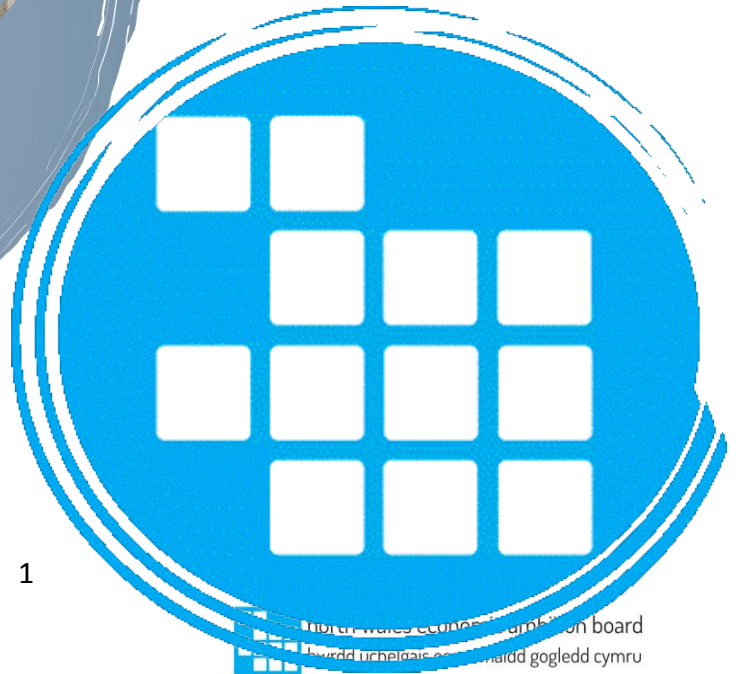


DRAFT CHANGE MANAGEMENT STRATEGY



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Table of Contents

Purpose.....	4
Types of Change	4
Change Categories.....	4
Change Management Process.....	6
Step 1: Defining a Change.....	6
Step 2: Assessing Change.....	6
Step 3: Determine the course of action – approve or reject change	7
Change Management Escalation Process	8
Change Escalation Protocol	8
Process for dealing with escalation	8
Portfolio Changes - Process for Considering New Projects.....	9
Appendices	11
Appendix: A Change Request Form	11
Appendix B: Example Change Register	13
Appendix C - Change Management Accountability.....	15

Purpose

This Change Management Strategy sets out the North Wales Economic Ambition Board's approach to managing change during the delivery of the North Wales Growth Deal.

With a complex portfolio consisting of 5 programmes and 14 transformational projects over a 15-year period, change is inevitable. The approach and tools set out in this strategy will enable potential changes to be recorded, assessed and managed in a controlled manner to support the delivery of the Growth Deal.

This strategy sits alongside the Risk and Issues Management Strategy as key tools for the management of risks, issues and change.

The primary objectives of this strategy is to set out the approach to:

- recording change requests
- managing change from initiation through to closure
- assessing the potential impact and priority of change requests
- ensuring change requests are considered at the appropriate level – portfolio, programme or project
- determining the course of action – approve or reject change
- communicating the decision and impact of change to the North Wales Economic Ambition Board (NWEAB) and its partners.

Types of Change

As a principle, change should be managed at an appropriate level within the portfolio. Potential change is considered in the portfolio, programme and project management process right from the outset. The size and scope of the project will dictate the best way of managing potential change however not all change is capable of being assessed.

There are three categories of change within the North Wales Growth Deal:

- **Portfolio level changes** – significant changes that will impact the overall portfolio including impacting on finances, spending objectives and benefits.
- **Programme level changes** – changes that will impact the programme, but not the wider portfolio.

Project level changes – changes that will impact the project, but not the wider programme or Change Categories

Change can be classified into differing categories the main ones being regulatory, environmental, financial, reputational and social, programme and project delivery and health and safety. These are

broad categories and cover most scenarios although not all change, by its very nature, can be foreseen and its impact mitigated.

Examples of the change that can occur within these categories are given below.

Categories of Change	Examples that could impact on the Growth Deal
Regulatory Change	<ul style="list-style-type: none"> - State aid rules - Planning and other Local Government Policy - Planning consents and other regulatory approvals - Customs and Border controls - Political Change and commitment - Building regulations and construction materials. - Unforeseen and other regulatory change
Environmental Change	<ul style="list-style-type: none"> - Energy Efficiency, Pollution, Carbon Emissions - Climate Change; flooding and environmental impact. - Land use policy - Land and Property interests and owners - Planning policy
Financial Change	<ul style="list-style-type: none"> - Financial performance and management - Financial procedural rules - Cost increase - Procurement rules and case law - Contract standing orders - Fraud and criminal activity - Due diligence and change in delivery mechanisms - Business failure - Timescales
Reputational and Social Change	<ul style="list-style-type: none"> - Legal challenges/judicial review - Political and Elected Member support - Local/General election leading to political and policy change - Community Leadership - Project failure - External regulatory reports - Democratic Governance/Management - UK and Welsh Government Policy change - Political and Partner commitment - Communications, consultation and engagement
Change in Market Demand and Programme and Project Delivery	<ul style="list-style-type: none"> - Economic change - Market demand and business need - Primary services and infrastructure capacity - Ecology and biodiversity needs - External Regulatory requirements - Change in Programme and Project Scope - Contractor and consultancy capacity - Delivery capacity - Business failure - Change in personnel

Categories of Change	Examples that could impact on the Growth Deal
	<ul style="list-style-type: none"> - Business Confidence - Supply chain capacity and material availability - Timescales - Unforeseen events

Change Management Process

Step 1: Defining a Change

When defining change, it needs to be clear what the change is and why the change is proposed. Change requests forms should be used and provide sufficient detail and rationale to make an informed decision. If insufficient detail is provided, the change request should be refined appropriately so that its impact can be assessed.

Changes should be captured on a change request form (Appendix A).

Step 2: Assessing Change

When a change has been identified, and a change request submitted, the next step is to consider its impact on the programme or project. Consideration can then be given to the proposed change and its impact on the delivery of the programme or project, its finances, benefits and cost-effective delivery. This sequential process should be as follows:

- Identify, define and assess the change.
- Assess the current status of a programme or project.
- Undertake an assessment of the possible impact of an identified change on the programme or project and its effective delivery as originally scoped including on its benefits realisation and its funding.
- A high-level assessment of the areas likely to be impacted by a change is recommended. The analysis of the assessment of the possible change should then be broken down into impact in specific areas and these might include the following
 - Risk – how complex is the change to the programme or project and what is the impact on risk?
 - Market Demand – has the change affected demand for the output?
 - Funding – will the change affect funding issues. Is there sufficient funding or budget allocation to implement the change and deliver the programme or project?
 - Resources – who and what will it involve?
 - Benefits – will the change impact on the benefits to be delivered?
 - Availability/capacity – has the Programme or Project got the capacity to implement the change from within existing resources?

The use of a Red, Amber, Green (RAG) assessment for the impact of a possible change to a programme or project is a useful tool to help assess whether it needs to be escalated within the Portfolio Management Office. The indicative RAG assessment for the impact of change can be measured against the following main criteria to assess the course of action.

Green: RAG Assessment
<ul style="list-style-type: none"> • Resourcing - no additional resourcing implications • Time – no impact on project timetable • Budget - within allocated budget • Benefits - no reduction in benefits • Risks – no additional risk
Amber: RAG Assessment
<ul style="list-style-type: none"> • Resourcing - additional resources required can be met from within existing delivery teams • Time – project delay likely but within acceptable tolerance • Budget – Forecast expenditure increase/decrease within agreed tolerances • Risks - additional risks but can be mitigated within budget • Benefits - potential reduction or increase in benefits
Red: RAG Assessment
<ul style="list-style-type: none"> • Resourcing - significant resource implications • Time – significant delays expected • Budget - Forecast expenditure increase/decrease to exceed agreed tolerances • Risks - significant risks that cannot be mitigated within budget • Benefits - target benefit unlikely to be achieved.

When assessing the potential impact of change requests, it is also vital to consider the impact of not making the change.

Step 3: Determine the course of action – approve or reject change

Once a change request has been assessed, there are three possible actions to take:

- Approve the request;
- Reject the request;
- Request further information.

Depending on the nature of the change and the potential impact, decisions on changes will be taken at different levels within the portfolio with a clear escalation pathway through from project to programme to portfolio level.

Change Management Escalation Process

In the event that the impact of change cannot be approved or rejected at the project level, the following escalation process should be followed.

Project > Programme

Potential project changes of significant concern or impact will be escalated to the Programme Board for consideration.

Programme > Portfolio

Potential project or programme changes of significant concern or impact will be escalated to the Portfolio Board for consideration.

Portfolio > North Wales Economic Ambition Board

Significant changes, particularly those with a significant financial implication would be escalated to the Economic Ambition Board for a final decision.

Change Escalation Protocol

The impact of a change needs to be escalated when the tolerance level has been breached, this will be informed by completing a change control form recoding the change and an assessment on the programme or project and completing the change register for the programme or project . The impact of the change should be escalated when it cannot be resolved within the programme or project, examples include:

- it affects programme or project delivery
- it indicates an inability to meet programme or project delivery
- it affects significant capacity issues for programme or project delivery
- it affects the North Wales Economic Ambition Board's financial, legal or reputational position
- there may be a compound affect across the other programmes and activities
- there's any doubt as to whether the change should be accepted or rejected

Process for dealing with escalation

- Alerting the programme manager that a change tolerance has been reached
- Completion of a change request form
- Update the change register for the project/programme.
- Reassurance of management process and reviews
- This change management strategy will be reviewed annually and will take into account the programme and project change registers which will be undertaken on a monthly basis.

- The change register (Appendix B) will be maintained by the portfolio management office to ensure that change impacts over time have been captured and included in the programme and project delivery strategy.

Portfolio Changes - Process for Considering New Projects

The Growth Deal is a portfolio spanning 15 years and there is potential that not all the current 14 projects will be delivered if the economic benefits of certain projects cannot be demonstrated through project business cases or if new priorities emerge for the region. It is also possible that further funding sources may be identified or income generated through the Growth Deal for reinvestment in new projects.

Any new or replacement projects will be a matter for the North Wales Economic Ambition Board (NWEAB) to decide upon within the agreed affordability envelope for the partnership and where the projects deliver against the objectives of the Growth Deal and its programmes, specifically the portfolio spending objectives and the programme spending objectives as set out in the agreed portfolio and programme business cases.

Project proposals that sit outside the agreed funding envelope for the partnership and outside the parameters agreed with UK and Welsh Government would need the approval of individual partners and/or both governments.

New or replacement project proposals would be assessed at the relevant programme board before consideration by the portfolio board and the NWEAB. Should the NWEAB endorse a new project for development, a project business case would be developed in accordance with the process set out below.



Criteria for Considering New Projects

Portfolio Assessment Criteria	
Portfolio Spending Objectives	Critical Success Factors
<ol style="list-style-type: none"> 1. To create between 3,400 and 4,200 net new jobs in North Wales through the Growth Deal by 2036. 2. To support a net additional GVA uplift of between £2.0 billion and £2.4 billion for the North Wales Economy through the Growth Deal by 2036. 	<ul style="list-style-type: none"> ▪ projects are spatially targeted across the region ▪ project benefits can apply to the whole region ▪ projects are enablers ▪ projects that supporting growth and attracting private sector investment ▪ projects that promote innovation

3. To deliver a total investment of £1.1 billion in the North Wales Economy through the Growth Deal by 2036.	
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Programme Spending Objectives*

** Programme Spending Objectives will be reviewed annually by the NWEAB and may be amended where there is negative impact on the overall portfolio spending objectives. See Programme Business Cases for details.*

Appendices

Appendix: A Change Request Form

<Programme name> - Request for Change (RFC) Form							
<p>Note: Must be submitted to <Name of Person> for circulation to the Programme Management Group (PMG) who has the authority to accept/escalate changes (where appropriate) to the <Name of Group(s)></p>							
Change Request Number (Allocated by Project Management Office)							
Title of Change							
Change Type (Plan / Scope / Roles)							
Change Requester Name		Change Implementer					
Change Request Date							
Programme Area / Project Ref							
Emergency Request (Yes/No)		Requested Implementation Date and Time					
Urgency		3 - High		2 - Medium		1 - Low	
Change Summary							
Change Description		<ul style="list-style-type: none"> • Description of what is the change being applied for • If the Change is related to a milestone – state the milestone ID and title • What areas of the business does this change impact? • Reasons why the change is being implemented. • If Emergency change why? • Impact of change if not implemented? • Have prior discussions been held regarding this Change? If so, what was the feedback? 					
Cost Implication		<ul style="list-style-type: none"> • Is there a cost implication, if so how much? • Who is paying the cost? 					

Business Justification for Change	<ul style="list-style-type: none"> • <i>Why is the change needed on this date?</i> • <i>Will the change add Process improvement?</i> • <i>Will the change add Performance improvement?</i> • <i>Will the change add Additional functionality?</i>
Change Details	
Change Steps (where applicable)	<ul style="list-style-type: none"> • <i>What are the change steps?</i> • <i>What is the impact of implementing the change (cost, resources, scope, R&R)?</i> • <i>Is there additional training required?</i> • <i>Is there additional testing required?</i>
Acceptance Testing (where applicable)	<ul style="list-style-type: none"> • <i>List the acceptance test procedure?</i> • <i>Is a vendor involved? If yes, was the change tested by the vendor?</i> • <i>Was the change tested by the requester?</i> • <i>Was the change tested by the implementer?</i> • <i>Was the change tested on a test environment?</i> • <i>What are the Post Implementation Review plans?</i>
EVALUATIONS	
Impact	<i>[Prior to the Programme Board, please liaise with the appropriate affected stakeholder(s) internal/external to the Programme to assess the impact of the proposed change on their work area.]</i>
Recommendation	<i>[Based on the impact assessment please note recommendations from the affected stakeholder(s). If the recommendation is to decline, or edit, then please explain why.]</i>

Appendix B: Example Change Register

To be filled by the Change Manager							
Change ID							
RFC Submission Date (PMG Date)							
Urgency/Priority	3 – High		2 – Medium		1 - Low		
Change Type							
Cost of Change							
Resources Needed for Implementation							
Portfolio Management Office (PMO) Outcomes							
Authorization Status	Approve		Reject		Additional information requested		Refer to <Group>
PMO Notes							
Change Implementer							
<Name of Group> Outcomes							
Authorization Status	Approve		Reject		Additional information requested		Refer to <Group>

<Name of Group> Notes						
Change Implementer						
<Name of Group> Outcomes						
Authorization Status	Approve		Reject		Additional information requested	
<Name of Group> Notes						
Change Implementer						

Appendix C - Change Management Accountability

Accountability for Change

The basic requirements of the Change Management are:

- The Portfolio Management Office (PMO) owns and manages the process
- Ownership and understanding of change process is required at every level.
- Responsibilities and approval tolerances must be clearly defined
- Identification evaluation and assessment of change
- Mechanism for escalation and de-escalation.
- Active involvement by Board, Executive Group, Portfolio Management Office, Programme and Project Boards.

The North Wales Economic Ambition Board

The NWEAB is the decision making body for the Growth Deal and may delegate authority to approve changes within agreed tolerances as part of the approval of project business cases.

The Portfolio Board

- Ensuring that the Boards risks are managed effectively
- Setting the appropriate level of tolerable change for the Board
- Setting the Boards Programme and Project delivery Plan, its priorities and objectives with change tolerances identified and assessed

Portfolio Management Office is responsible for:

- Implementing the Change Management Strategy and managing the process;
- Setting up programme change management initiatives/projects/action plans
- Assessing change requests;
- Monitoring the implementation of approved change requests
- Recording all change requests

Project Managers are responsible for:

- Informing the Programme Manager and completing relevant change assessments and requests.
- Maintaining the management of change registers on a regular basis.
- Sharing relevant information with colleagues in other Programme and Project areas.
- Providing feedback on their experience of change management and its implementation and perceptions of its effectiveness to the Portfolio Management Office.



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