City of London Corporation Committee Report

Committee(s):	Dated:
Projects and Procurement sub-Committee – For decision City Bridge Foundation Board – For decision Finance Committee – For decision Policy and Resources Committee – For information Court of Common Council – For decision	16th June 2025 1st July 2025 1st July 2025 3rd July 2025 24th July 2025
Subject: **New Project Procedure / P3 Framework**	**Public report:** For Decision
This proposal: • Delivers Corporate Plan 2024-29 outcomes • Provides business enabling functions	Providing excellent services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Caroline Al-Beyerty, Chamberlain and Chief Financial Officer	For approval
Report author: Genine Whitehorne Director, Commercial, Change and Portfolio Delivery	

Summary

This paper proposes a new framework for the City of London Corporation, developed to address long-standing issues in the governance and delivery of projects and programmes. The changes respond to Lord Lisvane's governance review and subsequent assessments by external consultants, which found inconsistent practices, slow decision-making, and insufficient visibility for Members.

To more accurately reflect the direction of travel for the City Corporation and the changes that are required, it is proposed to rename the project procedure to the Project, Programme, Portfolio (P3) Framework. The revised P3 Framework proposes a simplified, proportionate governance model that is aligned with a project's scale,

complexity, and strategic importance. All project types—including capital, transformation, and innovation— will be brought under a single framework. A new tiering system will focus Member scrutiny on higher-value and higher-risk projects, engaging Members at strategic points of decision-making. Lower value projects and programmes will benefit from streamlined governance. These proposals will streamline the gateway process into five strategic stages, with a greater emphasis on early alignment with Corporate Plan outcomes, climate action, social value, and return on investment.

Development of the new framework has been shaped through extensive consultation. Project managers, directors, and senior officers from across the City Corporation and the institutions have contributed through workshops. At the same time, a Guiding Coalition—including representatives from Town Clerks, Chamberlains, Community and , Innovation and Growth, City Surveyors, and institutions—has guided the design. The City of London Corporation Portfolio Board (officer board chaired by the Town Clerk) endorsed the changes on 13th May 2025.

Implementation is underway in two phases. Phase one, which was not dependent on the approval of the new framework, went live in April 2025 with the launch of the Cora enterprise-wide project portfolio management system and the introduction of new portfolio reporting to the Portfolio Board and the Projects and Procurement Sub-Committee. The implementation of the new P3 Framework is proposed as part of the second phase. It is scheduled to launch in November 2025, following a transition period to support in-flight projects, project managers, and finalise supporting materials.

This new framework strengthens strategic focus, improves accountability, and provides Members with more timely and meaningful oversight, aiding projects to deliver not only on time and on budget but also in line with the City of London Corporation's strategic priorities.

Recommendation(s)

Members are asked to:

1. Approve the new P3 Framework, including:

    a) Approve the new project gateways – paragraphs 16-21
    b) Approve the increase of delegated authority to £5m for Chief Officers – paragraph 21
    c) Approve the increase of the threshold for Court of Common Council to receive gateway submissions to £20m – paragraph 21
    d) Note the increase to £250k threshold for entering the gateway process – paragraph 21
    e) Approve that once a "Red" project approves a rebaselined plan with the Service Committee and Project and Procurement SubCommittee, it can then proceed as a "Green" project – paragraph 21
    f) Approve the SRO of a project or programme to have delegated authority to draw down against the agreed costed risk profile – paragraph 21

2. Expand the use of optimism bias with the established ‘optimism bias’ reserve to be authorised from the Service Committee and Finance Committee – paragraph 21
3. Note that the new P3 Framework will take effect at a launch event on 25th November 2025
4. Approve that further updates can be made to the P3 Framework with approval from CoL Portfolio Board with Members approving changes to the delegation levels
5. Authorise the Chamberlain to make the necessary amendments to other documentation i.e. the Corporation's Financial Regulations and the Procurement Code in order to align these documents with the Framework.

Main Report

Background and context

1. In 2019, Lord Lisvane was commissioned to undertake a review of the Corporation's governance. Amongst his findings, he found that “The complexity and slowness of decision-making within the Corporation is extraordinary. It is not too much to describe it as sclerotic.” His findings were presented to the Right Honourable the Lord Mayor, Aldermen, and Commons of the City of London in Common Council assembled on 9th December 2021. Additionally, in October 2022, a Project Governance review was commissioned by the Operational Property and Projects subcommittee and approved by the Policy and Resources Committee. In March 2023, the Policy and Resources Committee amended the scope of the review to include an independent assessment of existing Member governance (i.e. committee structures). This element of the review was conducted by Paul Martin, a former local authority Chief Executive. As a result, service committees were recognised as the sponsoring body for projects. They were responsible for making decisions about the delivery of individual projects, except for capital projects exceeding £100 million. Changes were also made to the terms of reference for the Operational, Property and Projects sub-Committee (OPPSC) to establish it as the oversight body for a new portfolio management approach.

1. In 2022, Red Quadrant, a consultancy, were commissioned by the then Operational Property and Projects sub-committee to undertake a review of project management within the Corporation. The review aimed to assess existing governance arrangements and recommend a future approach that would support an effective and proportionate governance and assurance framework for project delivery across the Corporation. Red Quadrant found “a fragmentation of approaches, with common practices within individual departments becoming inconsistent with each other.” They also found that project and programme managers had capability gaps. The consultants recommended that the Corporation adopt a portfolio management model for delivery, establish an enterprise-wide project and programme office, refresh the project procedure, and further develop the project management academy. The Policy and Resources Committee endorsed the report's findings in July 2023.

2. The Corporation is now adopting Portfolio Management practices. Portfolios are groups of projects and programmes. They are used to select, prioritise and control an organisation's programmes and projects, in line with its strategic objectives and capacity to deliver. Their goal is to balance the implementation of change initiatives and the maintenance of business as usual while optimising return on investment." Association of Project Management.

3. In late 2023, a maturity assessment was undertaken against the functional standard project delivery (Infrastructure and Projects Authority). This review assessed the Corporation to be 'in development' in its adoption of portfolio, programme and project management governance and processes. Since this date, the Corporation has undertaken considerable work to design and implement the findings of the various reviews. The project team has:

   - Defined the new portfolio structure and ownership – including sub-portfolios - clarifying the outcomes, accountabilities and initial tiering
   - Rationalised and undertook a baseline of all the projects in the Corporation and aligning projects to new portfolio structures
   - Undertaken health-checks on projects and programmes within the Corporation - using the findings to inform the development of new structures
   - Established a corporation-wide City of London portfolio board chaired by the Town Clerk
   - Created a new Commercial, Change and Delivery function within the Corporation, which contains an enterprise-wide PMO, skills and capability development and expanded impact and reporting teams
   - Procured, implemented and launched a new enterprise-wide Portfolio Management tool (Cora) which provides "a single source of truth" for projects in the Corporation, as well as supporting project managers in project delivery
   - Launched stakeholder communications – including the construction of a Guiding Coalition and Change Champions bringing together directors and project managers to work to common goals
   - Enabled Portfolio Dashboard Reporting to CoL Portfolio Board and Project and Procurement sub-Committee
   - Over 20 training sessions covering SRO development for Chief Officers and Directors

4. The first phase of the implementation has successfully laid the foundation for the further development of the Corporation's maturity in project and programme delivery. It provided the technology and organisational foundations upon which further enhancements can now be made. The complex change is now to governance structures, project and programme management processes as well as enhancing the capability of project and programme managers across the Corporation. Critical to implementing portfolio management is the development and operation of a new P3 Framework.

The purpose of the project, programme and portfolio framework

5. The project procedure is the framework for the operation of the Corporation's projects and programmes. It provides a strategic and operational model to ensure consistent, effective and value-driven delivery of projects and programmes. The project procedure enables the alignment of projects with the Corporation's corporate plan, provides the basis for prioritising scarce resources, establishes governance structures, ensures transparency, provides clarity on accountability, and establishes a standard approach to managing risks, benefits, and dependencies. In particular, the purpose of the P3 Framework is to:

    - Provide a structured decision-making framework to ensure that projects are viable and have a high likelihood of success.
    - Support strategic decision making for Members and senior officers, with an emphasis upon impact, including climate impact, social value, benefits realisation and Return on Investment (ROI)
    - Encourage consistency of delivery across the organisation whilst allowing for flexibility to respond to circumstances.
    - Provide oversight of the conception and delivery of projects – the framework provides the basis for compliance, and the governance requirements are proportionate to the project's complexity and risk.
    - Ensure that we have policies to discharge our statutory and non-statutory duties with proper oversight and control.

6. The P3 framework includes a gateway process that provides a structured framework for decision-making at key stages, ensuring the project or programme remains viable, is aligned, and offers value for money before proceeding further. At each stage of the gateway process, cost and benefit estimates are produced, which become progressively more accurate as business cases are developed and refined. The critical decision at each stage is to assess whether the project or programme remains viable.

Why the framework needs to change

7. The current project procedure does not adequately serve the needs of Members, as it does not provide them with a sufficient view of the project's or programme's progress. Projects and Programmes were often considered in isolation, making it harder to see how they contributed to overall strategic priorities. It also did not suit the needs of project managers as it was disproportionate and often resulted in delays for projects and programmes.

8. In particular, the current project procedure:

    - Has several exceptions and bespoke arrangements for some departments, leading to inconsistencies in the project delivery approach
    - Was only applicable to capital and construction projects, and excluded transformation or innovation projects

- Focuses Members and project managers on individual gateways rather than being able to see the progress and cost of a project as a whole
- Had many gateways and governance requirements, which slowed down the delivery of projects and led to increased delivery costs
- Focused project managers to obtain project funding to the next gateway rather than to assess the overall viability of a project; standalone procurements were often submitted.
- Did not adequately differentiate between small and larger projects
- Frequently did not appraise the full extent of the risk of a project or programme

9. For many Members and Chief Officers, the gateway submissions provided the only means of transparency for the development of projects and programmes. Contextual information on gateway submissions, such as trends in project cost, was not always visible. This meant that Members were often immersed in operational details and did not have the correct information to step back and evaluate the direction.

10. The combined impact of these problems meant that projects were frequently delayed and/or cost more than necessary. According to work undertaken by the City Surveyor department, compared to the typical construction process outside the Corporation, project duration was often 50% longer, and professional fees were sometimes 25% higher within the Corporation.

Our Approach

11. The team has consulted widely across the Corporation in the development of the new P3 Framework. All levels of the Corporation have been engaged in developing, testing, and iterating its design. These reviews enabled the team to co-create the framework with project managers and those who manage them. These forums have included the use of:

    - Workshops with project managers and directors to identify pain points of the current project procedure, as well as providing an opportunity to seek solutions
    - A ‘Guiding Coalition’ including senior management representatives from the Town Clerk’s office, Chamberlain’s, DCCS, Innovation and Growth, City Surveyor’s, City Bridge Foundation, the Barbican, Environment and City of London Police
    - A ‘Change Champions’ forum which brought together practitioners, including project and programme managers for different sizes of projects and across a variety of departments
    - Review by Departmental Leadership Teams – The new P3 Framework has been endorsed by all departments and institutions, except for Freemen’s School.

- Review by the City of London Corporation Portfolio Board, containing the Chief Officers and representation from institutions

12. In addition, to illustrate the framework, workshops were conducted with project managers from several real-life projects to understand how the new method will reduce, streamline, and improve the current gateway process. These workshops examined the changes in documentation produced at each stage, the process steps that the project manager needed to undertake, and the understanding of the proposed governance changes. The forums provided an opportunity for project managers to further engage in the development of the new framework and demonstrated how it would work in practice.

Project Tiering

13. Under the new P3 Framework, all projects and programmes will be tiered according to their financial value, complexity, and impact on people. This will help ensure that the governance provided to a project or programme is proportionate to its size and complexity. The intention is that through this new tiered approach, Members' time is used efficiently, focusing scrutiny on more strategic decisions as well as higher-risk, high-cost or politically sensitive projects. At the same time, lighter governance is applied to those projects with more routine delivery.

14. These new tiering categories are as follows:

	Description	Typical cost	Estimated no. of projects
Tier 0	High-profile to the City of London Corporation, directly addresses the strategic outcomes of the Corporation	£100m+	2 (FPE and Barbican Renewal)
Tier 1	Delivers strategic outcomes for the City of London Corporation, high levels of uncertainty, requires new or innovative practice, complex to deliver	£20m-£100m	16
Tier 2	Contributes to strategic outcomes, contains uncertainty, requires some technical innovation and with moderate impact upon people	£5m-£20m	64
Tier 3	Aligns to strategic outcomes, clearly defined approach, requires some	£250k-£5m	102

	technical innovation and with minimal impact upon people		

15. Please note that the number of projects in the table above are provisional estimates and will require amending when the new tiering tool has been produced. At the time of writing 72 projects are awaiting to be tiered. A tiering tool will be developed to aid the categorisation of projects and programmes and provide an indicative tiering for the project or programme manager. The initial tiering can be revised as business cases are developed. In addition, City of London Portfolio Board or Project and Procurement Sub-Committee can revise tiering should they consider it appropriate to do so. The ePMO will review tiering across the Corporation to ensure consistency.

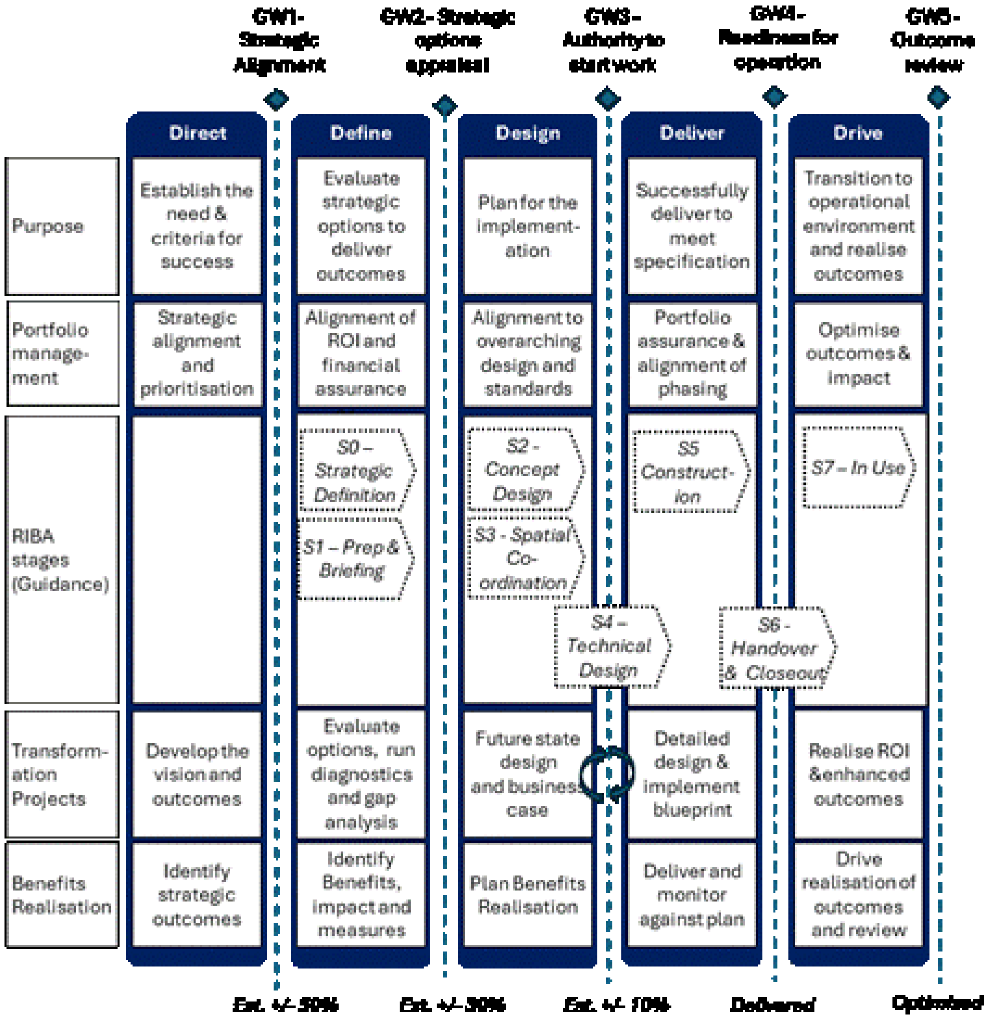
The new gateways and governance

16. The new gateway process structures the lifecycle of all Tier 3 and above projects and programmes into five sequential stages, each with mandatory deliverables and decision points. The new gateways are designed to be simplified and consolidated. The intention is to provide a framework for project managers to operate within, rather than a prescriptive operating procedure.

17. The new gateways are:

- Gateway 1 – Direct (Strategic Alignment) – Establishes the project need, ensures strategic alignment, and establishes early estimates of costs, benefits, and funding sources. At this stage, the project's strategic case is developed.
- Gateway 2 – Define (Strategic Options Appraisal) – Explores delivery options and refines costs and benefits. At this stage, the outline business case is produced.
- Gateway 3- Design (Authority to Start Work) – Finalises the preferred option, confirms funding, develops the project schedule and the outcomes expected from the project or programme. At this stage, the full business case is produced.
- Gateway 4 – Deliver (Readiness for Operation) – Delivery of agreed outputs, resource management, progress reporting and issue resolution. At the end of this stage, a readiness for operation assessment is undertaken.
- Gateway 5 – Drive (Outcome Review) – Transition to business as usual, benefits review, lessons learned and formal project closure. At this stage, a closure report is written, and lessons learned are formally documented.

18. These gateways are aligned to both RIBA stages and to transformation approaches. The gateway process is streamlined and embedded with sustainability, outcome planning and benefits realisation as mandatory components. The following diagram explains these gateways:



19. Tier 2 and Tier 3 projects and programmes have ‘fast track’ routes. For example, where no options appraisal is required, the second gateway can be combined or skipped. This approach enables members to retain governance authority while providing a basis for projects to respond to time-sensitive environments (e.g., those related to health and safety) or when the project is externally funded.

20. The P3 Framework clearly defines mandatory and optional documentation for each Gateway. This will include business cases, which will consist of more contextual information for members, such as trends in costs over time.

Key changes to the procedure

21. The following table indicates the key changes to the project procedure:

Topic	Description of change	Benefits

Strategic emphasis	• First two gateways focus upon alignment with City of London Corporation strategic outcomes, as well as Institution priorities and Climate Action • Earlier culling of non-viable projects	• Members can be confident that investment decisions support agreed policy priorities • Easier to demonstrate tangible delivery against strategic commitments and Member priorities
Scope of Framework	• A single framework covering construction, transformation and innovation projects • The P3 Framework will now cover all projects types over £250k. This is an increase from the previous threshold of £50k • No exclusions to the framework • Tier 0 (Major programmes) to now be included within the Gateway process	• Members have better oversight of all major projects and programmes – enabling Members to hold officers to account • Better alignment to City's strategic goals
Clearer oversight and accountability	• Clear definition of accountable and responsible departments • Accountable departments are the client departments with the Senior Responsible Owner (SRO). • Responsible departments deliver the project or programme, typically handling the Design and Delivery stages	• Members have clearer lines of accountability, enabling more effective challenge, assurance and follow up across committees and portfolios

Gateways	• Reduction of the current six gateways (under complex route) to five gateways • The current Project Briefing and Project Proposal Gates combined into one Gateway which covers "Strategic Alignment." • Removing the detailed options appraisal from the current gateways • Remove the current light, regular and complex routes and instead have options for fast-tracking relevant projects (Tier 2 and Tier 3 only) • A new Gateway 4 (Readiness for Operation) introduced to assess for readiness to handover into an operational state. By default, it will be approved by the SRO. • Gateway 5 is concerned with driving through the benefits of the project or programme and realising its objectives • Once a “Red” project agrees a rebaselined plan with the Service Committee and PPsC, it can proceed as a “Green” project	• Gateways at the right points to enable impactful strategic interventions by Members • Enhances strategic value from the outset as well as upon the realisation of benefits and outcomes
Member Governance	• It is proposed for the Court of Common Council to approve projects and programmes over £20m • Proposed for Service Committees to receive business cases for projects and programmes over £5m in cost	• Members focus on those projects that matter most to the achieve of political and community priorities

	• Each portfolio, including sub-portfolios, will have a summary Portfolio Dashboard received at PPsC.	• Members gain timely visibility of project performance and emerging risks – empowering earlier intervention and reducing reliance upon the gateway process
Officer Governance	• Introduction of City of London Portfolio Board which will receive Monthly portfolio dashboards on projects and programmes • Portfolio Board to also receive Gateway submissions and business cases for Tier 0 and Tier 1 (£20m+) projects prior to submission to members • Remove the use of the officer led corporate projects board and replace with departmental portfolio boards to provide a hierarchy for resolution of project issues • Chief Officers can approve all Gateway reports for Tier 3 projects and programmes (up to £5m) • The Chamberlains Assurance Board will receive Gateway Tier 0 and Tier 1 papers and will provide financial assurance and recommendations to the CoL Portfolio Board	• Enhanced strategic oversight, advice on trade-offs between investments and financial assurance to Members • An officer hierarchy for the resolution of project related issues

Risk Management	• The SRO will have delegated authority to draw down against the agreed costed risk profile • In addition, expand the use of optimism bias to Tier 1 projects at a minimum but also available to lower tier projects • The 'opimism bias' reserve can only be drawn down from authorisation from the Service Committee concerned and Finance Committee.	• Better understand and manage the full extent of the risk of a project or programme – and quantify known and unknown risks
Focus on benefits, outcomes and climate impact	• A benefits realisation plan is required and a new benefits framework is in development for benefits identification and realisation • A new phase specifically addressing the needs of benefits realisation	• Members can evaluate whether projects deliver not just on time and budget but also wider public value – supporting stronger public accountability

Financial Governance Changes

22. The current financial regulations refer directly to the project procedure as the overarching guidance for Capital and Supplementary Revenue project budgets within the City Corporation. Therefore, updating the framework will, in current formats, remove the previous guidance on how to manage project budgets.

23. The previous approach led to several issues including;

- Lack of clarity around approved budgets
- Duplication of budget approvals
- Duplication of governance processes for revenue expenditure
- Duplication of information within financial systems impacting on the quality of reporting

- Delays in processing budget adjustments aligned to gateway stages

24. The update to the framework gives an opportunity to update financial governance and improve transparency and accountability for budget managers. In order to achieve this, the financial regulations will also require updating in order to ensure there is a complete overarching financial governance framework. A draft update to the Capital Budget financial regulations has been drafted and is included as Appendix A.

25. The key principles of the changes to the financial regulations are based on budgets being either 'Revenue' or 'Capital', with budgets approved in line with those governance arrangements. This means a move away from the previous drawdown of funding at each gateway stage. The reasons for this and other key changes are set out in the table below.

Old process	**New Process**	**Why change?**
Budget drawn down at each gateway stage	Budget approved in line with annual budget setting or in line with financial regulations	Greater clarity for budget managers of approved amounts. Less chance of budget "creep" at each gateway stage
Recharging **all costs** to project budget codes (inc revenue projects)	Recharge staff costs to capital projects where appropriate, but keep other revenue costs within local/central risk budgets and bring funding into these if needed (i.e. s106)	Currently have a process where costs are moved out of revenue into SRP projects, then brought back into revenue at year end. This does not aid transparency and reporting and also created unnecessary admin.
Gateway process and spend control in CBIS used to provide assurance	Quarterly budget monitoring provides earlier identification of pressures. Requirement to remain within budget remains and should be considered at each gateway stage	Previous process meant prioritisation was taken on a case by case basis when reports came forward. Aligning more to budget cycle will allow members to consider the broader impact
Approvals linked to progression through gateway stages	Approvals linked to procurement thresholds and financial regulations	Removes duplication of approvals and increases emphasis on monitoring and reporting

Scenarios

26. A number of scenarios of existing projects were reviewed to understand how the new P3 framework will reduce, streamline and improve the current gateway process. These scenarios provided an opportunity to further engage project managers in the development of the P3 Framework and to demonstrate how it would work in practice for a particular project.

Project	Description	Key benefits of the new framework for the project	Member Approval Steps (Old)	Member Approval Steps (New)
COLPAI – Tier One	Housing development – complications which resulted in costs increasing from £25m to £61m.	• Greater strategic focus - First two gateways focus upon 'why' and 'what' of the programme • Better manage our known and unknown risks – use of optimism bias	21	13
ERP – Tier One	High profile systems implementation – complexities in governance	• Governance interventions focused upon strategic decision points • Better risk and financial management	28	13
Future Network Programme-Tier 2	Future Corporation Network – required combined gateways to create feasibility fund	• Framework accommodates a faster approval process for Tier 2 • Faster approvals for changes within scope and budget	12	6
Tower Bridge Trenches – Tier 3	Alignment to City Bridge 50 year plan – required 3-4 committee approvals at each gateway	• Project gateways will be approved by the chief officer	10	N/A

Implementation

27. It is proposed that the new P3 Framework be implemented as part of the second phase of Portfolio Management. The first phase of this programme successfully went live in April 2025 with the launch of the new ePMO system (Cora) and reporting to the CoL Portfolio Board. Feedback on the new system was well received by those who attended the training. Upon seeing the new system, some departments wish to adopt its use without requiring a corporate requirement to do so. The ePMO system can embed the processes and governance arrangements of the P3 Framework within its workflows and checklists, thereby easing adoption by project managers and enabling compliance.

28. However, transitioning to the new gateways proposed in this document carries risk. It is not considered feasible to operate two gateway systems simultaneously within the Corporation, and therefore, a transition of in-flight projects and programmes is required to the new gateways. There are projects and programmes which are currently operating through an existing gateway which may may not exist under the new arrangements, with potential implications for project funding or commercial arrangements. In addition, Members, Chief Officer and Projects will need to be adequately supported to adopt the new arrangements.

29. To address these risks, the team is proposing as part of the implementation to undertake an assessment of project's readiness to transition to the new gateways. This will include an assessment of a project's contractual arrangements, project funding, member awareness, supporting tools and templates, governance and project manager understanding of the changes required. This assessment will be formally documented and will feed into an informed decision as to the readiness to transition.

30. The following are the workstreams of the second phase of the programe.

Workstream	Description	Key outputs
Cora Implementation (Phase 2)	• Detailed process mapping and workflows for Cora • Requirements gathering for Benefits Module and Workflow • Systems configuration and testing	• Cora phase 2 complete with Benefits and Workflow modules

	• Project Manager Training on Cora	
Benefits Management	• Development of a benefits framework • Requirements for the benefits module of Cora	• Benefits management framework
PPM Framework	• Development of guidance material for the P3 Framework and placing on the intranet • Development of tiering tool • Manual forms for the PPM framework (for those who cant use Cora) • Development of Business case and gateway submission templates	• Intranet Guidance • PPM Framework • Gateway submission documentation
Operational Readiness	• An assessment of individual projects and Portfolios to determine their readiness to transition to the new gateways ahead of implementation • Hands-on support to project managers to transition to new gateways and support to users upon go-live of the system • Establishment of Departmental Portfolio Boards and support to Chief Officers • Agreeing exceptions to the	• Departmental portfolio boards in operation • Go/No Go Decision for transition • Successful transition of projects to new gateways

	new gateways for individual projects (e.g. those close to closure) • Drop in sessions to support users	
Skills and Capability Development	• Development of a wider range of training for different learner types – including Members, Portfolio Executives and Senior Responsible Owners, project managers and project officers, as well as Finance Business Partners • Development of a Capabilities Analysis system to proactively identify areas of focus and development for learners • Increase the visibility of industry memberships (such as APM) to support further CPD opportunities	• Online e-learn training modules on key project management competences • In-person training designed with different learner types in mind • Alignment with other CoLC training offers • Alignment with internal processes and industry best practices • Regular stakeholder engagement and communication
Communications and Stakeholder Engagement	• Communication to Directors, Project Managers and Members • Revision of the current guiding coalition to a forum which supports Directors in establishing the new governance in their services • Ongoing feedback loops – feedback	• Regular communication

	will be collected on change readiness assessment of project management teams • Videos to explain aspects of the key changes	

31. The system and supporting material will be ready and live in October 2025. To provide sufficient time to prepare Members, Chief Officers and Project Managers for the change, it is proposed that the launch occur in November 2025.

Corporate & Strategic Implications

Financial implications – Integration of financial data drawn from SAP (as part of Programme Sapphire) with the Portfolio Management tool, Cora, is currently unfunded.

Resource implications – The implementation plan for the new project procedure includes a revised training offer for project managers and a wide number of other learner types.

Legal implications – None.

Risk implications – Freemen's school not supportive of new project procedure, ensuring that project managers are ready to transition to the new structure, currently funding for financial integration implementation is unconfirmed.

Equalities implications – The new framework provides an opportunity to enhance and further embed inclusive thinking. Implementation requires accommodation of disabilities in systems usage appropriately and to provide flexible training for carers.
An EQIA assessment has been carried out (Appendix C).

Climate implications – The new framework mandates climate action reviews as part of the gateway process.

Security implications – None.

Conclusion

The revised Project, Programme and Portfolio (P3) Framework represents a significant step forward in strengthening the City of London Corporation's approach to project governance. It provides Members with clearer oversight, improved assurance and greater alignment between investment decisions and strategic outcomes.

Appendices

Appendix A – Finance Regulations

Appendix B – Risk Register

Appendix C – EQIA Assessment

Appendix D – Proposed new project procedure

Background Papers

Project Governance Review - Finance Committee - 18th July 2023

Independent review of project related member governance – Court of Common Council – 7th September 2023

Genine Whitehorne
Director Commercial, Change and Portfolio Delivery

T: 07749 402140
E: genine.whitehorne@cityoflondon.gov.uk

Appendix A – Finance Regulations

Managing Capital Budgets

1.1 Capital budgets are generally managed in accordance with the Corporate Project Procedure via the gateway process and associated guidance. City Bridge Foundation projects are managed in accordance with the Corporate Project Procedure subject to the City Bridge Foundation Board being the responsible Committee for all decisions except where reserved to the Court of Common Council. Further, the City Corporation's Major Projects (under City Fund and City's Estate) are not required to follow the gateways and are under the direct control and management of the Capital Buildings or Policy and Resources Committees.

1.2 Capital projects are major one-off expenditures (>£50k capitalisation threshold) relating to the acquisition, creation or enhancement of an asset that yields benefits to the authority and the service it provides for a period of more than one year. For example, cyclical replacements of major components (e.g. windows, roofs, M&E infrastructure) are capital but cyclical repairs are not.

1.3 Project expenditure that does not meet the accounting definition of capital expenditure, e.g. preliminary project costs at feasibility and option appraisal stages and one-off major repairs (>£50k) should be identified and approved in line with revenue guidelines set out above. Classification of expenditures between capital and Revenue should be made in consultation with the Chamberlain's department.

1.4 All capital budgets should be approved as part of the annual bid process with approval sought from the Resource Allocation Sub, Policy and Resources and Finance Committees and subject to final approval of the Court of Common Council, which informs the Capital Strategy which feeds into the Medium-Term Financial Plan (MTFP). For City Bridge Foundation, all approvals shall be sought from the City Bridge Foundation Board including approval for capital projects which are cross cutting across all three funds (City Fund, City's Estate and City Bridge Foundation) within the framework set by, and subject to any reservations to, the Court.

1.5 If an urgent capital project is required and will incur expenditure in the financial year, then then the following action should be taken depending on the funding source.

i. S106/CIL/OSPR

- Reports will be taken on a quarterly basis to the Priorities Board, with proposals then taken to RASC and P&R for approval and inclusion to the Capital (or Revenue) budgets.

ii. External grants

- Reports will be taken on a quarterly basis to the Priorities Board, with proposals then taken to RASC and P&R for approval and inclusion to the Capital (or Revenue) budgets.

iii. Central Funds (CF/CE)

- Any drawdown from the central contingency within the Capital programme each year requires RASC and P&R approval to ensure the overall affordability of the programme is maintained.

1.6 The level of business case required for new bids is set out in the project procedure. Full business cases following Treasury Green Book guidance are required for capital projects over £20m (Tier 1 and Tier 0).

1.7 Capital projects under £20m should still consider the business justification and strategic alignment, along with the revenue benefits of undertaking the work.

1.8 Inclusion of a budget within the Capital programme does not automatically approve all spend associated with it. Spend approvals must still follow the limits set out in the procurement code and scheme of delegation when entering into commitments.

1.9 Capital budgets are not generally specific to a financial year unless the source of funding is restricted by time (e.g. external grant funding). Maintaining an annual profile is however an essential requirement of each Project Manager and all projects will be approved annually through the MTFP process.

1.10 Moving forward Capital expenditure must be recorded on Capital cost centres (SAP) and Revenue expenditure on Revenue cost centres. Where staff costs are to be capitalised these should be recharged on a minimum quarterly basis to ensure clarity around reporting.

Virement of Capital

1.11 Virements within approved Capital budgets are permitted, provided the overall approved sum is not exceeded and the scope remains unaffected. Movement between budget heads (e.g. from fees to works) requires approval of Chief Officer and Head of Finance other than for City Bridge Foundation. For City Bridge Foundation the approval shall be sought from the Finance Director of City Bridge Foundation and the Managing Director of City Bridge Foundation.

1.12 Capital Project Budgets cannot be vired between projects unless approval is sought from Resource Allocation Sub and Policy and Resources Committees.

Appendix B – Strategic Risks and Mitigations

The following are the key strategic risks identified.

Risk	Description	Impact	Likelihood	Overall	Mitigation
Reporting of financial data	Effective project governance relies upon timely financial data.	4	3	12	• Interim reconciliation procedures • Flag financial data status in Cora (e.g. verified or pending) • Operational finance process improvements (e.g. cost codes)
Disruption to inflight projects	In-flight projects may face confusion, governance gaps, or funding shortfalls.	4	3	12	• Conduct structured readiness assessments • Agree exceptions • Offer project-specific support and drop-in sessions via PMO liaisons
Cultural resistance and legacy behaviours	Departments may revert to informal or inconsistent practices e.g. Freemen's School did not endorse	4	3	12	• Use Change Champions to embed new behaviours • Ensure leadership-level advocacy from Chief Officers • Track compliance and follow up on variances via dashboards • Carry out structured communications and engagement activity to share key messages and progress
High-profile failure during transition	A Tier 0/1 project failure could damage trust in the new approach	4	3	12	• Use readiness assessments to identify failure risks • Prioritise transition support for high-profile projects

					• Maintain senior officer oversight and assurance • Use Gateway 4 readiness checks to spot early warning signs
Support to Portfolio Executives / Chief Officers	Chief Officer (Portfolio Executives) may lack the capacity to implement Portfolio model within their departments	3	3	9	• Provide toolkit (e.g. Terms of Reference and roles) • Assign central PMO liaison to support each department • Offer targeted leadership briefings and support
Insufficient Member or officer buy-in	Key stakeholders may view the new model as unnecessary or too complex	3	3	9	• Engage Members through briefings (including assurance and control mechanisms) and real-project walkthroughs • Use early adopter testimonials and success stories
Capability gaps in delivery teams	Staff may lack experience in benefits management, tiering, or strategic appraisal	3	3	9	• PM Academy training to focus on key skill areas and expectations • Inclusion of coaching and mentoring from experienced officers • Guidance material on the intranet • Development of a wider learning and development offer as part of P3 professionalisation
Dilution of strategic focus in smaller projects	Fast-track routes may lead to weak outcomes/ focus for Tier 2/3 projects	2	2	4	• Randomly audit fast-tracked projects for compliance • Escalate high-risk Tier 3 projects for closer review by Chamberlains

					Assurance Board and CoL Portfolio Board
Misuse of optimism bias	Teams may use contingency as a crutch rather than improving risk maturity	2	2	4	• Train SROs and Chief Officers (Portfolio Executives) on appropriate use of optimism bias • Require service committee sign-off for OB drawdowns • Monitor trends in OB use across portfolios

Appendix C - Equality Impact Assessment

<u>Section 1: To be completed by all</u>

Proposal Title	New Project, Programme and Portfolio Framework
Details of the lead officer completing the Assessment/ Role responsible for the completion of the EQIA	Matthew Miles – Portfolio Management Implementation lead
Department Responsible:	Chamberlains
Who has been involved in creating the EQIA: (please summarise/list stakeholders you have engaged with and how)	Nadhim Ahmed (Assistant Director Portfolio Management) and Genine Whitehorne (Commercial Director). gement) and Genine Whitehorne (Commercial Director). The new framework has been developed through consultation with a guiding coalition and change champions.
Date of Initial assessment:	29th May 2025
Dates of review (as applicable)	

1.PROPOSAL OVERVIEW

This Equality Impact Assessment (EQIA) accompanies the proposed implementation of the City of London Corporation's revised Project, Programme and Portfolio (P3) Framework. The new procedure introduces a tiered approach to project governance, simplifies gateway approvals, and strengthens the focus on benefits realisation and strategic alignment with corporate objectives. As part of its commitment to inclusion, the Project Procedure also mandates that individual projects must undertake Equality Impact Assessments where appropriate.

The new framework is largely neutral or positive in its impact on individuals with protected characteristics, as well as other priority inclusion groups such as carers, parents, care leavers, veterans, and people from lower socio-economic backgrounds. The procedure itself does not directly discriminate against any group and provides an opportunity to enhance and further embed inclusive thinking. This includes using benefits frameworks to identify outcomes for disadvantaged groups and requiring Equality Impact Assessments at the project level where appropriate. The risks are primarily associated with the implementation of the new framework.

These include:

- People with disabilities may be disproportionately affected if the new system (Cora) and training materials are not accessible.
- Staff may require additional support to adapt to new digital tools and procedural changes.
- Carers and parents could be negatively impacted if engagement with training is not offered in flexible formats or within family-friendly hours.

These are considered to be relatively low risks.

Sign off

1. Officer completing the EQIA

Name	Matthew Miles
Job Title	Portfolio Management Implementation Lead
Date	29th May 2025
Signature	

2. Line Manager

Name	Nadhim Ahmed
Job Title	Assistant Director – Portfolio Management
Date	29th May 2025
Signature	

3. Senior Manager or Chief Officer

Name	Genine Whitehorne
Job Title	Director – Commercial, Change and Portfolio Delivery
Date	
Signature	

Once this form has been signed off, please send a copy of the form to the EDI Team: CSPT.EDI@cityoflondon.gov.uk