Audit & Standards Committee
Governance of Change Portfolio

28th September 2020

Recommendation

That the Committee note and take assurance on the arrangements for governance of the change portfolio

1.   Background

1.1   The Audit and Standards Committee on 7th March 2019 requested an update on the new change management framework (now called the change portfolio) to be brought to a future committee meeting setting out the governance of change projects and explaining how oversight of the portfolio would take place to ensure its effectiveness.

1.2   The governance proposal has been considered at Corporate Board on the 26th February 2020 and has been implemented.

1.3   For context, the Commissioning Support Unit (CSU) is responsible for the Governance of the Change Portfolio. The CSU provides assurance to the Council that its change management, projects and programmes are delivered to target and deliver the required benefits.

The CSU comprises 4 functions:

- Business Intelligence
- Contract Management and Quality Assurance
- Portfolio Management Office (PMO)
- Change Management

1.4   The key design principles of the PMO and Change Management Service are:
- To deliver transformation and service improvement programmes and projects through a single integrated approach to portfolios, programmes and projects
- To establish a portfolio management approach: portfolio level planning, benefits realisation, resourcing and portfolio and programmes cumulative risk management
- To introduce robust processes for identifying and ensuring delivery of benefits realisation
- To implement a release management approach in how we rollout and consolidate change across the authority

- To increase resilience of the service by deploying resources effectively and investing in existing staff to ensure they are professional, adaptable and flexible enough to cope with capacity and demand
- To professionalise the service by having appropriately skilled teams with clear career paths and opportunities for progression
- To achieve the cost savings agreed by Corporate Board by developing and managing our resources more effectively to reduce the current level of reliance on generic programme and project agency staff/contractors

2. The Proposal

2.1 From the 1st April 2020, the Council moved from a "transformation programme", to "mainstreaming change" through projects and programmes that are part of the Change Portfolio. To support this, a refreshed governance has been designed to be appropriate and proportionate to ensure we make best use of our time. We have also sought to achieve the right balance between simplicity and rigour.

2.2 A project is ongoing to deliver appropriate governance and keep it on track and proportionate, given the impact of COVID-19 on the priorities of the Council's Recovery Plan approved by Cabinet on the 10th September and how the Change Portfolio therefore aligns to deliver on those priorities. Participation in the governance project fully engages the officer Leadership of the Council. The governance has been designed in coordination with the emerging risk management and corporate assurance frameworks. The Internal Audit service has provided an advisory role on this governance project.
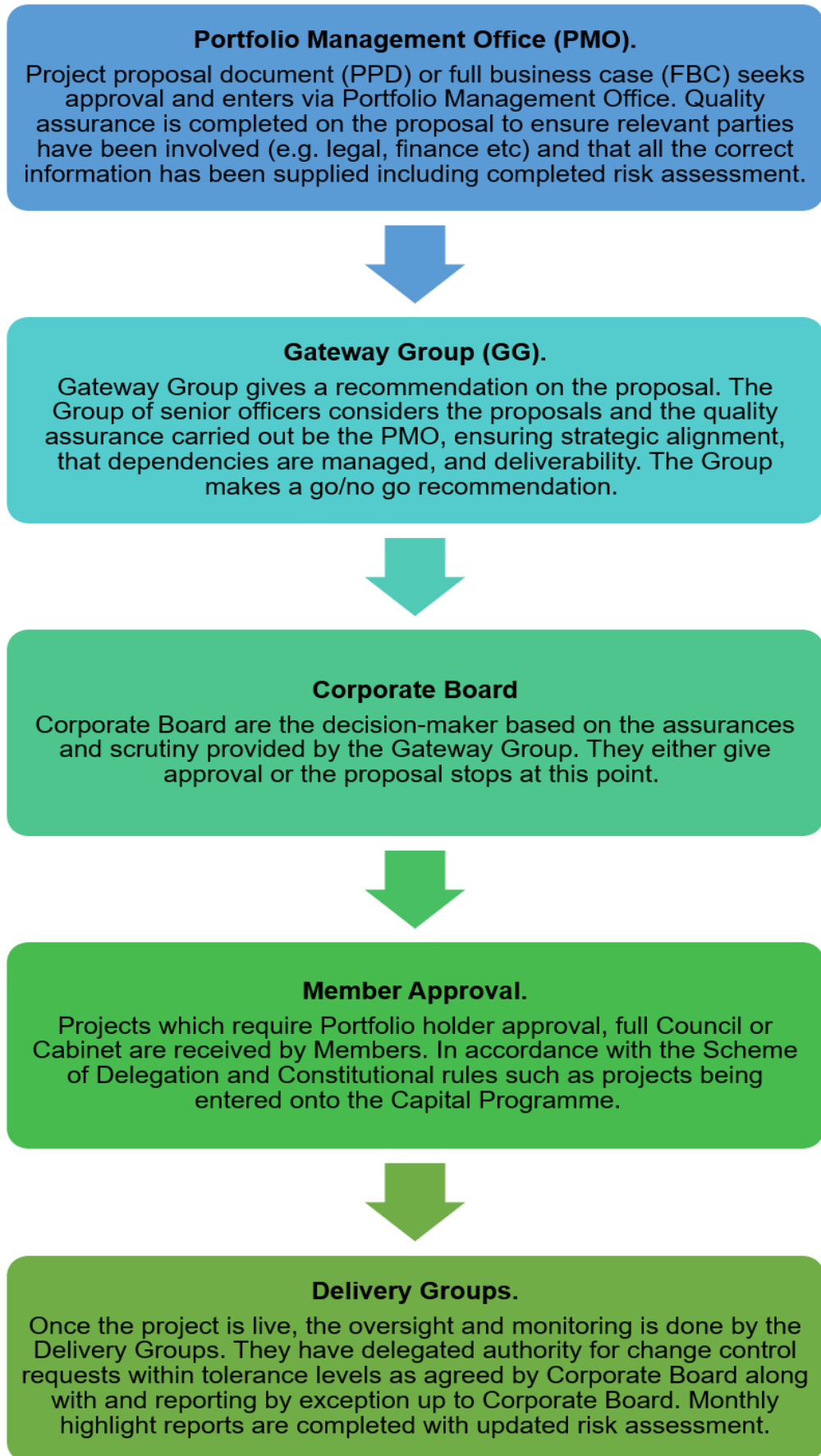
Progress so far

2.3 We have established a Change Management Framework function in the CSU. We have also established the PMO, also in the CSU. The structures of these two new functions have been approved and are now being populated. VERTO is our project management and change management system, in place since April 2019. Corporate Board acting as Change Portfolio Board has complete oversight.

2.4 A 'Gateway Group' of senior officers provides scrutiny and recommends change decisions to the Change Portfolio Board. Directorate Transformation Delivery Groups have so far provided oversight of the projects and programs at delivery stage. Our Change plans have informed the Council Plan 2025 and the MTFS, and most recently the now approved COVID-19 Recovery Plan.

The refreshed governance

2.5   The change governance project is responsible for the refresh of the governance for the Change Portfolio. A single gateway for all change, including Capital and Commercial projects and programmes has been implemented. A consistent approach to 'project proposal documents (PPD's)' and 'business cases' is part of the new process.

2.6   The PMO provides the assurance framework, particularly with regards to strategic planning, financial appraisals and project delivery/resourcing. The relevant experts, financial and legal for example, provide the technical assurance on the content of PPD's and business cases. The PMO provides ongoing monitoring of the effectiveness of the governance, testing that it remains fit for purpose in light of COVID-19 impact on the Council's change portfolio, and importantly that it aligns with the risk and assurance approach of the Council.

2.7   Corporate Board remains the decision-maker, taking recommendations from the Gateway Group. For any projects or programmes judged as key strategic priorities Corporate Board have ongoing visibility and provide senior assurance, alongside escalation of any exceptions, or proposed changes to this governance.

2.8   There are specific delivery groups which are responsible for oversight at delivery stage. These delivery groups will be Directorate Leadership Teams for projects that deliver outcomes for a specific directorate or service. For projects that deliver outcomes that cut across the wider organisation, oversight will be provided by themed delivery groups including Digital and Data, How We Work (which covers People strategy, ways of working and use of assets) and for Commercial Projects.

2.9   A diagram outlining the key points of the new approach is on the following page. The new approach is designed to fit with the Council's constitutional and decision-making governance including Contract Standing Orders and Financial Regulations. CSU and Governance and Policy are working closely to ensure that both elements of Council governance are compatible and further the aims of the Council as set out in the Council Plan which drives and sets the course and parameters for the budget framework presented as the MTFS.

2.10   Benefits of the new programme governance structure include:

- Visibility of the complete change portfolio;
- Identification and management of dependencies;
- Clear accountabilities, responsibilities and delegation;
- Emphasis on continuous improvement and performance;
- Maintaining pace, not getting in the way of business as usual;
- PMO ensuring risk, assurance and compliance role that can integrate with corporate frameworks; and
- support practitioners/managers with guidance, templates etc.

Diagram outlining the key points of the new governance structure

Portfolio Management Office (PMO).

Project proposal document (PPD) or full business case (FBC) seeks approval and enters via Portfolio Management Office. Quality assurance is completed on the proposal to ensure relevant parties have been involved (e.g. legal, finance etc) and that all the correct information has been supplied including completed risk assessment.

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Gateway Group (GG).

Gateway Group gives a recommendation on the proposal. The Group of senior officers considers the proposals and the quality assurance carried out be the PMO, ensuring strategic alignment, that dependencies are managed, and deliverability. The Group makes a go/no go recommendation.

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Corporate Board

Corporate Board are the decision-maker based on the assurances and scrutiny provided by the Gateway Group. They either give approval or the proposal stops at this point.

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Member Approval.

Projects which require Portfolio holder approval, full Council or Cabinet are received by Members. In accordance with the Scheme of Delegation and Constitutional rules such as projects being entered onto the Capital Programme.

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Delivery Groups.

Once the project is live, the oversight and monitoring is done by the Delivery Groups. They have delegated authority for change control requests within tolerance levels as agreed by Corporate Board along with and reporting by exception up to Corporate Board. Monthly highlight reports are completed with updated risk assessment.

3.   Financial Implications

3.1   The refreshed process will give assurance that future change proposals are subject to appropriate oversight to ensure that costs are controlled, and any benefits/savings are realised. There will be a dedicated officer for Benefits Realisation working as part of the PMO. Where investment funds (including capital) are required, an officer assessment panel meets to review the business case to inform the Gateway Group recommendation. The panel comprises experts drawn from across the Council and provides additional scrutiny before funding is allocated and projects are supported to proceed.

3.2   The approach proposed will embed the Council's commitment to commercialism and provide strategic oversight to ensure that all projects and programmes within the portfolio are aligned to the objectives of the Council Plan 2025, the Medium-Term Financial Strategy and the Recovery Plan.

3.3   In this way, the governance enables the change portfolio to support and deliver on the Council's objectives and vision.

4.   Environmental Implications

4.1   Consistent with the Council Plan 2025, environmental implications are to be considered for all council activity including projects and programmes within the change portfolio.

4.2   The role of the Portfolio Management Office (PMO) is to carry out assurance on programmes and projects including those within the change portfolio. This will include a commitment to ensure that environmental implications have been considered and mitigating actions included where relevant.

5.   Supporting Information

None

6.   Timescales associated with the decision and next steps

6.1   The 'Go live' date for the changeover between the previous Transformation Governance into the new Change Governance was the 1st April 2020 with the first refreshed gateway group meeting on 3rd April 2020.

7.   Background Papers

None

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