



Infrastructure
and Projects
Authority



Guide: portfolio management

Portfolio governance



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Reporting to the
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This document is published by the Infrastructure and Projects Authority and supports the [Government Functional Standard for Project Delivery](#), which sets expectations for the direction and management of portfolios, programmes and projects across government, and the Government Project Delivery Framework, which sets the requirements and provides guidance for programmes and projects through their life cycle.

The full suite of functional standards, and associated guidance, can be found at [GOV.UK government functional standards](#).

The meaning of words are as defined in the Shorter Oxford English Dictionary, except where defined in the Glossary at Annex B or where a government specific definition exists in the [Functional Standards Common Glossary](#).

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5 Portfolio Governance

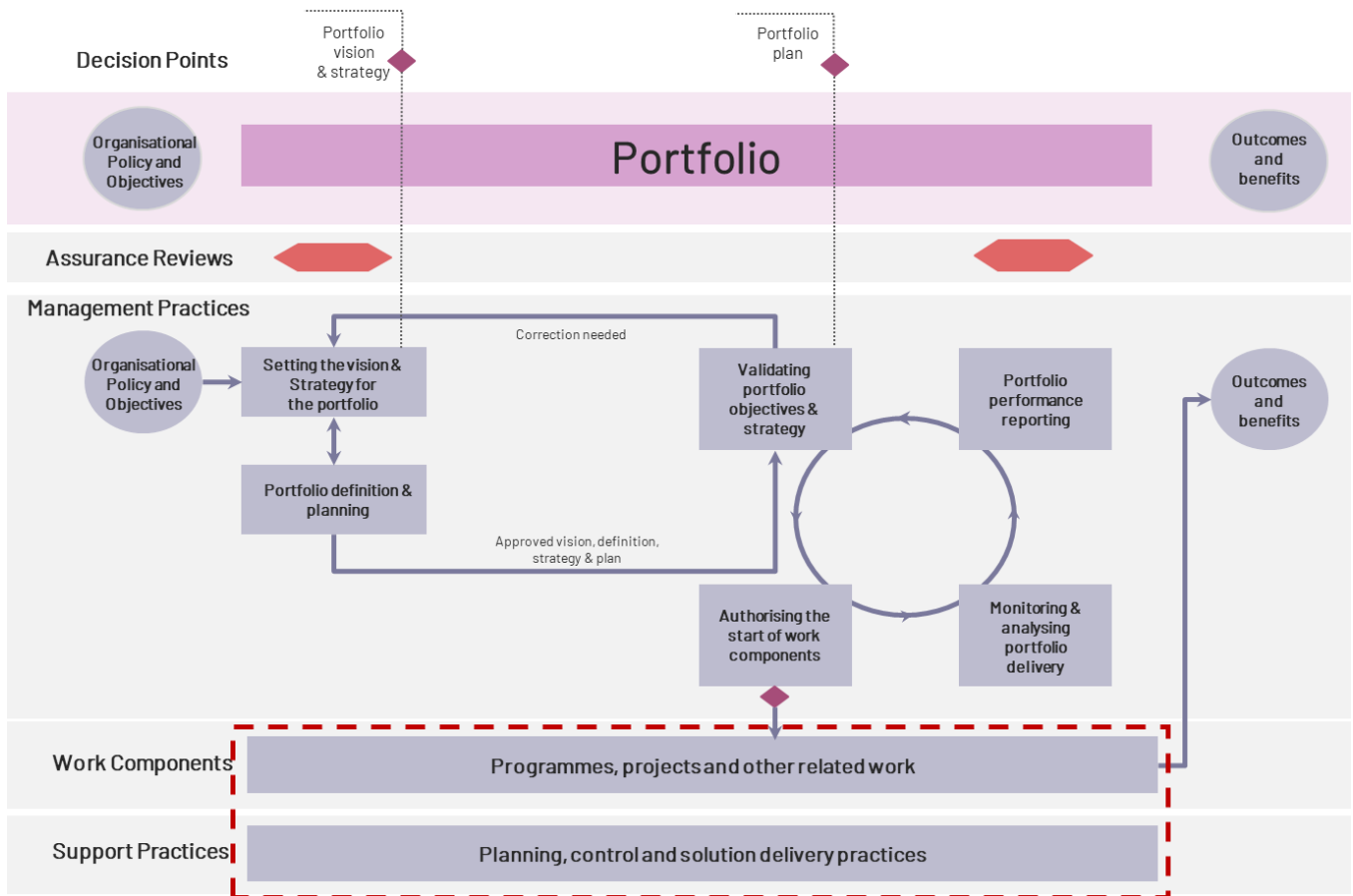


Figure 1 The Portfolio life cycle. Areas marked with  will be discussed in this module.

Government Functional Standard GovS 002: Project Delivery - Expectations

5.1 What is meant by portfolio governance?

GovS 002 states, [Governance defines relationships and the distribution of rights and responsibilities among those who work with and in the organisation. It determines the rules and procedures through which the organisation's objectives are set and provides the means of attaining those objectives and monitoring performance. And Governance comprises prioritising, authorising, directing, empowering and overseeing management, and assuring and reviewing performance.](#)

At its simplest, governance is about getting the right people together, at the right frequency, with the right information to make appropriate decisions. In short, governance concerns:

- **Decision-making, and hence the information flows on which effective decision-making depends.** Portfolio governance encompasses the structures, accountabilities and policies, standards and processes for decision making within an organisation in order to answer the key strategic questions: 'Are we doing the right things?', 'Are we doing them the right way?' and 'Are we realising the benefits?'
- **Determining who, where and when these decisions are made** - The portfolio board structure and key roles involved in making those decisions and providing the information to enable those decisions. Regarding the 'when' - that includes ensuring the regular cadence of meetings.
- **Adapting governance to the circumstances** - GovS 002 Principle 3 states: [governance and management frameworks, and controls are proportionate and appropriate to the work and the level of prevailing risk.](#)
- **Documenting and communicating the governance framework to stakeholders** to ensure a shared understanding. The best indicator of top governance performance is the ability of senior managers to describe the governance framework.

See 'tools, templates and examples' section for the typical contents of a portfolio governance and management framework.

5.2 Portfolio Governance Alignment

Firstly, alignment means the governance of the portfolio itself is aligned internally, so that governance is not duplicated at the project, programme and portfolio levels, with the resulting inefficiency and confusion about where decision rights lie. The importance of this is highlighted in GovS 002 Principle 4 - [accountabilities and responsibilities are defined, mutually consistent and traceable across all levels of management.](#)

Considerations include:

- Ensuring the efficient flow of information from project to programme to portfolio level. Where possible data should be re-used to minimise the need to produce duplicate reports. It is therefore recommended that a standard initiative highlight report be agreed to ensure a consistent data set is reported to each governance level.
- A representative from the portfolio office attends programme and stand-alone project boards to stay up to date on progress. This can help ensure emerging issues are identified at an early point and promote greater cross-portfolio collaboration.
- Scheduling meetings of governance bodies to ensure that escalated variances and issues are addressed promptly.

Secondly, alignment means the portfolio management practices should be coordinated with existing organisational functions and activities, including:

- **Strategic & Business Planning** – organisational strategy provides the context within which portfolio management operates, but the relationship is two-way: portfolio management ensures initiatives are aligned with organisational strategy and business priorities, as well as providing feedback as to whether the intended strategic contribution is achieved and lessons are learned. In this way portfolio management helps close the strategy-execution gap referred to in Module 1.
- **Performance reporting** – portfolio performance measures should make use of the existing performance management framework established to monitor organisational performance and achievement of strategic objectives, including any KPIs.
- **Financial and risk management**. Portfolio tracking of spend and risk should, wherever possible, utilise data from the existing financial reporting and risk management functions. The portfolio office will therefore need to collaborate with finance business partners (GovS 006) and the organisation's risk management function in designing processes for monitoring and reporting portfolio spend and risk.

Thirdly, alignment refers to the wider organisational governance model and its resulting culture. For example, in a decentralised organisation where business units have a high degree of autonomy, adopting centralised portfolio governance encompassing all initiatives, is likely to prove problematic. At a basic level there are two main approaches to organisational governance, whilst recognising that this is an oversimplification and that organisations will exist on a spectrum; this basic categorisation can help clarify thinking about an appropriate portfolio governance model.

1. **The centralised approach to corporate governance** – here consistent approaches to strategic and business planning, performance, financial and risk management are applied across the organisation. This model is most often seen in relatively small organisations or those with a narrower range of functions. This model offers advantages in terms of consistent strategic and delivery focus.

Here a centralised approach to portfolio governance is likely to be most appropriate. There may be some sub-portfolios where the number and scale of initiatives justify it, but their operation will be subject to close corporate oversight, for example by a corporate portfolio office to which sub-portfolio portfolio offices report.

2. **The decentralised approach to corporate governance** – here business units operate with a high degree of autonomy, with an arms-length relationship to the corporate centre. This model is appropriate in federated organisations where there is limited overlap between the objectives/functions of the various business units. It offers advantages in terms of business units being able to focus on their core purpose and in terms of responsiveness to change. The risk is inconsistent processes and duplication of systems, with some loss of economies of scale (although it does offer economies of specialisation).

Here a decentralised approach to portfolio governance is likely to be most appropriate with portfolio governance applied at business unit/functional level, but with a corporate portfolio focused on the most strategically important initiatives. The corporate portfolio office's functions can include operating as a 'centre of excellence' providing support and guidance (as well as tools and templates) to the business unit/functional portfolios. As discussed in Module 2, these risks can be mitigated by sub-portfolio plans being subject to review by the corporate-level portfolio committee/investment committee.

5.3 Features of effective (and ineffective) portfolio governance

The seven key features of effective portfolio governance are as follows:

1. Clarity and a shared understanding of the portfolio governance framework. This should include a description of the portfolio governance structures and what decisions are made, where, when and using what criteria. Beyond recording the governance framework, it needs to be effectively communicated to all stakeholders, in particular those who fill portfolio governance roles or participate on governance bodies (both at portfolio and initiative level). Consideration should therefore be given to:
 - 1.1 A formal induction process for portfolio board members, as well as those filling governance roles at sub-portfolio and initiative level.
 - 1.2 Governance awareness sessions for other stakeholders including project delivery colleagues.
 - 1.3 A training and development programme for portfolio and programme board members to ensure they can contribute effectively to portfolio and initiative governance. An example is shown below which takes this one step further, from awareness to accreditation.
2. Terms of Reference (ToR) are agreed for the portfolio governance bodies with role profiles being prepared for key positions. Examples are shown in the 'tools, templates and examples' section.
3. Governance oversight of initiatives should run from initiation to closure (see Module 4 – start gate, gate/decision points and post-closure reviews).
4. Recording clear escalation paths with control/tolerance limits so there is clarity about when variances are escalated to the next governance level (See Module 4). This helps address the issue of governance overload where decisions that could and should be made at a lower level are escalated. This commitment to management by exception is reflected in GovS 002 – [Managers of work components should be set permissible tolerances within which no escalation is required to the next level of management. Tolerance levels can cover, but not be limited to costs, benefits, schedule, quality, scope, performance, and risk.](#)
5. A portfolio office is established with sufficient organisational status. It must report to the portfolio director and be independent from delivery responsibility, so it can provide impartial advice and information to the portfolio governance bodies. This is considered further below in Section 5.6.
6. The portfolio governance structure is aligned to the wider organisational governance structure. This is considered in more detail in Section 5.5.
7. Unfortunately, even when the above structural features are in place, they are no guarantee of effective governance. Reports into project failure regularly highlight governance failings. For example, senior executives agreeing to serve on committees but not attending meetings or would send delegates who are not empowered or able to take decisions resulting in delays and frustration.

Achieving this depends on a culture of empowerment and trust, so managers and sponsors look beyond backward-looking notions of being 'held to account', to take personal responsibility for effective delivery and benefits realisation, even when they do not directly control all the resources and actions required. This in turn, emphasises the link between governance and culture (see Module 6).

Beyond this, another common failing in governance, and one that is of particular relevance at the portfolio level is focusing on the means not the end, meaning a governance focus on solution delivery rather than strategic contribution via benefits realisation.

Supplementary Guidance

5.4 From delivery-focused to benefits-focused portfolio governance

Note – this aligns with the wider corporate governance requirement that the Accounting Officer, “should champion an outcome and benefits-driven culture in their organisation” (Government Subject Specific Standard: Business Planning GovS 1002).

Achieving the shift from a delivery to a benefits-focus, requires that portfolio governance bodies and roles maintain an active and continued commitment to benefits across (and beyond) the initiative life cycle:

- **The Portfolio Committee / Investment Committee** – the governance body that decides which initiatives should be included in the portfolio. Such decisions should be based on achieving the optimum strategic contribution (reflecting the scale of benefits) from the available resources, subject to an acceptable level of risk. In short, they consider attractiveness as well as achievability.
- **The Portfolio Committee/ Portfolio Progress Group** – the governance body that monitors delivery and benefits realisation against the portfolio benefits realisation plan included within the portfolio plan. This body should take appropriate action to: deal with emerging threats to benefits realisation; ensure that emergent benefits are identified; and to confirm that lessons learned are captured, disseminated and applied to improve the management of benefits across the portfolio.
- **The Portfolio Office** – also has a key role to play in developing and managing the portfolio-wide benefits management processes, producing portfolio-level summaries of benefits realisation, providing support to the governance bodies, and supporting change initiatives in their benefits management activities. This can be facilitated where a portfolio analyst is allocated the role of **Portfolio Benefits Realisation Manager**, as per the project delivery capability framework, who is responsible for:
 - Developing, implementing and maintaining effective benefits management practices across the portfolio.
 - Working collaboratively with strategic planners in developing portfolio benefit categories to facilitate two-way traceability and providing feedback on effective strategy execution in terms of benefits realisation.
 - Providing a critical friend role in challenging investment proposals.
 - Working collaboratively with colleagues in demonstrating the strategic contribution initiatives will deliver and are delivering.
 - Monitoring the reliability of benefits forecasts and developing strategies to improve forecasting accuracy.
 - Working collaboratively with BaU and benefit owners in monitoring benefits realisation.
 - Preparing the portfolio benefits realisation plan as part of the portfolio plan.
 - Consolidating benefits realisation data for the portfolio dashboard report.
- **A focus on Benefit Owners** who fill a crucially important role in a benefits-led governance framework – they are responsible for validating benefits identified by initiatives and for monitoring and reporting on benefits realisation. See ‘tools, templates and examples’ section for examples of typical Benefit Owners.

5.5 Portfolio Governance Boards

Note – this section applies to portfolios whether operating at the corporate or business unit/functional level.

Whichever approach to portfolio governance is adopted, a further decision needs to be made about the board or committee structure. Options include:

- The single board structure where governance sits with either the board, the executive committee, or with a sub-committee (which we refer to in this Guide as the portfolio committee) which is responsible for portfolio prioritisation and balancing, as well as monitoring portfolio delivery to ensure achievement of the desired strategic contribution.
 - **Portfolio governance by the Board or Executive Committee** – offers advantages in terms of clear accountability for ensuring portfolio strategic alignment; focus on managing the impact of portfolio delivery on BaU; and clear decision-making authority with regard to funding and resource allocation. On the other hand, the board or executive committee may not have the time to provide the portfolio with the required degree of focus. This approach is likely to be the appropriate option in smaller organisations, with a smaller more homogeneous portfolio of strategically important initiatives.
 - **Portfolio governance by a dedicated Portfolio Committee** (a sub-committee of the board/executive committee) – offers advantages in terms of enabling a senior management focus on: ensuring resource allocation is optimised; the portfolio is and remains strategically aligned; and that the planned contribution to strategic objectives and business priorities is achieved. This approach is likely to be the appropriate option in larger organisations with a larger more heterogeneous portfolio of strategically important initiatives.
- The twin-board structure with:
 - An **Investment Committee** (also referred to as the Portfolio Direction Group in MoP) which is responsible for portfolio prioritisation and balancing, and monitoring on-going strategic alignment. It will normally be chaired by the portfolio director.
 - **The Portfolio Progress Group** (also referred to as the Change Delivery Committee in MoP) which is responsible for monitoring portfolio delivery and benefits realisation and escalating issues to the investment committee for resolution. It will normally be chaired by the portfolio manager.

This is likely to be the appropriate option where the portfolio is of a significant size and complexity to merit an additional sub-committee to focus on portfolio delivery. See ‘tool, templates and examples’ section for a portfolio board Terms of reference (ToR) template and typical portfolio governance roles and responsibilities.

5.6 The Portfolio Office

The portfolio office (led by the portfolio manager, who reports to the portfolio director) is one of the key factors underpinning effective portfolio management. This is because it provides a function to design, implement, operate and continuously improve the portfolio management practices, and to provide analysis and reports to the governance bodies.

The key roles for a portfolio office include (note this does not mean all the following will fall within a specific portfolio office’s remit):

- Developing a set of benefit categories, with associated measures, to provide a basis for two-way traceability between initiatives and strategy.
- Consolidating the portfolio plan and supporting plans for delivery, finance and benefits realisation.
- Providing a ‘critical friend’ role advising initiatives on the development of their business cases. Whilst the portfolio office needs to retain its independence so that it can appraise investments objectively, it should also work with projects and business units in improving investment submissions.
- Defining and agreeing, with the portfolio committee/investment committee, the investment criteria that will be used to appraise and prioritise potential investments.

- Appraising initiative proposals against the agreed investment criteria and making recommendations as to whether funding should be confirmed.
- Undertaking analyses for gates/decision points and portfolio level reviews for the portfolio director to present to the portfolio committee/investment committee.
- Performing gate/decision point reviews on behalf of the portfolio committee/investment committee for non-contentious and lower risk initiatives.
- Working with the portfolio governance body/bodies to ensure they get the information they require to discharge their responsibilities, and providing secretariat support to these bodies.
- Monitoring portfolio delivery and benefits realisation.
- Agreeing standard reporting templates with a clear schedule for their submission.
- Producing clear and succinct portfolio performance reports (including the portfolio dashboard report) on a regular basis, encompassing initiative delivery status, expenditure against budget, benefits realisation against plan, portfolio level risks and highlighting issues for management attention.
- Working collaboratively with project delivery colleagues to identify and manage dependencies, portfolio-level risks, and resolve resource conflicts.
- Ensuring initiative plans for assurance are adequate, that scheduled reviews are undertaken, and issues arising are addressed promptly.
- Building Project and programme delivery capability and developing consistent delivery processes and methodologies.
- Monitoring implementation of agreed recommendations arising from portfolio assurance reviews.
- Making proposals for improvement to the portfolio management practices and governance.
- Designing, implementing and communicating the portfolio management practices and templates.

The portfolio office should have sufficient organisational status (reporting to the portfolio director) with no responsibility for initiative delivery so that appraisals are objective and impartial, and are seen to be so.

Some portfolio offices do have responsibility for initiative delivery, particularly in relation to cross-organisational initiatives. This can compromise the portfolio offices independent appraisal and prioritisation functions unless there is a formal division of these responsibilities within the portfolio office.

In addition to independence and objectivity, the portfolio office also needs the relevant skills and competencies in areas such as: organisational strategy; investment analysis; portfolio management practices; benefits, financial and risk management; as well as an understanding of project and programme management. Beyond this, 'soft skills' such as: strong written and oral communication skills and the ability to summarise complex data; strong influencing and facilitation skills; and empathy and emotional intelligence are crucial.

Determining the size of the portfolio office can be approached in three phases:

1. The **bottom-up approach** - start by identifying the key functions and activities the portfolio office will be required to undertake, along with high-level time estimates for each function/activity.
2. The **top-down approach** - starting with some idea of the budget that is available, and then determining how many analysts can be funded, noting the PDCF guidance on grading:
 - Portfolio Manager – Grade 6 or Grade 7 depending on the scale of complexity
 - Portfolio Analyst – SEO or HEO again, depending on complexity.
3. **Reconcile the above** – balancing identified needs with resource availability. Where resources fall short of those identified as being required, prioritising the identified functions and activities to close the gap.

Beyond this initial analysis, consideration should be given to the unfortunate fact that many portfolio offices are short-lived. This is due in the main to a failure to demonstrate value, so the portfolio office becomes seen, perhaps not always fairly, as an unnecessary and expensive bureaucracy. It is therefore recommended that unless there is strong and widespread senior management commitment for the adoption of portfolio management, that the portfolio manager starts small (focusing on the areas of greatest impact – see Module 6) and demonstrates the value added that the portfolio office provides to:

- Senior managers – for example by providing: a source of impartial and independent advice; consolidated information to enable senior management to discharge their responsibilities for portfolio prioritisation; and status reporting on strategy execution.
- The delivery community – for example: working collaboratively to identify and address barriers to delivery; celebrating delivery success; and developing delivery capability.
- Business as Usual – for example: improving initiative scheduling to minimise the impact on BaU; ensuring that benefits claimed by initiatives are validated in advance with benefit owners; and supporting these benefit owners with training and advice.

In this way stakeholder support can be built gradually and underpin the development and evolution of a portfolio office that adds value and is seen to do so. This can be an integral part of an incremental approach to implementing portfolio management.

Tools, templates and examples

5.7 Portfolio governance and management framework

A clear governance structure that is understood by stakeholders is central to effective portfolio management. A portfolio governance and management framework should be developed to provide a central repository and authoritative source of guidance on how the portfolio is governed and managed. The purpose and typical contents of this framework are shown below.

Portfolio Governance & Management Framework	
<p>Purpose</p> <p>To provide stakeholders with authoritative information on how the portfolio is governed, directed and managed.</p>	<p>Typical Contents</p> <ul style="list-style-type: none"> ■ Portfolio scope and categorisation applied. ■ The governance structure: ■ Role profiles for key roles including the portfolio director, portfolio manager and portfolio analysts (including the portfolio benefits manager). ■ Board structure, decision rights and Terms of Reference. ■ Portfolio office reporting line and responsibilities. ■ The portfolio management life cycle and portfolio management practices: ■ Vision & Strategy - arrangements for periodic review. ■ Planning – the planning horizon; investment criteria; processes for the initiation of work components; and allocation (and re-allocation) of funds and resources. ■ Delivery – including progress reporting scope and frequency; control/tolerance limits for variance escalation; the initiative life cycle and gates/decision points; and summaries of the portfolio strategies for financial, resource, risk and benefits management. ■ Arrangements for portfolio reporting and reviews, including assurance reviews.

Figure 2 A portfolio governance & management framework

The portfolio manager should ensure that stakeholders understand the rationale for the practices and their role in ensuring successful portfolio management. Having visible portfolio director support also sends a powerful message about senior management’s commitment to the implementation of portfolio management.

5.8 Benefit Owners

Examples of typical Benefit Owners are shown below.

Benefit category	Potential Benefit Owner
Financial cash releasing benefits	The budget holder or finance director.

Financial non-cash releasing benefits e.g. efficiency improvements that do not result in a budget reduction such as staff time savings and, “ <i>spend-reducing benefits being re-invested into other departmental activities</i> ”	The head(s) of the relevant business units where the spend reducing benefits or staff time saving have been re-invested to confirm the measurable improvements realised as a result of the reinvestment.
Non-financial quantitative and qualitative benefits that contribute to strategic objectives	The relevant strategy/strategic objective/KPI owner or policy lead.
Non-financial quantitative and qualitative benefits that contribute to improvements in public service quantity or quality	The relevant operations director or senior officer accountable for business performance in the organisation.
Non-financial quantitative and qualitative benefits that contribute to risk reduction	The relevant risk owner.
Non-financial quantitative and qualitative benefits that contribute to customer (citizens and businesses) benefits	The customer by direct engagement, focus groups, or with whoever in the organisation is responsible for customer engagement, or the account manager for that specific customer group.
Wider UK Public: Economic benefits	The chief financial officer, supported and validated with departmental economists.

Figure 3 Benefits category examples

5.9 Terms of Reference (ToR) examples

Whichever board structure is adopted, Terms of Reference (ToR) for the relevant board(s)/committee(s) should be documented and included within the portfolio governance and management framework. Sample ToR for a portfolio committee are shown below. Where a twin board structure is used, these ToR can be adapted to split the portfolio committee’s responsibilities between the investment committee and portfolio progress group (to aid this, the relevant responsibilities of each are identified below by the initials ‘IC’ or ‘PPG’).

Note - These ToR for the portfolio committee have been adapted from the template in ‘Project, programme and portfolio governance’ by Ross Garland and Adrian Morey, and are included here with the agreement of the authors.

Portfolio Committee Terms of Reference

The Portfolio Committee has overall accountability for setting and achieving the portfolio vision, strategy and objectives. It makes decisions regarding the composition of the portfolio and monitors the progress of initiatives in terms of continued strategic alignment, delivery and benefits realisation. It ensures that the portfolio is optimised to meet the strategic needs of the organisation and that it will not compromise the effective operation of the organisation

Responsibilities

Portfolio Planning (IC)

- Promote collaborative working in pursuit of portfolio objectives.
- Authorise the Portfolio Vision and Strategy.
- Agree the investment criteria that determine eligibility for initiative inclusion in the portfolio.
- Undertake investment appraisals and portfolio prioritisation exercises to determine the content and balance of the portfolio based on considerations of attractiveness, achievability and affordability at initiative and portfolio level.
- Balance and plan the portfolio in accordance with the Portfolio Strategy to optimise strategic contribution subject to an acceptable level of risk, affordability and other constraints.
- Approve the resulting Portfolio Plan.
- Ensure that funding and resources are allocated appropriately, and are reallocated when required.
- Ensure that the portfolio pipeline of potential initiatives is effectively managed and approve entry of new initiatives into the portfolio.

- Approving arrangements for portfolio assurance.

Portfolio Delivery (IC & PPG)

- Undertake gates/decision point reviews on high-risk initiatives or those with material issues. (IC)
- Receive reports in relation to lower risk gate/decision point reviews and approve continued initiative funding or recommendations to re-schedule or stop initiatives. (IC)
- Undertake portfolio reviews on at least an annual basis to assess whether the portfolio is on track to deliver the required strategic contribution and make decisions to re-balance the portfolio, including re-allocation of funding where required. (IC)
- Active monitoring and oversight of initiatives including via the monthly Portfolio Dashboard report encompassing: delivery against schedule; spend against profiled budget; and benefits realisation against plan. (PPG)
- Consider and resolve variances exceeding agreed tolerance/control limits and issues escalated from sub-portfolios or initiatives, including: cost, benefit, risk and schedule variances; and resource conflicts and dependencies that may impact delivery. (PPG & IC for matters escalated from the PPG)
- Consider issues delegated from the organisation's Board or Executive Committee. (IC)
- Undertake periodic reviews of portfolio management effectiveness. (IC)
- Escalate to the organisation's Board or Executive Committee any matters that fall outside the delegated authority of the Portfolio Committee. (IC)
- Approve stakeholder communications on portfolio progress. (PPG)

Authorise portfolio policies and standards (IC)

- Authorise and monitor the effectiveness of the portfolio management practices and governance as documented in the Portfolio Governance & Management Framework.
- Approve changes to the Portfolio Governance & Management Framework.

Membership

Chair

The Portfolio Director (Portfolio Manager in the case of the PPG) is the Chair of the Portfolio/Investment (delete as required) committee. In the absence of the Chair from the meeting, the Deputy Chair will chair the meeting.

Membership

Portfolio Director/Portfolio Manager - Chair

[insert role] Deputy Chair

[insert role] Member

[insert role] Member

[insert role] Member

[insert role] Attendee

The Chair may invite others to attend meetings at his/her discretion

Term of appointment

Members are appointed to the Committee for the period in which they occupy the roles listed above. The membership of the Committee will be reviewed on at least an annual basis.

Decision making and tolerances

The Committee is a decision-making committee. It may make decisions on any matter within delegated limits that may, in the discretion of the Chair, have a material impact on the portfolio.

The Committee approves key documentation associated with managing the portfolio including the Portfolio Governance and Management Framework.

The Committee approves key documentation associated with the strategic direction, planning and reporting on portfolio performance.

Decision making shall be by majority with the chair having the casting vote.

All decisions will be recorded in the minutes.

Out-of-session decisions shall be recorded in the minutes of the next scheduled meeting.

Procedures

Meeting frequency – Meetings shall be held monthly. The Secretary will provide an annual schedule of meetings.

Quorum – A quorum is at least two thirds of the Committee members in attendance and must include the Chair or Deputy Chair.

Use of proxies – Members of the Committee shall nominate a proxy to attend a meeting if the member is unable to attend, recognising that the delegate will be required to fulfil the same duties as the member, including participation in decision making.

Secretariat – Secretariat functions shall be provided by the Portfolio Office.

Agenda, papers and minutes – All agenda items and papers must be forwarded to the Secretary by close of business [insert number] working days prior to the next scheduled meeting.

The agenda, with attached meeting papers, will be distributed to members at least [insert number] working days prior to the next scheduled meeting.

Minutes, including actions, and attachments shall be provided to Committee members no later than [insert number] working days following each meeting.

Induction of new members – All members shall undertake an induction process which shall be organised by the Portfolio Office.

Review of performance – The Committee will conduct an annual review of its performance alternating between: self-assessment facilitated by the Portfolio Director (Portfolio Manager in the case of a PPG); and independent review by an appropriately experienced external advisor.

Regarding membership:

- The portfolio committee/investment committee will typically include ‘C’ level members with responsibilities relevant to portfolio management, including: The Portfolio Director, Strategy Director, CFO/Finance Director, Operations Director, CIO, Commercial Director/Chief Procurement Officer etc
- The portfolio progress group will, in addition to the portfolio manager, typically include senior managers with delivery responsibility such as SROs/Sponsors, Business Change Managers, Benefit Owners etc.

5.10 Portfolio Governance Roles

Role profiles are shown below for the three main portfolio management roles – the portfolio director, the portfolio manager (who heads the portfolio office and reports to the portfolio director) and the portfolio analyst (who operates within the portfolio office). These role profiles reflect the guidance in GovS 002 and the PDCF.

Note that for the purposes of this Guide, senior (usually executive level) sponsors are referred to as the portfolio director. Organisations are appointing Chief Project Delivery Officers, who will be ultimately accountable for the portfolio, but responsibilities envisaged here for the portfolio director.

Note – The role profiles for portfolio director and portfolio manager are from GovS 0002. The portfolio analyst role profile is from the Project Delivery Capability Framework.

Role Profile: Portfolio Director

Accountability

The portfolio director is accountable to a defined higher-level authority for the direction and governance of the portfolio, for optimising the required benefits at an acceptable level of risk. The portfolio director provides leadership and direction

Typical Responsibilities

- Acts as champion for portfolio management
- Chairs the portfolio committee/investment committee
- Gain relevant management board approval for the portfolio’s vision and strategy.

and owns the portfolio’s vision and strategy. Note: the higher-level authority depends on the context and might be the Accounting Officer, a departmental, arm’s length body or executive board or a portfolio board.

- Presents the portfolio plan to the portfolio committee/investment committee for approval
- Promote a culture focussed on cross organisation, collaborative working which acts in the interests of the organisation as a whole
- Ensure the portfolio evolves to reflect changes in the socio-political environment, policy, strategic objectives, business priorities and emergent risks
- Ensure investment is aligned to the government’s policy and departmental vision and strategy (shared responsibility with the portfolio manager)
- Funds and resources are allocated where needed and capacity and capability are sufficient to meet the needs
- Ensure portfolio management practices are defined, maintained and kept up to date
- Secure the investment to implement portfolio management and its support systems, tools and environment – including the portfolio office.

Role Profile: Portfolio Manager

Accountability

The portfolio manager is accountable to the portfolio director for planning and managing the portfolio as a whole, ensuring that its work components are sufficient to meet the portfolio’s objectives.

Responsibilities include monitoring spend against budget, benefits realisation, business change and risk. The portfolio manager coordinates the effective and efficient operation of portfolio management and ensures the flow of information to decision makers.

Typical Responsibilities

- Heads the portfolio office
- Chairs the portfolio progress group
- Drafts the portfolio’s strategy in support of the organisation’s business plan.
- Develops and owns the portfolio’s plan, including identifying and ensuring constraints are effectively managed; and balance the portfolio to cover short-term and long-term objectives (shared responsibility with the Portfolio Director)
- Prepares the regular reports on the portfolio’s performance for stakeholders and decision makers.
- Ensures the business cases for work components are created on a consistent and reliable basis across the portfolio, using the same assumptions
- Drafts the investment criteria for determining eligibility for inclusion in the portfolio (for approval by the portfolio committee/investment committee)
- Ensures level playing field investment appraisals are undertaken
- Ensures dependencies between components and constraints in the portfolio are identified and managed
- Ensure risks across the portfolio are within the organisation’s risk appetite (shared responsibility with the Portfolio Director)

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- Ensure those impacted by the portfolio's outcomes can take on the changes (shared responsibility with the Portfolio Director)
 - Maximise benefits realised by the portfolio as a whole (shared responsibility with the Portfolio Director)
 - Leads the development and roll-out for portfolio-level stakeholder management and communications
 - Attends programme board meetings in a non-decision-making role
 - Keeps the portfolio's governance and management framework up to date, identifying and implementing improvements (where approved by the portfolio committee/investment committee).
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