

Project Governance Review Terms of Reference

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 | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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 |

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|--|--|
| | <p>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</p> <ul style="list-style-type: none"> To consider the Member governance position service committees should hold vs. cross-cutting committees for projects |
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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 | | <ul style="list-style-type: none"> 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.

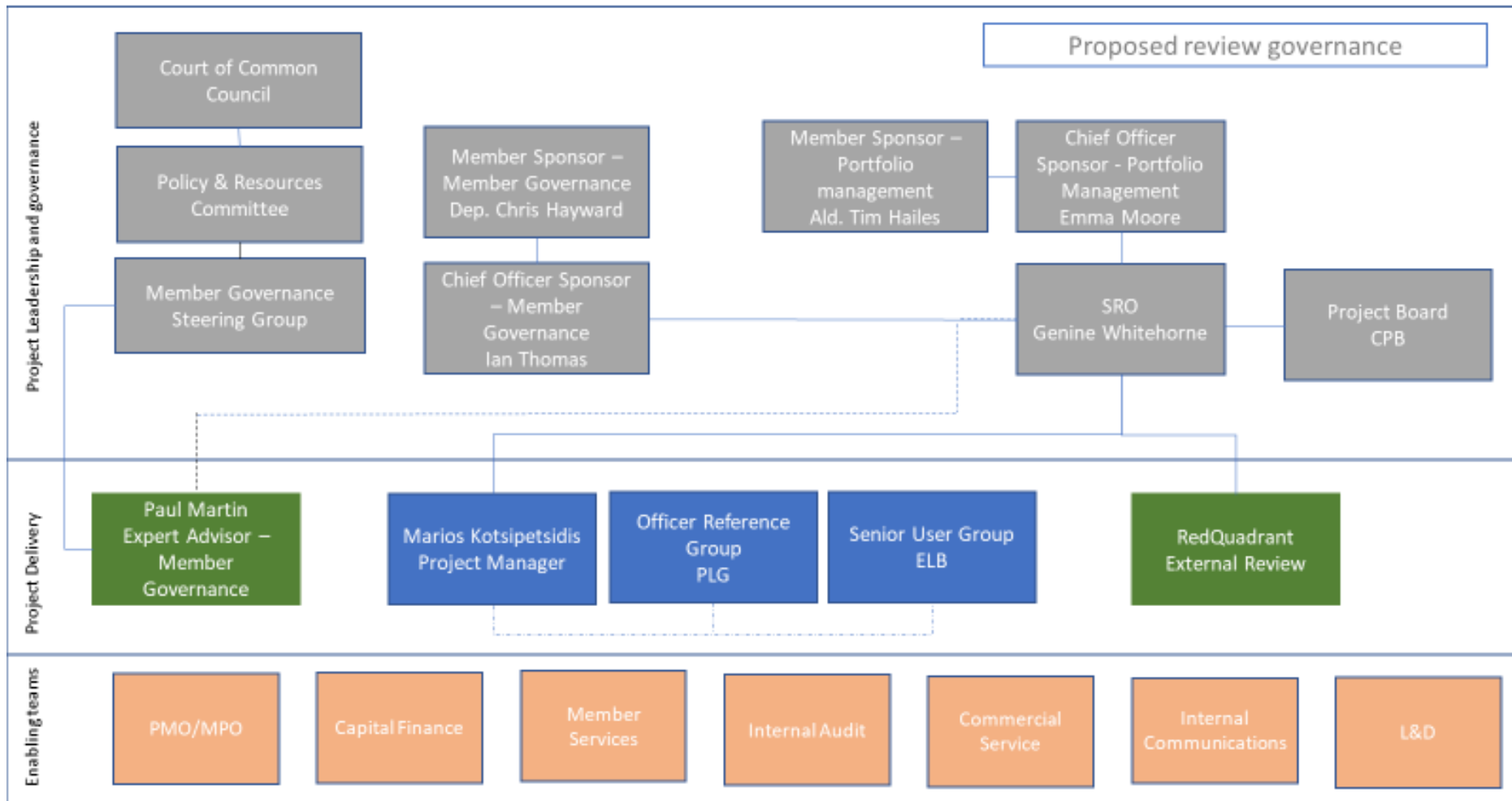
Member governance steering group:

- 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



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.