



Projects and Procurement Sub-Committee

Date: MONDAY, 16 OCTOBER 2023
Time: 1.45 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members:

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

Enquiries: **Matthew Stickley, Governance and Member Services Manager**
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Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES**

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

3. **MINUTES**

To agree the public minutes of the meeting held on 3 July 2023.

For Decision
(Pages 5 - 12)

4. **PROJECT MANAGEMENT IMPLEMENTATION UPDATE**

Report of the Chief Operating Officer.

For Information
(Pages 13 - 28)

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

6. **ANY URGENT BUSINESS**

To consider any items which, in the view of the Chairman, should be dealt as a matter of urgency.

7. **EXCLUSION OF THE PUBLIC AND PRESS**

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

For Decision

8. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting of 3 July 2023.

For Decision
(Pages 29 - 34)

9. **PROJECT PORTFOLIO OVERVIEW**

Report of the Chief Operating Officer.

For Information
(Pages 35 - 82)

10. **GETTING BEST VALUE FROM LOW VALUE SPEND**

Report of the Chief Operating Officer.

For Decision
(Pages 83 - 88)

11. **GW3/4: REFURBISHMENT OR REPLACEMENT OF THE FORESHORE RIVER**

Joint report of the Executive Director Environment and City Surveyor.

For Information
(Pages 89 - 106)

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

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

To consider any items which, in the view of the Chairman, should be dealt with in non-public session as a matter of urgency because of special circumstances.

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

15. **CONFIDENTIAL ANY URGENT BUSINESS**

To consider any items which, in the view of the Chairman, should be dealt with in confidential session as a matter of urgency because of special circumstances (in accordance with S100B(4) of the Local Government Act 1972).

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OPERATIONAL PROPERTY AND PROJECTS SUB COMMITTEE

Monday, 3 July 2023

Minutes of the meeting of the Operational Property and Projects Sub Committee held at Committee Rooms, West Wing, Guildhall on Monday, 3 July 2023 at 1.45 pm

Present

Members:

Alderman Timothy Hailes (Chairman)
Deputy Randall Anderson
Deputy Keith Bottomley
Deputy Madush Gupta
Caroline Haines
Deputy Charles Edward Lord
Paul Martinelli
Anett Rideg
Luis Felipe Tilleria

Officers:

Matthew Stickley	- Town Clerk's Dept.
Emma Moore	- Chief Operating Officer
Sarah Baker	- Chief Operating Officer's Dept.
Genine Whitehorne	- Chief Operating Officer's Dept.
Graeme Low	- City Surveyor's Dept.

1. APOLOGIES

Apologies for absence were received from Deputy Henry Colthurst, Deputy Chris Hayward, Deputy Shravan Joshi, Deputy Philip Woodhouse, and Tom Sleigh.

The Chairman advised the committee that items 7 and 22 relating to a procurement decision for the City Rough Sleeper Assessment Centre had been withdrawn due to identification of an issue with the building refurbishment works.

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

There were no declarations of interest.

3. MINUTES

RESOLVED - that the public minutes and summary of the meeting held on 5 June 2023 be approved as an accurate record.

4. GW5: BEECH STREET TRANSPORTATION AND PUBLIC REALM

The Sub-Committee considered a report of the Executive Director Environment informing Members of the public consultation on the Beech Street Zero

Emission scheme.

The committee discussed the management of the project, noting that the project formed part of an areawide scheme which would be reported to the Streets and Walkways Sub Committee on 8 July 2023.

RESOLVED – to approve

1. the adjusted project budget.
2. the updated Costed Risk Register.

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

The Sub-Committee considered a report of the Executive Director Environment concerning the public realm enhancements in Moor Lane to provide greening and an improved walking environment, with the creation of a “linear park” and widened footways.

The committee noted that Transport for London owned the underground structure. In response to questions, the committee noted that the recommendations in the report, if agreed, would allow kerb realignment works to be undertaken.

RESOLVED – to:

1. Note the total budget for Area B to be £1,560,000 and approved allocation of the available funds as shown in the section 3 below and Table 2 in Appendix 3.
2. Approve the Risk Register in Appendix 2 and approved the costed risk provision of £100,000; and delegate the drawdown of funds from the risk register to Executive Director Environment.
3. Delegate to the Executive Director Environment authority to approve budget adjustments, above the existing authority within the project procedures and in consultation with Chamberlains, between budget lines if this is within the approved total project budget amount and within intended scope.
4. Agree that the Corporate Programme Management Office, in consultation with the Chairman of the Operational Property and Project Sub Committee and Chief Officer as necessary, is to decide whether any project issues or decisions that falls within the remit of paragraph 45 of the ‘City of London Project Procedure – Oct 2018’ (Changes to Projects: General), as prescribed in Appendix 6 of this report, is to be delegated to Chief Officer or escalated to committee(s).

6. **GW6: ALDGATE HIGHWAY CHANGES AND PUBLIC REALM IMPROVEMENTS**

The Sub-Committee considered a report of the Executive Director Environment concerning removing the 1960s era Aldgate four lane gyratory system and create a new high quality public square.

The committee expressed concerns about the project exceeding budgets but that the outcome was positive.

RESOLVED - that Members:

1. Note and approved the content of this outcome report;
2. Authorise Officers to complete the final account for the project;
3. Note that the unspent Section 106 funds are to be reallocated to other projects in accordance with the requirements of their related legal agreements and a separate report will be brought to Members that would set out details of the proposed reallocations; and
4. Agree to close the project.

7. **CITY ASSESSMENT CENTRE STAGE 2 PROCUREMENT**

The item was withdrawn.

8. **INCREASE IN CONTRACT VALUE - WORK AND HEALTH PROGRAMME - CENTRAL LONDON WORKS**

The Sub-Committee considered a report of the Director of Economic Development, Innovation and Growth concerning the approval sought for the increase in value of the Work and Health Programme – Central London Works by £6m, or 7.1% of current contract value.

The committee noted that the project was funded through the Department for Work and Pensions and UK Shared Prosperity Fund and that 24 City of London residents had been helped in the past year but that the full contract value was for this work to be provided across the whole of London.

RESOLVED: To approve an increase in contract value of £6m, to give a total value of £89.6m.

9. **PROCUREMENT CODE ADJUSTMENTS: BRIDGE HOUSE ESTATES**

The Sub-Committee considered a report of the Chief Operating Officer concerning reviews of the Procurement Code.

The committee noted that Bridge House Estates had been consulted on the proposals.

RESOLVED: to approve technical adjustments for Bridge House Estate procurements contained in rules 16.2, 25.1, 30.2 and 30.4 of the Procurement Code, relating to the approval processes for contract lettings, waivers, extensions where contracts terms allow for extensions and increases in contract value, to be effective from 3 July 2023.

10. **ADOPTION OF CONSIDERATE LIGHTING CHARTER**

The Sub-Committee considered a report of the City Surveyor concerning the Considerate Lighting Charter document.

The committee noted that the charter contained proposals with which properties in the City of London would be encouraged to comply, but that Corporation-

owned properties would adopt the charter in due course if approved by the Planning and Transport Committee.

In response to questions, the committee noted that it was forecast that approximately 25% of office space carbon emissions were generated by lighting but that the impact on the City of London and Corporation had not been calculated.

Following discussion about the reputational risk of adopting but not complying with the charter, the committee requested a future report setting out the timeline for implementation and the impact this would have on Corporation-owned properties.

The Chairman proposed that the committee had expressed concern about the adoption of the charter whilst it remained unclear to what extent Corporation-owned properties complied with the charter and that the second recommendation should therefore not be adopted. This was put to the committee and agreed.

RESOLVED – to note the report and contents of the Considerate Lighting Charter and agree that, if approved by the Planning and Transportation Committee, a report should be presented to the committee outlining a proposed timeline and assessment of impact of adoption for Corporation-owned buildings.

11. ADOPTION OF DESIGN STANDARD

The item was withdrawn.

12. CYCLICAL WORKS PROGRAMME 2022/23 OUTTURN

The Sub Committee received a report from the City Surveyor concerning the cyclical works programme (CWP) financial outturn against fund (City's Cash, City Fund and Guildhall) and against location type (Corporate, Guildhall School for Music & Drama, Heritage Assets, Open Spaces, and the Barbican).

RESOLVED - that the committee:

1. Note the progress of current CWP programmes of work.
2. Note that RASC have approved the underspend on all existing projects to be carried forward and completed in 23/24.

13. 2022/23 Q4 OPERATIONAL PROPERTY ENERGY AND CARBON PERFORMANCE UPDATE

The Sub Committee received a report of the City Surveyor concerning the 2022/23 Quarter 4 energy performance for City of London Corporation operational sites.

In response to questions, officers confirmed that savings had flattened but that the impact of the power purchase agreement was now shown.

RESOLVED - that the committee:

- Note that for the rolling year, Q4 22/23 weather corrected energy consumption has reduced by 17% compared to the baseline year 2018/19.
- Note the recent acquisition of Local Energy Accelerator funds totalling £80k to support an investigative project for Guildhall battery storage and Barbican Estate Electrical Flexibility.
- Note the Public Sector Decarbonisation Scheme (PSDS) funded work is complete and the savings are now being monitored and verified.

14. **THE CITY SURVEYOR'S 2022-27 BUSINESS PLAN - 2022/23 Q4 UPDATE**

The Sub Committee received a report of the City Surveyor concerning details of progress in quarter 4 (January to March) 2022/23 against the 2022-27 Business Plan.

RESOLVED - that the report be noted.

15. **THE CITY SURVEYOR'S CORPORATE AND DEPARTMENTAL RISK REGISTER - JUNE 2023 UPDATE**

The Sub Committee received a report from the City Surveyor concerning a quarterly update on the management of risks within the City Surveyor's Department.

RESOLVED – to note the report, and the actions taken within the City Surveyor's Department to effectively monitor and manage risks arising from our operations.

16. **CLIMATE ACTION STRATEGY UPDATE**

The Sub Committee received a report from the City Surveyor concerning the key actions of the operational buildings workstreams as part of the Climate Action Strategy (CAS).

RESOLVED:

1. To note progress made in delivery of project tasks including energy surveys, heat decarbonisation, and design and technology guidance.
2. To note the progress on the delivery of capital projects including PSDS phase 1.

17. **PROJECT GOVERNANCE REVIEW UPDATE**

The Sub Committee received a report of the Chief Operating Officer concerning 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.

The committee discussed the risks of authorising increased delegations to officers prior to the new project governance arrangements being adopted and embedded within the Corporation, what criteria would lead to delegated decisions being taken by the delegating body, and the accountability of Senior Responsible Officers.

The committee discussed a transition period for new project governance arrangements, noting the need for cultural change and improvement of officer capability prior to increased delegations being issued, and for a mechanism through which projects which were on a negative trajectory could be identified and reported to the appropriate committee. In response to questions, officers confirmed that plans included the establishment of Portfolio and Financial Review Boards, a mechanism for a committee to review specific projects, and a dashboard which members and officers could use to review the progress of projects. Members noted an inaccuracy in the report which suggested Mr Paul Martin had been commissioned to review member governance rather than specifically members' governance of projects.

RESOLVED:

1. To note the findings of the externally led Project Governance Review set out in this report and in Appendix 1.
2. To note the 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).

To endorse the following recommendations for onward approval by the Court of Common Council:

3. To 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)
4. To 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.
5. To 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
6. To note the implementation plan set out in Appendix 3.

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

There were no questions.

19. ANY OTHER BUSINESS THE CHAIR CONSIDERS URGENT

There were no urgent items.

20. **EXCLUSION OF THE PUBLIC**

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the remainder of the meeting on the grounds that the remaining items involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act 1972.

21. **NON-PUBLIC MINUTES**

RESOLVED – The non-public minutes and summary of the meeting held on 5 June 2023 be agreed as an accurate record.

22. **APPENDIX: CITY ASSESSMENT CENTRE STAGE 2 PROCUREMENT**

The item was withdrawn.

23. **GW2: GUILDHALL SCHOOL OF MUSIC AND DRAMA AND BARBICAN CENTRE ROOF**

The Sub Committee considered a report of the Barbican Centre and Guildhall School of Music and Drama concerning how to prevent further damage to building fabric due to water ingress through the roof and expansion joints and to improve water and drainage system across the Guildhall School (Silk Street) building and the Barbican Centre.

The committee noted that officers would ensure the project dovetailed with other Corporation projects related to the site.

24. **GW6: REQUEST FOR DELEGATED AUTHORITY: CITY'S ESTATE: REFURBISHMENT/EXTENSION OF THE COURTYARD - 1 ALFRED PLACE W1**

The Sub Committee considered report from the City Surveyor concerning a Major refurbishment/extension of existing office building at 1 Alfred Place comprising a net internal area of 38,310sq ft (subject to planning) to maximise income and capital value.

The committee noted the proposals would be presented to the Investment Committee on 7 July 2023.

25. **ST LAWRENCE JEWRY CHURCH**

The Sub Committee considered report from the City Surveyor concerning 'Essential Works' to ensure that St Lawrence Jewry Church (SLJC) is brought back to a satisfactory standard in terms of Health & Safety and to safeguard the city's reputation as a responsible freeholder.

Alderman Tim Hailes and Deputy Edward Lord noted that they were members of the St Lawrence Jewry Guild Church Council.

26. **CATERING CONTRACT EXTENSION FOR CITY OF LONDON SCHOOL AND THE CITY OF LONDON SCHOOL FOR GIRLS**

The Sub Committee considered a report of the Headmistress, City of London Girls School, and Head, City of London School concerning approval sought for a two-year contract extension to September 2025.

27. **CATERING CONTRACT EXTENSION FOR MANSION HOUSE AND THE CENTRAL CRIMINAL COURT**

The Sub Committee considered a report of the Executive Director and Private Secretary to the Lord Mayor concerning a catering contract with CH & Co to provide catering services to Mansion House (MH) and the Central Criminal Court (CCC).

28. **MINOR WORKS MEASURED TERM CONTRACTS - AWARD REPORT**

The Sub Committee considered a joint report of the City Surveyor and Chief Operating Officer concerning recommended award of contracts for each lot, following the completion of the competitive tender exercise.

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

There were no questions.

30. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

The Chairman advised the committee that he had accepted an urgent item of business relating to a request for delegated authority to progress Guildhall Cooling Plant Replacement.

RESOLVED – to delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Operational Property and Projects Sub Committee, to approve a Gateway 5 Report (Authority to Start Work).

31. **CONFIDENTIAL MINUTES**

RESOLVED - The confidential minutes and summary of the meeting held on 5 June 2023 be agreed as an accurate record.

The meeting ended at 3.06 pm

Chairman

Contact Officer: Matthew Stickley
Matthew.Stickley@cityoflondon.gov.uk

Committee(s): Projects and Procurement sub-Committee – For decision	Dated: 16 October 2023
Subject: Portfolio Management Implementation Update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	All 1-12
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: Emma Moore, Chief Operating Officer	For Decision
Report author: Genine Whitehorne Director, Commercial, Change and Portfolio Delivery	

Summary

This report provides an update on the implementation of the portfolio management approach as agreed by the Policy and Resources Committee on 06 July 2023. The paper includes:

- Summary of the immediate and interim changes to date
- Overview of implementation approach
- Update on creation of the new Commercial, Change and Portfolio Delivery Division

Recommendation(s)

Members are asked to:

- Note the updates provided in the report

Main Report

Background

1. In July 2023, Policy and Resources Committee was presented with the findings of the project governance review and the proposal to introduce a portfolio approach to programme and project management. At that committee, Members endorsed the proposals for the creation of an Enterprise Portfolio Management Office (EPMO) as part of an integrated Commercial, Change and Portfolio Delivery directorate. It was also approved to introduce a Portfolio Board to be Chaired by Town Clerk that will act as the gateway to member governance.

2. Subsequent sections of this report provide an update to Members on progress and the approach to the delivery of the recommendations from the review. Immediate improvements to project and programme are currently being successfully implemented. However, this section of the report focuses upon the implementation of the longer-term solution.

Current Position

Immediate and interim changes

3. Since July a small portfolio management implementation team (2FTE) has been recruited. This team reports to the Director Commercial, Change and Portfolio Delivery who is the Senior Responsible Officer for this work. The Chief Operating Officer remains the Chief Officer sponsor.
4. Members should also note the immediate changes that have taken place following the decisions at Court on 20 July 2023. Alongside the officer-led review, an independent review of project-related Member governance was also undertaken. One of the key approved recommendations was the recognition of service committees as the sponsoring bodies for projects and programmes. An implication of this recommendation is a shift in remit for the new Project and Procurement sub-Committee (PPsC) away from individual project approvals, to a portfolio-wide governance and assurance role. This change took effect immediately. Therefore, project gateway reports will now be reported to the relevant service committee for decision. In the interim, these reports will also be reported to PPsC for information. PPsC retains the right to call-in any project.
5. Officers have also drafted proposed interim updates to the Project Procedure to formalise the tactical changes already agreed by Members in the July decision. This includes the descoping of routine procurement exercises and the embedding of the £1m delegation to trained officers. These changes will be approved via delegated authority as set out in July.

Development of an Enterprise Portfolio Management Office (EPMO)

6. A key finding from the review was an urgent lack of capacity and internal capabilities to effectively embed a portfolio management approach. This being addressed through the development of an EPMO as part of the reorganisation of the Commercial and Project Governance divisions.

Portfolio management implementation

7. The proposed approach to Portfolio management is best described through two related perspectives:
 - ***‘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

8. Implementing new governance and the development of a new project, programme and portfolio management framework represents a significant ambition. The challenge of developing the new approach whilst maintaining and assuring existing ways of working, is substantial. The approach set out below aims to approach this challenge in a way that delivers at pace but ensures proposals are properly validated and tested before implementation and focusses on effective communications and engagement with the range of stakeholders involved.
9. The objectives of the work are to:
 - *Enable strategic oversight for Members* – a shift from operational detail to visibility of strategic risks and the decisions that are required to address them
 - *Enable the Corporation's project managers to successfully deliver* – proportionate processes that are more streamlined
 - *Create an overarching framework that works for different types of project* – including transformation projects, relevant ICT as well as major programmes and capital projects
 - *Introduce portfolio management structures* – comprising of the Corporation's programmes and projects prioritised to outcomes and with resources aligned to their delivery
 - *Better align project and programme management with capital planning and forecasting processes*
10. The priority areas of focus to deliver against these objectives will be the development of a revised project procedure, the introduction of new PPM framework, revised training for staff as well as a new EMPO system.
11. The following section provides more details regarding the proposed approach.

Proposals

Portfolio management implementation phasing and timelines

12. It is intended to implement the required changes in two phases. The first phase will run to the end of January 2024 and covers the preparation and development of the new framework this will create the basis of the future operating environment and enable transition to the new model. This will include:
 - Taking a baseline of our current projects – ensuring that we have an accurate understanding of those that are active, the tiering as well as confirming those which are genuine projects and those that are effectively business as usual (BAU)
 - Creating a portfolio definition – The Corporation's portfolios comprising of programmes and projects aligned to the delivery of outcomes
 - Development of a revised project procedure that addresses the new requirements of portfolio management and governance structures
 - Procuring a new EPMO system that supports project managers in the administration of their work and enables the new project procedure

- The recruitment to the new EMPO team including training and induction
- Commence health-checks on the tier 1 projects and programmes that are in currently in operation

13. The implementation will inevitably be complex. There are numerous inflight programmes and projects with both a new framework to be adopted together with changes to governance structures. During the first phase of work, the implementation team will create a detailed transition plan to the new operational governance structures.

14. The second phase of work will then implement this plan and will comprise of overlapping implementation phases delivering new project management capabilities. This phase of work will include the transition to new operational governance structures, the introduction of the new PPM framework, the delivery of the new EPPO system and updated training. The implementation will initially prioritise those activities that support effective reporting to governance structures.

15. Appendix 1 sets out more detail regarding the implementation approach.

Developing the new Commercial, Change and Portfolio Delivery division

16. The Director of Commercial and Acting Director Project Governance was confirmed in the new post of Director Commercial, Change and Portfolio Delivery in August 2023. Following this appointment, the Director has been working on designing the structure of the new integrated division. The proposed structure builds on the synergies identified over the past 18 months and makes most effective use of the resource budget available.

17. The diagram below shows the proposed functional structure of the new division. Staff engagement on the proposals is due to commence mid-October with the aim of implementing the new structure by end of November 2023. It is anticipated that there will be very limited impact on existing staff and in fact the new structure should provide greater opportunities for personal development and career progression. This process is being supported by HR colleagues and is being managed in line with organisational policy.

Commercial	Portfolio governance and assurance	Business transformation
<ul style="list-style-type: none"> • Strategic procurement and contract management • Supplier relationship management • Social value outcomes • Market analysis and risk management • Market shaping and capacity building • Commercialisation and service delivery model development • Procurement governance • Internal knowledge and capability 	<ul style="list-style-type: none"> • Project governance • Portfolio, programme and project assurance and reporting • Project risk management • Corporate project delivery • Stakeholder management and communications • Project finance support • Internal knowledge and capability 	<ul style="list-style-type: none"> • Organisational effectiveness and transformation framework • Continuous improvement framework • Productivity model • New business opportunities development • Change management • Behaviour change • Internal knowledge and capability
Impact and reporting – social value, sustainability, ESG		
PPM benefits monitoring and reporting Responsible procurement monitoring and reporting Scope 3 Carbon monitoring and reporting Thought leadership and network development Annual report production Internal knowledge and capability framework management		

Governance

18. The plan is to present a revised project procedure together with the overall structure of the Corporation’s portfolios to Projects and Procurement sub-Committee in February 2024. Prior to this date, the intention is also to establish an informal working group with key members to enable engagement and feedback throughout the work. Communication will be circulated to Members very shortly requesting volunteers for involvement in this group.
19. The Town Clerk’s Portfolio Board will commence from November 2023 and will comprise of SLT members sitting as a separate board. Its initial focus will be overseeing the implementation of portfolio management before transitioning to an operational board with delegated authority. A Chamberlain’s Finance Assurance Board will also be utilised to ensure that proposals have sufficient challenge in conjunction with Portfolio Board.
20. Implementation progress will be reported to PPsC on a monthly basis.

Key Data

21. There are currently 255 projects in the corporate project system. There are an additional three approved major projects. The number of transformation/business change projects is unknown. The baselining work currently underway will establish a clear view of the corporate portfolio.

Corporate & Strategic Implications –

[Sub-headings]

Financial implications – none. The implementation plan remains within budget envelope available.

Resource implications – the proposed reorganisation will impact on existing members of the Commercial and Project Governance divisions. Any adverse impact will be mitigated wherever possible. The process is being managed in accordance with HR policy and the Trade Unions have been engaged.

Legal implications – none.

Risk implications – the changes proposed represent a significant change to established ways of working. A comprehensive engagement and communications plan is being developed to support the change and ensure all stakeholders understand the implications. This will be shared with Members at a future Committee meeting.

Equalities implications – none.

Climate implications - none.

Security implications – none.

Conclusion

22. The implementation of the new portfolio management approach is a comprehensive and complex activity. The proposed approach attempts to manage this complexity and allow for the phased implementation aligned to risk.

Appendices

- Appendix 1 – PG implementation approach

Background Papers

[06 July Policy and Resources Committee – Project Governance review](#)

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Portfolio Management Implementation

The current situation

- The City of London Corporation holds significant ambition for the delivery of its capital and transformation programmes – they will deliver significant social outcomes but also carry commensurate risk
- The Corporation requires best in class portfolio, programme and project management structures
- A review was constructed to recommend a future approach to project governance and was led by RedQuadrant
- The results of this review were presented to Policy and Resources in July 2023 – they recommended a future approach to project governance support effective and proportionate governance
- Focus has been on governance - it has been agreed to introduce Portfolio Board to be Chaired by Town Clerk – gateway to member governance with a £5m delegation for trained SROs
- In addition, we have already started to make tactical changes - Approval to make the £1m delegation to officers permanent, commenced rollout of training to SROs, bringing the major programmes and PMO/CPO together
- This slide deck provides an overview of the approach to the implementation of the long-term solution

Summary of findings of the project governance review

Finding	Description
Low thresholds	<ul style="list-style-type: none"> Inefficient and often includes BAU activity
Unsuitable definition of a project	<ul style="list-style-type: none"> Currently includes anything that results in 'tangible physical deliverables' - procurement activity included but resource based or change projects are excluded
A fragmented portfolio	<ul style="list-style-type: none"> No central location which oversees all projects within the City or that allocates effort and resources according to Corporation priorities
Lack of clarity on roles and responsibilities	<ul style="list-style-type: none"> Inconsistency in how key project roles are established as well as a lack of understanding regarding the purpose of such roles
Budget allocation and drawdown	<ul style="list-style-type: none"> Delegation to project managers is minimal – seek approval for already agreed budgets, cannot move project funding across workstreams
Strategy and vision	<ul style="list-style-type: none"> Inadequate and inconsistent processes in place for project selection, prioritisation and resource allocation
Governance and oversight	<ul style="list-style-type: none"> Governance responsibilities are disproportionately placed with Members rather than Officers
Management and capability	<ul style="list-style-type: none"> The Corporation requires a deeper understanding of best practices for project and programme management and to develop capability and skills in latter

There is a need to gain oversight of all Corporation project activity – allowing Officers and Members visibility of overall risk appetite, benefits delivery, resource optimisation

Principles for successfully implementing portfolio management in the longer term

- Detailed transition planning - there are many inflight projects and programmes and we are looking to change the project procedure and governance at the same time as implement new ways of working – it will require a detailed step-by-step transition plan as well hands-on business readiness support
- Need to develop strategic thinking - New processes that bring focus upon ‘doing the right things’ as well as ‘doing things right’ - an emphasis upon outcomes as well as the ability to look in aggregate
- Strong stakeholder engagement - there are many stakeholders including members, partners as well as a number of organisational units within the Corporation
- Get the technology right - successful selection of a portfolio management (not project management) suite of applications and implement the new ways of working through this system
- A focus upon people capacity and capability to deliver – including revising academy training and change management support
- Measuring our improvements – taking a baseline and demonstrating improvement

This will take time – we need to bring in the right processes, systems and develop people – need to engage partners

Bringing transformation into the portfolio

ORGANISATIONAL EXCELLENCE

We will be set up to achieve great things quickly and effectively: operationally, organisationally - and in terms of governance. Transformational Leadership will make this a reality.

- **Project Governance Review in implementation**
- *When we are asking for radical change strong, collaborative leadership is essential*
- *This will be hard work and leaders need to be fully behind it – and fully accountable for its success*

RAISING OUR GAME

Everything we do seeks to bring us closer to an equitable society – amongst our own staff to our residents, to our neighbouring boroughs and beyond

- **Members are keen to ensure that we are a net contributor to not just London but the UK**
- *How do we raise the game in and around The City?*



INNOVATIVE COLLABORATION

We will become more than the sum of our parts through innovative collaboration. Financial and Professional Services amplifying culture, education and service delivery - and vice versa

- **RPR already exploring means to remove silos**
- **Transformation Working Group established involving CSPT, DITS, Chamberlains and HR to enable increased corporate alignment**

ENTREPRENEURIAL SPIRIT

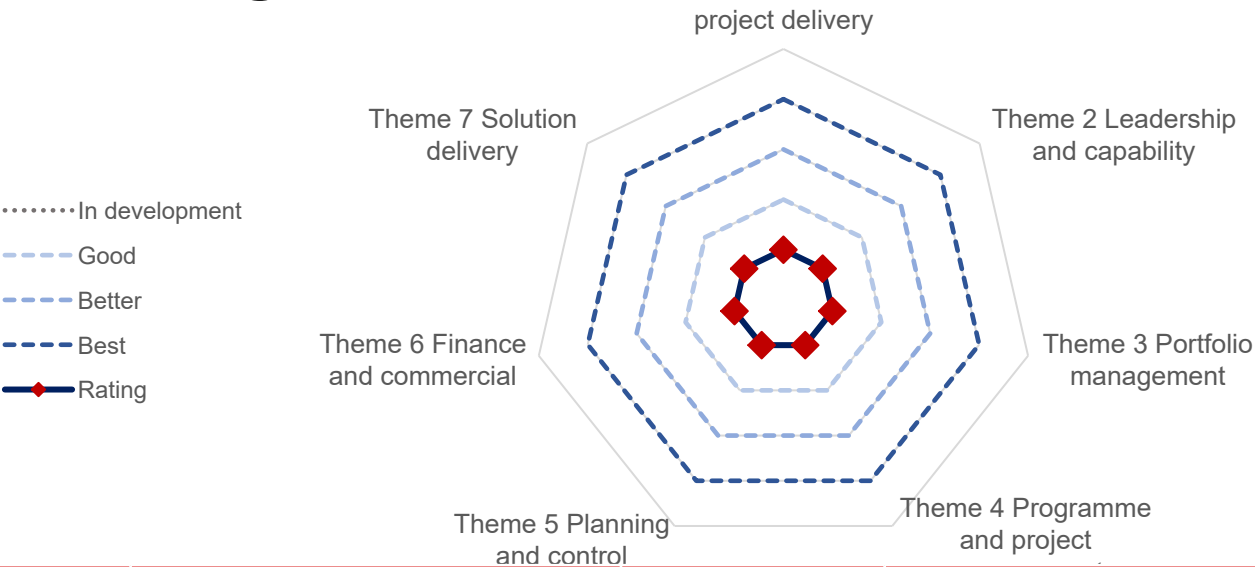
Thinking beyond income generation to facilitate innovative, sustainable financial growth – as well as savvy resource management.

- **Income Generation workstream established as part of RPR**
- **Commercial Opportunities Group is in formation**
- **Advertising opportunities are being quantified**

Our current maturity of portfolio, programme and project management

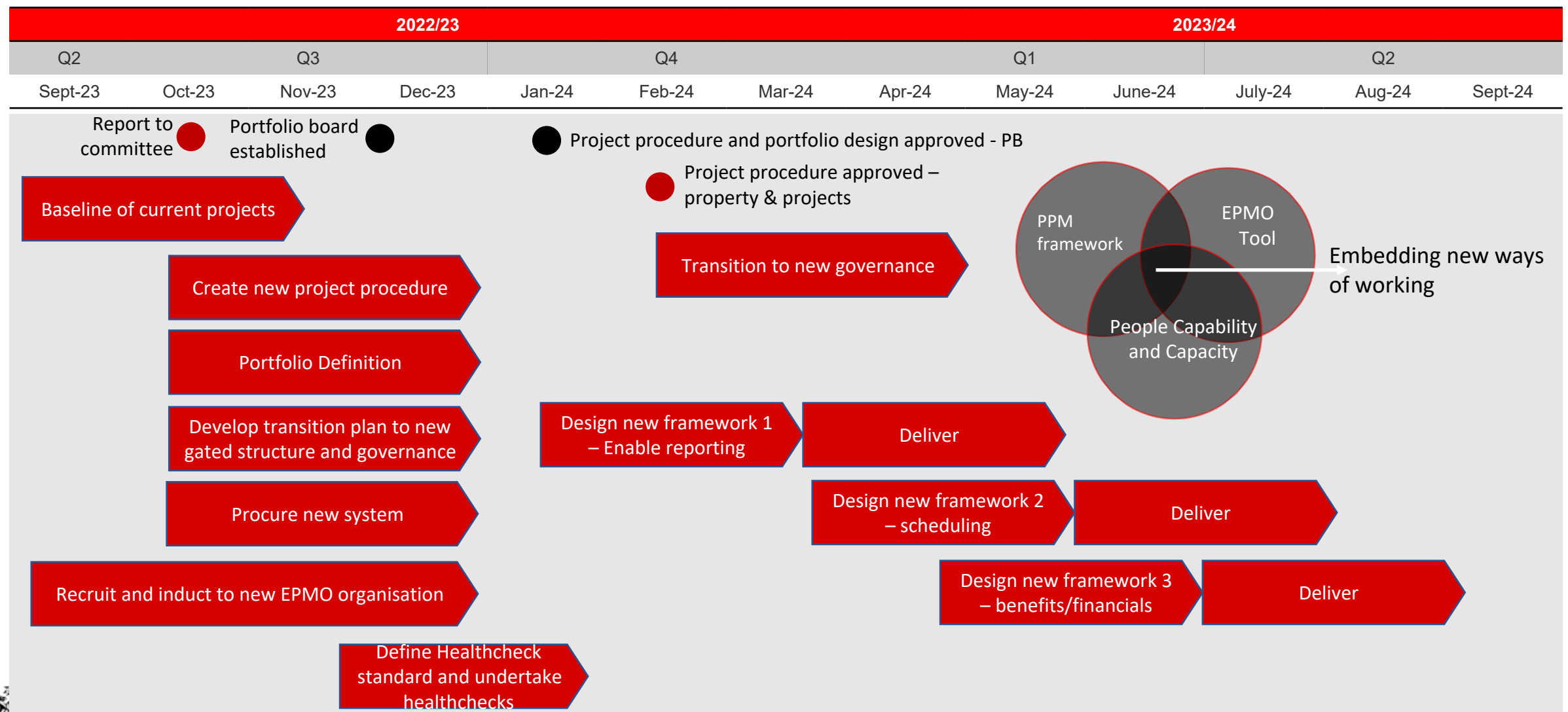
Overview of current state of maturity

- Review against the functional standard for project delivery (Infrastructure and Projects Authority)
- Limited approaches to portfolio management – there is not currently a portfolio design and portfolio plans
- Inconsistent approaches to programme and project management – needs compatibility with RIBA stages as well as transformation, reduced lead times to programme implementation
- Limited and sometimes inaccurate financial forecasting
- Limited ability to align benefits of project and programme delivery with organisational outcomes
- Tiering needs to be established to inform governance and assurance



Theme	Description	Current Rating (2022)	Estimate of current theme criteria met
1	Governance of project delivery	In development	29%
2	Leadership and capability	In development	37%
3	Portfolio management	In development	11%
4	Programme and project management	In development	39%
5	Planning and control	In development	36%
6	Finance and commercial	In development	55%
7	Solution delivery	In development	11%

Overall approach and phasing to implementing portfolio management



Forward plan for the implementation

Month	Board	Description
October 2023	Property and Projects	<ul style="list-style-type: none"> Approach to the implementation of project governance
November 2023	Portfolio Board	<ul style="list-style-type: none"> Portfolio board terms of reference agreed Review of high-level portfolio structure and tiers – City of London portfolios, programmes and projects and alignment to outcomes
December 2023	Portfolio Board	<ul style="list-style-type: none"> Approve portfolio structure with proposed accountable and responsible owners Update on project procedure – proposed phasing and gates for review and comment Update on the PPM framework – required systems and templates to support project procedure Update on plan to transition to the new project procedure and framework
January 2024	Portfolio Board	<ul style="list-style-type: none"> Approve project procedure Approve transition plan to new governance structures (i.e. what gates which programmes/projects are transitioning towards, which boards, on which date and with what documentation)
February 2024	Portfolio Board	<ul style="list-style-type: none"> Results of Health-checks on T1 projects – including capacity and capability constraints
February 2024	Property and Projects	<ul style="list-style-type: none"> Project procedure

Next steps

1. Agree membership and terms of reference for Portfolio Board
2. Baseline current projects and programmes
 - Confirm accuracy of data
 - Interview each project to agree Tiering, BAU/Project Status, Data Accuracy
 - Any additional projects
 - Reconciliation with Oracle
 - Confirm groupings of projects which are in effect programmes
3. Evaluate potential EPMO systems – determine the appropriate procurement route for the new EPMO system and commence procurement
4. Mapping programme priorities against outcomes - with the corporate strategy team in alignment with the new Corporate Plan
5. Develop the new project procedure
 - Construct design principles – what needs to change for the procedure to work with different stakeholders
 - Workshop format to agreement of changes
 - Review with chief officers and members
6. Commence communications

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