



LONDON FIRE BRIGADE

Report title

Implementation of the Portfolio Strategy: Phase 1

Report to	Date
Portfolio Board	26 July 2021
Commissioner's Board	11 August 2021
London Fire Commissioner	

Report by	Report number
Portfolio and Business Change Manager (Transformation Directorate)	LFC - 0567

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I agree the recommended decision below.

Andy Roe
London Fire Commissioner

Date **This decision was remotely signed on 15 September 2021**

Executive Summary

This report provides a summary of progress against the initial phase for implementing the Brigade's Portfolio Management approach, first agreed as a concept in LFC-0510 in March 2021. It also provides a summary of the activities associated with the next phase (Phase 1, July – October '21) and how they will be delivered.

Appended to this report is the first draft of the Portfolio Management and Business Change Strategy, which provides the framework and principles for the Portfolio Capability. The Strategy will be revised towards the end of phase 1, with a further iteration provided in October 2021 prior to the start of phase 2.

Recommended decisions

That the Portfolio Board:

1. Considers and provides feedback on the first iteration of the draft portfolio strategy;
2. Agrees to the approach for the initial baselining and prioritisation exercise set out in the report

That the London Fire Commissioner:

3. Notes the initial iteration of the Portfolio Strategy;

4. Notes the decision by Portfolio Board to carry out an initial baselining exercise in the first phase of Portfolio implementation, to enable the provision of recommendations at a later stage on prioritisation of activities;
5. Agrees that any new transformational initiatives should be provided to Portfolio Board for information, regardless of whether or not they require investment and;
6. Agrees to prioritising Incident Command and Togetherness (with Incident Command as the first priority) for 'onboarding' into the Portfolio, and takes note of the findings thus far.

Summary of progress against the plan

1. The draft portfolio strategy is attached to this report as Appendix 1. A phased approach is being taken for the implementation of Portfolio Management. The strategy will be developed iteratively, with the initial version intended to provide the framework on which to base our approach. A high level plan is appended to the Strategy, which includes the outcomes that will be achieved at each phase 0-3.
2. Phase 0 took place between April and July 2021, and has included the following activities:
 - i) **Development of the first iteration of the strategy**, based on the approach provided to Portfolio Board and Commissioner's Board in LFC-0510 in March 2021 (attached as appendix 2).
 - ii) **Recruitment of an additional, temporary resource into the Programme Management Office (PMO)**, in order to free up capacity to move towards becoming an 'activist' PMO, in line with the recommendation provided in LFC-0515
 - iii) **Start of the recruitment process for a temporary Business Change Manager** to support the Portfolio Office with the formulation of a business change capability and model.
 - iv) **Initial activity for 'assessing' and scoping the theme of Incident Command**, or Incident Management
 - v) **Preparations and planning to carry out an initial baselining and prioritisation activity** on the existing portfolio of change
 - vi) **Completion of a gap analysis of the Brigade's project, programme, portfolio and change management skills**, in order to provide recommendations for how the Brigade resource the delivery of our change portfolio.
3. The work is currently slightly behind schedule, due to delays in recruiting temporary resources and underestimating the size of some of the tasks and the resource they would require. At this point it is not anticipated that this will impact the final outcomes of the work. The dependencies and risks to this work are outlined in the appendix to the Portfolio Strategy.
4. The next phase (Phase 1, July – October 2021) of implementing the strategy will involve:

- i) **Development of a better understanding of the change activities taking place across the Brigade**, aligning them with strategic priorities and corporate risks, starting to categorise them into 'themes' and programmes, and an initial high level prioritisation exercise with a focus on transformational activities;
- ii) **Assessing an initial tranche of high priority programmes**, identifying where they require better PPM and providing advice and recommendations for implementing this;
- iii) **Formulating, applying and testing the draft portfolio processes** on the initial tranche of priority programmes, and onboarding these into the portfolio;
- iv) **Initial activities for establishing the role of the Portfolio Office**, the 'activist' PMO, and refining the role of the Portfolio Board;
- v) **Developing the resourcing model for project, programme, portfolio and change management** and starting to implement this in phases.

Further information on immediate actions against the points above is included below, to make sure the Board is aware of the approach and has the opportunity to influence it.

Activities in phase 1

i) **Development of a better understanding of the change activities taking place across the Brigade**

5. The strategy identifies the need to collate information on the significant change activities taking place across the Brigade, to build the 'portfolio pipeline'. This is to collate key information and provide clarity on the initiatives that will deliver the greatest contribution to the Brigade's strategic priorities.
6. It has been identified through the work carried out so far that the Brigade is currently at or over-capacity and is at risk of not effectively delivering all of its change and improvement activity. Whilst this will be addressed in the longer-term by the implementation and resourcing of full Portfolio management, there is a short-term need to prioritise and where possible limit the amount of work in progress.
7. The objective is to provide options to the Portfolio Board to free up capacity to deliver major projects and programmes. Although work was previously carried out by the Transformation Directorate earlier this year on prioritisation, this did not quantify the capacity that current change activities require, or the full impact on the Brigade's strategic priorities if the work were to be paused, stopped or deferred.
8. The scope of this next baselining and prioritisation activity will be limited to significant transformational activities (including existing corporate projects/programmes) that impact a number of areas across the Brigade, and that still have at least 6 months until completion.
9. This will involve a process to identify the strategic, financial, operational and resource impact of pausing or stopping work. It will also identify whether there are options for de-scoping or disaggregating the work, for example delivering it in phases over a longer time period.
10. This will be used by the Portfolio Office and Portfolio Board (in conjunction with Heads of Service) to assess what actions could be taken to create a manageable portfolio and forward plan. This is particularly important in order to identify what the Brigade needs to delay or stop, to free up capacity for new work linked to the CRMP, or to service further activities arising from further HMI inspections, phase 2 of the Grenfell Inquiry, the Manchester Arena Inquiry, and

Audits. This activity also provides an opportunity to help shape the budget review process taking place in November 2021.

11. This will create a backlog of paused activity that will need to be revisited frequently to determine whether that activity is still required, and whether the urgency has changed.
12. It is anticipated that initial options and recommendations can be provided to Brigade Portfolio Board in August 2021.

ii) Assessing an initial tranche of high priority programmes,

13. The Portfolio strategy outlines the high level process for 'onboarding' activities into the portfolio as defined projects or programmes. 'Onboarding' in this instance refers to applying project and programme management processes and governance to selected existing change activities, where it adds value, to build the foundations of the processes and information required to manage a portfolio.
14. Specifically, LFC-0510 identified that the initial areas of work that would be focused on for onboarding into the Portfolio would be 'Incident Command' and 'Togetherness'. This is based on the priority placed on them due to:
 - Fulfilling and further supporting the recommendations from the Grenfell Tower Inquiry and HMICFRS;
 - Their alignment with key strategic priorities in relation to Diversity and Inclusion, and Delivering Operational Excellence;
 - Their direct relationship to a number of Corporate risks.
15. These themes will be scoped and defined throughout phase 1. Recommendations for applying proportionate project and programme management processes will be provided by the PO and the PMO, and these will need to be considered and actioned by those responsible for the delivery of the outcomes, before the work becomes part of the Portfolio.
16. Effective monitoring and scrutiny by the Portfolio Board cannot take place until the programmes of work have been onboarded and are following the gateway review place outlined in the Strategy.
17. Due to limited resources within the PO and PMO, Incident Command will need to be scoped and onboarded first as a priority. A summary of work so far and the next steps is included below.

Incident Command: initial findings

18. The Brigade has a tendency to focus on individual tasks, activities and projects in response to a particular need. This can create 'stove pipes' of activity focused on delivering a particular output (e.g. a revised policy, a training course or a new piece of equipment) and makes it more difficult to manage the dependencies between activities.
19. In some instances, there is benefit to be gained from looking at the wider context, and identifying whether the activities could be delivered more effectively and cohesively as part of a wider programme of co-ordinated projects. There is also benefit from 'phasing' and

prioritising the work as a whole, which helps to identify which activities need to be delivered first.

20. It was suggested at Portfolio Board that the activities associated with 'Incident Command' should be assessed in order to identify whether the work could be managed more effectively and the outcomes improved. A potential solution to this could be to apply project management principles to some or all of the activities and to establish an overarching programme or portfolio as the mechanism by which to manage and govern the entirety of the work.
21. When looking at 'Incident Command', the focus is on the actions of incident commanders and how they are trained in order to carry out their role effectively. However, this sits within the wider context for those individuals to be able to acquire, use and share information, as well as a need to support real-time decision-making and communication. This implies a link between incident command-related policy, training, information management, ICT systems and equipment, all of which are areas being worked on simultaneously by the Brigade.
22. In July 2021 an initial scoping session took place with a number of those involved in managing work associated with improving Incident Command. Rather than focusing only on the activities required to 'make a better Incident Commander', the scope was broadened to include activities associated with achieving 'better incident management'. The purpose of this was to identify the entire system of interconnected and parallel activities, all working towards a common outcome.
23. The findings from this initial session highlighted the immense and diverse scope of work associated with better incident management. It also showed the number of activities, work streams and projects already in progress. These are shown in appendix 4 to this report and fall into distinct categories:
 - Policy, compliance and safe systems of work
 - People (behaviours, training, competence)
 - Information management and communication
 - Equipment and facilities
24. The number of workstreams and projects either in progress or being scoped was estimated at approximately 20. They impact on nearly every area of the Brigade, either in terms of the need to provide expertise towards its delivery (e.g. ICT, Property), its management (e.g. Operational Policy) or its implementation (the 'users' of the policies, training, systems and equipment – including the Incident Commanders themselves).
25. The links between projects and work streams were not fully scoped, but there are clear dependencies between the development and implementation of policy, training, assurance, review and competence in particular.
26. The session also highlighted the various Governance mechanisms associated in making decisions in relation to this work, including individual project boards (e.g. NOG implementation) and other boards such as the Incident Command Competence Oversight Board, the Operational Professionalism Board, the Operational Delivery Directorate Board and Portfolio Board.
27. The stakeholders involved in the workshop identified significant challenges in delivering the work – including:
 - i) Competing priorities across different departments resulting in work being delayed
 - ii) Difficulties in managing and understanding the interdependencies

- iii) Resourcing the projects: many of the project managers are delivering multiple projects or delivering these alongside other responsibilities including their operational commitments.

Incident Command: next steps

28. The Programme Management Office and Portfolio Office recommend that there would be considerable benefit in delivering the outcome of 'better incident management' as a set of co-ordinated activities and projects for reasons outlined above and to start addressing the challenges identified. The solution is likely to be to form a discreet programme or portfolio for Incident Management, with one Senior Responsible Owner.
29. The following activities must be carried out first, before more detailed recommendations can be provided:
 - i) The work needs to be scoped fully: the first workshop was carried out at a very high level. Each category above needs to be investigated and each work stream and project defined to identify its outcomes
 - ii) The links and dependencies need to be identified
 - iii) The resources in place, and their capacity to manage and deliver the work need to be defined
 - iv) The key milestones and critical path needs to be identified – along with possible phases of work.
30. This will require several weeks of work and may need additional temporary resource to be recruited, which will be investigated by the Portfolio Office.

iii) Formulating, applying and testing the draft portfolio processes

31. The framework for portfolio management has been set out in the Portfolio Strategy, including the use of a generic lifecycle with gateways that mark decision-points between and during phases, including where the Portfolio Board will need to be involved in decision-making. These processes are not in place yet, but will be developed, applied and tested on existing projects and programmes where they add value over the next phase, as part of the 'onboarding' activity outlined above.
32. The PMO already encourage taking a project approach to delivering significant change, particularly changes that are likely to impact on a number of areas across the brigade, or are of particular importance. New initiatives that are due to become Corporate Projects already complete an outline business case or full business case, depending on the phase of the work. However, there is an immediate need to start bringing the Portfolio Board into the process of planning new transformational activities to make sure that the work is understood in relation to its priority, impact and deliverability. This will also help to start limiting the amount of work in progress with a clear focus on our strategic priorities and corporate risks.
33. This is to make sure that, in the case of new activities, the Portfolio Board understand:
 - i) Whether the new activity is already being addressed or partially addressed by another project, programme or work stream, or whether it can be brought into the scope of existing work already in progress

- ii) What is the impact of the work, and is there capacity in the organisation to take on the work
- iii) Whether the work is essential to deliver against the strategic priorities and/or a corporate risk

34. There is currently no formal process via the Brigade Portfolio Board for planning and delivering new transformational activity, with the exception being when funding is requested through the Transformation Reserve. When this is the case, the work must be scored against a set of criteria intended to identify the benefits of the work and the return on investment that will be achieved. This process is still being piloted and will be incorporated into the gateways process in due course.

35. In the meantime, the Portfolio Board should consider what their role should be in the short-term for new and emerging transformational activities that do not necessarily require funding from the Transformation Reserve. Examples are directorate/departmental restructures and strategies, and significant, cross-cutting projects. As an interim approach, and as suggested in the recommendations, **it would be advisable for this work to routinely come to the Portfolio Board for information, to help shape the portfolio pipeline of activities.**

iv) **Initial activities for establishing the role of the Portfolio Office**

36. The Portfolio Strategy sets out the foundations for the role of the Portfolio Office, Programme Management Office and Portfolio Board in project, programme and portfolio management, and the implementation of gateways.

37. These roles and responsibilities and the processes that support them, have started to evolve and this work will continue in the following phase.

v) **Developing the resourcing model for project, programme, portfolio and change management**

38. The detailed outcomes from the gap analysis recently carried out for project, programme, portfolio and change management skills across the Brigade are still being developed, but the key recommendations are provided here by way of a summary:

l) **Create a pool of skilled and experienced project, programme and change managers** for major projects and programmes.

li) **Review and re-define the role of uniformed personnel as project and programme managers** and enable them to take on a 'customer representative' role, supported by a professional project or programme manager

lii) **Widen the talent pool and actively invest in developing project, programme and change skills**, creating a 'centre of excellence' within LFB

39. The analysis that sits behind these recommendations is currently being carried out, and will be provided to the Brigade Portfolio Board in August, alongside final recommendations and options for implementation. The fundamental recommendations above are not expected to change significantly.

Finance comments

40. This report provides a summary of progress against the initial phase of implementing the Brigade's Portfolio Management approach. The report includes the recommendations that any new transformational initiatives should be provided to Portfolio Board for information and to prioritise Incident Command and Togetherness for 'onboarding' into the Portfolio. Any cost from implementing these recommendations and any work to implement phase 1 will be met through existing resources.
41. In order for the strategy to be implemented in full however a new structure will be required. This structure and cost will be considered as part of the budget process for future years.

Workforce comments

42. At this point, the recommendations and proposals in this report and the Strategy are unlikely to impact the workforce directly. In applying Portfolio management and the underlying project and programme management approaches, this should result in more efficient, effective delivery of both outputs (e.g. equipment, IT Solutions, etc) and outcomes (e.g. lasting changes and benefits in performance) all of which will have a positive impact on the workforce.
43. The intention is to implement a business change capability and strengthen the priority placed on change management throughout the delivery of projects and programmes. This includes making sure that all stakeholders, including the end-user, are identified in the first stages and involved throughout development. Portfolio management will help the organisation understand the cumulative impact of that change on the workforce, resulting in being able to better manage the implementation of the Transformation Delivery Plan and future CRMP.

Legal comments

44. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
45. Section 1 of the Fire and Rescue Services Act 2004 ('the 2004 Act') states the Commissioner is the fire and rescue authority for Greater London. The Commissioner is also a 'best value' authority under the Local Government Act 1999 and must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
46. Section 5A of the 2004 Act enables the Commissioner to "do anything it considers appropriate for the purposes of the carrying out of its functions in accordance with Section 5A Fire and Rescue Services Act 2004 (FRSA 2004), the Commissioner has powers to do anything that is either incidental or indirectly incidental to its functional purposes.
47. The London Fire Commissioner's Scheme of Governance May 2021 (SoG) reserves to the Commissioner personally the authority, "To agree all matters that have a significant impact on the organisation or service delivery, as determined by a Director." The SoG further delegates authority to Directors, "To determine matters of substantial importance which have a risk or impact for the directorate; To determine matters that relate to the internal management of the

directorate; To determine approval for Outline Business Cases and Full Business Cases for new matters that affect the Directorate Plan."

Procurement and Sustainability implications

48. A Sustainability Impact Assessment will be carried out as part of the process of developing the Portfolio Strategy.

Strategic Drivers

49. The Portfolio Strategy is intended to make sure that the Brigade's change and improvement activity is aligned with our current and future strategic objectives and priorities. This is in response to recommendations, both internal and external to the Brigade, that we put in place measures to manage our resources more efficiently, and delivery projects more effectively.

Equalities implications

50. The processes being proposed, including more robust project and programme management, will incorporate the processes required early on and throughout planning and delivery to carry out an Equalities Impact Assessment on specific projects. This will be required as part of the implementation of a gateway review process.
51. A draft Equalities Impact Assessment has been completed for the Portfolio Strategy, and has been appended to this report (Appendix 3). This will continue to evolve as the strategy is developed.
52. The London Fire Commissioner and decision takers are required to have due regard to the Public Sector Equality Duty (s149 of the Equality Act 2010) when exercising our functions and taking decisions.
53. It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
54. The protected characteristics are: Age, Disability, Gender reassignment, Pregnancy and maternity, Marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), Race (ethnic or national origins, colour or nationality), Religion or belief (including lack of belief), Sex, and Sexual orientation.
55. The Public Sector Equality Duty requires us, in the exercise of all LFC functions (i.e. everything the LFC does), to have due regard to the need to:
 - (a) Eliminate discrimination, harassment and victimisation and other prohibited conduct.
 - (b) Advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
 - (c) Foster good relations between people who share a relevant protected characteristic and persons who do not share it.

56. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic;
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
57. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
58. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- (a) tackle prejudice, and
 - (b) promote understanding.

List of Appendices

Appendix	Title	Protective marking
1.	Portfolio Management and Business Change Strategy	none
2.	LFC-0510	None
3.	Equalities Impact Assessment for the Portfolio Strategy	None
4.	The Scope of Incident Management	None

Portfolio Management and Business Change Strategy

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July 2021

Contents

Portfolio Management and Business Change Strategy	1
Introduction	2
Aims and outcomes	2
Processes	3
Governance	5
Data and Information	6
Resources and skills	8
Culture	10
Appendix 1: Delivery Plan	12

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Introduction

This Strategy outlines the initial approach and principles for implementing a Portfolio Management and Business Change capability within the London Fire Brigade. This is the first iteration and is intended to provide the framework on which to base our more detailed processes as they are developed, tested and implemented.

This strategy will be developed over the next 9 months and converge with the work on the emerging Community Risk Management Plan, to enable the delivery, management and prioritisation of change activities in accordance with the Brigade's strategic priorities. This will take place in balance with its business as usual activities, and provide the mechanisms and processes by which to deliver it.

The Brigade's foundations of project and programme management (PPM) are not mature enough to implement this strategy in full at this stage. It needs to strengthen these foundations both for projects and programmes already in progress, and for those that will be initiated in the near future. For this reason, and due to the high volume of change the Brigade is currently facing, implementation of this strategy will take place in phases. Appendix (x) outlines the strategic plan for delivery of the portfolio approach, expanding the key activities associated with phase 1.

Aims and outcomes

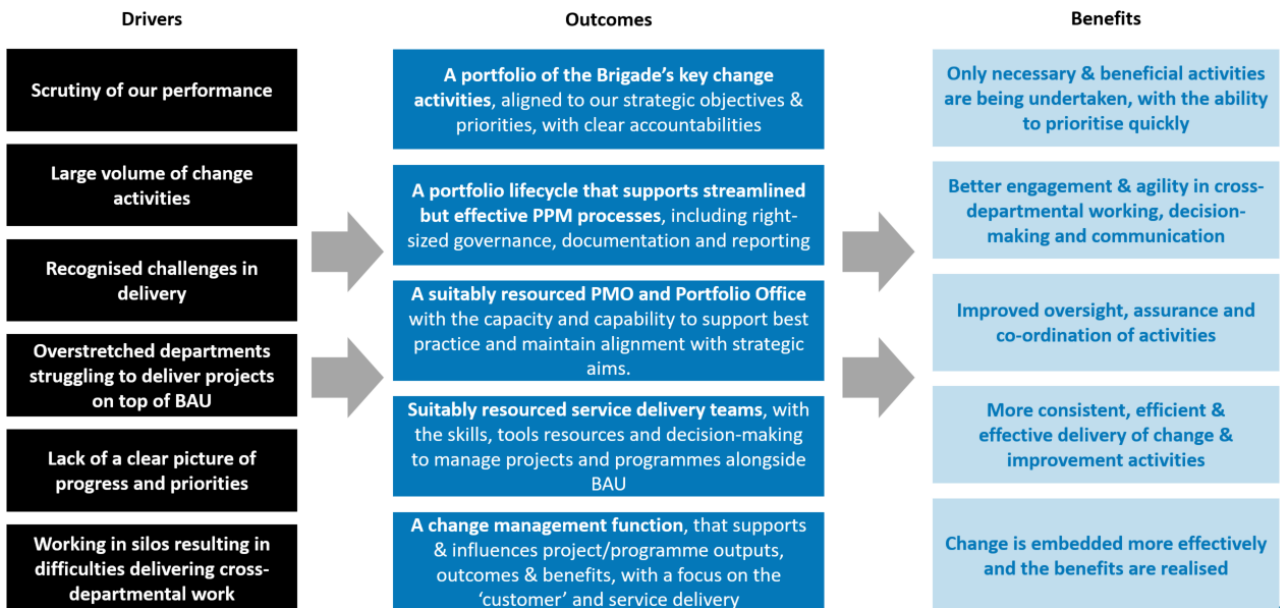
The aim of introducing this capability is to:

Have clear visibility of the change and improvement work across the Brigade, aligned to strategic priorities, with the right processes, tools and resources to enable its delivery and prioritisation.

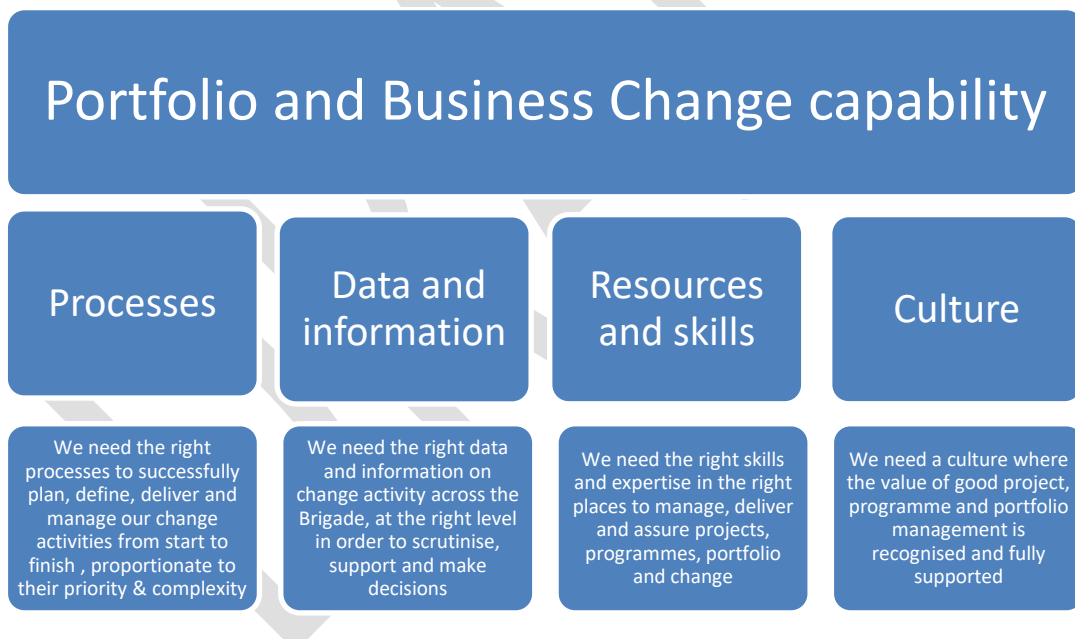
The purpose of implementing this capability in the Brigade is to address its ability to efficiently and effectively manage, deliver and implement change, alongside business as usual, in order to improve its services.

The following diagram summarises the drivers, outcomes and benefits of this work. These are described in more detail in LFC-0510 which is appended to this strategy.

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In order to achieve these outcomes, the Brigade needs to establish the following building blocks to support the capability. These are outlined in more detail in the following sections of the strategy.



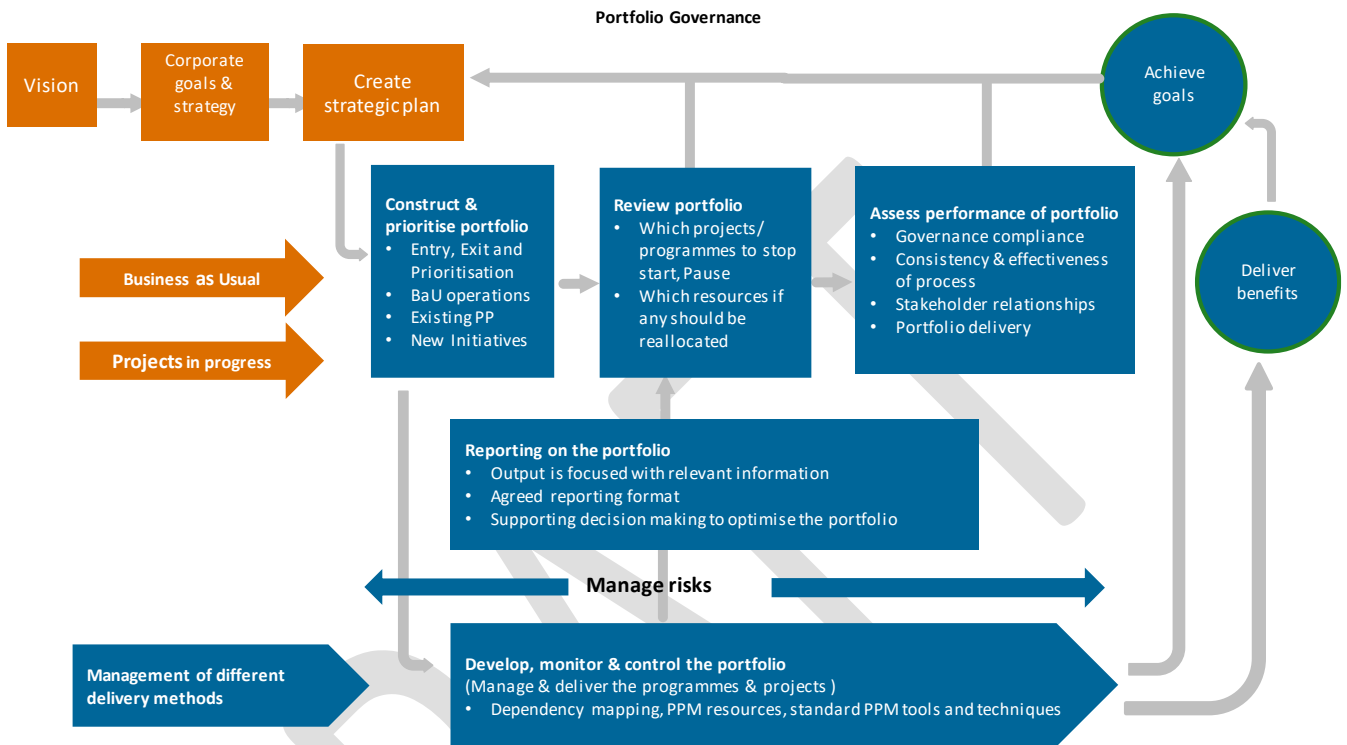
Processes

In order to deliver projects, programmes and portfolios consistently and successfully, processes can be applied to each level using a variety of methodologies and best practice. Each level will feed into and link with the next. This section outlines the fundamental portfolio processes that will be applied as the top level of the framework.

The portfolio management framework

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Portfolio management provides a methodology for supporting the delivery of the Brigade's strategic objectives, and provides a set of components which can be used to improve planning and delivery. The framework diagram below outlines the processes from developing the corporate vision, through to the delivery of the strategic goals. It is the final layer of the Project, Programme and Portfolio (or P3O) model, and relies on effective project and programme management processes being in place for it to work effectively.



Projects and Programmes are primarily focused on the delivery of outcomes/benefits and outputs/products respectively. The Portfolio is focused on the overall contribution of these outcomes, benefits and outputs to strategic objectives. Project and programme management seeks to implement successful delivery at each individual project and programme level. Portfolio management makes sure that the projects and programmes are the right ones in the context of the organisation's objectives, managing delivery at a collective level and maximising benefits realisation.

A Portfolio is the totality of the Brigade's investment in the changes required to achieve its strategic objectives, and is now a permanent function of the Brigade.

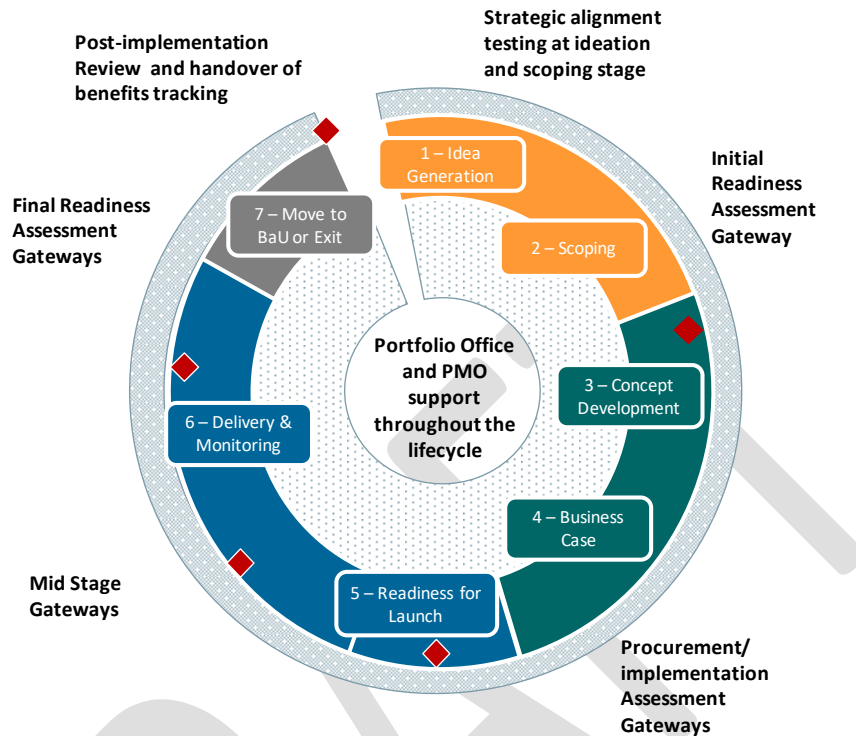
The Portfolio lifecycle

All project and programme methodologies have gateways embedded into their specific lifecycles. The purpose of a gateway is to provide a logical point at which to review the project or programme in relation to its viability and deliverability, and to provide the mechanism for making the decision on a project or programme starting and continuing.

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Gateways will be used throughout the governance processes, in particular to test the health of a project or programme and its alignment with strategic objectives. They provide the opportunity to influence what Portfolio management needs in order to maintain alignment and manage risk.

The following is a generic lifecycle that identifies where these gateways occur.



The Programme Management Office, Portfolio Office and project/programme teams will work together to agree the gateways for specific projects and programmes, identify which will require Portfolio Board involvement, what information is required, and populate the forward programme accordingly. This will be scalable for different levels of project and programmes depending on their risk and complexity.

There will also be times when a project or programme will need to provide information to the Portfolio Board in between these gateways, as a result of an impact or potential impact on the timescales, cost, and/or quality of the outcomes.

Governance

There are currently three levels of governance internal to the Brigade that will be synchronised in order to enable effective delivery and support of portfolio management:

Corporate governance (Commissioner's Board)

- sets out strategic direction and priorities, defines the outcomes the Brigade must achieve

Portfolio governance (Portfolio Board)

- Encourages a common approach to managing projects and programmes to enable them to form part of the Portfolio, through the use of gateway management
- Through the PO and activist PMO, makes sure corporate strategy is aligned with project/programme activity, and that risks and benefits are being managed to enable the desired outcomes to be delivered

Project and Programme Governance (project/programme boards)

- Responsible for delivering specific elements of change ranging from small projects to large and complex programmes of work
- Each project/programme will have a nominated project sponsor or senior responsible owner who is ultimately accountable for the work.

The Brigade has a Portfolio Board in place, chaired by the Director of Transformation. The role of the Portfolio Board is one of oversight. It is not responsible for delivery, but will exert its influence through the gateway review process. Its key roles will be in forming a holistic picture of activities and progress in the delivery of outcomes, providing challenge and support to those involved in decision-making and delivery.

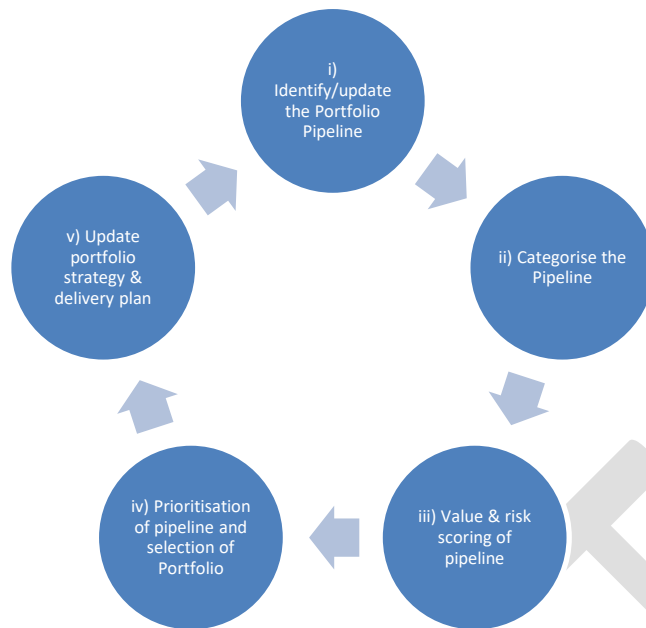
The Programme Management Office (PMO) provide guidance on Governance for individual projects and programmes. From a Portfolio perspective, the decision-making processes for these projects and programmes must support the information and decisions required at the formal gateways.

Data and Information

In order for a Portfolio management and business change capability to function, the right data and information is required at the right level on each of the change activities. A certain level of data is also required on business as usual activities in order to enable effective prioritisation across all activities.

Defining the portfolio

To implement portfolio management, the portfolio itself needs to be scoped as part of the definition cycle. The purpose of the definition cycle is to collate key information and provide clarity to decision-makers on the collection of change initiatives which will deliver the greatest contribution to the strategic objectives. The cycle consists of 5 main activities:



i) Identify/update the Portfolio pipeline

Information on all the change activities across the Brigade will be collated to build the portfolio pipeline. The information required will be developed as part of the iterative development of this strategy and the underlying processes, but will include the type of information that the Portfolio Board will need to see as a minimum, in order to start understanding and making decisions relating to any current or potential project or programme. It will include;

- a. Defined outcomes (what is the work delivering)
- b. Defined benefits (what will get better or improve as a result)
- c. End date and key milestones (When is it being delivered)
- d. The resources delivering the activity (who is managing it, who is doing the work, who is accountable)
- e. The whole cost of delivering the activity, including the cost of resources

ii) Categorising the pipeline

The pipeline of activity will be categorised in two ways. First, in terms of the level of change in relation to its breadth, depth, impact and criticality. This will identify whether it is a transformational, operational or transactional change. The Portfolio Board and Portfolio Office will primarily be interested transformational change, but will need an understanding and awareness of the operational and transactional activities, and business as usual activities, in order to make informed decisions on prioritisation. This categorisation will be similar to the model below:

	Breadth	Depth	Impact	Criticality
Transformational Change	<ul style="list-style-type: none"> Large, complex change across LFB (and outside of LFB) 	<ul style="list-style-type: none"> New and demanding ways of working will be required for the change to happen 	<ul style="list-style-type: none"> Impacts processes, technology, org. change and culture 	<ul style="list-style-type: none"> Driven by an external need to change (eg. Political), impacts core functions and drives the realisation of LFB's strategies
Operational Change	<ul style="list-style-type: none"> Change across LFB involving multiple functions and business units 	<ul style="list-style-type: none"> Some change to new responsibilities, knowledge, technology and team structures 	<ul style="list-style-type: none"> Impacts processes and technology and some org. change 	<ul style="list-style-type: none"> Driven by an internal need to change, impacts core functions and enables strategies
Transactional Change	<ul style="list-style-type: none"> Change restricted to one or two isolated functional areas or business units 	<ul style="list-style-type: none"> Limited changes to the way people will work 	<ul style="list-style-type: none"> Some impact to processes and tools but not org. change or culture 	<ul style="list-style-type: none"> Driven by an internal need to change, impacts non-core functions and does not tie directly to LFB strategies

Secondly, the activities will need to be categorised in terms of their 'theme': the portfolio will consist of a number of themes that each contain defined projects, programmes and activities related to that particular theme. Each theme, programme and project will have a responsible owner who is accountable for the outcomes.

iii) Value and risk scoring the pipeline

The Portfolio pipeline will be assessed against value and risk criteria. This will help to develop a repeatable criteria model which provides a numeric score that can easily be used to compare projects and programmes to ensure alignment with strategic objectives, identify where they help to manage or control a corporate risk, and to make higher quality decisions to focus resource, budget and effort.

iv) Ongoing prioritisation of pipeline and selection of Portfolio

Ongoing Prioritisation needs to be based on the relative cost, benefit and risk of the proposed projects and programmes. It is therefore dependant on both the categorisation and value and risk scoring processes discussed above. The pipeline will also consider the potential 'activity generators' such as the outcomes of public inquiries, inspections and audit activity, and the emerging work from the CRMP.

v) Updating the portfolio strategy and plan

The portfolio strategy and plan will be continuously updated as part of this cycle, and will provide the basis on which to report against progress.

Resources and skills

In order to deliver projects, programmes, change and a functioning portfolio management capability, the capability will be supported by appropriate resources with the right skills. This means that both a central function and resource (the Transformation Directorate) and the delivery teams (any department or directorate leading on a project or programme) need to be in place and have the capacity and capability to manage and deliver the work required.

The central capability (the Transformation Directorate)

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The Transformation Directorate is responsible for defining the Portfolio, advising on how the work is managed and delivered, and collating the data and information required to inform priorities and maintain alignment with strategic direction. They are also responsible for understanding the impact of the totality of the changes on the organisation, and for helping to make sure the changes are embedded through the use of good change and benefits management.

The Transformation Directorate will do this through a number of functions within Portfolio management, including the Portfolio Office, the Programme Management Office, a central Business Change Management function and a pool of professional project, programme and change managers.

The Portfolio Office will provide essential support the Portfolio Board, co-ordinating the effective and efficient operation of the portfolio management practices, making sure the Portfolio Board receives the information required to fulfil their function. The PO will provide advice and guidance on supporting strategy, prioritisation, oversight, scrutiny and challenge.

The PMO will have an active role in maintaining strategic alignment and providing project and programme assurance. As well as advising on best practice, the PMO will be able to actively intervene in work processes during the course of a project or programme throughout its lifecycle. The PMO will work alongside the Portfolio Office in managing the Brigade's portfolio of projects and programmes as well as the 'pipeline' of activities that may result in projects or programmes. The PMO will be active in the establishment and delivery of programmes and projects and in providing assurance that the project or programme is being managed appropriately at the gateways.

The Business change function will focus on the impact of the change the Brigade is implementing, and its ability to deliver and embed this change. It will be focused on considering attitudes, assumptions, beliefs and behaviours to enable the wider change and to make sure benefits are realised. Responsibility for the implementation of business change remains with the delivery areas, but a central business change capability will provide a business change model, processes and methods for assessing the impact of the totality of the change.

A central project, programme and change management pool of professionals will be in place and will be deployed on the highest priority, most complex and cross-cutting projects and programmes. These individuals will have generic project and programme management skills.

Delivery teams

Responsibility for managing and delivering change remains with the relevant delivery area, although advice and best practice will be provided by the PMO and PO.

A Senior Responsible Owner will be identified for each theme, programme or project, and is responsible for making sure the work meets its objectives and delivers the projected benefits. They are the owner of the overall change that is being supported or enabled by the project or programme.

The delivery area and Senior Responsible Owner will also be responsible for identifying appropriate resources to the project or programme, both in terms of the management of the work

and its delivery through 'customer' or user representatives, subject matter experts and the suppliers of services.

Portfolio resource management

The way resources are allocated to projects and programmes in accordance with their priority will be managed through the implementation of a resource management plan.

The resources required to deliver the overall Portfolio are constrained, and the Portfolio resource plan will put in place mechanisms to understand and manage the amount of resources required and available. Management of this will enable the Brigade to make informed decisions regarding the initiation and approval of projects and programmes to match resource availability, make more efficient and effective use of resources, and plan resource supply and demand ahead of time.

In order to do this, the Portfolio office and PMO will be responsible for managing a range of activities to understand the supply and demand resource profiles, including the number, experience and skill levels of those involved in managing a project/programme. They will be able to match supply and demand to make sure prioritised projects and programmes are first in the queue for limited resources, where there is excess demand.

The PO will own and manage this through the Portfolio Resource plan, which should provide a forward look on resource pressures and opportunities. Developing this plan will require accurate resource supply and demand data across LFB, which is not currently available and will be developed as part of the collection of data and information the Brigade's change activities.

Culture

It is important to develop a culture in which good P3O approaches are seen to benefit the delivery of the outcomes, rather than as an administrative burden. This will require knowledge, understanding and buy-in from every individual, team and department who are responsible for delivering change and improvement activities.

This will be achieved through effective communication and engagement throughout the development and implementation of effective project, programme and portfolio management processes, making sure that those delivering projects and programmes across the Brigade have the opportunity to provide feedback and influence the changes.

This will also be achieved by making sure that the project management community has easy access to the Programme Management Office's Centre of Excellence and best practice advice, and are able to apply the principles of project, programme and change management in a way that is streamlined, proportionate and adds the most value to the delivery of the outcomes.

Knowledge and skills associated with P3O approaches, for both those managing the work but also for Senior Responsible Owners, Subject Matter Experts and the suppliers of services will be developed. Options and the approach for how this should take place will be developed by the PO and PMO.

It is also important to develop a 'top down' as well as a 'bottom up' approach adopting these processes. As well as the processes and approaches being used at the project delivery level, they

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also need to be recognised and understood by senior leaders across the Brigade and factored into the way work is allocated, planned, monitored, scrutinised and delivered.

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Appendix 1: Delivery Plan

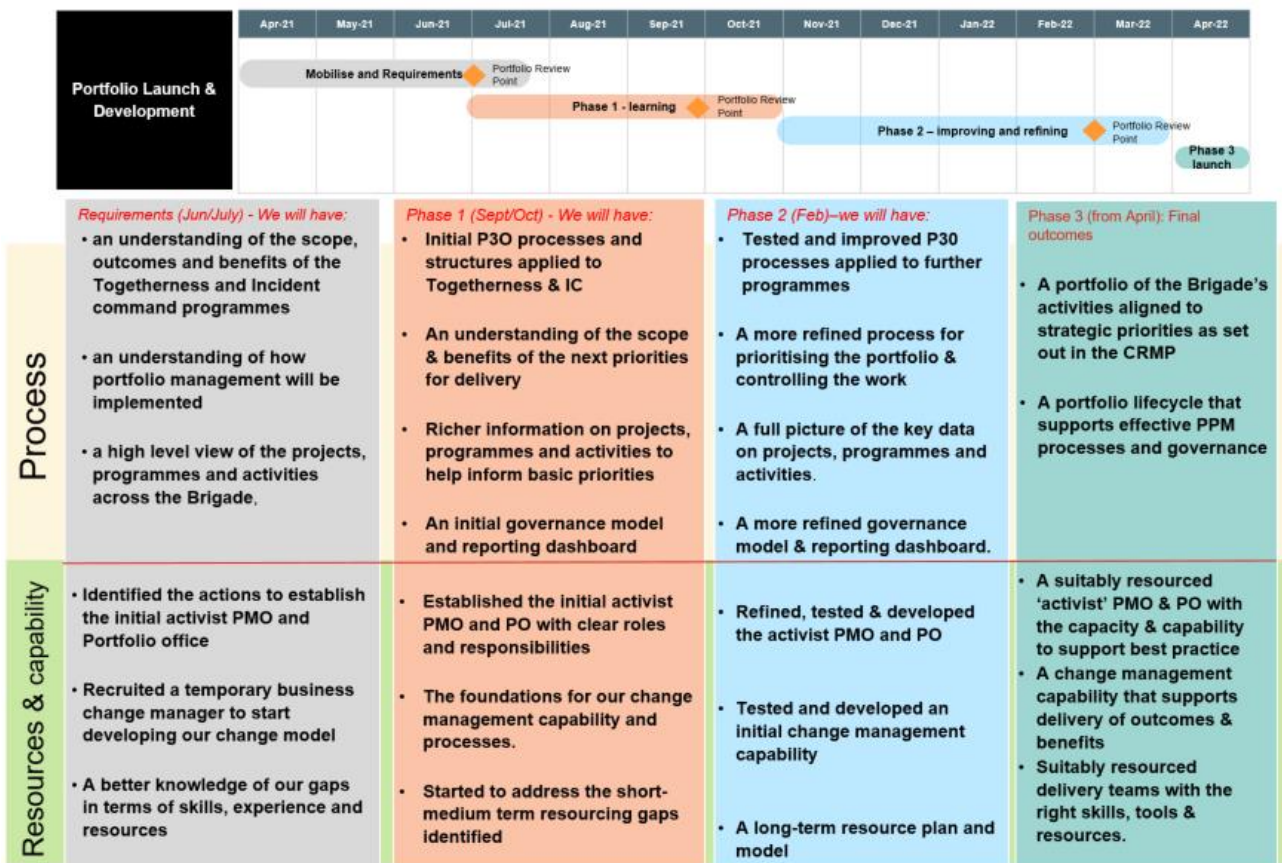
Summary

The need for early action in some key areas, coupled with a lack of immediately available resource and an organisation already undergoing a considerable amount of change, implies that implementation of the strategy will need to take a phased approach. There is a need to consider both the activities already underway that need to be considered as part of the existing Portfolio, and those that are on the horizon.

Implementation will focus on forming a core capability comprised of the PMO and a Portfolio Office, focusing on high priority tranches of work to bring into the portfolio process. This will allow for learning and benefits realisation on high priority themes, and will allow the PMO and PO to ‘test and learn’ before scaling up the portfolio work.

The roadmap

The following diagram shows the original roadmap for the portfolio implementation work:



Phase 0 (Requirements)

The phase up to July 2021 has been focused on setting the foundations and determining the approach to the implementation of portfolio management through the draft portfolio strategy. Agreement was reached to progress with this phase following the recommendations set out in LFC-0150 in March 2021.

Two aspects of the work are currently slightly behind schedule and will be incorporated into phase 1. These include the recruitment of a Business Change Manager and the formation of a high level view of the projects, programmes and activities across the Brigade.

Phase 1 (developing, testing and learning)

The first phase of implementing portfolio management will take place between July 2021 and October 2021 and will consist of the following activities:

- a. **Development of a better understanding and better information on the change activities** taking place across the Brigade, aligning them with strategic priorities and corporate risks, starting to categorise them into 'themes' and programmes, and an initial high level prioritisation exercise with a focus on transformational activities
- b. **Assessing an initial tranche of high priority programmes**, identifying where they require better PPM and providing advice and recommendations for implementing this.
- c. **Formulating, applying and testing the draft portfolio processes** on the initial tranche of priority programmes, and onboarding these into the portfolio.
- d. **Initial activities for establishing the role of the Portfolio Office**, the 'activist' PMO, and refining the role of the Portfolio Board
- e. **Developing the resourcing model for project, programme, portfolio and change management** and starting to implement this in phases

Phase 2 (improving and refining)

The second phase will take place between October 2021 and February 2022. Building on the previous phase, an additional tranche of programmes will be assessed and onboarded into the portfolio. Processes such as benefits management, the implementation of gateways through the portfolio lifecycle, and the approach to prioritising the portfolio, will be refined and become more established. A longer-term resource model should have been agreed and starting to be implemented, and the roles and responsibilities of the PMO, PO and Portfolio Board will be clear.

Phase 3 (launch)

Between February 2022 and April 2022, a final tranche of programmes will be onboarded. Planning will be taking place for incorporating the activities required to achieve the outcomes set out in the new Community Risk Management Plan, which will be implemented from April 2022 and will be the Brigade's new Corporate Strategy. The Portfolio Management and Business Change capabilities will be well established, and although it is likely the processes will still need to be refined and embedded, they will be in place.

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The majority of central resources required (the Portfolio office, activist PMO, business change function, and a central pool of project, programme and change managers) will be well on their way to being established.

Dependencies

The delivery of the strategy and implementation of Portfolio management is dependent on a number of factors:

- f. Capacity in the transformation directorate: The development of the strategy and the processes, information and resources that are required to deliver the first phase are dependent on a small number of resources (1.5 FTE) in the Transformation Directorate, including the PMO, who have considerable business as usual responsibilities. This provides little resilience.
- g. Resources in the delivery areas; the delivery of the strategy and the project and programme approaches required to support it, are dependent on both the capability and capacity of those managing the work to apply these processes, often retrospectively to existing work.
- h. The transformation restructure: the medium to longer term requirements of portfolio management and strong PPM are dependent on the restructure of the transformation directorate, which includes the development of a portfolio function and a central pool of project, programme and change managers.

Risks to the delivery of the strategy

Risk	Inherent score	Controls	Current	Target
The strategy cannot be delivered due to constraints to resources within the transformation directorate	12	-Recruitment of an interim PMO resource -Recruitment of a central temporary business change resource -Transformation re-structure business case to enable growth	8	6
The strategy cannot be resourced in delivery teams, preventing implementation of portfolio and good project and programme approaches for new and existing projects, resulting in outcomes not being achieved.	12	-Recruitment of central pool of project/programme/change managers - assessments of projects/programmes to highlight gaps and provide recommendations	8	6

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		<ul style="list-style-type: none"> - Guidance and best practice from the PMO for best value application of PPM. - Action to resource current projects and programmes appropriately 		
The InPhase system procured for performance management data may not support portfolio management without further investment, impacting on the ambition to accurately report, monitor and use data on projects and programmes at a portfolio level	15	<ul style="list-style-type: none"> -further investment may be required -testing on projects and programmes initially -definition & development of portfolio requirements throughout testing -manual reporting and dashboards required initially 	12	6
The strategy is not supported by those delivering projects and programmes, and the value of the approaches are not accepted, resulting in a failure to apply consistent project and programme management processes.	12	<ul style="list-style-type: none"> -communication and engagement with stakeholders particularly the PPM community -involvement of the PPM community in development of processes -streamlined and proportionate processes 	8	6

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LONDON FIRE BRIGADE

Report title

Implementation of a Portfolio Approach

Report to

Portfolio Board
Commissioner's Board

Date

24 March 2021
7 April 2021

Report by

Portfolio and Business Change Manager

Report number

LFC-0510

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Executive Summary

In November 2020 the Transformation Directorate contracted consultants RedQuadrant to provide proposals for introducing a portfolio approach to support transformation, and the structures and processes required to manage projects and programmes of work. In addition, they were requested to provide proposals for implementing a business change function to support the London Fire Brigade's (Brigade's) programme delivery, to facilitate service delivery and improvement of the Brigade's services.

This report should be read in conjunction with the attached Portfolio Blueprint PowerPoint slide deck (Appendix 1). There is also supporting material in the form of annexes which can be provided by request.

Recommended decisions

That the London Fire Commissioner:

1. Adopts the proposed portfolio approach and high-level implementation plan at Appendix 1;
2. Approves the development of the current Programme Management Office to adopt an 'activist' approach; and
3. Approves the creation of a Portfolio Office function.

These are expanded on slide 14 of the Blueprint slide pack.

Introduction and Background

1. The Transformation Delivery Plan (TDP) articulated the Brigade's strategic intent for transformation. The first phase identified the purpose, vision and strategic framework, and within the Transformation Directorate, the current phase is focusing on a review of the services the Brigade provides through a new Target Operating Model and Community Risk Management Plan (CRMP), and the implementation of management structures and capabilities that enable the delivery of these services.

2. A range of disciplines are being developed to help the Brigade move toward a service-based culture, which are required to secure delivery of the TDP outcomes and prepare for the delivery of the future CRMP. These disciplines include the development of an assurance and risk management framework, a focus on continuous improvement both locally and corporately, a portfolio management capability and a business change capability.
3. The Transformation Directorate identified two key strands of work required to provide the capability and capacity for developing a Portfolio approach and a business change capability. These two requirements (capacity and capability) were put out to market in order to appoint specialist consultancy services.
4. The first contract to be awarded was to consultants RedQuadrant in the area of capacity, specifically to advise on introducing a portfolio approach to support transformation, and the structures and processes required to enable this. They have also been contracted to develop a business change function to support delivery of projects and programmes that is focused on the needs of the front-line workforce and supporting functions, to facilitate delivery and the improvement of the Brigade's services.
5. The second contract to be awarded will focus on carrying out a gap analysis of the Brigade's capability (including skills and resources) to deliver the approaches recommended. This is now due to start in April 2021 following a delay as part of the re-prioritisation work recently carried out across the Brigade. Following a formal tendering process, consultants RedQuadrant have also been awarded this work.
6. RedQuadrant have now provided the Brigade with a Portfolio Blueprint, following a desktop analysis of the Brigade's projects, programmes and strategic action plans, two workshops with Heads of Service, and several one- to-one discussions with stakeholders and departments across the Brigade.
7. A blueprint is a detailed vision for an organisation – and is being used in this instance to provide a summary of the findings, the key proposals, recommendations and a description of the potential impacts of taking the approaches being described. It also contains an outline implementation plan for the coming months. The Portfolio Blueprint can be found in Appendix 1.
8. This report provides the Board with a summary of the case for change, and points to the key findings, recommendations and immediate next steps in terms of implementation. This information is all contained in more detail in the Portfolio Blueprint.
9. It should be acknowledged that there are several dependencies and convergent points with the other workstreams outlined in paragraph 2 above, particularly in the area of risk and assurance. The portfolio management lifecycle and gateway decision points must consider the new business assurance framework, and processes and responsibilities will be aligned as part of the planning and implementation phases.
10. In addition to and alongside the business assurance framework, a review of governance is currently being carried out by the Governance team. The requirements from a Portfolio perspective will be fed into and will be influenced by this review and this will be considered again as part of the next phase of planning and implementation.

What is Portfolio Management

11. The Association of Project Management (APM) defines Portfolio management as:

'the selection, prioritisation and control of an organisation's programmes and projects, in line with its strategic objectives and capacity to deliver. The goal is to balance the implementation of change initiatives and the maintenance of business-as-usual, while optimising return on investment.

A Portfolio is a collection of projects and/or programmes, used to structure and manage investments at an organisation or functional level to optimise strategic benefits or operational efficiency.

Where projects and programmes are focused on deployment of outputs, and outcomes and benefits, respectively, portfolios exist as coordinating structures to support deployment by ensuring the optimal prioritisation of resources to align with strategic intent and achieve best value

To shape the portfolio, the sponsor and portfolio manager seek out visibility of plans of the constituent projects and programmes and agree how to reshape those constituent parts depending on:

- a. The organisation's ability to resource the whole portfolio.*
- b. Any changes to strategic direction or pace of strategic implementation.¹*

The case for change

12. In December 2019, Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) published a report on the Brigade's Effectiveness, Efficiency and People. Whilst this report did not contain any specific recommendations in relation to project, programme and portfolio management (P3O), it did identify that there was evidence of the Brigade being wasteful with its resources and it should review how it allocates resources to activities, based on the risks set out in the London Safety Plan. It found many important projects had stalled, meaning that planned improvements agreed with the public hadn't happened. Specifically, it recommended that:

- *The Brigade should make sure it reviews how it allocates its resources to activities, based on the risks set out in the London Safety Plan*
- *The Brigade should make sure it effectively monitors, reviews and evaluates the benefits and outcomes of any contractual arrangements, collaboration, or other improvement projects.²*

13. The Brigade's Transformation Delivery plan identifies the need to 'review and re-charter the project management function', which is wrapped up in this work particularly in terms of the recommendations relating to the role of the Programme Management Office.

14. In February 2021, HMICFRS published a further report, specifically looking at progress made by the Brigade against the Grenfell Tower fire public inquiry recommendations from Phase 1. This includes the subject of governance in relation to the recommendations. It also published a letter with its findings following a review of the causes for concern identified in the 2019 report, primarily associated with incident command training.

¹ Association of Project Management definition (APM)

² Page 27 HMICFRS report, December 2019

15. This report acknowledges the efforts made by the Brigade to improve how projects are structured, monitored, reported and assured, and that experts have been brought in to help support this, and ultimately enable the Brigade to improve managing the different work plans and improving the skills of leaders to manage organisational change. Specifically, it identifies the following area for improvement:

*The Brigade should better manage its risks and action plans to enable its improvement work to be accelerated*³

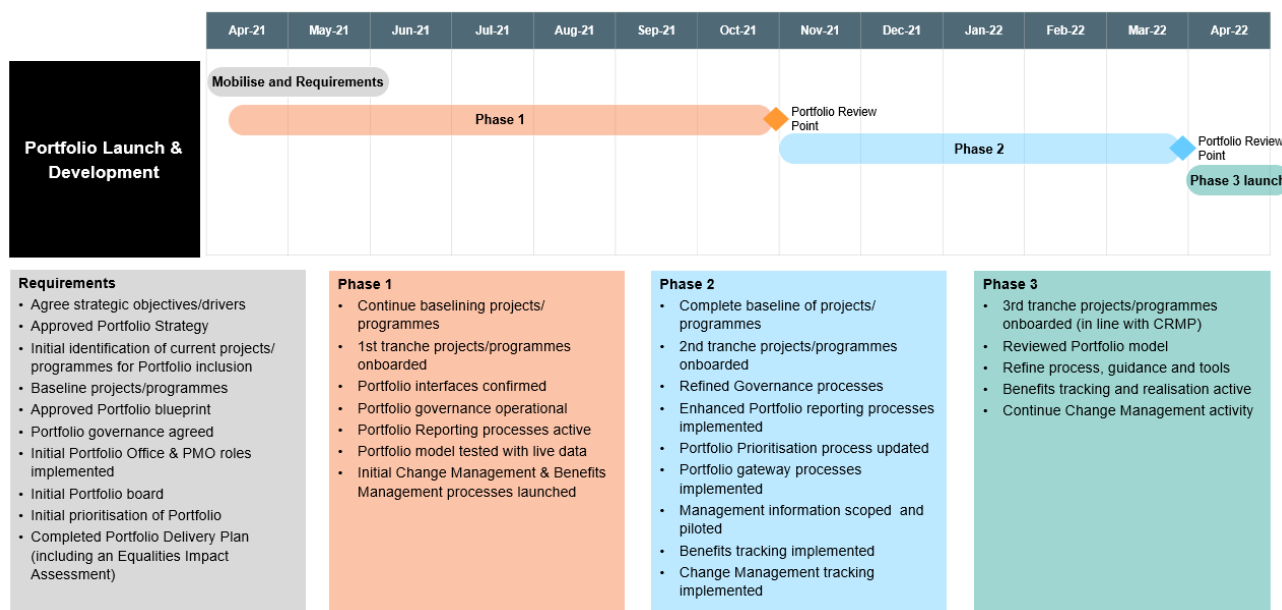
16. The Brigade's internal auditors, The Mayor's Office for Policing and Crime (MOPAC) have also carried out a review of the Brigade's digital transformation strategy. This review identified several recommendations specific to ICT, but relevant to the wider Brigade, in terms of ensuring that ICT are able to more effectively prioritise their resources in line with the TDP and strategic objectives (which includes the Togetherness Strategy), to support with more effective longer-term planning. It also identified the need to establish a process where an independent review of progress against the ICT workplan is undertaken to facilitate effective corporate oversight.
17. Taking a Portfolio approach will enable the Brigade to prioritise its change and improvement activities against business as usual. It will also help to focus on an outcome and benefits-based approach, through the adherence to Programme and change management principles. Ultimately, this should result in efficiencies in delivery by maintaining a focus on the highest-priority activities. In order to do this, the Brigade must also become better at defining, managing and delivering projects and programmes.
18. Another benefit of adopting a Portfolio approach will be the ability, in time, for the Brigade to provide higher-level, more focused and better-quality reporting against the Brigade's improvement and transformation activities.
19. The desktop and stakeholder engagement work carried out by RedQuadrant identified further internal drivers for implementing this approach, which are included in the Portfolio Blueprint in Appendix 1.

Implementation and next steps

20. The Portfolio Blueprint contains several recommendations for implementing this work over the next 12 months. This includes a summary of recommendations on slide 8. This report is requesting approval to move to the next phase of the work (Implementation – Requirements/phase 1) as outlined on slide 14 of the Blueprint slide pack and in the recommendations section above.
21. The proposal provided in the Portfolio Blueprint is to take an iterative, phased approach to implementing the Portfolio. The Brigade does not currently have the capability or capacity to implement Portfolio management immediately. Time is required to upskill staff, identify and obtain additional P3O resources, align the existing governance arrangements, and fully define the projects and programmes that will form the Portfolio. The majority of these are not currently classed as Corporate Projects and are not necessarily supported by the resources needed to take these delivery approaches.
22. The Blueprint contains an overview of the implementation plan at slide 11. The next stage will be to define the requirements, establish a project and identify the tasks required of the PMO,

³ Page 15 HMIRCRS report, February 2021

Portfolio Office and departments involved in project and programme delivery. This will enable phase 1 of onboarding projects and programmes into the Portfolio. The high-level roadmap from the Blueprint has been included below for reference.



23. Phase 1 will overlap with the mobilisation and requirements phase and will start the process of identifying the priority projects and programmes that will form that initial Portfolio and adopt project, programme and portfolio management structures and processes. Two areas currently being considered are Togetherness and Incident Command, as they are two key priorities for the Brigade following the Grenfell Tower fire and the HMICFRS findings. This initial implementation will be led by the Portfolio Office and the PMO, with support provided by RedQuadrant as part of their existing contract.
24. Alongside this, departments will be encouraged to start preparing for their project and programme activity to be 'onboarded' into the Portfolio. This will be supported by the work starting in April 2021 to assess the Brigade's current P3O and business change skills and capabilities, assessing the gap and how to address that gap.
25. Phase 1 will be followed by a further phase to onboard additional projects, programmes and activities into the Portfolio, with the aim to onboard a final tranche by March 2022 which is in line with the future CRMP. The portfolio will be refined to ensure its content becomes a reflection of all the work the Brigade are planning to do, in order to become the organisation that will be described in the CRMP. As the CRMP is created, the portfolio may need to be adjusted to ensure that it focuses on the Brigade's future priorities, including its business as usual activities.
26. The intention is to run this work as a project. It will be run in an Agile way, focusing on the delivery of key outcomes within defined time boxes, rather than detailed reporting against individual tasks and activities. There will be regular progress updates provided to Portfolio Board, and opportunities for stakeholders to provide feedback and inform and influence the work.

Risks

27. The key risks to delivering the portfolio approach include:

- There is a risk that the Brigade does not currently have the capacity to take on this level of change, alongside the other activities currently being prioritised. Taking these approaches will require an amount of work up front to define projects and programme, develop the governance required, and support this with the right documentation and resources. In order to mitigate this risk, an iterative, phased approach is being suggested.
- There is a risk that it is not possible to provide the financial investment required, over time, to implement these approaches. This may require directorates to consider roles and responsibilities and the way they manage and resource their project and programme activities going forward. This risk cannot be fully avoided, but can be managed by ensuring that the consideration of these resources is included in any reviews being carried out of their existing structures, roles and responsibilities, and by including the need for project/programme management resources when bidding for funding to deliver change and improvement activities.
- There is a risk that this approach will not be supported across the Brigade. Previous investigations into taking a Portfolio approach and developing our project and programme management capacity and capability have not resulted in action. In order to mitigate this risk, the approach will need to be supported and encouraged by the leadership team.

Financial Impact and resourcing the Portfolio approach

28. There is no financial impact at this point, but it should be noted that moving to a Portfolio approach, and the need to support this with the appropriate level of project and programme management, will require financial investment over time in order to provide the level of resourcing needed to support this effectively.

29. Specifically, the Portfolio Blueprint (slide 13) provides the following information on anticipated costs:

Implementing Portfolio management will involve cash cost, opportunity cost and effort, but our judgement is that this is necessary, and the investment will represent very good value:

- Putting in place more consistent better resourced PPM processes at Service and Directorate level.** *This is probably the largest cost, but also the easiest to justify and one that LFB has already recognised in its planned work on the PPM skills gaps. LFB is delivering increasingly complex projects and programmes and these PPM resources would be required to manage the associated risks regardless of whether Portfolio management was being implemented.*
- Creating an Activist PMO.** *This builds from the investment in PPM skills at Service and Directorate level. The level of cost depends on how much support Project and Programme managers will need, and on the size and complexity of the Portfolio. However, given the complexity of future work and the potential cost of failure the value argument seems clear.*
- Creating a new Portfolio Office function.** *This is a relatively small but important investment. Having the capacity to manage the business of the Portfolio Board and other boards effectively it has the potential to significantly reduce the effort expended by the Senior Management teams and multiply the impact of the Portfolio and Portfolio Board. Initially we*

anticipate this can be covered by an existing post but will need to review mid-year with the anticipated increase in workload as the portfolio grows.

- d. **Recruiting Business Change Managers into Programmes and Portfolio Business Change support.** *Launching the initial business change approach across LFB will require specialist resources to support programmes to implement the approach. This FTE requirement is expected to grow over the next 12 months whilst adoption expands across LFB. Initially we anticipate one FTP post to support Business Change to sit in the Transformation Directorate. Each major programme should also consider how they will resource Business Change Managers over Phase 1.*

The exact costs will not be apparent until implementation work starts and the size and complexity of the Portfolio is clearer, and it is likely that the investment will be incremental. However, it seems clear that a very strong value argument can be made for all of these investments.

30. This is likely to include central resourcing, in terms of an enhanced Programme Management Office, establishment of a Portfolio Office and a Business Change function, but also at service-level in terms of the project and programme management resources required to deliver the change the Brigade has committed to. However, this investment will enable the Brigade to better prioritise its resources in line with its strategic objectives and become more efficient in delivery, which should ultimately contribute to making its services more efficient and effective.
31. Alongside this work, a review is being carried out of the Transformation directorate structure. In addition, a gap analysis of the Brigade's project, programme, portfolio and business change skills and capability is being conducted from April 2021 by consultants RedQuadrant. Both should be completed in June 2021 and will feed into the longer term resourcing requirements for the Portfolio approach. This will also help to identify where skills and resourcing already exist, and where departments and directorates may be able to manage and deliver projects and programmes more effectively within their existing resourcing levels, wherever possible.
32. The iterative nature of the proposed approach means that further updates will be provided regularly to the Board, and approvals sought where additional resources and/or decisions on priority, alignment and direction are required.

Finance comments

33. This report recommends that the adoption of a portfolio approach is agreed, along with the development of the Programme Management Office and creation of a Portfolio Office. There will be no financial impact of this in the first stage of this process, with the work of the Portfolio Office being carried out by existing staff and the work of the Programme Management Office changing rather than increasing in size or resource requirements at this point. There may be a requirement for additional resourcing against these areas at a future time however, which would form the basis of a later report
34. This report recommends that the adoption of a portfolio approach is agreed, along with the development of the Programme Management Office and creation of a Portfolio Office. There will be no financial impact of this in the first stage of this process, with the work of the Portfolio Office being carried out by existing staff and the work of the Programme Management Office changing rather than increasing in size or resource requirements at this point. There may be a requirement for additional resourcing against these areas at a future time however, which would form the basis of a later report.

Workforce comments

35. At this point, the recommendations and proposals in this report and the accompanying Portfolio Blueprint are unlikely to impact the workforce directly. In applying Portfolio management and the underlying project and programme management approaches, this should result in more efficient, effective delivery of both outputs (e.g. equipment, IT Solutions, etc) and outcomes (e.g. lasting changes and benefits in performance) all of which will have a positive impact on the workforce.
36. The intention is to implement a business change capability and strengthen the priority placed on change management throughout the delivery of projects and programmes. This includes ensuring that all stakeholders, including the end-user, are identified in the first stages and involved throughout development. Portfolio management will help the organisation understand the cumulative impact of that change on the workforce, resulting in being able to better manage the implementation of the Transformation Delivery Plan and future CRMP.

Legal comments

37. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
38. By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor").
39. Section 1 of the Fire and Rescue Services Act 2004 ('the 2004 Act') states the Commissioner is the fire and rescue authority for Greater London.
40. Section 5A of the 2004 Act enables the Commissioner to "do anything it considers appropriate for the purposes of the carrying out of its functions in accordance with Section 5A Fire and Rescue Services Act 2004 (FRSA 2004), the Commissioner has powers to do anything that is either incidental or indirectly incidental to its functional purposes.
41. The General Counsel also notes that the procurement of consultants Red Quadrant was in compliance with the Public Contracts Regulations 2015 and any proposed procurement will also be compliant with the Public Procurement Regulations 2015.

Procurement and Sustainability implications

42. A Sustainability Impact Assessment will be carried out as part of the process of developing a Project Initiation Document for this project.
43. The Procurement for the consultancy work was carried out by RedQuadrant and was conducted fairly, within procurement guidelines, using frameworks available to the Brigade. The procurement for the consultancy for the second contract will be conducted in compliance with LFC procurement standing orders and Public Procurement Regulations 2015.

Strategic Drivers

44. The strategic drivers have been described in the 'case for change' section in the report, both in terms of the direct recommendations from HMICFRS, and the changes identified in the Brigade's Transformation Delivery Plan, primarily in regard to the way the Brigade manages its resources to deliver its work, and manages the delivery of its action plans.

Equalities implications

45. The processes being proposed, including more robust project and programme management, will incorporate the processes required early on and throughout planning and delivery to carry out an Equalities Impact Assessment on specific projects.
46. The London Fire Commissioner and decision takers are required to have due regard to the Public Sector Equality Duty (s149 of the Equality Act 2010) when exercising our functions and taking decisions.
47. It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
48. The protected characteristics are: Age, Disability, Gender reassignment, Pregnancy and maternity, Marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), Race (ethnic or national origins, colour or nationality), Religion or belief (including lack of belief), Sex, and Sexual orientation.
49. The Public Sector Equality Duty requires us, in the exercise of all LFC functions (i.e. everything the LFC does), to have due regard to the need to:
 - (a) Eliminate discrimination, harassment and victimisation and other prohibited conduct.
 - (b) Advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
 - (c) Foster good relations between people who share a relevant protected characteristic and persons who do not share it.
50. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic;
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
51. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

52. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

(a) tackle prejudice, and

(b) promote understanding.

53. An Equalities Impact Assessment will be carried out in the next phase. Consultation will take part with the inclusion team as part of this process.

List of Appendices

Appendix	Title	Protective Marking
1.	Portfolio Blueprint	None

Consultation

Name/role	Method consulted
Fiona Dolman (Director for Transformation)	Verbally/email
Andy Bell (Assistant Commissioner Transformation)	Verbally/email
Charlie Hanks (Staff Officer, Director for Transformation)	Email
Susan Ellison-Bunce (Assistant Director Strategy and Risk)	Verbally/email
Steven Adams (Head of Governance)	Verbally/email
Paul Davies/Emma Sinclair (PMO)	Verbally/email
Tiffany Oarton (Inclusion Team)	Verbally
Heads of Service, project and programme leads	Briefing and Q&A held on 19.03.21

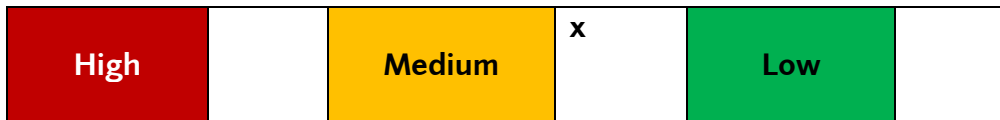
Equality Impact Assessment (EIA) Form

The **purpose** of an EIA is to give **as much information as possible** about potential equality impacts, to demonstrate we meet our **legal duties** under the Equality Act 2010.

Please read the EIA Guidance [on Hotwire](#) before completing this form.

1. What is the name of the policy, project, decision or activity?
<i>Implementation of a Portfolio Management and Business Change Capability</i>

Overall Equality Impact of this policy, project, decision or activity (**see instructions at end of EIA to complete**):



2. Contact details	
Name of EIA author	Leah Armstrong
Department and Team	Transformation Directorate
Date of EIA	July 2021

3. Aim and Purpose	
What is the aim and purpose of the policy, project, decision or activity?	<p>The aim of this work is to implement portfolio management across the Brigade. This involves taking a phased approach to improving our foundations of project and programme management, being more disciplined with using PPM approaches, and building a portfolio of the Brigade's key activities. The intention is to have greater transparency of our work and to enable more effective prioritisation of resources.</p> <p>It also includes implementing a Portfolio Lifecycle, with key decision gates throughout the life of a project/programme, that would require particular information to be provided to a project/programme or portfolio board at certain points in the work.</p> <p>This EIA accompanies the initial iteration of the Portfolio Strategy, which will be in draft for a number of months, enabling the EIA to be developed and amended, with equalities considerations incorporated into the strategy throughout its development.</p>

<p>Who is affected by this work (all staff, specific department, wider communities?)</p>	<p>This will impact all staff to a certain degree, as better project and programme management disciplines encourage more effective stakeholder engagement, communication and change management. This means making sure that those who will be impacted by a change are involved in some way from its inception. Primarily, this work will impact those who manage and deliver Brigade projects and programmes, across every directorate and department. The strategy and processes will reinforce and mandate the use of gateways to ensure the right processes are followed, including engagement of staff and consideration of impact on equalities through the planning and delivery of projects and programmes, including the use of EIAs. These processes will be embedded by using a gateway system for each stage of the project or programme.</p>
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4. Equality considerations: the EIA must be based on evidence and information.

<p>What consultation has taken place to support you to predict the equality impacts of this work?</p>	<p>Up to this point, initial informal consultation has taken place with the Strategic Inclusion Manager, when the first proposal for implementing portfolio management was submitted to the Portfolio Board and Commissioner's Board in March 2021. (LFC-0510). Engagement and consultation with Trade Unions and Equalities Support groups will be carried out throughout the development of this strategy and its implementation. In that report it was noted that the processes being proposed, including more robust project and programme management, will incorporate the processes required early on and throughout planning and delivery to carry out an Equalities Impact Assessment on specific projects. It was also noted in that report that a full EIA would be required as part of the next phase of the work. This strategy represents this next phase. This draft EIA has been discussed with the Strategic Inclusion Manager, and guidance/comments have been incorporated.</p>
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5. Assessing Equality Impacts

Use this section to record the impact this policy, project, decision or activity might have on people who have characteristics which are protected by the Equality Act.

Protected Characteristic	Impact: positive, neutral or adverse	Reason for the impact	What information have you used to come to this conclusion?
Age (younger, older or particular age group)	Positive	<p>Implementing Portfolio Management will affect different people of different ages across the Brigade. It is likely to have some impact on every department and team across the Brigade, in terms of the way projects and programmes are managed and delivered.</p> <p>It is most likely to impact those who manage and deliver change and improvement activity across the Brigade through projects and programmes, including the project sponsors/Senior responsible owners, project/programme managers, Subject Matter Experts, users (the 'customers') and internal/external suppliers of services.</p> <p>These individuals and groups are dispersed across the Brigade, and are a mix of uniformed and Fire and Rescue staff, although primarily FRS staff.</p> <p>Implementation of the strategy will also incorporate the development of a Portfolio Management and Business Change capability in the Transformation Directorate. This is likely to include a better-resourced Programme Management Office, a Portfolio Office, a Business change function, and a central pool of project, programme and change managers who will be available</p>	Currently waiting on data.

		<p>to manage significant, cross-cutting change projects and programmes.</p> <p>When the time comes to be able to start recruiting for these roles, consideration will be given to taking positive action and obtaining advice from Equalities, recruitment and the Equality Support Groups in order to encourage the recruitment of a team that has wide-ranging diversity of thought.</p> <p>It is likely that the pool of project and programme managers will be a mix of grades with a variety of skills, experience and knowledge. Part of the work will be to ensure these roles have a clear career pathway through the project, programme and portfolio management profession which encourages professional development. Employing a variety of grades is more likely to encourage younger members of staff/external candidates to apply, which will result in a wider diversity in terms of the ages of those in the roles.</p> <p>Delivering the strategy will also require a broad range of staff across the organisation to have better skills and training in project and programme management. This will be looked at alongside the review of the PMO's current Centre of Excellence (which includes best practice advice and templates). Training and resources will need to incorporate a variety of tools and techniques to cater for the wide range of individuals that will need them – for example through a mixture of in-person and virtual training/coaching, and enhanced templates and resources.</p>	
<p>Disability (physical, sensory, mental health, learning disability, long term illness, hidden)</p>	<p>adverse</p>	<p>The first iteration of the strategy contains a number of charts and diagrams that are intended to support the text, providing greater accessibility to the content for those who use visuals to support their understanding of a concept.</p>	<p>As outlined above, the strategy and its underlying processes, when developed, are likely to impact across a number of departments and teams in terms of the way projects and programmes are managed and delivered. Therefore, it is likely to be referred</p>

		<p>However, the strategy is currently primarily text-based and is still being developed. This could result in those with a learning disability or who are neurodiverse being less able to access the content.</p> <p>This will need to be considered in further iterations, with advice sought from the relevant equality support groups in terms of accessibility. As the processes behind the strategy are developed, the use of flow charts and additional diagrams to simplify their use will be considered and consulted on. It may also be sensible to provide the strategy and/or the processes in a summary-format, or to provide a recorded presentation-based version.</p> <p>As part of the strategy and the refresh of project and programme management processes, the Programme Management Office and Portfolio Office will need to consider their suite of templates, guidance and training. This refresh will also need to consider equalities impacts.</p> <p>The use of images/diagrams will need to be consulted on with the relevant equalities support groups, including their colour, fonts and complexity.</p> <p>Again, when recruiting for the central team of project/programme/change managers, consultation will take place with the relevant Equalities Support Groups to encourage a diverse range of applicants, including those who may have a disability.</p>	<p>to by a wide variety of staff, some of whom may have a disability.</p> <p>Guidance indicates that interspersing documents with images and visual supports serves neurodivergent audiences more effectively, as visual supports help bring in structure and demonstrate sequences.</p>
<p>Gender reassignment (someone proposing to/undergoing/ undergone a transition from one gender to another)</p>	<p>Neutral</p>	<p>This activity is gender neutral, and will not impact on privacy or physical facilities. It does not require any information such as titles.</p> <p>Any policies or guidance notes will be gender neutral.</p>	<p>There is no data available on this.</p>
<p>Marriage / Civil Partnership</p>	<p>Positive</p>	<p>This activity does not require any information about people's marriage or civil partnership status.</p>	<p>There is no data available on this</p>

(married as well as same-sex couples)		<p>The use and implementation of better project, programme and portfolio management, as well as the benefits that this brings in terms of prioritisation of work and resourcing these activities appropriately, will have a positive impact on those who need to balance work with their family lives.</p> <p>The intention is to deliver the work that the Brigade has the capacity to deliver, and not to exceed it. This should result, in time, in workloads being more manageable and in accordance with the Brigade's strategic priorities.</p>	
Pregnancy and Maternity	neutral	<p>Those on maternity leave will be able to access this strategy on hotwire or by contacting the Programme Management Office (PMO) or Portfolio Office (PO). The approach of developing a central pool of project and programme managers, with a wide variety of generic PPM skills and experience, will provide greater resilience in the delivery of large-scale, cross cutting projects and programmes. The resources will be managed by the Portfolio function in the Transformation Directorate and resilience will be built in to how these resources are allocated to specific projects.</p>	
Race (including nationality, colour, national and/or ethnic origins)	Neutral (potentially positive)	<p>Implementing Portfolio Management will affect different people of different ethnicities. It is likely to have some impact on every department and team across the Brigade, in terms of the way projects and programmes are managed and delivered.</p> <p>It is most likely to impact those who manage and deliver change and improvement activity across the Brigade through projects and programmes, including the project sponsors/Senior responsible owners, project/programme managers, Subject Matter Experts, users (the 'customers') and internal/external suppliers of services.</p>	Currently waiting on data

		<p>These individuals and groups are dispersed across the Brigade, and are a mix of uniformed and Fire and Rescue staff, although primarily FRS staff.</p> <p>There are a disproportionate number of BAME staff at junior grades in the Brigade, but this work does not affect junior staff more than others. It will primarily impact those who are managing, delivering and sponsoring projects and programmes, and also those who carry out project support roles.</p> <p>However, the approach of recruiting a central pool of project and programme managers, likely to be of a range of grades, will have a positive impact, and will attract a diverse range of staff to both the more senior roles, but also the more junior project management positions.</p> <p>Work will take place with Recruitment and the Equalities Support Groups to make sure that this is considered when recruitment takes place.</p> <p>Part of the work will be to ensure these roles have a clear career pathway through the project, programme and portfolio management profession. Employing a variety of grades is more likely to encourage more diverse staff/external candidates to apply, which will likely result in a wider diversity in terms of the ethnicity of those in the roles. Clear career pathways and professional development will also encourage progression from junior to more senior roles.</p> <p>As mentioned above, training and resources will be improved and refreshed, which will enable greater access to these resources to those of different grades and levels of seniority across the Brigade.</p> <p>This work does not require any information relevant to ethnicity nationality or race.</p>	
<p>Religion or Belief (people of any religion, or no religion, or</p>	<p>neutral</p>	<p>This activity does not affect people of different religions – it does not impact uniform, appearance or facilities.</p>	<p>Currently waiting on data</p>

people who follow a particular belief (not political)			
<p>Sex (men and women)</p>	Positive	<p>Implementing Portfolio Management will affect different people of both sexes. It is likely to have some impact on every department and team across the Brigade, in terms of the way projects and programmes are managed and delivered.</p> <p>It is most likely to impact those who manage and deliver change and improvement activity across the Brigade through projects and programmes, including the project sponsors/Senior responsible owners, project/programme managers, Subject Matter Experts, users (the 'customers') and internal/external suppliers of services.</p> <p>The strategy will not adversely impact either sex, as the strategy and processes will be designed in order to improve the delivery of projects and programmes.</p> <p>The recruitment of staff to a central pool of project, programme and change managers at a range of grades, is likely to attract a more diverse range of staff to both junior and more senior roles. The development of a clear career pathway through project and programme management will serve to provide those in more junior roles with the opportunities to progress as they gain experience, skills and knowledge.</p> <p>Again, when recruitment can take place, work will be carried out with Recruitment and the Equalities Support Groups to ensure that a wide diversity of individuals are aware of the roles and have the opportunity to apply.</p>	Currently waiting on data
<p>Sexual Orientation (straight, bi, gay and lesbian people)</p>	neutral	<p>This activity does not use any language that is not gender neutral. It does not involve employees or communities disclosing any information about their family or living situation.</p>	<p>As the strategy is developed, consultation will take place with the relevant equality support groups to make sure that there is no adverse impact on the LGBTQ+ community, but at this stage this is not anticipated.</p>

		When recruitment can take place, work will be carried out with Recruitment and the Equalities Support Groups to ensure that a wide diversity of individuals are aware of the roles and have an opportunity to apply.	
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6. Impacts outside the Equality Act 2010	
What other groups might be affected by this policy, project, decision or activity?	
<p>The first iteration of the strategy contains a number of charts and diagrams that are intended to support the text, providing greater accessibility to the content for those who use visuals to support their understanding of a concept.</p> <p>However, the strategy is currently primarily text-based and is still being developed. This could result in those with a learning disability or who are neurodiverse being less able to access the content.</p> <p>This will need to be considered in further iterations, with advice sought from the relevant equality support groups in terms of accessibility. As the processes are developed, the use of flow charts and additional diagrams to simplify their use will be considered and consulted on. It may also be sensible to provide the strategy and/or the processes in a summary-format, or to provide a recorded presentation-based version.</p> <p>As part of the strategy and the refresh of project and programme management processes, the Programme Management Office and Portfolio Office will need to consider their suite of templates and guidance. This refresh will also need to consider equalities impacts. Where possible, IT Solutions will be kept straight forward and easy to use, without the reliance on a large amount of text.</p> <p>The use of images/diagrams will need to be consulted on with the relevant equalities support groups, including their colour, fonts and complexity.</p>	

7. Legal duties under the Public Sector Equality Duty (s149 Equality Act 2010)	
How does this work help LFB to:	
Eliminate discrimination?	The implementation of a portfolio lifecycle with decision gates will encourage and mandate the use of an EIA on all projects and programmes from their inception, through delivery and implementation.
Advance equality of opportunity between different groups?	As above. In addition, alongside the strategy, there are proposals to create a central pool of project, programme and change managers with a clear career pathway. This will make sure that these

	<p>individuals have the opportunities to progress in their profession, and be deployed on projects according to their skills and experience. Research indicated that project, programme and change management roles currently tend to be assigned on the basis of rank and grade. While experience, training and aptitude are also considered, there is a lowest rank/grade below which there is sometimes reluctance to assign these management roles. This may act to limit inclusion and diversity.</p> <p>There is also the opportunity for positive action through the recruitment of the resources required to support the implementation of the portfolio strategy and better project and programme management.</p> <p>Through formalising the approach to completing EIAs with the use of gateways, this will help those delivering project and programme activities in considering the impact at an early stage in the work's lifecycle.</p>
<p>Foster good relations between different groups?</p>	<p>The implementation of a portfolio lifecycle with decision gates will encourage and mandate the use of an EIA on all projects and programmes from their inception, through delivery and implementation.</p> <p>The implementation of strong project, programme and portfolio management helps to manage cross-departmental and team dependencies. It will also help to manage priorities and capacity. This helps to encourage different teams and groups of people to work together, and carry out appropriate consultation, to achieve common outcomes.</p> <p>The portfolio management and business change strategy and processes will encourage consultation to take place throughout projects and programmes with a wide variety of stakeholders, including Equalities Support Groups.</p> <p>Through the development of the strategy and its processes, consideration will be given to providing presentations to the Equalities Support Groups at an early stage, to seek their input and collaboration in terms of its development.</p> <p>Throughout the development of this strategy, consultation has taken place through the use of workshops with Heads of Service, their nominated leads, and project and programme managers across the Brigade. Updates have also been provided to Heads of service via the fortnightly Heads of Service meeting.</p>

8. Mitigating and justifying impacts

Where an **adverse** impact has been identified, what steps are being taken to **mitigate** it? If you're unable to mitigate it, is it **justified**?

Characteristic with potential adverse impact (e.g. age, disability)	Action being taken to mitigate or justify	Lead person responsible for action
Disability (learning disability)	Consultation with equalities support groups	Leah Armstrong
	Use of diagrams and flow charts where possible	Leah Armstrong
	Consideration of alternative formats ie recorded presentations	Leah Armstrong

Now complete the RAG rating at the top of page 1:

High: as a result of this EIA there is evidence of significant adverse impact. This activity should be stopped until further work is done to mitigate the impact.

Medium: as a result of this EIA there is potential adverse impact against one or more groups. The risk of impact may be removed or reduced by implementing the actions identified in box 8 above.

Low: as a result of this EIA there are no adverse impacts predicted. No further actions are recommended at this stage.

Appendix 4: the scope of Incident Management



The Scope of Incident Management