

Committee(s): Projects and Procurement Sub Committee – For Decision Finance Committee – For Decision	Dated: 06/11/23 08/11/23
Subject: Project Procedure Revision	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	8 and 10
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: Sarah Baker, Corporate Programme Manager (Acting), Operations	

Summary

This report proposes changes to the Projects Procedure to formalise tactical changes approved in July Policy and Resources Committee. This includes the descoping of routine procurement exercises and the embedding of the £1m delegation to trained officers. Changes to the responsibilities of the Projects and Procurement Sub-Committee through its Terms of Reference, approved at the July meeting of the Court of Common Council are also reflected. It also includes other changes that have occurred since the last iteration in 2018. This is an interim revision to bring the procedure up to date until it is revised as part of the Project Governance Review.

Recommendation(s)

Members are asked to:

- Approve the Projects Procedure changes described in the report and shown in Appendices 1 and 2.
- Note that a revised Projects Procedure will be forthcoming as part of the Project Governance Review Implementation.
- Delegate authority to the Town Clerk in consultation with the Chairmen and Deputy Chairmen, to finalise the project procedure subject to any changes agreed at Committee.

Main Report

Background

1. Management of City of London Corporation Projects are currently set out under Standing Order 50. Under SO 50(2) states:
“Officers shall ensure that all routine revenue, supplementary revenue and capital projects shall comply with the provisions contained within the City of London Corporation’s agreed Project Procedure.”
2. The City’s Projects Procedure was last reviewed in 2018. Since then, there have been a number of special arrangements put in place, such as the Investment Property Group (IPG) expedited process, and more routine changes to committee names and Terms of Reference.

3. Current Position

4. In July 2023 Policy & Resources approved for the Projects Procedure to be amended 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.
5. Later in July, the Court of Common Council then agreed to move oversight of projects from the Policy & Resources Committee to the Finance Committee. Refreshed arrangements were also put in place in respect of the Projects and Procurement Sub-Committee (PPSC). In an attempt to streamline project management, PPSC is to have more of a strategic, scrutiny role and was not to be required to approve routine gateway reports. However, a challenge has arisen as these changes to terms of reference were approved with immediate effect, whilst work on the Projects Governance Review outcomes is anticipated to take a few further months to design and implement. This presents project managers with a challenge as the current projects procedure no longer aligns with the formal responsibilities of PPSC.
6. The interim changes to the Projects Procedure relate only to Corporate Projects and not Major Projects (i.e. Capital Projects over £100m), which fall to the Capital Buildings Board.
7. As per approval of the Court of Common Council in March 2022, responsibility for City Bridge Foundation projects lie with the City Bridge Foundation Board unless reserved to the Court of Common Council and is, therefore, not impacted by changes proposed.
8. The Projects Procedure is recommended to be revised to reflect changes since the last iteration in 2018 in the interim until a new procedure is created as part of the Project Governance review.

Options

9. Option 1 – Approve suggested revisions (as set out in appendices 1 and 2) to current Projects Procedure for the interim until it is fully revised as part of the Project Governance Review.

10. Option 2 – Suggest changes to the proposals, and delegate authority to the Town Clerk in consultation with the Chairman and Deputy Chairman, to finalise the drafting and approve the revised projects procedure.
11. Due to changes agreed by the Court of Common Council in July 2023, in relation to projects governance, it is not an option to keep the procedure as it is.

Proposals

12. Approve Option 1, to revise the current Projects Procedure for an interim period, until such a time that a new procedure, designed around the portfolio management approach, is able to come forward.
13. This will help project managers to progress their work in line with an agreed procedure, as stipulated by Standing Order 50(2), ahead of the final delivery of the outcomes of the Project Governance Review, whilst adhering to the changes imposed by the Court of Common Council with immediate effect.
14. Overview of proposed changes:
 - a. Approval of gateway reports to be delegated to trained officers in posts within the three most senior tiers of the organisation if project cost is below £1,000,000 (excluding risk).
 - b. Routine procurement projects not subject to the procedure, but to the Procurement Code.
 - c. Change of ownership of the Projects Procedure to Finance Committee.
 - d. Terms of Reference of Projects & Procurement Sub Committee, including scrutiny of individual projects responsibility of Service Committee.
 - e. Updated references to Standing Orders, the Procurement Code, and the funding process.
 - f. Reference to exceptions to the standard Gateway Approval Process (all projects within the exceptions logged on Project Vision and included in portfolio reporting:
 - i. Investment Property Group Expedited Process.
 - ii. Climate Action Strategy delegated approvals.
 - iii. City Bridge Foundation revised process.
 - g. Updates to Committee names.
15. Detail on proposed changes is included in Appendix 1.
16. Revised Project Procedure with tracked changes in Appendix 2.

Key Data

17. The City currently has 360 corporate projects that are subject to the Projects Procedure. This does not include the three major projects that are subject to their own governance. The intention is to develop one single and coherent project governance framework as part of the portfolio management implementation programme.

Corporate & Strategic Implications

Strategic implications – The Corporation’s strategic priorities are achieved through the successful delivery of corporate projects.

Financial implications – The introduction of a revised procedure will reduce the staffing resource involved and possibly help reduce costs associated with delayed approvals generated from confused governance pathways.

Resource implications – The implementation of an interim governance procedure will reduce the volume of ad-hoc, bespoke requests that the Project Management Office and Governance and Member Services Team are getting in relation to individual projects.

Legal implications – See risk implications.

Risk implications – If sufficient revised arrangements are not approved, there is an increased risk that projects will proceed without required approval(s). Depending on the nature of the project, this could lead to legal challenge and possibly even judicial review.

As with any process of significant change, there are risks associated with implementation and unforeseen challenges as the new system embeds. This risk will be mitigated through appropriate communications and training as required.

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

18. The Projects Procedure requires updating to reflect various changes that have occurred since the last revision in 2018. This is an interim measure until a new procedure is created as part of the ongoing Project Governance Review.

Appendices

- Appendix 1 – List of changes to Projects Procedure
- Appendix 2 – Revised Project Procedure with tracked changes

Background Papers

Project Governance Review – key findings and proposals for new approach (Operational Property & Projects Sub, Policy & Resources and Finance Committee, July 2023)

[Projects Governance Review – Court of Common Council \(July 2023\)](#)

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