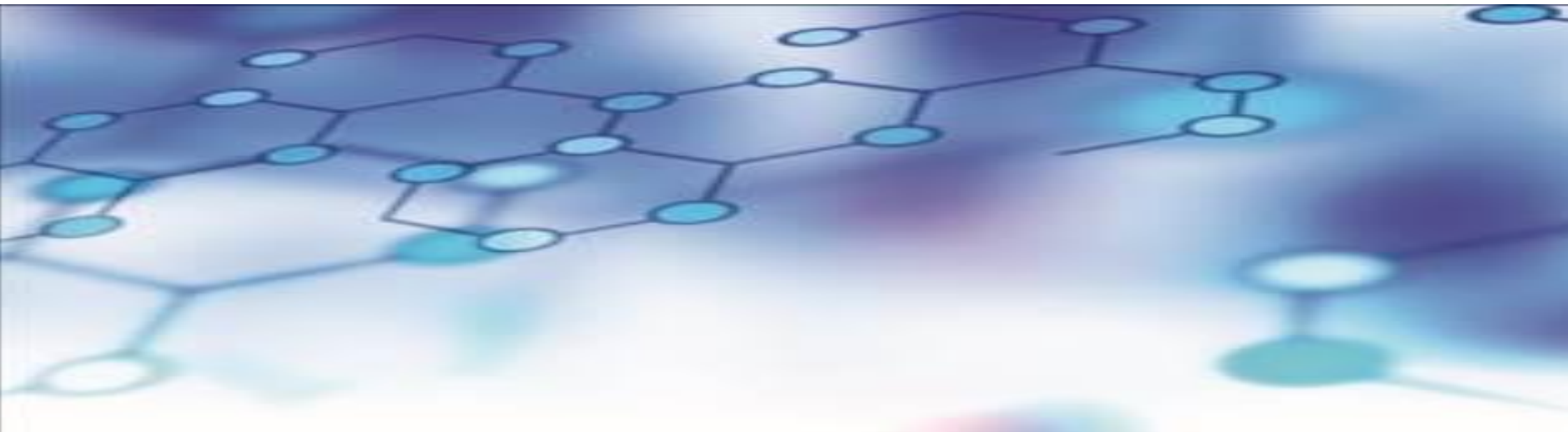City of York Council

Value for Money Review - 2015/16

Delivering significant projects and new ways of working

Final Report

30 November 2016

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1. Executive Summary

City of York Council (CYC) is undertaking major programmes of work with the aim of delivering financial sustainability whilst improving services and outcomes for York residents. Some of the projects underway are ambitious in their vision for the City and require a transformational change in how the Council works with partners in the public and commercial sectors, community stakeholders and the public.

Several of these projects involve complex commercial partnerships and have taken many years to develop, gain the support of the public and Council approval. As a consequence, their progression has straddled several changes in Council leadership which has necessarily required further levels of challenge and scrutiny to ensure continued alignment with priorities. This has elongated the timescales for delivery of some key programmes and increased risk.

This review considers whether the Council's arrangements over some of these major programmes of work are effective in terms of governance, management of risk and project delivery. Our conclusions in each area of our scope of work detailed in Section 2 are provided below.

1.1 Overall Programme and Project Management Arrangements

Whilst recognising that the new programme and project management arrangements being rolled out by the Council will take time to embed, we found that the revised framework, "All About Projects" and supporting guidance reflects good practice principles.

The focused attention on the development of this framework demonstrates the Council's commitment to putting in place robust structures for managing projects of major scale and complexity. Accelerating the pace of the implementation of this framework, including formalisation of a training programme and the alignment of the Verto electronic project management system, will further improve arrangements around major transformation projects.

Corporate oversight of major programmes needs to be maintained including ensuring adherence to the new arrangements and processes being put in place in directorates and ensuring monitoring and support from the Corporate Management Team. The strengthened role of the Audit & Governance Committee is a positive step forward.

1.2 Community Stadium Project

The Community Stadium and Leisure Centre is one of the Council's most ambitious projects aiming to deliver a sustainable future for local football and rugby clubs whilst providing much wider economic and social benefits to the whole community through leisure, retail and health facilities on the site. The project has attracted considerable public interest and is highly complex in terms of the legal and contractual framework, planning requirements, procurement process, technical specification and costing.

The project continues to experience significant delays due to planning approvals and associated legal agreements. The latest anticipated timescale for operational delivery is early 2018 but this is now dependent on the outcome of a recent challenge against the June 2016 planning approval.

The timescale slippage has had a consequent impact on costs due to inflation and contractors not being in a position to fix prices until financial close. The total capital cost of the development has risen to £44.2m against an original budget of £37m. However, the revenue impact of the scheme is more favourable with a £4.3m saving over the 13 year contract period due to the expanded retail elements of the scheme.

We observed good practice in many areas including a robust business case, disciplined governance and project management. The procurement process was well managed with appropriate technical resourcing of the project team, detailed cost tracking and scrutiny with the use of specialist independent support when necessary. At

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the pre-final tender stage there were two bidders remaining, both of whom had worked up detailed design proposals and costings thereby providing a market benchmark for the final accepted tender price.

CYC has sought expert legal advice in key areas of complexity, for example, to assess the implications on the procurement process of changes to the scheme and contract following approval of the preferred bidder. Based on this advice, the Council has determined that these were not substantial or material changes which would impact on compliance with procurement rules. In addition, to fulfil its best value obligations, CYC obtained an independent valuation of the commercial development land deal.

CYC has therefore tested whether the project represents value for money to the public at each stage and has continued to update that assessment over the project life cycle.

Members of the Executive have received regular briefings on the project. The Council has been unable to debate many of the commercial issues in public whilst involved in negotiations, however, it has sought legal advice on what was permissible to disclose. During our review we have had access to all information held in relation to this project, including commercially sensitive information.

We do consider however, that some limited, additional narrative could have been provided in reports to provide more assurance to Members and the public, for example, around the arrangements which had been put in place to scrutinise and challenge costs, summarising how the scope of the project had changed over time and the impact of delays on costs and the project plan.

We recommend quarterly reporting to the Executive as the project progresses, with continued regard to the balance between disclosure of information in the public domain and the need to exercise commercial sensitivity. Narrative should focus on assurance arrangements and demonstrating value for money. Once financial close is reached, an update should be provided to show a clear re-statement of the financial position and a re-assessment of risks.

We conclude that the Council has proper arrangements in place for the ongoing management of the external challenges, risks and delivery of this complex scheme. The challenge now is to overcome the remaining planning obstacles, contain further cost pressures and achieve financial closure so that the focus can move to the construction phase.

1.3 Older People's Accommodation Programme

This review has focused on following up the actions taken since our previous review of the Older People's Accommodation (OPA) project.

The business case for the revised OPA programme presented in July 2015 provided a clear and comprehensive summary of the rationale for proposals, key issues and risks. The planned phased development and implementation for the new programme provides a more prudent and measured approach and is a positive way forward in terms of risk management and providing flexibility to future changes in the operating environment.

The project has progressed well during 2015/16 and appropriate governance and risk management discipline has been maintained. The Council has strengthened its programme management methodologies for all major projects adopting a best practice framework which is supported by the Verto project management system. The OPA programme is now managed through Verto.

Reporting to the Executive has been very comprehensive and timely at required key decision points. We highlight in particular the thorough approach taken in the July 2016 report to the Executive. We also observed a marked improvement in progress reporting to the Audit and Governance Committee, including the new arrangements

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for quarterly reporting on major projects.

Arrangements for engagement and consultation with the public and other stakeholders are comprehensive and continue to be effective. This has been a strength of the programme throughout.

We consider that the work undertaken and in progress comprehensively addresses the main issues we raised in our previous review. To ensure continued focus and rigour we recommend some areas for development in formal reporting, for example, on interdependencies between key stages and simplifying the presentation of financial information. Communication and reporting requirements to the Health and Wellbeing Board should be reconfirmed.

At a delivery level, programme team resourcing should be considered routinely by the Project Board and the Verto functionality should be used to a greater extent.

1.4 Better Care Fund and Integration

The Care Act places statutory obligations on Councils to ensure integrated service provision. The nationally mandated Better Care Fund (BCF) programme is one of the mechanisms in place to deliver this agenda and requires CYC and Vale of York Clinical Commissioning Group (CCG) to pool resources and work together on schemes to realise the benefits of integrated care and deliver improved outcomes for people through greater community based provision.

The first year of full operation of the BCF was 2015/16 which for York involved a pooled budget of £12.1m with the majority of the funding provided by the Vale of York CCG. The Council has commissioned schemes to the value of approximately £8m as part of the BCF arrangements. Responsibility for oversight of the BCF lies with the Health and Wellbeing Board which approves the plan. A Joint Delivery Group is in place to oversee delivery of the schemes and monitor performance.

As experienced nationally, there have been significant challenges in agreeing plans, progressing the integration of health and social care services and delivering the BCF performance targets. Difficulties have arisen due to the multiple compounding system-wide factors, the deteriorating financial position of the CCG and the continued pressure on the Council's budgets. These issues were evident for the York programme as the schemes agreed did not deliver the level of improvement anticipated, particularly for reducing hospital admissions.

The CCG experienced financial difficulties in 2015/16 which created a risk to the funding of the BCF; a potential £3m funding gap was identified in Quarter 3 of 2015/16. The CCG implemented a financial recovery plan during the year and the BCF funding position with the Council was resolved by the year-end. CYC achieved a small underspend on the adult social care budget for the year.

The approved BCF Plan for 2016/17 is a pooled budget of £12.2m. Achieving agreement on the 2016/17 plan is a positive outcome following protracted negotiations with the CCG.

York partners have taken steps to establish arrangements to support the strategy, planning and delivery of programmes for wider whole system integration of which the BCF is one part. This includes a strategy for joint commissioning and an Integration and Transformation Board to take forward the Sustainability and Transformation Plan for the local footprint.

Our key recommendations to enable more effective joint working and facilitate an acceleration in the pace of delivery include increasing the visibility of progress on core BCF schemes and wider integration initiatives at the Health and Wellbeing Board through an appropriate performance reporting framework. Updates should also be provided to the Executive given the importance of the integration agenda and interlinkages with other CYC programmes of work involving health and wellbeing.

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Governance arrangements need to be streamlined and clarified at both a strategic and implementation level to remove any blurring of responsibilities and to provide an appropriate balance between system oversight and focus on front-line delivery.

Working alongside the CCG, CYC should maintain close liaison with NHS England to access support available nationally through its Better Care Support Team and local Better Care Managers.

Our review concludes that CYC has made progress and is working hard with partners in a challenging financial environment to deliver the shared plans in place for integration. CYC will need to continue pro-actively working with partners to accelerate schemes and link into wider programmes of work on integration, including the Sustainability and Transformation Programme for the local footprint.

1.5 Future Shape and Size Initiative /Operating Model for Children's Prevention and Early Intervention Services

"Future Shape and Size" (FSS) was an initiative, led by the outgoing interim Chief Executive, which aimed to deliver an operating model which would realise significant financial savings whilst ensuring sustainable services into the long-term. The initiative continued some of the themes of the previous Rewiring Public Services programme which was subject to a review of programme management arrangements in 2014/15 as part of our VFM conclusion work.

In line with our recommendations and following the pause in progress due to the change in administration and then changes in senior management, the Council has taken the opportunity to clarify the direction of its transformational activity, define priorities and streamline governance arrangements. The initiative achieved its initial objectives having developed and evaluated concepts into emerging proposals for implementation. The work will now be taken forward as projects within the new corporate programme. It benefited from the significant amount of groundwork undertaken as part of the previous transformation programme of work.

Local Area Teams was a significant project driven by the initiative and aligned to the themes under the programme umbrella at the implementation phase. It involves the place-based operating model proposed for Children and Young People's prevention and early intervention services. We have therefore carried out more detailed review of this project to evaluate the arrangements in place over its delivery as part of the FSS initiative. We found good practice in terms of the project management and governance processes in place over this project, particularly in terms of the improved use of the Verto project management system, engagement and consultation processes and comprehensive reporting to the Executive.

Our key recommendations based on our review of the overall programme and the Local Area Teams project are:

- more disciplined use of the All About Projects methodology and Verto for individual projects to provide comprehensive and up-to-date status reports through the system;

- rigorous monitoring of risks to budgets, for example retraction of grant funding in the Children's Services budget and monitoring of project management resourcing costs.

Recognising the stage of transition from FSS to the new corporate programme and the roll-out of the use of Verto, we conclude that the Council's arrangements are appropriate and effective for the management of this major change programme. We recommend further review of progress in 2016/17.

Also noted is that the Local Area Teams project was initiated before improvements were made to Verto to align to the new project management framework. Consequently, some of the gaps in detail in Verto reflect the constraints of working with existing documentation within the new framework and how that is reflected on Verto.

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2. Introduction

2.1 Background

City of York Council leads many major programmes of work which aim to deliver value for money whilst meeting the challenges of ongoing financial constraint, increasing demand for services and the need to create a sustainable and vibrant economy for York people. These projects are typically highly complex involving multiple inter-dependent work-streams, multi-agency working across the public sector and innovative commercial partnerships. As a consequence, they require a disciplined approach to programme management, comprehensive stakeholder and community engagement and rigorous financial management.

The challenges involved in successfully delivering such programmes of work are illustrated by the problems experienced in recent years by the Council on some high profile projects, for example Lendal Bridge and the Older People's Accommodation Programme. The Community Stadium project is a further example of a large scale, long-term project which has been hampered by issues relating to the complexity of the development and which continue to hinder the implementation phase.

The health and social care integration agenda is playing an increasingly important role in assuring the long-term sustainability of the public sector with a national requirement under Better Care Fund arrangements for Councils and Clinical Commissioning Groups (CCG) to pool resources and work together to manage demand for services whilst improving outcomes for people through greater community provision. The successful delivery of the BCF objectives requires an entirely new approach to how the Council works with health partners across York with the associated governance and delivery risks.

Within this context, we have carried out this review to consider whether the Council's arrangements over key programmes of work are effective in terms of governance, management of risk and project delivery. Any failures in these areas could compound the Council's financial pressures and impact adversely on services provided to local people. The review findings have informed Mazars' Value for Money conclusion audit work for 2015/16.

2.2 Scope of Work

We have carried out a review of the Council's overall **Programme and Project Management Arrangements** with further investigation into four key areas of risk:

- the **Community Stadium project**;
- the **Older People's Accommodation programme**;
- the operation of the **Better Care Fund** for the integration of adult health and social care ; and
- the **"Future Shape and Size" initiative** with specific reference to the project to redefine the operating model for Children's Prevention and Early Intervention Services.

Our review in each area includes evaluation where applicable of:

- the business case;
- the programme/project management and governance framework;
- risk assessment and management processes;
- project resourcing;
- financial management arrangements; and

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- communication and consultation processes.

Our work involved review of corporate documentation relating to the programme areas supplemented by interviews with relevant CYC officers. We would like to thank CYC officers for their support during our work. A full list of the information reviewed is provided in Appendix 2.

It should be noted that our review considers the effectiveness of the Council's arrangements and processes in place to provide assurance in each area to inform our Value for Money conclusion. It does not cover a detailed economic, technical or financial evaluation of each programme or project.

2.3 Report Structure

Our detailed findings are presented in subsequent sections of this report, structured as follows:

Section 3 - Programme and Project Management

Section 4 - Community Stadium Project

Section 5 - Older People's Accommodation Programme (OPA)

Section 6 - The Better Care Fund (BCF)

Section 7 - The Future Shape and Size Initiative

Numbered recommendations are included in each section and an Action Plan has been completed by officers and is included in the final section of this report.

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3. Programme and Project Management

3.1 Summary and Conclusions

Following up on our Value for Money work in 2014/15 on this topic and the Council's intentions to strengthen programme and project management arrangements, we have reviewed the steps taken to date and plans for further improvements to assess the adequacy of the arrangements to manage programmes and projects of major scale and complexity.

Whilst recognising that the new programme and project management arrangements being rolled out by the Council will take time to embed across the organisation, we found that the revised framework, "All About Projects" reflects good practice principles and guidance. The implementation of this framework will ensure effective support and governance around major transformation projects.

The focused attention on the development of this framework and comprehensive guidance demonstrates the full appreciation by the Council of the importance of robust structures for managing projects of major scale and complexity.

Under the new arrangements, there has been an emphasis on directorate arrangements to lead on programme and project management. These sit beneath an overarching corporate programme, which is an amalgamation of the Directorate project registers. Corporate oversight of major programmes needs to be maintained including ensuring adherence to the new arrangements and processes being put in place in directorates, including the Programme Assurance Group and ensuring monitoring and support from the Corporate Management Team.

CYC has considerably strengthened the role of the Audit and Governance Committee in providing oversight of major projects with significantly improved reporting on progress of schemes and the roll-out of more robust project management arrangements. It is important that that the feedback from committee Members is incorporated in reporting developments.

Our detailed recommendations below focus on the need to accelerate the pace of the implementation of the new framework including a formal training programme and the alignment of the Verto project management system to the requirements of the AAP methodology.

3.2 Detailed Findings and Recommendations

Detailed Findings	Areas for Improvement / Recommendations
Project Management Framework In December 2015, and partly in response to our previous audit recommendations, the Council introduced a new framework for project and programme management called **All About Projects** (AAP), the City of York Council's guide to project management. The framework provides detailed guidance and good practice templates and checklists to provide a consistent approach to project management across all phases of the project lifecycle. The phases set out are:	R1 The Council should focus on ensuring that all new projects use the AAP approach. For existing projects, as a minimum the gateway approach should be applied for decision-making points and governance purposes. R2 The use of the framework should be applied proportionately to the size and complexity of a project and the guide should include reference to this and examples to follow. R3 We recommend that where appropriate, senior level training on business case development and evaluation is provided. As referenced later in this report, the

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Detailed Findings	Areas for Improvement / Recommendations
- Discovery - Pre-Project - Initiate - Plan - Implement - Close. Specific guidance and toolkits are provided covering complex aspects of the process including business case development and procurement. The guidance provides contacts for assistance in technical areas from teams within the Council, e.g. Finance, Legal, Procurement, Engagement and Communications. The framework is built around a series of gateways at key decision points. These gateways consist of a brief review by an experienced member of staff who is independent of the project team to assess whether the project is on track and risks and issues are being appropriately managed. The gateway review must be undertaken before a project is allowed to progress to the next stage. Standard templates have been produced for completion at each gateway review to provide evidence of the reviews having been undertaken appropriately. The AAP adheres to good practice guidance in terms of: - Treasury Green Book on business case development; and - the Managing Successful Programmes (MSP) guidance produced by the former Department for Business Innovation and Skills and Prince 2 methodology. The guidance is not explicit as how the AAP approach should be tailored to projects of different sizes and complexity. It provides some generic guidance on cost tracking. Implementation of the new framework is underway. Officers report that for new projects, the full process is being applied. However for projects which are in progress, it has been difficult to map stages to the new gateways. Significant projects are being mapped to the approach as far as possible. This is a reasonable approach given the need to strike a balance between the resources	Community Stadium business case presents an example of good practice. Training should include learning from previous projects. R4 At the date of reporting, the key actions relating to the Internal Audit report have been implemented. The Council should ensure any remaining points of detail are addressed. R5 The AAP framework would benefit from further supporting tools to ensure effective tracking of project costs and savings, for example standard templates for project managers to use working with finance colleagues.

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Detailed Findings	Areas for Improvement / Recommendations
required against the benefits of changing the approach to a project which is in progress. Internal Audit has recently reviewed the Council's procedures and controls over project management as part of its audit programme for 2015/16. The Veritau report gave "limited assurance" from its findings. However, the report recognises the considerable amount of work that has been undertaken to improve arrangements since the date of the audit. A number of actions were identified and had already been or were in the process of being implemented when the report was finalised in May 2016. Since April 2016, a member of the corporate support team is specifically working on the issues raised by internal audit. The key recommendations and the Council's actions to address them are summarised below.	

Internal Audit Finding	Action to Address
There was a lack of clarity regarding who was responsible for the ongoing maintenance of the AAP toolkit.	The corporate programme management and reporting structure have been revised. The Programme Assurance Group is responsible for the toolkit.
The risk register template did not match the Council's Risk Management Guidance (October 2015)	The risk register, AAP and Verto have been aligned and the AAP guidance updated.
There was no overarching project register.	By the end of September 2016 Directorate Management Teams will maintain project registers and all medium and large projects will be entered on Verto. The newly established Programme Assurance Group will maintain the project register (see below).

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Detailed Findings		Areas for Improvement / Recommendations
There was no Council user guide to support the use of Verto (the Council's project management system) and no guidance on fields for mandatory completion.	The Council has developed a user guide	

Project Management System (Verto) As reported in our Value for Money review for 2014/15, Verto offers comprehensive, good practice functionality for programme and project management. The AAP guidance recommends the use of Verto throughout the project lifecycle. The Council has continued to roll-out and embed the use of this electronic project management system across the organisation and the focus is on adopting Verto for large and medium sized projects. The Programme Management Office team oversee the development and implementation of the AAP framework and Verto. Officers report that they value the functionality of the tool but that it is difficult to "retro-fit" existing projects to its structures. Officers recognise that the reporting functionality remains under-utilised and there is a plan to develop the reporting functionality between October 2016 and December 2016. The Verto training programme to date has involved informal ad hoc sessions and support led by one senior individual. The plan is for 40-50 users to be fully trained (currently 20-25 staff have been trained or use Verto). Officers commented that not all staff who need to use the system are yet fully trained or confident in its use. The intended training programme has been delayed mainly due to changes in roles and responsibilities following the change in administration and changes in senior management arrangements. Some time was lost while the new arrangements were clarified. Training material is being refreshed. A comprehensive User Guide for Verto which is also used for training purposes was developed and issued in draft in August 2016. Costs and savings are managed through the "Benefits Identification" and "Resources and Costs" sections within the projects. The reporting will be developed as part of the review of reporting from the system between now and December 2016. Verto were due to release a new version of the software in July 2016. This has	R6 We recommend that the Council accelerates the pace of the roll-out of Verto in terms of: • ensuring Verto is used for all new projects, mandatory fields are populated. Verto should be used to migrate information on existing projects if this is practicable and yields benefits in terms of resourcing and assurance; • making greater use of the reporting functionality to make more effective use of officer time and to provide a single source of information on progress for all governance groups; and • a formal training programme and plan to ensure key users are appropriately trained in the use of system and how it meets the requirements of the AAP framework. R7 Verto functionality for cost tracking and monitoring of delivery of savings should be explored to avoid the need for manual reports and to provide a prompt to ensure this aspect is routinely monitored. R8 We recommend that CYC investigate options with the Verto software supplier to enable cleansing of the database so that legacy and redundant projects can be archived and removed or hidden from the live system. This will allow Verto to be used as a comprehensive and up to date register of all projects in the future so that a manual database does not need to be maintained.

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Detailed Findings	Areas for Improvement / Recommendations
been delayed. It is now anticipated for release later in the year with CYC planning to adopt the revised version early in 2017. Officers reported that once projects are entered on Verto they cannot subsequently be removed. Although this is appropriate for the agreed future approach to projects, there are projects in the system that were entered before the use of Verto was mandated and not all the information is complete as the projects were managed outside the system. Due to resource constraints there is no plan to retrofit all the information for projects that are complete and closed. Some of these legacy projects need to be removed from the system.	
Governance The AAP guidance specifies the governance arrangements required over major projects to Corporate Management Team (CMT) level: • a Project Sponsor who is usually a member of the CMT has overall responsibility for the project; • a Project Board provides direction, monitors progress, risks and issues; Governance arrangements will vary depending on the scale and complexity of each project and these are required to be specified in Verto. The gateway review process is aligned to governance arrangements by ensuring appropriate assessments are made at key stages to make recommendations for decision-making by the Project Sponsor or the Executive as applicable to delegated authority levels. The Council's Transformation Board has been disbanded with responsibility for projects now placed with the Project Board to Directorate Management Teams. This development supports ownership of projects by those charged with delivery and provides oversight of interdependencies with other programmes of work underway in each directorate. There are strengths with this approach providing corporate oversight is maintained in some form. In order to address corporate oversight and address practical challenges to project delivery, a Programme Assurance Group has recently been established with meetings planned every two months. It includes representation from each Directorate and corporate support functions. The Group reports into CMT and the DMTs. Its remit includes ensuring:	R9 It would be helpful to include in the AAP framework a guide on required governance arrangements from Project Board to CMT, the Executive, Audit and Governance and other relevant committees. R10 Recognising this will need to be assessed on a case by case basis, the guidance could provide examples of typical governance arrangements required based on examples of projects in terms of scale and complexity. R11 The establishment of the Programme Assurance Group is a positive step in terms of providing corporate oversight of projects. The role of the group should explicitly cover: • understanding interdependencies between projects and the critical path outside the confines of individual schemes; and • highlighting to CMT and DMTs any risks identified as a result of its oversight. R12 Governance arrangements should be documented on Verto, including making clear the role of the new Programme Assurance Group. R13 Once established, the full programme hierarchy should be set up in Verto to provide a single view, show interdependencies and generate standard reports. This should include a regularly updated risk register for the overall programme, with clear risk ownership to provide the feed to reporting to CMT, Executive and Audit & Governance Committee. Reports for governance purposes should be held on the system for reference.

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Detailed Findings	Areas for Improvement / Recommendations
• oversight of all project based activity and reviewing prioritisation (corporate programme); • appropriate assurance and governance arrangements are in place over projects; • the AAP framework is adhered to; • maintaining a corporate register of programmes and projects; and • project resourcing requirements are considered. The Audit and Governance Committee has taken action to provide more oversight of major projects with significantly improved reporting on progress of schemes and the roll-out of more robust project management arrangements. This is evidenced in the papers during the year to the committee. In December 2015 a full briefing was provided to the Audit and Governance Committee on programme management arrangements and introduced the new style of reporting which provide summary updates on each major project. Members provided helpful feedback on the approach including: • requesting hyperlinks to more detailed reports received by other committees; • a "traffic light" system to better identify emerging risks (subsequently implemented); • identification of project dependencies and interdependencies; and • the need to give full consideration to capacity to deliver (officers have explained that this should be highlighted by Project Managers in the report narrative. The Project Managers should also consider resourcing in the overall project rating as described in the July 2016 Audit and Governance Committee report). Updates on the progress of the implementation of new programme/project management arrangements was provided in May 2016, July 2016 and September 2016. These updates reflected the significant amount of work undertaken to refine the framework and reshape the highlight reporting to the satisfaction of the committee.	

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Detailed Findings	Areas for Improvement / Recommendations
Project Risk Management Verto provides good practice functionality for risk management in terms of guidance on risk scoring, templates for recording of risk identification, assessment and scoring and mitigation. These matrices are directly extracted for reporting to Project Boards. A risk register template is linked to the AAP guidance. We note that the Verto guidance on risk is now linked to and consistent with the Council's overall risk management guidance.	*We have no significant additional recommendations in this area.*
Resources The Council acknowledges the significant project management and delivery requirements in terms of capacity and skills to deliver successful outcomes on major programmes of work and has taken steps to address this within the constraints of increasingly reducing resources. Led by the Director of Adult Social Care, CYC has put in place an inter-agency workforce planning group to oversee workforce issues that impact on projects, for example resourcing and training. The Programme Assurance Group will play a key role in monitoring capacity and skills issues across all major projects underway. Projects will go through a "re-prioritisation" process and overall resource requirements will be assessed from a corporate perspective, particularly in relation to corporate support. This group is led by an experienced senior project manager with support from project managers from Adults and Children's directorates and Customer and Business Support. Full implementation of training in the AAP approach and Verto is important to ensure development of skills. The Council's Workforce Development Unit supports training and access to online courses on project management which adhere to the principles of the AAP framework. Verto training is currently delivered informally with some scheduled training sessions and ad hoc support from the programme management office.	*We have no significant additional recommendations in this area. Areas for improvement relating to training are referred to above.*

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4. Community Stadium Project

4.1 Summary and Conclusions

The Community Stadium is one of the Council's most ambitious projects aiming to deliver a sustainable future for local football and rugby clubs whilst providing much wider economic and social benefits to the whole community through leisure, retail and health facilities on the site. The project has evolved over a significant period of time through:

- the initial concept for a new shared football and rugby stadium in 2009;

- a comprehensive business case in 2012 for the stadium combined with other sporting, health and educational facilities; and

- final plans for an extensive new stadium and leisure complex including significant retail development and a cinema.

The project has attracted considerable public interest and is highly complex in terms of the legal and contractual framework, planning requirements, procurement process, technical specification and costing as well as the management of the multiple stakeholders involved.

A key objective is to maximise private sector funding for the project with minimal Council contribution. The current plan shared with the Executive in March 2016 is for a £44.2m development with £14.4m of Council funding. In broad terms this represents £2 of private investment for every £1 of public funds. In assessing this at this level, we have treated the £11.3m commercial land deal as private investment, although we recognise that this has been achieved in return for the Council giving up its land asset.

Following our preliminary review of the Council's arrangements for the delivery of this project as part of our Value for Money work in the 2014/15 audit, the project has progressed in many areas. Greenwich Leisure Ltd were approved as the preferred bidder for the design, build, operate and maintain contract in September 2014 and following detailed planning approval in March 2015, dialogue has continued to finalise the design specification including value engineering work to contain costs where feasible.

However, the project continues to experience significant delays due to the complexities of finalising the design, planning approvals and associated legal agreements. A necessary planning amendment was approved in June 2016. The latest anticipated timescale for the stadium to be operational is early 2018. Early works have been implemented to mitigate the impact of the delays.

The timescale slippage has had a consequent impact on costs due to inflation and contractors not being in a position to fix prices until financial close when agreements can be signed. Including project costs and contingency, the total cost of the development has risen to £44.2m as reported to the Executive in March 2016 against an original budget of £37m based on the final tender price submitted in May 2014, an increase of almost 19.5%.

The reasons for the capital cost increase reported in the paper are progression of the detailed design, construction inflation, delays in the timetable and the inclusion of an increased contingency. However, as reported at March 2016, the revenue consequences of the scheme show a favourable impact over the 13 years of the scheme. The projected net revenue cost of £1.3m over 13 years compares to a budget of £5.6m over the same period, a saving of £4.3m.

The current estimated final costs of the project and the costs that have been incurred to get the scheme to its current position have been the subject of public comment. The Council has been unable to debate many of these issues in public whilst within a competitive dialogue procurement exercise and whilst involved in commercial negotiations with a range of parties to the project.

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As part of our review we have had access to all information held in relation to this project, including commercially sensitive information. The view we have to form is not whether the project will succeed, but whether the Council has proper arrangements in place to manage this project and mitigate the risks of failure.

The Outline Business Case approved in March 2012 was of a high standard. The procurement process ran well with two bidders submitting detailed designs and costs plans at the pre-final tender stage. The process thereby providing a market benchmark for the final accepted tender price submitted by one of the bidders. The most recent public report to Executive on the project in March 2016 set out recommendations to proceed with the Community Stadium and Leisure Facilities Project, agree the required project budget and agree to complete all final negotiations and legal agreements for the project to reach financial close.

Until financial close can be achieved which is subject to constraints outside of the Councils' control, contractor and sub-contractor agreements and leases cannot be signed. As is common for major construction projects of this nature, this means prices are not fixed and therefore cost variations have and will continue at least to reflect the impact of inflation over time.

The project team has implemented a detailed cost tracking approach to evidence scrutiny of cost revisions for both capital and revenue. Challenge of costs is provided by independent technical experts employed as part of the project team. This has happened from the commencement of the procurement process at each formal cost restatement stage including the accepted tender price and as the design was developed, through to the latest cost estimates. The Council has therefore tested on an ongoing basis whether the project represents value for money to the public at each stage and has continued to update that assessment over the project life cycle.

The Council has reviewed and sought appropriate legal advice to assess the implications on the procurement process of changes to the scheme in terms of final design and to the Design, Build, Operate and Maintain contract. Based on this advice, the Council has determined that these were not substantial or material and therefore would not constitute a breach of procurement rules.

A further recent development is a judicial review claim lodged by Vue Cinemas against the June 2016 planning approval. The Council continues to assess the impact of this further delay.

Despite the significant complexities of this major project, we have observed good practice in many areas including disciplined governance and project management, a well-run procurement process, appropriate technical resourcing of the project team, detailed cost tracking and the use of specialist independent support when necessary.

Members of the Executive have received regular briefings on the project, and this continues to be the case. Our observations are that the public reporting to Executive could have been expanded without compromising commercial confidentiality. Officers' view is that they sought external legal advice on what to disclose and that the reports were at the limits of what it was possible to include in a public report. Our suggestions are that some limited additional narrative could have been used to provide more assurance to Members and the public, for example:

- the arrangements that had been put in place to scrutinise and challenge the costs through the cost tracking process, including the use of independent and specialist external advisors. The reports set out the costs but did not explain the controls which have been put in place by the project team to ensure value for money;

- summarising how the scope of the project had changed over time and the impact on costs. The cost increases are clear but the narrative explanation could have been expanded, setting out the key factors explaining the increases, e.g. the cost escalation due to inflation; and

- providing more information on the reasons for the delays and a revised project plan for the key work-streams.

We recommend that as the community stadium project progresses, the Council:

- ensures there is at least quarterly reporting of the project to the Executive, unless otherwise agreed with members;

- continues to assess the balance between putting information in public papers, and the clear need to exercise commercial sensitivity at times;

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- provides narrative explanation of its assurance arrangements, and how it has demonstrated that value for money has been achieved;

- provides a clear re-statement of the costs and benefits of the project as well as further consideration of risks once financial close is reached and agreements are in place; and

- continues regular reporting to the Executive during the construction phase.

We conclude that the Council has proper arrangements in place for the ongoing management of the external challenges, risks and delivery of this complex scheme. The challenge now is to overcome the remaining planning obstacles, contain further cost pressures and achieve financial closure on the project so that the focus can move to the construction phase.

4.2 Detailed Findings and Recommendations

Detailed Findings	Areas for Improvement / Recommendations
Business Case The Council followed a formal business case development process which adhered to best practice with an initial strategic case followed by an Outline Business Case (OBC) which was approved in March 2012. The procurement approach (Design, Build, Operate and Maintain (DBOM)) and scope had been approved by the Cabinet Member for Leisure, Culture & Tourism and was ratified by Cabinet in January 2012. **Approved Project Scope – March 2012** - a 6,000 seat stadium with hospitality and support facilities (with potential for expansion to 12,000 seats); - 3G floodlit games court; - community sport and training pitches; - county standard athletic facility (at York Sports Village); and - a community hub providing health drop-in centre, independent living centre, training and conference centre, library services and a children's crèche/day-care including partnerships with the NHS (York Teaching Hospital) and York St John University. **The total estimated capital cost of the development described above was £19.2m**. **CYC's capital contribution was £4m.** This is a ratio of 3.8:1 in terms of private to public funding.	R14 The March 2012 OBC business case provides a strong good practice example for the development of robust business cases for future major projects. We recommend that this document combined with the recently developed "All About Projects" (AAP) framework is used in training across the organisation to further develop the skills of officers involved in major programmes of this type. R15 Whilst accepting the evolutionary nature of the project over time and through the procurement process, the business case would have benefited from a fuller evaluation of strategic options and associated cost/benefit analysis. This would have avoided the need to present the business case through a series of Cabinet papers and provide members with a firmer starting point. R16 The subsequent evolution of the project to include leisure and retail development may have been one of the options to consider at the outset and would have prepared the ground for the subsequent change in scope of the project. Options on phasing may have been feasible to reduce the complexity of the project.

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Detailed Findings	Areas for Improvement / Recommendations
Investment in new leisure facilities at Waterworld and Huntingdon stadium was also approved by Cabinet at this stage but had not been subject to full financial appraisal at this point. Feasibility work indicated an estimated **additional investment of £3m.** The OBC stated *"this will be considered as part of the wider procurement exercise underway".*	

The OBC was very comprehensive and in most respects, met the requirements of Treasury best practice guidance for the appraisal, development and planning of major projects in the public sector, demonstrating public value and with evidence to support recommendations.

The OBC did not follow the standard structure recommended by the Five Case Model (the Green Book). However this is of minor concern as the content covered comprehensively the areas required. The business case demonstrated:

- consistency with Council priorities;

- the case for change;

- full community impact assessment and independently validated qualitative and quantitative socio-economic impacts;

- due consideration of market interest with a full explanation of proposed procurement approach and market testing;

- affordability with independently validated capital and revenue costs and comprehensive scenario and sensitivity analysis of assumptions;

- deliverability; and

- a thorough risk assessment.

The Cabinet paper presented in March 2012 was thorough and summarised the features and complexities of the proposal and highlighted the key risks. Financial (capital and revenue) implications were externally benchmarked.

We noted that in terms of strategic options appraisal which is required by good practice business case guidance, there were essentially two strategic options presented – the proposed solution and the "Do Nothing" option. Although options were considered for individual aspects of the proposal, for example a comprehensive site appraisal and options for community provision, other strategic

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Detailed Findings	Areas for Improvement / Recommendations
options were not considered in detail. The inclusion of the leisure and retail development elements was not fully appraised at this point in terms of cost/benefit analysis. The OBC sets out high level timescales for delivery of the project and the planned procurement timeline. Build completion was anticipated by the end of Quarter 1 2015 at this point – a 3 year elapsed time from OBC stage.	
Project Management and Governance Given the elapsed time of the project, in order to facilitate understanding of its progression, we have provided a summary timeline in Appendix 1 to show the key milestones and decision-making points. This illustrates the comprehensive approach over time to the evolution of the project and the detailed work and planning undertaken. It also shows the robust governance arrangements that were in place regarding approvals at each stage. *Project Management* Project monitoring documentation provided to the Project Board is very thorough. It shows that comprehensive checkpoint progress reports have been maintained. Each checkpoint report shows the status of key work-streams, including a risk rating against each. These are accompanied by fully populated risk and issues registers for both the development and implementation phases of the project. The programme is not managed within Verto and this would not be pragmatic given the advanced stage of development of project and the multiple complexities, interdependencies and changes. However, key project information is provided through Verto for corporate reporting purposes. *Governance* The Project Board has been in place since 2012, meets monthly and is currently chaired by the Director of Customer and Business Support Services. It has no specific delegated powers. The latest terms of reference is dated 2016. Membership is appropriate and includes other senior finance, legal, procurement and Leisure directorate representation as well as internal audit (Veritau). The involvement of internal audit on this Board is good practice to provide independence. The Board reports into CMT with formal reporting to the Executive.	R17 The robust project monitoring documentation used by the team provides a good practice example which should be used as part of the roll-out of project management training across the Council.

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Detailed Findings	Areas for Improvement / Recommendations
When required other Council expertise in areas such as Planning, Property and Transport attend the Board. The Executive has received regular and comprehensive updates throughout the duration of the project to date. A gap in reporting between November 2012 and January 2014 occurred during the procurement process and competitive dialogue which was a cause for concern for some members (see further under Communication below). We note that the Council's new Chief Executive Officer has received a full briefing on the status of the project, including sight of all recent documentation following commencement in office in August 2016.	
Risk Assessment and Management The OBC contained a thorough risk assessment and populated risk register with mitigations proposed where within the Council's control. At this early stage the risks of delay relating to planning, the complex legal agreements and capital cost over-run were clearly articulated. Throughout the duration of the project, comprehensive risk registers have been maintained, routinely updated by the project team and shared with the Corporate Management Team (CMT). Risk and issues registers are populated for both the development and implementation phases of the project. Risks have also been appropriately summarised in reporting to the Project Board and drawn to members' attention in papers to the Cabinet/Executive.	R18 The risk and issues registers maintained for the project represent good practice and should be used as part of the Council's training programme on project management.
Project Resourcing Discussion with the current CYC project lead indicated that resourcing of the project has been satisfactory throughout. The team has specialist technical input which has been critical to providing assurance on cost estimates (Quantity Surveyor, Architect, Civils, Mechanical & Electrical expertise) as well as an experienced commercial negotiator and external legal and due diligence support at key points. All technical advisors have been on board since the start of the procurement process in 2012. Team skills supporting the procurement were appropriate and included an	R19 Future progress reporting to Project Board, CMT and the Executive should routinely refer to project resourcing (internal and external) to show that it is routinely considered and to articulate the extent of expertise which is available within the team.

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Detailed Findings	Areas for Improvement / Recommendations
operational expert in DBOM contracts. Although the Project Director left the Council's employment in early 2016, discussion indicated that this had not been problematical as the project at this point had reached a new phase. The competitive dialogue was complete and legal agreements were ready for approval. The skills required to take the project forward remained in the team. Since March 2016, the Council's internal property manager is also supporting the team.	
Financial Management *Position at March 2012* The OBC approved in March 2012 provided a robust assessment of the capital and revenue implications based on best estimates at the time, benchmarked externally and independently validated. Funding sources were clearly presented and the key financial risks and dependencies were highlighted. KPMG carried out due diligence on the proposal. The report concluded *"the key underlying financial assumptions for the project and the Stadium as set out in the Business Plan are in general reasonable and wherever possible have been substantiated by external advice".* The total capital cost of the development was £19.2m with a CYC contribution of £4m (a ratio of 3.8:1 for private to public funding). The capital costs were independently validated at this stage by Gardiner Theobald, a firm specialising in cost management for stadiums. The break-down by each element was provided in the March 2012 Cabinet Paper as follows:	*We have no major recommendations to make in relation to arrangements over financial management.* *See related recommendations on financial aspects of reporting referred to below under the section on Communication.*

Element	Capital Cost £'000
Stadium (min 6,000 seats)	£11,000
External Works	£1,500
Community Floor Space	£3,000
Athletics Facilities	£2,000
3G Pitch	£200

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Detailed Findings	Areas for Improvement / Recommendations

Community Sport Facilities	£750
Project Costs	£750
Total	**£19,200**

The £19.2m excludes the capital cost of the investment in new leisure facilities. Preliminary un-validated feasibility work indicated an estimated potential additional cost of £3m for this element. The Cabinet Paper presented the risk of the current operator of leisure facilities at Huntington stadium, Greenwich Leisure Ltd (GLL) terminating it lease due to financial sustainability issues and therefore the need to consider the leisure element of the scheme. The paper proposed that this aspect would be considered as part of the wider procurement exercise as an "Invest-to-save" scheme.

Funding sources for the £19.2m scheme were detailed as follows:

Funding Source	£'000	Note
Section 106 Contribution	14,850	Private sector (Oakgate Group) dependent on planning permission
City of York Council	4,000	Capital programme
York City Football Club (YCFC)	350	Dependent on sale of Bootham Crescent
Total	**£19,200**	

YCFC up-front funding committed was £350k at this stage. YCFC has a commitment to pay the Council a £2m contribution towards a new stadium based on the conditions of a Football Stadia Improvement Fund loan. As reported in the Executive Paper of March 2016, the Council holds a legal charge on Bootham Crescent upon its sale thereby providing assurance on this receipt.

Projected revenue streams were externally validated as evidenced in the Cabinet Paper and projected a small annual surplus (£83k).

Tender Process and Reporting to Executive in September 2014

The procurement process resulted in two bidders working up detailed design proposals and costings which provided a market benchmark for the final accepted

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Detailed Findings	Areas for Improvement / Recommendations
tender price. The final tender was submitted in May 2014 and brought the total capital cost of the stadium and leisure scheme to **£37m** as reported in the Cabinet Paper of September 2014. The scope was significantly expanded to include: • an 8,000 seat stadium; • leisure and sports centre with 3 pools; • retail, cinema, restaurants/bars. The tendered capital cost was based on the preliminary detailed design which would need to gain full planning approval and be developed to the next level of design (RIBA Stage C) to construction ready. Officers reported that at all stages GLL were evaluated as both competitive in overall cost and quality. It should be noted that the scope of this review does not include a detailed assessment of the procurement process and evaluation. However, we have reviewed evidence of elements of the evaluation and this was comprehensive. A comparison showing the cost movements from March 2012 to September 2014 was provided in the Cabinet Paper in September 2014 and is summarised below. This also shows the gross value of the development including the commercial development which is externally funded and dependent on the commercial land deal referred to above and further below.	

Component	Mar 2012 £m	Nov 2012 £m	Sep 2014 £m
Stadium	14.2	13.8	16
Leisure Complex	0	0	12
External Works	1.5	1.45	3
Other facilities, project costs & contingency	3.5	3.95	6
Stadium and Leisure Complex Sub-Total	**£19.2**	**£19.2***	**£37m**

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Detailed Findings				Areas for Improvement / Recommendations
Commercial Development (externally funded)			£10.0	
Gross Cost of Development	**£19.2**	**£19.2 ***	**£47m**	

* Note: There was a £1m error in the table provided in the Cabinet Paper for November 2012. The table in the report showed £14.8m rather than £13.8m for the stadium cost. We have shown the correct figures above.

The budget at September 2014 had increased for enabling works, professional fees and feasibility work due to the increased complexity of the scheme.

Funding arrangements presented in this paper are summarised below and assumed:

- an additional £4m of Council funding for the leisure centre;

- the full proceeds of the sale of Bootham Crescent (£2m); and

- £12m of the capital receipt from the commercial development as a contribution to the stadium and leisure complex.

Funding Elements	Sep 2014 £m
City of York Council - stadium	4.0
City of York Council – leisure	4.0
Section 106 Contribution	15.0
York City Football Club (YCFC)	2.0
Commercial Development Land Deal	12.0
Total	**£37.0**

In terms of the revenue implications of the revised scheme, the September 2014 paper highlighted that:

- the tender submission for the ongoing management of the stadium and leisure facilities falls within the Council's budget of £323k/annum;

- the expanded capital scheme provides the opportunity to generate new income

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Detailed Findings	Areas for Improvement / Recommendations
streams;	

- a financial gain of approximately £400k/annum from increased business rates. This would offset the additional prudential borrowing requirement of £360k/annum for the extra £4m investment by the Council.

March 2016 Reporting to the Executive

Following the approval of the preferred bidder in September 2014, costs have increased further. This information was presented in an update to the Executive in March 2016 which showed total **capital costs** had increased to **£44.2m**, an increase of £7.2m on the September 2014 position.

The cost increases and changes to the scheme are considered in more detail in a Confidential Legal Annex to the March 2016 Executive report. The Annex was drafted taking into account the legal advice of Bond Dickinson. The cost increases were described as due to delays as a consequence of the co-dependency of the commercial development, resulting construction inflation and finalisation of the design.

The Annex also considers the implications of the changes to the scheme for the procurement process. It considers whether the continued work on the design of the scheme constituted a substantial or material change under EU procurement rules. With external legal advice, CYC reviewed the relevant changes and determined that these were not material or substantial and therefore would not constitute a breach of procurement rules. This paper was not part of the publicly accessible papers due to the commercially confidential aspects of its content. As part of our work, we have had access to the confidential annex and supporting legal advice.

Revenue projections show a favourable impact over the 13 year plan. The projected net revenue cost of £1.3m over 13 years compares to a budget of £5.6m over the same period, **a saving of £4.3m** as reported in the Executive update of March 2016.

The following table from the March 2016 paper shows how CYC plan to fund the increase in capital costs.

Funding Elements	Mar 2016 £m
CYC Prudential Borrowing	13.4

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Detailed Findings			Areas for Improvement / Recommendations
CYC Venture Fund	1.0		
Section 106 Stadium	15.3		
Section 106 Transport & Highways	1.2		
York City Football Club (YCFC)	2.0		
Commercial Development Land Deal	11.3		
Total	**£44.2**		

CYC's prudential borrowing requirement for the scheme has increased from £8m to £13.4m. Funding proposals were approved by the Executive in March 2016, and subsequently ratified by full Council.

In order to fulfil its best value obligations in relation to the commercial development land deal, CYC has sought the advice and commissioned an independent valuation by Savills in March 2016.   This confirmed the land valuation and that the developer's profit and investment yields were in line with market expectations. The report also confirmed that the approach to the commercial development was appropriate.

CYC has provided a detailed analysis of the main increases in capital cost which was the basis of a briefing to the lead member in February 2016. This paper also provides detail of the significant reductions in costs negotiated through value engineering. Disclosure of this information to the Executive and/or as part of this review is not possible due to the requirement for commercial confidentiality.

The further cost increases are ascribed to inflation over the elapsed time before financial close, further changes to the detailed design and the unwillingness of contractors and their sub-contractors to fix prices before financial close. Further delays to the project exacerbate this risk. However, the capital cost is 95% fixed with subcontractors and there remains only a small area of provisional sums on elements such a statutory services which cannot be fixed until formal contracts are in place.

Officers have reported that the technical costing experts on the team focus on close scrutiny and challenge of capital and revenue costs and this is evidenced by the use of a detailed query log and cost tracker to monitor changes. They have achieved some cost reductions as a result of value engineering and continue to focus on cost

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Detailed Findings	Areas for Improvement / Recommendations
containment. For capital costs, the external QS support is a locally experienced expert who worked on York Sports Village, with a good reputation for sound costing advice and challenge. Revenue costs are validated by the team's external Leisure Advisor with additional support provided by the Council's operational leisure manager. An additional layer of assurance on the validation of GLL's costs is provided by an external professional firm, Gardiner Theobold. Although the firm works on behalf of the Consortium, the risk of a conflict of interest is minimised to some degree as it is in the contractor's interest to contain costs to keep within the Council's approvals so that the project can progress. Sub-contracts have been tendered by the main building contractor (ISG) and in the majority of cases, the lowest price tender was selected where these met quality standards. Sub-contract tender information has been shared with CYC. Specifically for this review, officers provided a useful summary of the steps taken to ensure value for money and the comments above reflect this information and associated discussions with officers.	
Communication and Consultation Cabinet and Executive papers submitted throughout the development phase were clear and in most respects provided comprehensive updates on progress to members and the public. Review of evidence and discussion with officers indicated that some frustration had been expressed by Members during the procurement process at the lack of information being communicated. The Council did not provide updates to the public at this time due to the need to pay due regard to commercial confidentiality and we understand that CYC takes legal advice on the appropriate approach regarding exempt information. This was managed by providing verbal updates to Members and relevant portfolio Members attending Project Board meetings. CYC has recently changed governance arrangements so that portfolio Members are now briefed separately to the Project Board so that Members are appropriately briefed whilst avoiding involvement in the detailed discussions at the Board. There has been criticism by some members of the public and in the local press on	R20 With regards to public reporting during the procurement process, we fully recognise the priority of legal advice in this regard. However, our view is that some limited high level progress updates should continue to be provided during these periods. R21 For example, a summary statement would be appropriate to advise whether the procurement process is on track or delayed with an indication of the reason for delay, e.g. continued work on design specification. This approach would be preferable to maintain a consistent line of communication and provide further assurance to members and the public. R22 Some additional summary narrative would be helpful to provide more assurance to members and the public in key areas of concern, for example: • to describe the robust arrangements in place to scrutinise and challenge costs, including the use of independent and specialist external advisors; • summarising how the scope of the project had changed over time and the impact on costs. The cost increases are clear but the narrative

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Detailed Findings	Areas for Improvement / Recommendations
the escalating costs of the scheme, the costs incurred to date and the continuing delay to commencement of the build work. However, the complexities and scale of the project for CYC have also been recognised. Executive reports set out the costs but did not explain the controls which have been put in place by the project team to ensure value for money. There are some areas where communication to Members and the public could have been expanded. This is particularly the case around timescales, the progress of work-streams and the procurement and the extent of work carried out by the project team to scrutinise costs, for example: • The proposed procurement timeline was provided in the Cabinet Report in March 2012 but the overall timescale for the project was not highlighted. It would have been helpful to provide a baseline summary project timeline to allow an easier comparison of progress to plan at subsequent stages; and • Subsequent papers, although comprehensive in their content, did not show in a structured way progress against the original plan, the revised timeframe and reasons for delays, many of which were outside the Council's control. The March 2012 Cabinet paper refers to the community consultation planned and undertaken to explain and raise the profile of the community elements of the scheme. The project has a dedicated website, however, this requires update. The paper also references an on-going Equality Impact Assessment.	explanation could have been expanded, setting out the key factors explaining the increases, e.g. the cost escalation due to inflation; and • providing more information on the reasons for the delays and a revised project plan for the key work-streams.

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5. Older People's Accommodation Programme

5.1 Summary and Conclusions

This review has focused on following up the actions taken since our review of the Older People's Accommodation (OPA) project which was reported to the Audit and Governance Committee on 29 July 2015. This review identified a number of areas for improvement following the abandonment of the procurement process for the OPA programme early in 2015 on the grounds that the programme was not affordable. The key recommendations were that the Council puts arrangements in place to ensure:

- a disciplined business case development framework;

- robust governance and programme management to provide assurance on risks; and

- appropriate, timely communication to decision-makers and stakeholders.

CYC officers prepared a comprehensive response to the report findings with an action plan to address the recommendations. Progress against these recommendations is detailed in our key findings in section 5.2 and summarised below.

- In July 2015 the Executive approved the business case for the revised OPA programme. Although not presented as a formally structured business case, this would not have been appropriate at this stage, given the evolutionary nature of plans and the significant groundwork undertaken as part of the previous programme. The papers presented a clear and comprehensive summary of the rationale for proposals, key issues and risks.

- The planned phased development and implementation presented in the business case for the new programme provides a more prudent and measured approach and is a positive way forward in terms of risk management and providing flexibility to future changes in the operating environment.

- This programme has progressed well during 2015/16. Appropriate governance and risk management discipline has been maintained. The Council has strengthened its programme management methodologies for all major projects (see Section 3) adopting a best practice framework which is supported by the Verto project management system. The OPA programme is now managed through Verto to ensure project management and reporting discipline. Verto is now populated with programme information and holds the project plan, progress reporting and risk registers.

- Reporting to the Executive has been very comprehensive and timely at required key decision points. In July 2016, the report to the Executive recorded the tangible progress that had been made in a number of specific areas, future plans, and in particular placed this in the context of an analysis of demand, financial considerations, risk assessment, consultation and community engagement.

- We also observed a marked improvement in progress reporting to the Audit and Governance Committee, including the new arrangements for quarterly reporting on major projects.

- Arrangements for engagement and consultation with the public and other stakeholders are comprehensive and continue to be effective. This has been a strength of the programme throughout.

In our view, the work undertaken and in progress comprehensively addresses the main issues we raised in our previous review. In order to ensure a continued focus on the effectiveness of the Council's arrangements for governance, programme management and communication, we highlight the following recommendations for further improvement:

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- An additional layer of narrative in formal reporting to explain interdependencies between the key stages of the phased approach and the impact on the overall programme outcomes should stages not progress would be useful to provide further understanding of associated risks.

- As the project team embeds the use of Verto and associated training, the functionality of the system should be used to full effect and fields routinely updated, for example to monitor progress against the project plan and update risks and mitigations.

- The Council should consider ways to simplify the presentation of financial information in formal reporting to the Executive. This is important so that Members and the public are able to understand the key messages without having to digest a large amount of complex technical detail.

- Programme team resourcing should be considered routinely as a standing item at Project Board meetings to ensure skills and capacity are appropriate and potential resourcing challenges are promptly addressed.

- Communication requirements to the Health and Wellbeing Board should be reconfirmed.

These are either already taken into account by CYC in action plans underway or are relatively straightforward to implement.

5.2 Detailed Findings and Recommendations

Detailed Findings	Areas for Improvement / Recommendations
Business Case The review recommended adherence to a formal business case process. This recommendation has been taken on Board across the Council for all projects with the introduction of the All About Projects framework in December 2015. With respect to the OPA programme, following the abandonment of the previous procurement process for the programme in early 2015, a strategic case for the new programme was presented in the paper to Cabinet of March 2015. This was approved subject to a business case being presented. A business case summary for the proposed new scope of the programme was presented to Executive in July 2015 as planned. The new programme focused on providing care and accommodation in community settings which was more aligned with developments in terms of need, demand and national policy. In line with the outline plans presented in the strategic case, this comprised: - making best use of existing provision of Extra Care housing; - Extra Care for those with complex needs including dementia; - new Extra Care provision;	R23 An additional layer of narrative in Executive Papers to explain interdependencies between the key stages of the phased approach and the impact on the overall programme outcomes should stages not progress would be useful to provide further understanding of associated risks. This is also recommended with respect to interlinkages with other programmes of work, for example in Adult Social Care.

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Detailed Findings	Areas for Improvement / Recommendations
• working with the independent sector to increase supply; • health and wellbeing campus at Burnholme site; • increasing the variety of accommodation for older people; and • a programme of home closures (the Council's existing seven homes for older people). The scope also referred to the interlinkages with Adult Social Care's developing operating model to support independent living. The paper later refers to the business case for the Burnholme development which was brought to the Executive in Autumn 2015 as planned. Although neither of the papers presented formally structured outline business cases, they presented clear, comprehensive and succinct rationales for proposals. Content was proportionate to requirements for assurance purposes given the extensive work on options and scrutiny undertaken previously on the programme. The phased development and implementation presented in the business case for the new programme provides a more prudent and measured approach in terms of risk management. However it does not expand on any interdependencies between the stages in terms of delivery of the overall programme outcomes.	
Programme Management and Governance *Programme Management* It was recommended that the programme was managed through CYC's Verto system to ensure project management and reporting discipline. The programme is now managed through Verto which is now populated with programme information and holds summary information, the project plan, progress reporting and risk registers. We note that some fields required update, for example financial benefits, governance arrangements, risk mitigation and progress against the project plan. The documents folder does not contain key corporate documentation such as reports to CMT and Executive. It should also be used to hold key briefings, presentations and versions of financial plans. The July 2015 Executive paper contained elements of the project plan in terms of	R24 The Verto Highlights Reports have the potential to provide an effective tool for reporting to the Project Board and CMT. We recommend that key elements are routinely updated, specifically the Project Plan and Risk Register to ensure the essential elements of the tool are used effectively. Key corporate documentation relating to the project, including papers recording approvals and decisions should be filed on the system. R25 The governance structure described on the Verto system should be updated to reflect current arrangements, including a full Terms of Reference for the Project Board. R26 CYC should consider representation by internal audit on the Project Board as is the case for the Community Stadium project to provide an additional layer of independent scrutiny. R27 We recommend that the Executive specifies the frequency of reporting

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Detailed Findings	Areas for Improvement / Recommendations
description of stages and a transition plan showing movements in bed capacity. Whilst recognising the unknowns and interdependencies at this point, for example in relation to sites, home closures and procurement timetables, the paper would have been strengthened by a project plan showing the planned elapsed time for key elements of the programme. The project plan in Verto may be able to provide the mechanism for this but requires regular update to provide a useful tool to assess progress. The summary narrative on the Verto Highlights reports has been routinely maintained and contain comprehensive updates on the status of the project each month by the Programme Director. *Governance* Governance arrangements continue through a Programme Board with Corporate Management Team representation through the Director of Customer and Business Support Services and Director of Adult Social Care. Comprehensive updates on progress have been provided to the Executive in July 2015, October 2015, May 2016 and July 2016. Updates have been provided at key decision points for the purposes of obtaining an Executive approval. Minutes contain a record of decisions taken. The portfolio holder for Adult Social Care and Health is responsible for the programme and receives regular updates.	required to ensure regular updates so that a high level summary of progress is provided even during periods of minimal activity or when an approval by the Executive is not required.
Risk Assessment and Management The Review recommended strengthening the approach to risk management. The scheme now consists of a phased programme of work which was comprehensively articulated in July 2015 and is underway. This is a more prudent approach providing greater flexibility, clear stages and minimisation of risk. Executive papers appropriately highlight key risks with considerable detail provided in the body of the documents including a summary risk register. Detailed risk registers are maintained in Verto and used for reporting to the Project Board and CMT. Review of these reports showed that the risk commentary had not been updated since inception in some areas.	R28 The Highlight reports would benefit from a summary of new risks and significant changes to risks in the summary section rather than relying on the Verto risk reports which have not been routinely updated. R29 The Verto risk registers should be routinely updated to provide an effective tool for risk management.
Programme Resourcing	R30 To ensure full debate at the Project Board of resourcing requirements and

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Detailed Findings	Areas for Improvement / Recommendations
A recommendation was made to review resourcing requirements for the programme in terms of capacity and technical skills. The July 2015 paper does not explicitly refer to a resource plan or provide a statement of reassurance that resource requirements have been assessed and will be put in place. Verto details the programme team resourcing and confirms that resourcing is satisfactory. However we noted that the project structure chart referred to required update to reflect officers leaving the Council's employment. Discussion with officers indicated dedicated resourcing in key areas, for example from social care, housing, property and communications. The Programme Director is dedicated 4 days per week to the project and the Burnholme Project Manager 3 days per week. Corporate support is provided to the project team (legal, HR, Finance, Procurement) but there is no information on the extent of this support in Verto. There is evidence of project resourcing considered in the Highlights reports but not as a routine item.	potential future pressures, we recommend that this is a routine update on the Highlights Report. R31 This is particularly important with respect to obtaining specialist technical support and for corporate support which cross-cuts many significant programmes of work and for whom priorities may conflict.
Financial Management Affordability was a key challenge under the previous programme. A key recommendation of the Review was to consider ways to improve and simplify the presentation of financial information at a summary level. The July 2015 paper presents the financial analysis for the provision of: • 90 high needs Extra Care places; • an independent sector built and funded care home at Burnholme (up to 55 beds for Council use); • purchase of 30 residential beds in the independent sector. This presents detailed and complex information in a paragraph format and would have benefited from greater clarity and summarisation in some areas. For example, it requires greater explanation on: • which aspects of the overall programme the costings refer to in terms of the work-streams described earlier in the paper and set out above under the section Business Case; • how the costs map to each of the stages of work referred to in the paper;	R32 The presentation of financial information to Members and the public could be improved in terms of aiding understanding by summarising key messages and making more use of tables. R33 This is important so that Members and the public are able to understand the key messages without having to digest a large amount of complex detail. Financial information can be lost easily in the predominantly text based format of papers. This makes it difficult for readers to draw out the key points for consideration.

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Detailed Findings	Areas for Improvement / Recommendations
• the full projected costs of the scheme (rather than impact on budget position (surplus/deficit) with capital and revenue implications separately; and • sources of funding, for example, assumptions regarding the use of capital receipts anticipated. Where sub-options to aspects of the programme are under consideration the financial impacts are shown. Programme management costs are presented clearly and as at the date of our fieldwork, there was an under-spend against this budget. The financial risks inherent in the proposals at that stage were clearly articulated with mitigating actions. The analysis also provides sensitivity analysis on key assumptions. This review does not cover a specific examination of the costs involved in this programme. We understand from the latest Highlight reports that a detailed financial model has been developed, stress-tested and is being used to monitor this aspect of the programme.	
Communication and Consultation The Review recommended strengthening arrangements around communication with wider health scrutiny forums and health partners. The July 2015 Executive paper highlighted the planned engagement with relevant bodies to cover linkages with wider adult social care programmes and heath, i.e. oversight by the Health and Adult Social Care Policy and Scrutiny Committee and the Health and Wellbeing Board. Briefings have been provided to the Health and Adult Social Care Policy and Scrutiny Committee in June and December 2015. We have not found evidence of any updates about the programme to the Health and Wellbeing Board in 2015/16. An update was included in the forward plan for 2016/17 for July 2016 but there is no reference to the programme in July's papers. A communications strategy 2015-18 and plan for 2015/16 was put in place to manage liaison with wider stakeholders and the public. The public consultation with residents, their families and staff in existing facilities has progressed to plan and the Council continues to apply the Moving Homes Safely	R34 We recommend that the Council confirms requirements for reporting on the programme to the Health and Wellbeing Board.

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Detailed Findings	Areas for Improvement / Recommendations
protocol which has been used successfully throughout the programme. An Older Persons' Homes Wider Reference Group has been established for ongoing engagement purposes. The October 2015 Executive paper contains a useful assessment of the rationale for the sequence of home closures and a signed-off Equality Impact Assessment.	

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6. Better Care Fund

6.1 Summary and Conclusions

There is an increasing imperative nationally and locally for a more comprehensive and accelerated approach to the integration of health and social care due to its important role in assuring the long-term sustainability of these essential public services. The Care Act places statutory obligations on Councils to ensure integrated service provision. The Better Care Fund (BCF) is one of the mechanisms in place to deliver this agenda. It is a mandated national initiative which requires local authorities and Clinical Commissioning Groups (CCGs) to work together to realise the benefits of integrated care and deliver improved outcomes for people through greater community based provision.

The BCF was initiated in 2013/14 and requires Councils and Clinical Commissioning Groups (CCG) to commit on an annual basis, a defined level of resources to a pooled fund which is used to commission schemes which aim to build capacity in community based care and support services, avoid unnecessary hospital and care home admissions and prevent, delay and reduce demand for care and support.

For York, the pooled fund was £12.1m in 2015/16 with the majority of the funding provided by the Vale of York CCG. The Council has commissioned schemes to the value of approximately £8m as part of the BCF arrangements. Responsibility for oversight of the BCF lies with the Health and Wellbeing Board which approves the plan and receives regular updates on progress. A Joint Delivery Group is in place to oversee delivery of the schemes and monitor performance.

As experienced nationally, there have been significant challenges in agreeing plans, progressing the integration of health and social care services and delivering the BCF performance targets. Difficulties have arisen due to the multiple compounding system-wide factors, the deteriorating financial position of the CCG and the continued pressure on the Council's budgets. The National Audit Office carried out a review of BCF arrangements nationally and its report of November 2014 highlighted the key challenges and concerns for 2015/16 as follows:

"….. the Fund still contains bold assumptions about the financial savings expected in 2015-16 from reductions in emergency admissions, which are based on optimism rather than evidence, and implementation faces further hurdles. The Fund has real potential to help integrate health and social care but to offer value for money the departments need to ensure: more effective support to local areas; better joint working between health and local government; and improved evidence on the effectiveness of integration schemes."

These issues were evident in the operation of the first year of York's Better Care Fund (BCF). The Council and the CCG identified schemes that would support the defined objectives, however, the schemes did not deliver the level of improvement anticipated in the plan for the defined performance metrics, particularly for reducing hospital admissions.

The CCG experienced financial difficulties in 2015/16 which created a risk to the funding of the BCF; a potential £3m funding gap was identified in Quarter 3 of 2015/16. The CCG implemented a financial recovery plan during the year and the BCF funding position with the Council was resolved by the year-end. CYC achieved a small underspend on the adult social care budget for the year.

The BCF Plan for 2016/17, which is a pooled budget of £12.2m, has taken significant time to be agreed, due to ongoing negotiations between the Council and the CCG. We understand that NHS England confirmed that the 2016/17 BCF Plan had been approved on 15 August 2016.

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York partners have taken steps to establish arrangements to support the strategy, planning and delivery of programmes for wider whole system integration of which the BCF is one part. This includes a strategy for joint commissioning and an Integration and Transformation Board to take forward the Sustainability and Transformation Plan for the local footprint. Targets have been revised to what officers have described as "stretching but realistic" levels.

Our review concludes that the Council has made significant progress and is working hard with partners in a challenging financial environment to deliver the shared plans in place for integration. Achieving agreement on the 2016/17 plan is a positive outcome following difficult negotiations with the CCG.

The Council will need to continue pro-actively working with partners to accelerate schemes and link into wider programmes of work on integration, including the Sustainability and Transformation Programme for the local footprint. Our key recommendations to enable more effective joint working and facilitate an acceleration of pace are:

- increasing the visibility of progress made on the core BCF schemes and performance targets as well as progress on wider integration initiatives at the Health and Wellbeing Board through an appropriate performance reporting framework. The review of arrangements underway is a firm step in this direction and should be prioritised;

- providing a six-monthly update to the Executive on the BCF and wider integration plans and how these link into the Council's other programmes of work involving health and wellbeing;

- streamlining and clarifying governance and oversight arrangements at a strategic and implementation level to remove any potential duplication or blurred responsibilities and to provide an appropriate balance between system oversight and focus on front-line delivery; and

- maintaining close liaison with NHSE to access support available nationally through its Better Care Support Team and local Better Care Managers.

6.2 Detailed Findings and Recommendations

Detailed Findings	Areas for Improvement / Recommendations
BCF Overview 2015/16 The Better Care Fund (BCF) is a nationally mandated programme of work. The York plan was approved by partners and a comprehensive submission made as required to NHS England (NHSE) in December 2014. The final plan was signed off through the National Assurance Process in January 2016. For York, the fund consisted of a pooled budget of £12.127m for 2015/16. The agreement was formalised under a Section 75 agreement between Vale of York CCG and the Council. The majority of the funding, £11.176m is through the CCG with the Council's contribution of £0.951m. As is the case nationally, there is no new funding for BCF initiatives which are therefore resourced from existing CCG and Council allocations; the objective being to use existing funds to work differently to deliver integration objectives.	*We have no recommendations to make with respect to the BCF plan which adhered to national requirements and was approved by NHS England.*

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Detailed Findings	Areas for Improvement / Recommendations
The Council's contribution was sourced from the Disabled Facilities Grant (£544k) and Adult Social Care Capital Grant (£407k).	
Expenditure met by the fund in 2015/16 was as follows:	

Expenditure	£m
Council commissioned schemes	7.918
CCG commissioned schemes	2.878
Withheld performance funds	1.331
Total	**£12.127**

Detailed Findings	Areas for Improvement / Recommendations
An element of the pooled funding was dependent on the achievement of the set targets, a Payment for Performance element (see further below) which are monitored nationally. Release and use of the performance element of the fund if targets are achieved is approved by the Health and Wellbeing Board (HWB). There are set national conditions to be met and York partners' response to these was detailed in its submission. These have been updated by NHSE operating guidance for 2016/17 and require: • BCF plan to be signed off annually by Council and CCG; • maintained social care provision; • demonstration of progress on seven-day services provision; • better data sharing; • a joint approach to assessment and care planning; • agreement on impact of changes on providers; • agreement to invest in out-of-hospital services (new for 2016/17); and • agreement on a local action plan to reduce delayed transfers of care (new for 2016/17).	
Scheme Details	*We have no additional recommendations to make in this respect.*

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Detailed Findings	Areas for Improvement / Recommendations
An overview of the proposed new schemes was provided in the report to the HWB in July 2015. In line with the BCF objectives, these schemes aim to build capacity in community based health and social care to reduce demand for care and support and avoid unnecessary hospital admissions and attendances. The following table summarises all schemes involved and their planned expenditure value.	

Scheme	£k Value	Lead
York Integrated Care Hub	500	CCG
Urgent Care Practitioners	564	CCG
Hospice at Home	170	CCG
Street and Triage Pathways	125	CCG
Sitting and Crisis Services	164	CYC
Whole System Review	4,313	Joint
Community Support Packages	3,161	CYC
Carers' Support	655	CYC
Community Facilitators	40	CYC
Data Analyst	40	CYC
Carers Assessments, Advocacy (Care Act implementation)	444	CYC
Capital (IT Systems, Older People's Accommodation, Disabled Facilities Grant)	951	CYC
Performance Fund Contingency	1,000	CCG
Total	£12.127	

Expenditure includes existing schemes/services in place to maintain adult social care provision and implement the requirements of the Care Act.

The Whole System Review element was the most significant scheme. It involved identifying duplication and/or an opportunity to improve capacity, e.g. through the

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Detailed Findings	Areas for Improvement / Recommendations
integration of re-ablement services between health and social care. This scheme did not progress. There is no evidence of reporting on the status of development of these schemes against plan to the HWB. Exception reports, as part of an update from the Integration and Transformation Board, is being put in place this year.	
Performance and Risk Management The performance metrics are set nationally and the targets for 2015/16 were agreed between partners locally to deliver the fund objectives and meet the mandated national requirements. The July 2015 HWB paper details the planned performance targets against the BCF objectives for reductions in: • non-elective (NEL) hospital admissions; • delayed transfers of care (DTOC); • permanent residential/nursing care admissions; and • proportion of people (>65) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services. The NEL reduction target for 2015/16 was 11.7% with actual performance demonstrating an increase of 7.8%. The whole system review scheme was planned to deliver savings of over £2m but this did not progress. In 2015/16, under the Payment for Performance requirement, funds relating to the underperformance against the target for the reduction of non-elective admissions were withheld of £1.1m. These funds have been retained by the CCG to offset increased expenditure related to acute hospital activity. The HWB receives quarterly performance reporting on the key CYC performance metrics as part of the standard performance reporting pack. However this analysis is not linked to the BCF targets. We note that the HWB is currently undertaking a review of how it carries out its oversight and performance monitoring responsibilities. The July 2016 paper comments as follows: *"Formal mechanisms are also needed to monitor performance of the most immediate and urgent strategic challenges facing our local health and care*	R35 As a priority, the HWB should take forward the review of performance monitoring arrangements. This is necessary to increase the visibility of progress made on the core BCF schemes and performance targets as well as progress on wider integration initiatives. R36 Risk reporting should form part of this reporting framework. R37 The HWB should have oversight of formal quarterly monitoring returns as the Board is responsible for signing off these submissions.

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Detailed Findings	Areas for Improvement / Recommendations
system, such as the progress of the Better Care Fund". There was a comprehensive risk log submitted with the BCF Plan. Reporting to HWB has not included any structured presentation of risks on individual schemes. National requirements specify quarterly reporting to NHSE using a formal template. These returns have not been included in papers to the HWB. The HWB is responsible for approving these submissions.	
Governance and Partnership Working The Council and CCG are the accountable bodies for their respective elements of the BCF and therefore responsible for the appropriate use of funds. The Council has discharged this obligation through its approval of the budget and budget monitoring for adult social care. At date of submission of the plan a risk/gain sharing arrangement was not in place between partners but there was a plan to do so by March 2015 We understand that risk management principles and a risk share agreement are in place for the 2016/17 programme, and are set out in the section 75 agreement. The fund objectives were fully articulated in a paper to Executive in December 2014. Throughout 2015/16 there has been no formal reporting to the Executive on the BCF. The delivery of the BCF objectives and the wider integration agenda is becoming an increasingly urgent priority for the health and care system as a whole. Plans need to be aligned with the Council's Plan and its many other programmes of work which impact on the BCF/integration objectives, for example the Older People's Accommodation programme, Health and Wellbeing hubs and public health initiatives. The HWB is responsible for the oversight of the BCF and has a statutory obligation to encourage integrated working between commissioners. The BCF/integration are a standing item on the HWB forward plan agendas. Updates on various aspects have been provided to each meeting in 2015/16 apart from December 2015. The update in October 2015 provided a comprehensive summary of the whole system approach to integration. Reporting has varied in terms of content and has been somewhat repetitive and has not demonstrated the progress of the plan schemes.	R38 We recommend that updates are provided on a six-monthly basis to the Executive on the BCF and other major health and wellbeing integration schemes with which the Council is involved. This is important due to the increasing importance of these programmes for system sustainability and their interlinkages. *See reference in the next section to ensuring risk sharing arrangements are in place for 2016/17 and beyond.* R39 Reporting to the HWB on the performance of the BCF and status of schemes should be standardised so that Board members are clear on what is to be expected as part of the standing agenda and progress can be monitored. R40 The summary provided on the overall integration programme was helpful and further routine reporting should be established to the HWB to provide regular updates on progress with respect to the wider agenda. R41 Recognising that partners have examined arrangements for the 2016/17 plan, we recommend a comprehensive review and streamlining of governance arrangements over the BCF and integration programmes. Multiple forums have emerged over the last few years and there is a risk that the remit and composition of these groups creates duplication. This should be undertaken as part of the HWB's review of performance monitoring arrangements described above. R42 Partners should agree a joint (CYC/CCG) reporting framework which is appropriate for the various governance forums in place. This should meet the needs of each forum in terms of their terms of reference whilst minimising duplication of information. R43 The Council should consider the need to report on the BCF as part of the improved reporting arrangements to Audit and Governance Committee for

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Detailed Findings	Areas for Improvement / Recommendations
In order to ensure a whole system approach and effective partnership delivery between CYC and the CCG, the partners put in place a Joint Delivery Group (JDG) to provide direction and oversight. This group was responsible for monitoring of progress and comprises representation from the multiple commissioning and provider agencies involved. The JDG met monthly and monitored progress against the agreed performance targets. It's membership and focus has since been refreshed. It is referred to in the 2016/17 Submission as the BCF Performance and Delivery Group A Collaborative Improvement Board was established in 2013 to receive reports from the JDG on the progress of BCF schemes. There was no evidence of reporting from this group to the HWB. The work of this board has now been taken on by a newly formed Integration and Transformation Board. A Joint Commissioning Executive has also been established to provide system leadership and a link into the wider integration agenda. A Provider Alliance Board focuses on integrated pathways and contracting for outcomes. CYC representatives also attend CCG Governing Body meetings where BCF is on the agenda. Joint working groups are in place over each scheme to oversee delivery and a new operational BCF Task Group is being established. Partners are establishing joint Programme Management Office arrangements. There were minimal references to the BCF in the records of 2015/16 meetings of the Health and Adult Social Care Policy and Scrutiny Committee (former Health Overview and Scrutiny Group). Scrutiny has increased by this Committee into 2016/17. The 2016/17 plan refers to a review of governance arrangements and an Integration and Transformation Board has been recently established as a sub-board to the HWB. The intention is for this group to act as a catalyst to accelerate progress.	major projects.
BCF Plans 2016/17 The 2016/17 BCF pooled budget is £12.2m. In the May 2016 HWB a full breakdown of the schemes involved is provided. This totalled £14.5m, a funding	R44 Partners should prioritise the finalisation of formal agreements around the plan and the risk sharing arrangements.

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Detailed Findings	Areas for Improvement / Recommendations
gap of £2.3m. It has taken a significant time for the Council and CCG to agree how to close this gap and determine performance targets given the under-performance in 2015/16. As a result the situation has been escalated to NHSE and partners have made the plan submission later than the formally required deadline with the agreement of NHSE (29 July 2016). We understand that NHS England has confirmed approval of the 2016/17 BCF Plan in August 2016, and that work is now being undertaken to update the Section 75 agreement between the Council and the CCG including arrangements for risk/gain share. NHS England has removed the Payment for Performance element of the fund for 2016/17. The national conditions are described above. In formulating the 2016/17 plan, partners have evaluated the impact to date of existing BCF schemes and presented a thorough assessment of the challenges experienced to date.	
Communication and Consultation A comprehensive communications and engagement plan was a requirement of the BCF plan submission. HWB papers refer to a full engagement programme having been undertaken throughout the BCF development process. Discussion at the HWB indicated the need to consult further with local people and stakeholders.	R45 Given the difficulties experienced in agreeing plans between parties, partners should ensure the communications and engagement plan is refreshed and meets stakeholder requirements given the anticipated future difficult commissioning decisions to be made.

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7. Future Shape and Size Initiative

7.1 Summary and Conclusions

"Future Shape and Size" (FSS) was an initiative led by the outgoing interim Chief Executive, which aimed to deliver an operating model which would realise significant financial savings whilst ensuring sustainable services into the long-term. The initiative continued some of the themes of the previous Rewiring Public Services programme which was subject to a review of programme management arrangements in 2014/15 as part of our VFM conclusion work.

In line with our recommendations and following the pause in progress due to the change in administration and then changes in senior management, the Council has taken the opportunity to clarify the direction of its transformational activity, define priorities and streamline governance arrangements. The initiative achieved its initial objectives having developed and evaluated concepts into emerging proposals for implementation and the work will now be taken forward through individual projects within the new corporate programme. The development of the new programme benefited from the significant amount of groundwork undertaken as part of the previous transformation programme of work.

Major themes and areas of focus that emerged from the initiative are:

- prevention/early intervention;
- multi-agency working;
- area based approach;
- advice, information and guidance;
- intelligence led development;
- capacity to engage with communities to develop capacity and resilience; and
- modernising and aligning culture.

Local Area Teams was a significant project taken forward as a result of the FSS initiative. It is now at the implementation phase. The project involves the place-based operating model proposed for Children and Young People's prevention and early intervention services. We have therefore carried out more detailed review of this project to evaluate the arrangements in place over its delivery as part of the FSS initiative. We found good practice in terms of the project management and governance processes in place over this project, particularly in terms of the improved use of the Verto project management system, engagement and consultation processes and comprehensive reporting to the Executive.

Our key recommendations based on our review of the overall programme and the Local Area Teams project are:

- more disciplined use of the All About Projects methodology and Verto for individual projects to provide comprehensive and up-to-date status reports through the system;

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- rigorous financial monitoring of risks to budgets, for example retraction of grant funding in the Children's Services budget and monitoring of project management resourcing costs.

Recognising the stage of transition from FSS to the new corporate programme and the roll-out of the use of Verto, we conclude that the Council's arrangements are appropriate and effective for the management of this major change programme. We recommend further review of progress in 2016/17.

Also noted is that the Local Area Teams project was initiated before improvements were made to Verto to align to the new project management framework. Consequently some of the gaps in detail in Verto reflect the constraints of working with existing documentation within the new framework and how that is reflected on Verto.

7.2 Detailed Findings and Recommendations

Detailed Findings	Areas for Improvement / Recommendations
Future Shape and Size (FSS) This initiative was introduced in September 2015 and was the umbrella for CYC's projects on major structural transformation required to deliver a modernised and sustainable operating model for the future. The initiative was designed to enable delivery of the Council's priorities and to take account of the Local Government Association Peer Review feedback received during 2015/16, an extract of which is provided below and acknowledges work to date in this area: *"In 2013 in light of anticipated future budgetary pressures and increasing demand for services, particularly in Adult Social Care, we urged the council to explore its future role and purpose over and above its intention to become a 'commissioning council'. Not much appears to have happened on this until fairly recently, with new ideas and form being given to how both Adults and Children's services will fit into a new operating model and reduce dependency on the council, with both only recently being discussed in more detail in the context of the council's future size, shape and role. More explanation and debate is needed about the model, including costings and workforce development planning."* The initiative was designed to reconnect with staff to collaborate on new and innovative ideas to take the organisation forward. This was in the context of the need to : - explore new ways of working with communities, partners (including other local authorities) and businesses;	*As the future shape and size initiative is no longer being pursued as such, and individual projects are being reflected in Verto, we do not have any specific recommendations to make.*

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Detailed Findings	Areas for Improvement / Recommendations
- respond to pressures in terms of public spending; and - review the senior management structures. Some proposals were taken forward and developed from the Rewiring Public Services programme. The objective of the initiative was to enable teams and facilitate involvement in the discovery phase stage of projects (October 2015 – December 2015), evaluate the proposals (January 2016 – March 2016) and initiate projects where appropriate during this period and beyond. The projects would then fit in the narrative of the Future Shape and Size, which included the future operating model for the Council. Work in progress under the initiative covers: • Local Area Teams (LATs) – the new operating model for prevention and early intervention services for Children and Young People; • Organisational Restructure; and • Service Delivery Models. CYC is in the process of consolidating all of its major projects into a single register which is known as the "corporate programme". Many of these projects relate to new operating models being developed in corporate services, children's services, adult social care and place based services. The Future shape and size banner is no longer in use since the departure of the previous interim Chief executive. Corporate Management Team provide direction and oversight operating as a steering group with proposals in each area initiated and developed by individual Directorate Management Teams. FSS is set up as a programme on Verto with detail appropriate to the nature of the initiative, including due consideration of resourcing. The programme has three phases: Discovery, Evaluation and Implementation. The project plan shows that the first two phases are complete. There is a fully populated risk register, which was used to manage overarching risks during the discovery and evaluation stages. Risks have multiple ownership rather than a single responsible officer.	

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Detailed Findings	Areas for Improvement / Recommendations
Local Area Teams – Children's and Young People's Services *Business Case* This project involves establishing a number of multi-agency teams covering the City to deliver early intervention services to children and families. The objectives align with the Council Plan priorities and the project is a major contributor to the shared partnership objectives of the Children and Young People's Plan 2016-20 for the City. This work follows on from the remodelling of Children's Centres in 2014. The Executive paper of March 2016 is comprehensive in terms of setting out the objectives, rationale and financial implications. The business case for the project went to the Directorate Management Team in 2015 (before it was transferred to Verto). The paper does not set out any options analysis or risk assessment at this stage. However, we consider the approach appropriate due to the evolutionary nature of this project with ongoing, comprehensive community and stakeholder engagement and public consultation exercises undertaken to inform the proposed operating model. *Project Management* The majority of Verto fields are populated including summary information on the strategic business case, scope, approach, risk register and project plan. All progress reports to DMT and other key corporate documentation are held in the document store, including links to Executive papers. The Highlights report functionality is not used with progress reports to DMT being produced separately. This is due to the project being established before it was transferred into Verto. Inter-relationships with other programmes are highlighted, e.g. operating model for Adults' Services and Healthy Child Programme. Outcomes and benefits sections are not populated. The project plan was developed before the All About Projects framework was adopted and as such does not evidence alignment with approval gateways. The approvals in the project were carried out through weekly discussion and decision making through DMT. The risk register is appropriately populated. It requires update (last update	R46 New projects coming into the corporate programme should adhere to the All About Projects framework and gateways. Where this would require a staged business case approach this should be applied. If a business case is not necessary and an alternative process is to be followed, this should be clearly documented in the project initiation document. R47 We recommend that greater use of Verto is made to manage this project to maximise the use of Verto's functionality to make best use of project management resources. Otherwise there is a risk of Verto being used solely for form completion purposes rather than as a planning and project management tool. In particular, Verto should be used to: • auto-generate reporting to DMT through the Highlights Reports; • keep the project plan and risk register updated; • monitor delivery of savings; and • keep track of internal/external project costs (although we note the absence of specific functionality for this purpose at present). R48 Project reporting to DMT should use standard good practice agenda templates, include the latest risk register and document actions recorded to be followed up at the next meeting. R49 The role of the new Programme Assurance Group should be confirmed as part of governance arrangements.

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Detailed Findings	Areas for Improvement / Recommendations
June 2016) and risk scores in Verto have not been reduced to reflect mitigating actions. The risks were managed outside the system due to the project processes already being in place before it was transferred to Verto,	
The anticipated savings from the LAT project (see below) are not detailed in Verto, but are documented within the papers presented to DMT and the Council Executive.	
Governance and Risk Management	
The Directorate Management Team for Children's Services, Education and Skills is the Project Board which meets weekly. Progress reports have been provided routinely throughout the year to this group. These are succinct reports focusing on actions. DMT reports through to Corporate Management Team, the Executive and Executive Member for Children and Young People. The CMT project sponsor is the Director of Children's Services.	
The new Programme Assurance Board is not referred to in governance arrangements.	
As indicated above, the Verto risk register requires update. This is not used methodically as a basis to inform reporting to DMT and the Executive as the risk register held outside the system is more up to date. Executive papers are very comprehensive but do not have a specific section on risks although risks are referred to throughout the papers.	
Resourcing	
Resource requirements are detailed in Verto and resource planning was discussed at DMT in September 2015. Officers reported that the project has been appropriately resourced with two members of staff seconded from Children's Services to the project and named support from corporate services.	
Financial Management	
The March and July 2016 papers to the Executive set out the financial implications of the project in terms of anticipated revenue budget savings (almost £1.5m/annum), capital and central government funding.	
The July 2016 paper made reference to a risk of potential clawback of £4.3m by central government of capital costs associated with the original	

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Detailed Findings	Areas for Improvement / Recommendations
development of children's centres following a change of use. In addition, the Dedicated Schools Grant (DSG) contribution to the Children's Centre budget is also highlighted as at risk due to funding reforms. Internal project resourcing costs are not referred to in these papers. There are no external support costs indicated in Verto. *Communication and Consultation* CYC has carried out extensive consultation and engagement on this project with families, young people, staff and wider stakeholders, including key partners, the Children's Trust (YorOK) and community groups. Comprehensive Executive updates have been provided in March and July 2016 with requests for approval to proceed at each stage. A public consultation took place from mid-April to end May 2016 and the feedback was used directly to inform the proposed operating model. This was reported to the Executive in an update paper in July 2016. A comprehensive Community Impact Assessment was carried out in March 2016 with an update in July 2016. Both documents were stored on Verto.	

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Action Plan

Recommendation	Agreed / Not Agreed	Comments	Responsibility	Timescale
Programme and Project Management				
R1 The Council should focus on ensuring that all new projects use the AAP approach. For existing projects, as a minimum the gateway approach should be applied for decision-making points and governance purposes.	Agreed	Programme assurance group to ensure that project originators within their Directorates are using the AAP approach and report to CMT.	CMT	March 2017
R2 The use of the framework should be applied proportionately to the size and complexity of a project and the guide should include reference to this and examples to follow.	Agreed	Review AAP guidance to ensure it is clear what elements are mandated for what size of project.	Programme assurance group	March 2017
R3 We recommend that where appropriate, senior level training on business case development and evaluation is provided. As referenced later in this report, the Community Stadium business case presents an example of good practice. Training should include learning from previous projects.	Agreed	Review training on business case development and engage with the workforce development unit to ensure training packages are in place in the future.	CMT	June 2017
R4 At the date of reporting, the key actions relating to the Internal Audit report have been implemented. The Council should ensure any remaining points of detail are addressed.	Agreed	Internal audit report on project management will update A&G in December 2017. All actions are now complete.	CMT	January 2017
R5 The AAP framework would benefit from further supporting tools to ensure effective tracking of project costs and savings, for example standard templates for project managers to use working with finance colleagues.	Agreed	Programme assurance leads and finance to work together to produce standard templates for benefits and costs tracking.	Programme assurance group and Finance	March 2017

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Recommendation	Agreed / Not Agreed	Comments	Responsibility	Timescale
		This will mirror the processes in the corporate PM system Verto.		
R6　We recommend that the Council accelerates the pace of the roll-out of Verto in terms of: • ensuring Verto is used for all new projects, mandatory fields are populated. Verto should be used to migrate information on existing projects if this is practicable and yields benefits in terms of resourcing and assurance; • making greater use of the reporting functionality to make more effective use of officer time and to provide a single source of information on progress for all governance groups; and • a formal training programme and plan to ensure key users are appropriately trained in the use of system and how it meets the requirements of the AAP framework.	Agreed	Programme assurance group to work with CMT on future structures to support the roll out, including training.	CMT	March 2017
R7　Verto functionality for cost tracking and monitoring of delivery of savings should be explored to avoid the need for manual reports and to provide a prompt to ensure this aspect is routinely monitored.	Agreed	Programme assurance leads and finance to work together to produce standard templates for benefits and costs tracking. Ensure that the functionality in Verto is fully utilised.	Programme assurance group and Finance	March 2017
R8　We recommend that CYC investigate options with the Verto software supplier to enable cleansing of the database so that legacy and redundant projects can be archived and removed or hidden from the live system. This will allow Verto to be used as a comprehensive and up to date register of all projects in the future so that a manual database does not need to be maintained.	Agreed	The legacy projects have been identified. After a discussion with DMTs about the legacy information, TMI (Verto software supplier) will be contacted to remove redundant projects.	Project assurance lead	March 2017

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Recommendation	Agreed / Not Agreed	Comments	Responsibility	Timescale
R9 It would be helpful to include in the AAP framework a guide on required governance arrangements from Project Board to CMT, the Executive, Audit and Governance and other relevant committees.	Agreed	Produce an overview of project governance and attach to the guidance.	Project assurance lead	March 2017
R10 Recognising this will need to be assessed on a case by case basis, the guidance could provide examples of typical governance arrangements required based on examples of projects in terms of scale and complexity.	Agreed	Produce an overview of project governance and attach to the guidance.	Project assurance lead	March 2017
R11 The establishment of the Programme Assurance Group is a positive step in terms of providing corporate oversight of projects. The role of the group should explicitly cover: • understanding interdependencies between projects and the critical path outside the confines of individual schemes; and • highlighting to CMT and DMTs any risks identified as a result of its oversight.	Agreed	This is now built into the terms of reference for the Programme Assurance Group.	Programme assurance group	January 2017
R12 Governance arrangements should be documented on Verto, including making clear the role of the new Programme Assurance Group.	Agreed	Governance is stored in Verto. PMs to ensure that the information is complete and there are references to the Programme assurance group.	Project managers	March 2017
R13 Once established, the full programme hierarchy should be set up in Verto to provide a single view, show interdependencies and generate standard reports. This should include a regularly updated risk register for the overall programme, with clear risk ownership to provide the feed to reporting to CMT, Executive and Audit & Governance Committee. Reports for governance purposes should be held on the system for reference.	Agreed	Information is in the process of being updated. Programme hierarchy is now set up. From January all key project risks in Verto will be exported and will be reportable as part of the	Project assurance lead	February 2017

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Recommendation	Agreed / Not Agreed	Comments	Responsibility	Timescale
		quarterly risk monitor. Also, highlight reports will be generated on regular basis.		
Community Stadium Project				
R14 The March 2012 OBC business case provides a strong good practice example for the development of robust business cases for future major projects. We recommend that this document combined with the recently developed "All About Projects" (AAP) framework is used in training across the organisation to further develop the skills of officers involved in major programmes of this type.	Agreed	The Introduction to Projects course is structured around the use of All about projects. Discussion around using Community stadium material as examples in the course will be had.	Project assurance lead	March 2017
R15 Whilst accepting the evolutionary nature of the project over time and through the procurement process, the business case would have benefited from a fuller evaluation of strategic options and associated cost/benefit analysis. This would have avoided the need to present the business case through a series of Cabinet papers and provide members with a firmer starting point.	Agreed	None	n/a	n/a
R16 The subsequent evolution of the project to include leisure and retail development may have been one of the options to consider at the outset and would have prepared the ground for the subsequent change in scope of the project. Options on phasing may have been feasible to reduce the complexity of the project.	Agreed	None	n/a	n/a
R17 The robust project monitoring documentation used by the team provides a good practice example which should be used as part of the roll-out of project management training across the Council.	Agreed	The Introduction to Projects course is structured around the use of All about projects. Discussion around using Community stadium material as examples in the	Project assurance lead	March 2017

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Recommendation	Agreed / Not Agreed	Comments	Responsibility	Timescale
		course will be had.		
R18 The risk and issues registers maintained for the project represent good practice and should be used as part of the Council's training programme on project management.	Agreed	The Introduction to Projects course is structured around the use of All about projects. Discussion around using Community stadium material as examples in the course will be had.	Project assurance lead	March 2017
R19 Future progress reporting to Project Board, CMT and the Executive should refer to project resourcing (internal and external) to show that it is routinely considered and to articulate the extent of expertise which is available within the team.	Agreed	In some ways we feel we did do this and did detail a section around our previous project manager leaving and further external expertise coming in the project within the march 2016 report. However, happy to accept the recommendation and look to be clearer on this matter moving forward.	Stadium Project Team Officers	Quarterly
R20 With regards to public reporting during the procurement process, we fully recognise the priority of legal advice in this regard. However, our view is that some limited high level progress updates should continue to be provided during these periods.	Agreed	Position noted		
R21 For example, a summary statement would be appropriate to advise whether the procurement process is on track or delayed with an indication of the reason for delay, e.g. continued work on design specification. This approach would be preferable to maintain a consistent line of communication and provide further assurance to members and the public.	Agreed	Position noted		

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Recommendation	Agreed / Not Agreed	Comments	Responsibility	Timescale
R22 Some additional summary narrative would be helpful to provide more assurance to members and the public in key areas of concern, for example: • to describe the robust arrangements in place to scrutinise and challenge costs, including the use of independent and specialist external advisors; • summarising how the scope of the project had changed over time and the impact on costs. The cost increases are clear but the narrative explanation could have been expanded, setting out the key factors explaining the increases, e.g. the cost escalation due to inflation; and • providing more information on the reasons for the delays and a revised project plan for the key work-streams.	Agreed	It is felt all this highlighted points are disclosed at each public report to the level of detail deemed appropriate at that point by our external legal advisors. Having said that happy to take on board the recommendation and look to constantly consider and challenge if more project information can be disclosed into the public domain.	Stadium Project Team Officers	Quarterly
Older People's Accommodation Programme				
R23 An additional layer of narrative in Executive Papers to explain interdependencies between the key stages of the phased approach and the impact on the overall programme outcomes should stages not progress would be useful to provide further understanding of associated risks. This is also recommended with respect to interlinkages with other programmes of work, for example in Adult Social Care.	Agreed	An additional layer of narrative relating to interdependencies will be added to Executive Papers from Q1 2017.	Programme Director	Q1 2017
R24 The Verto Highlights Reports have the potential to provide an effective tool for reporting to the Project Board and CMT. We recommend that key elements are routinely updated, specifically the Project Plan and Risk Register to ensure the essential elements of the tool are used effectively. Key corporate documentation relating to the project, including papers recording approvals and decisions should be filed on the system.	Agreed	Key areas of Verto Highlight Reports including the Project Plan and Risk Register will be routinely updated.	Programme Director	Dec 2016

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Recommendation	Agreed / Not Agreed	Comments	Responsibility	Timescale
R25 The governance structure described on the Verto system should be updated to reflect current arrangements, including a full Terms of Reference for the Project Board.	Agreed	The governance structure described on the Verto system will be updated and will include a full Terms of Reference for the Project Board.	Programme Director	Dec 2016
R26 CYC should consider representation by internal audit on the Project Board as is the case for the Community Stadium project to provide an additional layer of independent scrutiny.	Agreed	The Programme Board will be asked to consider representation by internal audit on the Project Board.	Programme Board	Dec 2016
R27 We recommend that the Executive specifies the frequency of reporting required to ensure regular updates so that a high level summary of progress is provided even during periods of minimal activity or when an approval by the Executive is not required.	Agreed	The Executive will be asked to specify the frequency of progress reporting required of the Programme.	Executive	Q1 2017
R28 The Highlight reports would benefit from a summary of new risks and significant changes to risks in the summary section rather than relying on the Verto risk reports which have not been routinely updated.	Agreed	Highlight reports will contain a summary of new risks and significant changes to risks.	Programme Director	Jan 2017
R29 The Verto risk registers should be routinely updated to provide an effective tool for risk management.	Agreed	The Verto risk registers will be routinely updated.	Programme Director	Dec 2016
R30 To ensure full debate at the Project Board of resourcing requirements and potential future pressures, we recommend that this is a routine update on the Highlights Report.	Agreed	DONE. From September 2016 the Programme Board has considered and debated resourcing requirements as part of the Highlight report.	Programme Board	DONE

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Recommendation	Agreed / Not Agreed	Comments	Responsibility	Timescale
R31 This is particularly important with respect to obtaining specialist technical support and for corporate support which cross-cuts many significant programmes of work and for whom priorities may conflict.	Agreed	DONE. From September 2016 the Programme Board has considered and debated specialist technical support and corporate support as part of the Highlight report.	Programme Director	DONE
R32 The presentation of financial information to Members and the public could be improved in terms of aiding understanding by summarising key messages and making more use of tables.	Agreed	The presentation of financial information will be improved in order to aid understanding.	Programme Director	Q1 2017
R33 This is important so that Members and the public are able to understand the key messages without having to digest a large amount of complex detail. Financial information can be lost easily in the predominantly text based format of papers. This makes it difficult for readers to draw out the key points for consideration.	Agreed	The presentation of financial information will be improved in order to aid understanding.	Programme Director	Q1 2017
R34 We recommend that the Council confirms requirements for reporting on the programme to the Health and Wellbeing Board.	Agreed	The Council will confirm requirements for reporting on the programme to the Health and Wellbeing Board.	Programme Director and Chair of Health and Wellbeing Board	Q1 2017
Better Care Fund				
R35 As a priority, the HWB should take forward the review of performance monitoring arrangements. This is necessary to increase the visibility of progress made on the core BCF schemes and performance targets as well as progress on wider integration initiatives.	Agreed	A BCF Performance and Delivery Group is now meeting on a monthly basis to monitor performance and it reports to the Integration and Transformation Board.	Assistant Director Commissioning	In place and will evolve as local arrangements mature

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Recommendation	Agreed / Not Agreed	Comments	Responsibility	Timescale
R36 Risk reporting should form part of this reporting framework.	Agreed	Risks are considered and now reported to ITB and HWBB as appropriate.	Assistant Director Commissioning	In place
R37 The HWB should have oversight of formal quarterly monitoring returns as the Board is responsible for signing off these submissions.	Agreed	This will be provided as an Appendix to ITB report.	Assistant Director Commissioning	In place
R38 We recommend that updates are provided on a six-monthly basis to the Executive on the BCF and other major health and wellbeing integration schemes with which the Council is involved. This is important due to the increasing importance of these programmes for system sustainability and their interlinkages.	Agreed	This will be provided as part of Corporate reporting on major projects, first to CMT then Executive.	Corporate Director, Health, Housing and Adult Social Care	Ongoing
R39 Reporting to the HWB on the performance of the BCF and status of schemes should be standardised so that Board members are clear on what is to be expected as part of the standing agenda and progress can be monitored.	Agreed	Exception reports from the Integration and Transformation Board.	Corporate Director, Health, Housing and Adult Social Care	In place
R40 The summary provided on the overall integration programme was helpful and further routine reporting should be established to the HWB to provide regular updates on progress with respect to the wider agenda.	Agreed	As part of a regular report from the Integration and Transformation Board.	Corporate Director, Health, Housing and Adult Social Care	In place
R41 Recognising that partners have examined arrangements for the 2016/17 plan, we recommend a comprehensive review and streamlining of governance arrangements over the BCF and integration programmes. Multiple forums have emerged over the last few years and there is a risk that the remit and composition of these groups creates duplication. This should be undertaken as part of the HWB's review of performance monitoring arrangements described above.	Agreed	Arrangements have been reviewed and new arrangements are in place although the HWB are still revisiting its governance arrangements which could theoretically result in further changes.	Corporate Director, Health, Housing and Adult Social Care	Ongoing

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Recommendation	Agreed / Not Agreed	Comments	Responsibility	Timescale
R42 Partners should agree a joint (CYC/CCG) reporting framework which is appropriate for the various governance forums in place. This should meet the needs of each forum in terms of their terms of reference whilst minimising duplication of information.	Agreed	Discussions are in progress.	Assistant Director Commissioning	Ongoing
R43 The Council should consider the need to report on the BCF as part of the improved reporting arrangements to Audit and Governance Committee for major projects.	Agreed	This will need to be considered in the first instance through the Corporate Management Team.	Corporate Director, Health, Housing and Adult Social Care	31 March 2017
R44 Partners should prioritise the finalisation of formal agreements around the plan and the risk sharing arrangements.	Agreed	Signed off in October and endorsed by HWBB on 23 November 2016.	Assistant Director Commissioning	Completed
R45 Given the difficulties experienced in agreeing plans between parties, partners should ensure the communications and engagement plan is refreshed and meets stakeholder requirements given the anticipated future difficult commissioning decisions to be made.	Agreed	Discussed at the Integration and Transformation Board. Principles of engagement agreed. Production of a plan for 2017/18 needed	Assistant Director Commissioning	31 March 2017
Future Shape and Size Initiative – Local Area Teams Project				
R46 New projects coming into the corporate programme should adhere to the All About Projects framework and gateways. Where this would require a staged business case approach this should be applied. If a business case is not necessary and an alternative process is to be followed, this should be clearly documented in the project initiation document.	Agreed	This will be monitored by the programme assurance group.	Programme assurance group	September 2017
R47 We recommend that greater use of Verto is made to manage this project to maximise the use of Verto's functionality to make best use of project	Agreed	Where possible for the remainder of the project	Project manager	March 2017

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Recommendation	Agreed / Not Agreed	Comments	Responsibility	Timescale
management resources. Otherwise there is a risk of Verto being used solely for form completion purposes rather than as a planning and project management tool. In particular, Verto should be used to: • auto-generate reporting to DMT through the Highlights Reports; • keep the project plan and risk register updated; • monitor delivery of savings; and • keep track of internal/external project costs (although we note the absence of specific functionality for this purpose at present).		improvements will be made along these lines.		
R48 Project reporting to DMT should use standard good practice agenda templates, include the latest risk register and document actions recorded to be followed up at the next meeting.	Agreed	Improvements will be made in the remaining reporting periods.	Project manager	March 2017
R49 The role of the new Programme Assurance Group should be confirmed as part of governance arrangements.	Agreed	Amendments to be made to Verto to reflect.	Project manager	January 2017

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Appendix 1 – Community Stadium – Project Timeline

Date	Key Milestones and Decision-Making Points
May 2008	Initial proposal for a York Community Stadium set out before Members.
July 2008	Council approve the principle of a community stadium for York and seek an agreement with York City FC to become part of the project.
Sep 2008	Members agree to appoint a Project Manager for the project and commit to delivering a community stadium.
Jan 2009	Project Manager appointed, project plan agreed and work begins on the Strategic Business Case.
April 2009	Project Board established and vision articulated to provide a home for York City Football Club and the York City Knights Rugby League Club and develop an athletics facility of County standard.
June 2009	Strategic Business Case presented and agreed and project moves to detailed feasibility study stage (Outline Business Case). The Council approved a £4m investment into a new Community Stadium for the city based on the outline business case for the facility.
Feb 2010	Members briefed on progress of the feasibility study and Business Case.
July 2010	Monks Cross is proposed as location for the development of a new stadium on the existing Huntington Stadium site. The development of an athletics track at York University as part of the York Sports Village is agreed.
Oct 2010	Community Stadium Advisory Group established and the Community Benefits of the stadium project are outlined and developed.
Dec 2010	Audit and Governance Committee debate the risks and issues and discuss possible impacts of planning delays or funding issues.
April 2011	Audit and Governance Committee review risks and issues in preparation of a submission for outline planning permission.
Dec 2011	Funding is agreed to enable work to complete the Outline Business Case in preparation for Outline Planning permission.
Jan 2012	Cabinet Report following Decision Session - Cabinet Member for Leisure, Culture & Social Inclusion seeking authority to initiate procurement process for the DBOM contract for the Community Stadium and to include Council's leisure facilities, stadium with potential expansion to 12,000 seats. Scrutiny Management Committee (Calling In) on 30 January 2012.
Feb 2012	Outline Business Case submitted for approval by CMT and Cabinet
March 2012	Report to Cabinet and approval of Business Case
July 2012	Outline planning consent granted for the Vangarde Retail Park at Monks Cross, providing for a minimum 6,000 all seat community stadium on the grounds of the existing Huntington Stadium.
Sep 2012	Competitive dialogue procurement exercise commenced to procure a partner to design and build a New Stadium (up to 12,000 capacity) and Leisure Complex (NSLC) and operate the NSLC together with the wider leisure facilities, Energise and Yearsley Swimming Pool under a 13 year contract.

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Nov 2012	Cabinet Paper providing update on planned procurement as a Design, Build and Operate contract.
	Scrutiny Management Committee (Calling In) on 19 November 2012.
Jan 2014	Cabinet Paper – Community Stadium Update (*Please note that this paper is dated as Jan 2013 in error).*
Sep 2014	Cabinet Paper presented and approved Greenwich Leisure Ltd (GLL) as the preferred bidder from the procurement exercise.
	Presents final scope of project, total cost of £37m and requests approval to proceed to planning permission stage and approval for additional £4m CYC funding and appropriation of land.
March 2015	Detailed planning approval granted for the proposed scheme.
March 2016	Executive Paper presented and approved entering into the contract with GLL.
	Provides full details of scheme, costs and funding.
June 2016	Planning amendment application approved.
Aug 2016	Briefing Paper to members on the Judicial Review challenge by Vue Cinemas notified to the Council on 1 August 2016.
To Date	Work continues to finalise the contract with GLL including value engineering to contain costs so that the project can reach financial close.
	Outcome of Judicial Review awaited.

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Appendix 2 – Information Sources

Key documentation reviewed for each work-stream is detailed below.

1. Programme and Project Management	
All About Projects, City of York Council	Project Management, Internal Audit Report 2015/16, Veritau, May 2016
Verto Project Management System and User Guide v1.0	Corporate Programme Assurance Group, Draft Terms of Reference, v0.1, June 2016
Audit & Governance Committee, Public Reports Pack, July 2015	Guidelines for Managing Programmes, Dept for Business, Innovation and Skills, Nov 2010
Audit & Governance Committee, Public Reports Pack, May 2016	Project Management, Internal Audit Report 2015/16, Veritau, May 2016
Review of Programme Management Arrangements for the Transformation Programme, Mazars LLP, November 2015	
2. Community Stadium Project	
Community Stadium, Business Case, February 2012	Project Board, Minutes, Highlights Reports, Risks and Issues Logs, Dec14-May 15, Oct 15 - Sep 16
Stadium Mazars Audit Overview Document, July 2016	Governance Arrangements Community Stadium, Paper to Project Board, 2016
Community Impact Statement, Drivers Jonas Deloitte, March 2012	YCSP Procurement Risks Summary to Project Board, 19 January 2016
Cabinet/Executive Public Reports Pack, March 2012, November 2012, January 2014, September 2014, August 2015, March 2016	YCS Cost Plan Version 23 February 2016
Executive, Confidential Annex B, March 2016	Base Case Financial Model, GLL, 19 February 2016
Budget and Funding Allocation, 3 March 2016	YCS – ISG Trade Pack Reconciliation, 26 February 2016
Cost Report, G&T, October 2015	CYC Queries on GLL Cost Tracker 21.06.16
York Community Stadium, Savills Report, March 2016	YCS – Excel Cost Tracker 21.06.16
Stadium Final Executive Model, March 2016	Member Briefing Note 30.08.16
Press articles, Aug 2015 – Sep 16	Emails from Members and the public, Oct 2014 – Sep 16
3. Older People's Accommodation Programme	
Audit & Governance Committee, Public Reports Pack, July 15, Sep 15, Dec 15, Feb 16	Cabinet/Executive, Public Reports Pack, March 15, July, 15, Oct 15, Nov 15, Feb 16 , May 16, July 16

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Review of the Housing for Older People's Accommodation Project, Mazars LLP, July 2015	Verto System and Highlights Reports, April 2015 – Sep 2016
4. Better Care Fund	
Executive, Public Reports Pack, Dec 14, Nov 15, Dec 15, Feb 16, May 16, July 16	NHS England, Guidance for the Operationalisation of the BCF in 2015/16, undated
Health and Wellbeing Board, Public Reports Pack, Dec 14 (includes signed 2015/16 plan submission), July 15, Oct 15, Dec 15, Jan 16, Mar 16, April 16, May 16, July 16,	NHS England, The Better Care Fund, Operating Guidance for 2016/17
Health Overview and Scrutiny Committee, Better Care Fund Briefing Paper, May 2014	Better Care Fund Plan 2016/17, Narrative, 28 July 2016, CYC and Vale of York CCG
5. Future Size and Shape Programme/Children's Prevention and Early Intervention Services Project	
Future CYC Operating Model, slidepack, November 2015	Corporate Project Register, Draft Sep 2016
Future Shape and Size, slidepack, February 2016	CANS and CES Joint Management Team Minutes, 10 Sep 2015
Audit and Governance, Public Reports Pack, May 2016	Executive, Public Reports Pack, March 16, July 16
Verto System and uploaded project documentation	

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