

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

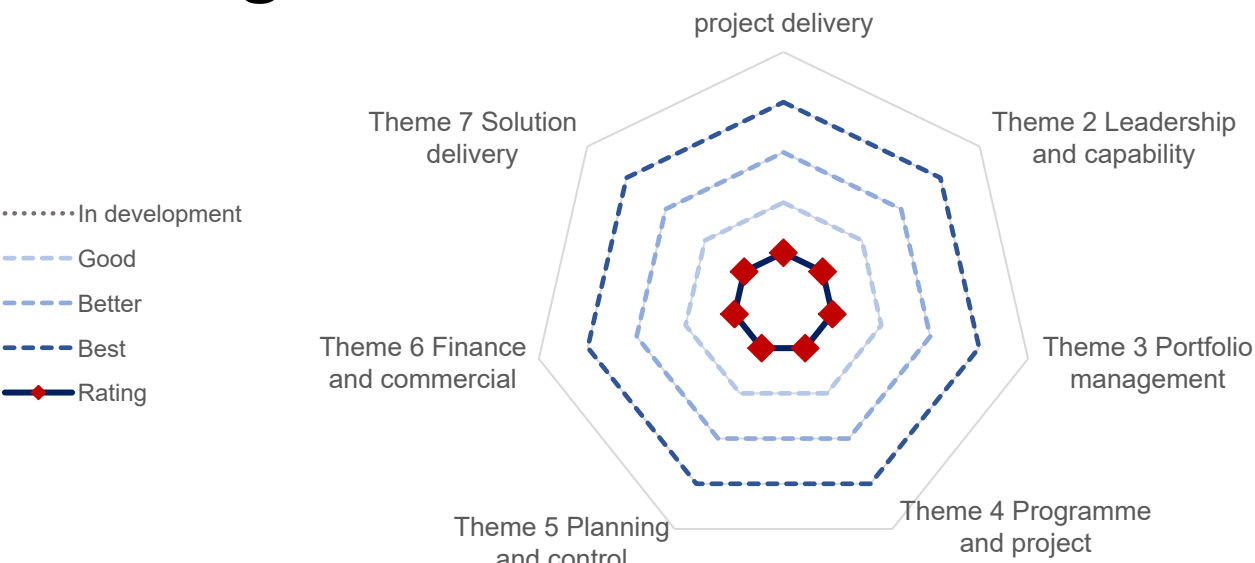
Thinking beyond income generation to facilitate innovative, sustainable financial growth – as well as savvy resource management.

- **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

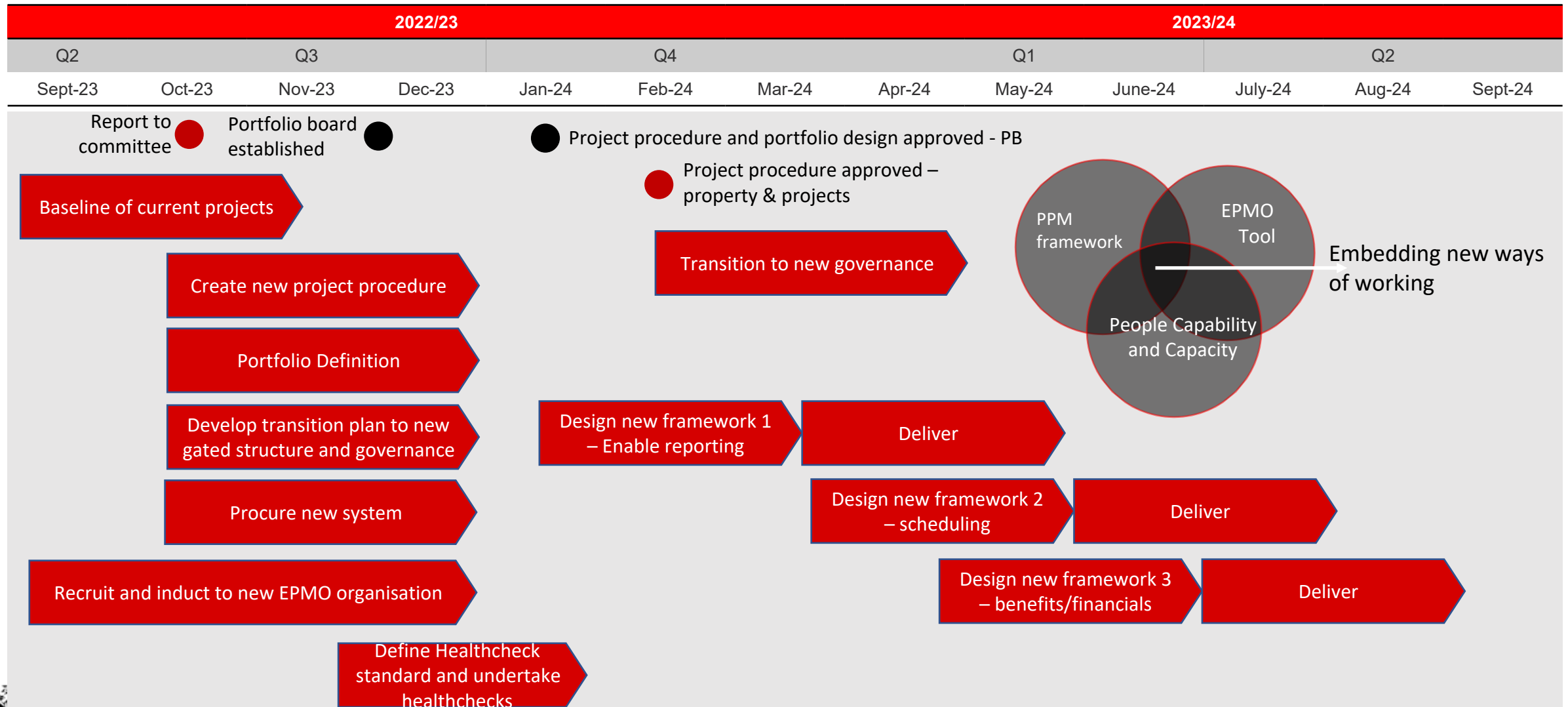
Overview of current state of maturity

- 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