City of London
Project Procedure

Nov 2023

Overview

1. Projects are one of the key ways that the City of London Corporation delivers its strategic aims and priorities. The City Corporation is committed to ensuring that projects are delivered efficiently and that the best use is made of the resources available to the organisation.

2. Following a decision taken by the Court of Common Council in July 2023, the Project Procedure is �containedthe responsibility of ⌧ ⌧Finance⌧ Committee. Any changes to the Project Procedure therefore require the authorisation of ⌧Finance⌧ Committee.

3. The Project Procedure has been designed to encourage consistency of delivery across the organisation, while allowing flexibility to respond to circumstances with appropriate speed. It is designed to ensure that our work reflects our strategies, and that we have policies in place to discharge our statutory and non-statutory duties with proper oversight and control.

4. All projects over £50,000 that have tangible, physical deliverables (including IS projects) must be recorded on the Corporation's Project Portfolio Management tool.

5. The Project Procedure applies to the following categories of projects that have tangible, physical deliverables (including IS projects):
   a. Capital and supplementary revenue projects over £50,000
   b. Routine revenue projects over £250,000
   c. Capital and supplementary revenue projects delivered with ringfenced funds over £250,000 (e.g. Section 278, Designated Sales Pools, Additional Works Programmes, Housing Revenue Account)

6. Some large Capital projects will be overseen by the Capital Buildings Board, indicatively where the project is £100m+ or where it has been referred there by the Court of Common Council. For these projects, Capital Buildings Board will be responsible for;
   (i) overall direction
   (ii) review of progress; and
   (iii) decisions on significant option development and key policy choices.
   If oversight is transferred to the Capital Buildings Board those projects will not be required to be seen at Projects & Procurement Sub-Committee. Refer to the Capital Buildings Board Clerk for guidance on governance and reporting requirements.

7. The Projects Procedure does not apply for Capital and supplementary revenue projects under £50,000 or revenue projects under £250,000 or ringfenced projects under £250,000. Where a mixture of funding is used the lowest threshold will apply. It is recommended the Gateway process documentation is used for projects outside of the Projects Procedure. Projects of any value can be 'called in' to Projects & Procurement Sub-Committee and any that develop to be within the thresholds will then enter the gateway approval process.

7.1 Delegations exist within the projects procedure. Where delegations are made (to Chief Officer or trained officers in posts within the three most senior tiers of the organisation) it is expected that the gateway approval process documentation will be completed, even if it is not required to be presented to Member committees. This is to ensure that good governance and record keeping is maintained. Chamberlains Audit and Risk teams will conduct period audits of projects under the thresholds or under delegated approval limits to ensure that appropriately rigorous governance and documentation is maintained.

8. This document contains information about:
   Governance
   Resource Allocation Timetable
   Approval Process
   Ringfenced Funds
   Routine Revenue Projects
   Changes to Projects: Before Agreement at Authority to Start Work
   The Project Sum
   Risk and Costed Risk Provision
   Changes to Projects: After Agreement at Authority to Start Work
   Procurement and Contract Letting
   Project Toolkit
   Exceptions

9. If you have any queries or comments about the Project Procedure or about project management generally at the City Corporation, please contact the Corporate Programme Office
   Corporate.ProgrammeOffice@cityoflondon.gov.uk

Governance

10. All building related projects that are likely to require over £50,000 of capital expenditure over the following five years must be identified in the Asset Management Plan (AMPs) for the site. AMPs are a key part of the departmental business planning process and a corporate requirement under Standing Order 53. For further information on AMPs, please contact the Head of Corporate Asset Management in the City Surveyor's Department.

11. Approval of the City of London Corporation's programme of projects is the responsibility of the Service Committees and the Resource Allocation Sub-Committee, which considers the overall programme of project activity and its funding. Decisions about projects are made by relevant Service Committees and, for high value projects, the Court of Common Council.

> **Projects & Procurement Sub-committee Terms of Reference**
> In relation to projects, to be responsible for:
>
> -
> - 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.

The Projects & Procurement Sub-Committee receives a Portfolio Overview on all capital and supplementary revenue projects and can 'call in' any project at any stage of the Gateway Approval Process when it is considered appropriate to do so. As noted in [7] this can include projects which are being delivered under delegation.

12. For each gateway paper, the Committees (i.e. Service and if applicable Projects & Procurement Sub) may receive the paper in any order, relative to the dates when those committees sit. A paper would not be considered as approved until all the relevant committees have seen and approved it. The exception being the Officer Corporate Projects Board, which must see the Project Proposal (with attached Project Briefing), Issue reports and Outcome reports before they are published to Member committees.

13. The Corporate Programme Office clerks the Corporate Projects Board, which is a senior Officer panel which reviews Project Proposals, Issue reports and Outcome reports before they are submitted to Committees. The role of the group is to ensure

consistent quality reporting and critical Officer challenge to projects.

> **Corporate Projects Board**
> Corporate Projects Board is a group of senior Officers, with cross departmental representation, which meets each month for a critical analysis of projects set to enter the Gateway Process. They provide an initial overview of projects at an early stage and report content, whilst offering guidance and support on progressing a project through Committees.
> The Board will consider papers before they are seen by Members and can ask for papers to be redrafted before proceeding further.

14. Where the Town Clerk considers a scheme has policy implications, or where the Policy and Resources Committee has indicated it wishes to consider a particular project further, the report will also be submitted to that Committee.

15. The Finance Committee is responsible for obtaining value for money, improving efficiency and overseeing procurement generally across the City Corporation. The Finance Committee therefore receives periodic reports on the City Corporation's capital expenditure.

16. The Corporate Programme Office monitors the progress of projects from start to finish. Departmental project teams are required to maintain up to date information about each project on Project Vision including monthly narrative updates, key dates, risks and issues. Additionally, key documentation such as Gateway papers should be uploaded.

17. Officer-level Project Boards may be established for individual projects. The establishment of a Project Board is particularly important for projects which require Officers from a number of different departments to deliver them. Guidance is available from the Corporate Programme Office about the establishment, composition and running of Project Boards.

18. Project Steering groups can be created for a project. There are no formal terms of reference for their governance, however they could be used to engage with external stakeholders and provide recommendations to the Project Board.

19. For full details of the different roles and responsibilities relating to project management please refer to the Project Governance guidance available in the Project Toolkit.

Resource Allocation Timetable

20. The Resource Allocation Sub-Committee will determine the budget to be set aside for capital and supplementary revenue projects for the forthcoming financial year. That sum will be included in the City's annual budget agreed by the Finance Committee and Court of Common Council in February/March each year.

21. New projects may enter the Gateway Approval Process at any time during the year but should be already planned in a department's business plan. The stages at which a project will be included in the capital programme are described in further detail below.

Gateway Approval Process

22. All projects covered by this Project Procedure enter the Gateway Approval Process at Gateway 1 and the general expectation is that projects will normally proceed through Gateways 1 to 6 in sequence.

  i.   Note that in Summer 2018 the naming and numbering of the Gateways was changed, the content was revised significantly in the case of Gateways 0-2 and 6-7, and that 'Project Briefings' & 'Project Cover sheets' were introduced.

23. To allow projects to proceed at the appropriate speed and to ensure that the City Corporation is able to take advantage of circumstances as they arise, Standing Order 50(04) authorises the Town Clerk, in consultation with the Projects and Procurement Sub- Committee, or the Chairman and Deputy Chairman thereof as appropriate, to vary the Project Procedure in relation to individual projects in cases when it is deemed appropriate to do so (e.g. to take advantage of external funding sources).

24. There should be no assumption that the Gateway Approval Process is a linear process and it is possible that more complex schemes may include the preparation of more than one report at each stage, particularly in the options appraisal stages. Project Managers may need to combine Gateway reports, which can be done by exception. Where this is the case seek advice and confirm your planned approach with the Corporate Programme Office before submitting combined reports to Committee.

25. The City has adopted a Gateway Approval Process with three tracks: complex, regular and light. The decision about which track a project should follow depends on the estimated cost and the level of risk, complexity and uniqueness. The matrix below provides guidance on the track that should be followed. There is flexibility to move projects between tracks at any stage if it becomes evident that a project is more or less complex than originally anticipated (though this should be done as a recommendation within a Gateway or issue report).

		Risk, Complexity & Uniqueness		
		Low	**Medium**	**High**
	Under £250k	*Light*	*Light*	*Regular*
Cost	**£250k to £5m**	*Regular*	*Regular*	*Complex*
	Over £5m	*Regular*	*Complex*	*Complex*

Unless otherwise stated, 'cost' is the total estimated cost of the project and includes, but is not limited to, items such as works, fees and staff costs etc.

25.1 The total estimated cost of the project at the offset does not include future anticipated costed risk provision requests; however, Members can use the value of this and the total liability exposure from the risk register as part of their decision when confirming the track route. This reflects that a costed risk provision and costed risk register is a quantified financial measure of the risk of a project.

25.2 Projects can change in their complexity and cost over their lifetime. The trackways are therefore not fixed, and projects can move across (i.e. from

Regular to Complex, or Regular to Light), if the situation changes. However, such a change must be approved by Members (as the Gateway track was also approved by them initially), and that change must be approved before any decisions which would be delegated on approval are made.

26.

Gateway 1. Project Briefing
A short document which describes the core elements of the project concept. This is signed off by the Chief Officer and should be related to an idea within the departmental business plan, (it is recognized that some projects might not be in the business plan as they may be responding to emergent events, however these should be reflected in the next business plan review). Once approved a Project Briefing can then be developed into a full project proposal and will be attached to the Project Proposal seen by Members (Gateway 2).

Gateway 2. Project Proposal
Initially viewed by Corporate Projects Board, a short business case seeking Members' authority to proceed with the project through to the next relevant Gateway stage and to expend any internal or external resource. The proposal should establish clear, measurable objectives and targeted benefits for the City Corporation. At this stage, the relevant approval track (Complex, Regular or Light) will be determined. An indication of the intended procurement strategy should be set out at this stage in conjunction with City Procurement.
The Project Briefing should be an appendix to this report.
A costed risk register using the corporate template should accompany this report if a 'costed risk provision' (see [49]), is requested.

After the Project Proposal is approved all subsequent Gateway reports require a Project Cover Sheet.

Gateway 3. Outline Options Appraisal
The report should set out a range of viable options for proceeding with the project and make recommendations to Members on the option(s) to progress.
Unless there is a statutory/safeguarding requirement a 'do nothing' option will be expected as a default.
Where there is only 'one' option, it is expected that there will be more than one variable in the quality/longevity of the implementation options (e.g. where something must be replaced, the options could be a 'like-for-like' replacement or 'an opportunity for a material upgrade and remodel').
The Project Coversheet should be an appendix to this report.
A costed risk register using the corporate template should accompany this report if a 'costed risk provision' (see [49]), is requested.
A PT4 Procurement Form should be an appendix to this report in line with the Procurement Code, or below where Committees/Category Boards request it.

Gateway 4. Detailed Options Appraisal
Report setting out detailed appraisal of options, or variations of an option, taking account of further information available and advice by Members on previous report. The level at which the scheme design will be approved is to be determined at this stage (options would include Service Committee, Chief Officer, Project Board, CPO). Approval of the procurement methodology will be sought at this stage (subject to approval of Gateway 4a if City funding is being sought, Gateway 4b if the project is estimated to cost over £5m and Gateway 4c the detailed design at the appropriate level) if required.
The Project Coversheet should be an appendix to this report.

A costed risk register using the corporate template should accompany this report if a 'costed risk provision' (see [49]), is requested.

Gateway 4a. Inclusion in Capital Programme (if unallocated City funding is required for the project)
Corporate Priorities Board will help Members prioritise the City resources that are allocated to projects by making recommendations to Resource Allocation Sub Committee.
The Project Coversheet should be an appendix to this report.
A costed risk register using the corporate template should accompany this report if a 'costed risk provision' (see [49]), is requested.

The Resource Allocation Sub-Committee will recommend to the Policy and Resources Committee whether to add a project to the capital programme, hold it in reserve, commission further work or stop it. If a project is added to the programme the Chamberlain's Finance team will prepare a report to the Resource Allocation Sub-Committee who will advise the Policy and Resources Committee as to how the expenditure should be phased.

This stage may take place at any Gateway when central funding is required.

Gateway 4b. Court of Common Council Approval (projects over £5m)
Approval of the Court of Common Council will be sought at this stage.
Court reports will be prepared by the Town Clerk's Office and use a non-Gateway template format. Consult with the Court Clerk on the content.

Gateway 4c. Detailed Design
Approval of the detailed design for the option selected at Detailed Options Appraisal, at the level agreed at that stage.
The Project Coversheet should be an appendix to this report.
A costed risk register using the corporate template should accompany this report if a 'costed risk provision' (see [49]), is requested.

Gateway 5. Authority to Start Work
Authority to begin delivering the project. The results of any tender exercise must be included in this report. The level of progress reporting is determined at this stage and can range from specific project reports to coverage by exception in routine updates, regular delegated officer reporting would be expected.
The Project Coversheet should be an appendix to this report.
A PT8 Procurement Form should be an appendix to this report in line with the Procurement Code, or below where Committees/Category Boards request it.
A costed risk register using the corporate template should accompany this report if a 'costed risk provision' (see [49]), is requested.

Gateway 6. Outcome Report
Critical assessment of the project and the achievement of its objectives. This will include an update of spend, milestones and key deliverables. Lessons learnt and best practice identified during the delivery of the project will also be asked for, along with how that knowledge will be shared.
The Project Coversheet should be an appendix to this report.

> All Outcome reports are to be submitted within 6 months of the end of the project (nominally described as handover to BAU). Where the project has outstanding legal issues, the accounts have not been signed off, or business benefits require evaluation over a longer period, this still applies, with a supplementary report delivered later, on the resolution of the outstanding issues.

Project Cover Sheet
A short summary of the project, to provide cumulative reporting and a record of key changes and developments over its lifetime, required to accompany all Gateway reports (including Issues and Progress Reports) after Gateway 2 (Project Proposal) has been agreed. This allows Members and Officers to review the total progress of a project through its lifecycle.

Issues Reports
A flexible format report to inform Members of an issue that requires a decision. Usually in response to the need to change the budget, milestones, deliverables/scope etc. To be accompanied by a Project Coversheet. Issues reports can be issued as any stage in the Gateway process. This report is usually written 'between Gateways'.
The Project Coversheet should be an appendix to this report.

Progress Reports
Short updates, usually by exception, on progress made on project with particular focus on risk, cost and time. Frequency to be determined at 'authority to start work' stage, or earlier if delegated to Chief Officer before that stage. This is likely to be required for projects delivered over an extended period of time.
The Project Coversheet should be an appendix to this report.

27. Urgency and Delegation

Officers planning to submit papers to Committees should understand the committee timetables and plan around them accordingly.

27.1 Where a decision is required rapidly and must be done outside of the regular Committee timetable, this can be done via the 'Urgency' system (see Standing Orders of the Court of Common Council: 41. Decisions between Meetings). In these instances, the power to make a decision will be delegated to the Town Clerk to make a decision, and before exercising this power, comments from the Chairman and Deputy Chairman of the Committee will be sought.

27.2 Urgent requests are submitted to the relevant Committee's clerk, who will make representations to the Town Clerk and Chairman and Deputy Chairman of the Committee. A full committee report (as you would submit to the relevant committee(s) must be provided. If the decision is urgent and delegated authority has not previously been requested, you must provide a justification for the urgent decision (I.e. why can it not wait until the next meeting, why were you unable to present it at the previous meeting?) Once a decision has been taken it is reported to the next meeting of a committee and is reflected in the minutes of that meeting. The urgency procedures should only be used for matters that are genuinely urgent and unforeseen. Consult the Committee Clerk if you are unsure.

27.3 At meetings, Committees may decide they do not have enough information on the sitting date to make an informed decision and they may request additional information to be provided. Under such circumstances they may decide to delegate that decision outside of committee on receipt of the requested information. The approval process is the same as for urgent approvals.

28. Advice on the equivalent RIBA stages is available from the City Surveyor's Property Projects Division, See Appendix 1 for a summary.

29. Guidance on the reporting format and requirements for each stage is available in the Project Toolkit on the Corporate Programme Office intranet pages.

      29.1 Risk Management must be an integral part of managing a project from start to finish. A separate guidance note in the Project Toolkit is available to assist Officers in how risk should be managed throughout the life of a project.

      29.2 Note that all reports are submitted in the name of a Chief Officer (or equivalent), and that Chief Officers are accountable for the content to Members.

30. The diagram below sets out the Gateway Approval Process and the Committees with authority to consider and approve projects at each of the Gateways. It sets out the three tracks which will generally be followed. Note that as of July 2023 references to Projects Sub Committee should read: Projects & Procurement Sub Committee for information only. Gateway reports requiring Member approval are for decision by the Service Committee.

Gateway Approval Process

The procedure applies to projects that result in tangible, physical deliverables (including IS projects).

Initiation

Project Briefing [G1]
(i) Chief Officer
Project has been included in the Business Plan

Project Proposal [G2]
(i) Chief Officer
(ii) Corporate Projects Board
(iii) Projects Sub-Committee
(iv) Service Committee

Design

Complex	Regular	Light

Outline Options Appraisal [G3]
(i) Projects Sub-Committee
(ii) Service Committee

Options Appraisal [G3/4]
(i) Projects Sub-Committee
(ii) Service Committee

Detailed Options Appraisal [G4]
(i) Projects Sub-Committee
(ii) Service Committee
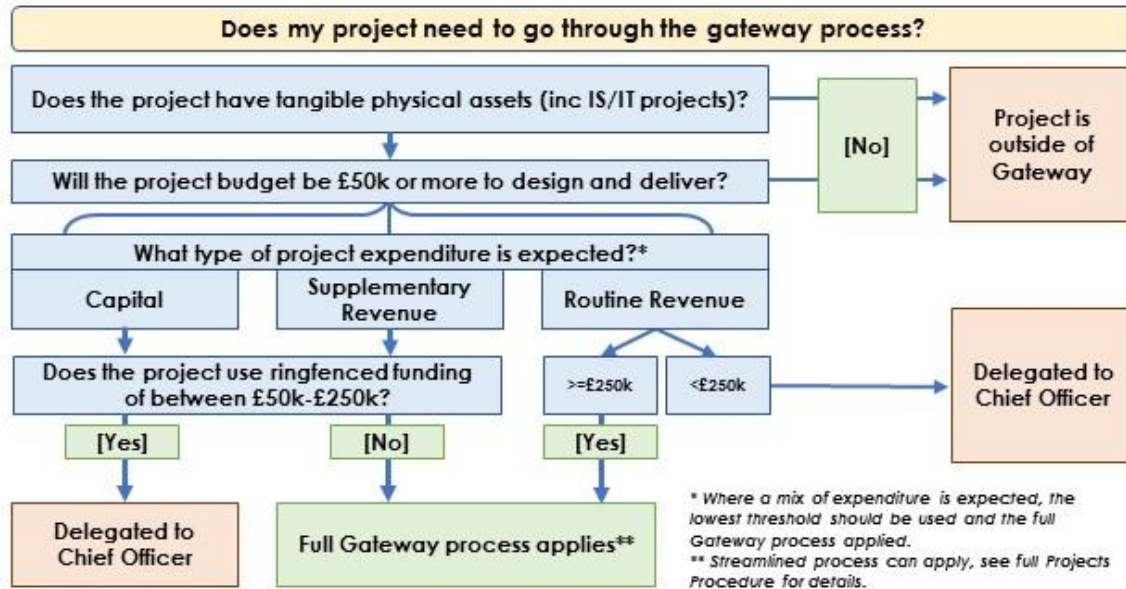
**Inclusion in the Capital Programme
(if unallocated City resources required) [G4a]**
(i) Corporate Priorities Board
(ii) Resource Allocation sub-Committee
(iii) Policy and Resources Committee

Approval of the Court of Common Council [G4b]
(Projects over £5m)

Detailed Design [G4c]
(Level of approval required to be determined at Detailed Options Appraisal Stage)

Authority to Start Work [G5] (includes tender report as necessary)
(i) Projects Sub-Committee
(ii) Service Committee

Authority to Start Work [G5] (includes tender report as necessary)
(i) Chief Officer
(Chief Officer sign-off is assuming no major changes to Scope, Programme or Budget from those previously scrutinised by Members)

Closure   Delivery

Outcome Report [G6]
(i) Corporate Projects Board
(ii) Projects Sub-Committee
(iii) Service Committee

Final Accounts Closure note
(Where projects accounts were not verified at the time of the Outcome Report)

standard attachment

Project coversheets as

Note: Projects could loop back in the process due to significant design changes or phased implementation

Update or change reporting between Gateways

Progress Report
(Complex route only unless requested)
Chief Officer
Service Committee

Issue Report
Corporate Projects Board
Projects Sub-Committee
Service Committee

Note: Only projects which receive 'Authority to Start Work' approval will require an Outcome report [G6].

Entering the Gateway Process

The Projects Procedure and Gateway Process applies to projects that result in tangible, physical deliverables or assets, including Information Systems / Technology projects where the assets are 'digital' in nature.

Does my project need to go through the gateway process?

Does the project have tangible physical assets (inc IS/IT projects)?

Will the project budget be £50k or more to design and deliver?

[No] → Project is outside of Gateway

What type of project expenditure is expected?*

Capital	Supplementary Revenue	Routine Revenue

Does the project use ringfenced funding of between £50k-£250k?

Routine Revenue: >=£250k | <£250k

<£250k → Delegated to Chief Officer

[Yes] → Delegated to Chief Officer

[No] → Full Gateway process applies**

[Yes] → Full Gateway process applies**

* Where a mix of expenditure is expected, the lowest threshold should be used and the full Gateway process applied.
** Streamlined process can apply, see full Projects Procedure for details.

The difference between Capital, Supplementary Revenue and Routine Revenue is an accounting distinction and can be guided by Chamberlain's.

Capital: Major schemes (>£50,000) relating to the acquisition, creation or enhancement of an asset which yields benefits to the authority and the services it provides for a period of more than one year. Basic definition taken from the CIPFA Code of Practice on Local Authority Accounting, which has the force of law. Further conditions e.g. in relation to enhancements. Excludes regular or cyclical repairs, but includes cyclical replacement of major components, e.g. new windows etc.

Supplementary Revenue: (>£50,000) Project expenditure of a substantial or major nature which was previously classified as capital but is now revenue so as to conform to current accounting regulations, such as a major repair.

Routine Revenue: Traditional revenue project expenditure which is met from local risk budgets. e.g. cyclical painting and repairs.

Ringfenced funds: Designated Sales Pools, Cyclical Works Programme, Housing Revenue Account, Section 278, Section 106, and Area Strategies. Ringfenced funds also includes activities where the external funder (i.e. TFL) is providing funding for a restricted purpose.

Gateway Routes
Risk, Complexity and Uniqueness

Estimated Cost	Low	Medium	High
(£50k<£250k)	Light	Light	Regular
(£250k~£5m)	Regular	Regular	Complex
(£5m+)	Regular	Complex	Complex

31. A project's total estimated cost is considered to be the total of all the anticipated expenditure on it from all sources (excluding costed risk provision, this will however be included in spend reporting and budget totals if drawn down). Internal officer costs (staffing) to develop a project are expected to be noted, even if new funding is not required, so that the City can better assess the true total cost of project development and delivery.

32. The Gateway process is not a strict linear progression. Projects may repeat a Gateway, deliver multiple similar Gateway reports (in the case of programmes or phased projects) or go back to an earlier point to rescope or redesign the project formally. Where this is the case it should be explicitly noted in the report. Any changes after Authority to Start Work has been approved should be submitted as Issues reports [See 45]. In some instances, it may be necessary to advance some element(s) of the works to fit with timelines out of our control (e.g. TFL, UKPN) before a full Gateway paper is ready. Where this is the case multiple Gateway papers of the same type could be produced (phasing the works), or an Issues Report be written seeking to advance an element of the project before the full proposal is approved.

33. Once a project has entered the Gateway process it may need to be closed earlier than the Gateway Approval routeways indicate, i.e. a project may close before any delivery has begun. Projects which need to be closed before their Authority to Start Work can be closed with a report to the Town Clerk in consultation with the Chairman and Deputy Chairman of the Service Committee. Decisions will be noted in the 'Report on action taken' update in the next Service Committee and Procurement & Projects Sub Committee sitting), after approval from Corporate Projects Board. This report should detail the reasons for the closure, issues that arose, a budget update and any lessons for the future and how these will be shared. Projects which need to close after agreement at Authority to Start Work, should produce an Outcome report in full. As projects are approved to proceed with Member oversight, Members must also approve their closure.

34. Outcome reports are required to be submitted to relevant service committees within 6 months of the closure of the project (closure meaning handover to BAU).

> 34.1 It may be the case that the final accounts for the project are not complete within this timeframe, business benefits require evaluation over a longer period or there are outstanding legal claims/ disputes which need to be resolved. If this is so, an Outcome report is still required within the 6-month window, however a supplementary outcome report can be produced later once final accounts are settled and disputes resolved.
>
> 34.2 Where an outcome report is received by the committee, further monthly updates to the corporate project portfolio too are not required. The project will be put into a holding state on the tool until the final report is received, the Corporate Programme Office would expect progress updates to prevent a permanent holding state. Once approved by the relevant committees the project will be archived.

35. Different projects may, over the course of their development merge into one or split into two or more. This should be explicitly noted in the next report, including what the merged or split projects will be called and what they will or won't inherit from their parent projects. The Corporate Programme Office should be consulted in such cases.

Ringfenced Funds

36. Ringfenced funds are those where the source and type of funding restricts the type of activities it can be spent on, this limits the City's options when it comes to project planning and design and therefore a higher financial limit is applied before these projects are called to Service Committees. Ringfenced funds are defined by their funding source, they include; Cyclical Works Programme, Designated Sales Pools, Housing Revenue Account, Section 278, Section 106. This can include activities where an external funder is (for example TFL, Heritage Lottery) is providing funding for a restrictive purpose.

37. All projects delivered from ringfenced funds over £250,000 will follow the Approval Process from Gateway 1.

38. Any project delivered with ringfenced funds costing up to £250,000 may be authorised by the relevant Chief Officer at all stages of the Gateway Approval Process, including the authorisation of changes to projects.

Routine Revenue Projects

Capital and Revenue

Capital expenditure generally results in tangible asset(s) with a life of more than one year, for example building a new office, buying new software etc. Capital expenditure relates only to costs which are incurred in bringing a physical asset into use (excludes feasibility/option appraisal/training/launch party).

Revenue expenditure generally does not result in tangible assets, for example training, fees, repairs and maintenance.

If we have a large revenue project (nominally above £250k) that is subject to the Project Procedure here at the City, it is called a '**Supplementary Revenue'** projects are usually for bigger repairs and 'one-off' maintenance projects of existing infrastructure (which do not fulfil the capital criteria e.g. feasibility and option appraisal costs, major cyclical repairs and maintenance), and reflects that some of the costs can't be 'Capitalised'.

The distinction between capital and supplementary revenue projects is an accounting decision and project managers should consult with their Finance Business Partner to assist in this determination.

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39. Routine revenue projects costing over £250,000 follow the Gateway Approval Process from Gateway 1.

40. Any routine revenue project costing up to £250,000 may be authorised by the relevant Chief Officer at all stages of the Gateway Approval Process including the authorisation of changes to projects.

Changes to Projects: Before agreement at Authority to Start Work

41. During the development of a project, the confidence ranges relating to overall cost, quality and time will be determined at each Gateway on a case by case basis. Factors which will influence the establishment of the confidence range include costs that cannot be quantified with certainty and the likelihood of unexpected works, however those can be quantified and costed in a costed risk register with a costed risk provision requested [See 49].

42. The budget sought to develop the project during the early stages will be fixed amounts

agreed at each Gateway. If further resources are required, approval needs to be sought from the Service Committee, who will scrutinize the request within the remit of project assurance, to ensure value for money and the project is on course to deliver its objectives. If further funding and resources are required, approval from the relevant committee to access the requested additional funding will be required, which may vary according to the funding source. The budget will only change after Committee approval has been granted. Where an approved costed risk provision for specific risk items agreed by the Service Committee (see 'the Project Sum [46]') is used to address an issue realised, this is not considered a 'budget increase' which would warrant a return to committee. If the value of individual line items needs to be adjusted, but the overall balance remains the same (and the scope has not changed) then this can be achieved via a budget adjustment using the delegated authority levels noted in [54].

43. As the project evolves, the expectation is that the confidence range should become smaller as Officers obtain greater certainty about the project and the associated risks and issues. The confidence range for each project will need to reflect the risks particular to that project and will need to be considered on a case by case basis. This should be updated and reviewed at every Gateway report to Committee.

44. Provided that a project remains, and is forecast to remain, within the agreed confidence ranges, Officers should continue to work towards the next Gateway. Guidance is available in the Project Toolkit on the process for movement between budget lines.

Changes to Projects: General

45. In cases where:
- the financial implications will be higher or lower than the agreed confidence range (capital or revenue expenditure or income/returns/savings);
- the overall programme needs to be accelerated or delayed +/- 10% of time against the last numbered Gateway report;
- the specification will be significantly different to that agreed, i.e. there will be a shortfall against one of more of the key objectives/ SMART targets, or the inclusion or reduction in the parameters of the project, which may include changing operational performance criteria and business benefits;

Officers will report to the Committee(s) or Chief Officer who approved the last Gateway report on the circumstances, the options available and a recommended course of action. For example, if circumstances change on the Light and Regular routes where Authority to start work is delegated to Chief Officer, they would need to return to Committee to progress to the next gateway.

If additional unallocated City Corporation resources are required (i.e. from Central resources, not local risk budgets), the approval of the Policy and Resources Committee must also be obtained as Service Committees cannot approve Central resources.

In such cases the Policy and Resources Committee must be advised of the impact of the proposed increase in the City's overall Programme and any agree increase must be reported to the next meeting of the Resource Allocation Sub-Committee for appropriate adjustments to be made to the City Corporation's Programme.

Note that Chamberlains have prepared guidance on the preparation of Whole Life Costing (available on the corporate intranet).

These will not apply to the costed risk provision drawdown increases to budgets as they have already been considered and delegated [See 49]:

The Project Sum

46. The project sum (total estimated cost of the project) is agreed at Authority to Start Work stage (Gateway 5) where it is no longer an estimate. Officers may request a costed risk provision here if there is still some uncertainty about elements of the programme, Officers need to relate such cost uncertainties to specifically identified risks. The case for allocating a specific risk-based provision will be considered on a project by project basis by the relevant Service Committee.

47. The majority of risks are expected to be identified through costed risk register. Should unexpected issues occur an Issues Report is required to the Service Committee. Guidance is provided in the Project Toolkit.

48. In the case of externally funded projects, Officers are expected to phase expenditure between essential and optional elements to ensure that the project sum is not exceeded. Where project works on essential elements have been completed Officers can then progress agreed optional elements.

49. Members may approve a costed risk provision budget, against Officer request, to be used against risk identified in project risk registers presented to Committee. The costed risk provision can only be used to respond to those risks that become issues and cannot be used for other purposes;
   I.   The value of the costed risk provision approved will vary with each Gateway, as risks are identified, mitigated, clarified and closed. A flatline value will not be accepted, see II;
   II.   Officers can request a costed risk provision at each Gateway stage on the basis of seeking a provision to deal with contingent items (should they arise) prior to the next Gateway;
   III. Costed risk provision funding awarded for risks which are no longer relevant (closed) will be returned to the center at the next Gateway opportunity and will not be held by the project until project closure;
   IV.   With each Gateway the total value to get to the next Gateway must be asked for in full again. Projects will not 'roll forward' provisions from previous Gateways. Where an issue is in progress or still relevant, the next request should be inclusive of that.
   V.   Costed risk provision budgets will be set aside from the project budget and cannot be accessed without a budget adjustment being completed. Project Managers are expected to contact the Corporate Programme Office who will provide the relevant template and advise on the appropriate course of action;
   VI.   Officers are expected to report on the use of the funding via the Project Coversheet which will accompany any Gateway reports, and through issue logs. Each report to Committee should outline the amount of previous risk provision used, the new total requested and a cumulative total of spend throughout the project lifecycle;
   VII. If the cumulative total of costed risk drawn down by a project exceeds or is equal to £500,000 then this will trigger an automatic Progress report to Committee detailing the reasons for the draw down.

Changes to Project Sum: Before agreement at Authority to Start Work

50. The budget sought to develop the project during the early stages will be in fixed amounts. If circumstances have changed and additional budget is requested, an Issues report is required to the relevant Service Committee, outlining the issues which have arisen, options available, the new project budget requested and a recommended course of action;

51. If additional unallocated City Corporation resources are required (i.e. from Central resources, not local risk budgets), the approval of the Policy and Resources Committee must also be obtained as Service Committees cannot approve Central resources.

52. In such cases the Policy and Resources Committee must be advised of the impact of the proposed increase in the City's overall Programme and any agree increase must be reported to the next meeting of the Resource Allocation Sub-Committee for appropriate adjustments to be made to the City Corporation's Programme.

53. These will not apply to the costed risk provision drawdown as they have already been considered and allocated against the project budget [See 49].

Changes to Projects Sum: After agreement at Authority to Start Work

54. If the cost of the project is projected to escalate over the project sum agreed at Authority to Start Work stage (or any subsequent revision to that project sum agreed by the relevant Committees) the following approvals are required.

Note these will not apply to the costed risk provision drawdown as they have already been considered and allocated against the project budget [See 49]:

Increase in Project Sum	Approval Required
£0 to £50,000 or up to 10% (whichever is lower)	Chamberlain Chief Officer (The Town Clerk's approval will be required in projects where the Chamberlain is the named Chief Officer)
Over £50,000 or more than 10% (whichever is lower)	Service Committee
For projects costing over £5m: Over £500,000	**Service Committee Court of Common Council**

These revisions will be considered as cumulative, i.e. multiple changes will be added together and compared to see the total change since the last Committee paper approval.

If additional unallocated City Corporation resources are required (i.e. from Central resources, not local risk budgets), the procedure described in the table above must be followed and the approval of the Policy and Resources Committee must also be obtained as Service Committees cannot approve Central resources.

In such cases the Policy and Resources Committee must be advised of the impact of the proposed increase in the City's overall Programme and any agree increase must be reported to the next meeting of the Resource Allocation Sub-Committee for appropriate adjustments to be made to the City Corporation's Programme.

55. For projects that follow the Gateway Approval Process those limits on increases described above will supersede the limits as described in the Procurement Code Where doubt exists use the lower threshold value and tolerance. The exception being where

specific risk provision in the form of a contingency has been approved by Committee for the project and this is used to increase the contract value, then the Procurement Code thresholds would apply.

56. Where an increase has been agreed under the arrangements set out in paragraph [54] above, the procedure starts again for any further increases.

57. After the total project sum has been approved at Gateway 5, on completion of the project, any remaining financial provision will be released back to the centre, which is consistent with the normal treatment of other project savings.

58. If the value of individual budget line items needs to be adjusted, but the overall balance remains the same (and the scope has not changed) then this can be achieved via a budget adjustment using the delegated authority levels noted in [54].

59. Any significant changes to the project that are not related to cost (e.g. programme, risk and specification) must be agreed by the Service Committee.

Thresholds for Committee approvals

60. Gateway reports at all stages of the Gateway Approval Process, including the authorisation of Costed Risk Provision and changes to projects, for projects with an estimated cost of below £1m (excluding risk) are delegated to suitably trained Officers in posts within the three most senior tiers in the organisation. A current list of Officers with this authority can be obtained from the Corporate Programme Office.

61. Projects that fall within this delegation remain subject to the Projects Procedure and require use of Gateway templates and recording on Project Vision.

Procurement and Contract Letting

62. Procurement exercises that are considered to be routine are not subject to the Projects Procedure and will follow the City of London Procurement Code. This includes any activity where the sole purpose of the activity is the purchase of goods and services without the need for internal project management or coordination other than to manage the tender process. In these instances, the successful delivery of the required goods and services would be managed using the commercial contract management toolkit. The Director Commercial, Change and Portfolio Delivery should be consulted when further clarification or advice is required.

63. All projects involve procurement activity and contract letting which must be carried out in accordance with the City's agreed Procurement Regulations. City Procurement should be consulted before a Project Proposal is submitted to Corporate Projects Board.

63.1 A PT4 Procurement Form (Gateway 3) and a PT8 Procurement Form (Gateway 5) will be required in line with the Procurement Code, or where Committees/Category Boards request it.

Project Toolkit

64. 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 Corporate Programme Office and published on the Corporate intranet.

64.1 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). The Project Toolkit gives further guidance on what conditions necessitate a change in RAG status.

65. The Corporate project management templates including the Gateway templates fall within the remit of Projects & Procurement Sub-Committee and will be periodically updated by the Corporate Programme Office to respond to events or changing needs to the governance of the City's Projects, to ensure that projects are well run.

Exceptions

66. Some departments follow a Member-approved variation of this procedure. All projects within the exceptions should be logged on the Corporate Project Management Software and included in portfolio reporting.

66.1 Investment Property Group (IPG): City Surveyor's IPG projects follow an expedited Gateway Approval Process. Refer to Property Investment Board Committee Report July 2021.

66.2 Climate Action Strategy (CAS): The CAS programme of projects follow the Gateway Approval Process but review and approval of Gateway reports and issues logs related to capital expenditure up to £1m is delegated to the SRO of the Programme. Refer to Policy & Resources Committee Report July 2021.

66.3 City Bridge Foundation: City Bridge Foundation projects follow the Gateway Approval Process but all reports are for approval only by City Bridge Foundation Board (and Court of Common Council where necessary). Officers from City Bridge Foundation can recommend reports be submitted to Corporate Projects Board by exception, either for approval or for information.

Glossary of Terms

Term	Definition
Budget	The (predicted) cost of the total package of activity on a project, itemised into different line items such as Staff, Works, Fees etc. This may change according to each Gateway. This is the allowable limit of funding which could be allocated against a project following senior approval, however it is not the actual allocation of the money itself.
COCO	Court of Common Council
Costed Risk Provision	Funding allocated to project budgets to deal with contingent items should they arise. This can be under delegation (subject to Member approval of a costed risk register).
Funding	The money available for a project to spend within the agreed budget.
Gateway 1 – Project Briefing	First stage in the process where a Project Briefing document is completed to outline the premise of the project.
Gateway 2 - Project Proposal	Proposal to establish a project via Member approval of a Gateway 2 report. A small budget for feasibility studies/surveys is usually requested at this stage to develop an options appraisal.
Gateway 3/4 – Options Appraisal	Outline of alternative approaches for delivering the project objectives. Complex projects require an additional detailed options appraisal.
Gateway 5 – Authority to Start Work	Stage at which approval is granted to commence project delivery. This is usually following tender and is where a contractor is appointed. It is also the final review stage before the start of works. Authority to start work is delegated to Chief Officers for Light and Regular projects.
Gateway 6 – Outcome Report	Project closure stage where an outcome report analysing lessons learned and project evaluation is submitted to Committee.
Gateway Process	Current governance procedures for projects within the City Corporation. Projects proceed incrementally through stages subject to committee approval.
(an) Issue	Issues are risks that have happened. It is quite common to hear people use the terms 'risk' and 'issue' interchangeably, but they are distinct.
Issues Report	Reports outlining issues which could impact on project delivery and require attention. Issues reports can be submitted at any stage.

P & R	Policy and Resources Committee
Total Project Sum	The total actual cost to design and deliver the project from start to finish, including fees, works, staffing etc. This will be fixed at Authority to Start Work and can only vary through Issues Reports requesting a budget adjustment. Costed risk provision for items agreed by the Service Committee can be utilised under delegation but these will not be deemed budget adjustments
Progress Report	Updates on latest developments (usually during project delivery but these can be submitted at any point in time).
Project Briefing Document (applied at Gateway 1)	Document to ensure everybody understands the premise of the project and key information has been captured (such as the purpose and objectives).
Project Cover Sheet	Fixed sheet to remain with projects throughout their lifecycle (once funding has been allocated). This will cumulatively track changes throughout the process and provide an overview of progress.
Projects Procedure	Framework for application of projects (agreed by Policy and Resources Committee/Court of Common Council) to ensure consistency in how projects are delivered across the organisation.
Project Vision/ Cora PPM	Corporate project management software. Used to collect and report on the City's project portfolio.
(a) Risk	A risk can be defined as "the effect of uncertainty on our objectives". It can also be expressed as the chance of something affecting our business objectives. Once realised it becomes an Issue.
Risk Register	A Risk Register provides a means of recording the identified risks, the analysis of their severity and an outline of the response to be taken should they occur. The Risk Register should clearly identify which action steps will need to be taken, by whom, and by when. This is the basis on which information will be presented to Service Committees for decisions on allocations of a costed risk provision.
Service Committee	Committee that specialises in a certain area and holds the budget/is seeking the works. Sometimes called Spending Committee.
Total Estimated cost	The total estimated cost to design and deliver the project from start to finish, including fees, works, staffing etc. As you proceed through the gateway process, you will vary this total incrementally and any costed risk provision drawn down should be included in the next update to the total estimated cost.

Documents needed for Each Gateway

Note *different departments may require documentation in addition to these listed.*

Gateway Paper	Expected Documentation
Gateway 1: Project Briefing	• Project Briefing template
Gateway 2: Project Proposal	• Project Proposal template • Project Briefing (Appendix) • Project Risk register (Appendix) *where costed risk provision requested.* • City Procurement Reference number (allocated)
Gateway 3-4: Options Appraisal	• Options Appraisal Template • Project Coversheet (Appendix) • PT4 Procurement Form (Appendix) *in line with the Procurement Code or where Committees/Category Boards request it.* • Project Risk register (Appendix) *where costed risk provision requested.*
Gateway 3: Options Appraisal	• Options Appraisal Template • Project Coversheet (Appendix) • PT4 Procurement Form (Appendix) *in line with the Procurement Code or where Committees/Category Boards request it.* • Project Risk register (Appendix) *where costed risk provision requested.*
Gateway 4: Detailed Options Appraisal	• Options Appraisal Template • Project Coversheet (Appendix) • Project Risk register (Appendix) *where costed risk provision requested.*
Gateway 4a: Inclusion in the Capital Programme	• The previous Gateway paper, unless the next one (i.e. Gateway 5) is complete. • Project Coversheet (Appendix) • Project Risk register (Appendix) *where costed risk provision requested.*
Gateway 4b: Approval of the Court of Common Council	• Court Report Template, drafted by Court Clerks with Project Manager assistance.
Gateway 4c: Detailed Design	• Detailed Design Template • Project Coversheet (Appendix) • Project Risk register (Appendix) *where costed risk provision requested.*
Gateway 5: Authority to Start Work	• Project Coversheet (Appendix) • PT8 Procurement Form (Appendix) *in line with the Procurement Code or where Committees/Category Boards request it.* • Project Risk register (Appendix) *where costed risk provision requested.*
Gateway 6: Outcome Report	• Outcome report template • Project Coversheet (Appendix) • Issues log (Appendix) *where specific risk provision used.*
Issues / Progress Report	• Standard Issues or Progress Report Template • Project Coversheet • PT8 Procurement Form (Appendix) *Where a recommendation for approval is being made* • Any supporting project specific attachments

Appendix 1: Mapping RIBA stages to the Gateway approval process
Developed by City Surveyors, Property Projects Group.

PROJECT DELIVERY METHODOLOGY

RIBA STAGE 0 Strategic Definition	RIBA STAGE 1 Preparation & Brief	RIBA STAGE 2 Concept Design	RIBA STAGE 3/4 Developed/Technical	RIBA STAGE 5 Construction	RIBA STAGE 6 Handover/Close Out
	INITIATION	DESIGN	DESIGN DEVELOPMENT	DELIVERY	CLOSURE

	Project Execution Plan	Design Management		Tender	Witness/testing &Commissioning
Project Brief		Risk Management (RAID)			Consultant/ Client Acceptance
H/L Cost Plan	H/L Programme	Concept Design	Change Management		Practical Completion
CPB Approval	Cost Plan G2	Cost Plan G3	Developed Design	Construction Programme	Project Close –Out review

Gateways

	(1) Project Briefing	(2) Project Proposal	(3) Outline Options	(4) Detailed Option	(5) Authority to Start	(6) Outcome Report
Common Data Environment	Procurement Strategy	Layout/Scope Freeze	Statutory Approvals	Mobilisation	Final Accounts
	DT Appointments	Cost Plan G3-6	Detailed Design	Quality Control	Defects
	Feasibility / Initial Surveys	Change Control	Production/Tender Information	Contract Administration	
		Master Programme	Pre Tender Estimate	Cost Reporting	
			Value Engineering		RIBA STAGE 7 In Use