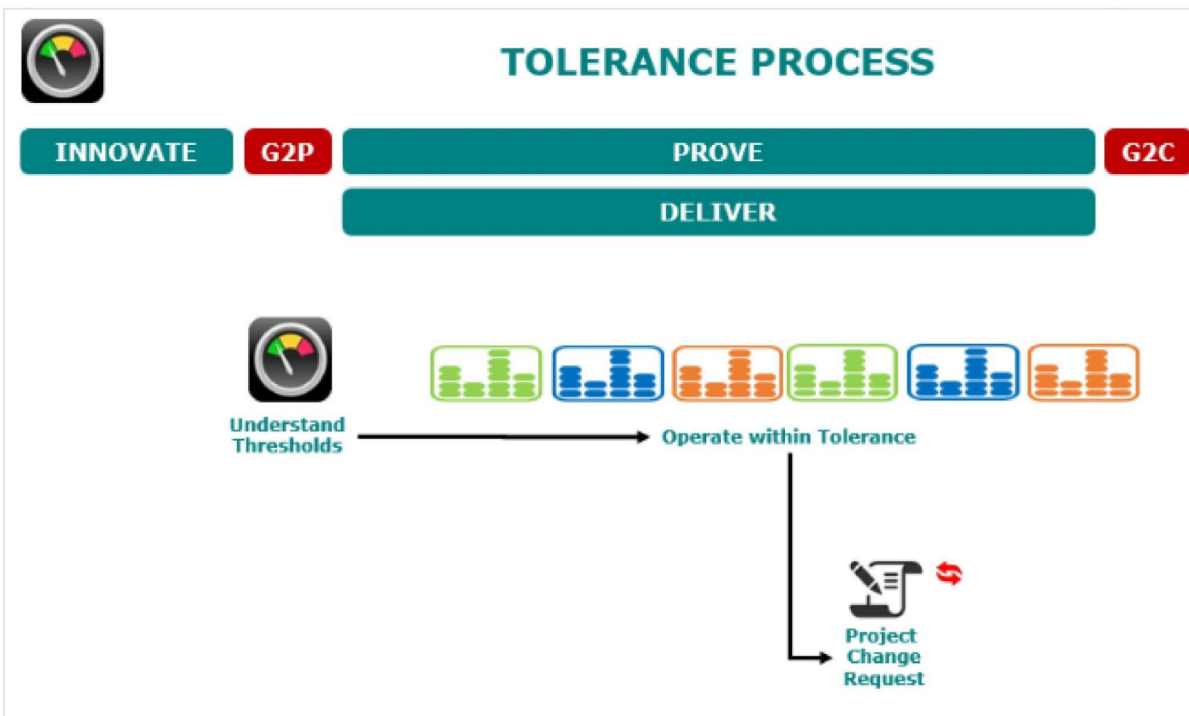


Tolerance



The aim of the Tolerance Process is to keep projects operating within agreed key control parameters.

All projects that have been approved to Deliver will have agreed envelopes in terms of Finances, Scope and Timescales. If any of these change, the project MUST submit a Project Change Request form to the IADG via

[change.approvals](#) **GRO**

It is crucial that projects work to anticipate these changes and seek approval before any delivery envelope is broken.

FINANCIAL TOLERANCE:

In order to avoid the additional work involved in projects having to return to governance when their costs have overrun or NPV decreased by a moderate amount, the POL Board has agreed the Tolerances Process. This means that when the Costs or NPV of a project have deteriorated by 2% or 15%, respectively, the change will be administered jointly by Change Finance and Portfolio Leads.

If, as part of your regular reviews with your Finance partner and Portfolio Lead the project identifies that Costs and/or NPV have changed - use the following table to guide your subsequent actions.

Costs reforecast less than 100% of post Gate 2 approved funds	Costs reforecast between 100% and 102% of post Gate 2 approved funds
Project ensures Finance and Portfolio Leads are aware and forecasts updated	Project works with Portfolio Lead and Change Finance to absorb within Portfolio
OR	
NPV reforecast over 100% of most recent post Gate 2 Business Case	NPV reforecast between 85% and 100% most recent post Gate 2 Business Case
Project ensures Finance and Portfolio Leads are aware and forecasts updated	Project works with Portfolio Lead and Change Finance

SCOPE TOLERANCE:






If, as part of your regular reviews you find the following aspects of scope will be changed - the project needs to submit a [Project Change Request](#) to the IADG.

- The scope of what is to be delivered is materially expanded or contracted
- A change in the design of the proposed solution
- A change to the way in which the design is going to be executed and how this is going to be managed through the project or programme
- Any changes in design that may have an impact on other projects or programmes across the Post Office

DELIVERY TOLERANCE:

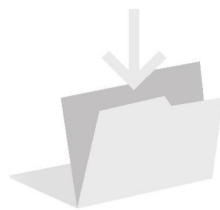
If, as part of your regular reviews you find the following delivery tolerances will be breached (milestone slippage) - the project change needs to be agreed with your Portfolio Lead without raising a Project Change Request document ONLY IF THERE IS NO IMPACT ON SCOPE, COST OR BENEFIT (otherwise the change falls under the above tolerance rules and IADG paperwork must be raised).

Templates

	Description	Name 	Mandated 	A
	If project is outside of tolerance for time, cost or quality - it must submit this form to PRB. This form is also used to request funding drawdown for waterfall projects	PROJECT CHANGE REQUEST PRJn...	Yes	S IT Fi H
	Standard Finance cost model	BUSINESS CASE MODEL PRJname...	Yes	Fi P

Training

	Name  	Description	Format 	N
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