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Notice of a Meeting

Strategy & Partnerships Scrutiny Committee
Thursday, 17 December 2009 at 10.00 am
County Hall

Membership

Chairman - Councillor Dr Peter Skolar
Deputy Chairman - Councillor Melinda Tilley

Councillors:			
	Norman Bolster	Arash Fatemian	Chip Sherwood
	Liz Brighouse OBE	Jean Fooks	David Wilmshurst
	Nick Carter	A.M. Lovatt	

Notes:

Date of next meeting: *14 January 2010*

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: peter.skolar@oxfordshire.gov.uk
Committee Officer	-	*Sue Whitehead, Tel: (01865) 810262* *sue.whitehead@oxfordshire.gov.uk*

Tony Cloke

Tony Cloke
Assistant Head of Legal & Democratic Services

December 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 meeting held on 24 November 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 - 146)
10.10 am

   This report (**SYP5**) sets out the Business Improvement & Efficiency Strategy for the Corporate Core Directorate, Shared services and Environment & Economy Directorate, along with details of Corporate & Cross Directorate pressures. The strategies contain the identified pressures and proposed savings over the medium term from 2010/11 to 2014/15. For reference, the current financial context and the report to Strategy & Partnerships Scrutiny Committee on 25 November 2009 are included.

   This item includes consideration of the draft capital strategy and the Chairmen of the Scrutiny Committees have been invited to attend.

   The Scrutiny Committee is invited to consider and comment upon the strategies and the pressures and savings contained therein.

6. **Corporate Plan 2010/11 - 2014/15** (Pages 147 - 148)
12.30 pm

   To note for information a paper updating the Committee on progress with the Corporate Plan 2010/11 – 2014/15, the principles on which the plan is being developed and the timetable for its completion. The Committee is advised that the draft Plan will be submitted to the next meeting of the Committee on 14 January 2010.

   The Committee is asked to support the broad approach to the Corporate Plan as outlined.

   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.

STRATEGY & PARTNERSHIPS SCRUTINY COMMITTEE

MINUTES of the meeting held on Wednesday, 25 November 2009 commencing at 11.00 am and finishing at 12.25 pm

Present:

Voting Members:	Councillor Dr Peter Skolar – in the Chair
	Councillor Norman Bolster Councillor Arash Fatemian Councillor Jean Fooks Councillor A.M. Lovatt Councillor Chip Sherwood Councillor Melinda Tilley (Deputy Chairman) Councillor David Wilmshurst
Other Members in Attendance:	Councillor Keith Mitchell, CBE (for Agenda Item 5)

Officers:

Whole of meeting	Corporate Performance & Review Manager; S. Whitehead (Corporate Core)
Part of meeting	
Agenda Item	**Officer Attending**
5	Assistant Chief Executive & Chief Finance Officer L. Baxter (Financial Services)
6	C. Evans (Partnerships and Communities Team)

The Scrutiny Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and agreed as set out below. Copies of the agenda and reports are attached to the signed Minutes.

21/09 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS
(Agenda No. 1)

Apologies for absence were received from Councillors Liz Brighouse and Nick Carter.

22/09 MINUTES
(Agenda No. 3)

The minutes of the meeting held on 24 September 2009 were approved and signed.

23/09 SERVICE & RESOURCE PLANNING 2010/11 - 2014/15
(Agenda No. 5)

The Committee considered a report (**SYP5**) and presentation, setting out the Business Improvement & Efficiency Strategies for each Directorate and the identified pressures and proposed savings contained therein. They were asked to consider the overall position for the Council, the balance of pressures and savings across the Directorates and the Business Improvement & Efficiency Strategies for all Directorates.

In response to questions the following information and points of clarification were obtained:

1) the proposals did not reflect a worst case scenario but were based on the best estimates currently available. It was noted that further information might be available following the pre budget speech on 9 December. The Plan was about being prepared for what was realistically expected to happen and a cautious approach was taken to allow proper planning.
2) The assumptions behind the figures included for inflation were explained.
3) It was explained that although it was correct that the shortfall would hit hardest in later years by front loading savings it allowed investment to save measures to be undertaken.
4) Targets were based on controllable spend.

The Leader sought a view from Members on the level of Council tax rise that they thought would be reasonable. There would be difficult choices during the current budget process. Factors involved in forming a view could include the financial position of the Council, the struggle people were having in the current economic situation and the impact of the capital grant settlement. The Assistant Chief Executive & Chief Finance Officer added that key issues were the level of inflation and a concern over people's ability to pay. She gave some indication of the effect of reducing the figure, explaining that a 0% figure would mean a deficit in the first year.

During discussion a member commented that it was a question of balance, with choices to be made between savings and services and the individual Scrutiny Committees would make comments based on the detailed consideration of programme areas. One member felt that the current assumption of 3.75% was reasonable but generally there was a view that the figure should be below 3%. There was a recognition that it would be difficult for it to be much below that figure. The Chairman commented on his wish to see a figure below 3% but at the same time to protect statutory and vital services.

RESOLVED:

a) as more particularly referred to above the Committee commented on the uncertainty surrounding budget assumptions; sought explanation of the figure included for inflation and noted the importance of the investment to save approach;
b) to 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) to note the individual member comments made on the appropriateness of the Council tax figure included in the existing MTFP and that generally there was a view that given the current economic position the figure should be kept below 3%; and

d) to invite the Chairmen of the Service Scrutiny Committees to attend the Strategy & Partnerships Scrutiny Committee on 17th December 2009 to comment on the capital proposals.

24/09 SCRUTINY OF PARTNERSHIPS

(Agenda No. 6)

RESOLVED: to:

(a) receive an overview of partnerships, looking at responsibilities and accountability, including the role of the Public Service Board; and

(b) agree that the timetable for looking at particular partnerships be based on seeing those longest established first and newer partnerships later.

.... in the Chair

Date of signing 2009

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Division(s):

ITEM 5

STRATEGY & PARTNERSHIPS SCRUTINY COMMITTEE

17 DECEMBER 2009

SERVICE AND RESOURCE PLANNING 2010/11 – 2014/15

Report by Assistant Chief Executive & Chief Finance Officer, Director for Environment & Economy and Director for Community Safety & Shared Services

Introduction

1. This report forms part of a series relating to the Service and Resource Planning process for 2010/11 to 2014/15, and provides Scrutiny Committee Members with an opportunity to consider efficiency strategies for 2010/11 and the medium term for their programme area. Annex 1 provides background information on the financial context. More detailed information is provided in the Service & Resource Planning report to Cabinet on 15 September 2009.

2. The following annexes are attached:

Annex 1 :	Financial context
Annex 2a :	Shared Services Business Improvement & Efficiency Strategy
Annex 2b :	Corporate Core Business Improvement & Efficiency Strategy
Annex 2c :	Environment & Economy Business Improvement & Efficiency Strategy
Annex 2d :	Corporate & Cross Directorate pressures
Annex 3 :	Report to Strategy & Partnerships Scrutiny Committee 25 November 2009 (Appendix 1: Summary of Identified Pressures and Proposed Savings)
Annex 4 :	Capital Project Proposals
Annex 5 :	Draft Capital Strategy
Annex 6 :	Draft Asset Management Plan

Service and Resource Planning process 2010/11

3. The Service & Resource Planning framework is designed to enable managers to plan for their service within available resources over the medium term. The underlying process for 2010/11 remains the same as in previous years but the emphasis is on identifying adequate and acceptable plans to achieve the savings targets issued to Directorates in July 2009.

4. Directorate efficiency strategies and 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. A report to Strategy & Partnerships Scrutiny Committee on 25 November provided the overarching business efficiency strategy and the individual Directorate strategies (including pressures identified and proposals for savings).

5. An update on the Service & Resource Planning process will be reported to Cabinet on 15 December 2009. The Cabinet will finalise their budget proposals and propose the Revenue and Capital Budget for 2010/11 – 2014/15 on 19 January 2010, taking into consideration comments from Strategy & Partnerships Scrutiny Committee on 14 January 2010

6. This report provides the context for the current position, set out in Annex 1, based on the Service & Resource Planning report to Cabinet in September 2009 and includes the Business Improvement and Efficiency Strategy for the relevant Directorates at Annex 2. For reference, the report to Strategy & Partnerships Scrutiny Committee is attached at Annex 3.

7. The scrutiny committee is invited to consider and comment on the strategies plus the identified pressures and proposals for savings contained therein.

Identified Pressures and Proposed Savings

8. The below sets out a summary of identified pressures and proposals for savings within this scrutiny committee's programme area. These form part of the overall position set out in the Strategy & Partnerships Scrutiny Committee report on 25 November 2009.

Directorate	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Shared Services					
Total pressures	0	0	117	233	233
Total savings	-814	-1,047	-1,122	-1,122	-1,122
Net saving	**-814**	**-1,047**	**-1,005**	**-889**	**-889**
Corporate Core					
Total pressures	2,642	2,175	2,743	3,159	3,371
Total savings (#)	-3,768	-3,846	-4,662	-5,230	-5,442
Net saving	**-1,126**	**-1,671**	**-1,919**	**-2,071**	**-2,071**
Environment & Economy (Property Services)					
Total pressures	1,157	1,691	1,708	2,080	2,080
Total savings	-1,920	-2,870	-3,940	-3,358	-3,173
Net saving	**-763**	**-1,179**	**-2,232**	**-1,278**	**-1,093**
Corporate & Cross Directorate					
Total pressures	1,700	2,500	2,500	5,200	6,600
Total for Strategy & Partnerships					
Total pressures	5,499	6,366	7,068	10,672	12,284
Total savings	-6,502	-7,763	-9,724	-9,710	-9,737
Net saving (-)/Pressure (+)	**-1,003**	**-1,397**	**-2,656**	**+962**	**+2,547**

(#) Excluding CC26 Coroner's Service included in Safer & Stronger Communities.

9. Pressures identified for the Scrutiny area total £5.499m in 2010/11 rising to £12.284m in 2014/15. Savings identified total £9.737m giving a net pressure of £2.547m.

Capital Programme

10. The timetable for consideration of capital is slightly later than the consideration of revenue. Given this, at their meeting on 25 November 2009, this committee agreed to invite the chairmen of the individual Scrutiny Committees to attend this meeting to comment on the capital proposals.

11. The Capital Investment Board (CIB), acting as the Capital Star Chamber met on 24 November 2009 to understand and challenge the existing capital programme priorities and emerging capital investment proposals and bring the Capital Programme to a balanced position with sufficient level of contingency.

12. In order to facilitate this process, a review of all programme items currently not legally committed has been carried out. Given that it is harder to restrict or reallocate the funding for Transport and Schools programmes in the short term, in order to bring the Capital Programme back within its envelope, it was agreed to review, in detail, the uncommitted schemes under the Other Services Programme.

13. There are then further proposals which have been identified through the asset management planning and capital investment need identification process. Of these new proposals a number are proposed for revenue funding through the Business Improvement & Efficiency Strategies.

14. The Capital Project Proposals along with drafts of the Capital Strategy and the Corporate Asset Management Plan are attached at Annexes 4 to 6 respectively for consideration.

15. The outcome of this committee's considerations will be reported back to the CIB on 5 January 2010 to formulate final recommendations on capital investment priorities to the Cabinet. In the same meeting, the CIB will consider the revised versions of the CS and the AMP. Final versions of the CS and the AMP will be considered by Cabinet as part of the Service & Resource Planning report in January 2010. This report will also include a fully updated Capital Programme which will capture any new inclusions and any changes to the programme.

Financial and Legal Implications

16. This report is mostly concerned with finance and the implications are set out in the main body of the report. Under the Local Government Finance Act 1992, the Council is required to set a budget requirement for the authority and an amount of Council Tax. This report provides information on the financial position for the authority which forms a basis for those requirements, leading to the budget requirement and Council Tax being agreed in February 2010.

RECOMMENDATION

17. **The Scrutiny Committee is invited to consider and comment upon**
    (a) **The Directorate Efficiency Strategies plus the identified pressures and proposals for savings contained therein; and**
    (b) **The Capital Project Proposals plus the draft Capital Strategy and draft Corporate Asset Management Plan**

SUE SCANE
Assistant Chief Executive & Chief Finance Officer

HUW JONES
Director for Environment & Economy

JOHN PARRY
Director for Community Safety and Shared Services

Contact Officers: Lorna Baxter – Assistant Head of Finance (Corporate Finance)

Tel. 01865 323971

December 2009

Annex 1

Financial Context

1. The current Medium Term Financial Plan (MTFP) for the period 2009/10 to 2013/14 was agreed by the Council in February 2009. For 2010/11, this assumed an indicative Council Tax increase of 3.75% based on a budget requirement of £391.1m. However, as set out in the Service & Resource Planning report to Cabinet on 15 September 2009, it is likely that the global financial position will impact on our Medium Term Financial Planning, and on our ability to maintain the assumptions underpinning that.

2. The following table sets out the assessment of the estimated changes to the financial position for 2010/11 and the medium term compared to the MTFP agreed by Council in February 2009.

	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
Estimated Funding					
Central Government Grant		-7.8	-8.8	-9.9	-9.9
Council Tax (precept)	-1.4	-5.7	-9.7	-10.1	-10.6
Council Tax surpluses/deficits	-0.8	-0.5	-0.5	-0.5	-0.5
Total Funding	**-2.2**	**-14.0**	**-19.0**	**-20.5**	**-21.0**
Planned Expenditure					
Identified pressures	6.5	13.0	20.0	30.4	34.0
Savings required[1]	-16.2	-30.5	-44.4	-55.0	-55.0
Carry Forward of Savings	7.5	3.5	5.4	4.1	
Total Expenditure	**-2.2**	**-14.0**	**-19.0**	**-20.5**	**-21.0**

Changes to Estimated Funding

3. The estimated funding is the total external funding available to the Council after taking into account expenditure funded by specific grants and income raised through fees and charges. It includes Revenue Support Grant, National Non Domestic Rates, Council Tax (precept) income and the county council's share of the district councils' collection fund surpluses or deficits. The Service & Resource Planning report to Cabinet in September set out the changes in assumptions from those in the MTFP as follows:

Central Government Grant

4. 2010/11 will be the final year of the Local Government Finance Settlement for 2008/09 to 2010/11. Whilst the grant for 2010/11 will not be confirmed until January 2010, it is not expected to change. Oxfordshire is expected to receive £106.3m in 2010/11, a 1.5% increase from 2009/10.

[1] The MTFP agreed in February included an additional £5.0m of savings to be made; these savings had not been identified and are required in addition to the £55.0m shown in the table.

5. The next Comprehensive Spending Review which will set out the expected grant for the three years 2011/12 to 2013/14 is not now likely to be published until October 2010 (assuming a general election in June 2010). The MTFP currently includes annual increases of 1% beyond 2010/11. Given the current level of public sector borrowing and the likely need to reduce expenditure to compensate, the expectation is that there will be no increase in grant for the three year period up to 2013/14. Each 1% change in grant equates to approximately £1.1m.

6. As part of the Revenue Support Grant, Oxfordshire is expected to receive £6.7m of 'Damping grant' in 2010/11. This ensures that Oxfordshire receives the minimum grant increase set by the Government. A possible outcome of the next Comprehensive Spending Review could be that this support could be reduced or it may even cease completely.

<u>Council Tax (precept)</u>

7. The planned Council Tax increase for 2010/11 and the medium term set out in the agreed MTFP is 3.75%. The taxbase, representing the number of properties Council Tax can be collected from, is assumed to increase by 0.5% in 2010/11 and 2011/12, and 0.75% thereafter. Since agreeing the MTFP, there has been no sign of recovery in new house building. With growth of only 0.39% in 2009/10, an increase of 0.5% in 2010/11 now looks very unlikely. Consequently the updated assumption is that there will be no growth in 2010/11 and only 0.25% in 2011/12. The impact of this is to reduce the total funding available by £1.4m in 2010/11 rising to £2.2m in 2011/12. The actual taxbase for each of the district councils will not be confirmed until January 2010.

8. Should the Conservative Party win the next general election, a Conservative government would work with local government to freeze council tax for two years. The impact of reducing council tax increases to 2.5% for the two years 2011/12 and 2012/13 has been included in the current assumptions.

<u>Council Tax surpluses/deficits</u>

9. The county council's share of the district councils' Collection Fund surpluses and deficits was £1.95m in 2009/10. The MTFP assumes £0.8m in 2010/11 and £1.25m in each year beyond. The lower figure for 2010/11 reflected the likelihood that in the short term the amount of bad debts from Council Tax could increase, lowering the income through the Collection Fund. Due to rising unemployment and the likelihood that it may take some time to recover from the recession, this position could no longer be realistic. At this stage it is prudent to assume that there will be no surplus in 2010/11 and reduced surpluses of £0.8m in each year beyond then. The impact of this is to reduce the one-off funding available in each year. As with the taxbase, figures will not be confirmed until January 2010.

Planned Expenditure

Starting point for the 2010/11 budget

10. The starting point for the 2010/11 budget is the 2009/10 budget adjusted for those items set out in the agreed MTFP for 2009/10 - 2011/12[2]. These include inflation, previously agreed budget changes and function changes.

11. Planned savings of £4.8m for 2010/11 are already built into the MTFP, as well as savings of £5.0m for each year from 2011/12 to 2013/14. When the MTFP was agreed by Council in February 2009, further savings of £2.5m in 2010/11 rising to £5.0m in 2011/12 were required but not identified at that stage.

Changes to Planned Expenditure since February 2009

12. Since the budget was agreed, the financial position has been under continuous review. Pressures relating to the medium term have already been identified which require changes to the planning assumptions. These reflect the scale of the national and global recession, changes in legislation and pressures in the cost of services. The pressures which have been identified are:

<u>Global recession</u>

13. Impacts on Strategic Measures: Whilst CPI and RPI inflation measures are reducing as expected, the Baxter index (which is based on construction indices and applied to developer contributions) is not falling so fast or expected to fall as far. It is currently assumed that an extra £1m may be required. Assuming that the rate of deposit remains more in line with the base rate, the amount of income earned on deposits in 2010/11 could be £0.5m lower than budgeted.

14. The MTFP already includes £6m in 2011/12 for the possible increased costs of the employer's pension contributions following the next triennial valuation due to take place in April 2010. The position based on an assessment in June 2009 showed that the cost could be £2.5m higher than already assumed.

<u>Government legislation</u>

15. If responsibility for concessionary fares is transferred to county councils, there would be a shortfall in funding currently estimated to be £3.0m from 2011/12.

16. Further increases in landfill tax of £8 per tonne for each year from 2011 were announced in April 2009. This will cost an additional £1.5m each year, reaching £6.0m by 2014/15.

17. The Carbon Reduction Commitment (CRC) legislation to address climate change and energy saving was passed in October 2008. However, the details and financial implications of the scheme were only announced in the spring 2009. it is estimated that the cost could be £0.1m in 2010/11 rising to £0.2m in 2012/13. When trading commences, the costs may be much more significant and could be £1.0m in 2013/14 rising to £1.5m in 2014/15 although this will depend upon the Council's performance on carbon reduction.

[2] Part of the Service & Resource Planning – Financial Plan 2009/10 to 2013/14 document

Directorate pressures

18. In previous years budgets there have been pressures in Directorates which the Council made a decision to fund. As referred to earlier, in setting the budget and MTFP in February 2009, identified pressures were built in. However, there are likely to be some further pressures which arise that will need to be managed. Over the medium term, it is estimated that pressures required to be funded are £6.5m in 2010/11 rising to a total of £21.5m by 2014/15. These include pressures in Children and Families in Children, Young People & Families and the implications of changes in eligibility for Continuing Care within Social & Community Services.

Savings Targets

19. Adding together the effect of the funding and expenditure changes gives a total of £60.0m. Of that £21.0m relates to reduced funding, £34.0m to pressures and £5.0m to the unidentified saving built into the MTFP. The level of reduced funding will be a real reduction in the level of expenditure (ie. it will reduce the overall Budget Requirement), but the remaining savings identified will be recycled to fund continuing or new pressures within the overall funding available.

20. To ensure that pressures identified can be managed across the medium term, savings targets totalling £60m as shown in the following table were allocated to Directorates to be addressed though the business planning process.

Directorate	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	TOTAL £m
Children, Young People & Families	4.4	3.9	3.2	2.5	14.0
Social & Community Services	8.1	7.2	6.1	4.6	26.0
Environment & Economy	3.4	3.1	2.6	1.9	11.0
Community Safety & Shared Services	1.6	1.4	1.1	0.9	5.0
Corporate Core	1.3	1.1	0.9	0.7	4.0
TOTAL	**18.8**	**16.7**	**13.9**	**10.6**	**60.0**

21. The savings identified through this process are included as part of the Efficiency Strategies along with any additional pressures.

Annex 2a

Business Improvement and Efficiency Strategy

2010/11 – 2014/15

Shared Services

Context for Shared Services

Director	**John Parry**
2009/10 gross budget	£28.9m
2009/10 FTE	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.

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

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.

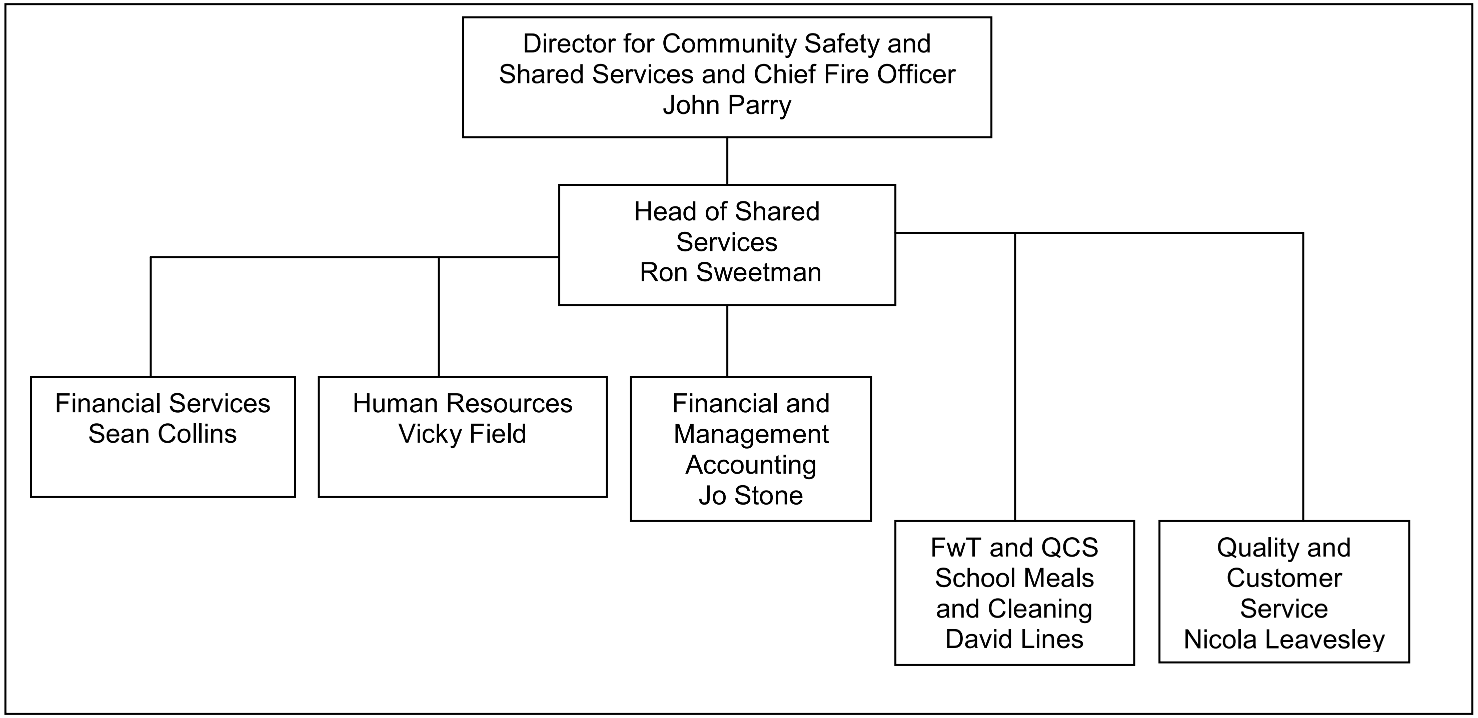
4. Quest Cleaning Services (QCS) and Food with Thought (FwT)

   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:

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

Shared Services' savings

Head of Service	**Ron Sweetman**
2009/10 gross budget	£28.9m
2009/10 FTE	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
	TOTAL FINANCIAL MANAGEMENT SAVINGS			**-481**	**-674**	**-674**	**-674**	**-674**
SS5	Accounts payable – automation of processes	ES	MED	-70	-70	-70	-70	-70
	TOTAL FINANCIAL SERVICES SAVINGS			**-70**	**-70**	**-70**	**-70**	**-70**
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
	TOTAL FOR HUMAN RESOURCES SAVINGS			**-200**	**-240**	**-315**	**-315**	**-315**
SS9	Review of office services			-63	-63	-63	-63	-63
	TOTAL SHARED SERVICES SAVINGS			**-814**	**-1,047**	**-1,122**	**-1,122**	**-1,122**

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

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Business Improvement and Efficiency Strategy

2010/11 – 2014/15

Corporate Core

Context for Corporate Core

Director	**Joanna Simons**
2009/10 gross budget	£35.2m
2009/10 FTE	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.

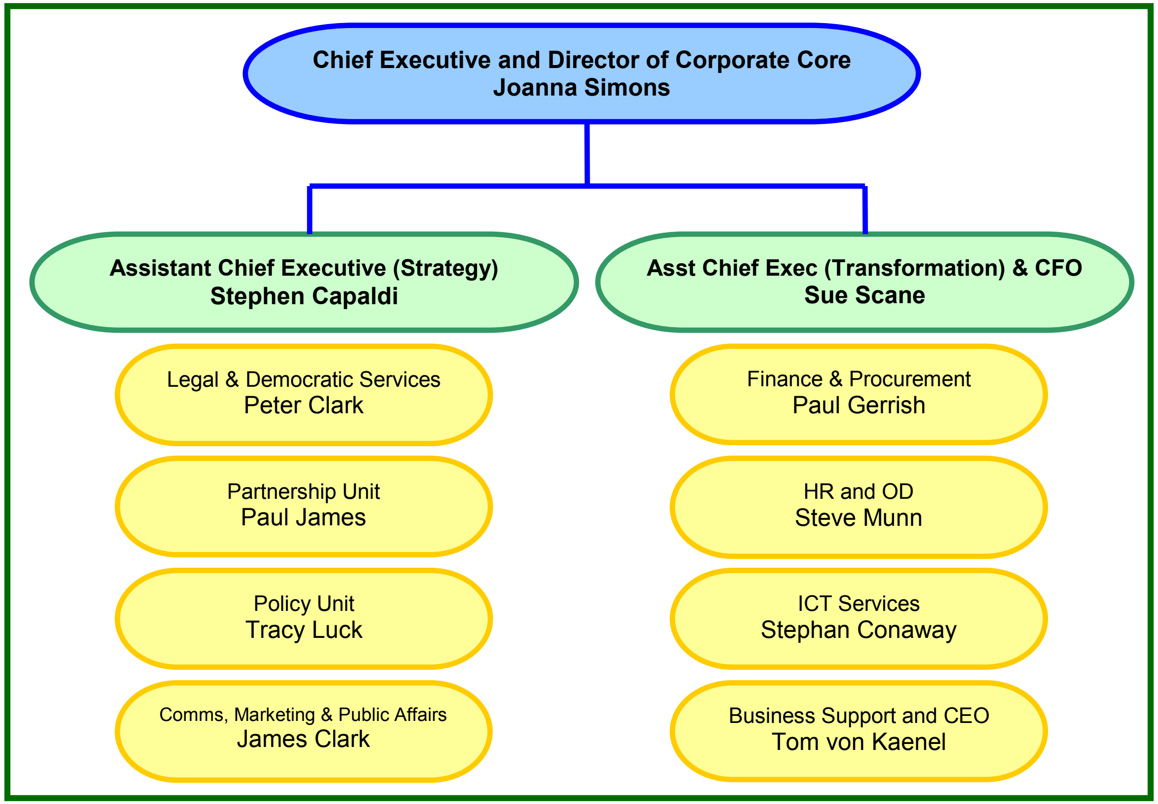
Cumulative	**2010/11 £000**	**2011/12 £000**	**2012/13 £000**	**2013/14 £000**	**2014/15 £000**
Total pressures (see page 7)	2,642	2,175	2,743	3,159	3,371
Total Savings Proposed	-3,768	-3,858	-4,674	-5,242	-5,454
Net Position	**-1,126**	**-1,683**	**-1,931**	**-2,083**	**-2,083**
Savings target	-1,250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

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
	Total Pressures	**2,419**	**1,607**	**1,799**	**1,806**	**2,018**
	MTFP 2009/10 to 2013/14 – savings still to be identified	223	568	944	1,353	1,353
	Total Pressures & previously agreed savings to be identified	**2,642**	**2,175**	**2,743**	**3,159**	**3,371**

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:

ES	Efficiency Savings (achieve the same outputs for less resource or additional outputs for the same resource)	**SR**	Service Reduction (providing a lower level of service and/or a lower level of quality for the same/less money)
IG	Income Generation (increased charges or increased volume, or new charge)	**O**	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

Head of Service	**Stephan Conaway**
2009/10 gross budget	£18.4m
2009/10 FTE	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
	TOTAL ICT Savings			**-2,565**	**-2,015**	**-2,469**	**-2,737**	**-2,949**

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

Head of Service	**Steve Munn**
2009/10 gross budget	£2.6m
2009/10 FTE	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
	TOTAL Human Resources and Strategic Organisational Development Unit Savings			**-82**	**-136**	**-239**	**-326**	**-326**

Finance and Procurement Unit

Head of Service	**Paul Gerrish**
2009/10 gross budget	£3.6m
2009/10 FTE	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
	TOTAL Finance & Procurement Savings			**-118**	**-202**	**-245**	**-360**	**-360**

Chief Executive's Office and Business Support

Business Manager	**Tom von Kaenel**
2009/10 gross budget	£1.4m
2009/10 FTE	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.

EFFICIENCIES AND SAVINGS (CUMULATIVE)

REF	**DESCRIPTION**	**TYPE**	**RISK**	**2010/11 £'000**	**2011/12 £'000**	**2012/13 £'000**	**2013/14 £'000**	**2014/15 £'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
	TOTAL Chief Executive's Office and Business Support Savings			**-27**	**-160**	**-160**	**-160**	**-160**

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

Head of Service	**Peter Clark**
2009/10 gross budget	£4.0m
2009/10 FTE	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
	TOTAL Legal and Democratic Services Savings			**-161**	**-173**	**-240**	**-338**	**-338**

Members' budget

Head of Service	**Peter Clark**
2009/10 gross budget	£1.5m
2009/10 FTE	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
	TOTAL Members' Budget Savings			**-25**	**-41**	**-73**	**-73**	**-73**

Partnerships Unit

Head of Service	**Paul James**
2009/10 gross budget	£0.9m
2009/10 FTE	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
	TOTAL Partnerships Unit Savings			**-25**	**-61**	**-101**	**-101**	**-101**

Policy Unit

Head of Service	**Tracy Luck**
2009/10 gross budget	£1.7m
2009/10 FTE	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
	TOTAL Policy Unit Savings			**-134**	**-164**	**-191**	**-191**	**-191**

Communications, Marketing and Public Affairs Unit

Head of Service	**James Clark**
2009/10 gross budget	£0.8m
2009/10 FTE	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
	TOTAL Marketing, Communications and Public Affairs Savings			**-30**	**-69**	**-119**	**-119**	**-119**

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

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

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

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Annex 2c

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**
2009/10 Gross Budget	£101m
2009/10 FTE	592

Cumulative	**2010/11 £000**	**2011/12 £000**	**2012/13 £000**	**2013/14 £000**	**2014/15 £000**
Total Pressures (including previously agreed savings not identified)	5,256	11,020	12,815	16,869	18,830
Total Savings Proposed	-8,571	-12,615	-15,525	-19,763	-20,270
Net Position	**-3,315**	**-1,595**	**-2,710**	**-2,894**	**-1,440**
Savings Target	-3,439	-6,508	-9,054	-11,000	-11,000
Position compared to target	**124**	**4,913**	**6,344**	**8,106**	**9,560**
Less Pressures included in £60m	0	-4,500	-6,000	-7,500	-9,000
Adjusted Position compared to target	**124**	**413**	**344**	**606**	**560**
Staffing Changes in Full Time Equivalents (FTEs)	**-18**	**-24**	**-36**	**-48**	**-48**

In terms of its key expenditure, the directorate has two primary functions:

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

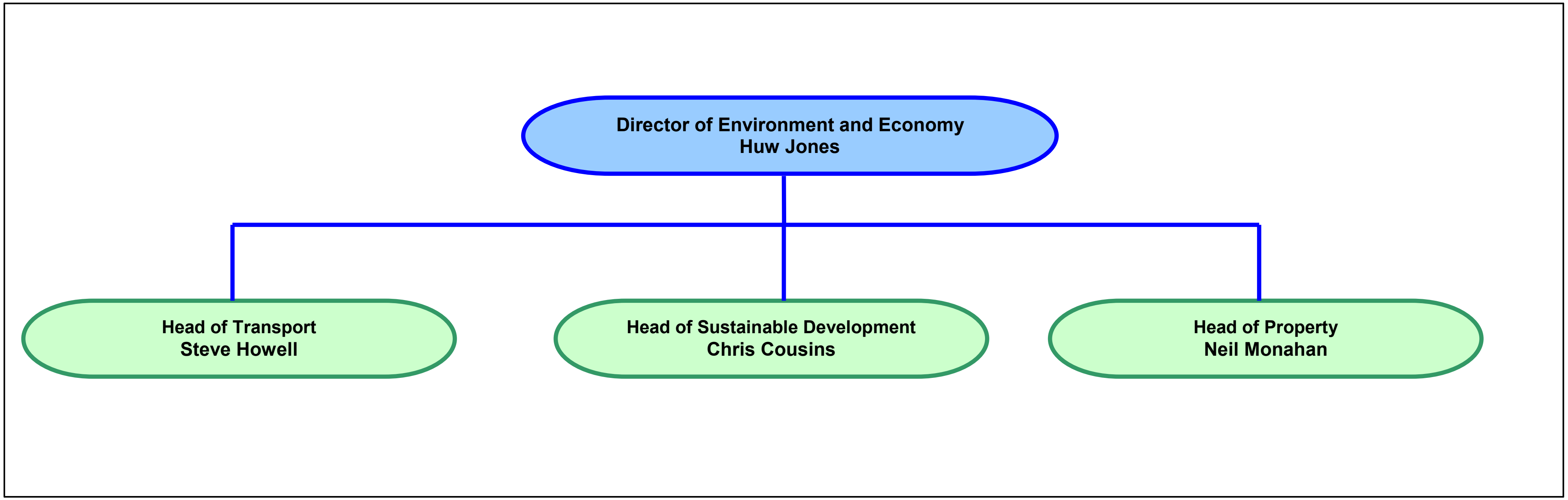
   E & E delivers the critical infrastructure necessary for Oxfordshire's economic and social development. We manage the inter-relationship between the economy, housing growth, the environment, transport infrastructure and business.

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:

ES	Efficiency Savings (achieve the same outputs for less resource or additional outputs for the same resource)
IG	Income Generation (increased charges or increased volume, or new charge)
SR	Service Reduction (providing a lower level of service and/or a lower level of quality for the same/less money)
O	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**
	<u>TRANSPORT</u>					
	<u>POLICY & STRATEGY</u>					
	Concessionary Fares		3,000	3,000	3,000	3,000
	<u>NETWORK MANAGEMENT</u>					
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
	<u>OXFORDSHIRE HIGHWAYS</u>					
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				
TOTAL TRANSPORT PRESSURES		**1,505**	**4,470**	**4,705**	**4,980**	**5,341**

PRESSURES (CUMULATIVE)						
REF	**DESCRIPTION**	**2010/11 £000**	**2011/12 £000**	**2012/13 £000**	**2013/14 £000**	**2014/15 £000**
	SUSTAINABLE DEVELOPMENT					
	Planning Implementation Group					
EEP7	Single planning policy/implementation team (redundancy)	60				
EEP8	Unfunded post min/waste enforcement	30				
	Economy, Spatial Planning & Climate Change					
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		
	Waste Management					
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
TOTAL SUSTAINABLE DEVELOPMENT PRESSURES		**440**	**1,770**	**3,333**	**5,889**	**7,533**

PRESSURES (CUMULATIVE)						
REF	**DESCRIPTION**	**2010/11 £000**	**2011/12 £000**	**2012/13 £000**	**2013/14 £000**	**2014/15 £000**
	PROPERTY SERVICES					
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
TOTAL PROPERTY PRESSURES		**1,157**	**1,691**	**1,708**	**2,080**	**2,080**
	Carbon Management					
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				
TOTAL CARBON MANAGEMENT PRESSURES		**542**	**1,209**	**1,189**	**2,021**	**1,977**

PRESSURES (CUMULATIVE)						
REF	**DESCRIPTION**	**2010/11 £000**	**2011/12 £000**	**2012/13 £000**	**2013/14 £000**	**2014/15 £000**
	DIRECTORATE INTEGRATION					
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
	DIRECTORATE GENERAL					
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
TOTAL DIRECTORATE WIDE PRESSURES		**1,612**	**1,880**	**1,880**	**1,899**	**1,899**

TOTAL ENVIRONMENT & ECONOMY PRESSURES	**5,256**	**11,020**	**12,815**	**16,869**	**18,830**

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

Transport

Service	**Transport**
Head of Service	**Steve Howell**
2009/10 Gross Budget	£50m

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
- Reprofiling 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
	GENERAL							
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		
	POLICY & STRATEGY							
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			
	NETWORK MANAGEMENT							
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	

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EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	**DESCRIPTION**	**TYPE**	**RISK**	**2010/11** £000	**2011/12** £000	**2012/13** £000	**2013/14** £000	**2014/15** £000
	OXFORDSHIRE HIGHWAYS							
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
	TOTAL TRANSPORT SAVINGS			**-3,452**	**-4,507**	**-4,602**	**-4,709**	**-3,900**

Sustainable Development

Service	**Sustainable Development**
Head of Service	**Chris Cousins**
2009/10 Gross Budget	£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.

Not withstanding 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
	General							
EE16	Staff vacancy management	ES	Low	-70	-70	-70	-70	-70
EE17	Car Allowances (10% target)	ES	Low	-8	-8	-8	-8	-8
	Planning Implementation Group							
EE18	Single planning policy/implementation team	ES	Low	-60	-60	-60	-60	-60
	Economy, Spacial Planning & Climate Change							
EE19	Bid from unallocated LABGI fund	IG	Low	-100	-100	-153		
EE20	Additional income – future LABGI or other funding sources	IG				-10	-63	-63
	Waste							
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
	TOTAL SUSTAINABLE DEVELOPMENT SAVINGS			**-1,844**	**-2,703**	**-4,921**	**-7,749**	**-9,249**

EFFICIENCIES AND SAVINGS (CUMULATIVE)								
REF	**DESCRIPTION**	**TYPE**	**RISK**	**2010/11** £000	**2011/12** £000	**2012/13** £000	**2013/14** £000	**2014/15** £000
	Carbon Management							
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
	TOTAL CARBON MANAGEMENT SAVINGS			**-131**	**-879**	**-927**	**-1,812**	**-1,813**

Property

Service	**Property**
Head of Service	**Neil Monaghan**
2009/10 Gross Budget	£18m
2009/10 FTE	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 than 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
	Savings requiring County Council Management Team (CCMT) action							
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
	TOTAL PROPERTY SAVINGS			**-1,920**	**-2,870**	**-3,940**	**-3,358**	**-3,173**

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
	Directorate Integration							
EE45	Integrated Organisational Efficiencies (Management Cost)	ES	Low			-167	-167	-167
EE46	Directorate Integration Efficiencies					-312	-312	-312
	General							
EE47	Budget Inflation Savings	ES	Low	-1,220	-1,652	-1,652	-1,652	-1,652
	TOTAL DIRECTORATE WIDE SAVINGS			**-1,220**	**-1,652**	**-2,131**	**-2,131**	**-2,131**

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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

Service & Resource Planning 2010/11 - 2014/15

Corporate and Cross Directorate Pressures

PRESSURES (CUMULATIVE)						
REF	DESCRIPTION	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
	Cross Directorate					
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
	Strategic Measures					
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
TOTAL CROSS DIRECTORATE PRESSURES		**1,700**	**2,500**	**2,500**	**5,200**	**6,600**

YEAR ON YEAR VARIATION	**1,700**	**800**	**0**	**2,700**	**1,400**

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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
NEW PRESSURES	**19.4**	**18.9**	**7.7**	**18.1**	**11.9**	**76.0**
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
NEW SAVINGS	**-27.6**	**-14.0**	**-12.7**	**-12.1**	**-2.2**	**-68.6**
NET POSITION	**-8.2**	**4.9**	**-5.0**	**6.0**	**9.7**	**7.4**

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
NET POSITION	**-156.3**	**-109.1**	**-158.1**	**-91.4**	**-6.6**	**-521.5**

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 17th 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)

13 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
Corporate and Cross Directorate (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
	Net Pressures	**1.7**	**2.5**	**2.5**	**5.2**	**6.6**
Children, Young People & Families	Pressures	5.1	5.4	6.6	7.7	10.1
	Savings	-5.9	-9.7	-13.3	-16.6	-18.3
	Net Pressures	**-0.8**	**-4.3**	**-6.8**	**-8.9**	**-8.2**
Social & Community Services	Pressures	2.1	3.8	5.6	7.6	12.7
	Savings	-10.2	-19.2	-27.0	-33.6	-33.4
	Net Pressures	**-8.1**	**-15.4**	**-21.4**	**-26.0**	**-20.8**
Environment & Economy	Pressures	5.3	11.0	12.8	16.9	18.8
	Savings	-8.6	-12.6	-15.5	-19.8	-20.3
	Net Pressures	**-3.3**	**-1.6**	**-2.7**	**-2.9**	**-1.4**
Community Safety	Pressures	0.4	0.5	0.8	0.9	0.9
	Savings	-0.9	-1.4	-1.9	-2.6	-2.6
	Net Pressures	**-0.5**	**-0.9**	**-1.1**	**-1.6**	**-1.6**
Shared Services	Pressures	0.0	0.0	0.1	0.2	0.2
	Savings	-0.8	-1.0	-1.1	-1.1	-1.1
	Net Pressures	**-0.8**	**-1.0**	**-1.0**	**-0.9**	**-0.9**
Corporate Core	Pressures	2.6	2.2	2.7	3.2	3.4
	Savings	-3.8	-3.9	-4.7	-5.2	-5.5
	Net Pressures	**-1.1**	**-1.7**	**-1.9**	**-2.1**	**-2.1**
TOTAL	**Ongoing Pressures**	17.2	25.4	31.2	41.7	52.6
	Savings	-30.2	-47.8	-63.6	-78.9	-81.1
	Net Pressures	**-12.9**	**-22.4**	**-32.4**	**-37.2**	**-28.4**

	2010/11	2011/12	2012/13	2013/14	2014/15
Year on Year	**-12.9**	**-9.4**	**-10.0**	**-4.8**	**8.8**

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**
Total	-81.1	5.0	**-76.1**	52.6	30.9	**83.5**	**7.4**		

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

Total	-73.6	5.0	**-68.6**	**45.1**	**30.9**	**76.0**	**7.4**

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ANNEX 4

NEW CAPITAL PROPOSALS

Note 1: The new bid figures in this table are subject to a final review.

No	Locality	Asset/Scheme Name	Description of asset requirements/ Comments	Est. Cost / Total Investment Requirement Post 2010/11 (£000)	OCC Funding Required (SCE, capital receipts, prudential borrowing, revenue) (£000)	EXTERNAL FUNDING (grants, s106, other external contributions or new funding)
1	Banbury	Banbury Connections Centre	Refurbishment of existing Council owned building developing the drop-in and office facility to provide young people with appropriate information, advice and guidance.	100	**100**	-
2	Bicester	Bicester Library	Bicester Library has the most significant shortfall in public space (as defined in standard of square metre per 1,000 population) of any Oxfordshire Library. Plans have, therefore, been agreed in principle to relocate the library to the new first floor premises as part of a civic space in the re-developed shopping centre, at an estimated £3 million (2007). £820,000 has been allocated in the Capital programme with the remainder funded from developer funding and capital receipts. However, the project has been delayed as a result of a change to the original developer and is unlikely to start before 2010/11. It is, therefore, likely that there will be a funding gap as a result of increased costs since the original scheme was put together in 2007. Until a detailed revised scheme is worked up, amount of shortfall is unknown	3,000	**680**	2,320
3	Chipping Norton	Chipping Norton Young People Centre	Co-location fund funded scheme. Partnership funding may not be forthcoming	-	**200**	-
4	Thame	Thame Football Club	Lease premium no longer being offered (paid backed) by Football Club. The project (£3.3m) has £200,000 funding and will be on site by 1st February 2010.	-	**200**	-

ANNEX 4

NEW CAPITAL PROPOSALS

Note 1: The new bid figures in this table are subject to a final review.

5	Oxford City	River Thames Bank Repairs	Repairs to bank of the River Thames throughout Oxford. The towpath is recorded as a public footpath; carries the Thames Path National Trail and is a vital commuting route for walkers and cyclists as well as being an attraction for visitors and local recreational use. A rolling programme of repairs is in place, which has allowed economies of scale to be achieved. Capital sums were allocated in 06/07- 08/09 for essential repairs where we clearly needed to do something, either for Health & Safety or for reputation reasons. Further repairs are being carried out in 09/10 funded from within Transport Service. A final year of capital funding is required to complete the required essential works.	350	**350**	-
6	Oxford City	Riverside Young People's Centre - Rebuild	Complete rebuild on current site as a replacement Young People's Centre equipped for teaching, training and outdoor water sports	3,000	**3,000**	-
7	Oxford City	Rose Hill Young People's centre	New build Young People's Centre on the Rose Hill school site as part of Primary Capital Programme project for new school and nursery, Children's centre, possible community centre, library, area housing office, street warden/police base	2,000	**2,000**	-
8	Oxford City	Saxon Young People's Centre	Refurbishment and extension of existing centre to provide kitchen, meeting and 1:1 spaces.	200	**200**	-
9	Oxford City	Marywood House-Community Centre	Reduction in the capital receipts been agreed by member	-	**200**	
10	Abingdon	The Net Young People's Centre	Project concept & outline feasibility prepared for unsuccessful Myplace bid. Internal adaptations and extension to create café/foyer, improved hall, dance studio, new music practice rooms, AVA area, 1:1 rooms, workshop, multi-use covered external area, changing rooms. Will build on Back on Track funding.	2,900	**2,650**	250

ANNEX 4

NEW CAPITAL PROPOSALS

Note 1: The new bid figures in this table are subject to a final review.

11	Wantage/Grove	Grove Library	To take account of the renewed plans for Grove and its population growth, initial work has been undertaken to re-locate the library to the planned centre of the Airfield development. Developer contributions will be secured but it is unlikely that these will fund the total cost of a new library and the funding gap may be in excess of £500,000	TBC	**500**	-
12	Didcot	Didcot Library	Didcot is also an important county town in an area of significant housing and population growth. Developer funding (approximately £800,000) has been secured to improve Didcot Library and the Town Centre Plan includes an aspiration for a new library in the expanding shopping centre, providing a better location for the library. On the most recent valuations, the sale of the existing library would yield about £1 million. However, based on estimates for Bicester Library and the cost of the new High Wycombe Library (over £2 million), both on first floor locations in new shopping centres, there is still likely to be a shortfall in funding such a scheme. There is as yet no firm timescale for the potential scheme. Until a detailed scheme is worked up, following discussions with SODC, the shortfall between developer contributions and capital receipt, and the cost of the relocated library remain unknown	2,500	**700**	1,800
13	Countywide	Waste Infrastructure Development Programme	Provision of a new Household Waste Recycling Centre incorporating trade waste recycling and disposal facility, Re-use store and vehicle depot	8,150	**3,825**	4,325

ANNEX 4

NEW CAPITAL PROPOSALS

Note 1: The new bid figures in this table are subject to a final review.

14	Countywide	Public Rights of Way Bridges	A significant proportion are large engineering structures of brick, stone or steel over 8m requiring proper asset management. There is currently no recognition in the capital programme of the need to have a rolling programme of replacement as they meet the end of their life (in contrast to other top quartile authorities). There is a need for urgent works to some bridges and full inspection of all >8m structures to form the basis of a prioritized and costed programme for future years. (£100k per annum with a shortfall of £50k per annum ongoing basis contribution with no end date)	100	**100**	-
15	Countywide	Carbon Management Additional Funding	The need is for additional capital funding to help to achieve the Council's commitment to reduce its carbon dioxide emissions by 18% from 2005/6 to 2012. There was a discussion on the commitment at a recent meeting of Council when it was reaffirmed that the Council is committed to achieving the 18% reduction.	TBC	**5,500**	-
			TOTAL		**20,205**	

ANNEX 4

THE CURRENT CAPITAL PROGRAMME: NON- CONTRACTUALLY COMMITTED SCHEMES

No	Locality	Asset/Scheme Name	Description of asset requirements/ Comments	Est. Cost / Total Investment Requirement Post 2010/11 (£000)	OCC Funding Required (SCE, capital receipts, prudential borrowing, revenue) (£000)	EXTERNAL FUNDING (grants, s106, other external contributions or new funding)
1	Banbury	Banbury Library & Mill Art Centre	The replacement of Banbury Library on a site adjacent to The Mill Arts Centre and the consequent improvements to The Mill.	5,625	**5,625**	-
2	Banbury	Banbury Day Centre	Re-provision of the Banbury Day Centre in the ECH development at Strandridge Hall. Complements the ECH development and brings in the involvement of the PCT and likely to report £400k saving	946	**946**	-
3	Bicester	Bicester Library	Part of shopping centre development (£3m total). Additional funding is requested for the scheme under the new proposals.	834	**834**	-
4	Bicester	Bicester Fire Station	Soon to be contractually commited	250	**250**	-
5	Chipping Norton	Contributions to Chipping Norton Town Partnership Programme	Its use is subject to CN Town Partnership-There are already possible need for this money for the access road and co-location project delivery subject to negotiations at the political level.	206	**206**	-
6	Witney/Eynsham	Witney Youth Centre Phase 2	Planned start on site is Jun 10	895	**645**	250
7	Thame	Thame Fire Station	Feasibility has recently been completed with potentially £1.2m additional cost. But the service wants to wait for the result of further studies prior to asking for additional funding given the current capital programme shortfall.	2,250	**1,500**	750
8	Oxford City	Waste Recycling Centre Redevelopment (Redbridge)	Provision of a new Household Waste Recycling Centre incorporating trade waste recycling and disposal facility, Re-use store and vehicle depot	1,100	**656**	444

ANNEX 4

THE CURRENT CAPITAL PROGRAMME: NON- CONTRACTUALLY COMMITTED SCHEMES

No	Locality	Asset/Scheme Name	Description of asset requirements/ Comments	Est. Cost / Total Investment Requirement Post 2010/11 (£000)	OCC Funding Required (SCE, capital receipts, prudential borrowing, revenue) (£000)	EXTERNAL FUNDING (grants, s106, other external contributions or new funding)
9	Oxford City	Central Libraries Refurbishment	Linked with the West-Gate development. Service is likely to request the allocatio to be used for refurbishment of the current facility due to delays in the West-gate development	159	**159**	-
10	Oxford City	Headington Library	Need driven by utterly unfit for purpose library; currently inaccessible; meets strategic objectives of service; meets specific AMP commitment to Headington Library; integral to library transformation programme	63	**63**	-
11	Oxford City	BOP- Macclesfield House ICT node	Part of Better Offices Programme and linked to sale of Macc House	500	**500**	-
12	Abingdon	Abingdon Museum (Contribution)	Allocation was made in 2009/10.	300	**300**	-
13	Wallingford	Wallingford Youth Centre	Planed start on site is Jan 10	1,035	**685**	350
14	Wallingford	Wallingford Fire Station	Project is currently at feasibility stage.	2,378	**1,500**	878
15	Countywide	Chill Out / Youth Capital Fund	£100k Chill Out in 2010/11. Allocation was made in 2009/10	399	**100**	299
16	Countywide	Library Improvement Programme	To be merged with General Library refurbishment programme	101	**101**	-
17	Countywide	General Library Refurbishment	To be merged with Library improvement programme	479	**479**	-
18	Countywide	Museums Resource Programme	Planned start May 10. Linked to £4m Soldiers of Oxfordshire scheme.	494	**494**	-

ANNEX 4

THE CURRENT CAPITAL PROGRAMME: NON- CONTRACTUALLY COMMITTED SCHEMES

No	Locality	Asset/Scheme Name	Description of asset requirements/ Comments	Est. Cost / Total Investment Requirement Post 2010/11 (£000)	OCC Funding Required (SCE, capital receipts, prudential borrowing, revenue) (£000)	EXTERNAL FUNDING (grants, s106, other external contributions or new funding)
19	Countywide	Carbon Management Fund	A programme for delivery recently been agreed to meet the 18% target.	147	**147**	-
20	Countywide	Minor Works	Composed of small improvement schemes; the need for funding beyond the current provision will be reviewed	1490	**1490**	-
21	Countywide	Opportunity Purchase Fund	Allocation to be used for purchase of property asset when opportunity arise	343	**343**	-
22	Countywide	Whole Life Value Pool-Budget Provision	Funding provision to provide funding support schemes to achieve better whole life cost. The need for funding beyond the current provision will be reviewed	400	**400**	-
23	Charlbury	Charlbury Library (Existing Project)	Contribution to Skills Centre (grant funding of £500k). Total project liklely to cost about £1m with further contribution.	1,000	**130**	- 870
			TOTAL		**17,553**	

Capital Proposal (New & Non-Contractually Committed- Proposed to be Funded via Prudential Borrowing (Service- Annex 3 Savings pay the cost of borrowing)

Annex 4

Note 1: The new bid figures in this table are subject to a final review.
Note 2: The schemes highlighted in grey are already in the capital programme. However, they are not contractually committed.

No	Locality	Asset/Scheme Name	Description of asset requirements	Est. Cost (£000)	Shortfall in funding? (£000)	Delivery required before end of
1	Oxford City	Oxfordshire Record Office	Provision of mezzanines in order to store heritage collections from Oxfordshire Studies, and provide public access to them. £130,000 pa revenue saving	430	250	2011/12
2	Abingdon	Old Station House-Servite Contract	Ending of Deficit Funding Agreement with Servite and transfer of home to Oxfordshire Care Partnership. If funded through Prudential Borrowing will produce a net annual saving of £149.000.	1,300	1,169	2010/11
3	Countywide	ECH- Care Facilities Additions Programme	Add care facilities to existing sheltered scheme. Average savings of £3k pa per client compared to other service option x 60 clients = £160k pa. Substitute residential / home support costs with new core and cluster ECH services	900	900	2011/12
4	Countywide	Introduction of RFID (Radio frequency identification) self service in Libraries	RFID Self Service in Oxfordshire Libraries is a key project within the Library Service Transformation Programme. There are two key objectives - firstly to achieve significant efficiency savings through a reduction in the numbers of front line staff in the larger libraries, and secondly, to enhance the service to the public by delivering quicker transactions (less queuing); more privacy for borrowing; and additional customer space due to smaller counters. The project will purchase and install RFID tags on all stock in Oxfordshire Libraries and introduce RFID self service terminals into the 12 largest libraries. The project has been costed at 1.26 million. It is anticipated that this will be fully funded by developer funding contributions - a report to go to Capital Steering Group to approve this. Deliver savings of £256,000 per annum (this figure takes account of the revenue maintenance costs associated with RFID)	1,260	329	2010/11
5	Countywide	HOPs Phase 1 new builds.	By funding the building cost of these homes through a capital route it avoids this cost being added to the bed price and thereby produces the revenue savings. (Chipping Norton, Bicester and Banbury). Assumes funding though Prudential Borrowing. Will produce an annual net revenue saving of £ £354,000	13,100	13,108	2011/12
6	Countywide	ECH- Land Acquisition Programme	Capital required to purchase land or part-purchase land in partnership with provider. Henley is a priority area for OCP contract care home reprovisioning and will be a key step in the aspirations of the ECH programme. ECH - Average savings of £3k pa per client compared to other service option	4,700	4,700	2010/11
7	Countywide	HOPs Phase 2 Strategy	HOPs Phase 2 Strategy- The ECH will deliver approx. £ p.a. savings and these plus the new care homes will produce increased c apcity in the contract thereby provinging increased revenue cost avoidance. will inc ring-fencing of £4.1m capital receipts to the development and delivery of HOP Phase 2	5,330	1,260	
8	Witney/Eynsham	Moorland Centre	Redevelopment of site by partner RSL for special needs housing for adults with LD. The £400,000 is the capital receipt for the Moorland Centre site already accounted for in the capital programme. It is likely that the RSL will actually pay part of this receipt so £400,000 is a worst case scenario. By moving these clients to this new accommodation a £80,000 p.a. saving on their current accommodation costs	400	400	2010/11
9	Oxford City	Marywood	Redevelopment of site by partner RSL for special needs housing for adults with LD and some general needs housing. We currently have LD clients in unsatisfactory accommodation and this site would reporvide for those clients in the most cost effective way. We would anticipate achieving some capital receipt for this site from the RSL but it will be reduced form the figure currently accounted for. The £450,000 is a worst case scenario	TBC	450	2011/12
10	Countywide	ECH- Programme in the Current CP	Purchase of sites. Additional funding is being requested for the land acquisition strategy.	650	650	2010/11
11	Countywide	New Adult Services System	Purchase, installation and implementation of the new adult services ICT system. £400k ICT grant may be used to reduce the corporate resources requirement. Service is considering this possibility.	2,000	1,950	2011/12
			Total		**25,166**	

ANNEX 5

OXFORDSHIRE COUNTY COUNCIL

THE CAPITAL STRATEGY (DRAFT)

2010/11 to 2014/15

DOCUMENT INFORMATION

VERSION HISTORY

The following outlines the high level changes that have been made to each version of this document and who made them:

Version	Notes	Changed by & Date
1	Draft prepared by Arzu Ulusoy- Shipstone in consultation with Directorates and Head of Finance & Procurement	26th November 2009
2	Head of Finance & Procurement	30th November 2009
3	Capital Programme Board	2nd December 2009
4	CCMT	9th December 2009
5	Arzu Ulusoy-Shipstone following S&P Scrutiny Committee	17th December 2009
7	Capital Investment Board	5th January 2010

SIGN OFF

Accepted by: The Cabinet

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Approved by: The Council

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REVIEW DATE

This document will be reviewed yearly from date of approval.

Preface

The Capital Strategy is a policy document that outlines Oxfordshire Council's approach to capital investment over the next five years. It is closely linked to other key strategic and policy documents, such as

- The Oxfordshire 2030
- The Corporate Plan
- The Asset Strategy and the Asset Management Plan
- The Local Transport Plan
- Service Business Plans and Asset Management Plans
- The Medium Term Financial Plan and the Treasury Management Strategy

The Capital Strategy is a response to the capital investment needs resulting from those key documents. It outlines how the Council's limited existing capital resources should be used, and how the capital resources potentially available should be maximised to effectively address the capital investment needs.

It is inevitable that the level the capital resources required to meet capital investment needs and aspirations will exceed the actual resources available. Therefore, one of the key purposes of the Capital Strategy is to ensure that no capital programme or project proposal is approved without determining whether there are better ways of achieving the stated objectives or better ways of using the available resources.

The Council will try to seek and employ a variety of different resources to close the funding gap. In this context, the second key purpose of the capital strategy is to ensure that capital investment plans are affordable, prudent, sustainable and demonstrates value for money.

This Capital Strategy covers these critical issues in three main sections:

- *Delivering Corporate Priorities through Capital in a Challenging Financial Environment*; in this section the capital needs and aspirations of the Council are presented in the context of national and local pictures, the Council's existing asset base, and the climate change and sustainability agendas.

- *Capital Strategy's Response to Needs and Priorities*; in this section the responses of the capital strategy to key capital investment challenges are presented in the short, medium and long-term.

- *Capital Programme- Governance, Development & Implementation*; in this section the capital investment policies, governance and decision-making structures are described.

The Council also plans to develop a longer-term capital investment strategy on a 10-15 year horizon to respond to the identified capital investment needs. This will be in conjunction with and follow the development of the Local Investment Plan, the Local Transport Plan 3 and the long-term Property Strategy.

1. Introduction

1. The Capital Strategy sets out the County Council's capital investment plans and explains how capital investment contributes to the Council's Vision and Priorities. It shows how the Council prioritises, targets and measures the performance of its limited capital resources. It also shows how the Council intends to maximise the value of its investment to support the achievement of its vision and priorities. It provides the framework for determining capital spending plans and the effective use of the Council's limited capital resources.

2. The areas considered by the Capital Strategy are

   - The challenging financial environment and the level and use of resources
   - The delivery of corporate priorities and infrastructure needs through capital investment
   - A robust, appropriate and sustainable financial strategy
   - Capital governance and decision-making

2. The Council's Vision and Priorities

3. The Vision for Oxfordshire is set out in the Corporate Plan.

   'We will deliver prosperity and security for the people of Oxfordshire by encouraging economic growth while improving the quality of life and environment for those living and working in the county."

4. The County Council has four corporate priorities: world class economy, healthy and thriving communities, better public services, and environment and climate change. There is also the cross-cutting theme of Breaking the Cycle of Deprivation, which focuses on reducing the gap between the most and least affluent, targeting areas where resources are most needed.

5. The Council already manages a significant capital investment portfolio, which addresses the priorities identified within the Corporate Asset Management Plan (CAMP) and the Local Transport Plan (LTP).

6. The Capital Strategy builds on the 2009/10 Strategy and previous strategies, and emphasises the significant contribution that the capital programme can make in delivering the four corporate priorities and in bringing benefits for wider communities. It also seeks to ensure that resources are used in the most efficient way and support the Council's objectives most effectively.

3. Delivering Corporate Priorities through Capital Investment in a Challenging Financial Environment

3.1. National Picture

3.1.1. Current Economic Conditions

7. The UK Economy is still in recession although there have been signs of modest growth recently. There is uncertainty about the strength of the recovery and this is reflected in the forecast growth of 1% for 2010. Recovery in employment levels could take up to 5 years. These conditions place a higher demand on public services and significantly affect two critical resources for the capital programme: capital receipts and developer contributions.

8. In the past, the one consistent factor in the funding of the capital programme has been the income derived from the sale of council assets. This has meant that the Council has not only benefited from a stable and predictable income stream but has also been able to use the increased value of capital receipts to deal with cost increases across the portfolio and bring more projects into the capital programme. However, during 2009, the Council has experienced both a sharp reduction in the value of capital receipts and delays in the delivery of the disposal programme.

9. A second key source of funding for infrastructure delivery over the last five years has been developer contributions. There have been significant contributions to the transport and schools programmes and, to a lesser extent, to the other programmes. However, the Council is witnessing increasing demands from developers to reassess and renegotiate both the need for contributions for infrastructure secured through planning obligations (S106) and the terms applied to these contributions. This is because of the slow down in the housing market and related viability and timing issues raised by private developers.

3.1.2. Local Government Finances

10. The scale of national debt means it is likely that public spending will be reduced by £50 billion over the next 4 to 5 years. It is expected that capital spending by the public sector will go down sharply and recover slowly. Local authorities are likely to receive significantly lower settlement from central government from 2011/12 onwards. This affects the capital programme in two ways:

    - capital allocations[1], which make up about 39% of the Council's capital resources, may be cut by 30% to 50%.
    - a squeeze in revenue budget allocations will make it very difficult for the Council to take up unsupported borrowing or to increase its prudential borrowing provision significantly.

[1] This includes supported borrowing and grant settlements from the central government.

11. It is clear that national government will be further challenging local authorities *to tighten* their asset management strategies. As a major owner and occupier of property, local authorities will be required to justify holding land and buildings and to dispose of assets that are surplus to requirements. It is expected that this will lead to further pressure being placed on local authorities to sell major assets.

3.1.3. The Total Place Agenda

12. In the context of the Total Place agenda national government departments are expected to bring further flexibility to the use of the settlement allocations already sent to the Council as a single pot. It is expected that this approach will bring improvements in outcomes for a place through a joined-up approach in service delivery.

13. Although in theory, capital settlements come as the Single Capital Pot and could be allocated at the Council's discretion, in practice, the funding for Transport and Schools comes from the Departments of Transport and Children Schools & Families respectively. It is likely that the total place agenda will have an influence on how these allocations will operate in the future through the Capital Spending Review 2010. The Local Transport Plan 3 already signals this change in approach at the national level.

3.2. Local Picture

3.2.1. Population

14. Oxfordshire's population is around 632,000 and the county's area is 260,500 hectares. It is the most rural county in the South East region; over 50% of Oxfordshire's population live in settlements of fewer than 10,000 people. The largest settlement is Oxford city with a population of 149,100. A quarter of Oxfordshire's population live in the city of Oxford with a similar proportion in its market towns and the remaining half living in rural areas. The population is ageing with substantial recent growth in the number of people aged 85 and over.

15. The County is facing significant demographic pressures. Economic prosperity and the quality of the environment make Oxfordshire an attractive place in which to live and work. Between 2006 and 2026 Oxfordshire's total population is forecast to grow by over 12%, whilst over the same period, the number of people aged 75 and over is projected to grow by 60%. Over the next twenty years the number of people aged over 85 is expected to double with one in four requiring intensive support from the social and health care system. It is expected that there will be an increase in the number of clients with learning disabilities as well as an increase in this client group's life expectancy. In addition, the increase in fertility rates in the existing population residing in existing housing will lead to an increase in the number of children requiring school places. This will result in an erosion of existing and forecast spare capacity in many primary schools and in time, secondary schools.

3.2.2. Housing Growth

16. Oxfordshire will experience significant housing growth over the next fifteen to twenty years. The Draft South East Plan proposes housing growth of 2,360 dwellings each year within Oxfordshire until 2026. This figure may increase to 2,760 per annum. Growth points have been designated within the county at Oxford and Didcot. Banbury, Bicester and Grove/Wantage are other county towns where this significant housing growth will be principally located. Bicester is the subject of a bid for growth funding to support the development of North West Bicester, which has been identified as an eco town location. There are also proposals (not yet agreed) for a significant expansion of the south east of Oxford City.

17. There will therefore be a need for considerable investment in new infrastructure to meet the pressures on essential services such as schools, libraries, roads, waste and extra-care housing provision. The key challenge will be to make sure that there are sufficient resources to fund, forward plan and implement this level of growth effectively. The increased housing development will create demand for both infrastructure investment and increased and better quality public services. There will also be a need to balance development and the protection of the environment and respond to the challenges of climate change.

3.2.3. Standard of Living

18. Oxfordshire is a diverse and changing county with areas of outstanding natural beauty and areas of significant housing and commercial development. It has a modern and prosperous economy, which demands a highly skilled workforce and well-developed infrastructure. Many residents enjoy a high standard of living and a good quality of life, supported by high quality county council services.

19. However, there are pockets of relative deprivation where residents have lower wages and low skills. There is poor housing, young people do not fulfil their potential at school and older people have poorer health than most. These pockets of the county's population derive little benefit from its economic success.

20. One of the key aspects of the Council's corporate plan is to narrow the gap between the most disadvantaged people and communities and the rest of the county to ensure that all the people of Oxfordshire can benefit from the development of a prosperous, vibrant and attractive county. The overall challenge is to reduce inequalities and break the cycle of deprivation by addressing the regeneration needs of disadvantaged groups and communities.

3.3. County Council's Infrastructure and Asset Base

21. The County Council has a wide range of infrastructure and property assets including schools, offices, highways depots, roads, bridges, park and ride sites, waste recycling centres and county farms.

22. The Council's capital assets were valued at £1,505.9m in the 2008/09 Statement of Accounts. The summary of the consolidated balance sheet is set out in the table below.

Category	Operational assets	Non operational assets	Total Assets
	£m	£m	£m
Intangible Assets	3.2	0	3.2
Land & Buildings	1,172.8	23.6	1,196.4
Vehicles & Plant	19.9	0	19.9
Infrastructure	286.4	0	286.4
TOTAL	**1,482.3**	**23.6**	**1,505.9**

23. This total excludes road and bridges. It is estimated that the roads alone represents approximately £2.5 billion infrastructure.

3.3.1. Asset Management Plan

24. The Council's Asset Management Plan reports a £77.5m repair and maintenance backlog figure at the end of 2008/09. Only 41% of the overall asset portfolio, composed of approximately 850 properties, is fit for purpose. The revised Asset Management Plan and the development of the long-term asset strategy will bring significant change to the way the Council's assets are managed. This is a necessary response to the business efficiency agenda, growth pressures, sustainability and environmental drivers and new work patterns. It is expected that this work will further break down the cultural and physical barriers between departments and create a more open infrastructure base for Oxfordshire.

3.3.2. Local Transport Plan

25. New highway initiatives for 2010/11 have been identified through the Local Transport Plan 2006-2011 in line with the current capital strategy. The key issue in the emerging third Local Transport Plan is the need to provide transport investment which supports economic development across the county while helping the authority meet its obligations for reducing greenhouse gases.

26. Substantial amounts of transport investment will be needed to support the new developments coming from the Local Development Frameworks. Some transport schemes are still outstanding and are required to cope with the impact of traffic implications from previous and current development rounds.

27. The Access to Oxford project was identified for national Major Scheme funding following publication of LTP2. Significant investment is required for the development of the project in order to reach the stage where up to £62m of national funding could be released.

3.3.3. Schools Infrastructure

28. A rapid and substantial growth in demand for primary school places is forecast over the period 2009 – 2016 indicating a likely demand for at least a further additional 178 Reception places in Oxford City. This is equivalent to, on average, creating an additional form of entry (30 pupils) per year on existing school sites. The current economic climate leads to further pressure in this area due to the number of pupils being shifted from private schools to state schools. Even if the total funding available, which includes the Primary Capital Programme allocation and is subject to future years' settlements, is considered sufficient to discharge the Council's statutory responsibilities, it is unlikely that it will meet all assessed needs with respect to condition and suitability.

29. The Council, working with the schools and the Schools Forum, is committed to pursuing the Education Transformation Agenda. The Building Schools for the Future (BSF) programme has the potential to support the delivery of this agenda by securing in the region of £600m of additional capital investment in Oxfordshire secondary schools over a 10 – 15 year period. However, the timing of this investment is not yet certain and it is likely to create budget pressure from the 'affordability gap' for both capital and revenue budgets.

30. The Council is also committed to increasing the number of schools with a distinctive character under the Choice and Diversity Agenda. This means encouraging secondary schools to acquire a second subject specialism, to consider the acquisition of foundation or trust status and, where existing schools are unable to deliver a consistently high standard of outcomes for students in particular, to create academies. Federations will too be encouraged to improve the educational experience of children and young people and provide exciting career development opportunities for teachers and support staff. These changes to school organisations will have an impact on the required school infrastructure.

31. There are further challenges arising from the transfer of responsibilities from the Learning and Skills Council to local authorities. A new statutory duty around children centres and a duty to participate in education and training post 16 by young people are also being introduced.

3.3.4. Transforming Social Care

32. One of the key challenges for the Council is to enable the development of extra care housing (ECH) throughout the County. The Council also targets the provision of 30 units of residential accommodation per annum for adults with physical disabilities. There is also an ongoing need for purpose built premises for adults with learning disabilities, and for mental health housing. The majority of these service areas will be affected by the self

directed support, personalised care or prevention agendas, and by other major service transition. This means that these services will be also subject to a comprehensive review of systems and processes to support future working practices.

3.4. Environmental Sustainability and Climate Change

33. The Council is committed to an 18% reduction in its carbon footprint by 2012 based from 2005/06 levels. It started to develop and implement a long-term robust strategy early to address its carbon emissions through the Carbon Management Programme. It is already investing on improvements in street lighting across the county and £1.8m on Energy Conservation schemes. In order to achieve the 18% reduction adopted by the Council it will be necessary for the emissions from all Council assets and activities (property, street lighting, travel and waste) to be reduced.

34. Another fundamental challenge is to deliver new housing and other growth that responds effectively to the challenges of climate change through the sustainable design and construction of new developments, which reduce energy use, water use, and waste, increase energy efficiency and the proportion of energy generated from renewables and minimise environmental pollution and the likelihood and impact of flooding.

35. Waste Management is facing a period of rapid and radical change on a national level due to European Legislation, government targets and public expectations. Improvements must be sought to divert waste from landfill in line with the principles of the waste hierarchy. Investment is required to help avoid financial penalties from the Landfill Allowance Trading Scheme (LATS).

4. Capital Strategy's Response to Needs and Priorities

36. The Council's current capital strategy (Appendix 1) is that

- The earmarked funding received in the form of grant and borrowing approval for schools and transport are allocated according to the priorities in the Schools Asset Management Plan and the Local Transport Plan;
- The Capital receipts are corporate resources and used across the capital programme flexibly;
- Prudential guidelines are used to fund capital investment needs by borrowing repaid either from savings or from revenue over a 25 year period;
- External resources are used for the purposes for which they are issued;

37. As can be concluded given the picture of current economic and financial conditions, and local needs and pressures described above, it is of the utmost importance, in these financially challenging times, that the Council's limited resources are managed effectively. The task of successfully managing the Council's assets and infrastructure base, and managing growth and developing related infrastructure provision has never been more important.

38. The Council is responding to this in three ways:

- Devising an immediate response to stimulate the economy while maintaining focus on long-term affordability;
- Assessing the impact on the current capital strategy to ensure its longevity and sustainability;
- Considering longer-term implications and developing related action.

4.1. Immediate Response

39. A brief description of the immediate Capital Strategy responses to the identified needs and constraints is given below:

4.1.1. Manage the impact of current economic conditions on corporate capital resources

40. The Council is considering the effects of additional borrowing to replace the low or non-existent capital receipts and to deal with the timing issues in funding infrastructure. In the short-term unsupported borrowing is the only alternative to using capital receipts. Although interest rates are low at the moment, this option would still mean an increase in revenue costs from paying interest on the additional loans. Additionally, interest rates are likely to go up in the medium to long term.

41. Therefore, a prudent strategy for increased prudential borrowing on an invest-to-save basis is currently being employed to deal with the immediate pressures on capital resources.

4.1.2. Assess the corporate capital resources requirement to move the Sustainability and Climate Change agendas forward

42. The Council is procuring a residual waste treatment contract to direct waste away from landfill and to address the major investment required to meet national targets and those stated in the Oxfordshire Joint Municipal Waste Strategy. It is also investing in a long-term infrastructure programme for waste recycling centres (WRC) through the use of the performance reward grant and other corporate resources.

4.1.3. Provide contingency across the capital programme

43. The Council's capital budget setting principle is "a balanced position with sufficient level of contingency". Reduction in the value of the capital receipts during 2009/10 meant that the Council reported over £5m cumulative shortfall across the Capital Programme.

44. Although this level of over-programming is within tolerances recommended by the Audit Commission, the Council is reviewing its capital programme to set a balanced budget for the 2010/11 to 2014/15 period and set aside contingencies across the whole capital programme for unforeseen capital pressures and to accommodate possible changes in the capital resources position supporting the programme.

4.2. Impact on the Current Capital Strategy

45. It is likely that the current capital strategy will be affected from the picture presented above. Some of the key areas of consideration are presented below:

4.2.1. Prepare for the impact of changes to local government finances and the Total Place agenda on settlement allocations

46. Although the scale of impact of changes in these areas will not be known until the 3rd quarter of 2010, the Council has been working on achieving more flexible use of settlement allocations within the constraints of the current capital strategy. It was able to take advantage of the accelerated funding offer by Central Government in early 2009. The Council used this opportunity to stimulate local economic activity, to bring forward £1.5m highway maintenance work, and to generate revenue savings by deferring the unsupported borrowing requirement.

47. Both Transport and Schools programmes have undergone a funding sensitivity analysis to help understand the impact of likely cuts in government funding on the level of future investment in the related infrastructure bases. The analysis concluded that investment in integrated transport and non-statutory schools schemes will be severely affected by

cuts of over 30%. There is now broader consensus on the more flexible use of capital resources and the Council is ready to consider different applications of a single pot approach to achieve better use of resources in the capital arena.

48. The CCMT has been working to bring all capital programmes together and to ensure that the overall capital programme is owned corporately. These ongoing works will ensure that the Cabinet can influence these programmes more fully and that the determination of priorities for the overall capital programmes is more transparent. Mechanisms are currently being developed to ensure broader member engagement in the next Local Transport Plan and the development of the Schools Asset Management Plan.

49. The Council is also critically observing the impact of the total place agenda on central government allocations. It is observing how strategic programmes and settlement allowances and their future operation will be influenced by this agenda. It is likely that this approach will enable the Council to progress with its own localities investment agenda subject to the scale and timing of forthcoming funding provision.

4.2.2. Make capital receipts a thoroughly corporate resource

50. Council policy is to treat capital receipts as corporate resource, not automatically allowing the originating service to utilise them. The Council looks to maximise capital receipts from the disposal of surplus land and buildings, unless there is a better overall benefit. This approach will stay firmly in place while increased pressure on selling major assets and reducing the size of the property portfolio is likely.

51. Given the fact that the Council's Business Efficiency Strategy requires a rationalisation of the asset base to help deliver £106 million of savings between 2010/11 and 2014/15, there is a need to further strengthen the capital strategy regarding the ring-fencing of capital receipts for the re-provision of assets.

52. Although services can still make a case for the replacement of an asset, work is ongoing to determine whether a percentage of the related capital receipt should be top-sliced for corporate purposes. This is in order to

- encourage a case to be made for joint proposals, where the use of assets benefits more than one service area;
- firmly influence and challenge business cases for service re-provision based on ring-fenced capital receipt funding;

53. The Capital Programme Board will continue to consider each case on its merits. The Council will also be exploring the potential of funding the locality bases through different procurement options once the strategy is fully determined. This is particularly important when current economic conditions do not favour the disposal of assets and proposals based on

ring-fencing assets on an individual basis are likely to have viability and cashflow problems from the start.

4.2.3. Establish better links between the use of prudential guidelines and Council's Business Efficiency Strategy

54. The Council is currently using funding under prudential guidelines for two categories of expenditure:

    - capital investment which will result in future revenue savings; the cost of borrowing is met from these savings. Examples include Energy Conservation and the Better Offices Programme.
    - capital investment where the Council has a significant unmet capital need; a decision can be taken for capital investment to be funded by borrowing. The borrowing is repaid from revenue over a number of years.

55. The Council will continue to utilise unsupported borrowing to finance capital investment where there is a clear proven need and where this borrowing does not result in unacceptable increases in Council Tax levels. Currently, under the prudential guidelines, the revenue implications of every initiative are taken into account when estimating affordability of these proposals.

56. As part of its medium term planning process the Council also evaluates the relative merits of funding revenue or funding capital proposals. In the case of capital proposals it ensures that there is on-going revenue funding available to meet the impact of any additional borrowing requirements.

4.2.4. Continue to secure external funding and project specific grants where they enable the delivery of corporate priorities

57. The Council will try wherever possible to influence investment through the targeted use of its limited capital resources to lever in other investment to meet its objectives. However, the Council is clear that projects that may bring in further investment will only be supported if they meet the Council's priorities and objectives. The Council also evaluates long-term implications of accepting any external funding provision, in particular on its revenue budget.

58. The Council has benefited from this approach by securing approval for £4.6m co-location funding and £1.5m "Back on Track" funding from the DCSF, £1million Rural Capital funding to support 14-19 reform in rural settings and by achieving pilot status for the Single Conversation Programme from the Homes and Communities Agency.

59. The Council has also been working on making developer contributions an integral part of the asset management process through the effective use of section 106 agreements. This approach, too, ensures that future community assets are affordable and sustainable in the long term.

60. The Council will build on these successes and use its considerable experience in aligning funding streams and strategic programmes to meet its priorities in the context of its Capital Strategy. It will also enhance this strategy by using the Local Investment Plan (LIP) agreed by partners and take the opportunity to further align all available funding streams, including those from partner organisations at local, sub-regional, regional and national levels to achieve the agreed local vision and desired outcomes for wider communities. The Council believes that this approach will ensure generating funding for the longevity of the capital strategy and the capital programme and making maximum impact.

4.2.5. Continue to employ an effective year-end financing strategy for the capital programme

61. The Council's capital financing strategy is aimed at minimising the on-going liabilities to the Council's revenue budget arising from capital investment. The first calls on capital resources are therefore external funding (including S106), grants, supported borrowing[2], and capital receipts and reserves. The final calls, where necessary, are on unsupported borrowing and revenue contributions.

4.3. Long Term Considerations and Actions

4.3.1. Striking a Better Capital Investment Balance: Change in Service Priorities and Changes to Demographics

62. Demographic change puts pressure on other essential services, such as the provision of school places, home care, waste management and public transport facilities. Capital resources are already severely constrained based on the current needs arising from the Council's strategic and service priorities. The Council has long recognised that a strategic response to meeting and containing demographic pressures is required.

63. The Council therefore has been using all formulaic basic needs settlement and other resources from the schools capital funding, in line with the national policy, to respond to the increasing demand for schools places due to changes in demography and parental choice. The Council is aiming to secure additional funding to cope with the unexpected growth which is only partially offset by the low numbers of surplus places in other year groups in schools.

64. In 2008/09, £25m additional prudential borrowing was approved to respond to the investment need in services not receiving capital settlement from central government. However, there is still work to be done in this area to strike a better balance between those needs arising from changing service priorities and those arising from changes/shifts to the demographic picture.

[2] Note that the Council is a floor authority and therefore still needs to bear the cost of supported borrowing.

4.3.2. Funding Growth

65. The Council is proactive in ensuring, as far as possible, that all additional capital investment needs arising from new developments are funded from developer contributions. It has benefited from its good track-record of effectively identifying infrastructure needs arising from new developments and securing developer contributions to enable required infrastructure delivery. However, the scale of the infrastructure provision to respond to the described level of growth requires a different approach to capital investment planning and a stronger emphasis on funding infrastructure.

66. Initial analysis of long-term infrastructure implications of such a level of growth shows that significant investment in schools and transport infrastructure will be required as well as considerable investment in extra care housing, community facilities, green infrastructure and recreational resources. It is not yet clear what scale of investment will be required by our partners responsible for health and utilities infrastructure.

67. Given the affect of current economic conditions on developer contributions, several issues have become critical when managing this scale of growth:
    - Maintaining the viability of development proposals due to the reduction in land values;
    - The funding implications of providing infrastructure up-front due to timing issues;
    - Securing central government funding for some of the major infrastructure requirements when it is likely that the capital spending by the public sector will be cut by 30% - 50% following the CSR2010;
    - Being prepared to deal with uncertainties around the exact cost of infrastructure provision when the development takes place;

68. The Council has already started working with district authorities and other partners to identify further infrastructure funding streams under the umbrella of the recently established Spatial Planning and Infrastructure Partnership and with the Housing and Communities Agency as part of the Single Conversation Pilot. The Council and its partners are aiming to use the Single Conversation as an opportunity to pursue a new approach to infrastructure provision in which the investment fits the place rather than the place fits the programme.

69. Similarly, the Council and its partners are also trying to take advantage of the new Growth Fund[3] to support the delivery of infrastructure in growth areas. The application for Oxfordshire's share of the Eco-Town Pilots Support Funding (£60 million)[4] is also under progress. The use of these new funding streams is expected to unblock stalled developments to a degree. However, it is recognised that these are still relatively short-term solutions. Hence, there is still a need to investigate different funding

[3] A new unringfenced grant. This is part of the £1.7bn that Communities and Local Government will be investing across the Growth Areas, the Thames Gateway, Growth Points and Eco-towns during the CSR07 period.(£832m)

[4] £60m start- up funding for local infrastructure relating to eco-towns.

mechanisms based on the identified funding gap to help deliver infrastructure.

70. The Council plans to develop a longer-term capital investment strategy on a 10-15 year horizon to effectively manage the infrastructure requirements arising from this unprecedented planned housing growth. This will be in conjunction with and follow the development of the Local Investment Plan, the Local Transport Plan 3 and the long-term Property Strategy.

71. The next section lists some of the models that the Council will look into as part of the development of the longer-term capital strategy development in more detail.

4.4. Funding Options to Meet Capital Investment Challenges

72. There are a number of innovative funding options and delivery models available or under development to support infrastructure delivery. The Council acknowledges that these options and models need to be fully evaluated to determine the most appropriate solution based on the nature of the infrastructure need, the scale of the funding gap and the availability of funding sources offered by Central Government.

73. The Council is committed to exploring all relevant options in consultation with its partners in delivery to ensure the effective management of growth and the timely provision of related infrastructure.

4.4.1. Public Private Partnerships (PPP)/Private Finance Initiative (PFI)

74. The PPP/PFI funding models are used as long-term contract between the puclic sector client and a private sector special purpose vehicle to deliver infrastructure and services in exchange for an annual performance related payment. The Council looks at these models of funding for its major schemes and takes a decision on the merits of each individual case. It has successfully used PPP funding to develop the Oxford Castle site working with the private sector and SEEDA. It has also upgraded homes for the elderly in partnership with the Order of St John.

75. It has fully investigated PFI options but has not so far decided this has been appropriate for any scheme. This is due to the fact that while this model works well in many circumstances, they have not been found appropriate in financial terms. However, the Council is still working on employing similar models when it is suitable for its objectives. It is currently considering suitable options for funding the waste treatment contract, possibly through a Design, Build, Finance, Operate (DBFO) deal with the private sector. Similarly, it is considering the Local Education Partnership Model under the Building Schools for the Future Programme.

76. In future, the Council will also need to look at more competitive versions of this model, such as competitive or incremental partnerships and see whether or not any of them is applicable for or tailor made to the specific circumstances of the infrastructure requirement.

4.4.2. Local Asset Backed Vehicles (A form of PPP Model)

77. This funding mechanism aims to encourage private sector investment by making regeneration projects appealing on a long-term basis. The current economic conditions and their impact on the public finances and land values mean that it is likely that very limited funding will be available from both the public and private sector. It is expected that the use of this funding mechanism will increase in the coming years given the expected increase in asset rationalization by local authorities.

4.4.3. Transport Innovation Fund

78. The Department for Transport's long-term funding guidelines forecast that Transport Innovation Funding will grow to over £2 billion by 2014/15, subject to the outcome of CSR2010[5]. The Council is currently developing the Local Transport Plan (3) and will test the applicability of this funding against the assessed need and long-term aspirations. This funding is currently directly linked to authorities who are pursuing road user charging. Funding of this is likely to reviewed post general election.

4.4.4. "Partnership for Schools" Approach to Education Funding

79. Partnership for Schools has started overseeing about £13.2 billion education funding on top of the existing £9.3 billion for the Building Schools for the Future Programme. Initial indications are that PfS will move towards a "One Conversation" approach around schools funding[6]. Although details of this approach are not yet clear, it is expected that the allocation of this funding will be linked to how/where the schools will fit and enhance the community.

4.4.5. Community Infrastructure Levy

80. The Community Infrastructure Levy (CIL) is being introduced to give local authorities extra resources to invest in vital facilities, public services and social infrastructure and to give developers greater certainty about their role and contribution.[7] Although this mechanism aims to bring much needed flexibility to the use of contributions from developers, there are concerns arising from its implications for the County Council. It is still not clear how the CIL income will be apportioned, how it will be transferred from charging bodies to infrastructure delivery organisations, and how it will affect the future of the S106 agreements. Hence, central government's response to concerns raised by county councils across the UK will be critical in determining the future capital strategy implications of this new funding mechanism.

[5] DfT (26th January 2006): Policy, guidance and research; the Transport Innovation Fund
[6] PfS (10th September 2009): Partnership for Schools launches "one conversation" with local authorities.
[7] DCLG (August 2008): The Community Infrastructure Levy

4.4.6. Tax Increment Financing (TIF) and Accelerated Development Zone Funding

81. Tax Increment Financing[8] is a mechanism that enables the use of anticipated future increases in tax revenue to finance the current improvements (such as new or improved infrastructure) that are expected to generate those increased revenues. The UK central government announced a study of its use in April 2009. Most of the designated growth authorities and city regions are waiting the result of this study to further determine their funding strategy for growth.

4.4.7. Rolling Fund

82. There is also a growing interest in creating a Rolling Fund for funding infrastructure up-front. This is a mechanism by which local authorities along with their partners use initial public money to forward-fund major infrastructure schemes where infrastructure is needed to support the planned development. The cost of infrastructure is then recovered from public and private sector funding streams as they come forward. It is important to structure and manage the fund in a way that it takes into account any delays or reductions in the recovery.

83. The Council acknowledges that the level funding available from the central government and the private sector is constantly changing and current economic conditions will put further constraints on available future infrastructure funding. There are number of ways in which central government try to bring short-term release to current market bottle-necks. However, more sustainable and long-term funding models are needed to effectively manage the growth agenda and deliver the related infrastructure in a timely manner.

[8] British Property Federation (November 2008): Tax Increment Financing

5. Capital Programme: Governance, Development & Implementation

5.1. Capital Programme

84. The current capital programme for 2009/10 to 2014/15 totals £555m[9]. The figures for the years 2011/12 onwards are a draft based on an indicative programme put forward to the Cabinet. This programme includes some indicative projects where no firm costings or business cases have been produced. These projects will only be progressed after a formal approval process, as outlined in the capital strategy, and if funding is available.

85. The current Cabinet was elected in June 2009. The Cabinet has reviewed all priorities for the capital programme against the Corporate Strategy. The attached programme is based on these priorities.

5.2. Governance

86. The Council's has the vision of "developing a truly corporate approach to strategic capital investment, infrastructure and asset planning". It recognises that implementing a high-profile total capital governance structure is essential to fulfil this vision and ensure success in the capital arena.

87. That is why, capital governance arrangements were reviewed in the context of the immediate challenges presented by the infrastructure gap and the growth, total place, co-location and cross service delivery agendas. A new capital governance structure was agreed immediately after this review and has been in operation since September 2009.

88. The new structure establishes a strong direct link between the mainstream capital programme and capital investment needs arising from the growth agenda (in particular strategic sites) and from cross-departmental and cross-organisational co-location and joint service delivery initiatives. The key features of this structure are listed below:

5.2.1. The Council & the Cabinet

89. The Council and the Cabinet continue are the key democratic decision-making bodies as per the Council's constitution. The Council approves the key policy documents and the capital programme as part of the Council's Policy and Budgetary Framework. The Cabinet recommends priorities, policy direction and the capital programme to the Council for approval. The Cabinet also approves new inclusions to the capital programme in line with the scheme of delegation and the financial procedure rules.

[9] This figure is based on the October 2009 Capita Programme and will be updated when the new capital programme is agreed by the Council.

5.2.2. The Capital Investment Board (CIB)[10]

90. The Capital Investment Board is a high-level political platform providing a cross-portfolio approach to and political steer on policy developments, strategic infrastructure development, the use of resources discussion and the growth, co-location and joint service delivery agendas.

5.2.3. The Capital Programme Board (CPB)[11]

91. The Capital Programme Board is a strong officer group with a clear remit and function to be the single point of contact in all capital and asset matters across the organisation with clear accountability and a sufficiently high level of authority and decision-making power.

5.2.4. Strategy Development: Virtual Capital and Asset Planning Task Force

92. The CPB has the authority to set up temporary task forces or to request already existing task groups to report to them directly to make the required development, change and improvement happen in the capital arena. The CPB is accountable for ensuring the delivery of priority work-streams agreed by the CIB. Hence, the CIB evaluates the requirements of these agreed work-streams and identifies the key officers best placed to take leadership of these work-streams. These officers then become responsible for delivery and become personally accountable to the CPB for delivering assigned targets, outputs and outcomes.

5.2.5. Business as Usual: Programme/Project Delivery Boards

93. The CPB has the authority over the specific portfolio/programme/project delivery boards to strengthen the reporting lines between portfolio and programme/project management. The Over-arching Programme Delivery Boards deal with capital and asset management issues across the directorate portfolio and report progress to CPB. They also act as Challenge Panels 3- 4 times a year with the Capital Programme Manager and high level directorate representatives in attendance. Sub-programme and project delivery boards are responsible for effective programming of commissioned programmes/projects within the given scope and budget.

94. An overview of the new governance structure and terms of reference for new platforms are presented in Appendix 2.

5.3. Capital Programme Development & Implementation

95. The Council has been using a scoring matrix and option appraisal methodology to underpin its capital decision-making process. Recent changes in the context within which the capital strategy is developed mean that there is a need to strengthen the development framework for the capital programme.

[10] See Appendix 2b for the terms of reference of the Capital Investment Board
[11] See Appendix 2c for the terms of reference of the Capital Programme Board

96. In particular, the Council has taken steps to enhance the strategic alignment of the capital programme with corporate priorities and to balance capital investment needs arising from planned growth and the maintenance of the existing portfolio. In order to achieve these two objectives, the capital-programme-entry and the project approval processes have been updated.

97. The Council is developing a two-stage approval process for capital resources allocation. If a project is approved at stage 1, it is accepted in principle to the Council's capital programme and allocated a project development budget. This stage is also called "commit to investigate". At stage 2, the project receives full political approval for work to commence and expenditure to be incurred, subject to the budget constraints of the project delivery budget allocation.

5.3.1. Capital Resource Allocation

98. The Council is currently developing a new capital resources allocation model in order to align the use of capital resources to the delivery of corporate priorities through the use of a tool that is transparent, objective and outcome/result focused.

99. The model will be integrated into the service and resource planning process helping facilitate the allocation of available resources and helping the cabinet to make more informed decisions about the priority capital investment proposals by providing a strong strategic assessment gateway and evidence based rationale for the allocation of capital resources.

5.3.2. Technical Assessment (Options, Deliverability and Affordability Appraisals)

100. Given the scarcity of both land and capital in relation to future needs, OCC must ensure that each investment decision represents the best possible use of these limited resources, and the best long-term solution for the authority and its citizens a whole. It is critical for the long term future of the Council's infrastructure base and to ensure the wise and responsible use of resources that each investment decision is based on a full consideration of all possible solutions and a full recognition of life cycle cost.

101. The Council is in the process of streamlining its technical assessment process for evaluating readiness and value for money of all its capital investment proposals to ensure a standard approach across the programme portfolio. The agreed principles are:

- Analyse a range of possible solutions at the feasibility phase of each major capital investment;
- Base the options appraisal on the life cycle costs of possible solutions, including the discounted cost of future expenditures to determine their affordability;

- Explore different project delivery models that, where possible, include partnerships, sharing costs with other organisations, obtaining grant contributions or generating revenue income;

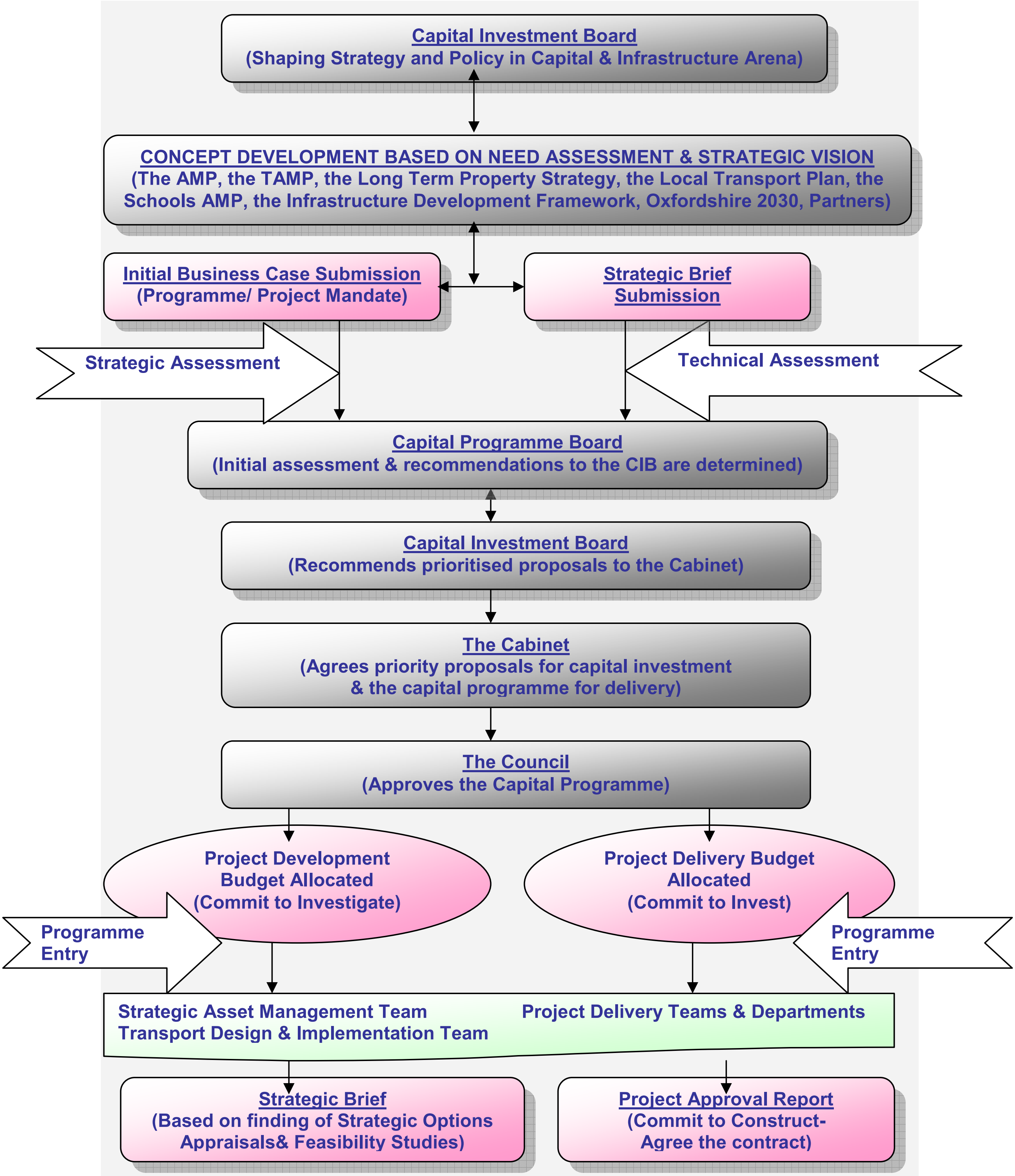


Figure 1: Two-stage Approval - High Level Process Map

102. The high-level process map above shows the two-stage approval process. The capital resources allocation model and the technical assessment are shown within this process.

103. This approach will further ensure that investment in assets carries the underlying principle of seeking maximum benefit from the sum invested. Indeed, the revenue implications of any schemes are therefore considered at both stages of the process. However, more details are provided prior to full political approval being granted for proposals.

104. The Council is also making adjustments[12] to the capital decision-making processes following the introduction of the new governance structure. The principle behind these adjustments is ensure that the overall structure is supported by appropriate officer teams operating clear, agreed, open and transparent corporate policies, protocols and procedures. Detailed protocols are under development and will follow the approval of the capital strategy.

105. The revised project approval thresholds[13] and a more detailed framework on the two-stage approval process are provided in appendices 3 and 4 respectively.

5.3.3. Procurement

106. The Council has established collaborative partnerships with both the professional services and construction services supply chains through innovative strategic procurement initiatives. It has developed delivery mechanisms focusing on build-ability, supply chain management and incentivised long-term framework partnerships with contractors. These include

- Core Multi-Disciplinary Consultants appointed on a 7 – 10 year term capable of delivering the Council's Capital Programme.
- Framework Consultants (3 Multi-Disciplinary and 1 Cost Management) appointed on 4-year terms, selected for their expertise and capability to deliver education projects;
- Similar Core and Framework arrangements are in place for construction services. These delivered up to 60% of the Council's Capital Programme, with the remainder procured in the open market.

107. The current contractual arrangements can be terminated in 2012. The Council is reviewing the full range of options for the provision and procurement of all property consultancy, contracting, and facilities management services with the intention that revised arrangements securing efficiency benefits will be put in place from April 2012.

108. The Council is due to enter into new contractual arrangements for the delivery of the Transport service which involves operating in an integrated

[12] These amendments are subject to approval by the Council in January 2010.
[13] These thresholds will be an amendment to the Financial Procedure Rules following the Council approval.

organisational structure aimed at generated a more efficient operation. This will enable us to plan the overall resource from inception to delivery on the ground thus smoothing the workflow throughout the year, planning future years and hence gaining greater effectiveness and efficiency.

109. The Council is currently procuring a residual waste treatment contract which utilises similar principles to a Private Finance Initiative (PFI) and is based on the Government's standard contract. The Council is also considering setting up a Local Education Partnership (LEP) to deliver projects for Building Schools for the Future (BSF) as this is the preferred model of delivery by the Partnership for Schools.

5.3.4. Partnership Working

110. The Council has a strong vision to create sustainable places by working closely with its partners. It recognises that it can only achieve its objectives through partnership working and is therefore committed to working with public, private, voluntary and community organisations.

111. The Council already has a history of pursuing joint-working and joint-service delivery initiatives for better outcomes for communities and citizens of the County. It will continue to actively seek opportunities to work in partnership to provide capital investment in Oxfordshire.

112. The Council is currently

- working on the West End Project in partnership with Oxford City Council, South East England Development Agency (SEEDA) and other partners. The renaissance of Oxford's West End is the single biggest regeneration project that Oxford has seen for some decades and will shape the city centre experience for a hundred years to come.
- operating a private public partnership with the Oxfordshire Care Partnership (Orders of St John – referred to as OCP/OSJ) to provide residential care homes for the elderly;
- working in partnership with District Councils in collection and treatment of waste, including delivering improved recycling and reduction in landfill;
- working with the Housing and Communities Agency and other partner organisation under the Single Conversation Pilot Project to provide a shared framework at a local level for the delivery of housing and economic growth, infrastructure, regeneration and community objectives.

5.3.5. Performance Management

113. The Council agrees a rolling five-year capital programme annually in accordance with its priorities. The capital programme is updated quarterly and its performance is reported monthly to the Cabinet. The Council' use of capital resources indicator was 90% at the end of 2008/09. This is a significant improvement from 18.58%[14] slippage reported in 2007/08

[14] Based on budget setting figure of £108.1m and the reported capital outturn of £88m.

outturn position. The Capital Programme Manager is working closely with directorates to achieve further improvements in 2009/10 and the years beyond.

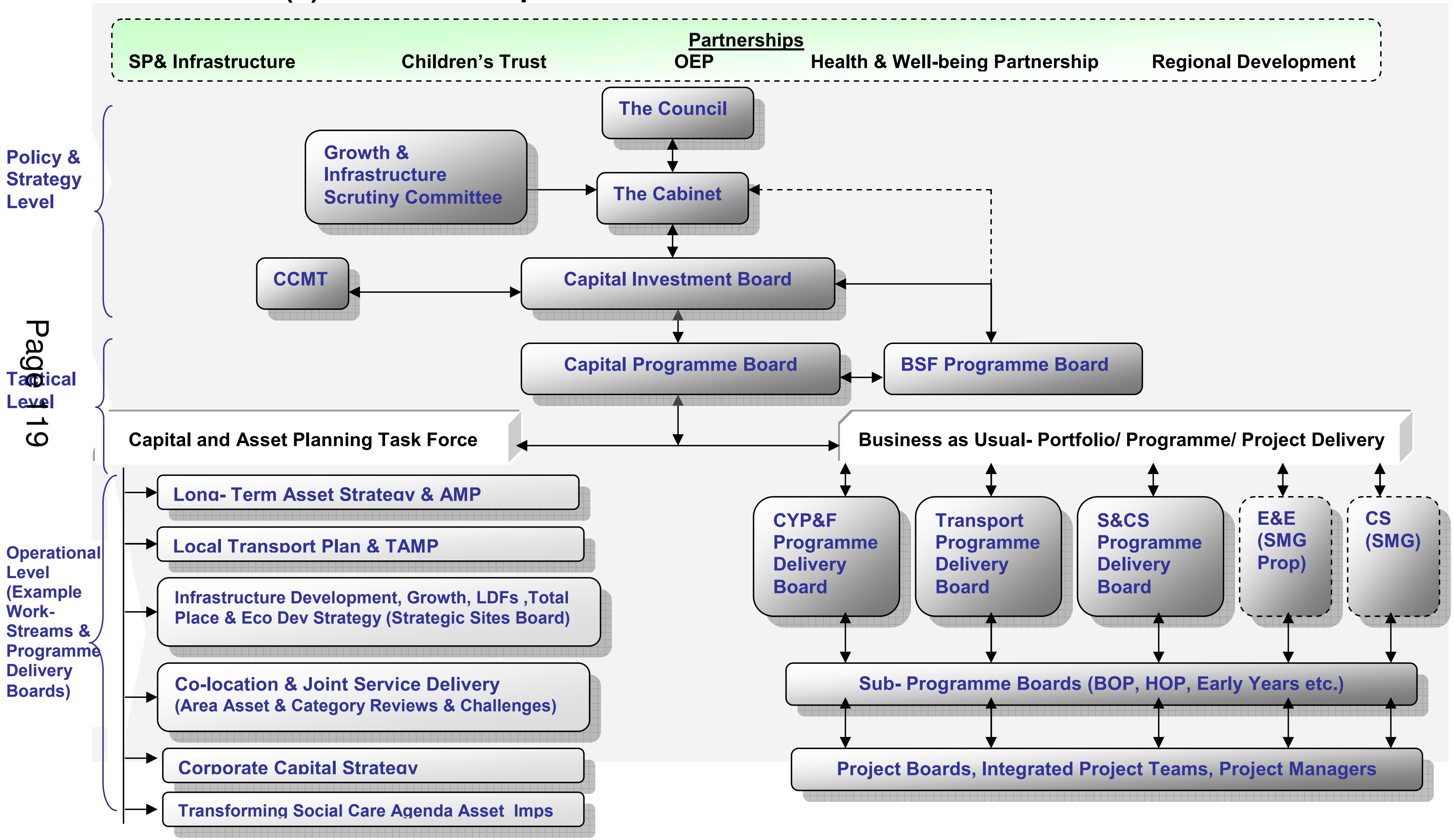
Appendices

APPENDIX 1

The Capital Investment Strategy: 2010/11 to 2014/15

CAPITAL INVESTMENT STRATEGY FOR 2010/11 to 2014/15	
Resources	**Investment Strategy**
CYP&F- Supported Capital Expenditure (S.C.E)	This funding is ring-fenced for CYP&F Capital Programme. This funding is therefore allocated according to the priorities set out in the Schools Asset Management Plan.
LTP- Supported Capital Expenditure (S.C.E)	This funding is ring-fenced for Transport Programme under the E&E Capital Programme. This funding is therefore allocated according to the priorities set out in the Local Transport Plan.
Usable Capital Receipts	This funding stream is generally treated as flexible corporate resources. The policy also allows directorates to retail the capital receipts if a) it is planned to be used for direct re-provision of the property released b) it is planed to be used for another service priority which is consistent Council's overall priority and the AMP
Developer Contributions	This funding is used within the framework of the specific developer agreement. The policy will state that developer contributions are appropriately exploited to deliver the various infrastructures where appropriate and consistent with the framework contract. Appropriate contributions where secured and held in the account would/should be used in preference to other monies.
Capital Grants/ External Funding	These resources are provided by the national government or other external funding organisations and used for purposes for which they are issued. It is difficult to forecast a contribution for capital grants as they are led by specific investment programmes launched by these authorities and specific government departments in different time intervals.
Unsupported Borrowing	This funding stream is treated as a specific resource for a) a significant unmet capital need, a decision can be taken for capital investment funded by borrowing b) capital investment will result in future revenue savings, the cost of borrowing has been met from these savings (i.e. invest to save basis)
Capital Reserves	This funding stream is generally treated as flexible corporate resources. The policy also allows these resources to be earmarked for specific programme or project.
PFI/ PPP	Decisions are taken on the merits of each individual case and PFI/ PPP funding is considered as an option with all other suitable options for funding its major schemes.

APPENDIX 2 (a) - The New Capital Governance Structure- Overview



Appendix 2 (b)

CAPITAL INVESTMENT BOARD- TERMS OF REFERENCE

1. Role

14. The Capital Investment Board (CIB)'s role is to shape the vision and set the agenda for capital investment and asset planning activity in order to put next generation infrastructure in place. It aims to provide a cross-portfolio approach to and high-level political steer on capital investment, strategic infrastructure development, the use of resources discussion and the growth, co-location and joint service delivery agendas. It will play a key role in managing relationships with partnerships and in making cross-organisational working a reality in the capital arena for the County.

2. Composition & Resources

15. The board is composed of the members of the CCMT and of the Cabinet. It will be chaired by the Leader of the Council, and supported by the Capital Programme Manager. The Board will meet every two months.

3. The Remit & Function

16. The remit of the CIB is

a) To shape and influence county's capital investment, strategic infrastructure and asset strategies and recommend strategic resource allocations according to capital priorities for the county
b) To secure commitments from partners to progress the agreed outcomes and projects and to identify and negotiate further enabling measures by uncovering and exploiting linkages with other policy/strategy blocks
c) To ensure that the vision for the strategic direction and scale of ambition for the organisation's capital investment portfolio are clear by providing a strategic steer on national, regional and cross-organisational challenges, risks and opportunities.
d) To advise on the policy development and priorities in the capital arena
e) To contribute to the development of a corporate approach to the use of capital resources at the policy level
f) To consider/debate key capital strategy/policy documents, long-term strategic asset matters and key property related initiatives
g) To define the top-down view and expectations in the capital arena through the provision of an early steer on approach and priorities
h) To review the framework for prioritising capital investment proposals aligning the AMP, TAMP and CS to the Corporate Plan
i) To promote and champion the importance of capital matters on political platforms
j) To provide visible corporate leadership & commitment at events and in communications
k) To receive and review regular progress reports from the Capital Programme Board (CPB) regarding the delivery of priority work-streams

l) To receive and review regular progress reports from the Building Schools for the Future (BSF) Board and to link the BSF programme with the overarching capital programme

4. Decision- making

17. The CIB is a working party and provides opportunities for high level collaboration between members and officers. Actual decisions are made in accordance with the scheme of delegation i.e. either by the Cabinet, by the relevant portfolio holder or by an officer of the authority following consideration by the CIB. Any proposal that is outside the approved budget and policy framework is referred back to full Council in accordance with the Constitution.

5. Key Outcomes

18. The use of Capital Resources directly related to the service delivery and corporate priorities and Council's aspirations for growth and infrastructure development;

19. Greater Cabinet and CCMT awareness of the infrastructure asset implications of all decisions;

20. Clearly defined capital priorities strongly linked with Council's policies and long-term strategies

21. Enhanced corporate and partnership working within the capital arena

22. Increased leverage of capital funding from wide range of sources (realisation of capital receipts, securing external funding through national and regional initiatives, generating long-term infrastructure and growth funding)

23. Realised opportunities for increasing income and/or reducing expenditure in management of property assets with direct contribution towards Council's efficiency programme

6. Reporting Arrangements & Communication Plan

24. Minutes of the meetings, with action items, will be circulated within 10 working days to members of the Board, members of CPB, the chairs of the Programme Delivery Boards and lead officers for the strategic work-streams.

25. The Growth and Infrastructure Scrutiny Committee will receive quarterly updates.

26. The Strategy and Partnership Scrutiny Committee will receive annual updates

27. There will be a continuous dialog with the Spatial Planning and Infrastructure Partnership. This dialog and relationship will be managed at the elected member and director level.

28. There will be a continuous dialog with the CPB and with the BSF Programme Board. These dialogs will be managed by the Assistant Chief Executive & Chief Financial Officer and the Director of Environment & Economy, and the Director of Children Young People & Families respectively.

7. Review Arrangements

29. Reviews will be carried out annually.

Appendix 2 (c)

CAPITAL PROGRAMME BOARD- TERMS OF REFERENCE

1. Role

1. The Capital Programme Board (CPB) is a strong officer group with a clear remit and function to be the single point of contact in all capital and asset matters.

2. The board's role is to ensure the development and delivery of long term infrastructure and asset strategies, the achievement of better long term planning of capital investment, better use and management of assets, greater local-decision making and accountability within the capital arena and the enhancement of cross-service strategic working among directorates and in partnership with other organisations.

3. It will create a programme of strategic capital investment for Oxfordshire and ensure that strategic capital investment is planned and delivered in the most effective way possible. It will establish a strong corporate centre, facilitating effective decision-making and providing officer leadership and challenge in the capital arena.

2. Composition

4. The board has a small number of core members who are tasked to take a strategic view on the use of capital resources, capital investment and asset planning in line with Council's priorities. Members of the board will be accountable for ensuring the delivery of the specific capital targets and benefits agreed by the CIB. The membership of the CPB is listed below:

   - Assistant Chief Executive & Chief Finance Officer (the Chairman)
   - Director for Environment & Economy
   - Head of Transport (E&E)
   - Head of Property (E&E)
   - Head of Finance & Procurement (CC)
   - Head of Sustainable Development (E&E)
   - Head of Strategy and Transformation (S&CS)
   - Head of Commissioning, Performance and Quality Assurance (CYP&F)
   - Head of Strategy (CC)
   - Capital Programme Manager (CC)

5. The members of the CPB have, between them, responsibility for the Council's key strategic and service plans, including the Capital Strategy, Asset Management Plan, Long-term Property Strategy, Local Transport Plan, Strategy for Change for Secondary and Primary Schools, Strategic Sites Development, the Corporate Plan, the Medium Term Financial Plan, and regional and sub-regional strategies. This ensures the board supports both internal and external key strategies, plans and objectives.

6. Assistant Chief Fire Officer and Head of Service Support for the Community Safety and Shared Services Directorate will also have an invitation to all meetings of the Board where resources allocation and capital projects prioritisation are discussed.

7. The Board will be supported by the Capital Finance Team and meet every two months starting from 9th October 2009. These meetings will be in line with the meeting calendar for the CIB so that there is always 4 weeks between CIB and CPB meetings.

3. The Remit & Function

8. The remit of the CPB is

a) To consider and determine capital investment and asset management issues across the organisation by establishing a strong corporate centre and facilitating effective decision-making in the capital arena;
b) To provide officer leadership and challenge in the capital arena by taking a corporate view on capital and asset management and the use of capital resources throughout the authority and by giving a strategic focus and co-ordination to capital and asset planning across the corporate portfolio;
c) To be accountable for ensuring the delivery of the specific capital targets and benefits for the organisation agreed by the CCMT and the Cabinet;
d) To set the strategic direction for the capital and asset planning task force and to challenge/assess/steer their progress against strategic objectives;
e) To establish and maintain linkages with partnership structures at appropriate stages and to advise CIB on co-ordinating the liaison with partners on co-location and joint service delivery proposals as required;
f) To make recommendations on capital investment priorities to CCMT, CIB and the Cabinet;
g) To agree capital investment decisions within the capital arena within the given remit and tolerances across the portfolio where priorities are already agreed by the cabinet as part of the Council's budgetary framework;
h) To determine implications of applying for external funding and to agree applications in consultation with the CIB;
i) To ensure that there is a programme of action and appointed work-stream leaders in place to deliver the agreed priority work-streams by the CIB;
j) To develop, own, monitor and report progress against the agreed yearly plan on exception basis to the CIB;

4. Decision- making

9. The CPB is an officer working group. It takes its decision-making power from the delegated authority of member officers as per Financial Procedure Rules (FPR) and the Council's Constitution. It makes decisions only where priorities are already agreed by the cabinet as part of the Council's budgetary framework. It also ensures that necessary consultation is carried out with the CIB and relevant directors as part of the decision-making process. Decisions over £5m and new inclusions to the Capital Programme will be referred to the Cabinet in line with the FPR. Any

proposal that is outside the approved budget and policy framework will be referred back to full Council in accordance with the Constitution.

5. Key Outcomes

10. The use of Capital Resources directly related to the service delivery and corporate priorities and Council's aspirations for growth and infrastructure development;

11. Creation of a single point of contact for all capital matters.

12. Continuous improvement in strategic planning and delivery of the capital programme ensuring that strategic capital investment is planned and delivered in the most effective way possible

13. Better long term planning of capital investment, better use and management of assets, greater local-decision making and accountability within the capital arena.

14. Increased leverage of capital funding from wide range of sources

15. Enhanced of cross-service strategic working among directorates and in partnership with other organisations.

16. Realised opportunities for increasing income and/or reducing expenditure in management of property assets with direct contribution towards Council's efficiency programme

6. Reporting Arrangements & Communication Plan

17. Minutes of the meetings, with action items, will be circulated within 10 working days to members of the Board, members of CIB, the chairs of the Programme Delivery Boards and lead officers for the strategic work-streams.

18. The Growth and Infrastructure Scrutiny Committee will receive quarterly updates.

19. The Strategy and Partnership Scrutiny Committee will receive annual updates.

20. There will be a continuous dialog with the CIB and with the BSF Programme Board. These dialogs will be managed by the Assistant Chief Executive & Chief Financial Officer and the Director of Environment & Economy, and the Director of Children Young People & Families respectively.

7. Review Arrangements

21. Reviews will be carried out annually.

APPENDIX 3

NEW CAPITAL PROJECT APPROVAL THRESHOLDS (DRAFT) (BASED ON REVISED FINANCIAL PROCEDURE RULES)

12. No capital commitment shall be entered into unless:-
   a) it is included within the Capital Programme (either as a specified individual scheme or as part of a Planned Annual Programme) approved by the Council or is fully funded within the revenue budget and the Head of Finance & Procurement has confirmed that finance is available; and
   b) in the case of a project costing (exclusive of ~~capital fees and~~ the initial cost of any lease required):-
      - ~~£75,000~~ £200,000 or less, it has been approved by the Service or Cost Centre Manager;
      - between ~~£75,000~~ £200,000 and ~~£200,000~~ £500,000, it has been specifically identified and approved by the Head of Service;
      - between ~~£200,000~~ £500,000 and ~~£500,000~~ £1,000,000, it has been specifically identified and approved by the Director;
      - between ~~£500,000~~ £1 million and £2 million the Director and Head of Finance & Procurement have approved a detailed project appraisal for that project;
      - between £2 million and £5 million the Chief Finance Officer, in consultation with the relevant Cabinet Member, has approved a detailed project appraisal for that project;
      - ~~£1 million~~ £5 million and over the Cabinet has approved a detailed project appraisal for that project; and

the tender figure falls within the provisions of paragraph 13 below.

13. Where the total project cost as recorded in the Capital Programme is
   - ~~£200,000~~ £500,000 or more and any tender or other variation may effect more than a ~~10%~~ 5% increase on that total project cost, this must be approved by the ~~Director~~ Head of Service in consultation with Head of Finance & Procurement;
   - between ~~£500,000~~ £1 million and £2 million and any tender or other variation may effect more than a ~~10%~~ 5% increase on that total project cost, this must be approved by the Director and Head of Finance & Procurement;
   - between ~~£1~~ £2 million and £5 million and any tender or other variation may effect more than a ~~10%~~ 5% increase on that total project cost, this must be approved by the Chief Finance Officer;
   - £5 million or more, approval by the Cabinet is required.

12. In the case of insurance reinstatements paragraphs 12 and 13 above apply to the gross cost of the scheme only if the Council is contributing more than £75,000 or where there is a change in the service provided.

13. The Chief Finance Officer will ensure that the Capital Programme Board monitor and control expenditure against approved budgets and address any problems of overspending or resource re-allocation.

14. Capital budgets for new projects or changes to the approved capital budgets for projects in the programme will be put forward for approval as part of a financial monitoring report by the Chief Finance Officer.

15. The Leader of the Council may in conjunction with the Chief Finance Officer approve any proposed change to the Capital Programme in advance of the financial monitoring report to Cabinet where funding has been agreed with the Chief Finance Officer.

16. In respect of disposals of land and property:-
    a) processes followed should be robust and transparent and in accordance with current legislation;
    b) where the estimated disposal value is less than £2 million the Head of Property Services, having taken financial and legal advice, may arrange for the disposal of land or property;
    c) where the estimated disposal value is between £2 million and £5 million, a decision of the Chief Finance Officer is required;
    d) where the estimated disposal value of individual property assets is equal to or greater than £5 million, a decision of Cabinet is required;

17. In respect of disposals of land and property at less than Best Consideration:-
    a) where the estimated disposal value would otherwise have been at less than £250,000, the Head of Property Services may arrange for the disposal of land or property;
    b) where the estimated disposal value would otherwise have been between £250,000 and £1 million, the Head of Property Services shall prepare a report to the Chief Finance Officer, requesting approval to proceed with the disposal;
    c) where the estimated disposal value would otherwise have been at or above £1 million, the Head of Property Services and the Chief Finance Officer shall prepare a report to Cabinet, requesting approval to proceed with the disposal;

18. In respect of the acquisition of land and property where budget provision for an acquisition exists within the total Council budget, the Head of Property Services may approve a purchase of land or property

Explanatory Note

The Council's Financial Regulations require a project approval before proceeding individual schemes where it exceeds £0.2m. The schemes must have an option appraisal which looks at the different ways the desired outcome could be delivered and at whole life considerations to ensure that value for money are applied at all stages of projects. The project approval reports must consider the revenue consequences of proposed investment alongside the capital funding to ensure that the full cost of implementing a scheme is included in the approval process.

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Appendix 4: CAPITAL PROGRAMME ENTRY PROCESS & PROJECT APPROVAL FRAMEWORK

STAGES	STAGE 0 Concept Development	STAGE 1 Project Development	STAGE 2 Project Delivery	STAGE 3 Project Closure
Responsible Owner	CIB, CPB, Directorates Partners Transport Strategy Team Property Strategy Team	Transport Design & Implementation Teams Property Strategy & Tactical Teams	Transport & Property Project Delivery	The Client Directorate Transport & Property Strategy/Delivery Teams
Activity	Evidence need & strategic fit Define vision, objectives, aspirations & outcomes Identify infrastructure issues (condition, sufficiency, suitability, growth)	Options Appraisal Feasibility Study Outline Design Procurement Route Early assessment of land, highways, planning, utilities, sustainability, ICT issues Stakeholder Consultation	Statutory & regulatory approvals Detail Design (inc. ICT) Tenders, work/purchase orders (where required) Value engineering Change Control Supply chain management	Post implementation reviews Handover Plan (inc. responsibility for financial completion) Updates to asset register & other databases Defects reporting Performance reporting
Criteria	Strategic Assessment (the Capital Resource Allocation Model)	Technical Assessment (Options, Deliverability & Affordability Appraisals)	Deliverability against the brief, budget, timescales, procurement & quality	Client Satisfaction Survey Quality inspections End Project Report (RAG)
Outputs	Initial Business Case (Project Mandate)	Strategic Brief (Outline Business Case) Monitoring Report & Risk	Project Approval Report (Full Business Case) Monitoring Report & Risk	Impact Assessment/Benefit Realisation Report Lessons learnt report
Cost/Savings Resources	Conception Cost Form Funding Sources Revenue Imps (Annex 3) CFT, S106 Team & FBPs	Cost/Benefit Analysis Project Abnormals & WLC Revenue Imps (Annex 3) CFT, S106 Team & FBPs	Detailed cost & resources plan (inc. WLC, VfM, VAT) Financial Appraisal Form CFT & FBPs	Final account valuation FPR- ± 5% , SAP capital close, SAP revenue start CFT & FBPs
Communication & Consultation	Users& other Directorates Portfolio Holder Stakeholders & Partners Service Providers Local Members Capital Programme Mng. CPB & CIB	The Client & Directorates Portfolio Holder Stakeholders & Partners Service Providers Local Members Capital Programme Mng. CPB, CIB & PDB	The end user and the client representative liaison Collaboration with contractor Neighbourhood Liaison Portfolio Holder Capital Programme Mng. CPB & PDB	Post project appraisal meeting (end users, the client directorate, project team & key stakeholders) The client representative Capital Programme Mng. CPB & PDB
Approval	**Commit to Investigate** **Prj. Development Budget** **FPR, Cabinet & Council**	**Commit to Invest** **Project Delivery Budget** **Cabinet & Council** **(Programme Entry)**	**Commit to Construct** **Prj. Approval Budget ±5%** **S151, Portfolio Holder, Cabinet**	**Client Acceptance** Revenue Budget (running & operating costs) Service Manager

Appendix 5

2010/11 Capital Budget Setting Process Map

Capital Budget Setting Process			
Timetable (week commencing)	**Programme Review Process**	**Capital Bid Evaluation Process**	**Financial Control Process**
29th June 2009	The Capital Budget Setting Process endorsed by the CSG	New AMP Templates produced by Property Services (PS)	• Disposal Programme Update (June 09) • The Capital Programme Update (July 09)
6th July 2009 & 13th July 2009	CYP&F Challenge Panel (2)	• CWG approves the new AMP Template • New AMP Templates sent to Directorate Property Representatives	• Support to the Challenge Panels • Produce MMR Report with revised profiles (July 09)
20th July 2009 & 7th Sep 2009	Directorates work on • their AMP templates and link them with their Annex 3; • their current capital programme and review them in light of new AMP priorities;	• Capital Resources Allocation Model Workshop;	• Capital position statements (individual shortfall positions) for individual programmes produced and communicated to the Directorates • Produce MMR report with revised profiles (Sep 09) • Service & Resource Planning Report Input (Sep 09)
14th Sep 2009	Directorates • Work on their proposals to reduce the shortfall; • Consider the results of the challenge panel actions; • Cross-check and revise expenditure profiles with more than £500k allocation in 2009/10 and 2010/11;	• Directorate AMP Templates returned to the PS; • The Capital Investment Board (CIB) considers the capital programme position and endorses the principles of 2010/11 budget setting process (agreed by the CSG in July 2009); • The CIB considers the draft CRAM and makes recommendation for its further development;	• New project report finance information check; • Disposal Programme Update (Sep 09) • S106 Resources Profile Update (Sep 09)
21st Sep 2009 & 28th Sep 2009	• E&E- Other Programmes Challenge Panel (PSMT); • New programme delivery boards set up and start operation; • Identification of projects that will be included in the cost challenge	• PS quality check the AMP returns • Resources shortfall determined based on the AMP returns; • 2010/11 Transport project/ programme proposals returned to the CPM; • The CRAM criteria development & consultation;	• Capital Programme Update (Oct 09) • Produce MMR report with revised profiles (Oct 09)

Capital Budget Setting Process

Timetable (week commencing)	Programme Review Process	Capital Bid Evaluation Process	Financial Control Process
5th Oct 2009 & 30th Oct 2009	• The Capital Programme Board (CPB) reviews the CP and make recommendations to the CIB on deferrals; • Directorates consider the recommendation coming from the CPB and provide additional information to inform the CIB meeting; • S&CS Challenge Panel;	• The CPB considers the new capital bids and makes recommendations to the CIB; • Directorates consider the recommendation coming from the CPB and provide additional information to inform the CIB meeting; • Strategic Directors asked to do a final review of the services' capital priorities and their timetable for implementation • The AMP is revised in light of Directorate returns; • The CRAM is tested using projects/ programme within the current CP;	• Contractual commitment levels determined; • Revenue implications of capital bids cross-checked against Annex 3s
2nd Nov 2009 & 16 Nov 2009	• CYP&F Challenge Panel; • Results of challenge panels cross-checked with the delivery partners	• CCMT considers the proposed list of capital bids; • The capital strategy is reviewed in light of the revised AMP; • Final capital bid & de-prioritisation/ deferral proposals is prepared for the CIB following the feedback from a) Challenge Panels b) Portfolio Holder c) Strategic Directors/ CCMT	• Produce MMR report with revised profiles (Nov 09); • Any significant change affecting the surplus/ shortfall position reported to the CPM; • Results of the challenge panels are integrated to the capital programme; • Service & Resource Planning Report Input (Nov 09)
23rd Nov 2009	CIB considers the draft/ interim programme for 2010/11 & makes the final adjustments to the delivery timetables in light of the strategic priorities	The Capital Star Chamber (the CIB) • The CIB considers the final bid portfolio & makes required prioritisation/ de-prioritisation/ deferral decisions; • The CIB considers the details of the CYP&F and Transport Capital Programmes & makes required prioritisation/ de-prioritisation/ deferral decisions;	• An interim position statement is produced for the CIB • Disposal Programme Update (Nov 09) • S106 Resources Profile Update (Nov 09)
30th Nov 2009 & 7th Dec 2009	• Final updates made to the individual programmes	• The CPB considers the draft Capital Strategy and AMP; • Preparation for presentations to the Scrutiny Committees (Strategy & Partnership (17th December 2009), Growth & Infrastructure (7th January 2010))	• Produce MMR report with revised profiles (Dec 09); • Annual capital settlement confirmations integrated to the resources profile

Capital Budget Setting Process			
Timetable (week commencing)	**Programme Review Process**	**Capital Bid Evaluation Process**	**Financial Control Process**
14^{th} Dec 2009 & 28^{th} Dec 2009	▪ Final controls and updates to the capital strategy & capital programme reports	▪ The AMP and CS finalised following the comments from the CPB & the Portfolio Holder;	• Final controls and updates to Period 3 Capital Programme Update and 2009/10 Capital Programme
4^{th} Jan 2010 & 25^{th} Jan 2010	▪ Directorates consider any significant changes to the draft capital programme and report to the CPB;	• The CIB considers the AMP & the CS and makes recommendations to the Cabinet; • Strategy & Partnership Scrutiny Committee considers the Capital Strategy& 2009/10 Capital Programme (@14^{th} Jan 2010); • The Cabinet considers and approves the proposed CS, AMP and CP (@19^{th} Jan 2010)	• Capital Programme Update (Jan 10) • Significant changes (over £250k) to the CP are integrated into the Feb 09 Programme for approval by the Council
9^{th} Feb 2009	Council approves the Capital Strategy& 2009/10 Capital Programme		

ANNEX 6

Oxfordshire County Council
Draft Corporate Asset Management Plan 2010/11

Introduction

1. The Asset Management Plan (AMP) has taken a different approach to previous years. It is a shorter, higher level document that intentionally avoids detailed explanations of needs or proposals for property and detailed action plans. It does however start to set out how our property will need to change to help meet efficiencies and objectives. It is a first step to having a clearly defined Asset Strategy, derived from corporate objectives and priorities. It is intended that the Strategy is fully developed by July 2010, to be used in the next round of Service and Resource Planning.

Purpose of the Asset Management Plan

2. The purpose of the AMP is to:

   - Give an overview of the Council's strategic direction and objectives and the implications this has for its property
   - Describe the objectives for property that arise from this and the strategy for each category of its assets (the asset strategy)
   - Set out the action to be taken, at a high level
   - Provide a clear statement of the Council's approach to its property

3. An initial Asset Strategy is included in the AMP but this will need to be developed. It will be a high level corporate strategy which establishes the role of the Council's assets in meeting strategic objectives and the business efficiency strategy. The strategy needs to be driven by corporate objectives, rather than services determining their property needs.

4. The Council's property will need to change significantly in terms of its size, composition, use and cost if it is to positively contribute to meeting Council objectives at a time of significant change.

5. Asset management is a contributor to business resource planning and seeks to ensure that the property asset base is optimally structured in the best corporate interest of the organisation. The Asset Strategy drives the asset management process.

6. The benefits of good asset management are clearly set out in best practice guidance. Land and buildings are the slowest of all strategic resources to respond to change, due to legal, financial, construction and development constraints and so it is necessary to plan for change in a systematic, long term way. Incremental change will not normally suffice as it cannot respond to the challenges of delivering modern public Services and delivery of

community objectives. The Asset Strategy will help to deliver a structured and programmed approach to change in assets. Good asset management and demonstrating a strong link between corporate objectives and how assets are managed is a requirement of central government.

7. There will also be a lower level Asset Programme which identifies specific needs and proposals based on the strategy, where possible involving cross-directorate shared use and funding and puts these in to programmes of action. The programmes will include acquisitions; capital projects; refurbishment; maintenance and disposals.

8. The Asset Management Plan considers the period from 2010/11 to 2014/15 to allow forward planning and integration with the Council's service and resource planning process, and Medium Term Financial Plan but also considers longer term business drivers and asset needs.

Objectives and Business Efficiency Strategy

9. The County Council's objectives and Business Efficiency Strategy determine decisions about the Council's direction and therefore its property.

10. The Corporate Plan for 2010/11 onwards is under development. It is likely to contain the following priorities and themes:

- **World Class Economy** - a need to balance housing growth and infrastructure needs; making it easier to get around the county; improving skills and educational attainment and supporting the local economy;

- **Healthy and Thriving Communities** - community self-help; civic pride; independent living and personalisation of services; crime and fear of crime including anti-social behaviour; improving health and well-being;

- **Environment and Climate Change** - mitigating and adapting to climate change including flooding and meeting our carbon reduction targets; waste and recycling and maintaining the built environment including 'clean and green';

- **Better Public Services** - making efficiencies; access to services; partnership working; customer engagement and responsiveness; equalities and locality working

11. There are also the cross-cutting themes.

- **Breaking the Cycle of Deprivation**, focused on reducing the gap between the best and worst off, targeting resources where they are most needed, prioritising Banbury and Oxford for pilot work and six localities (Abingdon, Banbury, Bicester, Carterton, Didcot, Oxford).

- **Localities working** – there is the need to ensure that the County Council has the appropriate assets to ensure the right services can be provided at a local level, in an integrated way

12. The **Business Efficiency Strategy** requires a rationalisation of the asset base to help deliver £106 million of savings between 2010/11 and 2014/15.

Financial Context

13. The UK Economy is still in recession although there are signs of modest growth. There is an uncertainty about the strength of the recovery and this is reflected in the forecasted growth for 2010 which stands at 1%. It is projected that the recovery in the unemployment could take up to 5 years. In addition, the scale of national debt means that public spending will be reduced by £50 billion over the next 4 to 5 years.

14. These conditions place higher demand on public services and have significant implications on capital resources. The council has already experienced a sharp reduction in the value of capital receipts as well as delays in delivery of the disposal programme during 2009. Similarly, it is witnessing increasing demands from developers to reassess and renegotiate the need for, and terms applied to, contributions and infrastructure secured through planning obligations. It is very likely that we will receive significantly less settlement from the central government from 2011/12 onwards.

15. This makes the effective use of the Council's limited capital resources of utmost importance in a financially very challenging environment, when the challenges of growth and infrastructure development have never been more significant.

How do our Assets Need to Change?

16. The Council's objectives, overall theme of breaking the cycle of deprivation and Business Efficiency Strategy mean that the asset base will need to change to support delivery of those objectives. The broad property implications of the objectives are shown below.

World Class Economy

- Infrastructure will need to be provided for growth areas
- Schools will need to be improved to help raise educational attainment, including through the Primary Capital Programme and Building Schools for the Future

Healthy and Thriving Communities

- Changes to the provision of adult social care will mean changes to the property estate

- Encouraging community self help through joint and community use of property
- The need to improve health and well-being will require more effective working and co-location with our partners

Environment and Climate Change

- The environmental impact of our property will need to be reduced and the estate be made more resilient to climate change to minimise impacts on services and costs
- Improved facilities for waste disposal and recycling will be required

Better Public Services

- The cost and size of the estate needs to be reduced
- The number of staff to be accommodated will decline
- The amount of maintenance that can be carried out may reduce and available funding must be used for the highest priorities
- Property must be treated as a corporate and community resource and its future planned with our partners
- Investment will need to be focussed on priority localities and services

The Council's Property Portfolio

17. The Council has approximately 850 properties, the vast majority of which are operational rather than investment properties. They have an asset value approximately of £1.4 billion. The main property types are listed below.

- 32 secondary schools
- 226 primary school
- 13 special schools
- 24 fire stations
- 43 libraries
- 20 day centres
- 10 highway depots
- 105 houses
- 26 children's centres
- 29 youth centres

18. There is significant investment in the portfolio each year, through the capital programme and the repairs and maintenance programme. This has led to significant investment in for example schools, offices, children's centres and libraries. However only 41% of the portfolio is fully fit for purpose and there is a maintenance backlog of £77.5 million. There will need to be significant change to the portfolio for it to be affordable and to ensure it supports delivery of the Council's objectives. The challenge is to reduce the size of the portfolio and refigure in a way that is strategically driven and affordable. This will involve radical review and cultural change.

Property Themes

19. In view of the Council's objectives and Business Efficiency agenda the Council's property themes are set out below. The purpose of these Themes is to set out the overall approach to property. There are specific and detailed targets for property included in the annual Report on the Performance of the Property Portfolio.

Theme 1	A smaller property portfolio contributing to efficiency savings
Theme 2	Changing the portfolio to support locality working
Theme 3	Increased co-location of services and sharing with partners and community organisations to improve service delivery and reduce costs
Theme 4	Property that is fit for purpose and supports emerging service business models
Theme 5	Improved environmental performance of our buildings to contribute to targets to reduce carbon dioxide emissions

Approach to Asset Base

20. The main types of property held by the Council are set out below with an explanation of the approach that is being taken. It is intended that decisions about assets are considered corporately and are guided by the themes above and not by individual service or type.

Offices

21. The Better Offices Programme had made substantial improvements to the quality of office accommodation, by disposing of unsuitable properties and investing in a smaller number of good quality, more effectively used offices. The programme will make a significant contribution to the provision of high quality services, reduce costs and improve environmental performance. There will need to be further improvement in the utilisation of offices to ensure that they are effectively used and help deliver efficiencies. This will require a clear vision, policy and support for the way we want our staff to work to ensure they make best use of time, property, information and reduce travel.

Adult Social Care

22. Improvements in adult social care are required to contribute to the theme of Stronger and Safer Communities and the corporate objectives of low taxes,

real choice and value for money. The need for improvements relate to residential care for those with physical and learning disabilities; day care for those with learning disabilities; day care for older people and Homes for Older People.

23. **Residential Accommodation for Adults with a Physical Disability and Acquired Brain Injury** can be provided through partner organisations but land would need to be provided through the County Council. The need identified is for about 30 units of accommodation a year.

24. **Residential Accommodation for Adults with Learning Disabilities - t**his strategy aims to provide Supported Living accommodation through partnership with Registered Social Landlords with an aim to provide purpose built accommodation to increase the independence of adults with learning disabilities. There will be a continuing need for purpose built premises and this is identified in the Learning Disability Housing Strategy.

25. **Homes for Older People - w**ork is continuing with the Order of St. John (OSJ) to re-provide the homes in Banbury, Bicester, Chipping Norton and Thame. The funding for the new homes is largely provided within the funding strategy for HOP's.

26. The remaining 8 homes within which OSJ provide a service need to be reviewed in the context of changing needs. The Resource Implications are not yet known. The Extra Care Housing strategy is seen as a key one for the redevelopment and re-provision of services in these homes. However, there is also a need to enable the development of Extra Care Housing throughout the County.

27. **Mental Health Housing** is an emerging strategy. The need is to replace residential accommodation with housing within the community, similar to the strategy for adults with learning disabilities.

28. **Day Service for Adults with Learning Disabilities** need to develop day services through a countywide distribution of care and resource bases.

29. As with Day Services for Older People there is now a need to re-provide the bases established in Headington and Cowley as this are no longer suitable to meet the changing needs of the clients however all this is subject to the review mentioned below.

30. **Day Centres for Older People -** need to change to meet the objectives of the Day Service Strategy to support people to live in their own homes. The issue is that are these services what people want when given a personal budget. A review of the services required is a priority in order to establish which further work on creating new resource centres is carried out. Bicester has already been achieved, Banbury is at the feasibility stage, and Abingdon and Oxford Options currently in progress. It is possible that some development will be possible as part of or alongside extra care housing developments or emerge

out of the new strategic sites developments. Increasingly there will be a need to link to health related services, currently provided in community hospitals.

31. **Day Services for Mental Health** is primarily provided by partner providers on a mixture of rented and county owned premises. This services need to be located in centres of population but can share existing locations such as community centres. There is a current need to find a location for a centre in Cowley.

Future Needs

32. There will be significant pressures arising from the demographic pressures on services for older people along with the implications of Self Directed Support and its impact on the services required by people. A substantial amount of work is underway in quantifying the capital requirements.

33. The major issues that have to be considered at this stage are:

- Funding and managing major service transition. Care and support of people in services for older people has to continue while the new services are developed. This transition will require hump or time limited additional funding. This could be financed from capital

- The use of County Council land and other assets in the development of facilities. For sheltered and extra care housing this will be particularly important for drawing down any grant support from the Housing Corporation, reducing the long term revenue costs, and ensuring that the County is able to get the best advantage from any section 106 arrangements and being able to ensure that there are nominations agreements in place that will allow our priorities to be met.

34. Both of these issues are very evident for the extra care housing strategy.

35. Alongside this - a comprehensive review is being undertaken to determine the **systems and processes** required by Adult Social Care for the future working and support of the new processes being put in place through Transforming Adult Social Care. This work is due to be complete in the New Year which will inform the amount of capital required for systems development.

Libraries

36. The asset strategy for the library portfolio is driven by current service constraints, population growth, service modernization and community needs.

Current service constraints

37. Fitness for Purpose Surveys show that libraries compare very poorly with the overall results for the county's property portfolio. 18 properties (44%) are identified as unfit for purpose or unfit for purpose with the potential for

economic improvement. Priorities for improvement (excluding funded priorities) are the Central Library, Chipping Norton, Cowley and Summertown.

Population growth

38. Significant, planned housing growth increases pressure on the library infrastructure which is often inadequate to meet the demands of existing communities. Securing improved or new provision in areas of planned growth (excluding the current capital priorities) is therefore a priority, most notably in Didcot and Grove.

Service modernization

39. Consultation indicates that the key determinants of library use and customer satisfaction are:

    17. An excellent book stock,
    18. Easily accessible services with retail type opening hours
    19. Relaxed, modern, comfortable environments

40. Since 2004 the library service has significantly improved in the first two areas and library use has increased. Modernisation of library buildings is now the most important action to be taken to improve performance, drive up core business and improve customer satisfaction. The busiest service points, with high footfall in the city and the county's towns are the highest priorities for improvement. Excluding the current capital programme, these include, Abingdon, Henley, Wantage and Witney,

Community need

41. In areas of disadvantage, library services have a role with other partners in helping to break the cycle of deprivation. The ways in which this may be achieved is currently being explored through the Community Libraries project and while demands on the library infrastructure in areas of relative deprivation may not always be great (for example in Berinsfield) there will be asset implications in delivering shared services, for example, through shared buildings.

Young People's Centres

42. The provision of high quality Young People's Centres as centres of excellence is at the heart of our local communities contribution to the five key Every Child Matters agenda; the 2010-2013 Children and Young People's Plan and the government's Youth Matters: Next Steps agenda by providing safe "places to go" for young people that are attractive, accessible and make young people feel valued.

43. The Children, Young People and Families Directorate restructured its services in January 2009 to create three areas with integrated teams working across

the areas and using local venues for service delivery. Young People's Centres offer an opportunity to be at the heart of this process and are already beginning to, or are planning to, provide opportunities for co-location wherever possible.

44. An Integrated Youth Support Accommodation Strategy 2009 was approved in July 2009, which included priorities for investment based on Fitness for Purpose, co-location opportunity and locality deprivation rating.

45. The drive is to develop contemporary environments where young people engage in positive activities and include multi-functional spaces, welcoming accessible cafe-style area and high quality external sports and play areas. There is a commitment to work up feasibility studies on the properties so with as opportunities for investment arise, there can be a rapid response.

46. There has been considerable success since autumn 2008 in securing external capital funding.

- "Back on Track" (Department for Children, Schools & Families) to provide facilities in four centres for alternative education provision and opportunity to enhance existing provision – Witney, Kidlington (both for completion in March 2010), Abingdon and Didcot (both for completion in March 2011) – £1.92 million. There is an additional investment of developer funds of £300,000 for Didcot.
- "Co-Location" funding (Department for Children, Schools and Families) to provide opportunities to co-locate services in Banbury, Chipping Norton and Bampton (for completion in August 2011) – £4.8 million.

47. There will be five year efficiency savings across OCC from April 2010. In current proposals, the revenue budget for youth and, in particular, for youth work risks significant reduction.

Re-use, Recycling & Recovery of Waste

48. The Waste Recycling Centre Infrastructure Development Programme is fundamental to the Council's priority and theme of Environment and Climate Change.

49. The priorities for the 2010/11 programme require the council to increase, refurbish/redevelop and geographically relocate its WRC assets to achieve sustainable, continuous improvement in service provision. Phase 1 (2010/11) will see construction of the County's first undercover Waste Recycling Centre and Reuse Shop, north of Oxford City. The development will serve as an enabler to the redevelopment of the Redbridge Recycling Centre Health and Safety issues. It is also proposed to relocate Dean Pit, near Chipping Norton.

50. The second phase (2012–15) of the programme will see the relocation of Alkerton to serve the Banbury area, relocation of Ardley to serve the Bicester area and the redevelopment/upgrade of Stanford-in-the-Vale. The longer term

(phase 3, 2015+) will review the need to develop smaller satellite recycling centres to serve housing growth.

Energy Recovery – information required

Schools

51. The priority areas approved for the distribution of available funding within the CYP&F Forward Plan are set out below. There may need to be some difficult policy decisions to ensure that the challenges and themes that need to drive change in the Council's assets are applied to schools. The priorities are currently:

- Primary Capital Programme
- Secondary Capital Programme (Building Schools for the Future)
- Provision of School Places
- Children's & Family Centres
- Halls and Kitchens
- Special Educational Needs
- Locally Controlled Voluntary Aided Programme (LCVAP)
- Risk Management Programme including health and safety
- Opportunity Developments
- Outdoor Education Service
- Improvement of Youth Centres
- Children's Homes Development

Resource Implications

52. The overall capital requirements of the asset strategy and the approach to funding those requirements and their revenue implications is set out in the Capital Strategy, which is prepared and approved to the same timescale as the AMP.

53. As the asset strategy is developed, the HR and ICT implications will also be set out in the AMP.

Performance Management

54. Performance against national and local property indicators is used to monitor performance of the property portfolio and with benchmarking information and targets for future performance, is included in the annual Report to the Cabinet on the Property Portfolio.

55. The report detailing the performance of the Council's property from April 2008 to March 2009 was considered by Cabinet in October. Work is ongoing to improve benchmarking information so there is better information about how our assets are performing compared with other authorities. Changes in the estate for 2008/09 were not all positive and this is another indicator that the approach to property needs to change.

56. In summary, the report showed:

- A slight reduction in the number of fit for purpose properties to 41%, although only one third of the portfolio was surveyed in 2008/09. The target of 90% of property fit for purpose by 2015 will be difficult to achieve
- Capital receipts of £6,947,871
- Total required maintenance increased by 4.4% from 2007/08. Total spend on repairs and maintenance reduced, although the percentage split between planned and responsive maintenance has improved to 59% and 41% respectively. This is disappointing in view of the additional prudential expenditure
- 64% of properties perform better than typical in terms of environmental performance – a slight reduction on 2007/08 largely attributable to a particularly cold winter

Organisational Arrangements

57. In November 2008 the County Council Management Team asked for a review of the Council's Capital Governance Structure.

58. The purpose of the review and new arrangements is to improve the delivery of corporate objectives through better management of our assets. Analysis carried out before the review stated that the structure in place at the time was an obstacle to this as there was:

- a limited visibility of top down priorities and cross-portfolio political debate on policy developments in the capital arena
- a limited strategic approach to place shaping
- disaggregated teams and functions
- limited application of strategic programme management

59. The new governance structure has a Capital Investment Board and a Capital Programme Board to replace the Capital Steering and Working Groups and these will operate at a higher level than and have strong links with Cabinet and CCMT. The aim is that the new structure will assist in:

- Changing the culture and approach to asset management
- Better planning of capital investment
- More effective use of assets
- Enhanced cross-service working
- Improved working and asset sharing with partners

60. The role of the Capital Investment Board is to set the vision and agenda for capital investment and asset planning to put in place the next generation of infrastructure and to deal with growth, joint service delivery and partner relationships.

61. The role of the Capital Programme Board is to provide a single point of contact for all capital and asset matters, to ensure development and delivery of the asset strategy, enhance cross-service and organisation working, develop a programme of strategic capital investment and to provide officer leadership and challenge.

62. Property Services is planning a restructure from April 2010 to allow a refocusing of resources to increase the capacity for strategic work, particularly development of the asset strategy.

Strategic Actions

63. The main strategic property actions required to support the achievement of the Council's objectives are to have:

By the end of 2009/10

- completed the Better Offices Programme
- a consolidated Facilities Management Service in place
- a strategy in place for the provision and procurement of Property Services from 2012 when most existing contracts come to an end
- a programme of property reviews to help achieve the asset strategy approved by the Capital Programme Board

By the end of 2010/11

- a fully developed asset strategy approved and in use to help ensure that decisions about property support the Council's objectives
- a plan underway for meeting Business Efficiency savings from reducing the size of the portfolio with savings commencing in 2011/12
- arrangements in place for joint asset planning with partners
- a "New Ways of Working" framework in place to allow our staff to work effectively and flexibly and to make the most effective use of our assets

By the end of 2011/12

- the new procurement arrangements for Property Services in place and able to deliver the savings required by the Business Efficiency Strategy

By the end of 2014/15

- delivered the property savings required by the Business Efficiency Strategy

Annually

- met the fitness for purpose targets
- met the disposals target
- delivered the capital programme
- delivered the repairs and maintenance programme
- met the target for reducing carbon dioxide emissions

8 December 2009

Mark Tailby
Assistant Head of Property

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Divisions : NA

ITEM 6

STRATEGY & PARTNERSHIPS SCRUTINY COMMITTEE

17 DECEMBER 2009

CORPORATE PLAN 2010/11-2014/15

Purpose / Recommendation

1. **The Committee are asked to support the broad approach to the corporate plan as outlined.**

Background

2. The initial conclusion of the Cabinet (at the away day in September 2009) was that the new Corporate Plan should not change radically as it needs to maintain a focus on the priorities of 'Oxfordshire 2030', namely:
   - **World Class Economy** with particular emphasis on growth and infrastructure although educational attainment will remain a key service priority**.**
   - **Healthy and Thriving Communities** with the needs of younger and older people particularly in mind. Given the increasing focus of this Council and partners on localities, place and personalisation of services, the new Corporate Plan will need to reflect these issues more clearly.
   - **Environment and Climate Change** with priority action to meet our carbon reduction targets.
   - **Breaking the Cycle of Deprivation** with priority attention to areas of Oxford and Banbury.
   - **Better Public Services,** with a particular to commitment to Low Taxes delivered through efficiency and value for money improvement (as set in the Business Efficiency Strategy)
3. In delivering the above objectives the Cabinet felt that there should be an ongoing focus on Low Taxes, Real Choice and Value for Money.
4. Subsequently a small working party has helped to shape the development of the Corporate Plan for 2010/11 – 2014-15. The group is largely supportive of the existing long term objectives, but felt that the way these broad goals are communicated and supported needed more attention. Key points are:

   - the needs for a stronger emphasis on what strategic objectives mean and how action plays out in different parts of the county. The approach now being adopted is to provide some examples of links between strategic themes and locality action. It will not be possible to provide a comprehensive analysis of action in every town and village. Our focus will be on the 14 localities identified in the Closer to Communities strategy and in particular the 6 priority areas (namely Abingdon, Banbury, Bicester, Carterton, Didcot and Oxford City).

- whether the organisation is equipped and structured in a way that will support delivery of the Corporate Plan. The working Party are doing further work to look at the current distribution of staff across the county and the potential for grouping more staff in few key locations so the ‘one team’ approach is fostered rather than hindered. This links well with current thinking about asset management. However these are likely to be issues for the medium to long term.

5. A draft plan will be circulated during December, ahead of formal approval early in 2010. More detail is provided in the Key Dates section below.

Key Dates

6. Next steps in developing the corporate plan are:

December	Draft Plan to Cabinet members for comment
6th January	CCMT sign off for recommending to Cabinet
17th January	Strategy & Partnerships Scrutiny Committee review
19th January	Cabinet sign off
16th February	Council approval

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Assistant Chief Executive (Strategy)

November 2009

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