

## Notice of a Meeting

### Strategy & Partnerships Scrutiny Committee Wednesday, 25 November 2009 at 11.00 am County Hall

#### Membership

Chairman - Councillor Dr Peter Skolar

Deputy Chairman - Councillor Melinda Tilley

#### Councillors:

Norman Bolster  
Liz Brighthouse OBE  
Nick Carter

Arash Fatemian  
Jean Fooks  
A.M. Lovatt

Chip Sherwood  
David Wilmshurst

#### Notes:

**Date of next meeting: 17 December 2009**

#### What does this Committee review or scrutinise?

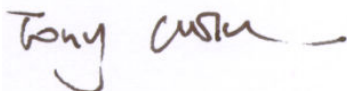
- Corporate and community leadership; corporate strategies; regional issues
- Local strategic partnerships and District Council liaison
- Social inclusion & equality; services for members
- Finance; procurement; property
- Culture change and customer focus; human resources; communications strategy; information and communications technology
- The elections and appointments functions of the Democracy & Organisation Committee
- The functions of the Pension Fund Committee

#### How can I have my say?

We welcome the views of the community on any issues in relation to the responsibilities of this Committee. Members of the public may ask to speak on any item on the agenda or may suggest matters which they would like the Committee to look at. **Requests to speak must be submitted to the Committee Officer below no later than 9 am on the working day before the date of the meeting.**

#### For more information about this Committee please contact:

Chairman	-	Councillor Dr Peter Skolar E.Mail: <a href="mailto:peter.skolar@oxfordshire.gov.uk">peter.skolar@oxfordshire.gov.uk</a>
Committee Officer	-	Sue Whitehead, Tel: (01865) 810262 <a href="mailto:sue.whitehead@oxfordshire.gov.uk">sue.whitehead@oxfordshire.gov.uk</a>



Tony Cloke  
Assistant Head of Legal & Democratic Services

November 2009

## About the County Council

The Oxfordshire County Council is made up of 74 councillors who are democratically elected every four years. The Council provides a range of services to Oxfordshire's 630,000 residents. These include:

schools	social & health care	libraries and museums
the fire service	roads	trading standards
land use	transport planning	waste management

Each year the Council manages £0.9 billion of public money in providing these services. Most decisions are taken by a Cabinet of 9 Councillors, which makes decisions about service priorities and spending. Some decisions will now be delegated to individual members of the Cabinet.

## About Scrutiny

Scrutiny is about:

- Providing a challenge to the Cabinet
- Examining how well the Cabinet and the Authority are performing
- Influencing the Cabinet on decisions that affect local people
- Helping the Cabinet to develop Council policies
- Representing the community in Council decision making
- Promoting joined up working across the authority's work and with partners

Scrutiny is NOT about:

- Making day to day service decisions
- Investigating individual complaints.

## What does this Committee do?

The Committee meets up to 6 times a year or more. It develops a work programme, which lists the issues it plans to investigate. These investigations can include whole committee investigations undertaken during the meeting, or reviews by a panel of members doing research and talking to lots of people outside of the meeting. Once an investigation is completed the Committee provides its advice to the Cabinet, the full Council or other scrutiny committees. Meetings are open to the public and all reports are available to the public unless exempt or confidential, when the items would be considered in closed session

**If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, giving as much notice as possible before the meeting**

**A hearing loop is available at County Hall.**

## AGENDA

1. **Apologies for Absence and Temporary Appointments**
2. **Declarations of Interest - see guidance note on the back page**
3. **Minutes (Pages 1 - 4)**

To approve the minutes of the meetings held on 24 September 2009 (**SYP3**) and to note for information any matters arising on them.

4. **Speaking to or petitioning the Committee**

### SCRUTINY MATTERS

**To consider matters where the Committee can provide a challenge to the work of the Authority**

5. **Service & Resource Planning 2010/11 - 2014/15 (Pages 5 - 150)**

*Contact Officer: Lorna Baxter, Assistant Head of Finance –Resources Tel : 01865 323971*

The attached report (**SYP5**) sets out the Business Improvement & Efficiency Strategies for each Directorate and the identified pressures and proposed savings contained therein. The Strategy & Partnerships Scrutiny Committee is meeting prior to the December round of Scrutiny Committees to consider the overall position for the Council, the balance of pressures and savings across the Directorates and the the Business Improvement & Efficiency Strategies for all Directorates. Each Scrutiny Committee will then consider the strategies for their programme areas with comments from each being passed back to Strategy & Partnerships Scrutiny Committee in January 2010, in order that the committee can then feed back to Cabinet in time for consideration as part of their budget proposals.

***The Scrutiny Committee is invited to :***

- a. ***comment on the overall Council position and the balance of pressures and savings across the directorates;***
- b. ***note that the Directorate Business Improvement & Efficiency Strategies plus the pressures and savings therein will be considered by the Service Scrutiny committees, their comments being fed back to Strategy & Partnerships Scrutiny Committee for consideration in January 2010;***
- c. ***consider whether the Council tax increase in the existing MTFP is still appropriate recognising that any reduction would require further savings to be identified; and***
- d. ***agree to invite the chairs of the Service Scrutiny Committees to attend***

***the Strategy & Partnerships Scrutiny Committee on 17<sup>th</sup> December 2009  
to comment on the capital proposals.***

**6. Scrutiny of Partnerships**

To consider the factors relevant in taking forward the scrutiny of partnerships.

**Close of Meeting**

## Declarations of Interest

This note briefly summarises the position on interests which you must declare at the meeting. Please refer to the Members' Code of Conduct in Section DD of the Constitution for a fuller description.

### **The duty to declare ...**

You must always declare any "personal interest" in a matter under consideration, ie where the matter affects (either positively or negatively):

- (i) any of the financial and other interests which you are required to notify for inclusion in the statutory Register of Members' Interests; or
- (ii) your own well-being or financial position or that of any member of your family or any person with whom you have a close association more than it would affect other people in the County.

### **Whose interests are included ...**

"Member of your family" in (ii) above includes spouses and partners and other relatives' spouses and partners, and extends to the employment and investment interests of relatives and friends and their involvement in other bodies of various descriptions. For a full list of what "relative" covers, please see the Code of Conduct.

### **When and what to declare ...**

The best time to make any declaration is under the agenda item "Declarations of Interest". Under the Code you must declare not later than at the start of the item concerned or (if different) as soon as the interest "becomes apparent".

In making a declaration you must state the nature of the interest.

### **Taking part if you have an interest ...**

Having made a declaration you may still take part in the debate and vote on the matter unless your personal interest is also a "prejudicial" interest.

### **"Prejudicial" interests ...**

A prejudicial interest is one which a member of the public knowing the relevant facts would think so significant as to be likely to affect your judgment of the public interest.

### **What to do if your interest is prejudicial ...**

If you have a prejudicial interest in any matter under consideration, you may remain in the room but only for the purpose of making representations, answering questions or giving evidence relating to the matter under consideration, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

### **Exceptions ...**

There are a few circumstances where you may regard yourself as not having a prejudicial interest or may participate even though you may have one. These, together with other rules about participation in the case of a prejudicial interest, are set out in paragraphs 10 – 12 of the Code.

### **Seeking Advice ...**

It is your responsibility to decide whether any of these provisions apply to you in particular circumstances, but you may wish to seek the advice of the Monitoring Officer before the meeting.

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# Agenda Item 3

## STRATEGY & PARTNERSHIPS SCRUTINY COMMITTEE

**MINUTES** of the meeting held on Thursday, 24 September 2009 commencing at 10.00 am and finishing at 12.10 pm

**Present:**

**Voting Members:** Councillor Dr Peter Skolar – in the Chair

Councillor Norman Bolster  
Councillor Liz Brighthouse OBE  
Councillor Nick Carter  
Councillor Arash Fatemian  
Councillor Jean Fooks  
Councillor A.M. Lovatt  
Councillor Larry Sanders  
Councillor Melinda Tilley (Deputy Chairman)  
Councillor Carol Viney

**Other Members in Attendance:** Councillor Keith Mitchell (for Agenda Item 5)

**Officers:**

Whole of meeting Chief Executive, Assistant Chief Executive & Chief Finance Officer, A. Bailey & S. Whitehead (Corporate Core)  
Part of meeting A. Ulusoy-Shipstone (Corporate Core)

*The Scrutiny Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting [, together with a schedule of addenda tabled at the meeting/the following additional documents:] and agreed as set out below. Copies of the agenda and reports [agenda, reports and schedule/additional documents] are attached to the signed Minutes.*

### 17/09 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS (Agenda No. 1)

Apologies for absence and temporary appointments were received as follows:

Apology from	Temporary Appointments
Councillor David Wilmshurst	Councillor Carol Viney

## **18/09 MINUTES**

(Agenda No. 3)

The minutes of the meeting of the former Corporate Governance Committee Scrutiny Committee held on 5 March 2009 (**CG3(a)**) and the minutes of the meeting of the Strategy & Partnerships Scrutiny Committee (**CG3(b)**) held on 16 June 2009 were approved and signed.

### **Matters Arising**

Minute 9/09 - Referring to the work of the Partnerships Working Group, Councillor Brighthouse highlighted this area of work as something that should be taken forward. The Chairman confirmed that the scrutiny of partnerships was one of the objectives of the new Committee.

Minute 11/09 – Councillor Carter commented that ‘publications ‘ was a topic he would be happy to return to in the future.

## **19/09 FUTURE WORK OF SCRUTINY**

(Agenda No. 5)

The Chief Executive highlighted key issues relevant to the work of the Committee including, partnership working and in particular the CAA process, the Single Conversation and the focus on efficiency in relation to the Corporate Core.

During discussion of the issues raised by the Chief Executive the following points were made:

- 1) In relation to the Single Conversation there was a need to consider the social and community impacts as well as the physical environment. It was about place shaping and engaging communities, particularly in the most deprived areas.
- 2) Joint working on health was discussed together with the current financial challenges to be faced. The Chairman commended progress on joint commissioning. Reference was made to the work on breaking the cycle of deprivation and the targeting of funds in the most deprived areas. One member expressed concern at the impact on poorer communities not being targeted.

The Committee agreed that members receive copies of a general briefing note on the Single Conversation and that the matter be brought back to the Committee as appropriate.

Councillor Mitchell, Leader of the Council, responding to an invitation from the Chairman detailed what he saw as the remit of the Committee: to look at the Corporate Core; to look at Council strategy to see how it was working across Directorate boundaries and whether a long term view was being taken and in relation to partnerships to see if they were bringing added value. Within this he saw a number of roles that scrutiny could fulfil: challenge to the decision makers (provided by call in); policy development; reviews of decisions taken and review of outside bodies.

Members discussed the future work of Scrutiny and the following points were made:



- 1) A model for scrutiny was needed that made it clear what was expected from Cabinet in response to the work undertaken.
- 2) Reference was made to the Bucks model and members generally warned against taking on a model without considering the Oxfordshire context. Members' had a great deal of experience of scrutiny work and this should be considered.
- 3) Councillor Brighthouse whilst feeling that the Bucks model might have much to commend it disagreed with the political basis for membership of the Task and Review Groups. Scrutiny work should cut across party politics, making best use of people's interests and experiences regardless of party.
- 4) Consideration needed to be given to the views of other Scrutiny Committees and members.
- 5) There was general support for considering further the way that scrutiny should be organised. However members were clear that given the other priorities of the Committee this piece of work should be very focussed.
- 6) There was discussion of the Star Chamber budget process and whether Scrutiny could add value to it. Councillor Mitchell outlined the reasons why the Cabinet would not be supportive of the involvement of Scrutiny at such an early stage in their budget thinking. It was suggested that an additional meeting of this Committee in advance of the Scrutiny Committee meetings in December could look at the totality of the budget before it was considered by individual Committees.

**RESOLVED:** to:

- (a) undertake a focussed piece of work on how scrutiny could be undertaken in future;
- (b) to hold a work shop/seminar involving other members and giving consideration to a paper from the Corporate Performance & Review Manager on other forms of scrutiny undertaken elsewhere and to members own experience of scrutiny.

## **20/09 FINANCIAL MONITORING**

(Agenda No. 6)

Councillor Tilley asked that the Committee's best wishes be sent to Councillor Shouler, Cabinet Member for Finance & Property who was currently unwell.

The Committee noted the commentary of the Cabinet Member for Finance & Property.

The Assistant Chief Executive & Chief Finance Officer outlined the contents of monitoring reports generally. The role of the Committee was to look at Annex 3 and the budget position. Following discussion the Committee confirmed that they wished to continue to receive a summary of the financial monitoring picking up key issues and referenced back to the detail in the Cabinet reports where necessary.

There was discussion on the role that the Committee could play in relation to the budget setting process.

The Committee noted a brief presentation on the governance structure for capital infrastructure planning and the proposed reporting process.

**RESOLVED:** to:

- (a) agree that officers in consultation with the Chairman look at ways to bring forward preparatory work on service & resource planning to inform the round of scrutiny committee discussions during November/December and that the Chairman in discussion with other members look at the date of the next meeting;
- (b) agree that an item be included for the next meeting on capital infrastructure planning.

..... in the Chair

Date of signing ..... 2009

Division(s):

## **STRATEGY & PARTNERSHIPS SCRUTINY COMMITTEE 25 NOVEMBER 2009**

### **SERVICE AND RESOURCE PLANNING 2010/11 – 2014/15**

**Report by Assistant Chief Executive & Chief Finance Officer and Assistant  
Chief Executive (Strategy)**

#### **Introduction**

1. As part of the Service & Resource Planning process, Strategy & Partnerships Scrutiny Committee is meeting prior to the December round of Scrutiny Committees to consider the Business Improvement and Efficiency Strategies for all Directorates. Each Scrutiny Committee will then consider the strategies for their programme areas with comments from each being passed back to Strategy & Partnerships Scrutiny Committee in January 2010, in order that the committee can then feed back to Cabinet in time for consideration as part of their budget proposals.

2. The following annexes are attached:

Annex 1 : Summary of Identified Pressures and Proposed Savings

Annex 2 : Oxfordshire's Business Efficiency Strategy

Annex 3 : Children, Young People & Families Business Improvement & Efficiency Strategy

Annex 4 : Social & Community Services Business Improvement & Efficiency Strategy

Annex 5 : Environment & Economy Business Improvement & Efficiency Strategy

Annex 6 : Community Safety Business Improvement & Efficiency Strategy

Annex 7 : Corporate Core & Shared Services Business Improvement & Efficiency Strategy

#### **Service & Resource Planning process 2010/11 - 2014/15**

3. The report to Cabinet in September set out that since the budget was agreed in February 2009, the financial position has been under continuous review. Pressures relating to the medium term were identified which required changes to the planning assumptions. These reflected the scale of the national and global recession, changes in legislation and pressures in the cost of services. The impact of these was spread across the timeframe of the business plans, but with a significant impact in 2011/12.
4. In total pressures of £60.0m were identified, £21.0m relating to reduced funding, £34.0m relating to pressures and £5.0m relating to previously agreed budget changes in the Medium Term Financial Plan (MTFP). The level of reduced funding being a real reduction in the level of expenditure, however,

the remaining savings identified being recycled to fund continuing or new pressures.

5. In July 2009, savings targets rising to £60m over the medium term were issued to Directorates to ensure that the identified pressures could be managed across the medium term and allow adequate time for options and plans to be worked up before the budget is agreed in February 2010.
6. In addition to the £60.0m savings target, the existing MTFP already includes £30.0m of planned savings over the period 2009/10 – 2013/14.

### Identified Pressures and Proposed Savings

7. Directorate Business Improvement and Efficiency Strategies alongside draft business plans were completed in September in order that financial pressures and savings over the medium term could be considered by the relevant Star Chamber as part of the Service & Resource Planning process.
8. Through this process pressures totalling £83.5m have been identified, an increase of £23.5m from the estimate in July. The total of savings proposed is £81.1m, after deducting £5.0m already required in the existing MTFP, is £16.1m more than planned. The pressures and savings include £7.5m which have already been agreed as part of the existing MTFP (and form part of the £30m referred to in paragraph 6), but for which specific savings had not previously been identified. The new pressures and savings should therefore exclude this figure. The table below sets out the position.

Year on Year	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	TOTAL £m
Total Pressures Identified	19.4	20.0	10.8	21.4	11.9	83.5
Less : Previously agreed but unidentified savings now shown as a pressure		-1.1	-3.1	-3.3		-7.5
<b>NEW PRESSURES</b>	<b>19.4</b>	<b>18.9</b>	<b>7.7</b>	<b>18.1</b>	<b>11.9</b>	<b>76.0</b>
Total Savings Proposed	-30.1	-17.6	-15.8	-15.4	-2.2	-81.1
Less: Savings required in existing MTFP	2.5	2.5				5.0
Less : Previously agreed but unidentified savings now shown as a pressure		1.1	3.1	3.3		7.5
<b>NEW SAVINGS</b>	<b>-27.6</b>	<b>-14.0</b>	<b>-12.7</b>	<b>-12.1</b>	<b>-2.2</b>	<b>-68.6</b>
<b>NET POSITION</b>	<b>-8.2</b>	<b>4.9</b>	<b>-5.0</b>	<b>6.0</b>	<b>9.7</b>	<b>7.4</b>

9. The table shows that over the medium term there is still a shortfall of £7.4m. This assumes that in 2010/11 and 2012/13 the surpluses are carried forward to future years to cover or contribute towards the deficits.
10. The overarching business efficiency strategy and the individual Directorate strategies (including identified pressures and proposed savings) are set out in Annexes 2 to 7.

### Staffing Changes

11. When the savings target of £60m was distributed, it was recognised that there would be a reduction in the number of posts over the medium term of around 500. The table below sets out the proposed staffing changes in full time equivalents (FTE) over the medium term, which arise from the individual Business Improvement and Efficiency Strategies.
12. Many of these reductions can be met through turnover and redeployment. There are currently in excess of 500 vacant posts throughout the organisation (excluding schools), with annual turnover based on the first six months of this financial year at 15%.

Year on Year	2010/11 FTE	2011/12 FTE	2012/13 FTE	2013/14 FTE	2014/15 FTE	TOTAL FTE
Children, Young People & Families	-52.1	-54.7	-113.1	-47.9	-4.6	-272.4
Social & Community Services	-15.0	-22.4	-14.5	-18.5	-2.0	-72.4
Environment & Economy	-18.0	-6.0	-12.0	-12.0	0	-48.0
Community Safety	-4.2	-4.0	0.5	3.0	0	-4.7
Shared Services	-12.0	-3.0	-3.0	0	0	-18.0
Corporate Core	-55.0	-19.0	-16.0	-16.0	0	-106.0
<b>NET POSITION</b>	<b>-156.3</b>	<b>-109.1</b>	<b>-158.1</b>	<b>-91.4</b>	<b>-6.6</b>	<b>-521.5</b>

### Council tax

13. The existing MTFP assumes Council tax increases of 3.75% for 2010/11 and beyond. Given the current low rates of inflation, the Committee are asked to consider if they think 3.75% is still an appropriate increase. In considering this, the Committee should bear in mind that every 1% reduction in Council tax requires £2.7m of savings, which would be required in addition to those already set out in the Business Improvement and Efficiency Strategies.

## **Capital Programme**

14. The timetable for consideration of capital is slightly later than the consideration of revenue. The Capital Star Chamber was held on 24 November 2009 and the draft Capital Strategy and Corporate Asset Management Plan will form part of the report to Cabinet on 19 January 2009 having been considered by Strategy & Partnerships Scrutiny Committee on 17 December 2009. Given the later consideration, it is proposed that the chairs from each Scrutiny Committee are invited to attend the December meeting to comment on the capital proposals.

## **RECOMMENDATION**

15. **The Scrutiny Committee is invited to :**
- (a) comment on the overall Council position and the balance of pressures and savings across the directorates;**
  - (b) note that the Directorate Business Improvement & Efficiency Strategies plus the pressures and savings therein will be considered by the Service Scrutiny committees, their comments being fed back to Strategy & Partnerships Scrutiny Committee for consideration in January 2010;**
  - (c) consider whether the Council tax increase in the existing MTFP is still appropriate recognising that any reduction would require further savings to be identified; and**
  - (d) agree to invite the chairs of the Service Scrutiny Committees to attend the Strategy & Partnerships Scrutiny Committee on 17<sup>th</sup> December 2009 to comment on the capital proposals.**

SUE SCANE

Assistant Chief Executive & Chief Finance Officer

STEPHEN CAPALDI

Assistant Chief Executive (Strategy)

Contact Officers: Lorna Baxter – Assistant Head of Finance (Corporate Finance)  
(Tel. 01865 323971)  
Alexandra Bailey – Corporate Performance & Review Manager  
(Tel. 01865 816384)

November 2009

**Service & Resource Planning 2010/11 - 2014/15****Summary of Identified Pressures & Proposed Savings**

		2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
<b>Corporate and Cross Directorate</b> (details set out in Annex 1a)	Pressures	1.7	2.5	2.5	5.2	6.6
	Savings	0.0	0.0	0.0	0.0	0.0
	<b>Net Pressures</b>	<b>1.7</b>	<b>2.5</b>	<b>2.5</b>	<b>5.2</b>	<b>6.6</b>
<b>Children, Young People &amp; Families</b>	Pressures	5.1	5.4	6.6	7.7	10.1
	Savings	-5.9	-9.7	-13.3	-16.6	-18.3
	<b>Net Pressures</b>	<b>-0.8</b>	<b>-4.3</b>	<b>-6.8</b>	<b>-8.9</b>	<b>-8.2</b>
<b>Social &amp; Community Services</b>	Pressures	2.1	3.8	5.6	7.6	12.7
	Savings	-10.2	-19.2	-27.0	-33.6	-33.4
	<b>Net Pressures</b>	<b>-8.1</b>	<b>-15.4</b>	<b>-21.4</b>	<b>-26.0</b>	<b>-20.8</b>
<b>Environment &amp; Economy</b>	Pressures	5.3	11.0	12.8	16.9	18.8
	Savings	-8.6	-12.6	-15.5	-19.8	-20.3
	<b>Net Pressures</b>	<b>-3.3</b>	<b>-1.6</b>	<b>-2.7</b>	<b>-2.9</b>	<b>-1.4</b>
<b>Community Safety</b>	Pressures	0.4	0.5	0.8	0.9	0.9
	Savings	-0.9	-1.4	-1.9	-2.6	-2.6
	<b>Net Pressures</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.6</b>	<b>-1.6</b>
<b>Shared Services</b>	Pressures	0.0	0.0	0.1	0.2	0.2
	Savings	-0.8	-1.0	-1.1	-1.1	-1.1
	<b>Net Pressures</b>	<b>-0.8</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-0.9</b>	<b>-0.9</b>
<b>Corporate Core</b>	Pressures	2.6	2.2	2.7	3.2	3.4
	Savings	-3.8	-3.9	-4.7	-5.2	-5.5
	<b>Net Pressures</b>	<b>-1.1</b>	<b>-1.7</b>	<b>-1.9</b>	<b>-2.1</b>	<b>-2.1</b>
<b>TOTAL</b>	<b>Ongoing Pressures</b>	17.2	25.4	31.2	41.7	52.6
	<b>Savings</b>	-30.2	-47.8	-63.6	-78.9	-81.1
	<b>Net Pressures</b>	<b>-12.9</b>	<b>-22.4</b>	<b>-32.4</b>	<b>-37.2</b>	<b>-28.4</b>
<b>Year on Year</b>		<b>-12.9</b>	<b>-9.4</b>	<b>-10.0</b>	<b>-4.8</b>	<b>8.8</b>

**Summary of Overall Funding Position**

	Savings Identified	Saving in MTFP	Total Savings	Identified Pressures	Tax and Grant Funding Pressures	Total Pressures	Net Savings and Pressures	Cumulative Balance	Minimum further Savings to be found
	£m	£m	£m	£m	£m	£m	£m	£m	£m
2010/11	-30.1	2.5	-27.6	17.2	2.2	19.4	-8.2	-8.2	
2011/12	-17.6	2.5	-15.1	8.2	11.8	20.0	4.9	-3.3	
2012/13	-15.8		-15.8	5.8	5.0	10.8	-5.0	-8.3	
2013/14	-15.4		-15.4	10.5	10.9	21.4	6.0	-2.2	
2014/15	-2.2		-2.2	10.9	1.0	11.9	9.7	7.4	7.4
<b>Total</b>	<b>-81.1</b>	<b>5.0</b>	<b>-76.1</b>	<b>52.6</b>	<b>30.9</b>	<b>83.5</b>	<b>7.4</b>		

Totals excluding £7.5m of previously agreed but unidentified savings recorded now as a pressure and a saving

<b>Total</b>	<b>-73.6</b>	<b>5.0</b>	<b>-68.6</b>	<b>45.1</b>	<b>30.9</b>	<b>76.0</b>	<b>7.4</b>
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**Service & Resource Planning 2010/11 - 2014/15****Corporate and Cross Directorate Pressures**

<b>PRESSURES (CUMULATIVE)</b>						
<b>REF</b>	<b>DESCRIPTION</b>	<b>2010/11 £'000</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>	<b>2013/14 £'000</b>	<b>2014/15 £'000</b>
	<b><u>Cross Directorate</u></b>					
CP1	EU Directive on Online Payments	200				
CP2	Anticipated additional cost above the £6m included in the MTFP following pension fund revaluation in 2010		2,500	2,500	2,500	2,500
	<b><u>Strategic Measures</u></b>					
CP3	Additional loss of interest earned due to bank rate remaining low for longer than anticipated	500				
CP4	Interest paid on Developer Contributions where Baxter Index applies higher than anticipated. Baxter Index not falling in line with RPI	1,000				
CP5	Possible increases in inflation or hyperinflation coming out of the recession				2,700	4,100
<b>TOTAL CROSS DIRECTORATE PRESSURES</b>		<b>1,700</b>	<b>2,500</b>	<b>2,500</b>	<b>5,200</b>	<b>6,600</b>
<b>YEAR ON YEAR VARIATION</b>		<b>1,700</b>	<b>800</b>	<b>0</b>	<b>2,700</b>	<b>1,400</b>

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# Oxfordshire's Business Efficiency Strategy

## Context

The council has become much more efficient in recent years. It is useful to remind ourselves of efficiencies already in the pipeline as a result of the Council's prudent management of resources over recent years. In the life of the last administration alone we have delivered £40m efficiency savings. A further £13m of efficiencies is planned in the current year.

We have also moved from a position a few years ago where the council's accounts were being qualified, to one where we are highly regarded by auditors for our financial management and efficient use of resources.

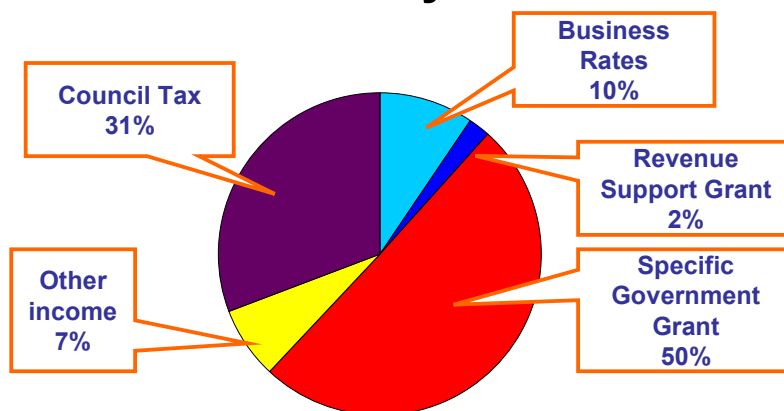
Council wide we have slimmed down management, reduced support service costs (by introducing a Shared Services centre) and improved productivity/cost effectiveness, whilst improving performance year on year.

## Our Scope for Manoeuvre

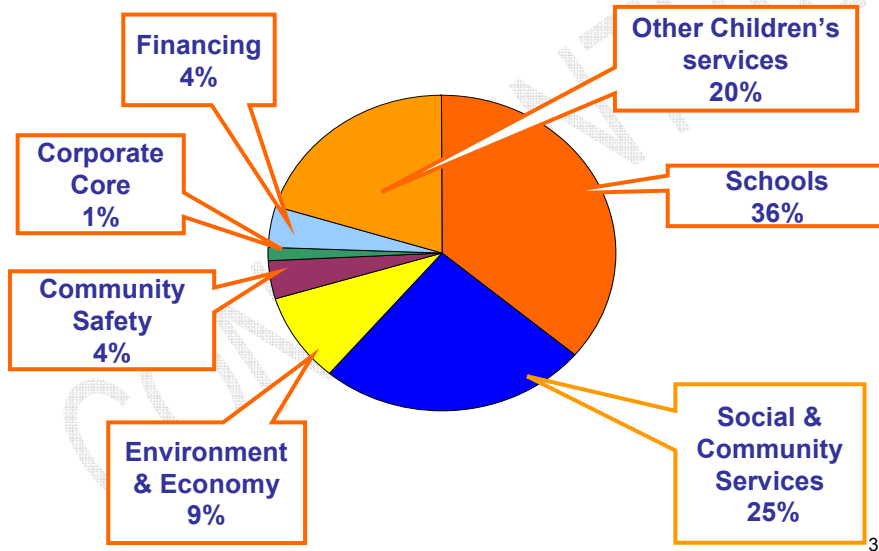
Although our gross budget is almost £900m per annum, half of this is ring fenced by the government for specific purposes, (principally for schools, but also for the careers service, early years & adult education), and cannot therefore be used for other purposes.

This puts more pressure on the remaining areas of expenditure to bear the full impact of our savings targets. This is graphically shown in the following charts

## Where the money comes from

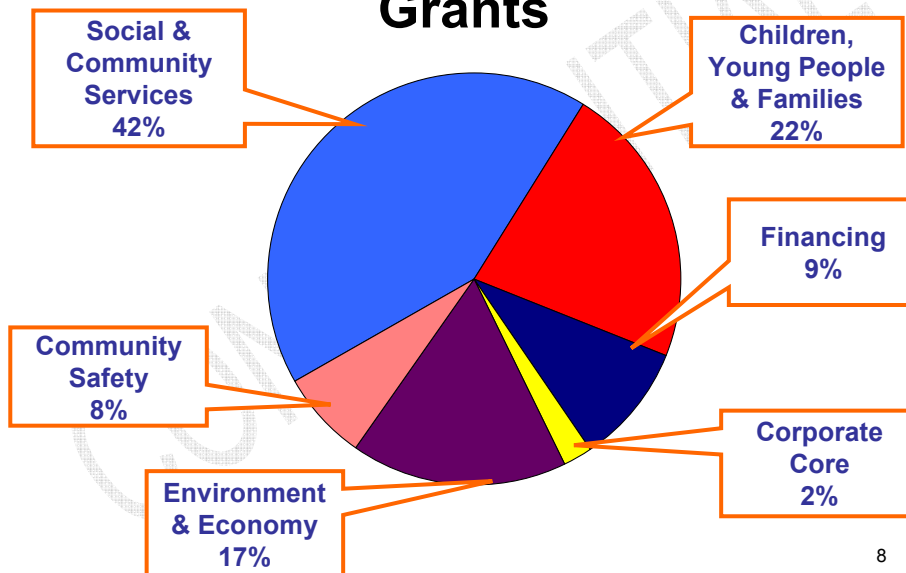


## What is it spent on?



The bulk of our overall spending is for children's services. However, once the Dedicated Schools Grant (DSG) and other specific grants are taken out, the balance of spending (and therefore focus for savings) changes dramatically towards adult social care:

## Services Funded excl. Specific Grants



Financing = Cost of financing capital programme (debt repayment and interest)

The way in which services are delivered varies across the council too, with the majority of Environment and Economy's costs, and adult social care being delivered via external contracts, whereas other services are more reliant on directly employed staff. This means that the extent to which savings will be found from procurement, as opposed to direct staff reductions and internal re-engineering of services, will vary.

## **The Challenge Ahead**

In July 2009 we decided that to prepare for the difficult years ahead we needed to get ahead of the game by a radical efficiency drive to deliver £60m savings over the next 5 years. This £60m is on top of £30m already in the Medium Term Financial Plan, with most savings planned for the early years. The efficiency target for 2010/11 is £19m.

Since July a number of additional pressures have emerged and so effectively the savings target for 2010/11 – 2014/15 has grown from £90m to closer to £106m. This is 24% of our controllable budget (once the DSG and other specific grants are excluded). In the four months since July directorates have identified savings which exceed the original savings target. The scale of savings found to date is impressive and the effort to sustain the drive for further efficiencies must be sustained in the months ahead.

Most importantly the 2010/11 position is largely balanced so we can now concentrate on subsequent years and in particular on 2011/12 which is the most difficult year.

Some of the additional pressures have only surfaced in recent weeks and whilst we are confident that savings can be found, we need to recognise that we are now moving into more difficult territory, and a period when hard choices will need to be made.

This is a rather different environment to the last few years when we have been able to focus more on choices for reinvestment, rather than for savings and cuts.

Given the level of public debt at a national level, resources for local government can only get tighter so there is also a need for us to reposition thinking across the board to prepare our staff and customers for a radically different approach in the medium term.

This puts an increasing emphasis on the importance of clear priorities and political guidance on both **which** service areas members wish to protect, and on **the way** in which we should provide them in the future.

## **Our Strategic Approach**

Our efficiency strategy is based around the council's objectives of *Low Tax, Real Choice and Value for Money*.

### **Low tax**

The last council delivered our commitment to reduced levels of council tax increases two years ahead of schedule.

The current financial strategy proposes a 3.75% increase for the period of this council although the administration has made it clear that should a Conservative government be elected in 2010, then council tax would be frozen for two years (2011/12 and 2012/13) whilst a major review of the funding formula is carried out.

Councils will be given additional grant equivalent to 2.5% per annum for two years to facilitate this. In practice this means that we would need to contain our rise in those years to 2.5%. In light of this the current schedules have been revised to incorporate a 2.5% council tax rise in 2011/12 and 2012/13.

### **Real Choice**

Delivering “Real Choice” in services has been a political commitment of the council for the past four years and this fits well with an ethos that promotes community self help and local diversity. Increasingly, we have been moving towards a preventative rather than reactive response in different services, and to commissioning services rather than directly providing them, which enable more flexibility. The different elements relating to real choice include:

#### **Giving individuals and communities more control and influence**

- the Personalisation agenda in adult social care
- community led planning
- the focus on localities in the next highways contract

#### **Increasing Self Help**

- Improvements in the website and self service functionality
- Encouraging “Pride in Place”, community self help and increased promotion of volunteering to support service delivery

#### **Commissioning of services**

For the future we will make our priority the commissioning of the right service rather than the delivery. This will lead to an increasingly mixed economy of provision.

#### **Integration with other providers**

We will look at opportunities to share specialist services with other organisations (neighbouring counties, districts, police etc) and in particular we will work closely with the NHS to exploit opportunities for joint commissioning of services to reduce duplication and improve ease of access and flexibility.

## **Value for Money**

### **Minimising Back Office costs**

Ongoing work to streamline all back office functions is our first priority. We want to maximise these savings but we must be careful not to reduce support costs which impact adversely on sharp end services or damage corporate capacity to meet the needs of the administration.

Back office savings can make a significant contribution to our overall efficiency target but we cannot look exclusively in this area. The total gross expenditure budgets for Corporate Core and Shared Services only amounts to £64m and most of this is spent supporting the sharp end services and providing the tools to enable them to operate, which they cannot manage without e.g. ICT and legal support.

### **Lean Services**

Reducing service costs without significant impact for service users is our second priority. With the magnitude of savings required it isn't possible to completely avoid impact on service users but managers have worked hard to avoid this wherever possible. Where there are proposed reductions in services the proposals are made because current service standards are not considered to be financially viable over the medium term. Where this is so the advice of CCMT is that early action to change services is preferable to delaying the inevitable.

Within the proposals from all services there are examples of savings in back office costs. Within Corporate Core significant savings (100 posts) are proposed: the effect will be to reduce costs by 23% over 5 years. This is a major reduction but there is more potential for savings from: -

- Reducing management costs (fewer managers with fewer layers of management)
- Developing a One service approach for communications and possible for performance management activities
- better use of telephone and video conferencing to avoid travel time and travel costs

### **Rationalising our assets**

- Rationalising our asset base (less office space, in fewer more energy efficient centres)
- looking at the scope for more shared services with other organisations e.g. shared training and recruitment
- Standardisation of ICT systems and maximising the potential of existing ICT technology to reduce costs

### **Less bureaucracy in how we work**

- reducing the number of internal meetings
- less process in our procedures

- shortening chains of command for decision making
- encouraging a “can do” and problem solving culture throughout the council
- Reshaping HR/ Shared Services to avoid duplication and modernise HR practices

## **Going forward**

### **Invest to Save**

There are a number of areas, such as the introduction of the SAP HR module to reduce the cost of recruitment, improvements to Customer Contact, and areas in Adult Social Care where investment in infrastructure could deliver future savings. There are some one-off funds available which should be allocated to the delivery of projects which can achieve the greatest returns.

### **Communicating our approach**

The position nationally and locally has changed since the early part of the summer when we communicated our increased efficiency programme. Given the scale of the challenge going forward it is important that careful thought is given to future communication, and to the way in which we monitor our performance and work on the changes to the culture that will be needed.

### **Capacity**

All of these options require more detailed analysis and discussion with all directorates. Project teams are being established and we anticipate firming up on potential savings and timescales for delivering during 2010. As part of this we will need to ensure that we have the capacity to deliver and I would anticipate that a fair amount of lower priority work will need to be stopped.

**Joanna Simons**  
**Chief Executive**

6 November 2009





# **Business Improvement and Efficiency Strategy 2010/11 – 2014/15**

## **Children Young People and Families**

## Context for Children Young People and Families

Although the Children Young People and Families Directorate (CYPF) has a large overall budget, much of this is made up of specific grants and scope for efficiencies is consequently reduced. In putting together our efficiency plan we have taken into account the need to protect safeguarding and, where possible, front line services and to maintain statutory services. The Directorate operates within an overall budget as follows (agreed to budget book):

Total 2009/10 Gross Budget	£511m
<i>which includes:</i>	
Dedicated Schools' Grant (DSG)	£317m
Grants for specific purposes only	£92m
Area Based Grant	£13m
Other	-£9m
Local Authority Base Budget Funding	£98m

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Cumulative	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
<b>Total Pressures (including previously agreed savings not identified)</b>	5,145	5,430	6,589	7,746	10,056
<b>Total Savings Proposed</b>	-5,902	-9,689	-13,340	-16,642	-18,272
<b>Net Position</b>	<b>-757</b>	<b>-4,259</b>	<b>-6,751</b>	<b>-8,896</b>	<b>-8,216</b>

<b>Savings Target</b>	-4,377	-8,283	-11,523	-14,000	-14,000
<b>Position compared to target</b>	<b>3,620</b>	<b>4,024</b>	<b>4,772</b>	<b>5,104</b>	<b>5,784</b>
<b>Less Pressures included in £60m</b>	-3,845	-3,995	-4,095	-4,195	4,395
<b>Net Position compared to target</b>	<b>-225</b>	<b>29</b>	<b>677</b>	<b>909</b>	<b>1,389</b>

<b>Staffing Changes in Full Time Equivalentents (FTEs)</b>	<b>-52.1</b>	<b>-106.8</b>	<b>-219.9</b>	<b>-267.8</b>	<b>-272.4</b>
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There are about 155,700 children and young people aged 0-19 years living in Oxfordshire, out of a total population of about 639,800 (mid 2008 data).

Some overview statistics:

- Over 14,000 full and part-time employees work within the directorate
- About 11,000 of these are in our schools and nurseries
- We have 289 schools
- We have 341 private, voluntary and independent (PVI) early years and childcare settings
- We have 45 children's and family centres

We want Oxfordshire to be the best place in England for children and young people to grow up, by working with every child and young person to develop the skills, confidence and opportunities they need to achieve their full potential.

The three priorities for the Directorate from 2010 to 2013 are:

**Keeping all children and young people safe**

**Raising achievement for all children and young people**

**Narrowing the gap for our most disadvantaged and vulnerable groups**

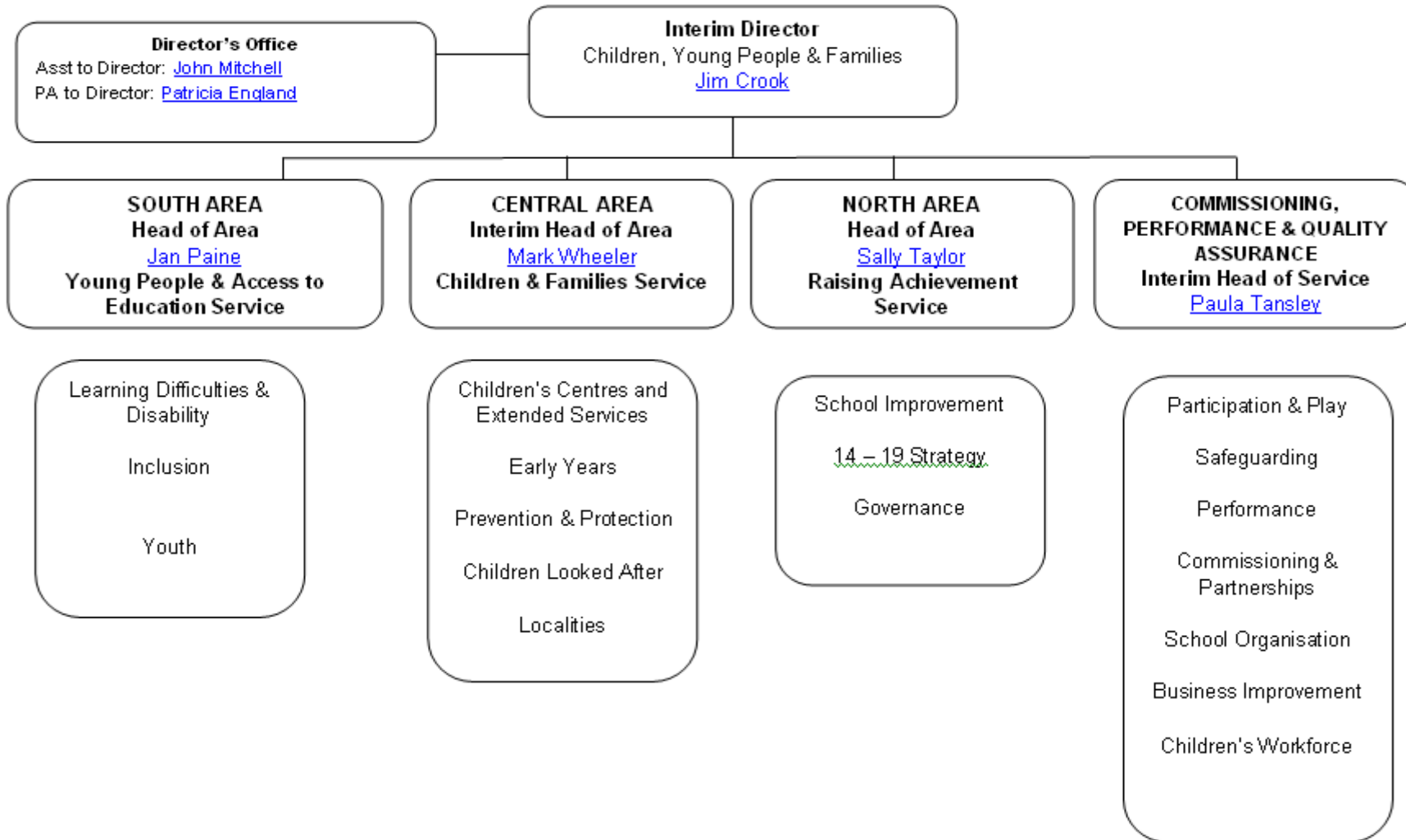
Keeping children and young people safe is the most important reason for different organisations to work together in partnership. We know that good communication, information sharing and partnership work between Oxfordshire County Council, the Primary Care Trust and National Health Service, Thames Valley Police, local schools and voluntary and community groups is essential to protect young people from harm. All partners are committed to the idea that '*safeguarding is everybody's business*', and we have in place a strong Safeguarding Board that oversees the steps we all take to keep children and young people safe.

We are raising the levels of educational aspiration, achievement and enjoyment of all children and young people in Oxfordshire, whilst particularly ensuring support for those with the greatest level of need. Enjoyment and fun are fundamental to learning, socializing and growing into responsible citizens; we will maximise opportunities for children and young people to participate in positive activities and play both in and out of school.

In the past too few children and young people in the county have realised their educational potential. We know that Oxfordshire's Key Stage 1 and GCSE results are too low compared to other similar authorities. We will ensure that all are supported to do their very best. We are determined to continue to raise the achievement of all children and young people living and learning in Oxfordshire so that our children and young people do as well as or better than those living in similar areas.

Our most vulnerable groups of children and young people, at risk of being less healthy and achieving less well than their peers often face additional challenges. The Children and Young People's Trust recognises that these groups are particularly vulnerable to poor outcomes, and that they are a priority for all partners in the Trust across all their work. In particular, we are concerned that while the size of the gap in outcomes is narrowing for younger children (at Foundation Stage), as the children get older the outcomes improve in absolute terms but decline in relative terms, hence the gap widens as age increases. The number of young people not currently engaged in employment, education or training has been growing and we know that we need to rapidly turn this trend around. Similarly, we know that as some children and young people get older they are less engaged at school, feel less healthy and less safe. Our 14 – 19 Education plan aims to address this. Our work to narrow the gap ultimately aims to increase the numbers of young people in employment, education or training and who can achieve their full potential. We are concerned about the number of teenage conceptions in the county, particularly the high levels in certain geographical areas. We are determined to give children and young people in vulnerable groups a better chance to succeed in life through focusing on prevention and early intervention, working with them to build resilience, minimizing the risks they face, and providing more targeted support.

# Management Structure of Children Young People and Families



## Broad approach to improvement and efficiency

The current Medium Term Financial Plan identifies already agreed pressures and savings of +£2.4 million and -£5.3 million respectively for 2010/11 to 2013/14. In addition to this, the directorate efficiency target for the period of 2010/11 to 2014/15 is £14 million.

Some efficiencies already undertaken in previous years' plans:

- Restructuring of Directorate
- First phase of Administrative Review
- Rationalisation of Raising Achievement Service
- Benchmarking against similar councils
- Deletion of unfilled posts
- Introduction of vacancy control

Our strategy for further service improvement and efficiency is focused within the following categories:

### 1. Cutting bureaucracy and streamlining services

We will undertake a series of efficiency savings across the directorate, to reduce bureaucracy and minimise back-office functions. This includes some directorate-wide efficiencies/savings which are planned against budgets which are not held in one particular service, but are spread across multiple services within the directorate.

### 2. Rationalisation and re-structuring

Over the next four years we will rationalise and restructure some functions to enable both the delivery of our efficiency targets and leaner services / operational structures. The changes should reduce the overall establishment figure.

### 3. Reduction in subsidies and increased income generation

We have reviewed the opportunities to increase self-help and to generate increased income through fees and charges. There are a limited number of opportunities to do this, as our key focus is on 'core business' rather than generating income. However, where there are opportunities, eg to make Outdoor Education Centres self-sufficient financially, these are being pursued. We are also increasingly seeking to commission or re-tender services rather than make direct provision. Another examples of proposals for reductions in subsidies are a review of the basis of PRC arrangements (for redundancies and premature retirements.)

### 4. Prioritisation of our services – major rationalisations and reductions

While the efficiencies gained through commissioning/re-tendering and some re-structuring will go a long way towards meeting our savings targets, we have also had to consider the priority afforded to some of our services. All service managers have considered service categories where they could stop or reduce non-statutory services or reduce the level of delivery to the statutory minimum.

The rationalisations will be managed to generate maximum efficiency which, if greater than anticipated, would then be re-invested in services as appropriate.

The efficiencies issues are addressed in the efficiency planning for the directorate. We have additionally provided an analysis of the type of saving, categorised as follows:

<b>ES</b>	Efficiency Savings (achieve the same outputs for less resource or additional outputs for the same resource)
<b>IG</b>	Income Generation (increased charges or increased volume, or new charge)
<b>SR</b>	Service Reduction (providing a lower level of service and/or a lower level of quality for the same/less money)
<b>O</b>	Other Types (e.g. alternative use of previously agreed funding, changes to funding streams)

In addition to these categorisations, we have provided an overall risk assessment of each saving based on the likelihood of achieving the saving. More details about the savings proposals are shown later in this document.

## Directorate Pressures

The next five years will see the directorate face significant challenges and demands on our services. We must ensure that we have the capacity and the resources to manage the following challenges and opportunities:

### Challenges/ Opportunities

- Placements – this is a demand led service with an increasing number of children and young people with complex needs requiring care. There has been a 30% rise in the number entering care in the first quarter in 2009-10. There has also been a rise in the number of placements for those with complex needs
- Asylum seekers – the Council has a responsibility to provide services for Unaccompanied Asylum Seeking Children (UASC) and for former UASCs under the Leaving Care Act. The Council receives different levels of funding for different ages of clients which don't fully meet the full costs of providing services.
- Southwark Judgement – (May 2009, the Court of Appeal) - this has significant implications for the way children's services are delivered to homeless 16 and 17 year olds. The judgement extends the LA's duty of care for this group.
- Transfer of funding for 16-19 year olds from the Learning and Skills Council (LSC)
- Raising the participation age and reducing numbers Not in Education, Employment and Training (NEET)
- Increasing access to early intervention and prevention services
- Ensuring all children and young people are safe in the light of 'Baby P'
- Developing the commissioning role of the Children's Trust
- Embedding the Area Structure
- Raising achievement including for vulnerable groups
- Delivery of the Children and Young People's Plan

### Changes in legal requirements and duties

- There is new legislation currently going through Parliament - the Apprenticeships, Skills, Children and Learning (ASCL) Bill - with impacts for the Children and Young People's Plan (CYPP) and the Oxfordshire Children and Young People's Trust (OCYPT)



<b>PRESSURES (CUMULATIVE)</b>						
REF	DESCRIPTION	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	<b><u>Young People &amp; Access to Education</u></b>					
CYPFP1	Increased numbers of LDD (Learning Difficulties & Disabilities) children and young people arriving in county especially with ASC (Autistic Spectrum Conditions) preventing meeting recoupment targets and adding to local pressures	200	210	220	230	240
	<b><u>Children &amp; Families</u></b>					
CYPFP2	Placements – Increase in the number of children & young people with complex needs requiring care.	2,295	2,245	2,145	2,045	2,045
CYPFP3	Unaccompanied Asylum Seeking Children (UASC) – Pressure arising from difference between grant funding and full cost of providing service	550	550	550	550	550
CYPF4	Southwark ruling - increased costs for homeless 16 & 17 year olds who now have to be financed in the same way as care leavers	1,000	1,200	1,400	1,600	1,800
CYPFP5	Transport for children in care	167	167	167	167	167
CYPFP6	"no recourse" cases, ie where the Council has responsibility to provide for families who are not eligible for other funding where failure to do so would result in children having to be taken into Local Authority care.	100	100	100	100	100
CYPFP7	Legal costs for children's cases	60	60	60	60	60
	<b><u>Commissioning, Performance &amp; Quality Assurance (CPQA)</u></b>					
CYPFP8	Children's Information & Integration Programme (ChIIP).	275	275	275	275	275
CYPFP9	Building Schools for the Future - Tranche 1 schools	0	0	0	0	2,100

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	<b><u>Across Directorate</u></b>					
CYPFP10	Directorate wide pressures for a sundry collection of functions	294	419	419	419	419
CYPFP11	Additional resources for the expansion of the CYP&F Management Accounting Team	204	204	204	204	204
CYPFP12	Unallocated savings previously agreed - This pressure represents the directorate 'cancelling out' this saving and replacing it with specified savings for 2010/11	0	0	1,049	2,096	2,096
	<b>TOTAL CYPF PRESSURES</b>	<b>5,145</b>	<b>5,430</b>	<b>6,589</b>	<b>7,746</b>	<b>10,056</b>

Despite these pressures, we anticipate that Children Young People and Families will achieve significant efficiency savings over the next five years and deliver against its priorities.

## Savings Proposals

The savings proposals have not been divided by service. The Directorate Leadership Team reviewed all opportunities together and classified them into broad headings (as above).

### **Cutting bureaucracy and streamlining services**

#### City Schools

This completes repayment of the major investment the authority undertook in the City Schools Reorganisation that was implemented several years ago. The final repayment is due to be made by the authority in respect of funding. This will release £413k of funding for other projects and pressures, the savings rising to £594k in a full year.

#### Reduction in venue/refreshment/conference costs through:

- Better procurement/negotiated rates
- Better guidance to staff on venues available, using minimum acceptable venue standard etc
- Area offices to seek local value for money (VFM) opportunities

#### Reduction in publications costs and improved information: through existing directorate working group to achieve short-term savings by:

- Switch from paper to electronic wherever possible
- Develop in-house design capacity (in place of external contracts) – like invest-to-save
- Review remaining external contracts for VFM
- Improve information on School Admissions

#### Efficiencies in performance functions

Streamline performance functions, redistribution of essential tasks and cessation/rationalisation of other functions.

#### Planned expenditure chargeable to DSG

Review of the conditions associated with use of the Central Dedicated Schools Grant (DSG) funding suggests that some expenditure which has, to date, been funded from OCC core budget could, in future, be chargeable against this central element of DSG. This will not affect schools directly.

## **Rationalisation and restructuring**

### **Conclusion of locality development phase**

Completion of set up phase of Locality Working, including conclusion of locality co-ordinator contracts and introductory support arrangements for common assessment framework and team around the child.

### **Rationalisation of strategic functions**

Rationalisation of management functions and charging of core funded salaries to grant funding for inclusion and general strategic activities.

### **Reduction in subsidy for outdoor centres**

It is proposed to move towards a self financing model for Outdoor Education Centres over the next four years. A separate document has been circulated which sets out the thinking and proposed developments for the next 3 years.

### **Early years and children's centres: ongoing efficiencies and grant maximisation**

Amalgamation and consolidation of OCC support costs to DSG and Surestart funding and further efficiencies, including reduction in centrally commissioned training.

### **Restructuring of targeted education support services**

Restructuring of targeted education support services, including ASET (Advisory service for education of travellers) and EMAS (Ethnic Minority Achievement Service) to improve efficiency. The eventual conjoining of ASET and EMAS will provide greater savings and a more efficient service. Review charges to schools for excluded pupils.

### **Reduction in subsidies and increased income generation**

#### Youth - Chill Out fund

End Council revenue contribution to Youth Chill Out Fund, some activity will still be covered by Youth Opportunities Fund. Any remaining activities would need to be capital projects funded from capital fund if continued.

#### Services for disabled children

Re-negotiation and reduction in value of contract. Aiming High grant will pick up delivery so no drop in service.

#### Income generation - Governors and Educational Psychology Services

Council ceases to provide some support services and charges or commissions from elsewhere, recharge to grant funding for SEN work instead of core budget. Review arrangements for schools to pay for non statutory educational psychology services and governor services.

#### Home to school transport

Maintain rigorous monitoring of expenditure. Consistent application of minimum home to school transport entitlements, including phasing out non-statutory subsidies.Reduce level of subsidy for concessionary fares. Increase take-up of concessionary fares on buses with spare capacity

#### Rationalisation of some school improvement functions and income generation

This includes a realignment of an existing budget for Excellence in Cities. There will be a small amount of income generation.

Review of respite care

Review of respite care for children with disabilities with a view to streamlining and supplying more cost effective provision.

Severance Panel/PRC

Review policy and tighten criteria for school redundancies and early retirement.

## Prioritisation of our services – major rationalisations and reductions

### Council ceases to provide some School Improvement Services over the next 5 years

This is against a changing background for school improvement services with the Local Authority functions becoming those of a facilitator, SIP manager and commissioner but not a provider. From April 2011 the funding for National Strategy support will cease and will go directly into school budgets.

### Phase 2 of Admin review

Admin staffing savings to be allocated against each of the 4 services proportionally to number of admin FTEs

### Rationalisation of Integrated Youth Support Service (non –statutory)

Review of non statutory elements of Integrated Youth Support Services and consideration of a range of alternative options for changing the service delivery model. In order to make significant savings we would need to make hard decisions that could include reviewing provision and then recommissioning prioritised aspects. This would require a more flexible delivery model which could mean that services may not be provided by OCC in future but for example may be bought from other providers including private and voluntary sector. There would be significant capital implications and we would need to take into account existing capital programmes and grants for capital projects that may need to be re-paid. It may be that a mixed model could emerge. The savings represented here assume there will be significant changes and reductions in spending from the current £3.7million budget to £1.4 million. This would require a large scale piece of work to be undertaken and would affect all areas of the county during the process. Savings are unlikely to be made before 2012/13.

### Tight vacancy management and reduction in agency and consultancy staff

Removing funding for vacant posts by:

- Freezing posts when they become vacant and requiring Directorate Leadership Team (DLT) scrutiny and approval for reinstatement. This would be rigorously but judiciously applied ie front line social worker posts would be exempt but all others would be subject to re-appraisal;
- Establishing a 3 months vacancy rule before any agreed posts are filled;
- Reduction and where possible elimination of agency and consultancy staff.

## EFFICIENCIES &amp; SAVINGS (CUMULATIVE)

REF	DESCRIPTION	TYPE	RISK	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
CYPF1	Inflation savings	O	L	-1,256	-1,882	-1,882	-1,882	-1,882
	<b>Cutting bureaucracy and streamlining services</b>							
CYPF2	Completion of payments of major investments in City Schools and consequent release of funding	O	L	0	-413	-594	-594	-594
CYPF3	Reduction in venue/refreshment/conference costs	ES&SR	M	-310	-460	-610	-700	-700
CYPF4	Reduction in publications costs and improved information	ES	M	-120	-230	-340	-360	-360
CYPF5	Efficiencies in performance functions	ES	L	-60	-120	-120	-120	-120
CYPF6	Planned expenditure chargeable to Central Dedicated Schools Grant (DSG) funding	O	M	-720	-970	-1,040	-1,040	-1,040
	<b>Rationalisation and restructuring</b>							
CYPF7	Concluding set up phase of locality working	ES	M	-48	-193	-193	-193	-193
CYPF8	Rationalisation of strategic functions	ES&SR	M	-260	-486	-712	-938	-938
CYPF9	Reduction in subsidy for outdoor centres	ES & IG	M	-100	-200	-400	-600	-878
CYPF10	Early years and children's centres: ongoing efficiencies and grant maximisation.	ES	M	-280	-445	-555	-600	-600
CYPF11	Restructuring of targeted education support services	ES&SR	M	-200	-440	-530	-580	-580



## EFFICIENCIES &amp; SAVINGS (CUMULATIVE)

REF	DESCRIPTION	TYPE	RISK	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	<b><u>Reduction in subsidies and increased income generation</u></b>							
CYPF12	Youth - Chill Out fund	SR	M	-100	-100	-100	-100	-100
CYPF13	Services for disabled children - renegotiation of contract	ES	M	-50	-50	-50	-50	-50
CYPF14	Income generation - Governors and Educational Psychology Services	IG	M	-70	-163	-258	-263	-263
CYPF15	Home to school transport	ES&SR	H	0	0	0	-500	-500
CYPF16	Rationalisation of some school improvement functions and income generation	ES & IG	M	-735	-805	-825	-875	-875
CYPF17	Review of respite care provision for children with disability		M	-200	-200	-200	-200	-200
CYPF18	Severance Panel/PRC	SR	M	-500	-525	-550	-575	-1,575
	<b><u>Prioritisation of our services – major rationalisations and reductions</u></b>							
CYPF19	Council ceases to provide some School Improvement Services	ES & IG	H	0	-192	-534	-602	-954
CYPF20	Phase 2 of Admin review	ES&SR	M	-193	-385	-577	-770	-770
CYPF21	Rationalisation of Integrated Youth Support Service (non – statutory)	ES&SR	H	0	-30	-1,170	-2,300	-2,300
CYPF22	Tight vacancy management and reduction in agency and consultancy staff	ES	H	-700	-1,400	-2,100	-2,800	-2,800
	<b>TOTAL CYPF SAVINGS</b>			<b>-5,902</b>	<b>-9,689</b>	<b>-13,340</b>	<b>-16,642</b>	<b>-18,272</b>

## Summary

The Directorate is fully committed to making efficiencies, cutting bureaucracy and streamlining services. However, as highlighted above, the majority of our budget is made up of specific grants and scope for efficiencies is consequently reduced. We have prioritised the need to protect safeguarding and maintain statutory services and have identified ways to streamline services and minimise back office services wherever possible. We are also seeking to increase our commissioning of services and reduce direct provision of services where this will have least impact on service delivery but will improve cost effectiveness and lead to improved outcomes for children and young people. We have had to make some difficult decisions and have put forward some challenging proposals. We believe these are deliverable and will ultimately lead to better value for money and improved outcomes.

**Jim Crook**  
**Interim Director for Children, Young People & Families**



# Business Improvement and Efficiency Strategy

2010/11 – 2014/15

## Social and Community Services



## Context for Social and Community Services

Social and Community Services (SCS) has a gross revenue budget of £225m including £141m in pooled budgets with the Oxfordshire Primary Care Trust (PCT). The total value of the pooled budgets (including PCT contributions) is £228m. The Directorate employs 1,794 ftes (this does not include those employed by externally purchased services).

<b>Director</b>	<b>John Jackson</b>
<b>2009/10 Gross Budget</b>	£225.4m
<b>2009/10 FTE</b>	1,794

Cumulative	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
<b>Total Pressures (including previously agreed savings not identified)</b>	2,059	3,756	5,602	7,614	12,655
<b>Total Savings Proposed</b>	-10,187	-19,138	-27,002	-33,614	-33,413
<b>Net Position</b>	<b>-8,128</b>	<b>-15,382</b>	<b>-21,400</b>	<b>-26,000</b>	<b>-20,758</b>
<b>Savings Target</b>	-8,128	-15,382	-21,400	-26,000	-26,000
<b>Net position compared to target</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-5,242*</b>
<b>Staffing Changes in Full Time Equivalent (FTEs)</b>	<b>-15.0</b>	<b>-37.4</b>	<b>-51.9</b>	<b>-70.4</b>	<b>-72.4</b>

### Analysis of Savings Proposed by Service Area:

<b>Community Services</b>	-326	-508	-730	-1,376	-1,399
<b>Adult Social Care</b>	-6,610	-9,057	-9,773	-9,915	-10,052
<b>Strategy &amp; Transformation</b>	-259	-501	-630	-655	-655
<b>Across Directorate</b>	-2,992	-9,072	-15,869	-21,688	-21,307
<b>TOTAL</b>	<b>-10,187</b>	<b>-19,138</b>	<b>-27,002</b>	<b>-33,614</b>	<b>-33,413</b>

\*The shortfall relates to new demographic pressures for 2014/15 which will be funded.

The directorate has two primary functions:

1. The delivery of targeted services to the most vulnerable adults in Oxfordshire.

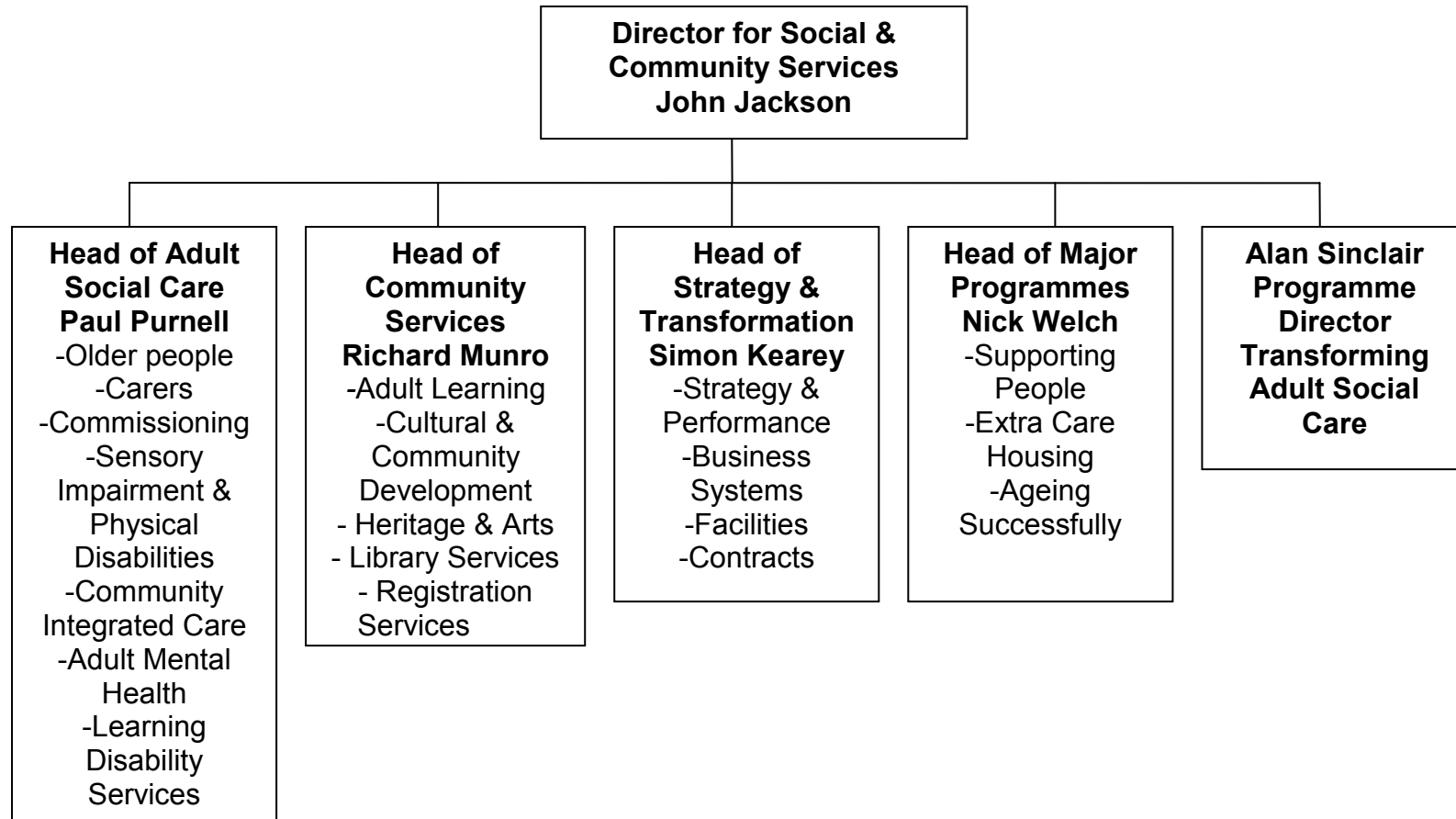
In increasing partnership with the PCT, Social & Community Services delivers critical social services to the adult population of the County; we support the health and wellbeing of the entire community by managing, designing and delivering\procuring vital adult care services – including services for older people, adults with learning disabilities, adults with mental health problems, those with sensory impairments, and adults with physical disabilities,

2. The delivery of universal community services to the whole population in Oxfordshire.

Through the provision of libraries, adult learning, heritage and arts, music, community development and registration services, SCS aims to improve the quality of cultural and community life by creating more and better opportunities for people of all ages to participate in and enjoy cultural and community activity.

**The Social & Community Services vision is to: Support and promote strong communities so that people live their lives as successfully and independently as possible. We will also provide effective and efficient support to the most vulnerable.**

# Management structure of Social and Community Services



## Broad approach to improvement and efficiency

In the last three years, SCS has achieved annual savings of £20m. The directorate efficiency target for the period 2010/11 to 2014/15 is £53m. Because we deliver so many services in partnership, we also need to consider the £240m to be saved by the NHS in Oxfordshire by 2013/14.

The savings identified so far ensure that the Directorate has achieved its target for next year (2010/11) and made a significant contribution to the target for the following year (2011/12). Most of these savings will continue into 2012/13 and beyond. The Directorate is exploring a number of areas as set out in this strategy to meet fully the savings targets for 2012/13 and 2013/14.

Key elements of our strategy are set out below.

- **Transforming Adult Social Care (TASC)**

The Programme Vision has been agreed by the Programme Board as: “***To inspire people to live successful and independent lives through information, support, communities and real choice***”.

Putting People First, from which the Transforming Adult Social Care programmes was created, outlines the following principles to guide its implementation:

- Live independently
- Stay healthy and recover quickly from illness
- Exercise maximum control over their own life
- Sustain a family unit which avoids children being required to take on inappropriate caring roles
- Participate as active and equal citizens, both economically and socially
- Have the best possible quality of life, irrespective of illness or disability
- Retain maximum dignity and respect

The Transforming Adult Social Care (TASC) programme will deliver elements in a number of areas:

- Prevention

Through targeted investment in support at an early stage in the care pathway (via reablement, falls prevention, continence services, support for families where people have dementia, carer support, equipment and occupational therapy services, and assistive technology), we will reduce the need for more intensive and expensive services later on. We will deliver these savings while keeping people safe and ensuring that the quality of the services in Oxfordshire is maintained

- Personalisation

For eligible service users Self Directed Support (SDS) will be the default model for delivering ongoing adult social care. Self Directed Support is the means by which people are allocated money to exercise choice and control, and to buy their own care. Savings will be delivered by the setting of the Resource Allocation System (RAS) used for allocating personal budgets.

While the level at which the RAS is set will determine the amount of savings, this stream will significantly change both our workforce and our relationship with service providers. As well as providing general downward pressure on the cost of care packages, this will mean both fewer contracts and fewer care managers.

- Extra Care Housing

Through TASC, we will reduce institutional care, replacing residential care with more Extra Care Housing (and, possibly, more specialist nursing care), as well as providing targeted, surgical support to those at risk of losing their independence.

TASC is also about encouraging all agencies to improve access and delivery of all of their services to ageing or vulnerable people. If implemented properly all these can reduce costs and enable us to deal with demands of growing older and disabled population.

Through TASC, we also expect to deliver some merging of operations and a reduction in the number of managers across the directorate. It will also impact on the work of care managers through the externalisation of some support planning functions.

- Contracting and Procurement

Most adult social care services are delivered by providers external to the County Council. The County Council is expected to achieve efficiency savings in the way that we deliver and procure services. It is essential that this is reflected in the amount that we pay for services provided externally. Some of this will come from purchasing less of those services as a result of our



investment in prevention and early intervention, and changes in demand through personalisation. Some of it will come from new methods of procuring services (such as the framework contracts approach that we are introducing for services for adults for learning disabilities). However, we will expect existing providers to achieve efficiency savings as well. This will be reflected in price increases which are below the prevailing inflation rate. This may mean no increase at all in some years.

With a number of other major contracts to be re-provided before 2014/15, we are also meeting with PCT partners to consider future service need, and identify areas where savings can be made. In particular, we are reviewing our high cost Home Support contracts to determine whether or not we can negotiate price reductions. The introduction of Personal Assistants at significantly lower Unit Cost will be part of these savings.

- **Project and Service Efficiencies**

While the above goes some considerable way towards delivery of our efficiencies targets, we have also had to consider savings to each service.

Aside from big-ticket items, therefore, we have identified a series of efficiencies specific to particular projects or services. Full details of these are captured in the savings tables shown in each service area below. The following gives a flavour of these items:

- In tandem with, but separate from, the work on TASC, the Adult Social Care Systems and Process Review will identify ways of improving the productivity of adult social care, and is expected to deliver workforce efficiencies.
- User feedback from the roll-out of personal budgets in the north of the county suggests a need to review, and consider the future of, Day Services for older people and adults with disabilities.
- The introduction of Self Service in libraries will produce staffing efficiencies.
- On-line self assessment will produce staff efficiencies in Access Teams.

The directorate efficiency strategy was tested as part of an inter-directorate peer challenge session, and the areas outlined above reflect the actions identified in the challenge session.

These issues are addressed in the efficiency planning for each service. We have additionally provided an analysis of the type of savings, categorised as follows:

<b>ES</b>	Efficiency Savings (achieve the same outputs for less resource or additional outputs for the same resource)
<b>IG</b>	Income Generation (increased charges or increased volume, or new charge)
<b>SR</b>	Service Reduction (providing a lower level of service and/or a lower level of quality for the same/less money)
<b>O</b>	Other Types (e.g. alternative use of previously agreed funding, changes to funding streams)

In addition to these categorisations, we have provided an overall risk assessment of each saving based on the likelihood of achieving to the saving.

## Directorate Pressures

The main pressures facing the Directorate are the demographic changes facing society (an ageing population but also one with more adults with significant disabilities) and the importance of responding to individuals' needs so that they have real choice and can live their lives to the full. Specific pressures are as follows:

- Ensuring that there is a local focus to our work aimed at local communities where we work in partnership with other organisations and local communities.
- Ensuring that we involve service users and the public more generally as well as consulting with them and informing them of changes
- Current uncertainties around future government funding (general and specific) of both social care and the NHS.
- Savings required of the NHS: their cuts of 30% will impact on us, given the amount of services that we deliver in partnership.
- The Government Green Paper on Care and Support and its proposal to create a National Care Service on the model of the National Health Service. In addition, the Government has made an announcement of free personal domiciliary care for those with the highest level of need. They have indicated that local authorities would need to fund part of this from efficiency savings which would be additional to those we are already planning. The cost of this for Oxfordshire is not known at this stage but might be as much as £3m in a full year (and half of that next year).
- The impact of the recession on our commitment to create the conditions for health and wellbeing in Oxfordshire.
- The prospect of informal carers withdrawing their care and/or fewer informal carers coming forward in the future.
- Demographic changes, and ongoing concerns over the financial impact of a population that is both ageing but also has more people with significant disabilities.

Despite all of this, we anticipate the achievement of considerable savings over the next 5 years whilst delivering against our aims and priorities.

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11	2011/12	2012/13	2013/14	2014/15
		£000	£000	£000	£000	£000
	<b>COMMUNITY SERVICES</b>					
SCP1	Savings to be identified to meet pressures (2009/10 budget)	50	114	297	417	417
SCP2	Library Transformation Programme (2008/09 budget)	140	272	272	272	272
SCP3	Library transformation programme: Introduction of self service (RFID) Potential cost of prudential borrowing to manage the cash flow between necessary capital investment and the receipt of developer funding)	12	42	41	40	39
SCP4	Cost of Prudential Borrowing - Combining Oxfordshire Studies and Oxford Records Office on the Oxfordshire Records Office site.	6	22	22	21	21
SCP5	Loss of internal recharge to Cogges	24	24	24	24	24
SCP6	Renegotiation of partnership with Victoria County History Trust	20	30	30	30	30
SCP7	Loss of government grant to Registration Service	13	13	13	13	13
	<b>TOTAL COMMUNITY SERVICES PRESSURES</b>	<b>265</b>	<b>517</b>	<b>699</b>	<b>817</b>	<b>816</b>

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11	2011/12	2012/13	2013/14	2014/15
		£000	£000	£000	£000	£000
	<b><u>SOCIAL CARE FOR ADULTS</u></b>					
	<b><u>All Client Groups</u></b>					
SCP8	Savings still to be identified to meet pressures (2009/10 budget)	-108	-93	-31	57	57
	<b><u>Occupational Therapy &amp; Equipment</u></b>					
SCP9	Mobile working support as standard	40	5	5	5	5
SCP10	Additional Occupational Therapy hours to improve Telecare take up	45	45	45	45	45
SCP11	Bariatric equipment provision	60	60	30	30	30
SCP12	6 months lead for work development	20	0	0	0	0
SCP13	One off investment in prevention	250	0	0	0	0
	<b>ALL CLIENT GROUPS PRESSURES</b>	<b>307</b>	<b>17</b>	<b>49</b>	<b>137</b>	<b>137</b>
	<b><u>Older People</u></b>					
SCP14	Savings still to be identified to meet pressures (2009/10 budget)	160	728	942	1,157	1,157
SCP15	Pressures on Older Persons pool 2009/10 Overspend	58	0	0	0	0
SCP16	Continuing Care - implications of PCT changes in eligibility	1,100	800	500	200	0

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11	2011/12	2012/13	2013/14	2014/15
		£000	£000	£000	£000	£000
	<b>Older People Miscellaneous</b>					
SCP17	Extra Care Housing - additional funding for night care workers. One additional core and cluster ECH scheme from 2010/11. (Subject to capital funding for projects)	18	55	91	109	109
SCP18	Cost of Prudential Borrowing - Core and Cluster Extra Care Housing Services	11	32	53	64	64
SCP19	Future Demography - Older People	0	0	0	0	2,342
	<b>OLDER PEOPLE PRESSURES</b>	<b>1,347</b>	<b>1,615</b>	<b>1,586</b>	<b>1,530</b>	<b>3,672</b>
	<b>Physical Disabilities</b>					
SCP20	Savings still to be identified to meet pressures (2009/10 budget)	69	192	291	391	391
	<b>PHYSICAL DISABILITIES PRESSURES</b>	<b>69</b>	<b>192</b>	<b>291</b>	<b>391</b>	<b>391</b>
	<b>Mental Health</b>					
SCP21	Savings still to be identified to meet pressures (2009/10 budget)	-24	88	150	236	236
	<b>OCC Contribution to Primary Care Trust pool (Service Level Agreements)</b>					
SCP22	Autistic Spectrum Condition strategy development and 50% contribution to service budget	50	75	100	100	100
	<b>MENTAL HEALTH PRESSURES</b>	<b>26</b>	<b>163</b>	<b>250</b>	<b>336</b>	<b>336</b>

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11	2011/12	2012/13	2013/14	2014/15
		£000	£000	£000	£000	£000
	<b><u>Learning Disabilities</u></b>					
SCP23	Savings still to be identified to meet pressures (2009/10 budget)	-834	-665	-79	758	758
	<b>OCC Contribution to Learning Disabilities pool</b>					
SCP24	Demography pressure above £2.8m	100	100	100	100	100
SCP25	Contribution to Learning Disability demographic pressure on community equipment budget	20	20	20	20	20
SCP26	Additional safeguarding coordinators to meet requirements in relation to growing number of safeguarding referrals	30	30	30	30	30
SCP27	Develop flexible respite, shared care and training for family carers to enable families to continue to support family members	250	300	350	350	350
SCP28	De-registration of Home Farm Trust residential services at Milton Heights and Banbury and ordinary residence transfer		916	1,476	2,036	2,036
SCP29	Unachievable contribution to recurrent impact of 07/08 overspend	400	400	400	400	400
SCP30	Future Demography - Learning Disability					2,900
	<b>LEARNING DISABILITIES PRESSURES</b>	<b>-34</b>	<b>1,101</b>	<b>2,297</b>	<b>3,694</b>	<b>6,594</b>
	<b>TOTAL SOCIAL CARE FOR ADULTS PRESSURES</b>	<b>1,715</b>	<b>3,088</b>	<b>4,473</b>	<b>6,088</b>	<b>11,130</b>

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11	2011/12	2012/13	2013/14	2014/15
		£000	£000	£000	£000	£000
	<b><u>Strategy &amp; Transformation</u></b>					
SCP31	Savings still to be identified to meet pressures (2009/10 budget)	59	131	410	689	689
SCP32	Mental Health Contract - end of agreement of funding from commissioning	20	20	20	20	20
	<b>STRATEGY &amp; TRANSFORMATION PRESSURES</b>	<b>79</b>	<b>151</b>	<b>430</b>	<b>709</b>	<b>709</b>
	<b>TOTAL SOCIAL &amp; COMMUNITY SERVICES PRESSURES</b>	<b>2,059</b>	<b>3,756</b>	<b>5,602</b>	<b>7,614</b>	<b>12,655</b>



## Adult Social Care

<b>Head of Service</b>	<b>Paul Purnell</b>
<b>2009/10 Gross Budget</b>	£171.9m

The Adult Services strategy for business improvement and efficiency is focused on the following areas:

### Transforming Adult Social Care

Via the delivery of self-directed support, the greater provision of information and advice, and the promotion of independence and prevention services, this programme will fundamentally re-align the way that adult social care services are delivered in Oxfordshire.

By the time of its completion in September 2011, the programme will have dramatically increased the independence of service users in Oxfordshire, and given users a much greater degree of choice and control, while also having become a vehicle for very significant efficiency savings up to 2014/15; we expect the greater part of these savings to be realised towards the latter end of this period.

### Enabling users to direct their own support

We will move our care management, commissioning and contracting processes forward so that they support people to direct their own support through personal budgets.

Efficiencies will be delivered via changes to the processes and structures of teams across adult social services, the way we provide information and engage with service users, and the way we commission and contract for services.

### Prevention

Through the Transforming Adult Social Care programme all of our adult care services are in the midst of re-designing their service provision towards a host of enabling services that will reduce dependency while improving health and wellbeing at the same time.

For example, in our Older People's service, Telecare and Telehealth, along with a new approach to case management, and a greater investment in health and wellbeing advice, will fundamentally change the way that we interact with older people in Oxfordshire, and introduce reablement strategies that reduce our costs considerably.

### Increasing opportunities for people to live at home

The increasing provision of extra care housing along with our investments in adaptive equipment and assistive technology, and our increasing support for occupational therapy and to support carers will generate considerable efficiencies while giving us an opportunity to re-orient our service in line with individual needs, and empower services users with greater choice and control.

### Increase support for carers

Throughout our care services, we plan to increase our activities around carer training, shared care and flexible respite. Through prevention we aim to reduce the need for supported living placements by enabling family carers to have enough support to be able to care for their family member at home if they wish to.

### Re-design services and support package.

We also plan to deliver savings through more cost effective design of services, and active review of support packages.

Page 52 For example, in our Learning Disability Service, the Supported Accommodation Review works with housing providers to adapt properties so that more accommodation is available for supported living. This reduces unit costs and increases availability of accessible housing. The team also reviews support arrangements, introduces assistive technology, and seeks more cost effective accommodation and support where necessary. A large proportion of externally contracted services are in the process of being re-tendered and completion of this is also expected to deliver significant savings.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£000	£000	£000	£000	£000
	<b>All Client Groups</b>							
	<b>Occupational Therapy &amp; Equipment</b>							
	<b>Non Pooled budgets:</b>							
SC22	Discontinue service and maintenance of stairlifts	SR	Low	-103	-116	-129	-142	-155
SC23	Reduction in administrative support time for Service and Maintenance contract	ES	Low	0	-20	-20	-20	-20
SC24	Costs to support secondment of Occupational Therapists to housing (contributions from District Councils)	IG	Med	-36	-36	-54	-72	-72
SC25	Paediatric Occupational Therapist transfer to PCT - staffing savings	O	Low	-31	-31	-31	-31	-31
SC26	Encourage self provision of small items of equipment (under £25)	ES	Low	0	-140	-140	-140	-140
	<b>Pooled budget contributions from:</b>							
SC27	Oxfordshire Primary Care Trust to meet increased health activity	O	High	-250	-250	-250	-250	-250
SC28	Learning Disabilities	O	High	-20	-20	-20	-20	-20
SC29	Mental Health	O	High	-20	-20	-20	-20	-20
	<b>Adult Placement Service</b>							
SC30	Reduce block funding to reflect low usage by Older People's Service - replace with individual referrals as required	SR	Low	-130	-130	-130	-130	-130
SC31	Restructure Adult Placement Service	ES	Med	-30	-45	-60	-60	-60
	<b>ALL CLIENT GROUPS SAVINGS</b>			<b>-620</b>	<b>-808</b>	<b>-854</b>	<b>-885</b>	<b>-898</b>

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£000	£000	£000	£000	£000
	<b>Older People</b>							
	<b>Older People Pooled Budget</b>							
	<b>Residential &amp; Nursing Beds</b>							
SC32	Reduce new Care Home placement prices by £25 per week based on 500 new placements per year	ES	Med	-350	-350	-350	-350	-350
SC33	Change Care Home banding rates	ES	Low	-50	-50	-50	-50	-50
SC34	Respite Beds - introduction of vouchers and more direct payments	ES	Med	-160	-160	-160	-160	-160
SC35	Savings in Care Home and home support expenditure resulting from one-off "pump-priming" investment of £250k to develop new prevention services (savings in future years to be incorporated into personal budgets)	ES	Med	-220	-220	-220	-220	-220
SC36	Reduction of OSJ block placement contract costs	ES	Low	-190	-190	-190	-190	-190
SC37	Net savings from buy out of Servite Deficit Funding Agreement (having taken account of the cost of Prudential Borrowing)	ES	Low	-107	-106	-105	-105	-105
SC38	Net savings from Homes for Older People (HOPs) Phase 1 New Build (having taken account of the costs of prudential borrowing)	ES	Low	-82	-218	-162	-164	-167
	<b>Home Support</b>							
SC39	Renegotiate the most expensive prices in large block contracts (top 25%) down to the average for the area.	ES	High	-327	-327	-327	-327	-327
SC40	Renegotiate all block contracts down to the average for the area.	ES	High	-423	-423	-423	-423	-423

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£000	£000	£000	£000	£000
SC41	Convert home support hours to direct payments (employment of personal carers)	ES	Med	-13	-13	-13	-13	-13
SC42	Reduce Home Support Placement Officer time by introducing more efficient ways of working	ES	Med	-15	-30	-30	-30	-30
SC43	Increased income from Fairer Charging	IG	Med	-100	-100	-100	-100	-100
SC44	Increased charges from Home Support (charge full rate)	IG	Med	-500	-500	-500	-500	-500
SC45	Review large packages of home support and actively enable some people to become more independent with a reduced need for care	ES	Med	-350	-350	-350	-350	-350
SC46	Reduce cost of Internal Home Support	ES	High	0	-1,000	-1,000	-1,000	-1,000
	<b>Internal Day Services</b>							
SC47	Rationalisation of day services contracts in line with Self Directed Support	ES	High	-120	-240	-240	-240	-240
SC48	Increased capacity in day services	IG	High	-50	-50	0	0	0
SC49	Increase charge for Day Services to £10 per session, bringing it more in line with market rate	IG	Low	-250	-250	-250	-250	-250
	<b>Integrated Care Services</b>							
SC50	Reduction in staffing levels due to ETMS (Electronic Time Management System)	ES	Low	-40	-40	-40	-40	-40
SC51	Reduce management costs	ES	Low	-30	-30	-30	-30	-30
SC52	Reduce administration support	ES	Low	-22	-22	-22	-22	-22

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£000	£000	£000	£000	£000
	<b>Miscellaneous</b>							
SC53	Section 117 Reassessments - Removal of budget	O	Low	-68	-68	-68	-68	-68
SC54	Extra Care Housing - Additional charging policy for clients in purpose built ECH schemes The charge reflects the fact that an ECH resident gets not only their planned care (subject to orthodox fairer charging) but also 24/7 response/unplanned care service, monitoring visits (previously Supporting People funded/charged), activities and other informal assistance	IG	Low	-22	-74	-130	-130	-130
SC55	Substitute residential / home support costs with new core and cluster Extra Care Housing services (subject to capital funding)	ES	Med	-17	-80	-176	-285	-406
SC56	Savings from increased investment in re-enablement (funded by Transforming Adult Social Care for 2 years). Savings in future years dependent on continuing investment.	ES	Med	-500	-500	-500	-500	-500
SC57	Savings from the establishment of a Prevention Service (funded from Transforming Adult Social Care)	ES	Med	0	-140	-140	-140	-140
	<b>OLDER PEOPLE SAVINGS</b>			<b>-4,006</b>	<b>-5,531</b>	<b>-5,576</b>	<b>-5,687</b>	<b>-5,811</b>

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£000	£000	£000	£000	£000
<b>Physical Disabilities (PD)</b>								
<b>OCC Contribution to the Physical Disabilities Pool</b>								
SC58	Reduce cost of 24 hour packages -renegotiate contracts	ES	Med	-30	-30	-30	-30	-30
SC59	Provide opportunities for people to remain at home with Independent Living Fund contribution and therefore delay/reduce residential care	ES	Med	-70	-70	-70	-70	-70
<b>PHYSICAL DISABILITIES SAVINGS</b>				<b>-100</b>	<b>-100</b>	<b>-100</b>	<b>-100</b>	<b>-100</b>
<b>Mental Health</b>								
<b>OCC Contribution to Primary Care Trust Pool</b>								
SC60	Redesign of services delivered by the voluntary sector in line with Keeping People Well.	SR	Low	-126	-227	-227	-227	-227
SC61	Savings on direct payments	SR	Med	-8	-16	-16	-16	-16
<b>MENTAL HEALTH SAVINGS</b>				<b>-134</b>	<b>-243</b>	<b>-243</b>	<b>-243</b>	<b>-243</b>

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£000	£000	£000	£000	£000
	<b>Learning Disabilities</b>							
SC62	Review of provision of day services	ES	Med	-25	-50	-100	-100	-100
	<b>OCC Contribution to Learning Disabilities pool</b>							
SC63	Supported Accommodation Review (in addition to £300k already in plan)	ES	Med	-200	-200	-200	-200	-200
SC64	Contract Reassessments (in addition to £200k already in plan)	ES	Med	-300	-300	-300	-300	-300
SC65	Spot reassessments	ES	Med	-300	-300	-300	-300	-300
SC66	Delay admission to supported living through enhanced respite and shared care (4 people in year 1)	ES	Med	-250	-300	-350	-350	-350
SC67	Increase Independent Living Fund (ILF) income	IG	Med	-200	-200	-200	-200	-200
SC68	Increase use of assistive technology and reduce need for paid staff	ES	Med	-50	-75	-100	-100	-100
SC69	Reduce demand for day support through proactive employment strategy	ES	Med	-25	-50	-50	-50	-50
SC70	Additional pooled budget contribution for demographic pressure from Primary Care Trust	O	High	-400	-400	-400	-400	-400
SC71	Review Internal Learning Disabilities Service	ES	High	0	-500	-1,000	-1,000	-1,000
	<b>LEARNING DISABILITIES SAVINGS</b>			<b>-1,750</b>	<b>-2,375</b>	<b>-3,000</b>	<b>-3,000</b>	<b>-3,000</b>
	<b>TOTAL SOCIAL CARE FOR ADULTS SAVINGS</b>			<b>-6,610</b>	<b>-9,057</b>	<b>-9,773</b>	<b>-9,915</b>	<b>-10,052</b>



## Community Services

<b>Head of Service</b>	<b>Richard Munro</b>
<b>2009/10 Gross Budget</b>	£22.7m (including Adult Learning)

The Community Services considered here are:

- Library Service
- Heritage and Arts Service
- Music Service
- Registration Service
- Cultural and Community Development.

1. As an externally funded and commissioned service, Adult Learning is not included in the County Council's Service and Resource Planning Process.
2. In terms of service outcomes, all Community Services are planned and delivered on the basis of three overarching strategic principles:
  - contribution to the achievement of County Council and directorate objectives, in particular support for strong communities in which people can live as successfully and independently as possible;
  - opportunities for participation in good quality experiences;
  - to deliver our statutory obligations.
3. The strategy put forward for cost reductions, which are detailed in the table below, is based on the following principles.

### Service transformation

4. As a result of the Fundamental Service Review of cultural services, some important programmes of change have begun which will radically affect the way services are delivered and funded in future. The most significant are the Library Service transformation programme, merging Oxfordshire Studies and the Archives Service, and repositioning the Music Service to be less dependent upon County Council funding. These programmes of change are intended both to improve services for the user and to reduce costs.

One-off investment to create efficiencies

5. Delivery of revenue savings from both the Library Service change programme and the amalgamation of Oxfordshire Studies and the Archives Service will require capital investment. The proposal with regard to the former is the use of earmarked developer contributions (£1.2m) to install a self-service option in major libraries. Because a proportion of the developer funding has yet to be received, there will be a need for some capital borrowing in the short term. The revenue impact of this borrowing shown in the pressures table is based upon worst-case assumptions. Creation of a History Centre will require an estimated £250k of capital to match external funding of £180k. The revenue impact of borrowing to fund the capital expenditure is included in the pressures table above.

Maximising cost-effectiveness through partnership

6. Many of the outcomes achieved by Community Services rely on using a relatively small financial input from the County Council to attract investment from other parties. Examples in service plans which are particularly pertinent to consideration of pressures and savings are the Music Service, the arts grant fund and the Victoria County History. These are all considered below.

Reduction in management capacity

7. Following a number of structural reorganisations and budget reductions in recent years, Community Services is relatively lean with regard both to layers of management and to administrative support. However, if further costs are to be taken out of services over the next five years, then achieving this with the least profound impact on the quality of services will entail reducing management capacity. There will undoubtedly be some productivity gains which can still be made, but inevitably services' ability to develop flexibly in response to community and user needs and demands will be affected. It will also restrict opportunities to engage in activities such as partnership working, outreach and pursuing external funding.

Other cost-cutting options

8. As far as possible, other spending cuts which result in reductions in service have not been put forward as options. However the option to reduce the bookfund for the first three years and reductions in arts grants are examples which fall into this category.

**Service-specific issues**Library change programme

9. The programme addresses a range of efficiencies and improvements in the service. It is expected that it will secure existing savings targets in the library service of £140k in 2010/11 rising to £272k in 2011/12, principally through the introduction of a self-service option in larger libraries.

### Victoria County History

10. A decision was taken in 2008/09 to withdraw County Council funding (£110k per annum) with effect from 2011/12. A project board was established with partners, notably the Oxfordshire Victoria County History Trust, to consider how the long-term future of the project might be ensured. As things stand, the project will cease on 31 March 2011 and the County Council will incur redundancy costs of some £68k during 2010/11. Following discussion with partners, an alternative option has been identified. This involves a combination of cost reduction (including a voluntary down-grading of posts by the staff) and an offer from the Trust to take on substantially more of the revenue burden. What is proposed is an agreed period of further work, with a reduced County Council contribution of £30k per annum. This would avoid most of the redundancy cost in 2010/11, essentially making this option cost-neutral for the first two years.

### County Music Service

11. The Service has begun a programme of change over four years which will enable both the improvement of the offer of music-making for young people and a significant reduction in the financial contribution made by the County Council. Changes include contributions from schools to the costs of teaching and instrument maintenance; charging for Saturday morning activities; restructuring out-of-school and community provision; general efficiency savings. The financial effect is predicted to reduce the cost to the Council from the current £547k per annum to £297k in 2013/14.
12. The potential impact of further reduction in County Council subsidy down to zero has been considered. The consequences include: loss of any Government funding; rises in charges to users (and abolition of remissions) which would present a barrier to many; loss of quality assurance; inability to respond to national initiatives and funding opportunities; lack of continuity of teaching; loss of “flagship” ensembles such as the County Youth Orchestra. The service would effectively become an agency. There would be substantial one-off redundancy costs. All these effects have been seen in the relatively few local authorities where funding has been completely withdrawn.

### Arts grants fund

13. The fund (£100k) is used to support key arts partner organisations who offer opportunities for people to participate in and enjoy cultural activities. Grants from this fund represent a small percentage of the actual cost of the activities supported owing to the leverage they help to exert on other funders.

### Registration Service: income

14. A significant proportion of Community Services activities rely on external income, and at a time of recession reliance on discretionary spend by the public brings risks. However the Registration Service has a particular challenge with regard to fees it charges for statutory registrations of births, deaths and marriages, in that the charges are set nationally with no local discretion.

These charges have not changed for a number of years. Since the County Council inflates income targets annually, the impact on the service is a hidden pressure which is estimated at £14k per annum.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£000	£000	£000	£000	£000
<b>COMMUNITY SERVICES</b>								
<b>Library Service</b>								
SC1	Library transformation programme: Introduction of self service (RFID)	ES	Low	0	-192	-256	-256	-256
SC2	Pending efficiencies from the introduction of RFID self-service, defer payment into the Mobile Library vehicle replacement fund for one year	O	Low	-65	0	0	0	0
SC3	Pending efficiencies from the introduction of RFID self service, reduce expenditure by 16% on newspapers and periodicals for one year	SR	Low	-11	0	0	0	0
SC4	Pending efficiencies from the review of Library Support Services, hold vacancies	ES	Low	-38	0	0	0	0
SC5	6% reduction in book expenditure falling to 4.9% in 2012/13. Sustaining expenditure on bookstock is a priority for the service and £63k is expected to be built back in by 2013/14.	SR	Low	-69	-52	-56	-6	-6
SC6	Reduction in management and professional capacity, increasing line management spans beyond the optimum and reducing the capacity of the service to contribute to cross cutting corporate objectives	SR/ ES	Low	0	0	-45	-556	-556
SC7	Savings from Mobile Library Review	SR/ ES	Low	0	-21	-21	-84	-84
SC8	Efficiencies achieved as a result of the implementation of the upgrade of People's Network Personal Computers.	ES	Low	0	-57	-57	-57	-57

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£000	£000	£000	£000	£000
	<b>Heritage &amp; Arts</b>							
SC9	Reduction in archives service development activities, such as digitisation of collections and development of the Dark Archivist web site, which would have improved virtual public access to collections	ES	Low	-41	-41	-41	-41	-36
SC10	Combining Oxfordshire Studies and Oxfordshire Record Office on the Oxfordshire Record Office site (Cost of prudential borrowing shown in pressures.)	ES	Med	-17	-34	-63	-63	-80
SC11	Reduction in management capacity (subject to capital investment)	SR	Med	-10	-23	-30	-42	-43
SC12	Increased income from sales at Oxfordshire Museum	IG	Low	-5	-5	-5	-5	-5
SC13	Friends of Oxfordshire Museum additional financial contribution towards the learning activities at the Museum	ES	Low	-1	-1	-1	-1	-1
SC14	Music Service Change Programme - including the raising of fees and charges, increasing administrative efficiency and restructuring the service delivery	ES	Med	-12	0	-63	-163	-163
SC15	Arts consultant - termination of contract	SR	Low	-10	-10	-10	-10	-10
SC16	Reduction in Arts Grants Fund - 10% increasing to 50%. This fund (£100k) is used to support key arts partner organisations who offer opportunities for people to participate in and enjoy cultural activities. Grants from this fund represent a small percentage of the actual cost of the activities supported owing to the leverage they help to exert on other funders	SR	Low	-10	-20	-30	-40	-50

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
	<b>Registration Service</b>							
SC17	Reduction in registrar hours (14hrs)	ES	Low	-14	-14	-14	-14	-14
SC18	Call centre efficiencies	ES	Low	-9	-9	-9	-9	-9
SC19	Reduced cover for sickness and other absence	SR	Low	-11	-11	-11	-11	-11
SC20	Deleted Saturday enhancements	ES	Low	-3	-3	-3	-3	-3
	<b>Cultural and Community Development</b>							
SC21	Reduced Cultural Development capacity	SR	Low	0	-15	-15	-15	-15
	<b>TOTAL COMMUNITY SERVICES</b>			<b>-326</b>	<b>-508</b>	<b>-730</b>	<b>-1,376</b>	<b>-1,399</b>

## Strategy & Transformation

<b>Head of Service</b>	<b>Simon Kearey</b>
<b>2009/10 Gross Budget</b>	£28.6m

Strategy and Transformation provide support services for both users of services and the internal services themselves. These services include the Access Team (the first contact point for social care information and advice), Facilities Management, the Performance Unit, Strategy and Business Planning as well as consultation and work around promoting independence and wellbeing. The division also includes the Business Systems team which provides business systems support and advice for the directorate as well as business analysis, project management and change management functions. Another key area is the Contracts team who monitor and manage a majority of the Directorate's contracts. Many of these teams will play a key role in supporting the rest of the directorate to delivery the proposed change and efficiency agenda so maintaining sufficient capacity for this to happen will be key. The efficiency savings planned in this area will therefore need to be carried out in consultation with those customers and are mainly concerned with ensuring that these services are provided as efficiently and effectively as possible as well as constantly reviewing them so that they provide the services required to deliver the strategy of the directorate as a whole.

It is expected that the savings of staff will be achieved through a combination of strategically developing staff into other roles, natural turnover and through providing services in different, more efficient ways

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION	TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15	
SC72	Administrative Support reductions	ES	High	-40	-40	-60	-60	-60
SC73	Printing	ES	Med	-15	-15	-15	-15	-15
SC74	Bicester Office support	ES	Med	-15	-15	-15	-15	-15
SC75	Reception management	ES	High	0	-63	-63	-63	-63
SC76	Providing a more efficient management of offices and their facilities across the county.	ES	Med	-35	-35	-35	-35	-35
SC77	Access Team Efficiencies	ES	Med	-39	-103	-137	-137	-137
SC78	Ensure usage of staff on projects	ES	Med	-50	-50	-50	-50	-50
SC79	Business and Systems Support review	ES	High	0	-50	-110	-110	-110
SC80	Contract Support restructuring	ES	Med	0	-25	-25	-50	-50
SC81	Loss of 50% contracts officer	ES	Med	-20	-20	-20	-20	-20
SC82	Review of the work of the strategy and performance team in line with the priorities of the directorate and work undertaken elsewhere within the council	ES	High	-10	-50	-100	-100	-100
SC83	Stream lead for sustainability Transforming Adult Social Care	O	Med	-35	-35	0	0	0
<b>STRATEGY &amp; TRANSFORMATION SAVINGS</b>				<b>-259</b>	<b>-501</b>	<b>-630</b>	<b>-655</b>	<b>-655</b>



## Across Directorate

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Across Directorate</b>								
SC85	Inflation savings - reduce to 0.5%	ES	Low	-1,674	-2,074	-2,074	-2,074	-2,074
SC86	Contract inflation savings	ES	Low	-1,066	-1,066	-1,066	-1,066	-1,066
SC87	Savings in 2010/11 from 2009 pay award	O	Low	-252	-252	-252	-252	-252
SC88	Staff reductions due to the introduction of Self Directed Support	ES	Low	0	-300	-450	-750	-750
SC89	Savings to be identified			0	-5,380	-12,027	-17,526	-17,165
<b>ACROSS DIRECTORATE SAVINGS</b>				<b>-2,992</b>	<b>-9,072</b>	<b>-15,869</b>	<b>-21,668</b>	<b>-21,307</b>

## Summary

The Directorate has an excellent record of planning ahead so that it can anticipate service and resource planning pressures. This has helped us to deliver very significant savings over the last few years (over half the total of the County Council). We have combined this with robust financial management which has been praised recently by the Care Quality Commission. This places us in a strong position to deliver further efficiency savings at the same time as improving the lives of those living in Oxfordshire. We are implementing a number of transformation programmes which will be a challenge for a relatively lean Directorate in terms of management resources. We are committed to applying the highest levels of practice in project and change management to help us to do this. A key element of this is to engage with key stakeholders: service users/customers, carers, employees, the general public and partners.

**John Jackson**  
**Director of Social and Community Services**



# **Business Improvement and Efficiency Strategy**

**2010/11 – 2014/15**

## **Environment and Economy**



## Context for Environment and Economy

The Environment and Economy directorate (E&E) has an overall budget of £101 million (gross) and employs 592 ftes (27 of which are hosted by OCC but externally funded). Of this £101 million, half is contracts or third party payments, a reflection of the fact that a significant part of what the directorate delivers is delivered through contractors or with partners. The directorate leads in the delivery of 2 of the 4 corporate priorities and 8 of the 14 medium term priorities.

Directorate	Environment and Economy
<b>2009/10 Gross Budget</b>	£101m
<b>2009/10 FTE</b>	592

Cumulative	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
<b>Total Pressures (including previously agreed savings not identified)</b>	5,256	11,020	12,815	16,869	18,830
<b>Total Savings Proposed</b>	-8,571	-12,615	-15,525	-19,763	-20,270
<b>Net Position</b>	<b>-3,315</b>	<b>-1,595</b>	<b>-2,710</b>	<b>-2,894</b>	<b>-1,440</b>

<b>Savings Target</b>	-3,439	-6,508	-9,054	-11,000	-11,000
<b>Position compared to target</b>	<b>124</b>	<b>4,913</b>	<b>6,344</b>	<b>8,106</b>	<b>9,560</b>
<b>Less Pressures included in £60m</b>	0	-4,500	-6,000	-7,500	-9,000
<b>Adjusted Position compared to target</b>	<b>124</b>	<b>413</b>	<b>344</b>	<b>606</b>	<b>560</b>

<b>Staffing Changes in Full Time Equivalentents (FTEs)</b>	<b>-18</b>	<b>-24</b>	<b>-36</b>	<b>-48</b>	<b>-48</b>
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In terms of its key expenditure, the directorate has two primary functions:

1. The delivery of infrastructure critical for Oxfordshire's success

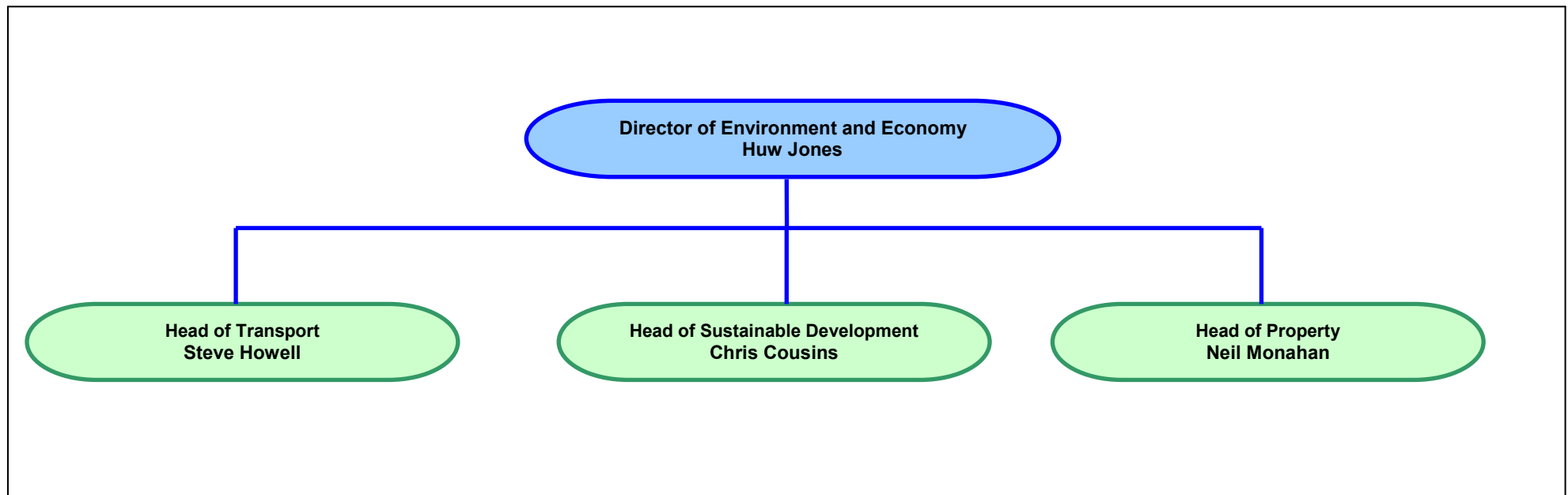
E & E delivers the critical infrastructure necessary for Oxfordshire's economic and social development. We manage the inter-relationship between the economy, housing growth, the environment, transport infrastructure and business.

## 2. The delivery of necessary internal county council infrastructure

Through the strategic management of our property assets, we enable efficient service delivery and shape the presence of the Council in the county.

### Management structure of Environment and Economy

The directorate is currently structured into three services, each led by a head of service. There is scope for further rationalisation of our structure to enhance our ability to deliver against our priorities, whilst also delivering further efficiencies. The restructuring will reduce the number of management layers, and the overall establishment figure for the directorate by approximately 10%. The current management structure is set out below



## Broad approach to improvement and efficiency

The current Medium term Financial Plan (MTFP) identifies already agreed pressures and savings of +£9.8 million and -£7.0 million respectively. In addition to which, the directorate efficiency target for the period of 2010/11 to 2014/15 is £11 million and we also need to account for 6 million of landfill tax pressures.

Our strategy for service improvement and efficiency is focused on the following areas:

### 1. Generating efficiencies through procurement

In the next four years we will re-tender all of our high value contracts; Oxfordshire Highways, Residual Waste Management and Property consultancy, construction and Repairs & Maintenance services. In each case we will be seeking contract efficiencies in excess of 15% and will negotiate shared risk partnering arrangements.

### 2. Re-structuring the directorate

Over the next four years we will re-structure the directorate to enable both the delivery of our efficiency targets and leaner operational structures, but also the development of the strategic capacity necessary to deliver our core objectives. The business re-engineering should reduce the number of management layers, the number of senior service managers and the overall establishment figure.

### 3. Creating the strategic capacity to deliver critical infrastructure/manage the growth agenda

The challenges of the next five years will create pressure on the directorate to provide the strategic leadership necessary to manage the growth agenda. In the medium term we will create this capacity by re-structuring, which will both create efficiencies and improve our capacity. We will however, also need to invest in these key growth areas. In devising our efficiency strategy we have sought to fund this pressure whilst ensuring that we still meet our overall savings target.

### 4. Prioritisation of our services

While the efficiencies gained through re-tendering and re-structuring will go a long way towards meeting our savings targets, we have also had to consider the priority afforded to some of our services. All services have considered areas where they could stop/reduce non-statutory services or reduce the level of delivery to the statutory minimum.

Contract savings have been factored in to MTFP forecasts for some time and the additional targets are indeed challenging and only possible due to the more radical approach to integrated delivery and service re-engineering. The new contractual arrangements and re-structuring will be managed to generate maximum efficiency which, if greater than anticipated, would then be re-invested in areas where cuts are planned.

5. Strategic management of property

We will review the strategic management of our property assets. The review will focus on the following areas:

- a. We will conduct a strategic review of our asset and accommodation needs with a view to reducing our footprint and encouraging the co-location of services. The outcome of the review will be a reduction in rents, rates and service charges of approximately 10%.
- b. We will review the balance between delegated and non delegated budgets and responsibilities for repairs and maintenance.

6. Review of Income

We have reviewed the opportunity to generate income through our fees and charges. There are a number of significant opportunities to generate income through initiatives such as the management of charges within the parking account and the maximisation of developer funding.

The directorate efficiency strategy was tested as part of an inter-directorate peer challenge session, and the areas outlined above reflect the actions identified in the challenge session.

These issues are addressed in the efficiency planning for each service. We have additionally provided an analysis of the type of saving, categorised as follows:

<b>ES</b>	Efficiency Savings (achieve the same outputs for less resource or additional outputs for the same resource)
<b>IG</b>	Income Generation (increased charges or increased volume, or new charge)
<b>SR</b>	Service Reduction (providing a lower level of service and/or a lower level of quality for the same/less money)
<b>O</b>	Other Types (e.g. alternative use of previously agreed funding, changes to funding streams)

In addition to these categorisations, we have provided an overall risk assessment of each saving based on the likelihood of achieving the saving.



## Directorate Pressures

Oxfordshire is at the centre of a major growth agenda. The next five years will see the directorate face significant challenges and demands on our services. We must ensure that we have the capacity and the resources to manage the following pressures:

### Challenges/ Opportunities to develop our critical infrastructure

- The choice of Oxfordshire as a pilot area for the Homes and Community Agency's "single conversation" and the need to develop a "local investment plan" as part of this.
- The impact of the recession and the implications of our duty to create the economic conditions for growth.
- The implications of the Pitt Review (flooding) and the requirement to develop Surface Water Management Plans and fund road drainage alleviation schemes.
- The development of a long term Local Transport Plan 3
- The delivery of Transform Oxford within the wider localities agenda, and the political commitment to reduce congestion.
- Development/growth pressures to provide the transport infrastructure to enable the county's growth through Access to Oxford and Science Vale, Local Development Frameworks and schemes such as North West Bicester.
- Maximising the Council presence throughout the County to deliver local critical services from a rationalised and well maintained property estate.

### Fiscal and Taxation challenges

- The implications of the Comprehensive Spending Review and the likely reduction in transport funding
- The change in funding structures; increasing the importance of being able to secure funding at a regional rather than a local level (subject to any change in funding approach post general election).

- Landfill Tax is levied on every tonne of waste sent to landfill. This has been increasing annually and will continue to do so at £8 per year until 2013 reaching £72 per tonne. Implementation of the preferred solution by 2014 will be essential in capturing the savings of the agreed waste management strategy.
- Measures to bring into balance the parking account to fund existing MTFP priorities.
- Investment required to offset carbon reduction commitment taxation (essentially a carbon trading tax), where we will be comparatively ranked and significantly penalised for poor comparative performance.

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<b><u>TRANSPORT</u></b>					
	<b><u>POLICY &amp; STRATEGY</u></b>					
	Concessionary Fares		3,000	3,000	3,000	3,000
	<b><u>NETWORK MANAGEMENT</u></b>					
EEP1	Parking Account pressures to bring into balance			300	550	550
EEP2	Parking Account to generate surplus to redistribute	1,000	1,025	750	525	550
	<b><u>OXFORDSHIRE HIGHWAYS</u></b>					
EEP3	Additional Cost of Transferred Responsibility of Tree Management (Property)	80	80	80	80	80
EEP4	Flood and extreme weather pressure	100	290	500	750	1,086
EEP5	Flooding - Surface Water Management Plans	75	75	75	75	75
EEP6	Highways contract mobilisation pressure	250				
<b>TOTAL TRANSPORT PRESSURES</b>		<b>1,505</b>	<b>4,470</b>	<b>4,705</b>	<b>4,980</b>	<b>5,341</b>

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<b><u>SUSTAINABLE DEVELOPMENT</u></b>					
	<b><u>Planning Implementation Group</u></b>					
EEP7	Single planning policy/implementation team (redundancy)	60				
EEP8	Unfunded post min/waste enforcement	30				
	<b><u>Economy, Spatial Planning &amp; Climate Change</u></b>					
EEP9	Local Authority Business Growth Incentive (LABGI) Funding shortfall			63	63	63
EEP10	Supporting Oxfordshire through the Recession initiatives	100	50	25		
EEP11	Programme of Economic Growth initiatives		50	75		
	<b><u>Waste Management</u></b>					
EEP13	Landfill Allowance Trading Scheme (LATS) pressure if we continue to landfill (maintaining a Value for Money budget build)				1,156	1,300
	Landfill Tax Pressures		1,500	3,000	4,500	6,000
EEP14	Trade waste enforcement implementation (estimated)	100	20	20	20	20
EEP15	Management staffing pressures - need for one member of staff to strengthen client side to manage contract for recycling centres, plus additional enforcement measures	150	150	150	150	150
<b>TOTAL SUSTAINABLE DEVELOPMENT PRESSURES</b>		<b>440</b>	<b>1,770</b>	<b>3,333</b>	<b>5,889</b>	<b>7,533</b>

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<b><u>PROPERTY SERVICES</u></b>					
EEP16	Rent & Service Charges	7	41	58	110	110
EEP17	Unrealised capitalisation of Health & Safety	250	250	250	250	250
EEP18	Restructure of Property Services in accordance with Capital Governance	100	100	100	100	100
EEP19	Re-investment of delegated schools Repairs & Maintenance resulting from review	500	1,000	1,000	1,000	1,000
EEP20	Rates Revaluation	120	120	120	120	120
EEP21	Additional Better Offices Programme (BOP) pressure due to changes from the original business case	180	180	180	500	500
<b>TOTAL PROPERTY PRESSURES</b>		<b>1,157</b>	<b>1,691</b>	<b>1,708</b>	<b>2,080</b>	<b>2,080</b>
	<b><u>Carbon Management</u></b>					
EEP22	Carbon Management Schools support	150	150	150	150	150
EEP23	Awards to schools for good performance (technical solutions)	150	150	150	150	150
EEP24	Carbon Management Programme (2 fte)	80	80	80	80	80
EEP25	Carbon Reduction Commitment (purchase of allowances)		679	659	1,491	1,447
EEP26	Carbon Reduction Commitment administration	50	50	50	50	50
EEP27	Automatic Meter Reading	100	100	100	100	100
EEP28	Waste reduction through schools and non- school buildings	12				
<b>TOTAL CARBON MANAGEMENT PRESSURES</b>		<b>542</b>	<b>1,209</b>	<b>1,189</b>	<b>2,021</b>	<b>1,977</b>

<b>PRESSURES (CUMULATIVE)</b>						
<b>REF</b>	<b>DESCRIPTION</b>	<b>2010/11 £000</b>	<b>2011/12 £000</b>	<b>2012/13 £000</b>	<b>2013/14 £000</b>	<b>2014/15 £000</b>
	<b><u>DIRECTORATE INTEGRATION</u></b>					
EEP29	Upfront investment for directorate restructure	135	170	170	170	170
EEP30	Cost of enhancing Cost Centre manager advice and support (1fte)	42	42	42	42	42
	<b><u>DIRECTORATE GENERAL</u></b>					
EEP31	Budget inflation reduction not realised	822	1,055	1,055	1,055	1,055
EEP32	Unrealisable capitalisation of H&S	613	613	613	613	613
EEP33	Unrealised previously agreed savings				19	19
<b>TOTAL DIRECTORATE WIDE PRESSURES</b>		<b>1,612</b>	<b>1,880</b>	<b>1,880</b>	<b>1,899</b>	<b>1,899</b>
<b>TOTAL ENVIRONMENT &amp; ECONOMY PRESSURES</b>		<b>5,256</b>	<b>11,020</b>	<b>12,815</b>	<b>16,869</b>	<b>18,830</b>

Despite these pressures we anticipate that Environment and Economy will achieve significant efficiency savings over the next five years and deliver against its priorities.

<b>Service</b>	<b>Transport</b>
<b>Head of Service</b>	<b>Steve Howell</b>
<b>2009/10 Gross Budget</b>	<b>£50m</b>

The total savings target will not be met by efficiencies alone. To enable us to meet our efficiencies we have looked at :

- Procurement
- Re-shaping the service
- Reprofile income through the parking account
- Possible reductions in services
- Other pressures

#### Oxfordshire Highways

The Transport service is in the process of re-procuring the Oxfordshire Highways Contract. The financial efficiencies that will be generated by the re-tendering of this contract were factored in to the Medium Term Financial Plan (MTFP) and competitive dialogue with our bidders has confirmed that we are likely to achieve the efficiencies built in to the MTFP.

The contract will fundamentally change the way we deliver our transport services, improving our performance and our relationship with our customers. The contract is likely to result in a reduction in staffing; however some of our bidders have indicated that they may be able to utilise surplus resource on work outside Oxfordshire, which would potentially limit our costs.

Significant efficiencies are already factored in to the MTFP. However more fundamental and integrated delivery proposals may realise additional savings, which, if greater than anticipated, would then be re-invested in areas where service reductions are planned.

#### Re-shaping the service

The joint venture approach being taken with the remaining bidders will significantly re-profile and reduce management overheads and provide a more flexible structure. This will not only generate efficiencies, but will also provide us with an opportunity to reallocate existing resources to enable us to meet future pressures.

There are a number of significant areas of policy development that will require strategic management and capacity in the coming years. Our service will lead on the strategic development of the Local Transport Plan 3, Access to Oxford and Science Vale, the Local Development Framework(s) and North West Bicester. We will work to improve bus provision, rural transport networks, and park and ride operations. We will secure funding for Access to Oxford and look to ensure that following the Comprehensive Spending Review, and the likely reduction in transport funding, we are in a strong position to secure regional funding. We will resource these pressures from the reallocation of existing resources.

### Possible reduction in services

We have reviewed our approach to highways maintenance: both asset management and responsive maintenance. Whilst planned asset management provides greatest value for money, this consideration needs to be balanced against the customer priority afforded to responsive maintenance.

While the majority of our highways asset management is funded by capital, there is still a significant part which is funded by revenue. Through the current Medium Term Financial Plan we are committed to reductions in excess of £0.5 Million in roads maintenance. With less revenue available for asset management we are unlikely to be able to make significant improvements in our highways condition

We will need to reduce the level of responsive maintenance. This will impact: reactive maintenance (pot holes etc); footways and carriageway maintenance; cyclic maintenance; and winter maintenance. As these are the most customer facing forms of maintenance this may impact on customer satisfaction; however, this may be preferable to a significant reduction in our asset management of the highways.

### Parking Account

The reduction of on street charging areas and the funding of free parking at the park and rides has led to a reduction in the surplus on the parking account. Corrective action is necessary to bring the parking account back in to balance to enable investment in our priorities.

We need to review on street charging and propose: bringing on street charging in line with off street charges; increasing charges for permits; considering re-instating Sunday and evening charges; and exploring new areas of charging. Once the position on bus lane

enforcement has been clarified by the courts, we will need to put plans in place to ensure that enforcement continues and to identify additional areas for enforcement to maximise our approach to traffic management and reducing congestion.

De-criminalised parking will be introduced in West Oxfordshire in 09/10 and Cherwell is also keen to introduce this. This is unbudgeted and would place further pressures on the parking account going forward.

#### Additional pressures

In 2009/10 we made a modest increase in additional high profile drainage schemes. However following the Pitt Review and clarifying legislation, the county has significant additional duties (unfunded by government grant) with regard to flood defence. The county has a duty to develop surface water plans and to significantly increase the funding available to implement road drainage alleviation schemes.

Further details of these saving proposals follow below, along with a risk analysis.



EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<b><u>GENERAL</u></b>							
EE1	Integrated Organisation Structure (Average £32k basic 37fte)	ES	Med	-400	-425	-825	-1,200	-1,200
EE2	Car Allowances saving 10%	ES	Low	-40	-40	-40	-40	-40
EE3	Additional external funding (adoptions)	IG	Med	-100	-100	-100	-100	
EE4	Use of commuted sums	O	Low	-200	-204	-258		
	<b><u>POLICY &amp; STRATEGY</u></b>							
EE5	Public Transport Contract Efficiencies	ES	Med	-88	-176	-176	-176	
EE6	Reduce Policy & Strategy activity	SR	Med	-24	-155	-155	-155	
EE7	Reduced support for Thames Valley Road Safety Partnership	O	Med	-100	-100			
	<b><u>NETWORK MANAGEMENT</u></b>							
EE8	Consistency of On-Street Parking against off street charges	IG	Low	-150	-150	-150	-150	-150
EE9	Reintroduce evening and Sunday charging	IG	Med	-600	-600	-600	-600	-600
EE10	New areas of charging Oxford e.g. Summertown	IG	Low	-150	-150	-150	-150	-150
EE11	Increase charge for residents' & other permits	IG	Low	-100	-125	-150	-175	-200
EE12	Drawdown of Parking Account	O	Low	-800	-1,062	-458	-413	

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<b><u>OXFORDSHIRE HIGHWAYS</u></b>							
EE13	Contract savings by lower rates	ES	Low	-600	-900	-1,200	-1,200	-1,200
EE14	Carbon Reduction - part night lighting - 14,000 units - up front capital investment £275k	ES	Low		-200	-200	-200	-200
EE15	Reduce s42 payments	SR	Low	-100	-120	-140	-150	-160
	<b>TOTAL TRANSPORT SAVINGS</b>			<b>-3,452</b>	<b>-4,507</b>	<b>-4,602</b>	<b>-4,709</b>	<b>-3,900</b>

## Sustainable Development

<b>Service</b>	<b>Sustainable Development</b>
<b>Head of Service</b>	<b>Chris Cousins</b>
<b>2009/10 Gross Budget</b>	£28m

The Sustainable Development Service strategy for business improvement and efficiency is focused on the following areas:

### Waste management

In 2008/09 we let a ground-breaking contract to treat food and garden waste. The contract will deliver an increase in recycling rates by approximately 5% and thus reduce the ongoing cost of sending waste to landfill by £300k per year.

Most recent re-procurement of the service at our waste recycling centres has resulted in a £300k annual saving. Offset against this is the need to increase the management resource to ensure excellent contract performance through both staff resources and implementation of enforcement policies. This results in an annual net saving of £150k.

In 2013/14 we will realise the benefits of the residual waste treatment contract which will reduce our expenditure on landfill and generate further efficiencies of £892k per annum. However there is now an increased risk profile to maximising efficiency savings with the potential for project implementation delay which we are working to resolve.

The efficiencies gained through waste management will enable us to meet some of the challenges created by the current economic climate and the challenging growth agenda of the next five years.

### Growth and infrastructure

The challenging growth agenda coupled with the economic recession heightens the need for strategic management and leadership from our service

We will lead on the pilot Homes and Communities Agency's 'Single Conversation' and develop the local investment plan to secure the infrastructure needed to support planned growth. We will continue to lead on the development of strategic sites and their contribution to the overall capital strategy.

The recession has heightened the focus on the role of the County council in supporting local businesses. We will continue to deliver measures which tackle the recession including job clubs, business support for market towns and city centre management. As the lead service in delivering the corporate priority of a 'world class economy' we will focus on generating inward investment and supporting the development of specific economic sectors; (eg. Science Vale UK, tourism)

We will meet these challenges by restructuring sustainable development to create improved strategic capacity and to gain economies of scale by merging strategic and operational teams. In addition we are proposing a modest re-instatement of funding for economic growth, a pressure we have met within our service savings.

### Carbon management

Any future growth agenda will need to reduce the economy's dependence on carbon. This impetus will significantly increase with the introduction of the "carbon reduction commitment"; a cap and trade mechanism applied to both the public and private sectors.

Notwithstanding our public commitment to reducing carbon emission, there is now a clear business case for reducing carbon.

The carbon reduction commitment has significant financial implications for the council. We will develop a strategic approach for investment to reduce our taxation liability. An essential part of this strategy will be to engage schools, which are responsible for 67% of our total carbon emissions. (Based on the carbon reduction commitment footprint which includes only Property (schools and non-schools) and street lighting).

Further details of these saving proposals follow below, along with a risk analysis which in the case of carbon needs to be taken alongside the potential physical taxation penalty.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<b>General</b>							
EE16	Staff vacancy management	ES	Low	-70	-70	-70	-70	-70
EE17	Car Allowances (10% target)	ES	Low	-8	-8	-8	-8	-8
	<b>Planning Implementation Group</b>							
EE18	Single planning policy/implementation team	ES	Low	-60	-60	-60	-60	-60
	<b>Economy, Spacial Planning &amp; Climate Change</b>							
EE19	Bid from unallocated LABGI fund	IG	Low	-100	-100	-153		
EE20	Additional income – future LABGI or other funding sources	IG				-10	-63	-63
	<b>Waste</b>							
EE21	Landfill tax not needed (only £72/t announced)	O	Low					-1,500
EE22	Reduction in LATS due to market intelligence	O	Low	-482	-1,700	-2,856		
EE23	Reduction in LATS due to contract award	O	High				-5,800	-5,800
EE24	Trade waste enforcement at WRCs giving rise to saving on cost of disposal	IG	Med	-100	-100	-100	-100	-100
EE25	Abandon vehicles	SR	Low	-40	-40	-40	-40	-40
EE26	Saving from W&S contract/wood	ES	Low	-600	-600	-600	-600	-600
EE27	Closed landfill	ES	Low		-25	-24	-30	-30
EE28	Drawdown on the Waste Management Reserve	O	Low	-384				
EE29	Procurement efficiencies through waste procurement	ES	Med				-978	-978
	<b>TOTAL SUSTAINABLE DEVELOPMENT SAVINGS</b>			<b>-1,844</b>	<b>-2,703</b>	<b>-4,921</b>	<b>-7,749</b>	<b>-9,249</b>

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<b><u>Carbon Management</u></b>							
EE30	Schools' contribution (20% top slicing energy eff.)			-33	-66	-99	-132	-165
EE31	Directorate contribution (20% top slicing energy eff.)			-13	-28	-43	-58	-72
EE32	Redeployment of 2 fte to carbon management			-80	-80	-80	-80	-80
EE33	Carbon Management (reduced carbon allowances from 3% reduction)				-21	-41	-46	-44
EE34	Recycled payments (Carbon Reduction Commitment)				-679	-659	-1,491	-1,447
EE35	1% reduction in OCC waste to landfill			-5	-5	-5	-5	-5
	<b>TOTAL CARBON MANAGEMENT SAVINGS</b>			<b>-131</b>	<b>-879</b>	<b>-927</b>	<b>-1,812</b>	<b>-1,813</b>

<b>Service</b>	<b>Property</b>
<b>Head of Service</b>	<b>Neil Monaghan</b>
<b>2009/10 Gross Budget</b>	£18m
<b>2009/10 FTE</b>	57

The Property Services strategy for business improvement and efficiency is focused on the following areas:

Reduction of our property portfolio

Working with directorates, we will review the strategic management of our property assets. The aim of the review will be to reduce the overall size of our property portfolio by exploring co-location and reassessing the property needs of services following likely changes to the establishment. The review will focus on releasing leased accommodation to reduce the revenue costs for rent, rates and service charges. A 10% reduction would produce a saving of circa £580,000.

Contract management

There will be a major opportunity for securing savings in 2012/13 when the current contracts for property consultancy services, construction for capital projects and most of the term contracts for repairs and maintenance will expire. We will seek to secure contract efficiencies of 15% of our revenue spend. In the meantime we will work our current contractor to explore joint staffing arrangements to improve efficiency and achieve short term savings.

Delegated and non delegated budgets

The total Council expenditure on repairs and maintenance is £11.7m per year (comprising £5.9m delegated to schools; £2.82m non-delegated DSG; and £3m held by Property Services). Of the £3m held by property services £1.2m is spent on repairs to comply with our minimum statutory duty, i.e. without which we would face legal challenge. The remaining £1.8m is both planned and urgent response maintenance.

The reduction in repairs and maintenance to make the required efficiencies would mean that only urgent repairs could be possible with the resultant deterioration in capital stock. To ensure that this reduction is managed so as to minimise the impact on our assets we will conduct a fundamental review of repairs and maintenance funding and responsibilities.

We will review the balance between delegated and non delegated budgets, and delegated and non delegated responsibilities to ensure the necessary reduction in the total R&M spend has least impact on service delivery.

Further details of these saving proposals follow below, along a risk analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
EE36	Salary Savings from not filling vacancies (1 fte)	ES	Low	-43	-43	-43	-43	-43
EE37	Staffing savings target (5fte)	ES	Med		-230	-230	-230	-230
EE38	Reduce assessed need surveys	SR	Low	-73	-73	-73	-73	-73
EE39	Car Allowance (10% Target)			-2	-2	-2	-2	-2
EE40	Reduce Repairs & Maintenance (excluding fees) by a further 39% leaving funding only for urgent reactive work	SR	High	-1,127	-1,127	-1,127	-400	-220
EE41	Restructure - reduce consultancy fees	ES	Low	-175	-175	-175	-175	-175
EE42	Re-procurement of contracting & consultancy hard (& possibly soft FM) - Property Services fees budget)	ES	High			-550	-550	-550
	<b><u>Savings requiring County Council Management Team (CCMT) action</u></b>							
EE43	Reduce costs of property by between 10% - 15% - reducing size of portfolio	ES	High		-220	-740	-885	-880
EE44	Reviewing schools delegated Repairs & Maintenance budget (amount going to schools)			-500	-1,000	-1,000	-1,000	-1,000
	<b>TOTAL PROPERTY SAVINGS</b>			<b>-1,920</b>	<b>-2,870</b>	<b>-3,940</b>	<b>-3,358</b>	<b>-3,173</b>



## Directorate Wide

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
	<b><u>Directorate Integration</u></b>							
EE45	Integrated Organisational Efficiencies (Management Cost)	ES	Low			-167	-167	-167
EE46	Directorate Integration Efficiencies					-312	-312	-312
	<b><u>General</u></b>							
EE47	Budget Inflation Savings	ES	Low	-1,220	-1,652	-1,652	-1,652	-1,652
	<b>TOTAL DIRECTORATE WIDE SAVINGS</b>			<b>-1,220</b>	<b>-1,652</b>	<b>-2,131</b>	<b>-2,131</b>	<b>-2,131</b>

## Summary

This medium term financial plan holds very challenging targets and significant pressures. The majority of the Directorate pressures are in terms of uncontrollable taxation and unfunded legislation. All other pressures have been absorbed within the target financial envelope for the Directorate. The six key areas of focus in this strategy will provide for a sharper business model with leaner operation costs and a re-direction of resources only into recognised areas of corporate priority. Some of the proposals will involve a high degree of public impact but are designed to protect critical frontline activity. The key challenge is to preserve adequate levels of investment in critical infrastructure and in particular the key areas of asset management will require strategic review if the target savings are to be successful and achieve the required benefit realisation.

**Huw Jones**  
**Director of Environment and Economy**



# **Business Improvement and Efficiency Strategy**

**2010/11 – 2014/15**

**Community Safety**

## Context for Community Safety

Community Safety is one of the smaller directorates with a gross budget in 2009/10 of £28.6m (excluding shared services). This part of the Directorate employs 409 Full Time Equivalents (FTEs), plus 360 retained firefighters who are not FTEs but who offer emergency call out cover for a variable number of hours each week. The savings target for the directorate is £2m in addition to the £230k savings already in the medium term financial plan. This will reduce the gross budget to £26.2m. The primary contribution to Council objectives is focused within healthy and thriving communities and provision of better public services.

<b>Directorate</b>	<b>Community Safety</b>
<b>2009/10 Gross Budget</b>	£28.6m
<b>2009/10 FTE</b>	409 *

\*+ 360 retained firefighters

<b>Cumulative</b>	<b>2010/11 £000</b>	<b>2011/12 £000</b>	<b>2012/13 £000</b>	<b>2013/14 £000</b>	<b>2014/15 £000</b>
<b>Total Pressures (including previously agreed savings not identified)</b>	435	527	825	915	915
<b>Total Savings Proposed</b>	-913	-1,383	-1,892	-2,560	-2,560
<b>Net Position</b>	<b>-478</b>	<b>-856</b>	<b>-1,067</b>	<b>-1,645</b>	<b>-1,645</b>
<b>Savings Target</b>	-624	-1,182	-1,646	-2,000	-2,000
<b>Net Position compared to target</b>	<b>146</b>	<b>326</b>	<b>579</b>	<b>355</b>	<b>355</b>
<b>Staffing Changes in Full Time Equivalents (FTEs)</b>	<b>-4.2</b>	<b>-8.2</b>	<b>-7.7</b>	<b>-4.7</b>	<b>-4.7</b>

Community Safety Directorate has four primary functions:

1. The delivery of fire prevention, reduction and emergency response and the co-ordination of the county's response to major incidents.

Community Safety provides Fire & Rescue and Emergency Planning services for the County. Ensuring that there is a timely and appropriate response to emergency calls to the fire service and individuals and businesses are educated on fire risk prevention. In the event of a major incident such as a flu pandemic or flooding, emergency planning co-ordinates the County's response ensuring that multi-agency activities are focused on returning the situation to normality as soon as practicable.

2. The protection of local business, consumers, universities/colleges and the farming industry from unfair, unsafe and unacceptable trading practices

Trading standards is responsible for the enforcement of a wide range of legislation controlling the advertising, marketing, distribution and supply of goods and services throughout the manufacturing, importation, distribution and service delivery chain. Its remit covers civil, criminal and contract law and includes food standards, product safety, trade descriptions, consumer credit, weights and measures, animal health and welfare, trade mark protection, electronic commerce and unfair trade practices.

3. Helping to reduce crime, antisocial behaviour and the fear of crime and protecting those at greatest risk from doorstep crime and domestic abuse

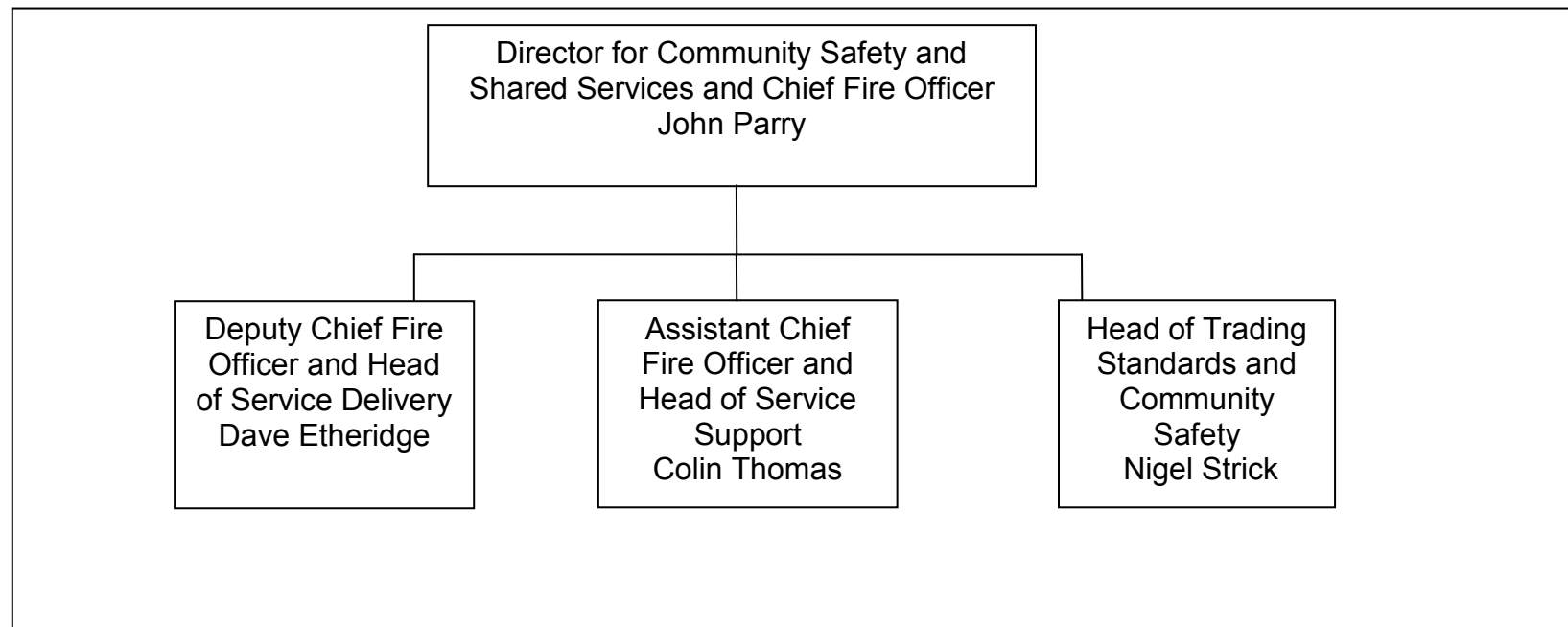
The Safer Communities Unit plays a leading role on behalf of the County Council in making Oxfordshire a safe and supportive place to live, work and visit. Although the Unit's prime focus is around the coordination of partnership working to deliver community safety services to the public, it also acts as a conduit for those who require specific safety, protective or crime related services.

4. Providing positive and effective management of permanent and temporary Traveller sites on behalf of Oxfordshire County Council, Buckinghamshire County Council and other local authorities and public bodies.

The Gypsy & Travellers Service provides landlord services for some 80 families resident on the County Council's six permanent sites as well as safeguarding the county's settled communities from the problems associated with unauthorised encampments.

## Management structure of Community Safety

Fire & Rescue has one of the lowest costs per head and lowest benchmarked management costs. Our Trading standards department has restructured in the last year, deleting a senior post and proposes further reduction at senior level within the efficiency programme. The current Management Structure is summarised below.



## Broad approach to improvement and efficiency

The nature of the services provided makes some of the savings opportunities high risk and whilst there are some opportunities to consider combining services with other authorities, this depends on their willingness and ability to participate. The diverse nature of the directorate means that a single co-ordinated approach to efficiencies cannot be taken. The relatively small scale of areas such as Fire & Rescue and Trading Standards and their already low cost bases means that substantial savings are unrealistic.

### Efficiencies overview

The current Medium Term Financial Plan includes savings not yet identified of £230,000. In addition to which, the directorate efficiency target for the period from 2010/11 to 2014/15 is £2 million. Our strategy for service improvement and efficiency is focused on the following areas:

#### 1. Business efficiency and effectiveness

Business process re-engineering will now become even more important in achieving cross service reductions. We will work closely with Procurement, ICT and others to ensure effective tendering and contract management, maximise the use of technology and ensure that our energy and fuel costs are minimised.

#### 2. Maximising Income

There are small but significant opportunities in the directorate which will be crucial to the efficiency programme. We have reviewed our fees and charges to generate more income.

#### 3. Reprovisioning of service in a small number of areas

It will be necessary to source some services from alternative providers and investigations will be started to ensure that these will be acceptable to the public.

#### 4. Prioritisation of our services

We have also had to consider the priority afforded to some of our services. All services have considered areas where they could stop/reduce non-statutory services or reduce the level of delivery to the statutory minimum.

The directorate efficiency strategy was tested as part of an inter-directorate peer challenge session, and the areas outlined above reflect the actions identified in the challenge session.

The diverse nature of the directorate means that a single coordinated approach to efficiencies cannot be taken. The relatively small scale of areas such as Fire & Rescue and Trading Standards and their already low cost bases means that significant savings are unrealistic.

We have additionally provided an analysis of the type of saving, categorised as follows:

<b>ES</b>	Efficiency Savings (achieve the same outputs for less resource or additional outputs for the same resource)
<b>IG</b>	Income Generation (increased charges or increased volume, or new charge)
<b>SR</b>	Service Reduction (providing a lower level of service and/or a lower level of quality for the same/less money)
<b>O</b>	Other Types (e.g. alternative use of previously agreed funding, changes to funding streams)

In addition to these categorisations, we have provided an overall risk assessment of each saving based on the likelihood of achieving the saving.



## Directorate Pressures

There are significant pressures on the directorate and the fire service in particular, in respect of maintaining operational resilience through the retained firefighter duty system and the roll out of national projects. The delay in transferring to a regional control has put considerable pressure on systems in particular the software that underpins our emergency response capability. The service has also recently been inspected by the Health and Safety Executive (HSE) and this could lead to recommendations to ensure that risks continue to be minimised. In Trading Standards and the Safer Communities teams the effects of the continuing recession are impacting on businesses and vulnerable citizens putting additional pressure on demands for our services. Whilst there is the potential to make some savings we must ensure that we have the capacity and the resources to manage the following :

### Fire & Rescue Service Operational Resilience

The need to increase support for operational resilience and availability in the retained firefighter duty system through an increase in watch managers. This pressure can be partly addressed by the reallocation of funding in the Medium Term Financial Plan (MTFP) identified for staffing associated with the upgrade to Bicester fire station. Existing firefighter resources will also be reallocated to initiate this action.

The Health and Safety Executive recently inspected the service and until the report has been received we do not know what recommendations will be made and what resources they will require. However, there is potential for the results to create additional pressure in terms of training and competency and resource levels.

National projects, such as the regional control centres to provide ongoing resilience to terror and climate incidents are currently being implemented. However, delays in these projects have placed increasing pressure on systems, which must be addressed to ensure that our response levels can be maintained.

### Emergency Planning

The need to maintain our response to the flu pandemic places a containable pressure on the service, both as the lead within the County but also through the continuing support to the local resilience forum and the balancing of resource across Districts and the County as a whole.

Trading Standards and Community Safety

Trading Standards is increasingly using an intelligence led approach to determine priorities from the public. In some areas, such as our response to doorstep crime, demand is rising significantly. A combination of reduction in posts which will not affect front line provision significantly and an increased focus on grant income will be key.

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	20010/11	2011/12	2012/13	2013/14	2014/15
		£000	£000	£000	£000	£000
	<b>COMMUNITY SAFETY – FIRE &amp; RESCUE</b>					
CSP1	Increase the number of Watch Managers to support the Retained Duty System at fire stations and improve the overall operational resilience and availability across Oxfordshire. This pressure can be partially addressed by the reallocation of the £305k within the Medium Term Financial Plan identified for the staffing upgrade associated with Bicester Fire Station.	244	452	660	660	660
CSP2	Maintenance/support and selective replacement of software and hardware systems in current Fire Control / mobilising centre. Despite extensive proactive activities to extend life of existing systems the delay to the National FiReControl project (Oxfordshire transfer now programmed for 2012) has resulted in unacceptable levels of risk of failure. Selective replacement of systems will protect resilience and allow for future redeployment / reconfiguration to support future requirements for the Fire & Rescue Service to locally manage multiple, large or protracted incidents which remain our responsibility.	150				
CSP3	Central government's "New dimensions" project equips Fire and Rescue Services to react to terror and climate change incidents. Ownership and some financial responsibilities of New Dimensions vehicles, including the high volume pumping unit (Banbury), mass public decontamination unit (Oxford) and the detection identification and monitoring unit (Bicester) is intended to transfer from central government to OCC. Costs for staffing, maintenance of training and property are already met by OCC from within existing budgets. Following transfer, vehicle and equipment maintenance costs will be funded by government but not insurance and other associated costs which are the responsibility of OCC.	25	25	25	25	25
<b>TOTAL FIRE &amp; RESCUE PRESSURES</b>		<b>419</b>	<b>477</b>	<b>685</b>	<b>685</b>	<b>685</b>
<b>ADD MTFP 2009/10 – 2013/14 SAVINGS TO BE IDENTIFIED</b>		<b>16</b>	<b>50</b>	<b>140</b>	<b>230</b>	<b>230</b>
<b>TOTAL COMMUNITY SAFETY PRESSURES</b>		<b>435</b>	<b>527</b>	<b>825</b>	<b>915</b>	<b>915</b>

## Fire & Rescue

### Service Delivery and Emergency planning

<b>Service</b>	<b>FRS- Service Delivery and Emergency Planning</b>
<b>Head of Service</b>	<b>Dave Etheridge</b>
<b>2009/10 Gross Budget</b>	£16.6m

The total savings target will not be met by efficiencies alone. To enable us to meet our target we have looked at :

- Partnership agreements
- Possible reductions in services
- Integrated Risk Management
- Business Efficiencies/Income
- Other pressures

#### Partnership agreements

We have renegotiated the Co-Responder agreement with South Central Ambulance Service to enable a reduction in OCC budget support (Co-Responding is where the Fire Service is mobilised to cardiac or respiratory 999 calls with the Ambulance Service, in areas where the Ambulance Service is unable to meet their attendance times)

#### Possible reductions in service

We have considered the possibility of reductions in service, taking into account other higher priority activities and resources. Closure of the Fire Cadet units in Oxfordshire, currently based at Slade Fire Station (Cowley), Banbury, Kidlington, Witney and Watlington, is intended to protect our other youth initiatives including the Phoenix Project where we work with young people who are underachieving in schools and working with young people referred to us from the Oxfordshire County Council Youth Offending Service.

### Business Efficiencies/income

There is an opportunity to charge for Emergency Planning training courses and to review contracts and controllable budgets.

### Integrated Risk Management

Fire & Rescue authorities are required, under the Fire & Rescue Services Act 2004, to carry out dynamic integrated risk management planning (IRMP). This enables the authority to focus its resource on areas of higher risk to life over property.

As part of preparing our draft Integrated Risk Management Plan (IRMP) we are proposing to alter crewing arrangements at two of our day crewed fire stations (Abingdon and Didcot). This will result in the redeployment of four operational positions to support other Retained Duty System stations. Through this redeployment from Abingdon and Didcot, the establishment over the two stations will go from 28 to 24 operational positions. This will result in our ability to withdraw the payment of a housing allowance. Please note; this proposal will not reduce the amount of fire engines available in Abingdon and Didcot or reduce the number of firefighters crewing those appliances during an emergency call. The delivery of this efficiency is dependent on the outcome of the public consultation on our IRMP which concludes in December 2009.

Our draft Integrated Risk Management Plan in incorporates a project in 2010/11 to examine the operational resilience requirements in terms of fire appliances and equipment and to review the locations of all of our fire stations. An outcome of this review may be an opportunity to remove one fire appliance from the Retained Duty System complement. The delivery of this efficiency will be subject to full public consultation which concludes in December 2009.

### Other Pressures

Oxfordshire Fire & Rescue Service relies on the retained firefighter duty system which has significant challenges regarding its sustainability. In order to support the retained firefighter duty system at fire stations and improve the overall operational resilience and availability across Oxfordshire, we need to increase the number of Watch Managers to ensure its viability (and as an alternative to provision of significant additional wholetime firefighter at a cost differential of some 1:6.) cost. This pressure can be partially addressed by the reallocation of the £305k within the MTFP identified for the staffing upgrade associated with Bicester Fire Station.

Further details of these saving proposals follow below, along with a risk analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
Fire & Rescue Service (FRS) Service Delivery				£000	£000	£000	£000	£000
CSP1	Re-direct the funding included in the 2009/10 to 2013/14 MTFP (09CS5) for additional staffing at Bicester to support the CSP1 pressure.						-305	-305
	FRS Inflation saving	O	Med	-404	-617	-617	-617	-617
CS2	10% reduction of non pay controllable & discretionary budgets (supplies & services, employee travel expenses, premises maintenance, operational equipment, public education campaigns)	ES	Low	-56	-56	-56	-56	-56
CS3	Through the Integrated Risk Management Plan (IRMP) it is proposed to alter crewing arrangements at two of our day crewed fire stations (Abingdon and Didcot). This will result in the redeployment of four operational positions to support other Retained Duty System stations. Through this redeployment from Abingdon and Didcot, the establishment over the two stations will go from 28 to 24 operational positions. This will result in our ability to withdraw the payment of a housing allowance. Please note; this proposal will not reduce the amount of fire engines available in Abingdon and Didcot or reduce the number of firefighters crewing those appliances during an emergency call. The delivery of this efficiency is dependent on the outcome of the public consultation on our IRMP which concludes in December 2009.	ES	High	-21	-21	-21	-21	-21

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	20010/11	2011/12	2012/13	2013/14	2014/15
Fire & Rescue Service (FRS) Service Delivery				£000	£000	£000	£000	£000
CS4	Our proposed Integrated Risk Management Plan (IRMP) in 2010/11 incorporates a project to examine the operational resilience requirements in terms of appliances and equipment and to review the locations of all of our fire stations. An outcome of this review may be an opportunity to remove one fire appliance from the Retained Firefighter Duty System complement. The delivery of this efficiency will be subject to full public consultation which concludes in December 2009.	SR	Med	0	-36	-36	-36	-36
CS5	Renegotiation of the Co-Responder agreement with South Central Ambulance Service to enable a reduction in OCC budget support (Co-Responding is where the Fire Service is mobilised to cardiac or respiratory 999 calls with the Ambulance Service, in areas where the Ambulance Service is unable to meet their attendance times).	ES	Low	-26	-26	-26	-26	-26
CS6	A reduction in the hours worked and therefore a reduction in contact and fire safety advice to the black and minority ethnic communities in Oxfordshire. This will require an equalities impact assessment to be completed.	SR	Low	-12	-12	-12	-12	-12
CS7	Closure of all the Fire Cadet units in Oxfordshire currently based at Slade Fire Station (Cowley), Banbury, Kidlington, Witney and Watlington. The closure of these units is intended to protect our other youth initiatives including the Phoenix Project where we work with young people who are underachieving in schools and working with young people referred to us from the Oxfordshire County Council Youth Offending Service. This will require an equalities impact assessment to be completed.	SR	Low	0	-39	-39	-39	-39
<b>TOTAL Fire &amp; Rescue Service – Service Delivery Savings</b>				<b>-519</b>	<b>-807</b>	<b>-807</b>	<b>-1,112</b>	<b>-1,112</b>

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	20010/11	2011/12	2012/13	2013/14	2014/15
Emergency Planning				£000	£000	£000	£000	£000
CS16	Review of communications contract	ES		-5	-5	-5	-5	-5
CS17	Changes to staff conditions of service	ES		-4	-4	-4	-4	-4
CS18	Reduce supplies and services budgets	ES		-7	-11	-11	-11	-11
CS19	Income from training courses	IG			-1	-2	-2	-2
CS20	Delete 0.5 FTE post	SR				-18	-18	-18
<b>TOTAL Emergency Planning Savings</b>				<b>-16</b>	<b>-21</b>	<b>-40</b>	<b>-40</b>	<b>-40</b>



## Fire & Rescue Service Support

<b>Service</b>	<b>FRS – Service Support</b>
<b>Head of Service</b>	<b>Colin Thomas</b>
<b>2009/10 Gross Budget</b>	<b>£8m</b>

The Service Support strategy for business improvement and efficiency is focused on the following areas:

- Fuel/travel Costs
- Business Efficiency and effectiveness
- Procurement
- Other pressures

### Reducing Fuel/Travel Costs

We are already working to reduce fuel / travel costs by increased managerial control, mileage avoidance via audio and regional video conferencing system and improved fuel efficiency measures via driver training and programmed fleet renewals leading to newer vehicles with higher miles per gallon

### Business Efficiency and Effectiveness

Through maximising technology, reviewing business processes and managing training and development on a risk based approach; we will deliver improved efficiency and effectiveness

### Procurement

We have delivered a successful, Oxfordshire led South East Regional re-tendering of the work wear (FRS uniforms & clothing) contract, improving quality whilst reducing costs by removal of the managed service fee.

### Other Pressures

The implementation of national projects (i.e. the regional control room) remains a challenge due to delays in implementation. Maintenance / support and selective replacement of software and hardware systems in current Fire Control / mobilising centre are needed. Despite extensive proactive activities to extend the life of existing systems the delay to the National FiReControl project (Oxfordshire transfer now programmed for 2012) has resulted in unacceptable levels of risk of failure. Selective replacement of systems will protect resilience and allow for future redeployment / reconfiguration to support future requirements for the FRS to locally manage multiple, large or protracted incidents which remain our responsibility.

Central government's "New dimensions" project equips Fire and Rescue Services to react to terror and climate change incidents. Ownership and some financial responsibilities of New Dimensions vehicles, including the high volume pumping unit (Banbury), mass public decontamination unit (Oxford) and the detection identification and monitoring unit (Bicester) is intended to transfer from central government to OCC. Costs for staffing, maintenance of training and property are already met by OCC from within existing budgets. Following transfer, vehicle and equipment maintenance costs will be funded by government) but not insurance and other associated costs which are the responsibility of OCC.

Further details of these saving proposals follow below, along with a risk analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	20010/11	2011/12	2012/13	2013/14	2014/15
Fire & Rescue Service Support				£000	£000	£000	£000	£000
CS9	Reduce fuel / travel costs by increased managerial control, mileage avoidance via audio and regional video conferencing system and improved fuel efficiency measures via driver training and programmed fleet renewals leading to newer vehicles with higher Mileages Per Gallon.	ES	Low	-30	-30	-30	-30	-30
CS10	10% reduction in selected delegated / discretionary / controllable budgets (including car allowances £1k, staff advertising £1k, contingency funds £5k, subsistence 1k, medical allowances £1k, equipment budgets £4k)	ES	Low	-13	-13	-13	-13	-13
CS11	Successful, Oxfordshire led South East Regional re-tendering of the work wear (FRS uniforms & clothing) contract, improving quality whilst reducing costs by removal of the managed service fee.	ES	Low	-18	-18	-18	-18	-18
CS12	Reduce costs and number of personnel attending the process used to identify individuals' potential for promotion (Assessment & Development Centres).	SR	Low	-10	-10	-10	-10	-10
CS13	Reduction in operational and specialist training. This will be a selective approach, protecting where possible risk critical courses / qualifications. The outcome of the programmed Health and Safety Executive inspection in November could threaten deliverability of this saving if improvement notices or binding recommendations are made in this area.	SR	High		-45	-45	-45	-45

DESCRIPTION		TYPE	RISK	20010/11	2011/12	2012/13	2013/14	2014/15
Fire & Rescue Service Support				£000	£000	£000	£000	£000
CS14	Extend the life of the new style (plastic body) fire appliances from 12 to 14 years. Selectively extend the life of other specialist vehicles including the hydraulic platform, water tanker, incident command unit etc, depending on usage and condition	ES	Med		-30	-30	-30	-30
CS15	Further savings to be identified	ES	High			-351	-661	-661
<b>TOTAL Fire &amp; Rescue Service Support Savings</b>				<b>-71</b>	<b>-146</b>	<b>-497</b>	<b>-807</b>	<b>-807</b>

## Trading Standards, Safer Communities Unit, Gypsy and Traveller Services

<b>Service</b>	<b>TS, SCU, GTS</b>
<b>Head of Service</b>	<b>Nigel Strick</b>
<b>2009/10 Gross Budget</b>	£4m

The strategy is focused on the following areas:

- **Business efficiency and effectiveness**

We have reviewed the management structure and identified posts that can be deleted, whilst other posts are created that will focus on increasing performance and generating improved grant funding

- **Income generation**

Fees and charges will be reviewed and resources will be focused on increasing the amount of grant funding. Additionally there is the opportunity to provide services to other councils.

- **Reprovision of Services**

There is an opportunity to provide consumer advice through a national scheme instead of directly through OCC.

Further details of these saving proposals follow below, along with a risk analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
Trading Standards				£000	£000	£000	£000	£000
CS21	Inflation saving	O	Low	-48	-74	-74	-74	-74
CS22	Delete Trading standards Group Manager post	SR	Low	-56	-56	-56	-56	-56
CS23	Delete Trading Standards Community Development Officer post. Cessation of support for the Junior Citizen programme (key life skills for over 5000, 10 year old children - to be supported via Voluntary sector) , and the annual electric blanket safety testing campaign.	SR	Low	-26	-26	-26	-26	-26
CS24	Increase weights and measures fees by 1.5% (allowed inflation 0.5%)	IG	Low	-1	-1	-1	-1	-1
CS25	Delete external conferences budget	SR	Low	-5	-5	-5	-5	-5
CS26	Increase the level of grant funding (net of specialist grants and funding officer post, 1fte). Raising performance of Trading Standards in securing grant funding to a level consistent with other local authorities).	IG	Low	-20	-40	-40	-40	-40
CS27	Additional increase in grant funding. Raising performance in securing grant funding to a level consistent with highest performing authorities. Higher risk strategy that, if unsuccessful, will necessitate further service reductions.	IG	Med			-50	-50	-50
CS28	Replace Trading Standards operational post with an apprenticeship	ES	Med	-2	-4	-4	-4	-4
CS29	Reduce admin support to the Animal Health & Farming Standards Team by 0.4fte	SR	Med	-4	-4	-4	-4	-4
CS30	Reprovision of OCC Consumer Advice Service through redirecting Oxfordshire residents to national provider. Reduction of 3 FTE advisor posts. This will require an equalities impact assessment.	SR	Med			-67	-102	-102
CS31	Delete honoraria payments for emergency call out rota and flexible working etc	SR	Med			-10	-10	-10
CS32	Replace Doorstep Crime Unit police officer secondment.	ES	Med	-7	-7	-7	-7	-7

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
DESCRIPTION		TYPE	RISK	20010/11	2011/12	2012/13	2013/14	2014/15
				£000	£000	£000	£000	£000
CS33	Provision of a petroleum and explosives regulation service for Buckinghamshire County Council	IG	Med	-12	-12	-12	-12	-12
CS34	Provision of petrol station 'vapour recovery' licensing service on behalf of district councils. Avoids duplication of inspection between OCC and Districts. High risk strategy relies upon agreement of all 5 District Councils to achieve the full saving.	IG	Med	-1	-5	-5	-5	-5
CS35	Delete Trading Standards Enforcement Officer post	SR	Med			-12	-30	-30
CS36	Delete head of service post and combine services (£100K saving shared with another directorate)	SR	High		-50	-50	-50	-50
<b>Total Trading Standards Savings</b>				<b>-182</b>	<b>-284</b>	<b>-423</b>	<b>-476</b>	<b>-476</b>
CS37	Safer Communities – Reduction in operating budget	SR	Low	-3	-3	-3	-3	-3
<b>Total Safer Communities Savings</b>				<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>	<b>-3</b>
CS38	Buckinghamshire County Council gypsy & traveller service contract fee	IG	Low	-38	-38	-38	-38	-38
CS39	Brent Housing Partnership traveller service contract fee	IG	Low	-48	-48	-48	-48	-48
CS40	Brent Housing Partnership traveller service contribution to overheads	IG	Low	-12	-12	-12	-12	-12
CS41	Oxfordshire traveller sites - increase rents by 1.5% (allowed inflation 0.5%)	IG	Med	-2	-2	2	-2	-2
CS42	Buckinghamshire traveller sites - increase rents by 1.5% (allowed inflation 0.5%)	IG	Med	-2	-2	-2	-2	-2
CS43	Provide an in house repair & maintenance service for all traveller sites managed by Oxfordshire Gypsy & Traveller Services. £40K saving to be shared with Property Services (Environment & Economy).	ES	Med	-20	-20	-20	-20	-20
<b>Total Gypsy and Traveller Services Savings</b>				<b>-122</b>	<b>-122</b>	<b>-122</b>	<b>-122</b>	<b>-122</b>
<b>TOTAL TRADING STANDARDS, SAFER COMMUNITIES UNIT, GYPSY &amp; TRAVELLER SERVICE SAVINGS</b>				<b>-307</b>	<b>-409</b>	<b>-548</b>	<b>-601</b>	<b>-601</b>

## Summary

The relatively small scale of areas such as Fire & Rescue and Trading Standards and their already low cost bases means that significant savings are unrealistic. However, we have challenged spending in all areas and identified savings that will meet our targets. Work remains to determine how these outputs will be achieved in relation to Fire & Rescue. Some of the savings proposed are high risk and there will be a need to consider them in light of the outcomes of the recent Health and Safety Inspection when the findings are published.

We continue to face the challenge of implementing the national projects in Fire & Rescue to maintain resilience and the impacts that the delays in implementing those have. Maintaining the numbers and competency of retained duty firefighters is also a significant concern and we have made proposals to address that in this plan.

**John Parry**  
**Director of Community Safety and Shared Services and Chief Fire Officer**





# **Business Improvement and Efficiency Strategy**

**2010/11 – 2014/15**

**Corporate Core**

## Context for Corporate Core

<b>Director</b>	<b>Joanna Simons</b>
<b>2009/10 gross budget</b>	£35.2m
<b>2009/10 FTE</b>	443.3

Corporate Core is the council's smallest directorate with a gross budget (including recharges) of £35.2m per annum and a workforce of 443.3 establishment FTEs (June 2009). ICT is the largest unit with a budget of £18.4m and 206.3 establishment FTEs as at 30 June 2009. Our efficiency saving target is £4.0m in the period to 2013/14, with £1.25m to be identified in 2010/11. In addition, there are pressures totalling £1.3m from last years MTFP savings which had not been identified plus £2.0m new pressures arising in ICT.

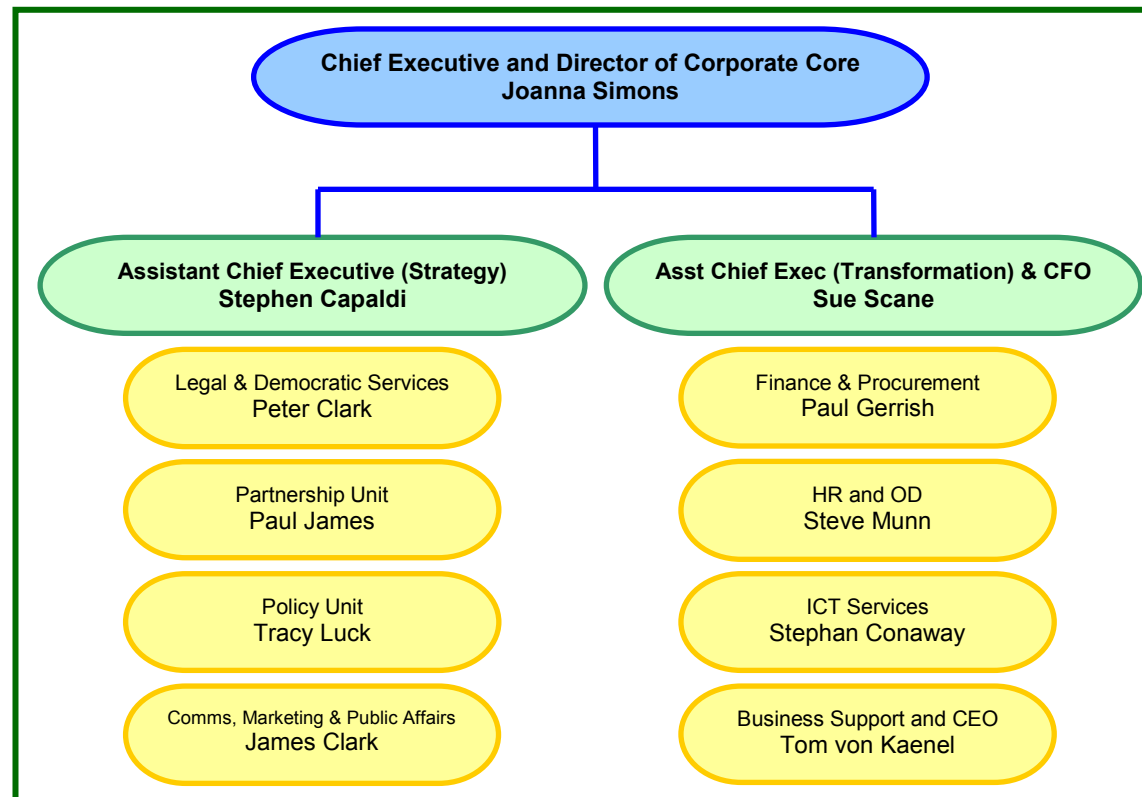
<b>Cumulative</b>	<b>2010/11 £000</b>	<b>2011/12 £000</b>	<b>2012/13 £000</b>	<b>2013/14 £000</b>	<b>2014/15 £000</b>
<b>Total pressures (see page 7)</b>	2,642	2,175	2,743	3,159	3,371
<b>Total Savings Proposed</b>	-3,768	-3,858	-4,674	-5,242	-5,454
<b>Net Position</b>	<b>-1,126</b>	<b>-1,683</b>	<b>-1,931</b>	<b>-2,083</b>	<b>-2,083</b>
<b>Savings target</b>	-1,250	-2,366	-3,292	-4,000	4,000
<b>Net Position compared to target</b>	<b>124</b>	<b>683</b>	<b>1,361</b>	<b>1,917</b>	<b>1,917</b>
<b>Staffing Changes in Full Time Equivalentents (FTEs)</b>	<b>-55</b>	<b>-74</b>	<b>-90</b>	<b>-106</b>	<b>-106</b>

During the last 3 years the structure has been reorganised from three divisions to two, and from eleven business units to seven. The current structure is set out on page 3. Corporate Core has three primary functions. To:

1. Provide a framework within which the council can function effectively – the planning and regulatory arrangements;
2. Challenge, review, and improve the organisation's effectiveness; and
3. Provide the organisation with specialist support functions. Shared Services will also be involved in the delivery of these services.

## Management structure of Corporate Core

The diverse and specialist nature of activities undertaken within Corporate Core limit the opportunities for further rationalisation. There is potential for the Partnerships Unit to become an ‘off shore’ unit funded by the county, districts, PCT and Police; but negotiating partner funding to achieve this will be extremely difficult. There will be opportunities in 2011 to rethink the senior management in Corporate Core, but workload management requirements mean that a replacement in one shape or another will be required. Some savings are feasible. Current structures (except the ICT Unit) are too hierarchical and flatter matrix management arrangements will be developed in the service areas where work is more project based (e.g. Policy and Partnerships Units). The current management structure is set out below.



## Directorate pressures

### The following pressures all relate to ICT:

**Continuing Trends in ICT Maintenance Cost Increases (CCP1 and P2):** The current annual ICT maintenance bill across the 300 plus applications, 80 databases, 7000 PCs, 300 Servers, 75 terabytes of data storage totals some £3.0m. Continuing cost reduction measures that will take effect over the next 18 months will reduce this liability by in excess of £0.4m. After the reductions there will be an on going gap of approximately £0.35m between OCC maintenance liability and the ICT budget to cover it. From that point on, the costs are expected to climb again by approximately 5% per annum. Two pressures have been listed. The first is a one-off increase in the revenue budget to cover the existing gap. The second is a pressure to cover the annual increase in maintenance that is forecast for the next five years.

**Increasing Requirement for Oxfordshire Community Network (OCN) Capacity (CCP3, P4 and P5):** The Council's broadband facility is one of the leading broadband support facilities in the UK. To some degree it is a victim of its own success in that the business has grown to depend upon it being available and fit for purpose. Legitimate business demands are requiring new capacity to be installed to meet needs. The existing BOP programme has not significantly reduced the number of buildings required on the network, and this has led to an annual deficit of £400k between the contracted price to operate the OCN and the ICT budget available. A one-off investment programme of £0.6m for the reconfiguration of the OCN could lead to annual savings of £0.2m. However, even after the OCN has been reconfigured the annual costs are expected to rise by 3% above inflation for the next five years. Three pressures have been listed for the OCN. The first is the one-off investment to reconfigure the network. The second is to meet the existing budget deficit of £0.4m in the first year and £0.1m in subsequent years. The third is the projected additional annual cost increase of network operations.

**Disaster Recovery (DR) (CCP6):** Disaster recovery requirements for OCC are currently met through traditional tape backup systems with partial off site availability of secondary computer room facilities. This is a common approach to DR. But with in excess of 300 applications to recover in a failure, it would take weeks to bring back all of the applications using existing standard procedures. It has been planned for the past 3 years to create a mirrored off site recovery site at the Oxford Science Park to allow a much more efficient recovery process to take place and to ultimately lower operational costs. This work has been delayed while other live operational requirements were met. It is now critical that this DR work go ahead. The pressure presented is for £0.25m first year commission costs followed by £0.15m per annum on going operational costs.

**Cost of Compliance and Operational Reporting (CCP7):** Increasing national trends in ICT compliance and government standards have created a pressure. Some work to address these trends is in progress such as Government Connect, while others are in planning. They include a) Identity Management, b) Network Access Control, c) Applications log management, d) Standards and exception reporting, e) Configuration management of both the infrastructure and of individual user machines, f) encryption, and g) secure networks. Implementation of these requirements is estimated to cost £0.3m per annum for the next three years and then £0.1m per annum in maintenance thereafter.

**Telephony Switch Maintenance (CCP8):** The ongoing maintenance of the central telephony switch has increased to approximately £0.185m over the existing budget, owing to extension of footprint, extended applications and the refurbishment programme.

**Increasing Size and Cost of Data Storage (CCP9):** A terabyte is one thousand billion bytes of data. A byte being one character of data. One year ago the Council had 17 Terabytes of data under management. During the year this has risen to over 45 terabytes with a growth rate of 30% per annum. This is a typical profile for local authorities and business in general. During 2009/10 £0.35m was invested to change the technologies used for data storage and to lower the cost from £0.01m per annum to £0.005m per annum per terabyte. With data growing at 30% per year, even at the improved cost of £5k per terabyte for raw storage the total annual increase is expected to average £0.06m per annum for the next five years.

**IT Training Requirements (CCP10):** Given the increased reliance on ICT across the organisation, the need for training has increased. Inadequate levels of training cause an additional pressure on support. Investment in training is therefore seen as a cost reduction enabler, and the training deficit is estimated at £0.125m per annum.

**Corporate Core's pressures are set out on the following page.**

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
CCP1	ICT Existing maintenance gap	356	356	356	356	356
CCP2	ICT Maintenance increases	81	164	252	348	444
CCP3	Oxfordshire Community Network (OCN) - existing contract deficit	400	100	100	100	100
CCP4	Reconfiguration of OCN	600	0	0	0	0
CCP5	Increased demand on OCN	62	125	190	260	335
CCP6	ICT Disaster recovery	250	156	160	165	170
CCP7	ICT Internal security & compliance	300	300	300	100	100
CCP8	Telephony maintenance	185	191	196	202	208
CCP9	Growing Cost of Data Storage	60	90	120	150	180
CCP10	IT Training Requirements	125	125	125	125	125
	<b>Total Pressures</b>	<b>2,419</b>	<b>1,607</b>	<b>1,799</b>	<b>1,806</b>	<b>2,018</b>
	MTFP 2009/10 to 2013/14 – savings still to be identified	223	568	944	1,353	1,353
	<b>Total Pressures &amp; previously agreed savings to be identified</b>	<b>2,642</b>	<b>2,175</b>	<b>2,743</b>	<b>3,159</b>	<b>3,371</b>

## Broad approach to improvement and efficiency

Our strategy for business improvement and efficiency is based on the following. To:

1. Recognise the rapidly changing nature of activity at the ‘centre’ and to restructure to allow a flexible and efficient use of resources;
2. Streamline the planning and review activities so as to minimise costs and maximise effectiveness;
3. Ensure that the cost of our services is transparent to members and customer directorates; and
4. Work closely with customers (largely service directorates) to meet their needs as efficiently as possible. It should be recognised that in some instances there will be a demand for increased support from Corporate Core which will inhibit our ability to reduce costs.

The directorate efficiency strategy was tested as part of an inter-directorate peer challenge session, and the areas outlined above reflect the actions identified in the challenge session. Corporate Core was challenged about the following:

- Examine the Corporate Core / Shared Services relationship to see whether more efficient use of resources could be achieved. This might involve changes to management of activities.
- Consider the value added from the existing procurement activities
- Review the funding arrangements for ICT and corporate priority setting processes/ improve budget transparency.
- Review whether there are further opportunities for reducing the number of senior staff and layers of management.
- Focus on streamlining processes in order to reduce staffing requirements

These issues are addressed in the efficiency planning for each service. We have provided an overall risk assessment of each saving based on the likelihood of achieving the saving. We have additionally provided an analysis of the type of saving, categorised as follows:

<b>ES</b>	Efficiency Savings (achieve the same outputs for less resource or additional outputs for the same resource)	<b>SR</b>	Service Reduction (providing a lower level of service and/or a lower level of quality for the same/less money)
<b>IG</b>	Income Generation (increased charges or increased volume, or new charge)	<b>O</b>	Other Types (e.g. alternative use of previously agreed funding, changes to funding streams)



## Transformation Division

The division is managed by Sue Scane, Assistant Chief Executive & Chief Financial Officer. There are three business units, each managed by a head of service, and a small business support team which supports the whole directorate, combined with the Chief Executive's Office.

- **ICT Unit** - This service provides a comprehensive ICT service supporting the ongoing delivery and development needs of all of the council's services. Its functional areas include operations, procurement, deployment, project management, network and web services, SAP applications, service support and improvement, and Corporate Information Management Unit (CIMU).
- **Human Resources and Organisational Development Unit** - The team provides the following services and is the client for HR Operations in our shared services centre. Its functions include HR policies & procedures, senior casework, senior leadership development, workforce planning, senior appointments, and customer service.
- **Finance and Procurement Unit** - This unit comprises Corporate Finance, County Procurement, and Internal Audit. Corporate Finance consists of financial planning, treasury management/pensions, and investment & corporate standard. Internal Audit maintains and updates the financial control framework of the County. The Procurement Team ensures that all purchases are driven through the proper process to achieve best value.
- **Business Support and Chief Executive's Office** - The team provides direct support to the Chief Executive, the Assistant Chief Executives, and the Lord Lieutenant, as well as having a key role in improving performance and managing change across the Corporate Core,

## ICT Unit

<b>Head of Service</b>	<b>Stephan Conaway</b>
<b>2009/10 gross budget</b>	£18.4m
<b>2009/10 FTE</b>	212

Owing to the heavy contractual weighting of the ICT budget, most savings must come from the salary portion of the budget. The magnitude of the savings required is amplified by the need in 2009/10 to bring the core ICT budget in alignment to compensate for one off expenditures to cover the cost of unfunded work such as Government Connect, higher than expected SAP upgrade costs, preliminary studies for CRM and ESS projects, £0.4m of OCN contractual increases and £0.3m of contract maintenance increases, totalling some £1.8m. This deficit is being made up through staff reductions and a sharp curtailment in other ICT project engagements.

### **The 4 year savings targets would be met through a combination of internal processes:**

- A reduction of staff, both contract and permanent, by upwards of 50 posts. Much of this reduction is scheduled for the second half of 2009/10 in preparation for the following financial year, to bring the 2009/10 budget into alignment.
- The reduction of application support costs through the termination of some existing support arrangements,
- The redevelopment of the OCN to allow multiple buildings to be serviced from a single installation, and
- Direct Charging to the source directorates and service units for all work and materials provided as part of development projects.

### **These levels of risk can be associated with this programme:**

- That existing service levels can be maintained with the reduction of staff in the direct user facing service delivery areas. There will be a reduction in service to the user groups, although every effort will be made to minimise the impact of these reductions.
- That the changes in maintenance and OCN technical architecture can be made and will be financially successful. As they are developmental changes, the outcome will not be known until the projects are completed.
- That central direction/management is not lost through the unintended devolution of ICT budget management back to the directorates.

In 2012, the current contract for support SAP will end with anticipated savings of £0.4m following the re-tendering of this contract. Although these savings will result from efficiencies, this may result in a significant level of service cut (i.e., future development of new systems and implementation of new technologies funded within the Directorates). Work is being currently carried out to assess the impact of these proposals across OCC. Further details of the saving proposals follow, along with cost centre analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£000	£000	£000	£000	£000
CC1	Review of ICT staff structure	SR/ES	High	-515	-1,097	-1,479	-1,860	-1,860
CC2	Reduced maintenance	SR	Med	-356	-356	-356	-356	-356
CC3	Reduced maintenance costs (renegotiation of contracts, consolidation and standardisation of applications and stripping out of marginal applications)	SR/ES	Med	0	-88	-182	-217	-217
CC4	Oxfordshire Community Network (OCN)	SR/ES	Med	0	-87	-182	-216	-216
CC5	Re-tender SAP support contract (current contract ends 2012)	ES	Med	0	0	-200	-400	-400
CC6	Remove pressure for disaster recovery	SR	High	-250	-156	-160	-165	-170
CC7	Remove pressure for data storage	SR	Med	-60	-90	-120	-150	-180
CC8	Remove pressure for training	SR	Med	-125	-125	-125	-125	-125
CC9	Further reduction on staff and maintenance to balance pressures	SR	High	-1,259	-16	335	752	575
	<b>TOTAL ICT Savings</b>			<b>-2,565</b>	<b>-2,015</b>	<b>-2,469</b>	<b>-2,737</b>	<b>-2,949</b>

## Human Resources and Strategic Organisational Development Unit (including customer contact)

<b>Head of Service</b>	<b>Steve Munn</b>
<b>2009/10 gross budget</b>	£2.6m
<b>2009/10 FTE</b>	26.5

The HR service has a key role to play in delivering our efficiency programme - in terms of staff reductions, new ways of working, and supporting managers and staff through the organisational change process. Therefore team workload likely to increase at the very time we look to make efficiencies in the service.

HR & OD will look to reduce staff numbers over the period to achieve its Corporate Core target. Although the service has already reduced headcount by 35% with the move to Shared Services, we intend to propose an "invest to save" approach specifically by:

- Investing in ESS/MSS to enable better information and workflow whilst reducing HR staff numbers which removes duplication of effort, manual intervention (which reduces scope for inaccuracies) and improves timeliness. This will enable individuals across OCC to take personal responsibility for their personal information, and equipping managers to manage their people more effectively resulting in bringing the Council into line with best practice with on-line services (replacing paper based activities).
- Looking at HR in the round (Strategic and Shared Service teams) to optimise the deployment of technology and to achieve maximum cost reductions with enhanced service delivery. We will change the HR operating model as part of this efficiencies programme.

Savings for the first year will be achieved through the reduction of staff with savings in the following years of years being achieved following a review of HR provision in OCC.

Further details of the saving proposals follow below, along with cost centre and risk analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£'000	£'000	£'000	£'000	£'000
CC10	Review of Strategic HR	ES	Low	-68	-68	-68	-68	-68
CC11	Review of HR provision in Strategic HR and Shared Services	ES	Med	0	-31	-112	-180	-180
CC12	Review customer contact	ES	Low	-14	-37	-59	-78	-78
	<b>TOTAL Human Resources and Strategic Organisational Development Unit Savings</b>			<b>-82</b>	<b>-136</b>	<b>-239</b>	<b>-326</b>	<b>-326</b>

## Finance and Procurement Unit

<b>Head of Service</b>	<b>Paul Gerrish</b>
<b>2009/10 gross budget</b>	£3.6m
<b>2009/10 FTE</b>	51.5

The Procurement Team has been targeted with achieving contractual savings averaging at about 10%. Based on the current value of contracts this could potentially generate savings of £40m, albeit at a significant risk. Savings on generic goods could potentially amount to £4m per annum and procurement is working closely with Directorates in identifying savings of £36m per annum in total on service specific contracts. These savings fall across the Council and will not count towards Finance & Procurement's target.

Finance & Procurement will achieve their savings through the combination of staff reductions and income generation through the work of audit.

The majority of savings will need to come from staffing reductions which will have some impact on the service provided and increase pressure on the remaining staff. The services that will suffer include procurement advice to directorates, a reduction in the number of audit days and a significant reduction in financial training provision to service managers. As the savings are required over a four year timeframe, it should be possible to make most of the staff reductions through turnover. Further details of the saving proposals follow below, along with cost centre analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£'000	£'000	£'000	£'000	£'000
CC13	Reduce non pay budgets	ES	Low	-8	-16	-16	-16	-16
CC14	Move forward the early retirement saving in the MTFP	ES	Low	-11	-11	-10	0	0
CC15	Restructure Corporate Finance	ES	High	-52	-101	-111	-111	-111
CC16	Provision of audit services to external bodies	IG	Low	-47	-47	-47	-47	-47
CC17	Review of audit services	ES	High	0	-27	-27	-27	-27
CC18	Review of procurement services	ES	Med	0	0	-34	-159	-159
	<b>TOTAL Finance &amp; Procurement Savings</b>			<b>-118</b>	<b>-202</b>	<b>-245</b>	<b>-360</b>	<b>-360</b>

## Chief Executive's Office and Business Support

<b>Business Manager</b>	Tom von Kaenel
<b>2009/10 gross budget</b>	£1.4m
<b>2009/10 FTE</b>	12

Savings to be made in year one of £35k will partly be met by a review of subscriptions. A review of the senior management structure will be undertaken in year two. Further details of the saving proposals follow below, along with cost centre and risk analysis.

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EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£'000	£'000	£'000	£'000	£'000
CC19	Review senior management structure	ES	Med	0	-133	-133	-133	-133
CC20	SEER Subscription	ES	Low	-15	-15	-15	-15	-15
CC21	Cancel subscription to ACTVAR	ES	Low	-12	-12	-12	-12	-12
	<b>TOTAL Chief Executive's Office and Business Support Savings</b>			<b>-27</b>	<b>-160</b>	<b>-160</b>	<b>-160</b>	<b>-160</b>



## Strategy Division

The division is managed by and Assistant Chief Executive: Stephen Capaldi. There are four business units, each managed by a head of service.

- **Legal and Democratic Services** - The unit provides legal advice and support for councillors and directorates to ensure that they fulfil their statutory obligations and the Authority acts lawfully. Legal Services operates as a self - financing trading unit. The Head of Legal and Democratic Services is also the County Solicitor and the Council's Monitoring Officer.
- **Partnerships Unit** - The unit has responsibility for the fostering of effective partnership working across the public, private and community sectors in order to provide better outcomes, real choice and value for money for local people.
- **Policy Unit** - The Unit's is responsible for helping the organisation to develop a coherent forward strategy and for driving performance improvement.
- **Communications, Marketing and Public Affairs** - this unit is responsible for communication with local residents, media relations, publications, internal communications, the council's website and Print and Design.

The ability of the four units to meet efficiency targets is mixed.

## Legal and Democratic Services

<b>Head of Service</b>	<b>Peter Clark</b>
<b>2009/10 gross budget</b>	£4.0m
<b>2009/10 FTE</b>	67.01

Legal Services is a demand-led business. Some areas are growing (child protection) others are declining (section 106); however overall demands are fairly constant and making savings will be difficult. There are, however, some opportunities for cost reduction being pursued and Peter Clark will be discussing customer requirements with key service managers to see whether service demands can be moderated. Savings for Legal Services for the first two years will be achieved by amending the Lexis/Nexis contract for online Legal information (£25k), by reducing Counsel spend by retaining more advocacy work in-house. In years three and four there will be a continuing review of Legal and Democratic Services, including the Coroner's Service to achieve subsequent savings targets.

Democratic Services was the subject of a fundamental service review in 2008/09. New ICT systems and a restructuring have produced savings but these will not fully meet the four year efficiency target. It is unlikely to achieve further staff reductions without reducing the number of meetings to service. That said, savings identified for the first two years will be achieved by reduction in Admin support within Democratic Services for an approximate saving of £82K.

Further details of the saving proposals follow below, along with cost centre and risk analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£'000	£'000	£'000	£'000	£'000
CC22	Early retirement costs cease	ES	Low	-29	-29	-59	-59	-59
CC23	Reduce level of subscription to on line legal information service	ES	Low	-25	-25	-25	-25	-25
CC24	Reduce use of counsel	ES	Low	-25	-25	-25	-25	-25
CC25	Review of Democratic Services	ES	Med	-82	-82	-82	-82	-82
CC26	Review Coroner's Service	ES	Low	0	-12	-12	-12	-12
CC27	Review the legal, democratic and coroner services	ES	Med	0	0	-37	-135	-135
	<b>TOTAL Legal and Democratic Services Savings</b>			<b>-161</b>	<b>-173</b>	<b>-240</b>	<b>-338</b>	<b>-338</b>

## Members' budget

<b>Head of Service</b>	<b>Peter Clark</b>
<b>2009/10 gross budget</b>	£1.5m
<b>2009/10 FTE</b>	3

The Members' budget is administered by Democratic Services with limited options for achieving the efficiency savings target of £192K, as Member Allowances accounts for the vast majority of this budget. Further but minor savings can be made from the IT and Training budget but members will need to decide the minimum level of budget required for IT and training over the four year election cycle. The Chairman's budget (£5K) is a possibility subject to the views of members particularly as Council has required additional spending on hospitality for the armed services for the following year.

Further details of the saving proposals follow below, along with cost centre and risk analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£'000	£'000	£'000	£'000	£'000
CC28	Reduce members' services budgets (including IT and training)	ES	Med	-10	-16	-23	-23	-23
CC29	Reduce car allowance and expenses budgets	ES	Med	-5	-5	-5	-5	-5
CC30	Freeze member allowances until next County Council elections	ES	Med	-5	-15	-40	-40	-40
CC31	Reduce Chairman's Allowance from £24K to £19K	SR	Med	-5	-5	-5	-5	-5
	<b>TOTAL Members' Budget Savings</b>			<b>-25</b>	<b>-41</b>	<b>-73</b>	<b>-73</b>	<b>-73</b>

## Partnerships Unit

<b>Head of Service</b>	<b>Paul James</b>
<b>2009/10 gross budget</b>	£0.9m
<b>2009/10 FTE</b>	9.65

The County Council currently supports many of the costs of partnership working with the PCT and District Councils. Opportunities for sharing these costs are being explored but partner organisations will also be seeking similar efficiency targets. Re-structuring will take place to reduce staff costs. Contracts and grants with voluntary sector organisations (including ORCC and OCVA) will be reviewed when next due for renewal (2012). Agreements for supporting local partnerships in priority places (for example in Bicester and Abingdon) will be reviewed when current commitments are due for renewal.

Further details of the saving proposals follow below, along with cost centre and risk analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£'000	£'000	£'000	£'000	£'000
CC32	Restructure Partnerships Unit	ES	High	-25	-40	-40	-40	-40
CC33	Sharing partnership costs with key partners	ES	Med	0	-21	-21	-21	-21
CC34	Review of contracted services with the voluntary sector	ES	Med	0	0	-20	-20	-20
CC35	Review of town partnership support	ES	Med	0	0	-20	-20	-20
	<b>TOTAL Partnerships Unit Savings</b>			<b>-25</b>	<b>-61</b>	<b>-101</b>	<b>-101</b>	<b>-101</b>

## Policy Unit

<b>Head of Service</b>	<b>Tracy Luck</b>
<b>2009/10 gross budget</b>	£1.7m
<b>2009/10 FTE</b>	30

The Unit's target for 2010/11 is £32k, but £134k has been identified in the coming year by reducing staff numbers in the review and change teams. Subsequent years' savings will be achieved by prioritising activity around the current needs of the council. Further staff reductions for subsequent years will be explored and agreed in the coming fiscal year.

By 2011/12 there will be fewer posts in the Policy Unit due to the end of contracts and by 2013/14 further FTE reductions will be identified from the Unit. Please see the Business Plan for full details of posts and funding. Further details of the saving proposals follow below, along with cost centre and risk analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£'000	£'000	£'000	£'000	£'000
CC35	Rationalise work/staffing levels	ES	Med	-134	-164	-191	-191	-191
	<b>TOTAL Policy Unit Savings</b>			<b>-134</b>	<b>-164</b>	<b>-191</b>	<b>-191</b>	<b>-191</b>



## Communications, Marketing and Public Affairs Unit

<b>Head of Service</b>	<b>James Clark</b>
<b>2009/10 gross budget</b>	£0.8m
<b>2009/10 FTE</b>	15

This business unit is growing with a consequential reduction in service directorate based communications activity. As a consequence Corporate Core costs will increase but the council can expect:

- Communications to find its share of efficiency savings across the council;
- Fewer posts;
- Better management of resources;
- Better service to residents and media, and more accessible information; and
- Income generation.

It is anticipated that the new structure will be operational within 2009/10.

Further details of the saving proposals follow below, along with cost centre and risk analysis.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£'000	£'000	£'000	£'000	£'000
CC36	Income generation	IG	Med	-30	-30	-30	-30	-30
CC37	Review of Communications, Marketing & Public Affairs	ES	Med	0	-39	-89	-89	-89
	<b>TOTAL Marketing, Communications and Public Affairs Savings</b>			<b>-30</b>	<b>-69</b>	<b>-119</b>	<b>-119</b>	<b>-119</b>

**Memorandum – Children, Young People & Families Communications Related Savings:**

CYPF5	Reduction in publications costs and improved information	ES	M	-120	-230	-340	-360	-360
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## Summary

Over the next few years demands on Corporate Core resources will grow because of:

- The opportunity for ICT systems to support service streamlining and cost reduction;
- The HR & legal support needs of managers as they deal with downsizing;
- The increased need for challenge and review;
- The accountancy supports needs of managers seeking to understand and use budgets more creatively;
- The expectations of procurement savings; and
- The need to communicate and engage the public more effectively.

Despite these demands we anticipate that Corporate Core will achieve significant efficiency savings over the next 5 years.

**Joanna Simons - Chief Executive**

**Stephen Capaldi - Assistant Chief Executive (Strategy)**

**Sue Scane - Chief Finance Officer and Assistant Chief Executive (Transformation)**

October 2009



# Business Improvement and Efficiency Strategy

2010/11 – 2014/15

Shared Services

## Context for Shared Services

<b>Director</b>	<b>John Parry</b>
<b>2009/10 gross budget</b>	£28.9m
<b>2009/10 FTE</b>	673.47

Shared Services has an overall budget of £28.9 million (gross) and employs 673.47 ftes. Of this £28.9 million, £26.5m is re-charged out to directorates and other partners, including schools. The primary contribution to Council objectives is focused within healthy and thriving communities and provision of better public services.

<b>Cumulative</b>	<b>2010/11 £000</b>	<b>2011/12 £000</b>	<b>2012/13 £000</b>	<b>2013/14 £000</b>	<b>2014/15 £000</b>
<b>Total pressures (MTFP 2009/10 – 2013/14 – Savings to be Identified)</b>	0	0	117	233	233
<b>Total Savings Proposed</b>	-814	-1,047	-1,122	-1,122	-1,122
<b>Net Position</b>	<b>-814</b>	<b>-1,047</b>	<b>-1,005</b>	<b>-889</b>	<b>-889</b>
<b>Savings target</b>	-939	-1,776	-2,469	-3,000	-3,000
<b>Net Position compared to target</b>	<b>125</b>	<b>729</b>	<b>1,464</b>	<b>2,111</b>	<b>2,111</b>
<b>Staffing implication</b>	<b>-12</b>	<b>-15</b>	<b>-18</b>	<b>-18</b>	<b>-18</b>

Shared Services has 4 primary functions:

1. The delivery of Financial and Management Accounting (FMA):

This unit provides a professional advisory service to managers in service and resource planning, monitoring and forecasting, offering advice, support and challenge in accordance with the level of risk/complexity of the budget, and with budget setting and preparation of final accounts;

**2. The provision of Financial Services**

The team provides banking services including reconciliation of corporate bank accounts, set-up/closure of bank accounts and amendments to signatories and encashment facilities, training/guidance to imprest accounts holders and checking of imprest account reconciliations and procurement card administration. In addition the team provides a comprehensive and professional advisory service to managers on taxation issues and coordinates the final accounts process and completes the statement of accounts.

**3. Human Resources**

This unit provides employment advice and guidance to managers and staff. It also co-ordinates learning and development activities and provides health and safety information and advice. This team undertakes recruitment activity across the authority managing the process of approvals to recruit, advertising posts, undertaking criminal records bureau checks and issuing contracts of employment. The provision of Health and Safety advice also sits in this team along with Occupational Health.

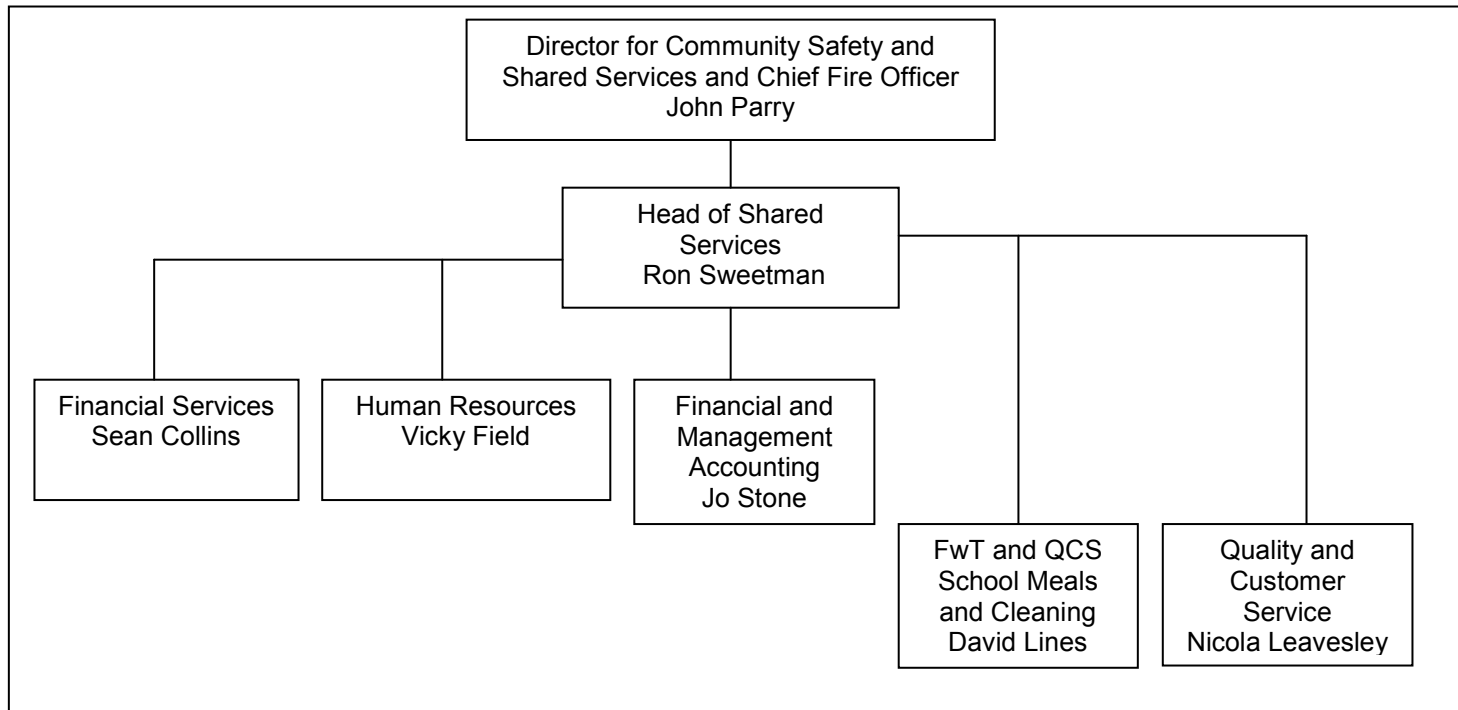
**4. Quest Cleaning Services (QCS) and Food with Thought (FwT)**

This unit provides cleaning services for council buildings and schools and the provision of school meals.

## Management structure of Shared Services

Shared Services delivers a range of specialised HR and Financial services. The nature of the work and risks to the authority of incorrect advice means that there is a need to employ highly qualified professionals in management roles. The Hackett benchmark is the result of an independent survey of Shared Service providers, indicating that 61% of Shared Services achieve a 20% saving. Our business case reflected by our current position of 25% savings compares favourably to this.

Our figures may not be exactly comparable but if we hold this 25% and deliver another £1M of savings our gross reduction will amount to 30% which is 1.5 times the average saving made by Shared Services surveyed by Hackett. The current management structure is summarised below.



## Broad approach to improvement and efficiency

The MTFP requires £3.23m up to 2014/15. Our strategy for delivery of savings and overall improvement is focused upon:

### Business efficiency and effectiveness

Business process re-engineering has been central to the achievement of the Shared Services business plan to date. It will now become even more important in achieving gross cross directorate reductions in excess of the 25% to date. The quality and customer service team is key to this re-engineering process, developing and implementing projects that deliver continuous improvement.

### Maximising Income

Shared Services collects in the region of £14m on behalf of directorates through provision of services to schools. Schools will continue to be able to exercise discretion over the purchase of such services and through the Schools Forum there is an opportunity to better market and communicate the benefits of existing support and to develop other areas.

The Shared Services approach has already delivered meaningful and sustainable savings to the Council. Within the time span of this programme, serious consideration will need to be given to further transference of existing functions in directorates to Shared Services (which are at the transactional level) and an examination of structural change in and across directorates at a corporate level.

The 8-year business plan remains on target albeit due to the late start and other minor factors we are some 9 months behind overall schedule. However, actual savings being delivered to date are higher than the business case (gross £27m over 8 years). The efficiencies programme requires an additional £3m saving. Plans are in development to deliver the first £1m with further work in train to bring this forward in balancing Year 1 of the efficiencies programme. The remaining £2m could only be delivered in support of further corporate projects which are in development.



### Food with Thought and QCS Cleaning and Facilities

The Food with Thought School Meals Service has a turnover of £5.3m and serves over two million school meals annually. It is currently underpinned by a £0.4m central government subsidy until 2012. The team is focused on business growth to extend provision of meals service to the 45 schools in the county not currently taking the FwT output (business valued at £2-3m). It is currently over-achieving on income circa. £60k a year which will significantly reduce the need for subsidy. Should central government's grant drop out, a political decision will be required regarding the provision of the service albeit the team's intention is to break even by this point.

The QCS cleaning and facilities function serves 204 OCC buildings and 66 schools. Projected turnover is £2.4m with a current budget surplus of £33k. Further to the corporate Facilities Management project, agreement has been reached for QCS to now bid for further in-house services and to then bid in open competition for provision of new and renewed contracts in two years' time.

The directorate efficiency strategy was tested as part of an inter-directorate peer challenge session, and the areas outlined above reflect the actions identified in the challenge session. These issues are addressed in the efficiency planning for each service. We have provided an overall risk assessment of each saving based on the likelihood of achieving the saving. We have additionally provided an analysis of the type of saving, categorised as follows:

<b>ES</b>	Efficiency Savings (achieve the same outputs for less resource or additional outputs for the same resource)	<b>SR</b>	Service Reduction (providing a lower level of service and/or a lower level of quality for the same/less money)
<b>IG</b>	Income Generation (increased charges or increased volume, or new charge)	<b>O</b>	Other Types (e.g. alternative use of previously agreed funding, changes to funding streams)

## Shared Services' savings

<b>Head of Service</b>	<b>Ron Sweetman</b>
<b>2009/10 gross budget</b>	£28.9m
<b>2009/10 FTE</b>	673.47 FTE

Our approach to delivering efficiency savings is based on the following:

### Business efficiency and effectiveness

We will undertake a review of the processing and control function to achieve efficiencies in the end to end process. Using technology we will reduce manual intervention when generating data in specialist payment processes. We will automate accounts payable processes to deliver efficiency savings and improve access to invoice information for end to end user.

In HR the focus will be on reviewing and automating processes including Criminal Records Bureau checks (CRB) and health and safety monitoring. Transfer of recruitment activity from Children, Young people and Families Directorate (CYPF) will enable integration of processes and increase efficiency. We will also review the payroll control function and stop monitoring the employment agency contract as this is not a core function.

We will review the general office function, review postage and courier costs and reduce office expenses. We will also use improved procurement for the staff shuttle service.

### Maximising Income

Shared Services plans to increase income from schools for the provision of new financial services.

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	DESCRIPTION	TYPE	RISK	2010/11	2011/12	2012/13	2013/14	2014/15
				£'000	£'000	£'000	£'000	£'000
SS1	Inflation Savings	ES	Low	-313	-436	-436	-436	-436
SS2	Review of the processing control function	ES	Low	-70	-140	-140	-140	-140
SS3	Additional savings to be identified in financial accounting	ES	Med	-48	-48	-48	-48	-48
SS4	Income from schools for the provision of new financial services	ES	Med	-50	-50	-50	-50	-50
	<b>TOTAL FINANCIAL MANAGEMENT SAVINGS</b>			<b>-481</b>	<b>-674</b>	<b>-674</b>	<b>-674</b>	<b>-674</b>
SS5	Accounts payable – automation of processes	ES	MED	-70	-70	-70	-70	-70
	<b>TOTAL FINANCIAL SERVICES SAVINGS</b>			<b>-70</b>	<b>-70</b>	<b>-70</b>	<b>-70</b>	<b>-70</b>
SS6	Review of the HR function and processes	SR	Med	-135	-175	-250	-250	-250
SS7	Automation of CRB processes	ES	Med	-30	-30	-30	-30	-30
SS8	Electronic recording of health and safety monitoring	ES	Med	-35	-35	-35	-35	-35
	<b>TOTAL FOR HUMAN RESOURCES SAVINGS</b>			<b>-200</b>	<b>-240</b>	<b>-315</b>	<b>-315</b>	<b>-315</b>
SS9	Review of office services			-63	-63	-63	-63	-63
	<b>TOTAL SHARED SERVICES SAVINGS</b>			<b>-814</b>	<b>-1,047</b>	<b>-1,122</b>	<b>-1,122</b>	<b>-1,122</b>

## Summary

The 8-year business plan remains on target albeit due to the late start and other minor factors we are some 9 months behind overall schedule. However, actual savings being delivered to date are higher than the business case (gross £27m over 8 years). The efficiencies programme requires an additional £3m saving. Plans are in development to deliver the first £1m with further work in train to bring this forward in balancing Year 1 of the efficiencies programme. The remaining £2m could only be delivered in support of further corporate projects which are in development.

**John Parry**

**Director for Community Safety and Shared Services and Chief Fire Officer**