Overview and Scrutiny (O&S)
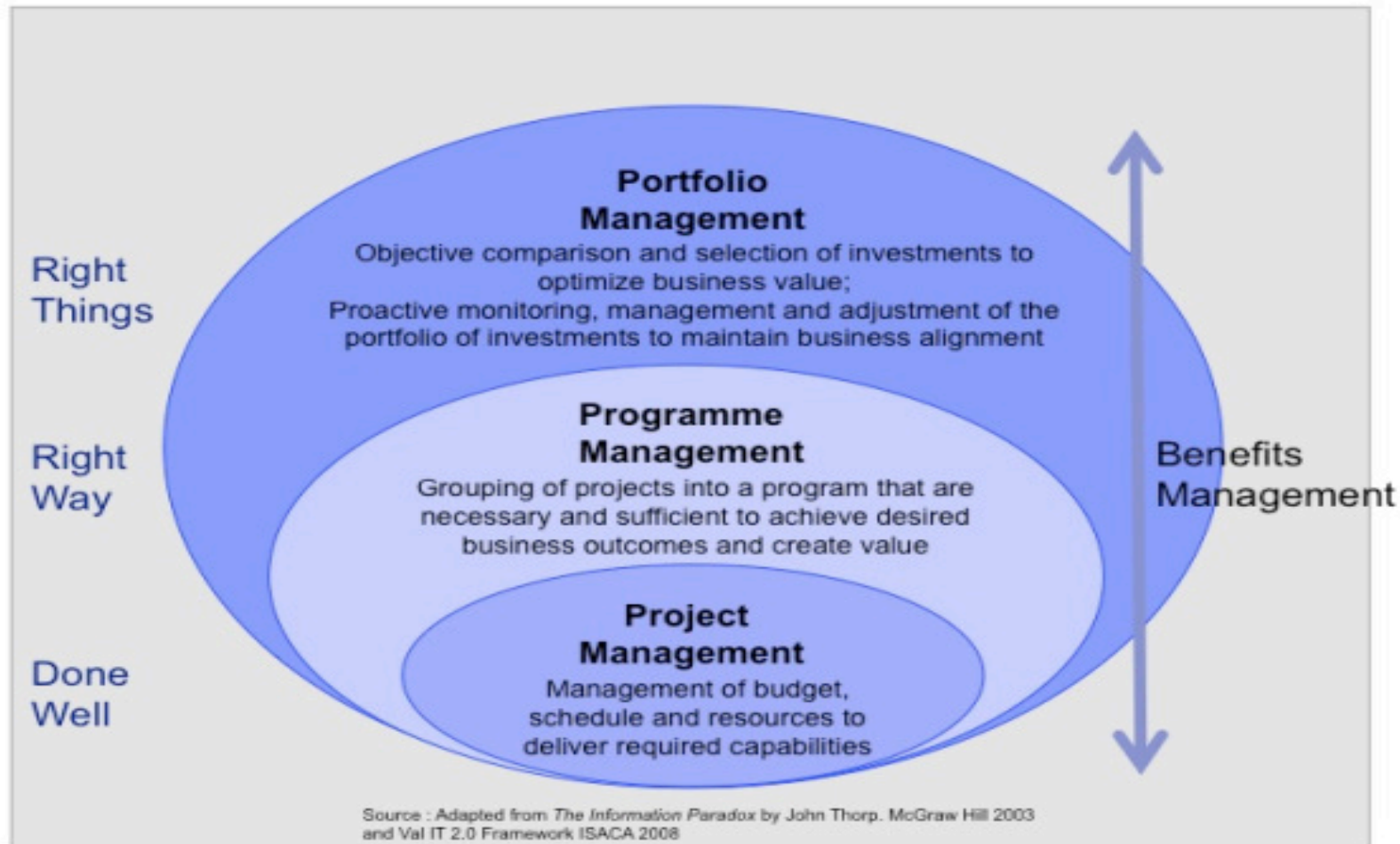
Update on Project & Programme Management (PPM) Governance

9 November 2021

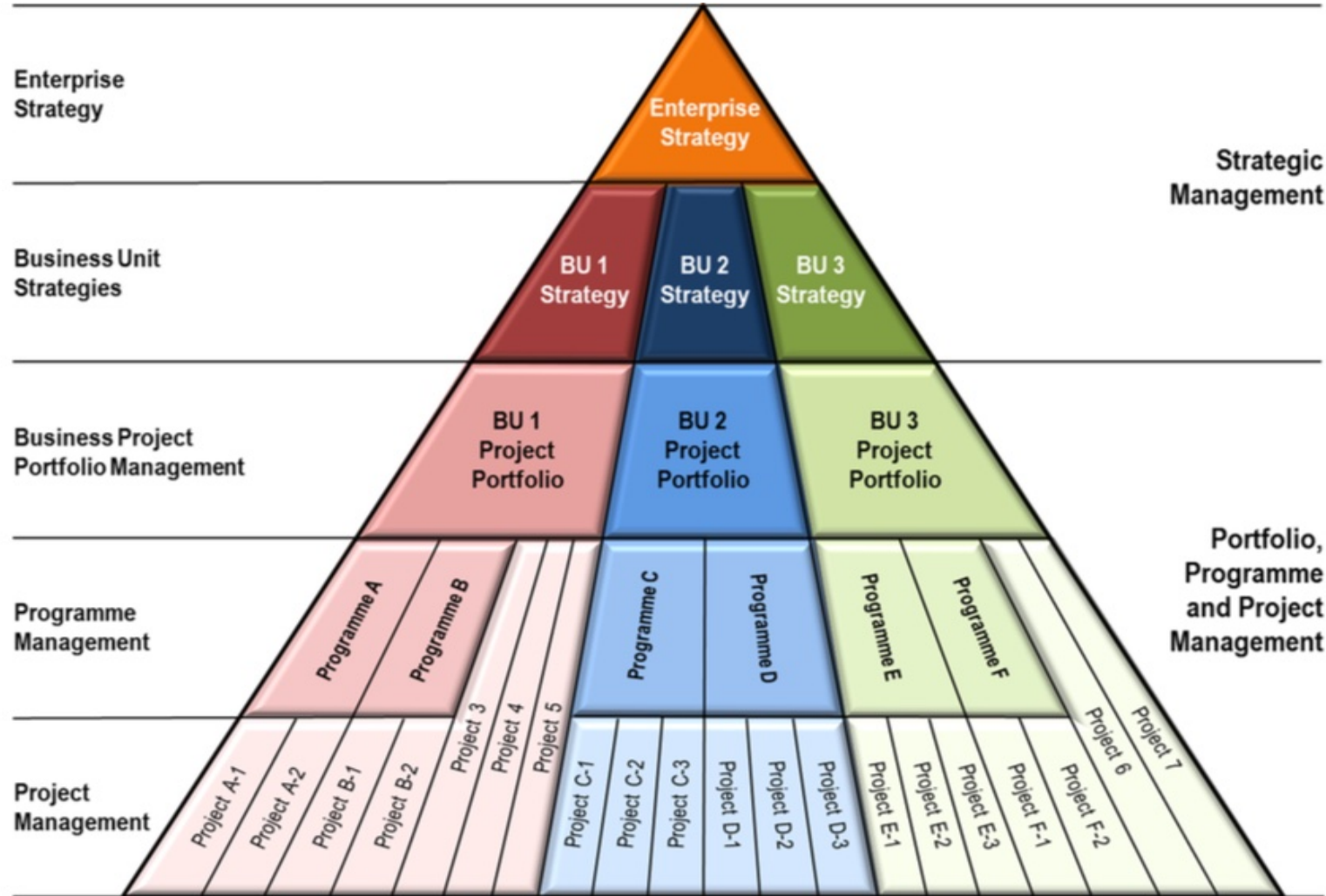# Contents

What is Portfolio, Programme and Project (PPM) Governance?

Source : Adapted from *The Information Paradox* by John Thorp. McGraw Hill 2003 and Val IT 2.0 Framework ISACA 2008

©2011 The Thorp Network Inc.

What is a Portfolio Hierarchy?

Planning Level 0	Corporate Plan, Inc. Local Plan
Council Strategies/Themes Regeneration, Housing and Jobs. Communities & Vulnerable People Climate Change & Environment	
Planning Level 1	Service Plans
Planning Level 2	Programmes/ Sub Portfolios
Planning Level 3	Projects
Planning Level 4	Supplier Plans

PPM Governance Issues in 2020

Issue	Impact
Absence of mandates	Unclear problem definition, outcomes required, scope, strategic alignment or priority
Absence of unified Lifecycle inc. start-up process and stage gates	Lack of ability to direct and control the project
Absence of robust business case including 'Whole Life Costs' (WLC)	Absence of robust rationale for proceeding. No baseline to manage delivery, change or resources. Inability to know longer term cost implications.
Absence of audit trail for decision making	Misdirection & misunderstanding
Absence of strategic context, direction or consensus	Stakeholder challenge, friction & delays
Absence of standardised methodologies	Project manager frustration & low morale
Absence of a clear pipeline of work	Inability for 'enablers' like finance and procurement to engage sufficiently early in the lifecycle

New PPM governance and control products

– GBC Enterprise Portfolio Structure

– Project Lifecycle & Approval Gates

– Start-up Process & Approval Workflow

– Mandates & Business Case Development

– Templates, Guidance & Training

– Highlight Reporting (MPPB 20 Sep)

– Delivery Plans (MPPB & Savings Programme)

– Baselining against Capital Programme

Issue: whilst **affordability** of the portfolio is being addressed through baselining against the Capital Programme and prioritisation, **deliverability** based on further analysis of GBC resource capacity and capability needs to be considered before commitments to deliver are made.

GBC Enterprise Change Portfolio
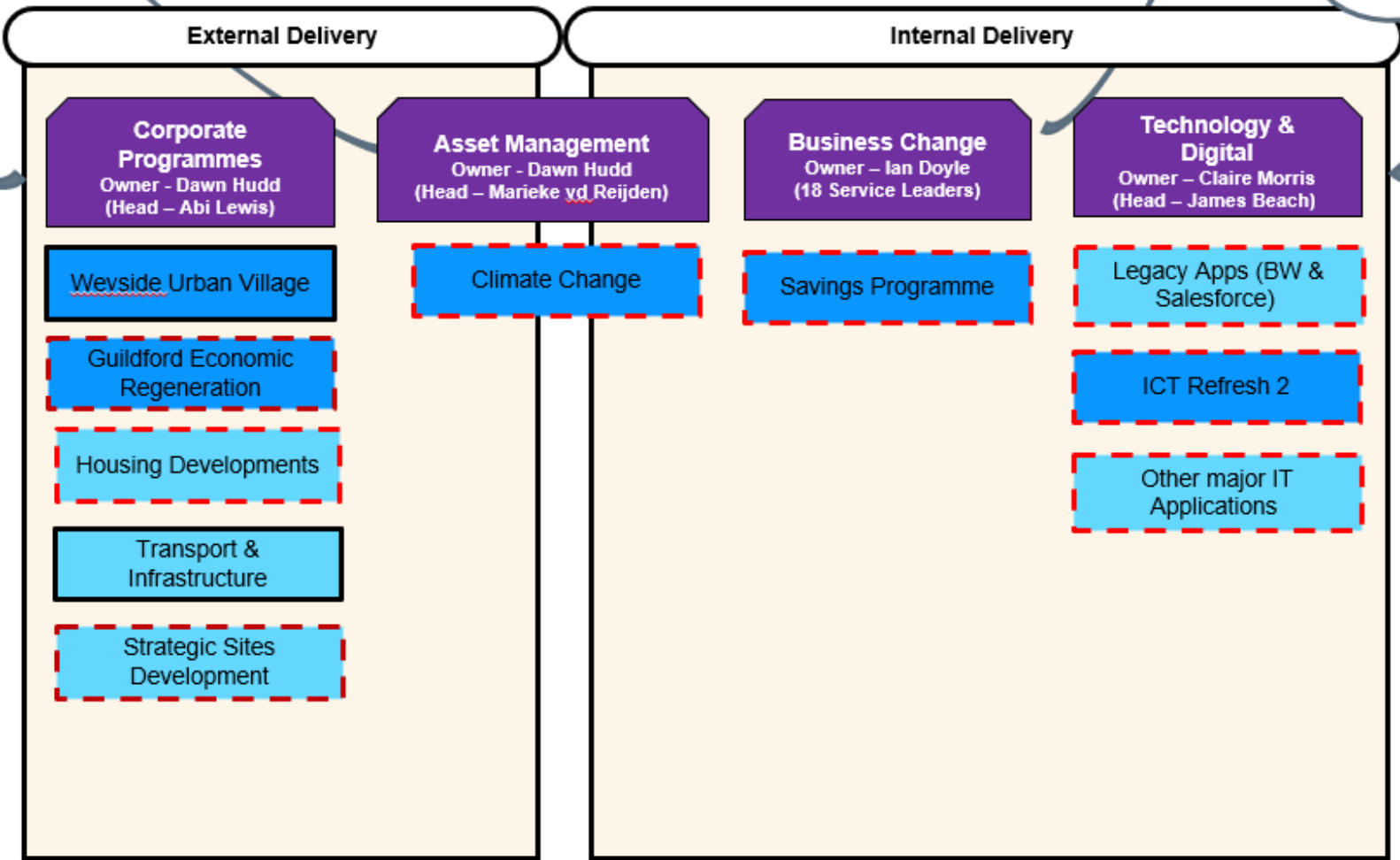Hierarchy of Programmes and Sub Portfolios
Owner - James Whiteman

Climate change, Cllr Harwood

Services – efficiencies, affordability, income & value for money Cllr Redpath

Homes, infrastructure & regeneration Cllrs Rigg & Harwood & McShane

Digital Services - internal & external Cllr Bigmore

This diagram illustrates the proposed enterprise portfolio hierarchy for programmes and sub portfolios. Key below

External Delivery

Internal Delivery

Corporate Programmes
Owner - Dawn Hudd
(Head – Abi Lewis)

Weyside Urban Village

Guildford Economic Regeneration

Housing Developments

Transport & Infrastructure

Strategic Sites Development

Asset Management
Owner - Dawn Hudd
(Head – Marieke vd Reijden)

Climate Change

Business Change
Owner – Ian Doyle
(18 Service Leaders)

Savings Programme

Technology & Digital
Owner – Claire Morris
(Head – James Beach)

Legacy Apps (BW & Salesforce)

ICT Refresh 2

Other major IT Applications

Strategic Priorities

Area

Programme

Emerging Programme

Sub Portfolio

Emerging Sub Portfolio

2

Project Lifecycle - Approval & Assurance Gates

Project Lifecycle Stage	Definition of Stage	Approval Document	Assurance Review	Approval Gate
Radar	An awareness of the need for a project but nothing initiated. A clear statement of the problem to be solved and strategic direction to solving it. A baseline to assess any Business Case against.	Mandate	Project Validation Review	Start Gate
Initiation	A refined statement of the problem to be solved and the strategic outcomes desired (success criteria). Establishing clear ownership of the problem. Broad financial estimates. Narrowing of options to short list. Indication of preferred way forward.	Strategic Outline Case (SOC)	Strategic Assessment	Gate 0
Feasibility	Evaluating the short-listed options in more detail. Fuller financial appraisal and a recommended preferred way forward based on value for money.	Outline Business Case (OBC)	Business Justification	Gate 1
Design	Development of the preferred solution option. Testing all earlier assumptions. Refining costs and benefits.	Full Business Case (FBC)	Delivery Strategy	Gate 2
Procurement	In light of tenders and supplier input establish whether the preferred solution is affordable and deliverable.	Revised FBC in light of change	Investment Decision	Gate 3
Delivery	Execute delivery of the solution. Limit changes. Manage suppliers, costs and risks. Unblock issues.	Revised FBC in light of change	Readiness for Service	Gate 4
Handover	Hand asset or output to BAU owner	Closure Report	Operations Review	Gate 5
Closure	Formally close project	Lessons Learned Report		
Evaluation	Evaluate effectiveness of delivery	Post Project Evaluation		

Please note - Small procurements can happen prior to any stage

What is a Business Case?

Strategic Case	Is there a compelling case for change?
Economic Case	Are we providing the best value for money?
Commercial Case	How will suppliers be selected and managed?
Financial Case	Can we afford it?
Management Case	How will the project/programme be delivered?

How does a Business Case evolve from SOC to OBC to FBC?

| Start Gate | | Gate 0 | Gate 1 | Gates 2-5 |

Mandate
- Problem statement & strategic direction
- Longlist of options and direction of travel
- Rough Order of Magnitude (ROM) of Whole Life Costs (WLC)

HMT 5 Case Model
- Strategic Case
- Economic Case
- Commercial Case
- Financial Case
- Management Case

Strategic Outline Case (SOC)
- Demonstrable case for change
- Confirm the shortlist of options
- Early market engagement & legal advice
- Broad financial estimates
- Proposed delivery approach

Outline Business Case (OBC)
- Confirm case for change
- Identify preferred way forward
- Procurement strategy & planning
- Financial appraisal
- Proposed plan for delivery

Full Business Case (FBC)
- Confirm the case for change
- Confirm preferred way forward
- Procurement outcomes
- Confirm affordability & budgets
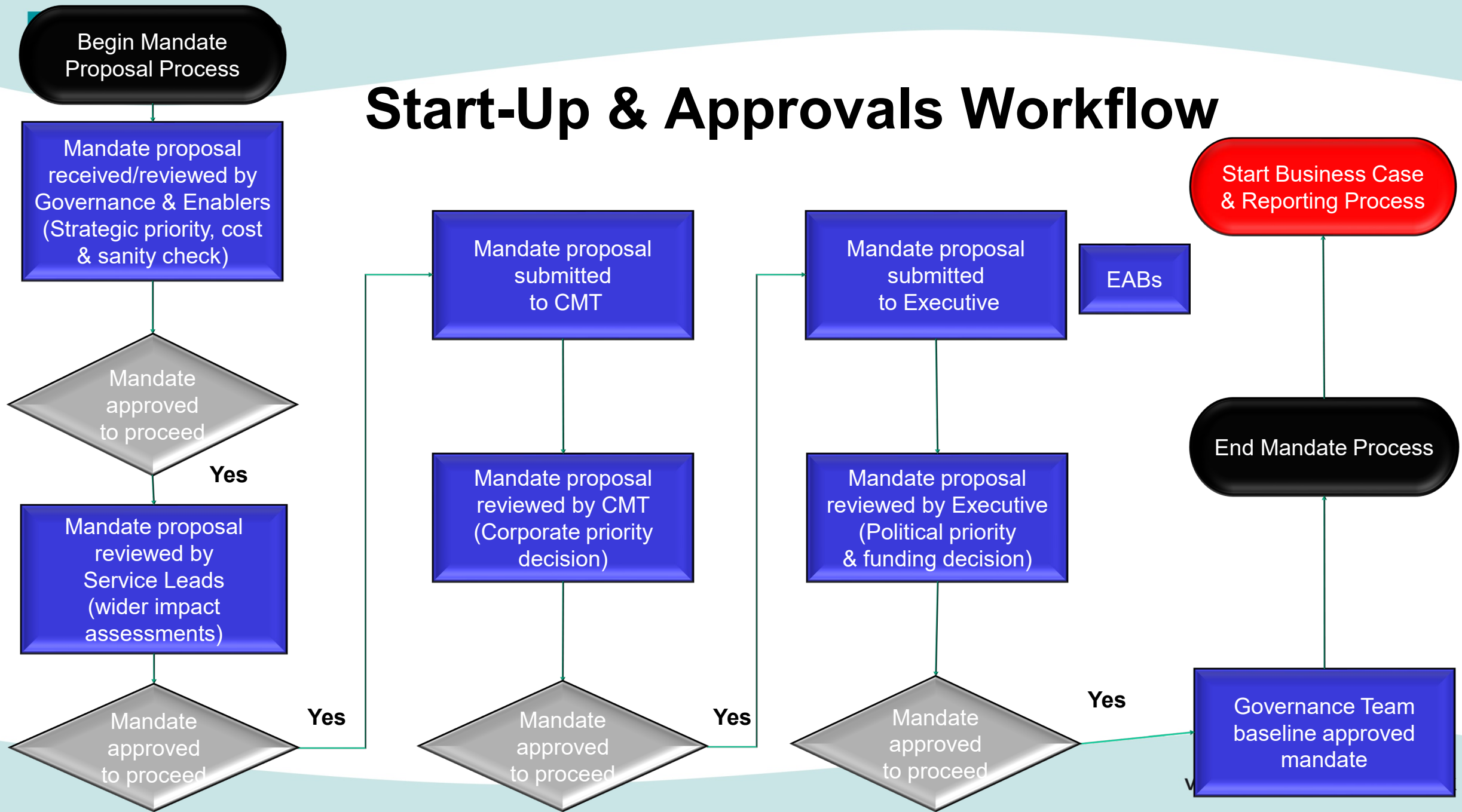- Comprehensive delivery plan

Alignment to GBC Financial Management Process

Capital Vision Bid → Provisional Capital Bid → Approved Capital Bid

Start-Up & Approvals Workflow

Benefits

- 'Say it once' reporting for PM's saving time and money
- Widest common understanding of rationale, scope, costs and benefits reducing change requests and scope creep
- Clear baselines and approvals, driving accountability
- Standard reporting format helping Councillors, CMT and finance team to have visibility and confidence
- Pipeline management helping all enablers to engage earlier in the process
- Better joined up understanding of the scale and complexity of delivery
- Better and more consistent information will translate to quicker and better decisions
- Start-up process enabling high priorities to move forward. It has also prevented low priority projects from gaining momentum and diverting resources without wider support and formal approval

Next Steps

- Baseline the Corporate Programmes Delivery Plans (scope) with the financial allocations in the Capital Programme budget held by Finance (financial alignment)

- Undertake a detailed resource review to map current resources to highest priorities and identify the gaps (resource alignment)

- Continue to consult to define processes, templates and workflow

- Consider options for an Enterprise Portfolio Management (EPM) toolset to support more effective delivery, reporting and governance of portfolios, programmes and projects across GBC, but focusing first on Corporate Programmes.

Strategic Route to O&S

CMT – 14 September 2021

MPPB – 20 September 2021

Executive Liaison – 6 October 2021

Overview and Scrutiny – 9 November 2021