of uses of space.

c. Create and transform buildings, streets and public spaces for people to admire and enjoy.

d. Protect, curate and promote world-class heritage assets, cultural experiences and events.

e. Champion a distinctive and high-quality residential, worker, student and visitor offer.

11. We have clean air, land and water and a thriving and sustainable natural environment

We will…

a. Provide a clean environment and drive down the negative effects of our own activities.

b. Provide thriving and biodiverse green spaces and urban habitats.

c. Provide environmental stewardship and advocacy, in use of resources, emissions, conservation, greening, biodiversity and access to nature.

d. Influence UK and global policy and regulation and international agreements to protect the environment.

12. Our spaces are secure, resilient and well-maintained

We will…

a. Maintain our buildings, streets and public spaces to high standards.

b. Build resilience to natural and man-made threats by strengthening, protecting and adapting our infrastructure, directly and by influencing others.

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