



To: Members of the Cabinet

Notice of a Meeting of the Cabinet

Tuesday, 20 September 2016 at 2.00 pm

Rooms 1&2 - County Hall, New Road, Oxford OX1 1ND

A handwritten signature in black ink that reads 'Peter Clark'.

Peter Clark
County Director

September 2016

Contact Officer:

Sue Whitehead

Tel: 07393 001213; E-Mail: sue.whitehead@oxfordshire.gov.uk

Membership

Councillors

Ian Hudspeth	<i>Leader of the Council</i>
Rodney Rose	<i>Deputy Leader of the Council</i>
Mrs Judith Heathcoat	<i>Cabinet Member for Adult Social Care</i>
Nick Carter	<i>Cabinet Member for Local Government, Business, ICT & Customer Services</i>
Melinda Tilley	<i>Cabinet Member for Children, Education & Families</i>
Lorraine Lindsay-Gale	<i>Cabinet Member for Property, Cultural & Community Services</i>
David Nimmo Smith	<i>Cabinet Member for Environment</i>
Lawrie Stratford	<i>Cabinet Member for Finance</i>
Hilary Hibbert-Biles	<i>Cabinet Member for Public Health</i>

The Agenda is attached. Decisions taken at the meeting will become effective at the end of the working day on Wednesday 28 September 2016 unless called in by that date for review by the appropriate Scrutiny Committee.

Copies of this Notice, Agenda and supporting papers are circulated to all Members of the County Council.

Date of next meeting: 18 October 2016

County Hall, New Road, Oxford, OX1 1ND

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Declarations of Interest

The duty to declare.....

Under the Localism Act 2011 it is a criminal offence to

- (a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
- (b) provide false or misleading information on registration, or
- (c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

Whose Interests must be included?

The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, **or**

- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

(in each case where the member or co-opted member is aware that the other person has the interest).

What if I remember that I have a Disclosable Pecuniary Interest during the Meeting?.

The Code requires that, at a meeting, where a member or co-opted member has a disclosable interest (of which they are aware) in any matter being considered, they disclose that interest to the meeting. The Council will continue to include an appropriate item on agendas for all meetings, to facilitate this.

Although not explicitly required by the legislation or by the code, it is recommended that in the interests of transparency and for the benefit of all in attendance at the meeting (including members of the public) the nature as well as the existence of the interest is disclosed.

A member or co-opted member who has disclosed a pecuniary interest at a meeting must not participate (or participate further) in any discussion of the matter; and must not participate in any vote or further vote taken; and must withdraw from the room.

Members are asked to continue to pay regard to the following provisions in the code that *"You must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself"* or *"You must not place yourself in situations where your honesty and integrity may be questioned....."*

Please seek advice from the Monitoring Officer prior to the meeting should you have any doubt about your approach.

List of Disclosable Pecuniary Interests:

Employment (includes *"any employment, office, trade, profession or vocation carried on for profit or gain"*.), **Sponsorship, Contracts, Land, Licences, Corporate Tenancies, Securities.**

For a full list of Disclosable Pecuniary Interests and further Guidance on this matter please see the Guide to the New Code of Conduct and Register of Interests at Members' conduct guidelines. <http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Elected+members/> or contact Glenn Watson on **07776 997946** or glenn.watson@oxfordshire.gov.uk for a hard copy of the document.

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, but please give as much notice as possible before the meeting.

AGENDA

1. Apologies for Absence

2. Declarations of Interest

- guidance note opposite

3. Minutes (Pages 1 - 14)

To approve the minutes of the meeting held on 19 July 2016 (**CA3**) and to receive information arising from them.

4. Questions from County Councillors

Any county councillor may, by giving notice to the Proper Officer by 9 am two working days before the meeting, ask a question on any matter in respect of the Cabinet's delegated powers.

The number of questions which may be asked by any councillor at any one meeting is limited to two (or one question with notice and a supplementary question at the meeting) and the time for questions will be limited to 30 minutes in total. As with questions at Council, any questions which remain unanswered at the end of this item will receive a written response.

Questions submitted prior to the agenda being despatched are shown below and will be the subject of a response from the appropriate Cabinet Member or such other councillor or officer as is determined by the Cabinet Member, and shall not be the subject of further debate at this meeting. Questions received after the despatch of the agenda, but before the deadline, will be shown on the Schedule of Addenda circulated at the meeting, together with any written response which is available at that time.

5. Petitions and Public Address

6. Reports into Future of Local Government in Oxfordshire (Pages 15 - 216)

Cabinet Members: Leader and Local Government, ICT, Business & Customer Services
Forward Plan Ref: 2016/091

Contact: John Courouble, Research Intelligence Manager, Tel: 07968 242072

Report by County Director (**CA6**).

In early May Oxfordshire County Council appointed Grant Thornton UK LLP (GT) to

consider how local government could be reorganised to reduce costs, improve service outcomes, support economic growth, enhance local engagement and empowerment, and provide strong and accountable leadership.

This followed the appointment of PwC to conduct a review commissioned by Oxford City Council on behalf of Oxfordshire's Districts into proposals launched by District Leaders in February to restructure local government in Oxfordshire.

This paper enables Cabinet to consider the outcome of the two reports, and inform consideration of the next steps in response to them.

Cabinet is RECOMMENDED to consider the proposals set out in the PwC and GT reports, together with any comments or recommendations following Performance Scrutiny Committee on the 13 Sept, with a view to taking forward the most appropriate proposal for Oxfordshire.

7. Service & Resource Planning Report - 2017/18 - September 2016 (Pages 217 - 250)

Cabinet Member: Finance

Forward Plan Ref: 2016/040

Contact: Katy Jurczynszyn, Strategic Finance Manager (Finance, Strategy & Monitoring)
Tel: 07584 909518

Report by Chief Finance Officer (**CA7**).

This report is the first in the series on the Service & Resource Planning process for 2017/18 which will culminate in Council setting a budget for 2017/18 in February 2017. This initial report sets the context and the starting point for the process. It sets out:

- the assumptions on which the existing Medium Term Financial Plan (MTFP) is based,
- known and potential financial issues for 2017/18 and beyond which impact on the existing MTFP, and
- a proposed process for Service & Resource Planning for 2017/18 including a timetable of events.

The report follows on from the report presented to Cabinet in July 2016, 'Revised Medium Term Financial Plan 2017/18 - 2019/20'.

The Cabinet is RECOMMENDED to:

- (a) note the report;***
- (b) approve the Service and Resource Planning process for 2017/18; and***
- (c) approve a four year period for the Medium Term Financial Plan and Capital Programme to 2020/21.***

8. **Transition Fund for Community Initiatives for Open Access Children's Services** (Pages 251 - 264)

Cabinet Member: Finance

Forward Plan Ref: 2016/077

Contact: Sarah Jelley, Senior Policy & Performance Officer Tel: 07554 103437

Report by Chief Finance Officer (**CA8**).

In February 2016 the council agreed to set aside £1m for creating a 'one off' fund to provide pump priming to support Children's Centres. It was agreed that a cross party group of county councillors would consider maximum benefit of this fund and bring proposals back to cabinet for decision.

The working group considered approaches and options and proposed the attached guidance notes and grant application form.

The Cabinet is RECOMMENDED to approve the Grant Guidance and Grant Application as set out in Annexes 2 and 3.

9. **Proposed Draft Strategic Economic Plan Refresh** (Pages 265 - 328)

Cabinet Member: Environment

Forward Plan Ref: 2016/085

Contact: Robin Rogers, Spatial Infrastructure Planning Resources Manager Tel: 07789 923206

Report by Acting Director for Environment & Economy (**CA9**).

In 2013, central government required Local Enterprise Partnerships to develop multi-year Strategic Economic Plans (SEP).

Oxfordshire's Local Enterprise Partnership, OxLEP, published its SEP Driving Economic Growth Through Innovation in March 2014.

In order to reflect progress in delivering the objectives of the original SEP and the development of associated detailed plans, address changes in the purpose of the plan and align better with changing economic circumstances, OxLEP have undertaken a SEP "refresh".

OxLEP have also sought to generate wider engagement with the development of the refreshed SEP than was possible in 2014/15 due to the tight timetable set by central government.

Following a series of development workshops, OxLEP published a draft plan in April 2016 for public and stakeholder consultation. OxLEP have now published a revised draft for formal consideration by Oxfordshire's local authorities, the Skills Board, the Growth Board and final decision making by the Local Enterprise Partnership itself.

This report introduces the refreshed SEP for comment and invites Cabinet to endorse

the document ahead of final agreement by OxLEP.

The Cabinet is RECOMMENDED to endorse the revised SEP as set out in Appendix 1.

10. Report on the Impact of National Living Wage on Adult Social Care's Contracted Services (Pages 329 - 342)

Cabinet Member: Adult Social Care

Forward Plan Ref: 2016/042

Contact: Andrew Colling, Lead for Quality & Contracts (Joint Commissioning) Tel: (01865) 323682

Report by Deputy Director – Joint Commissioning (**CA10**).

The National Living Wage came into force in April 2016 and the first premium was set at £0.50 per hour bringing the total National Living Wage to a level of £7.20 per hour. The premium is over and above the National Minimum Wage which remains in place for those workers between the ages of 18 and 25 years of age.

In November 2015 the Chancellor of the Exchequer announced the outcome of the Spending Review. This included provision for increased income generation through an additional council tax precept for the purpose of supporting adult social care costs including the National Living Wage. The Department for Communities and Local Government subsequently noted that this was also in recognition of demographic changes which are leading to growing demand for adult social care, which is increasing pressure on council budgets.

In February 2016 the county council approved an additional 2.0% council tax precept for 2016/17. This generated £5.883m to support the costs of adult social care in Oxfordshire, including the impact of the implementation of the National Living Wage from 1 April 2016. In addition a further £0.600m was agreed to be added to the budget to support the impact of the National Living Wage on the cost of sleep-in care. This supports service users, primarily with learning disabilities, through the night - time period.

Some of the Adult Social Care Precept has already been used to reflect the direct impact of the National Living Wage and other agreed cost pressures on providers in 2016/17. Through those decisions £0.857m of the £5.883m has already been committed leaving £5.026m to allocate.

The impact of the National Living Wage is not known either nationally or locally. In view of this the council asked officers to undertake further work in this area to establish its impact.

This report describes our subsequent discussion with care providers and the consultation exercise we have taken on the use of the funding available. It concludes with recommendations about how the £5.026m should be used within Adult Social Care and notes the availability of the £0.600m funding to support sleep - in care.

Considering the evidence received in conjunction with the pressures already apparent in 2016/17, Cabinet are RECOMMENDED to:

- (a) agree that the assumed hourly rate for home support workers funded through the council's home support model should be increased from £7.20 per hour to the Skills for Care rate for Oxfordshire of £8.59 per hour. £1.062m of the Adult Social Care Precept should be added the council's contribution to the Older People's Pooled Budget to fund the cost of additional payments to home support providers resulting from the increase to the hourly rate.**
- (b) agree that £0.964m of the Adult Social Care Precept should be held as a contingency to support specific in-year pressures raised by providers between October and March 2017. The expectation is that this will be relevant in a limited number of cases where a provider has a longstanding contract and have not otherwise received an increase in their payment rates for a number of years. Any allocation will need to be evidenced through open-book accounting and agreed on an exceptional basis. Any balance remaining at year end will be used to support further pressures in adult social care evident by 31 March 2017.**
- (c) agree that £3.000m of the Adult Social Care Precept should be used to increase the council's contribution to the Older People's Pooled Budget on a permanent basis to support on-going demand and expenditure pressures evident in 2016/17.**
- (d) note that the £0.600m budget available to support the cost of sleep-in support for service users will be ring fenced for such purposes, in line with the original budget approval to be used mainly in the area of Learning Disability providers. Funding will be allocated subject to evidence of actual changes to wages and the outcome will be reported through the Financial Monitoring Report.**

11. Staffing Report - Quarter 1 - 2016 (Pages 343 - 346)

Cabinet Member: Deputy Leader

Forward Plan Ref: 2016/041

Contact: Sue Corrigan, County HR Manager Tel: (01865) 810280

Report by Chief Human Resources Officer (**CA11**).

This report gives an update on staffing numbers and related activity during the period 1 April 2016 to 30 June 2016. It gives details of the actual staffing numbers at 31 March 2016 in terms of Full Time Equivalents. These are shown by directorate in Appendix 1. In addition, the report provides information on the cost of posts being covered by agency staff.

The Cabinet is RECOMMENDED to note the report.

12. Appointments 2016/17 (Pages 347 - 356)

Cabinet Member: Leader

Forward Plan Ref: 2016/075

Contact: Sue Whitehead, Principal Committee Officer, Tel: 07393 001213

Report by Chief Legal Officer (**CA12**).

To consider member appointments to a variety of bodies which in different ways support the discharge of the Council's Executive functions.

The Cabinet is RECOMMENDED to agree the appointments as set out in the Annex to this report, subject to any changes reported in any amended schedule and at the meeting.

13. Forward Plan and Future Business (Pages 357 - 360)

Cabinet Member: All

Contact Officer: Sue Whitehead, Committee Services Manager (01865 810262)

The Cabinet Procedure Rules provide that the business of each meeting at the Cabinet is to include "updating of the Forward Plan and proposals for business to be conducted at the following meeting". Items from the Forward Plan for the immediately forthcoming meetings of the Cabinet appear in the Schedule at **CA13**. This includes any updated information relating to the business for those meetings that has already been identified for inclusion in the next Forward Plan update.

The Schedule is for noting, but Cabinet Members may also wish to take this opportunity to identify any further changes they would wish to be incorporated in the next Forward Plan update.

The Cabinet is RECOMMENDED to note the items currently identified for forthcoming meetings.

Agenda Item 3

CABINET

MINUTES of the meeting held on Tuesday, 19 July 2016 commencing at 2.00 pm and finishing at 3.35 pm

Present:

Voting Members: Councillor Ian Hudspeth – in the Chair
Councillor Rodney Rose
Councillor Mrs Judith Heathcoat
Councillor Melinda Tilley
Councillor Lorraine Lindsay-Gale
Councillor David Nimmo Smith
Councillor Lawrie Stratford
Councillor Hilary Hibbert-Biles

Other Members in Attendance: Councillor Liz Brighthouse (Agenda Item 14)
Councillor John Christie (Agenda Item 6)
Councillor Jean Fooks (Agenda item 11)
Councillor Nick Hards (Agenda Items 7, 8 & 9)
Councillor John Howson (Agenda Item 12)
Councillor Gill Sanders (Agenda Item 10, 11 & 12)
Councillor Richard Webber (Agenda Item 6)

Officers:

Whole of meeting	Peter Clark (County Director); Sue Whitehead (Corporate Services)
Part of meeting	
Agenda Item	Name
7,	Lewis Gosling (Corporate Finance)
8 & 9	Lorna Baxter, Chief Finance Officer
10	Roy Leach; Vikki Gledhill, Business Development Manager, CEF
11	Jim Leivers, Director for Children's Services; Delia Mann, Area Social Care Manager, CEF
12	Jim Leivers, Director for Children's Services
13	Mark Kemp, Deputy Director, Commercial

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with a schedule of addenda tabled at the meeting, and decided as set out below. Except insofar as otherwise specified, the reasons for the decisions are contained in the agenda, reports and schedule, copies of which are attached to the signed Minutes.

56/16 APOLOGIES FOR ABSENCE

(Agenda Item. 1)

Apologies were received from Councillor Carter.

57/16 MINUTES

(Agenda Item. 3)

The Minutes of the meeting held on 28 June 2016 were approved and signed as a correct record subject to the corrections to the names of Councillors Hards and Howson in the preamble to Minute 54/16.

58/16 QUESTIONS FROM COUNTY COUNCILLORS

(Agenda Item. 4)

Councillor Howson had given notice of the following question to Councillor Tilley:

“Will the Cabinet Member for CEF please list by school the lump sum amount lost by each affected school due to the removal of the small school grant associated with the provision of Free Infant School Meals for 2016-17. The lump sum grant was paid to schools with below a certain number of pupils in order to help with the cost of providing the meals.”

Councillor Tilley replied:

“The introduction of universal infant free school meals (UIFSM) was accompanied by some ‘one off’ additional transitional funding to assist small schools (150 or fewer pupils at January 2015) with the start of the new requirement. Each eligible school received £2,300 for the financial year 2015/16. A list of all those schools may be found attached as an appendix.

The total amount paid to the Local Authority and passed to maintained schools totalled £177,100. A further £36,800 was paid directly by the Education Funding Agency to non-maintained eligible schools, 14 of which are Academies, one of which is an independent special school and one a Free School. A list of all those schools is attached as an appendix.”

Supplementary: Asked whether Councillor Tilley had any concerns about the viability of some of our smaller rural primary schools with the removal of this grant funding Councillor Tilley replied that she had no concerns at the moment.

Councillor Webber had given notice of the following question to Councillor Hudspeth:

“I would like to ask the Leader a question on the way the council approaches and elects Chairmen and Deputy Chairmen to Scrutiny Committees at their meeting on 19th July.”

Councillor Hudspeth replied:

“At the first meeting of each new year the committees elect their own chairman.”

Supplementary: Councillor Webber asked whether the Leader agreed with his concern that in order to assure the public that the scrutiny function was robust and fit for purpose it was important to ensure that the most competent people filled those roles. Councillor Hudspeth emphasised that the choice was made through a democratic process and that if he were to suggest alternative approaches then he could be accused of reducing the independence of scrutiny.

59/16 PETITIONS AND PUBLIC ADDRESS

(Agenda Item. 5)

The Leader of the Council had agreed the following requests to address Cabinet:

Item 6 – Councillor John Christie, Shadow Cabinet Member for Local Government, Business, ICT and Customer Services;
Councillor Richard Webber, Leader of the Liberal Democrat Group

Item 7– Councillor Nick Hards, Shadow Cabinet Member for Finance

Item 8 - Councillor Nick Hards, Shadow Cabinet Member for Finance

Item 9 - Councillor Nick Hards, Shadow Cabinet Member for Finance

Item 10 - Councillor Gill Sanders, Shadow Cabinet Member for Children, Education & Families

Item 11 - Ms Vanessa Porter, Hook Norton Refugee Action;
Councillor Jean Fooks;
Councillor Gill Sanders, Shadow Cabinet Member for Children, Education & Families

Item 12 - Councillor Howson; Councillor Gill Sanders, Shadow Cabinet Member for Children, Education & Families

Item 13 - Steve Curran, Shadow Cabinet Member for Environment (did not speak)

Item 14 - Councillor Liz Brighthouse, Chair of Performance Scrutiny Committee

60/16 INTERIM REPORT OF GRANT THORNTON'S INDEPENDENT REVIEW OF LOCAL GOVERNMENT STRUCTURES IN OXFORDSHIRE

(Agenda Item. 6)

The Leader reminded Cabinet that local government experts Grant Thornton were commissioned to conduct an independent study of the options for local government restructuring. That work was ongoing and was due to be completed by the end of the month. He stated that the covering paper

explained the background, and that Cabinet Members would all be aware of the lively debate surrounding options for unitary local government.

The Leader noted that Cabinet was due to consider an interim report by Grant Thornton, which was always going to be published as a late paper. However, it had been decided not to publish the interim report at this time. He read a brief statement that had been agreed by all the councils, which he hoped was self-explanatory:

With a new Prime Minister and new Secretary of State now in place and a number of pressing economic and policy issues to work through at national level, we recognise that it is sensible to take the time to understand how the government intends to take forward devolution and local government reorganisation in Oxfordshire and other areas before presenting further proposals for reforming public services and changes to council structures in the county.

Following discussions with civil servants last week all the Oxfordshire councils have agreed to work together to discuss areas of common ground, assess potential options and establish whether we can agree a way forward building on the work we have both done to date. We have agreed to postpone publication of both the Grant Thornton and PWC studies, and pause plans for consultation until these plans have been jointly developed.

Our aim has always been to seek investment in housing and transport infrastructure; to improve skills training and develop the local economy. This investment is needed if we are to reach our potential, and therefore agreeing a way forward with government is a high priority for all of us.

The Leader continued that it made sense for us to get together with all the councils in Oxfordshire to look for common ground before we publish our reports. The government has told us that it does not favour one option over another. It has simply said that it will not choose between different options and wants a proposal with broad support among the key partners. He added that he was not going to say anything more at this stage because it was important that we don't do anything that could undermine that commitment to work together. Although not publishing the Grant Thornton report today, the recommendations to Cabinet contained in the paper are still valid. They do need to be understood in the context of joint working. He moved the recommendations amended in the light of the statement.

Councillor Christie, Shadow Cabinet Member for Local Government, Business, ICT & Customer Services, recognised that the pause was on the advice of DCLG and that it was in the best interests of Oxfordshire residents to try and work out a solution. However there was an expectation that the reports would still be published. He added that the current system was not working and what was needed was a more effective and efficient single strategic body with locally devolved decision making. This was a clear principle and the Labour Group believed that a Unitary body for Oxfordshire

would best deliver this. He spoke against the idea of a combined authority arrangement which would reintroduce a two/three tier process. He added that in his experience smaller unitary councils were inefficient.

Councillor Webber, Leader of the Liberal Democrat Group, supported the comments from Councillor Christie but added that to maintain integrity it was important to wait for the evidence. He referred to the financial constraints local government was under and felt that the big annual savings needed could only come from significant change and fewer councils. Whatever structure was agreed savings would still need to be made. The pause should not be for too long and he hoped that efforts were being made to ensure that DCLG were aware that this mattered.

RESOLVED: in the light of the Leader's statement to ask officers to:

- (a) draw up proposals for the optimum future structure of local government in Oxfordshire taking account of the full findings of the Grant Thornton study once received
- (b) consult with county council members, residents of Oxfordshire and other key stakeholders to help shape the proposals; and
- (c) thereafter prepare a bid to be reviewed by Cabinet later in 2016 in advance of submission to central government.

61/16 TREASURY MANAGEMENT 2015/16 OUTTURN

(Agenda Item. 7)

Cabinet considered a report that set out the Treasury Management activity undertaken in the financial year 2015/16 in compliance with the CIPFA Code of Practice. The report included Debt and Investment activity, Prudential Indicator Outturn, Investment Strategy, and interest receivable and payable for the financial year.

Councillor Hards, Shadow Cabinet Member for Finance, congratulated the Treasury Management Team for doing a very good job and achieving an excellent result. However he sounded a note of caution. Following the referendum decision there had been very short term fluctuations in the markets which although it was right to ignore still needed to be kept under review. He highlighted in particular that some property funds had been frozen and it would not have been possible to access invested funds if they were needed at short notice. He added that he had queried this and been assured that it was not money that was needed most quickly that was invested in these types of funds. He commented that the benchmarking referred to was about a backward look and he asked that officers and the Cabinet Member be aware of this and the need also to anticipate future events. He went on to make detailed comments relating to LOBO, PWLB and other local authority loans.

Councillor Stratford, Cabinet Member for Finance responded to the comments made and added his congratulations to the Treasury Management Team. He stated that the report was to the end of March 2016 and he was

sure that there would be tensions and issues ahead but that the Team had achieved a remarkable result and were very alert to future challenges.

RESOLVED: to note the report and to **RECOMMEND** Council to note the Council's Treasury Management Activity in 2015/16.

62/16 2016/17 FINANCIAL MONITORING & BUSINESS STRATEGY DELIVERY REPORT - MAY 2016

(Agenda Item. 8)

Cabinet had before them the first financial monitoring report for 2016/17 that focused on the delivery of the Directorate Business Strategies that were agreed as part of the Service and Resource Planning Process for 2016/17 – 2019/20. Parts 1 and 2 included projections for revenue, reserves and balances as at the end of May 2016. Capital Programme monitoring and update was included at Part 3.

Councillor Hards, Shadow Cabinet Member for Finance, highlighted a number of areas of concern. In relation to Children, Education & Families although the position on home to school transport for mainstream education was now satisfactory, SEN transport was still a problem. He asked that on mainstream transport with the changes to the bus services following the withdrawal of bus subsidies that care was taken that suitable public bus services were available if that was the agreed method of travel. With SEN transport the biggest difficulty was that children needed to travel large distances as local provision was not available and Councillor Hards asked for an update on special school provision. Councillor Hards also highlighted the position with regards to asylum seekers and sought assurances that the County Council would be able to afford whatever it was decided we should do. He welcomed a conversation outside the meeting about any strategy to deal with the difficulty highlighted in paragraph 17 where the expected National Schools Funding Formula is likely to ring-fence the various DSG funding blocks making it increasingly difficult to manage such overspends within DSG going forward. He made further comments in relation to the use of agency placements for fostering and older people and public health.

Councillor Tilley, Cabinet Member for Children, Education & Families responded to the comments made and advised that the need for special school places was a known need and discussions were taking place. Independent foster carers were used as little as possible. Councillor Heathcoat Cabinet Member for Adult Social Care commented that detailed discussions were taking place.

Councillor Stratford, Cabinet Member for Finance, introduced the contents of the report. He shared Councillor Hards concerns around issues around asylum seekers. He supported the government approach but it was important to understand what funding was needed and how it would be managed. He acknowledged that it continued to be a struggle to finance the needs of the growing older population. He shared concerns about funding for public health. He moved the recommendations.

RESOLVED: to:

- (a) note the report;
- (b) approve the virement requests set out in Annex 2a;
- (c) approve the virement requests set out in Annex 2f;
- (d) approve the foster care loan write-off as set out in paragraph 41;
- (e) note the Treasury Management lending list at Annex 3;
- (f) approve the updated Capital Programme at Annex 8 and the associated changes to the programme in Annex 7c;
- (g) approve the increase of £2.2m in the budget for the Great Western Park Primary School in Didcot;
- (h) approve the contractual commitment for construction of the Access to Headington Project, with a total budget of £11.2m; and
- (i) approve the contractual commitment for construction of the Harwell Link Road Project, with a total increased budget of £11.6m.

63/16 REVISED MEDIUM TERM FINANCIAL PLAN 2017/18 - 2019/20

(Agenda Item. 9)

The Medium Term Financial Plan (MTFP) agreed by Council in February 2016 included a requirement for further savings for which proposals had not been identified of £10.4m in 2017/18 and £6.2m in 2018/19. A surplus position of £1.3m was included for 2019/20. Over the medium term to 2019/20 a total of £15.3m additional savings are required.

Given the need to make significant additional savings only became apparent following the publication of the Draft Local Government Finance Settlement late in December 2015 due to a change in the distribution of Revenue Support Grant, it would not have been prudent to propose further significant savings without proper financial planning and consultation. Therefore, recommendations for meeting the £15.3m further savings were proposed to be brought forward as part of a revised MTFP for 2017/18 – 2019/20 to Cabinet and then Council for approval before the autumn of 2016. Cabinet had before them the report setting out the proposed recommendations for meeting these further savings.

Councillor Hards, Shadow Cabinet Member for Finance sought assurance that everything possible would be done to ensure that Government were aware of the difficulties caused by the late settlement in February 2016 and to urge them not to repeat it. With regard to the use of digital access he urged the council to remember the problems of people for whom it was difficult or not possible to access services digitally. This was not an older people issue as he was aware of many older people using the internet. Councillor Hards welcomed the good work so far on the strategic property review but highlighted the need to do better. He sought an update on the income generation pump priming.

Councillor Stratford, Cabinet Member for Finance in moving the recommendations stated that he feared that the timing of the settlement would be the same or worse for the budget setting in February 2017. He

welcomed the 4 year settlement referred to at paragraph 8 for bringing some certainty but it would depend on what was meant by the caveats. He took on board the point made by Councillor Hards that some would find digital access challenging. He commented that more work was required in relation to the income generation pump priming although the other was moving forward.

Lorna Baxter, Chief Finance Officer noted that the Efficiency Plan would be amended to reflect the statement made at Minute 60/16 above.

RESOLVED: to **RECOMMEND** Council to approve:

- (a) the revised Medium Term Financial Plan for 2017/18 to 2019/20; and
- (b) the four year Efficiency Plan for 2016/17 to 2019/20 including the Flexible Use of Capital Receipts strategy for 2016/17 for onward submission to the Department for Communities and Local Government.

64/16 BUSINESS CASE FOR THE FUTURE OF HILL END - OXFORDSHIRE COUNTY COUNCIL AND OXFORD UNIVERSITY

(Agenda Item. 10)

Cabinet considered a report seeking confirmation that Oxfordshire County Council, in conjunction with Oxford University, would support proposals for new governance and management arrangements at Hill End.

Councillor Gill Sanders, Shadow Cabinet Member for Children, Education & Families, spoke in support of the proposals, referring to the huge support from the public for the facilities to continue. It was the only opportunity for some youngsters to enjoy outdoor activities. Councillor Sanders suggested that officers explore a link with Science Oxford and that it would be good if the University could take an active interest.

The Leader informed Cabinet of an email from Councillor Godden in support of the proposals. He thanked Vikki Gledhill and her team for all their efforts.

RESOLVED: to:

- (a) approve the business case for the proposal to establish a new charitable entity;
- (b) provide a mandate to work jointly with Oxford University to implement and progress the establishment of a new charitable company/entity for the governance and management of the Hill End; and
- (c) confirm that the council will support one-off set-up and transition costs and provide project management input which will be resourced from Hill End's ring-fenced business reserve.

65/16 UNACCOMPANIED ASYLUM SEEKING AND REFUGEE CHILDREN - TRANSFER SCHEME

(Agenda Item. 11)

The crisis in Syria and events in the Middle East, North Africa and beyond had seen an unprecedented number of migrants and asylum seekers arriving in Europe.

The Home Office and other central Government Departments had recently sought agreement with local authorities and others to agree a voluntary approach to sharing UASC more equally across the UK. If a voluntary approach failed, Government had under recent legislation and regulations given itself powers to force councils to accept UASC.

The Government is committed to a transfer scheme operating from 1 July 2016. South East county and unitary councils – along with councils in other parts of the country – were being asked to indicate how many UASC they could accept. No authority will be expected to take more than 0.07% of their existing child population.

There had for some time been increasing concern from local authorities that the government grant allocation fall far short of the actual cost of accommodating these children

Cabinet considered a report seeking a decision as to whether or not Oxfordshire County Council will commit to the new Government scheme.

Ms Vanessa Porter, Hook Norton Refugee Action thanked the County Council for the leading role that it had taken in the transitioning work from Kent. She explained the background and scope of her Group and offered the support of the Group and the network of volunteers it provided to assist the ongoing work.

Councillor Hudspeth, Councillor Tilley and other Cabinet Members welcomed the generous offer of support.

Councillor Fooks, commented that the help would be needed and paid tribute to the work already being done by the council. She added that the necessary resources were needed and felt that government were failing to recognise the cost and were not fully funding the work. Whilst it was right to spread the burden across the country the additional numbers would be a considerable pressure. She noted that 13 children were already placed out of County.

Councillor Gill Sanders, Shadow Cabinet Member for Children, Education and Families welcomed the acknowledgement of the duty to look after unaccompanied asylum seekers. Oxfordshire had a good record and she knew that the City will accept their responsibilities. As a member of the Fostering Panel she was aware that people were willing to take on asylum seekers but that more people were needed to come forward as foster carers.

Councillor Heathcoat urged all councillors to promote the need for foster carers in their own areas.

Councillor Tilley proposed an amendment of the recommendation to accept the implementation of the government proposal.

RESOLVED: to implement the Government proposal regarding the redistribution of UASC and recommended an approach as set out in the report.

66/16 DRAFT ACTION PLAN IN RESPONSE TO JOINT TARGETED AREA INSPECTION (JTAI)

(Agenda Item. 12)

In early March Ofsted, The Care Quality Commission, HMI Constabulary and HMI Probation undertook a joint inspection of the multi-agency response to child sexual exploitation, children missing from home, care or education and the front door to children's social care. This resulted in the publication of a detailed letter outlining the findings of the effectiveness of partnership working and the working of individual agencies in Oxfordshire.

The Director of Children's Services is required to submit a written statement of action to Ofsted by 15 August 2016, which will be accompanied by the detailed action plan that addresses the areas for improvement identified by the JTAI. Cabinet received for approval the written statement of action and action plan.

Councillor Howson referred to the current direction of travel of education with schools becoming ever more independent. He sought assurance that given there was no indication of sign up from individual schools to taking the action plan forward and with the lack of a strategic post that the plan could be delivered. Ongoing training was important but so was training for new entrants which was becoming school based. From the corporate parenting panel he highlighted that there was no information at all from schools on missing episodes. He also expressed concern at the time taken to admit vulnerable children to school.

Councillor Gill Sanders, Shadow Cabinet Member for Children, Education & Families welcomed the key strengths identified in the Inspection. With regard to the MASH the County Council had become a victim of its own success. There was a major problem caused by raised awareness of child safeguarding and the huge increase in referrals. She noted that no further action resulted in 75% of the cases and these unnecessary referrals created difficulty when resources could not be increased in order to keep pace. She added that her Group supported the action plan but would want to see further training for schools, police and other groups on the appropriate level of concern for a referral.

Jim Leivers, Director for Children's Services, gave an assurance that as Director he had signed up to the plan on behalf of the local authority including schools, who had been consulted extensively. The same was true for other organisations with the Chief Constable owning the plan for the police. He stressed that this had been a joint inspection by a team from a number of organisations around issues around child sexual exploitation. There had been a narrative outcome and before Cabinet was the proposed response to that narrative. It was not and never intended to be a comprehensive review. The performance on the MASH had been discussed on a number of occasions and he recognised that the inundation of referrals was one of the challenges. Changes were laid out in the appendices but he stressed that this was not a report about the MASH.

RESOLVED: to approve in principle the attached Written Statement of Action and Action Plan as set out at annexes 1&2 of the report prior to submission to Ofsted by 15th August 2016.

67/16 SHORTFORM SECTION 278 HIGHWAYS ACT 1980

(Agenda Item. 13)

Cabinet considered a report on the proposed approach for enabling small scale infrastructure to be built on the highway, associated with schemes supported by Town and Parish Councils and in certain circumstances where these small scale works are required by developers.

In moving the recommendations Councillor Nimmo Smith, Cabinet Member for Environment, noted that this was the last Cabinet meeting which Mark Kemp, Deputy Director, Commercial would attend before leaving for a new role with another authority. Cabinet joined with Councillor Nimmo Smith in giving thanks to Mark Kemp for all his work and wishing him well in his new job.

RESOLVED: to:

- (a) approve the proposed approach and relevant short form conditions for Town and Parish Councils and developers; and
- (b) approve the revised standard conditions.

68/16 BUSINESS MANAGEMENT & MONITORING REPORT FOR QUARTER 4 - 2015/16

(Agenda Item. 14)

Cabinet considered details of performance for quarter four (2015-16). The report is required so that the Cabinet can monitor the performance of the Council in key service areas and be assured that progress is being made to improve areas where performance is below the expected level.

Councillor Brighthouse, Chairman of Performance Scrutiny Committee advised that as the meeting of the Committee due to be held on 23 June (the Referendum date) had been cancelled the report had been considered by an informal sub group made up of the three Group leads on the Committee. A note was available should it be required.

She outlined several issues the group had considered including safeguarding, delayed transfer of care and reablement. She noted that an earlier committee meeting had considered the targeted inspection and had asked questions of Thames Valley Police in relation to the referrals and the impact of their approach to domestic violence prosecutions on the numbers of referrals. No response had yet been received.

In response to a question from Councillor Brighthouse, Lorna Baxter, Chief Finance Officer explained the reason behind and the operation of the reserve for the County Council election.

Councillor Heathcoat, Cabinet Member for Adult Social Care informed the meeting that a lot of superb work was going on around delayed transfers of care. A target had been set of getting the figure down to 20 by the end of March 2017. At the end of June 2016 the number of social care delayed transfers of care had fallen to 12. She added that she shared concerns over reablement but that there was going to be a tender process and she expected that the service would improve.

Councillor Rose moved the recommendation:

RESOLVED: to note the performance reported in the dashboards.

69/16 DELEGATED POWERS - JULY 2016

(Agenda Item. 15)

RESOLVED: to note the following quarterly report of any executive decisions taken under the specific powers and functions delegated under the terms of Part 7.2 (Scheme of Delegation to Officers) of the Council's Constitution – Paragraph 6.3(c)(i).

<i>Date</i>	<i>Subject</i>	<i>Decision</i>	<i>Reasons for Urgency</i>
2 June 2016	Exemption from Contract Procedure Rules- 130 West Street, Henley-on-Thames	To approve an exemption from tendering with the Council's Contract Procedure Rules to allow the Council to lease the property at 130 West Street, Henley-on-	To allow the Council to take advantage of the opportunity provided to achieve economies of scale and to resolve logistical issues relating to 130.

		Thames for use as a 2 bedroom supported living service for learning disability tenants with Acre Housing as the housing provider.	
16 June 2016	Exemption from Contract Procedure Rules – Real Time Passenger Information – Display Estate	To approve an exemption from tendering with the Council's Contract Procedure Rules to allow the Council to award an interim six month contract for real time passenger information – display estate to Cloud Amber Ltd. at a cost of £98,550.	To ensure the provision of services over the period of the contract to allow a full procurement process to take place.

70/16 FORWARD PLAN AND FUTURE BUSINESS

(Agenda Item. 16)

The Cabinet considered a list of items for the immediately forthcoming meetings of the Cabinet together with changes and additions set out in the schedule of addenda.

RESOLVED: to note the items currently identified for forthcoming meetings.

..... in the Chair

Date of signing 2016

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Division(s): NA

CABINET - 20 SEPTEMBER 2016

REPORTS INTO FUTURE OF LOCAL GOVERNMENT IN OXFORDSHIRE

Report by County Director

Introduction

1. On the 25 February 2016, the city and district councils of Oxfordshire launched a proposal to abolish the existing county and district councils and replace them with four unitary councils and a combined authority.
2. In early May Oxfordshire County Council appointed Grant Thornton UK LLP to consider how local government could be reorganised to reduce costs, improve service outcomes, support economic growth, enhance local engagement and empowerment, and provide strong and accountable leadership. The Districts appointed PwC to undertake a similar study.
3. Grant Thornton's brief was to undertake an objective, evidence-led review of all options - 4, 3, 2, or 1 unitary authority, or the status quo. It initially also was to cover a multi-county 4-unitary option proposed by the Districts, however on 19th May the Districts announced that this option had been ruled out.
4. The County Council asked Grant Thornton to consider the local government structures that would address the following criteria:
 - **Service Delivery and Outcomes:** reforms should improve local service delivery and outcomes, particularly for the most vulnerable,
 - **Cost Savings and Value For Money:** reforms should deliver significant cost savings and drive value for money and long-term financial sustainability,
 - **Stronger Leadership:** reforms should provide stronger and more accountable strategic and local leadership,
 - **Economic Growth and Infrastructure:** reforms should drive economic growth and meet the infrastructure challenge, and,
 - **Local Engagement and Empowerment:** new structures should engage with communities and empower local areas
5. Grant Thornton undertook this work between May and August, including engagement with a range of key local stakeholders, and a public call for evidence. The terms of reference were agreed by an independent advisory group made up of stakeholders drawn from public, private and voluntary sectors, who advised Grant Thornton on the review. Their final report was published on Wednesday 17th August, as was the district report.

6. There were a number of areas of agreement between the two reports, in particular the finding that a single unitary authority for Oxfordshire would save over £100m net over its first five years, and that key services and strategies including strategic planning, adult social care, housing, transport, infrastructure, and pooling of funding and redistribution to address service demand would need to be delivered on a countywide basis. They also concluded that such an authority as the third largest unitary in England, would require structures to ensure effective local engagement and devolution within the county. Both reports conclude that the status quo is not a viable option.
7. Both reports are appended to this covering report, with Grant Thornton at Appendix 1 and PwC at Appendix 2. It is important to note that a further document described as a summary of the PwC report is in circulation. This was produced by the district councils, not PwC, and is therefore not included with these papers.
8. The reports are being considered by the Council's Performance Scrutiny Committee on 13th September, at a meeting to which all members of Council have been invited. A supplementary report with further recommendations, including feedback from the Performance Scrutiny Committee, will be circulated following the above meeting.

RECOMMENDATIONS

9. Cabinet is **RECOMMENDED** to consider the proposals set out in the PwC and GT reports, together with any comments or recommendations following Performance Scrutiny Committee on the 13 Sept, with a view to taking forward the most appropriate proposal for Oxfordshire.

PETER CLARK
County Director


Annexes:
Annex 1: Grant Thornton report
Annex 2: PwC report

Contact Officer: John Courouble, Research and Intelligence Manager

August 2016

Review of future options for local government in Oxfordshire

August 2016



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FAO: Peter Clark – County Director

12 August 2016

Dear Peter

Review of local government structures in Oxfordshire

We have pleasure in enclosing a copy of our report (the 'Report') containing the findings from our review of Local Government Structures in Oxfordshire on behalf of Oxfordshire County Council ('the County Council'). The scope of this review was agreed in Grant Thornton's Letter of Engagement of 6th May 2016. Notwithstanding the scope of this engagement, responsibility for management decisions will remain with the Council and not with Grant Thornton UK LLP.

Limitation of liability

We draw the Council's attention to the limitation of liability clauses in paragraphs 5.1 to 5.9 in the Terms of Engagement between the Council and Grant Thornton UK LLP dated 6th May 2016.

Forms of report

For the Council's convenience, this report may have been made available to the Council in electronic as well as hard copy format, multiple copies and versions of this report may therefore exist in different media and in the case of any discrepancy the final signed hard copy should be regarded as definitive.

Confidentiality and reliance

We accept no duty of care nor assume any responsibility to any person other than the Council in relation to this report and our work. Any third party who chooses to rely upon this report or our work shall do so entirely at their own risk.

Chartered Accountants

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General

The report is issued on the understanding that the management of the Council have drawn our attention to all matters, financial or otherwise, of which they are aware which may have an impact on our report up to the date of signature of this report. Events and circumstances occurring after the date of our report will, in due course, render our report out of date and, accordingly, we will not accept a duty of care nor assume a responsibility for decisions and actions which are based upon such an out of date report. Additionally, we have no responsibility to update this report for events and circumstances occurring after this date.

We would like to thank all stakeholders for making themselves available during the course of the review.

Yours faithfully

Guy Clifton
Director and Head of Local Government Advisory
For Grant Thornton UK LLP

Chartered Accountants

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Executive Summary



Context

On 10th May 2016 Grant Thornton UK LLP was commissioned by Oxfordshire County Council ("the County Council") to undertake an independent review of options for the future structure of local government within Oxfordshire. This report sets out our findings based on the evidence made available to us.

Our review

We were commissioned by the County Council with a remit to be objective and independent. This report is not an articulation of the views of any particular stakeholder including the County Council. We have not sought to design what public services in Oxfordshire should look like in the future, but to assess the strength of proposals for unitary structures of local government put forwards by the County Council and the City and District Councils.

We have not commented on the content of any future devolution deal for Oxfordshire or any additional funding that might be agreed as part of this. We believe that the current debate is about creating a stable and sustainable governance arrangement that works better than the status quo for local people and businesses as well as ensuring that local partners are better placed to negotiate any devolution deal that may be available in the future.

Our study has been conducted in parallel with a separate exercise by PricewaterhouseCoopers LLP (PwC) commissioned by the City and District councils. We are grateful for efforts made by all parties to enable sharing of data across the two studies.

We have met with PwC colleagues during the course of our review and agreed the following:

- Both organisations have sought to work together in a spirit of mutual support and cooperation
- Both organisations are committed to helping secure the best outcome for the people of Oxfordshire
- The role of both organisations is to present evidence, facts and arguments – any subsequent proposals are for our respective clients to put forward, and decisions about the future of local government in Oxfordshire will be for

the Secretary of State and the Department of Communities and Local Government (DCLG) in discussion with local leaders.

Part of our brief was to respond to the report arising from the PwC study. The PwC report has not been published at the time of writing and we are therefore unable to comment.

The view of the Department for Communities and Local Government

It is the responsibility of the Secretary of State for DCLG to invite proposals for local government reorganisation and to implement any change to structures based on appropriate evidence.

DCLG have provided a clear message that irrespective of recent changes to ministerial positions, no restructuring or devolution proposals will be approved or allowed to proceed unless they reflect a high degree of consensus across the organisations affected.

Our strong recommendation to all parties concerned is to consider what steps could be taken towards consensus on a future model of local government for Oxfordshire.

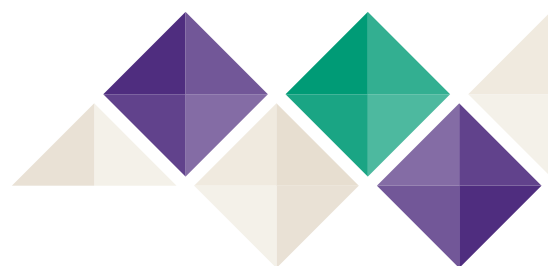
Context

The status of City and District proposals for unitary local government in Oxfordshire

The proposals put forward by the City and District councils represent a desired direction of travel rather than a detailed plan. From our conversations with a range of stakeholders it is clear that at the point of publication there was relatively little substance behind these proposals.

Unfortunately we have not been given access to any further detail or thinking that has developed since initial proposals were published.

Our report is based on the evidence made available to us, and our findings reflect where this has been limited.



A glossary of terms is included at Appendix A.

Scope

The five options under consideration are as follows:

Option 1

Four new unitary authorities and a combined authority

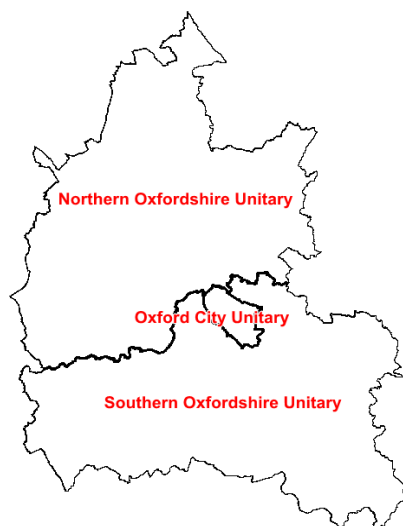


Four unitary authorities covering the administrative areas of:

- West Oxfordshire
- Cherwell
- Oxford
- South Oxfordshire and Vale of White Horse

Option 2

Three new unitary authorities and a combined authority

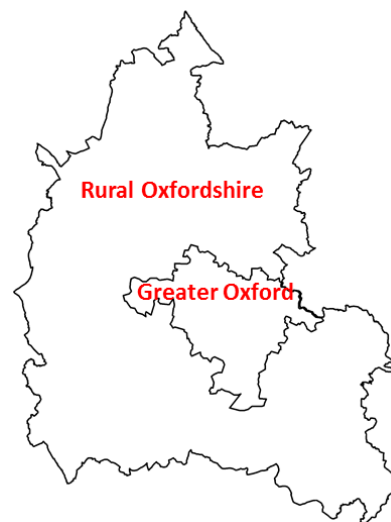


Four unitary authorities covering the administrative areas of:

- West Oxfordshire and Cherwell
- Oxford
- South Oxfordshire and Vale of White Horse

Option 3

Two new unitary authorities and a combined authority



Two unitary authorities covering:

- A Greater Oxford with expanded boundaries
- A unitary authority covering the remainder of the County area

Please note – for the purposes of our analysis we have used an indicative boundary for Greater Oxford based on intelligence identified during our review. This boundary is indicative and does not represent the official or agreed position of any stakeholder. For further detail see page 65.

Scope (continued)

The five options under consideration are as follows:

Option 4

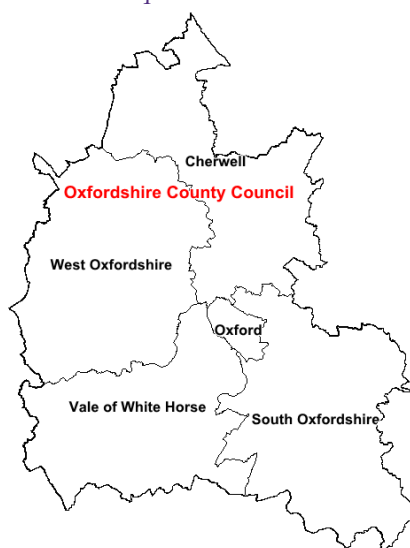
One new unitary authority



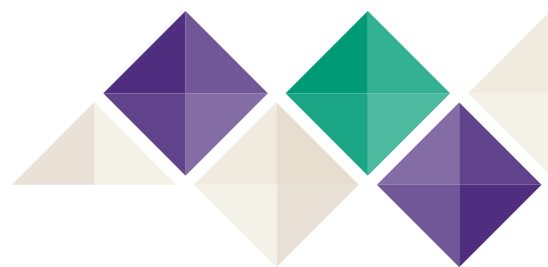
A single county-wide unitary authority

Option 5

The status quo



The existing two-tier structure of one county and five District Councils



It is important to recognise that all options other than the status quo would entail the dissolution of all existing local government organisations within Oxfordshire and the creation of one or more new unitary authorities to which new political leadership and councillors would need to be elected.

We have appraised each option against five evaluation criteria. Feedback from DCLG suggests these are broadly aligned to the criteria they also use in evaluating proposals of this type. We have applied no particular weighting to these criteria, which are as follows:

- Improve local service delivery and outcomes, particularly for the most vulnerable
- Delivering significant cost savings, improved value for money and long-term financial sustainability
- Provide stronger and more accountable strategic and local leadership
- Drive economic growth and meet the infrastructure challenge
- Improve engagement with communities and empowerment of local areas.

Methodology

Our review has included the following:

- Engagement with local, County and national stakeholders through face-to-face interviews, workshops, a public call for evidence and meetings of an independent advisory panel. This panel has met twice and was chaired by Reverend Colin Fletcher, the Bishop of Dorchester. The role of this panel has been to provide input to our review and challenge to our emerging findings. A full list of interviews is included at Appendix B and participants in the independent advisory panel are listed at Appendix C
- Quantitative analysis of financial, demographic, social and economic data
- Background research into the following:
 - Historical precedents and current debates on devolution, local government reorganisation and combined authorities.
 - Documents and information produced by the City and District Councils and County Council, including their plans for reorganisation and devolution deals, alongside information on their current performance against our five evaluation criteria.
 - Information produced by other local authorities across the country, in particular on how they have dealt with becoming a unitary authority, including any new ways of working they have established and any cost savings they have seen realised.
 - Plans and information from a wide array of public sector organisations, ranging from central government to combined authorities and the health sector.
 - Reports and papers published by think tanks and consultancies along with academic articles, including both independent research and studies commissioned by local authorities.

We publicly issued an online call for evidence, which at the time of writing has received almost 700 responses from a broad cross-section of members of the public, local authority employees and elected members. The findings from this exercise are summarised throughout the report.

We have spoken directly with the following:

- Senior officers and elected members of the County Council
- Representatives from each of the District Councils
- Thames Valley Police
- Oxfordshire Clinical Commissioning Group (CCG)
- Oxfordshire Health NHS Foundation Trust
- Oxford University Health Trust
- Age UK
- Oxford Brookes University
- University of Oxford
- Oxfordshire Association of Local Councils
- Representatives of local business including Berkeley Homes, CABI, Timbnet and the Oxfordshire Local Enterprise Partnership (OxLEP)
- The Department for Communities and Local Government (DCLG)
- John Howell MP
- Victoria Prentis MP
- Andrew Smith MP

We attended meetings in Thame and Banbury with representatives from nearby Town and Parish Councils.

We have also undertaken additional work on a sixth structural option identified towards the end of our review – this is included in the final section of our report.

Evaluation criteria – summary findings

Improving service outcomes, especially for the most vulnerable

One of the clearest messages from our independent advisory panel was concern that the quality of services and outcomes, especially for the most vulnerable, must be the primary driver of any changes to local government structures.

The unitary model of local government has clear benefits when compared with the status quo – mainly through a closer connection between services that can contribute to and mutually reinforce the same outcomes for residents. Examples include public health with leisure, adult social care services with housing, fire and rescue with licencing.

There are also clear benefits from delivering some services at scale. It makes sense for City and District services such as spatial planning, economic development and housing to be delivered over as wide an area as possible in recognition of the fact that the economic and infrastructure needs of different parts of Oxfordshire are interconnected. For other areas such as environmental services, leisure and libraries – aggregation would provide an opportunity to reduce costs whilst improving the quality and consistency of the service offering to all parts of the County.

The majority of stakeholders across Oxfordshire recognise that services to the most vulnerable – in particular the safeguarding of adults and children – must continue to be delivered on a county-wide footprint. Learning from the experience of smaller unitary authorities elsewhere in the country, we believe that two, three or four separate sets of services within Oxfordshire would not be financially viable, would add unhelpful complexity for partners and providers, and would present difficulties around sharing of data and intelligence across organisational boundaries, which in turn could create additional risk for vulnerable individuals.

A model involving multiple unitary authorities offers the generic benefits of unitary local government, although services not brought together in a combined authority would be duplicated in smaller areas.

Ways of delivering safeguarding services via a combined authority could no doubt be found although there are no precedents to learn from and it seems unavoidable that they would add complexity and cost by comparison to the status quo. We note that even the leading areas currently working under relatively long-standing combined authorities – such as Greater Manchester – are only now at a stage of setting out detailed plans for how services can be run differently and better as the culmination of years of discussions and collaboration.

A combined authority with a suitably empowered mayor could offer the prospect of delivering spatial planning, economic development and housing services at scale, however in the absence of firm governance proposals, it is not possible to reach a view on how it could improve on existing vehicles for joint working in Oxfordshire.

By contrast, the county-wide unitary model offers the undiluted benefits of a closer connection between complementary services and enabling delivery at scale. It also protects existing high-performing safeguarding services, and allows opportunities for these to be further enhanced through the unitary model. A county-wide unitary could, however, be perceived as being too large to maintain a connection with communities – we discuss this issue in more detail later in the report.

Our conclusion for this criterion is that a county-wide unitary authority for Oxfordshire would be most likely to offer improved service outcomes for residents, communities and businesses, whilst protecting services to the most vulnerable.

Cost Savings and Value for Money

Under the status quo, all local authorities within Oxfordshire are likely to be able to maintain financial resilience over the short to medium term despite significant financial challenges.

All four options to create new unitary councils within Oxfordshire offer the potential to make savings through service consolidation over and above what would be possible under the current two-tier structure.

Evaluation criteria – summary findings

However, savings potential varies significantly across the options under consideration.

Due to the high level of shared management posts and shared services among the existing District Councils, the benefits from the consolidation under the three and four unitary options are relatively low.

There is greater scope for benefits from consolidation of senior management and asset rationalisation under the larger two unitary or county-wide unitary options. Given the greater scope for aggregation and economies of scale, the county-wide unitary option offers significantly higher savings than the others.

Our financial analysis suggests that the following indicative savings would be available:

	Potential savings from consolidation	Opening position for funding
Status quo	None	Balanced
Four Unitary Authorities	£3m – £3.7m	Significant deficit Oxford City - £15.8m Cherwell - £7m
Three Unitary Authorities	£4.5m - £5.5m	Significant deficit Oxford City - £15.8m
Two Unitary Authorities	£9.5m - £11.6m	Deficit Oxford City - £11.5m <i>on indicative boundary used for this study</i>
Single Unitary Authority	£18.5m - £22.6m	Balanced

Current Council Tax rates vary across Oxfordshire and are highest within the City. New unitary authorities would be required to harmonise Council Tax to ensure that all households within each new boundary are paying the same rate according to their banding within a reasonable time period. They must also ensure that any changes to Council Tax would be equitable and affordable.

It would be for new authorities to determine how this would best be achieved. We have considered a number of scenarios later in our report, each of which would result in a different balance between benefit to the taxpayer and ensuring the financial viability of new organisations.

The financial viability of Oxford as a unitary authority is the decisive factor in our evaluation. Under a four or three-unitary option, and to a lesser extent under the two-unitary option as defined in this analysis, an Oxford City Unitary would start life with a significant and potentially unmanageable budget deficit. A special funding arrangement or a renegotiation of the funding settlement would be required in order to mitigate this – however at the moment there are no clear proposals for how this would work. We would have doubts about the achievability of an arrangement for cross-subsidy from the surrounding new unitary authorities.

Economic growth and infrastructure

Oxfordshire has a strong and internationally significant economy, but faces challenges around the cost and availability of housing, improving transport infrastructure, the availability of skills to suit local specialisms and an ageing population. There is also a clear urban / rural divide reflected in local politics and amplified by many of the responses to our call for evidence.

Local business and innovation leaders, including the Universities, value their partnerships with Oxfordshire local authorities, but are unanimous in the view that Councils could work better together to ensure sustainable growth and infrastructure improvement. They also cited the high cost of housing and relatively poor commuter routes as having a material impact on their businesses.

From the perspective of this study, the most significant issue affecting management of the local economy is a lack of joined-up decision-making by existing local government organisations and a lack of overall leadership and accountability for the growth agenda. The Oxfordshire Growth Board has been widely characterised as ineffective as a vehicle for joint decision-making. This is best exemplified by serious underperformance in the delivery of new and affordable housing.

Evaluation criteria – summary findings

OxLEP is well regarded by the majority of stakeholders but is unable to achieve sustainable growth without an effective and responsive partnership with local authorities.

The intended purpose of the majority of existing combined authorities is to improve joint decision-making about economic growth by local partnerships. Without clear proposals for how a combined authority could work in Oxfordshire, it is difficult to see how it could improve on existing arrangements under the Growth Board.

A county-wide unitary would offer the benefits of scale and the widest possible footprint for decisions about the economy, infrastructure and growth, as well as the potential for a stronger voice regionally and nationally.

Leadership and Accountability

As with all two-tier areas, current governance arrangements in Oxfordshire are complicated, with six sovereign principal local authorities, multiple vehicles for partnership working including the Growth Board and the Health and Wellbeing Board, as well as numerous further Town and Parish Councils. As with all two-tier areas, arrangements can be confusing to the public, with a lack of clarity around ultimate responsibility for specific services and decisions.

The main benefit of a move to any unitary structure will be the simplification of accountability and responsibility. It is also important to recognise that any new unitary authorities will be entirely new organisations to which new members will be elected.

Our view is that the county-wide unitary model offers the greatest scope for immediate improvements to the level of accountability and strength of leadership offered to the public and partners. Any decisions taken by a county-wide unitary will be taken by a single body of elected representatives supported by a single officer corps – the scope for friction and deadlock between the competing interests of sovereign organisations will largely be removed.

The combined authority model does provide an alternative in the event that multiple new unitary authorities are created. However, it brings with it some of the risks of the status quo.

For example if, as is proposed, the combined authority was led by existing City and District leaders with a rotating chair it is not clear that the existing weaknesses around joint decision making could be overcome.

This problem would become especially pressing considering that a combined authority would not just be making the decisions currently taken by the Growth Board, but also potentially deciding on allocation of much greater sums of funding on behalf of sovereign organisations for services such as adult social care, public health and children's social care.

For an Oxfordshire combined authority, we believe that a directly elected mayor would be essential.

When combined authorities are created, legislation allows for provisions to be put in place to restrict the power of a mayor under certain circumstances. These would have the potential to lead to scenarios where combined authority membership could overrule the mayor. Our view is that any such provisions should be limited for a combined authority in Oxfordshire in order to allow a mayor to cut through potential disagreements and conflicts and act as the required single point of accountability and responsibility.

Local engagement and empowerment

There are 248 Town and Parish Councils in Oxfordshire, varying widely in geographical size. As part of this review we attended meetings with representatives of a number of Town and Parish Councils surrounding Thame and Banbury. It is clear that these organisations play a significant role in enhancing the quality of life for communities and the quality of the places they serve. The role of local councils will become even more important following a move to unitary system of local government given that principal authorities would be merging to cover larger areas.

The County Council has demonstrated sustained efforts over a period of time to engage with Town and Parish Councils and to explore ways of devolving budgets and responsibilities to the local level, whilst enhancing their involvement in decisions that affect the local area. It is clear that this has sometimes been a challenging process for all

Evaluation criteria – summary findings

We also heard a range of views about the prospect of local devolution being pursued still further by new unitary authorities – some representatives of local councils are eager to receive further responsibilities, others are concerned about the capacity available to meet them.

A county-wide unitary authority for Oxfordshire would be the largest such organisation in the country, and would therefore require strong arrangements for working within localities alongside town and parish councils in order to avoid the risk of becoming too remote and disconnected from communities.

The County Council has shared with us early proposals for meeting this challenge, based on successful and relatively well-established precedents such as Wiltshire and Cornwall. Although work remains to cement these proposals, they nevertheless represent a plausible way forward.

We have not been provided with detail of any City and District proposals relating to enhanced localism or devolution to local councils. The argument is made by District stakeholders that, as smaller organisations, they are necessarily more connected to the localities within their boundaries. This argument has some merit, but does not stand up to scrutiny. Firstly – the unitary options under consideration would involve the merger of two or more organisations, thereby diluting this intrinsic “local-ness”. Secondly – the overall number of customer-facing employees operating within localities, such as social workers, teachers and highway engineers, would be unlikely to change significantly under any of the options.

On the basis of the evidence available, our view is that the county-wide unitary model offers the only clear proposals for enhancing local engagement and empowerment, despite the relative size of the organisation that would be created.

Overall conclusions

We have reached a view about the strengths and weaknesses of each option against the specified evaluation criteria based on available evidence. Proposals for how unitary local government could work in Oxfordshire are at a relatively early stage, so our findings necessarily include an element of preliminary judgement.

There is general agreement that the status quo is not the best option to respond to the current or future needs of Oxfordshire. Our overall view is that the evidence is strongest, in relative terms, for the viability of the county-wide unitary model (Option 4) in all five evaluation criteria. In our view the benefits of simplicity, clarified accountability, resilience, economic scale, shared boundaries with strategic partners and stronger leadership are decisive.

The independent advisory panel broadly supported this view – recognising the twin benefits of a unitary model of local government and the benefits of delivery at scale for key services.

Successful local engagement and community empowerment will be the biggest challenge for a county-wide unitary of this size. Our judgement on this point is necessarily based on the relative strength of the proposals made available to us rather than the intrinsic strengths of each model. We have had the opportunity to consider One Oxfordshire proposals in detail and to review successful precedents elsewhere such as Wiltshire and Cornwall. We have not been provided with any proposals that set out how local empowerment and engagement could be enhanced under a four, three or two-unitary authority model.

Of the remaining options, we believe that a three-unitary authority model (Option 2) with a well-governed combined authority, preferably on the mayoral model, would be preferable to options 1,3 or 5.

There are however some key challenges that in our view make the three-unitary option significantly less viable than a county-wide unitary. Solutions are yet to be identified for these challenges:

- The lack of precedent for running disaggregated County services such as Adult Social Care across multiple unitary authorities at a combined authority level.
- The lack of clarity over how a combined authority would improve on existing arrangements for democratic accountability and joint decision-making, especially without a single point of accountability such as a mayor.

Evaluation criteria – summary findings

- Oxford City in particular will struggle to achieve financial viability if it maintains its current boundaries and therefore tax base, unless a special arrangement is put in place. At present it is not clear what this arrangement could consist of and we have concerns around how achievable it would be. This risk applies equally to a four unitary option.
- Risk of disruption and fragmentation to services for the most vulnerable and lack of clear alternatives for delivery models.
- Lack of clarity on how subsidiarity and local empowerment would be progressed by new unitary authorities.
- The “rural doughnut” would not be a coherent place and would be of sufficient size to require a similar approach to localism as the single unitary option.
- Some of the complexity of the three- or four-unitary option is reintroduced with the potential requirement for a combined authority and highly-effective governance arrangements in order to balance decision-making on strategic issues. Joint decision-making arrangements could suffer from an entrenchment of the urban / rural divide.

In our view a two-unitary model (Option 3) based on an expanded Oxfordshire is an unsatisfactory compromise. On the evidence seen so far, we prefer the three unitary model to the two unitary model for the following reasons:

The four-unitary model (Option 1) is the least desirable in our view as in addition to the disadvantages identified for the three unitary model, it minimises the scope for cost savings, maximises the complexity of the required governance arrangements and allows the least room to rationalise democratic representation. It fails to solve the concerns around financial viability of Oxford in particular and a unitary West Oxfordshire and Cherwell would also struggle to achieve financial viability.

Overall summary of findings

Options	Better service outcomes	Cost savings and values for money	Economic growth and infrastructure improvement	Leadership and accountability	Local engagement and empowerment*
Single Unitary Authority	A	A	A	A	A
Two Unitary Authorities	C	B	C	B	C
Three Unitary Authorities	B	C=	B	C	B=
Four Unitary Authorities	D	C=	D	D	B=

Key

- A** – strongest evidence of a likely improvement from the status quo
- B** – second-strongest evidence a likely improvement from the status quo
- C** – third-strongest evidence of a likely improvement from the status quo
- D** – weakest evidence of a likely improvement from the status quo

**Note: our judgements for this criterion reflect that we have been unable to identify any proposals for enhancement of local engagement and empowerment under two, three or four unitary authority options*

Acknowledgements

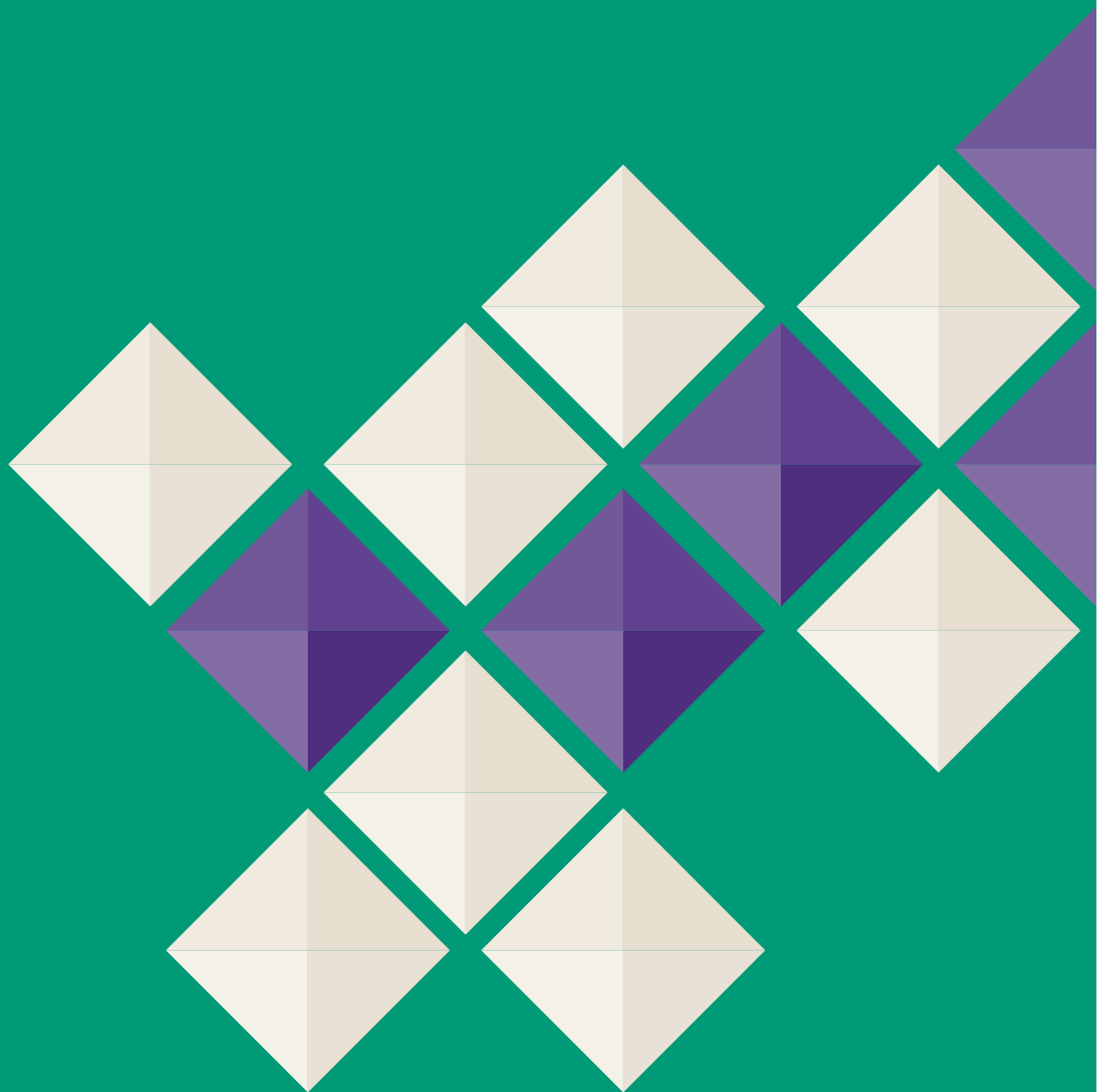
Grant Thornton would like to thank all those who have taken the time to contribute to our work. A full list of interviewees is included in Appendix B.

In particular, we would like to thank all members of the Independent Advisory Panel (listed in Appendix C) and all participants in our online call for evidence.

We are also grateful for the high quality written submissions provided by a number of interested parties.



Background



Background

This section provides the national and local backdrop to our review. It provides a definition of the different models for local government under discussion, an analysis of the most recent wave of new unitary authorities, some commentary on current national developments and finally recent events in Oxfordshire leading up to our review.

Unitary vs. two-tier local government

A unitary authority is responsible for all local government functions within its area, whereas in two-tier areas responsibilities are split across County and District Councils. The division of responsibilities is broadly summarised in the table below.

Service area	County	District	Unitary
Adult social care services	●		●
Children's services	●		●
Highways and transport planning	●		●
Fire and rescue service*	●		●
Education (special educational needs, school admissions and school transport)	●		●
Libraries	●		●
Waste management	●		●
Public health	●		●
Trading Standards	●		●
Leisure		●	●
Waste collection		●	●
Housing and Planning**	●	●	●
Environmental health		●	●
Collecting Council Tax		●	●
Street cleaning		●	●
Benefits payments		●	●
Homelessness support		●	●
Voter registration		●	●

* Some counties and a small number of unitary authorities only, including Oxfordshire County Council

** Oxfordshire County Council is a statutory planning authority considering minerals and waste applications with a planning committee

Background (continued)

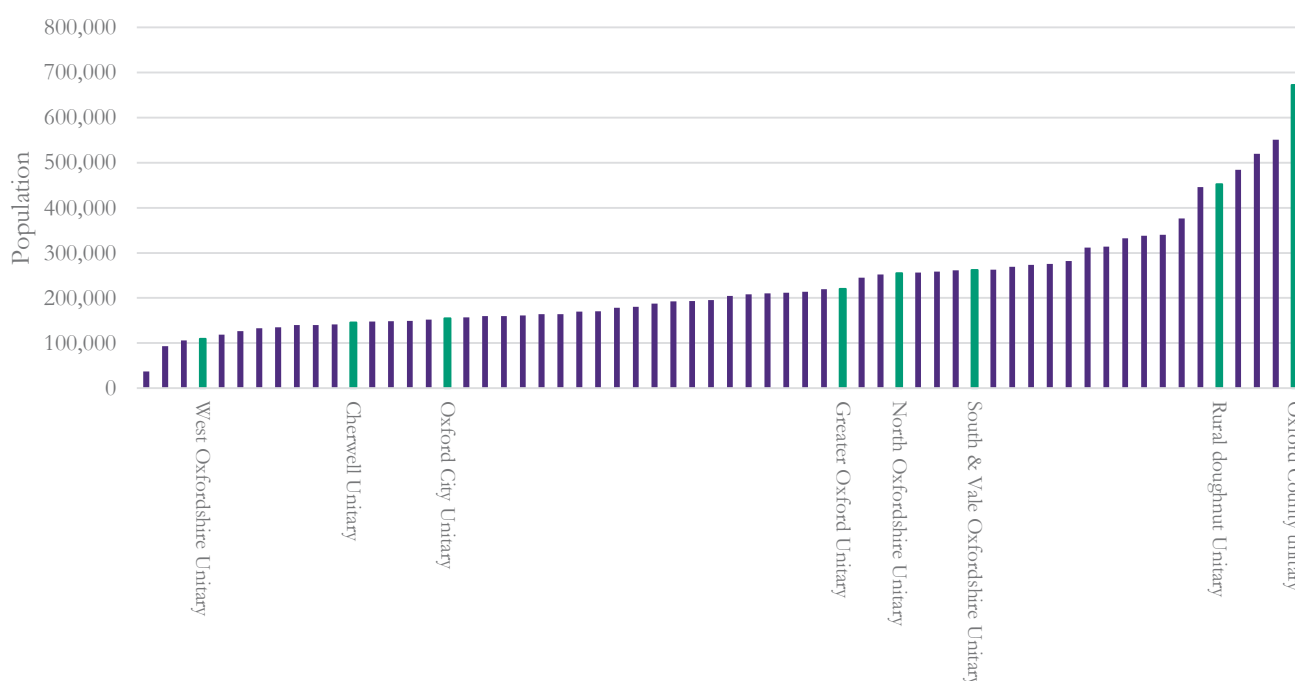
Does Size Matter?

The Department for Communities and Local Government (DCLG) is reported as specifying an ideal range of population sizes to be served by new unitary councils. We understand that this arises from a study undertaken by the University of Cardiff although this is not in the public domain¹. This study suggests a population ranging in size from 300,000 to 700,000 is the optimum for a unitary authority. In discussion with DCLG we have clarified that this range is a guide rather than an absolute upper and lower limit.

As indicated by **Graph 1 below**, the majority of the new unitary authorities under discussion would end up serving populations smaller than the lower end of this indicative range. It should also be noted that the population of Oxfordshire, and therefore of a county-wide unitary, is projected to grow in excess of the upper limit of this range within the next two years. Smaller unitary organisations have been shown to struggle to maintain financial resilience, whereas larger organisations can be argued to be too remote from communities. As we understand it, the expectation of DCLG is that any proposals put forward that fall outside this range should also set out mitigating factors for these risks.

Proposals put forward by both the County and the Districts do include this mitigation in the form of alternative delivery structures, which we discuss in more detail within the report.

Graph 1 : English unitary authorities and potential new Oxfordshire unitary authorities by population size



¹ Link: <http://usj.sagepub.com/content/46/4/739>

Background (continued)

Combined authorities

Options involving more than one unitary authority within Oxfordshire are likely to require a combined authority. These are a relatively new form of local government body, first introduced by the Local Democracy, Economic Development and Construction Act 2009. Combined authorities are created voluntarily and allow a group of authorities to take joint decisions on strategic issues they feel are better considered collectively. To date there have been a small number of combined authorities formed in England, which have all been designed to aggregate functions across metropolitan unitary authorities, rather than to manage the disaggregation of services from a predecessor authority broken into smaller units.

Most combined authorities are focused on economic growth, transport and regeneration – although changes to legislation in the Cities and Devolution Act 2015 enabled them to perform any statutory function of the member local authorities. There are currently no examples of such authorities delivering people-centred services successfully, and endeavours to maintain joint working in counties abolished in previous rounds of reorganisation on a combined basis have been limited.

Combined authorities are typically led by political representatives from each of the member authorities, and in some cases will also include directly-elected mayors. All but one of the devolution deals agreed to date between central and local government have featured a combined authority which has acted as a platform for devolved powers, budgets and funding.

The exception to this is Cornwall – currently the largest county-wide unitary, which also has a ratified devolution deal in place.

Creation of unitary local authorities – precedents

In 1986, London moved to a broadly unitary style of government, following the abolition of the Greater London Council, although since 2000 the Greater London Authority has absorbed some functions from the boroughs such as major highways and planning policy. At the same time 36 pre-existing Metropolitan Districts assumed responsibility for all services, therefore effectively becoming unitary authorities. The first official unitary authorities in England were set up in the 1990s, with 46 set up between 1995 and 1998. In 2006, DCLG issued an 'Invitation to Councils in England', inviting them to put forward bids to receive unitary status. In total, the government received 26 proposals for unitary authorities. In 2009 this process culminated in the creation of nine new unitary authorities: five county-wide unitaries, along with two in both Bedfordshire and Cheshire. However, when the Coalition Government was elected in 2010, they halted plans to create further unitary authorities in Exeter, Norwich and Suffolk and effectively closed the door to discussion in other areas.

Of the nine unitary authorities created, all but one were amalgamations of two or more districts. Only Bedford Borough Council succeeded in becoming a unitary in its own right. Furthermore, the 2009 wave shows at that time consensus across all affected councils was not necessarily required. In Shropshire, for example, proposals for the eventually successful county-wide unitary were supported by the County Council and two districts, but opposed by the other three districts. Shrewsbury and Atcham Borough Council went as far as launching a legal challenge against the structural changes, which was rejected in both the High Court and the Court of Appeals. However, a lack of consensus in Norfolk and Devon did lead the government to support plans for Norwich and Exeter to become unitaries whilst the remainder of the counties retained two-tier government, although ultimately these plans failed to go ahead following the 2010 General Election. Thus, we can see that a lack of agreement between local authorities was a consideration, but not a deal-breaker for central government; although considerations now are not necessarily the same as in 2009.

Background (continued)

The evidence shows that moving to a unitary model of local government saves money. In 2011 Deloitte produced "Sizing Up"; a report looking into the effects of these mergers. It concluded that the evidence suggests the creation of unitaries can deliver material financial benefits. The report cites data showing that between 2008/09 (pre-merger) and 2009/10 (post-merger), the reformed authorities reduced their expenditure by 13.4%, compared to an increase in expenditure of 2.1% in the remaining English local authorities. In Wiltshire, where the county council and four districts merged into one unitary, back office spend has reduced from 19% to 9% of the authority's budget, and transitional costs of £18m have been far exceeded by total savings of £68m during the first term of the new authority (2009-13).

In their 2014 report 'As Tiers Go By', the New Local Government Network (NLGN) calculated that the reorganisation of all remaining two tier areas as county unitaries would save between £680m-£904.5m. This may, however, come at a price, at least in the short-term. In the same report, the NLGN report argued that reorganisation damages service delivery in the short-term as councils focusing on their structure spend less time focusing on delivering improved services. It is therefore important that any future bids by local authorities for unitary status are able to demonstrate not only financial benefits, but also ensure a focus on better service outcomes are at the forefront of plans.

There is a mixed picture when it comes to how unitaries have performed. As well as the cost savings outlined above, Wiltshire have used the opportunity of being a county-wide unitary (excluding Swindon) to innovate when it comes to increasing local engagement and increasing the involvement of parish and town councils. They have achieved this through the creation of 18 Area Boards, which are attended by councillors, local NHS and police representatives and town and parish councillors. These boards are responsible for their own budget to support local projects, and together account for approximately £1.7m funding per annum.

However, there is no consensus that unitaries always deliver better services. For example, the June 2016 report by Ofsted on children's social care showed little correlation between unitary status and service provision. Ofsted's analysis showed that of the 21 local authority services rated inadequate, five were unitaries (generally smaller), eight were metropolitan districts, six were shire counties and two were London boroughs. It may be significant that none of the 2009-wave unitaries were rated inadequate. Similarly, of the twenty-four authorities receiving good or better judgements, two were unitaries (including Cheshire West and Chester Council, who became a unitary in 2009), and half were county shires including Oxfordshire County Council. We can therefore see a mixed picture of service provision across the country and across different types of local government structure.

There are examples of some of the 2009 unitary authorities feeling unsatisfied with the scale offered by resulting structures and are calling for further reform. In September 2014 the Leader of Cheshire East Council called for it to be reunited with Cheshire West and Chester Council, arguing that the county was "made weaker" by becoming two separate unitaries in 2009. In Shropshire there have been calls by local MPs to combine the unitary of Shropshire Council (2009 wave) with Telford & Wrekin Council (1990s wave), in order to achieve savings.

The political landscape has changed since the 2009 unitaries came into being and so we can learn from precedents but must not rely on them.

Background (continued)

Current debates around unitary local government

The passing of the Cities and Local Government Devolution Act in 2016 set in motion a number of energetic debates as areas currently operating under a two-tier local government structure have sought to explore a shift to unitary status. The Act gives the Secretary of State power to fast-track applications for structural change, including a move to unitary status, although this power expires on 1 April 2019. After this point the act, along with the Local Government and Public Involvement in Health Act 2007, will continue to facilitate the creation of unitary authorities although this may be to the slower timescales of the Boundary Commission.

In January 2015, the Communities and Local Government Select Committee commissioned an investigation into devolution that partly set out approaches to the creation of unitary authorities, and found the potential for more combined authorities and elected mayors in the future could create too many tiers of government leading to low electoral turnout in mayoral elections. The report concludes that this issue needs to be addressed in the long-term, "possibly by a move to having more unitary authorities".

While there have not been any firm proclamations from central government on their assessment criteria for applications for unitary status, one thing is clear: there is no "one size fits all" approach. What makes sense in one geographic area may well prove unrealistic in another.

It has also become clear that the criteria used in 2009 to assess bids do not necessarily hold today. In 2006 DCLG set out stringent criteria which potential unitaries had to meet, such as having a payback period of no more than 5 years. No such criteria exist in 2016 and there is instead a focus on flexibility and responsiveness to local need. Agreement is reached through a process of negotiation between central and local government as part of the devolution deal-making process.

Across the country, many localities are currently exploring what a move to unitary status would look like for them.

- In **Hampshire**, devolution proposals have acted as a catalyst for the county to consider a move to one of several unitary options. A recent Deloitte report commissioned by Hampshire County Council concluded the best option would be a county wide unitary authority which left the existing unitaries in Southampton, Portsmouth and the Isle of Wight in place. However, a lack of consensus between councils involved looks to stall plans while other options are considered.
- There is greater cohesion in **Dorset**, where the six districts and two unitaries along with the county are working together to formulate proposals for what unitary government could look like, using research being conducted by the Local Government Association and Local Partnerships. This is of particular interest as it could involve the merger of the unitary authorities in Bournemouth and Poole, along with the creation of a second unitary covering the rest of the county currently under two-tier government.
- Districts in **East Kent** and **Suffolk** have made public their intentions to explore mergers of District Councils within the existing two-tier system.
- In January 2016 Local Futures published their study into the viability of either a one-unitary or two-unitary model in **Buckinghamshire**, concluding that both options could be viable and deliver financial benefits. A public debate continues.

The debate is playing out differently across the country, but it seems highly likely that a new wave of unitary councils will soon arrive. There have been no policy announcements yet on this issue from Theresa May's government, however we understand that the 2016 autumn statement may set a direction of travel for local government reorganisation in shire areas.

Background (continued)

Proposals for unitary local government in Oxfordshire

Local government in Oxfordshire was constituted in its current form in 1974, with the addition of the Vale of White Horse district to the administrative county of Oxfordshire. Proposals for three unitary authorities were put forward by Oxford City Council in 2007 although these were rejected by the Secretary of State at the first stage of consideration and the two-tier structure has remained in place.

In the second half of 2015 devolution proposals for Oxfordshire were developed jointly by the County, the Districts, the Local Enterprise Partnership and the Clinical Commissioning Group. These were submitted to the Secretary of State for DCLG at the beginning of February 2016.

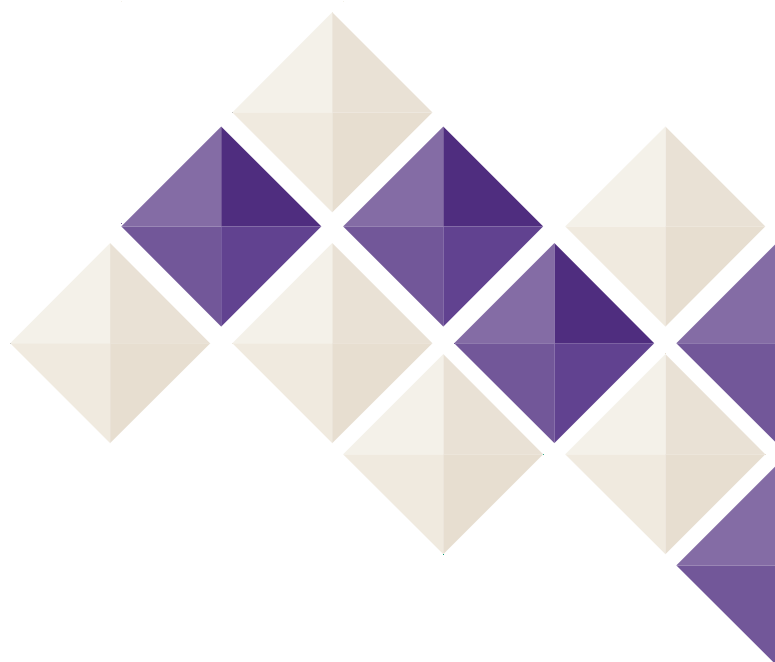
Later that month a different set of outline proposals was published by the five District Council Leaders. The County Council were unaware of these proposals until shortly before the point of publication. Four new unitary councils were proposed, extending beyond the County borders and including districts within Gloucestershire and Northamptonshire as follows:

- **Southern Oxfordshire Unitary Authority**, replacing Vale of White Horse and South Oxfordshire District Councils
- **Oxford City Unitary Authority**, replacing Oxford City Council
- **West Oxfordshire (Cotswold) Unitary Authority**, replacing West Oxfordshire District Council and Cotswold District Council
- **Cherwell (South Northants) Unitary Authority**, replacing Cherwell District Council and South Northamptonshire Council

We understand that discussions between the County, City and District Councils took place with the aim of jointly commissioning a study into the feasibility and practical implications of these proposals, however agreement was not reached on the scope of this work.

In April 2016 PwC was commissioned by Oxford City Council on behalf of all districts with a brief to test these proposals against a range of other options and to design associated governance frameworks for a new combined authority. Shortly after the appointment of advisors, the proposals above were amended in favour of the set of options described earlier.

On 10th May 2016 Grant Thornton UK LLP was commissioned by the County Council with a brief to complete an independent study of five separate structural options against five pre-defined evaluation criteria, as set out in the scope and methodology section above.



Better service outcomes



Better service outcomes

One of the clearest messages from our independent advisory panel was concern that the quality of services and outcomes, especially for the most vulnerable, must be the primary consideration that drives decision-making around any changes to local government structures.

There was also consensus across almost all stakeholders that two-tier arrangements are not best placed to deliver against the current and future needs of Oxfordshire. Any unitary model would bring together services that are currently separated by different tiers of local government but could be better delivered side-by-side. For example:

- Adult social care services and housing could be brought together to better ensure that vulnerable adults have access to appropriate accommodation.
- Public health and leisure services could be brought together to ensure that healthy lifestyles are promoted in the widest possible way.
- Fire services and licensing of premises could be brought together to ensure a joined-up approach to regulation and fire safety.

For each of these examples the two services identified are currently delivered by different local authority bodies within Oxfordshire.

In the remainder of this section we consider a selection of services currently delivered by both County and Districts with the aim of understanding baseline service performance, identifying the alternative delivery models under consideration, and evaluating the strength of evidence that these would lead to improved outcomes.

When considering the quality of service outcomes delivered by the status quo option, separating fact from perception has not always been easy. Where available, we have drawn on verified data sources and intelligence in reaching a balanced view.

Adult Social Care Services

The County has provided evidence to show that adult social care services are delivered to a high quality. In 2014/15 the County Council's adult social care services achieved above-average scores in 20 of the 27 measures of the Adult Social Care Outcomes Framework (ASCOF) placing the County at joint sixth-best performance in the country, a position they expect to maintain when further comparator data is published for 2015/16. Collaborative working and co-commissioning with health is relatively mature with extensive use of pooled budgets, joint commissioning arrangements for a number of services and a large mutual commitment to the Better Care Fund. Local challenges include:

- Workforce recruitment and retention, compounded by poor availability of housing.
- An under-supply of appropriate accommodation for older people.
- High levels of delayed transfers of care from acute settings – although joint efforts with health partners appear to be addressing this.

In our discussions with health partners we heard a number of consistent messages:

- Whatever unitary solution is put in place, it must enable closer working between health and social care to improve outcomes for residents.
- Housing is a key part of the solution – both in terms of supported housing to relieve the pressure on health and social care and in terms of affordable housing for care workers.
- The need to remove duplication across the health economy and maximize the amount of resource available to front-line service delivery.
- For community and voluntary sector care providers – the need to maintain a coherent and consistent commissioning regime.

Better service outcomes (continued)

There is a lack of clarity from the City and Districts around how services could be delivered differently by multiple unitary authorities and a combined authority. There is general agreement that delivery of separate adult social care services for each unitary is not a desirable option due to the fact that smaller adult social care budgets are less likely to be viable and safeguarding arrangements will be less robust.

A number of potential delivery models have been discussed with us. These include:

- **New unitary authorities with pooled budgets.** This is the initial proposal published by the City and Districts, and would involve joint commissioning with the Clinical Commissioning Group (CCG) via a shared statutory Director of Adult Social Care role, with local accountability and budget setting retained by each unitary authority. Without further detail on how this could work in practice, we would have significant concerns around the ability to maintain service resilience and manage resource allocation under this scenario. It is not clear whether decisions around funding such as whether to levy the social care precept could be made coherently and accountably. It is important to note that demand for adult social care services is the greatest single pressure facing local government as the population ages².
- **Full integration of health and social care with commissioning led by the CCG.** This would involve full integration of adult social care and relevant CCG budgets with a retained statutory responsibility for local government at combined authority level or within individual unitary councils. This is technically viable and there are emerging precedents elsewhere. However, it is unclear how statutory responsibilities such as for safeguarding, the Mental Health Practitioner Service and for the Deprivation of Liberty Safeguarding services will or could be met. The same concerns would apply around effective democratic accountability and resource allocation.

- **An enhanced role for hospitals.** Oxford University NHS Foundation Health Trust have proposed to lead commissioning on elements of services for frail elderly with the aim of tackling delayed transfers of care (DToCs); although views on the viability of these proposals across health partners are mixed.
- **A county-wide unitary model.** A service within a county-wide unitary could benefit from enhanced locality working arrangements and draw on intelligence from other services such as benefits and housing. This would also provide a stable platform from which to progress joint commissioning and service integration with the CCG.

Running multiple new adult social care services within two, three or four new unitary authorities would be likely to increase the cost and complexity of services. It could also lead to increases in risk to service users due, for example, to the difficulties in sharing data across smaller services. Smaller unitary authorities would be unlikely to have sufficient scale to successfully maintain financial resilience if faced with a spike in demand for high-cost services. A joint or shared working arrangement would therefore be required across the new unitary authorities, although doing this through a combined authority is unprecedented.

In any unitary authority it is likely that benefits would arise from a closer connection between adult social care services and services currently delivered elsewhere – for example an ability to influence the supply of housing suitable for the elderly and to sit alongside benefits and welfare services, where appropriate sharing data to improve prevention and interventions. There would be additional clear benefits to being able to do this at scale.

Based on the national measurements described above it is clear that adult social care services are starting from a strong position under current structures. There is an emerging case for how services could be further improved through a county-wide unitary structure.

Better service outcomes (continued)

Public Health

Public health services are currently delivered by the County Council on behalf of the County as a whole. A review of Public Health Outcomes Framework ³ data demonstrates generally positive performance and higher life expectancy than the England average, as would be expected for an area with relatively low average deprivation.

City and District stakeholders were not able to share any detailed thinking with us about how public health services could be delivered in a multi-unitary scenario. We note that the role of Director of Public Health (DPH) is statutory and must be appointed jointly by upper tier Authorities or Unitary Councils and the Secretary of State for Health. The Director of Public Health has a statutory duty to support the National Health Service. There are also precedents for shared Director of Public Health roles⁴ for example across the unitary councils that comprise Berkshire.

There are clear benefits to the unitary model of local government for public health services – particularly the opportunity to influence and embed public health outcomes within those services that most immediately determine health outcomes such as housing, leisure and environmental health.

Our view is that scale is also important here – there are economies of scale both in terms of commissioning and the delivery of support functions such as analysis. A county-level public health function also enables a louder voice in negotiating with health partners and the CCG, as well as regionally and nationally. An attempt to fragment delivery of DPH functions across a multi-unitary footprint or to deliver it via a combined authority would necessitate a governance arrangement to balance competing interests and claims on funding. Our view is that a county-wide unitary solution would be the most effective option for public health services.



Notes: ³. <http://www.phoutcomes.info/public-health-outcomes-framework#page/1/gid/1000044/pat/6/par/E12000008/ati/102/are/E10000025>
⁴. Section 30 of the Health and Social Care Act 2012

Better service outcomes (continued)

Children, Education and Families

Oxfordshire is rated as “good” under the most recent Ofsted inspection of children in need of help and protection, children looked after and care leavers published in June 2014, putting it amongst the 26% of inspected authorities who achieved “good” or “outstanding” according to the most recent Ofsted national report (for 2016).

In May 2016 Ofsted published the findings of a Joint Targeted Area Inspection of multi-agency response to abuse and neglect in Oxfordshire in part in response to the high-profile conviction of nine men in May 2013 for child sexual exploitation. It said that Oxfordshire has ‘a highly developed and well-functioning approach to tackling exploitation’. The report confirms that agencies in Oxfordshire understand the needs of children and young people and help them keep safe. Provisional 2015/16 outturns for looked-after children and child protection performance indicators compare favourably with prior-year figures and national averages.

Within schools Oxfordshire performs at or above the national average at all key stages. There are a higher proportion of schools rated as good or outstanding by Ofsted in Oxfordshire than nationally. The proportion of children educated in good and outstanding schools has risen over previous years.

We also note spending on children and young people's services in Oxfordshire per head of population 0-17 is 16% below the national average based on data produced in 2015/16.⁵

Challenges include the following:

- Severe budget pressures and rising service demand have led the service to reconfigure its early intervention services so that activity is targeted to those in greatest need. This reflects actions taken in large numbers of local authorities both locally and nationally. The decision by the County Council to seek to provide early intervention services by seeking the support of local communities and partner organisations has met with dissatisfaction from some stakeholders.

- Widely-reported instances of child sexual exploitation (CSE), with Operation Bullfinch leading to the conviction of nine men in May 2013 and further prosecutions are ongoing. The work of children's social services and partner agencies was subject to criticism at the time. Due to actions taken by the County Council and its partners in Thames Valley Police and health, partners are recognised by Ofsted as having put in place an effective response. The County Council is now working with other local authorities to help improve CSE services nationally.

A large majority of stakeholders recognized that disaggregation of the existing service would not be practical and that the benefits of service delivery over the county footprint should be protected.

A number of Advisory Panel members shared their experience of working in Berkshire, a County area consisting of multiple unitary authorities with separate safeguarding arrangements. This has meant that data sharing and effective liaison between partners is felt to be difficult and time consuming. There was agreement that a way of continuing to deliver services across the County would be needed.

Options that were suggested to us included:

- **One of the new unitary councils (e.g. Oxford City Council) leading children's services on behalf of others.** There are other examples of shared Director of Children's Services (DCS) posts notably the Tri-Borough arrangement in London, although this operates over a much smaller geographical area than would be the case in Oxfordshire and the organisations concerned have spoken publicly around the difficulties in managing allocation of funding. The same difficulties would likely apply in Oxfordshire given that, for example, approximately half of open looked-after children cases for Oxfordshire are located within the City itself.
- **A statutory DCS post at combined authority level** running a county-wide service. This is technically possible but unprecedented – without more detailed proposals we would have concerns around resource allocation and democratic accountability.
- **Creation of a children's trust** similar to that being explored in Birmingham, Doncaster, and Slough. Historically these have been created in response to underperformance, but this model could also be explored for areas that are performing well. This option would not avoid the risk of service fragmentation or the creation of new silos— especially as ultimate accountability would still sit with the individual local authorities.

Notes: ⁵ DCLG Revenue Outturn figures 2015/16.

Better service outcomes (continued)

- **Increased privatisation of some services** – for example assessment of need. There are some precedents for this such as Swindon, although it is not currently possible to identify an example that is widely regarded as a success.

We would have significant concerns around the financial viability of children's social care services if delivered individually by three or four unitary councils. Similarly to adult social care services, this would risk creating greater cost and volatility in that smaller service budgets would be less resilient to spikes in demand, high-cost placements and potentially less able to secure the workforce needed at both senior leadership and operational levels.

Delivery of children's social care by a county-wide unitary could build on established arrangements for locality-based working and benefit from a closer connection and shared data with services currently delivered by the City and Districts – for example strategic housing and leisure.

We also note that the County Council is working with five Berkshire authorities, Swindon Borough Council and the voluntary sector to meet the government's requirement for all local authorities to have plans to regionalise adoption agencies by 2017. The County Council's adoption agency has been judged 'good' by Ofsted and is benchmarked amongst the best in the County for speed of placement. The government's plan to create larger agencies, where the practice of the best is embedded across a region, would be supported by a county-wide unitary which provides the current County Council adoption agency and can support growth. Conversely, division of existing County Council services unto smaller unitary authority areas would create significant uncertainty for this process.

Our initial view is that of the various alternative delivery models identified, the county-wide unitary model offers the clearest benefits and the least risk, although proposals for how this would work in practice are yet to be fully developed.

Fire & Rescue Services

The Fire and Rescue service for Oxfordshire is a part of the County Council. The service is well integrated into the County Council's people-focused services such as health and wellbeing, community safety and the safeguarding of vulnerable children and adults. The recent transfer of the Prevent duty from Thames Valley Police to the County Council is being delivered through the community safety teams and led by the Chief Fire Officer across Oxfordshire. Fire officers currently perform a range of non-traditional roles including health and wellbeing visits, working with those excluded from education, healthy eating, home adaptations, doorstep crime and scam prevention.

There are no clear proposals for how fire and rescue services could be delivered differently although there does appear to be a consensus that the disaggregation of the existing service would not be viable. As with other services, there would be clear opportunities to extend service integration through unitarisation to services such as licensing and environmental health. We explored some of the considerations and emerging thinking:

- A new **combined fire authority** to be implemented, in the event that a multi-unitary option is the outcome. This is not the preferred direction of the former Home Secretary⁶ and current Prime Minister – and would therefore seem unlikely to be deliverable.
- Further **blue-light collaboration and integration** on a County footprint.
- A **multi-county arrangement** potentially including the merger of fire services. There may be an opportunity to consider further integration with the police over a Thames Valley footprint
- Delivery of the fire service as part of a **county-wide unitary**, extending the service integration that has been achieved within the County into further services such as housing and licensing

Our view is that simplified governance, relationships and strategic scale would bring immediate benefits to the Fire and Rescue Service and that a county-wide unitary would therefore represent a positive change. A multi-unitary option or indeed a multi-county arrangement would put in place additional complexity in these areas and make further service integration more difficult.

Better service outcomes (continued)

Spatial Planning and Development

Spatial planning and development services are delivered individually by the City and District councils. The Oxfordshire Growth Board is intended to provide a vehicle for joint decision-making although in practice there is general recognition that these arrangements require significant strengthening. This is considered in more detail later in the report under the economic growth and infrastructure heading.

All stakeholders agree that better integration of strategic planning services and alignment of decision-making is a much-needed improvement to baseline arrangements. Significant financial savings would be available through integration of planning and infrastructure teams that currently determine planning applications within City and District Councils. The use of a single planning system would have further benefits for efficiency and effectiveness of the service.

The following approaches are proposed:

- **A combined authority** - the City and Districts propose that strategic planning decisions could be taken by a combined authority with smaller decisions delegated to District level.
- **A consolidated service within a county-wide unitary**, spatial planning functions would be integrated with strategic decisions taken on a county-wide basis and certain decisions delegated to locality-based panels.

The effectiveness of either option would turn on the governance arrangements in place to balance potentially competing interests across different localities, separate strategic from local decisions and ensure that planning decisions are taken in harmony with the design of other services such as leisure, waste, fire and environmental health.

It is not yet clear how a combined authority would improve upon the existing performance of the Growth Board in achieving a coherent county-wide picture for spatial planning. If, as proposed, membership of a combined authority is comprised solely of leaders of each of the new unitary authorities then each of these authorities retain an effective veto as subsidiarity, as we understand it, remains a founding principle of their proposal. There is a risk that competing interests would continue to make joint decision-making ineffective.

A county-wide unitary, by contrast, would have the key benefit of providing greatly simplified arrangements for accountability and decision-making. A single sovereign organisation would have just one political and executive group with ultimate responsibility for decision-making and without the ability to blame others for a lack of progress.

A county-wide unitary would also be able to develop a single local plan for Oxfordshire – cutting through historical difficulties in housing allocations - and would be able to make strategic decisions at scale, subject to full democratic accountability and scrutiny.



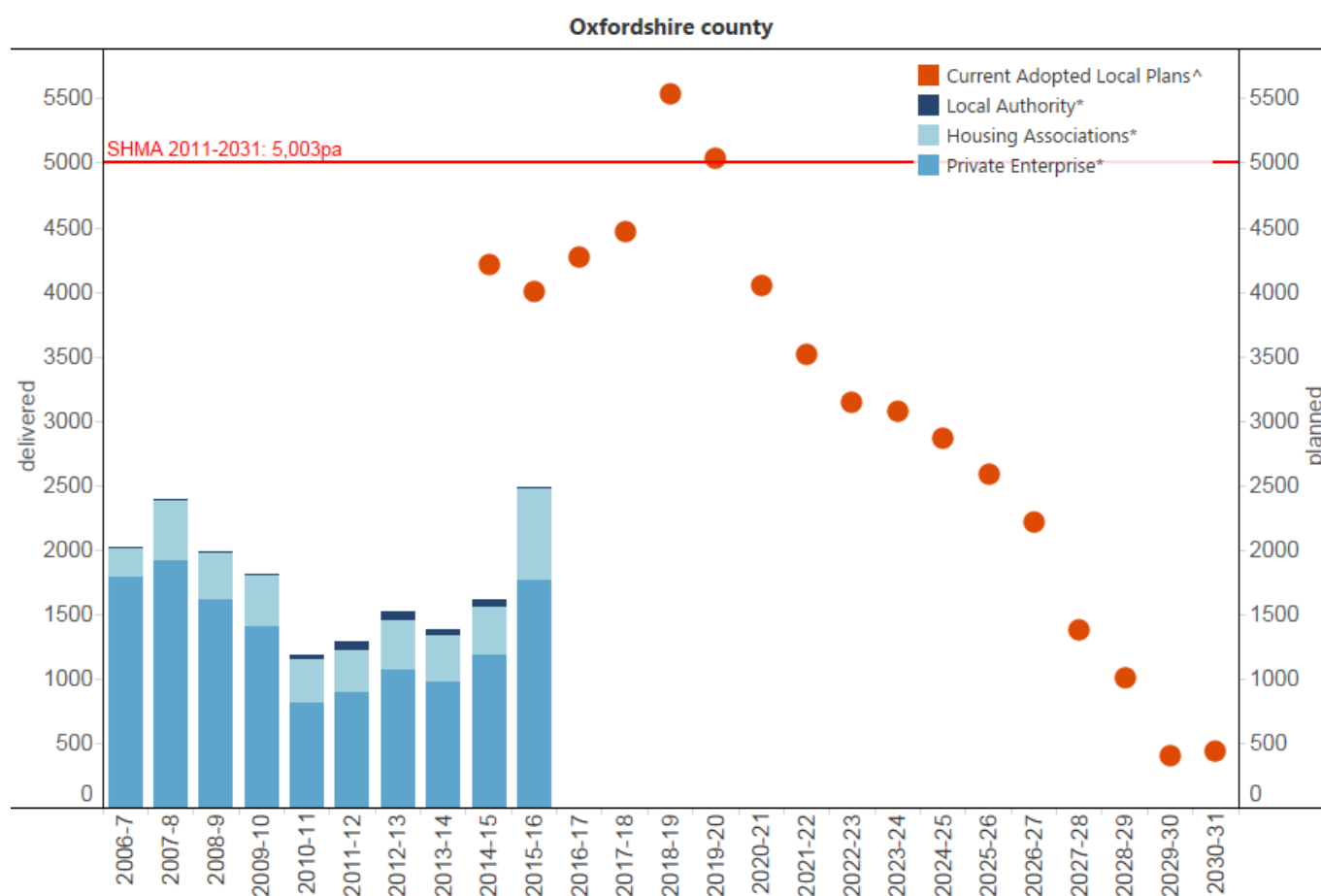
Better service outcomes (continued)

Delivery of New Housing

Oxfordshire is affected by a chronic shortage of housing and high prices for existing stock. Oxford in particular is unable to meet its own housing need. Aside from the obvious impact on existing residents, the effects of poor supply of housing are felt by businesses across Oxfordshire through labour shortages. Limited availability of housing in close proximity to employment opportunities also puts more pressure on commuting from areas where more affordable housing is available.

A shortage of affordable housing also affects other public services, for example through a lack of affordable housing for care workers and teachers. The process of reaching agreement between District Councils on how to meet housing growth allocations has been protracted. Negotiations have taken place at the Growth Board over the last eighteen months and have only recently culminated in a proposal to the Board expected in September 2016. In the meantime existing and additional targets for provision of new housing across Oxfordshire are being missed by a substantial margin, as illustrated in Graph 2 below.

Graph 2 – delivery of new-build housing in Oxfordshire against planned targets



* DCLG completion figures

^ Projected completions are taken from the latest Annual Monitoring Reports published by districts

Better service outcomes (continued)

Each District Council is responsible for maintaining a separate local plan, although these are currently in varying states of completion.

Previous attempts to develop an integrated local plan for Oxfordshire have been unsuccessful. A lack of joined-up planning across local government organisations is a major contributing factor in relatively slow delivery of new housing.

During our review we spoke to two large housing developers who described the complexities of working in the current two-tier environment, including simultaneous negotiation with both the County Council and Districts. They described a failure to take joint decisions on issues of mutual interest, for example the inclusion of schools in new developments, and significant delays whilst political conflicts play out. From an outside perspective this situation can appear incoherent and frustrating.

There are clear benefits to strategic decisions around housing growth from unitarisation in that development partners are provided with a clarified line of negotiation and decision-making. A county-wide unitary could swiftly solve housing problems by producing a single local plan and making allocations through a simplified decision-making structure. A well-governed combined authority could theoretically do the same, although significant improvements would need to be achieved on existing shared decision-making arrangements such as the Growth Board.



Better service outcomes (continued)

Improving service outcomes – key messages from our call for evidence

Of the respondents who expressed a single preference, 51% took the view that a county-wide unitary would be most likely to improve services in Oxfordshire. The remaining proportion of views was spread approximately evenly across the other options. The quotes below are typical of the main arguments put forward.

- Four unitary option – *“You need local people with local knowledge working for the local community and funded by them”*
- Three unitary option – *“...separates Oxford City from the rural areas, which are too big to be managed in one unit. Two rural units is most efficient.”*
- Two unitary option – *“... best addresses the different needs of urban and rural areas.”*
- One unitary option – *“Eliminates duplication and also takes into account needs of both city and county”* and *“because this brings economies of scale across the county and has worked in other parts of the country”*
- The Status Quo option – *“Because certain services are better delivered at a strategic level e.g. transport, whilst other services are more suited to effective delivery at the local level.”*

Cost savings and value for money



Cost savings and value for money

Under the status quo, all local authorities within Oxfordshire are likely to be able to maintain financial resilience over the medium term despite significant financial challenges. The County Council has a track record of managing challenging reductions in funding. The District Councils have sought cost reductions in particular through shared management posts and shared services.

All four options to create new unitary councils within Oxfordshire offer the potential to make savings through service consolidation over and above what would be possible under the current two-tier structure. However, the level of net savings that each new organisation would benefit from is significantly less for the four and three unitary options.

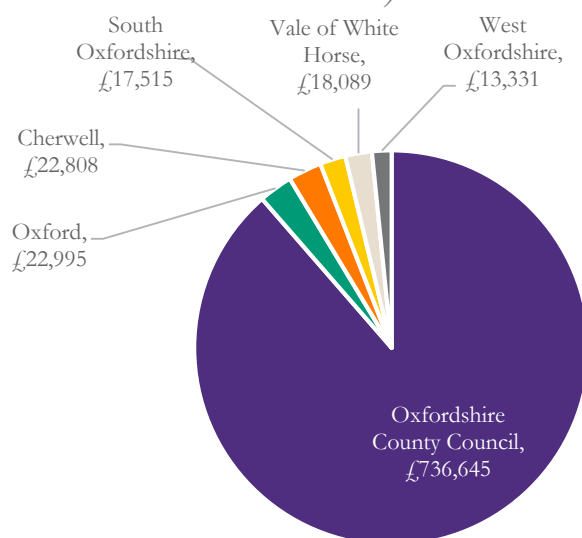
Due to the high level of shared management posts and shared services among the existing District Councils, the benefits from the consolidation under the 3 and 4 unitary options are more limited. There is greater scope for benefits from consolidation of senior management and asset rationalisation under the larger two unitary or county unitary options. Given the greater scope for aggregation and economies of scale, the county-wide unitary option offers significant potential for higher savings than the others.

The funding available to Oxford is one of the most significant issues affecting our assessment of financial resilience of unitary options. This is because Oxford has a different profile to the other District Councils, with a greater concentration of need and a limited Council Tax base, which is difficult to grow within the existing constraints of the City boundary.

Under a four or three-unitary option, and to a lesser extent under the two-unitary option as defined in this analysis, an Oxford City Unitary would start life with a significant and unmanageable budget deficit. A special funding arrangement would be required in order to mitigate this – however at the moment there are no proposals for how this could be achieved.

The scale of budget that each of the existing councils brings with it also affects the level of efficiency that can be generated by combining them to create multiple new unitary authorities, as shown in Graph 3 below:

Graph 3 – 2016/17 net cost of services for local authorities within Oxfordshire £m (DCLG Revenue Account data)



The summary position of cost savings and value for money are summarised in the table below and explored in more detail in the remainder of this section

	Status quo	Four Unitary Authorities	Three Unitary Authorities	Two Unitary Authorities	County Unitary Authority
Potential savings from consolidation	None	Limited £3.0m – £3.7m	Limited £4.5m – £5.5m	Moderate £9.5m – £11.6m	Significant £18.5m – £22.6m
Estimated payback period for transitional costs	NA	3-4 years	2-3 years	1-2 years	1 year
Opening financial position(s)	Balanced	Significant deficit Oxford City - £15.8m Cherwell - £7m	Significant deficit Oxford City - £15.8m	Deficit Oxford City - £11.5m on indicative boundary used for this study	Balanced

Cost savings and value for money (continued)

The Status Quo

Local government in Oxfordshire faces significant financial challenges - however the County Council, the City and the District Councils have robust medium term financial plans and under current projections would be likely to maintain financial resilience up to 2019/2020 and beyond. While the consolidation of councils into unitary combinations does offer the potential for greater cost efficiency, the status quo remains a financially viable option in the short to medium term.

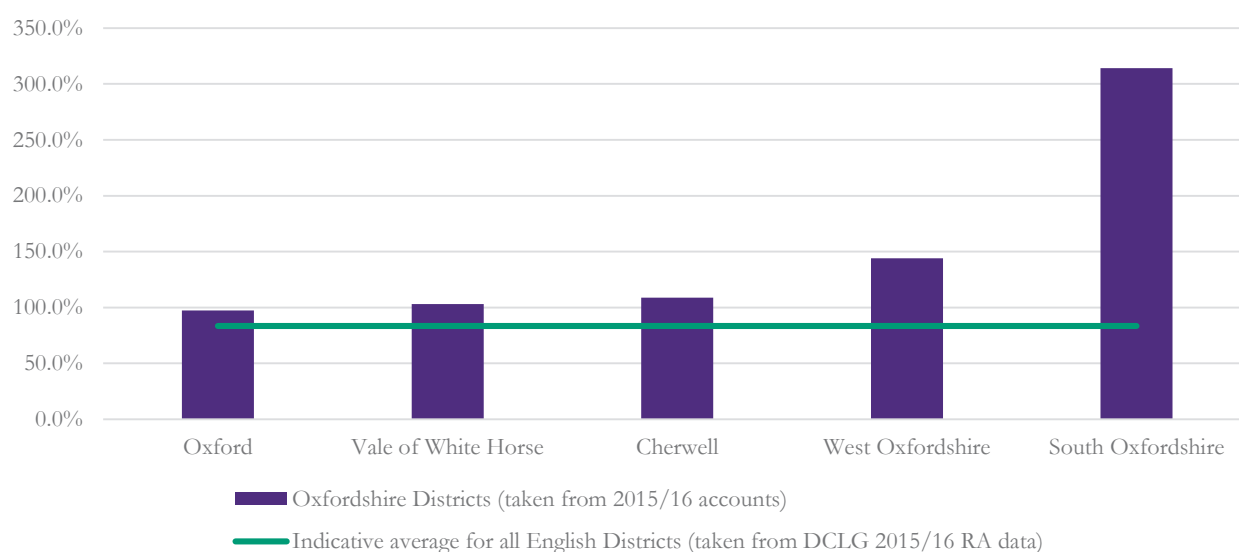
Financial pressures arise in part due to significant reductions in settlement funding, particularly with the elimination of revenue support grant (RSG) within the next four years. The net reduction in RSG is partly compensated by increases in the net amount of retained business rates, but there will be an overall reduction in government funding over this period, presenting a key challenge to council funding that is being addressed primarily through efficiency savings. District Councils' current reliance on RSG is summarised in Graph 5 overleaf.

The District Councils have faced these challenges in their medium term financial plans supported by substantial reserve levels (see Graph 4 overleaf) and comparatively healthy Council Tax and business rate bases. This position has been helped by assurances from government that income from the New Homes Bonus will continue to be received for the duration of medium term financial plans, at least up to 2020, albeit at a reduced level. Although there are variations across the county in the level of financial pressure, the District Councils are in a relatively sustainable financial position up to 2019/20 and beyond.

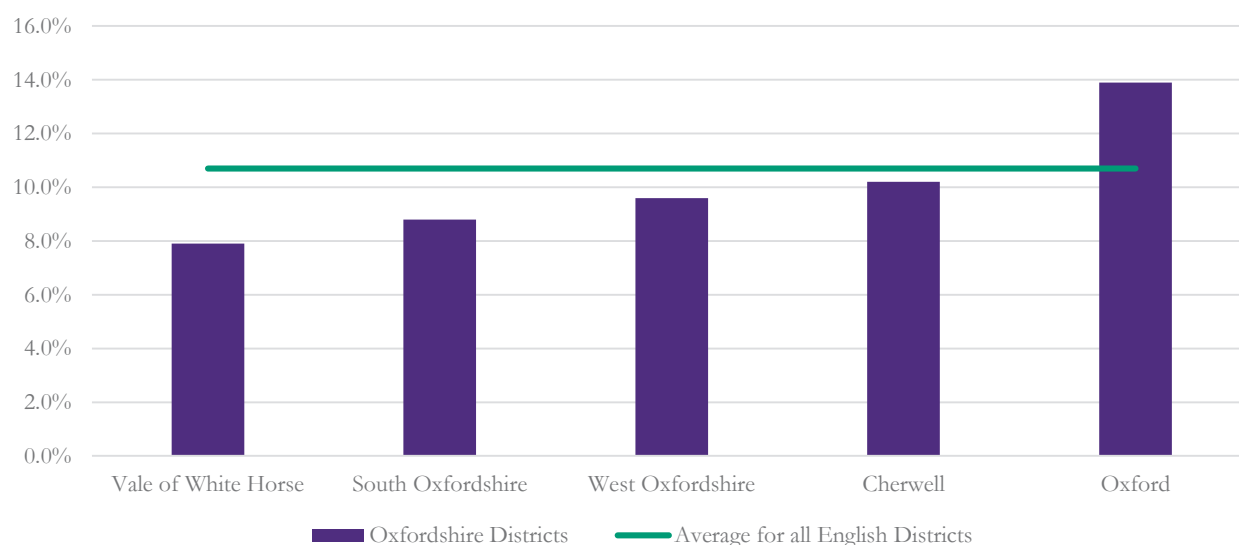
Oxford City Council	The council is proportionally more dependent on RSG than the average for district councils (14% of revenue expenditure per the 2016/17 RA form) and in comparison to the other Oxfordshire districts councils, but has prepared a medium term financial plan budget up to 2020 primarily using budget efficiency savings to achieve a balanced budget in each year. The Council has not planned to use reserves to support its revenue position and has continued its policy of reserving New Homes Bonus receipts for use on capital projects rather than to support revenue expenditure. The Council has substantial reserves in 2015/16 with combined general fund and earmarked reserves amounting to 97% of its net cost of services.
Cherwell	The Council has an average level of dependency on RSG compared to district councils nationally (10% of revenue expenditure). The Medium Term Revenue Plan (MTRP) for 2016/17 showed a funding gap of £1.8m over the period which was subsequently closed through a combination of savings, additional income and the use of New Homes Bonus. The MTRP indicates a projected deficit of £2.9m by 2020 (£3.9m by 2020/21) however the Council has sufficient reserves to cover the gap over this period, pending the development of further savings plans. The Council has substantial general fund and earmarked reserves at 108% of the net cost of services.
West Oxfordshire	The Council also has average levels of dependency on RSG compared to district councils nationally (10% of revenue expenditure). The medium term financial plan was revised in order to address a larger than expected projected deficit as a result of the funding settlement. The Medium Term Financial Strategy (MTFS) indicated the use of New Homes Bonus and reserves to balance the financial position pending the development of recurrent savings plans under the savings from the 2020 Vision Programme - the Council has identified a need to improve its annual revenue position by approximately £1.6m by 2021. The Council has substantial reserves with general fund and earmarked reserves to the value of 144% of the net cost of services in 2015/16.
South Oxfordshire	The Council is marginally less dependent on RSG than average (9% of revenue expenditure). The medium term financial plan sets a balanced budget up to 2021 and is able to fund a Council Tax freeze over the period. The funding position is supported by significant income from treasury deposits and property income. The plan also incorporates savings from the corporate strategy review and other services. In 2015/16 the Council had very substantial general fund and earmarked reserves reflecting 314% of the net cost of services.
Vale of the White Horse	The Council is less dependent on RSG than most other district councils (8% of revenue expenditure). The medium term financial plan sets a balanced budget up to 2021, including significant savings from the corporate strategy and other initiatives. The funding position is supported by significant income from treasury deposits and property income. The Council has used reserves to facilitate a Council Tax freeze in 2016/17 but is planning subsequent increases. The Council has a substantial level of reserves reflecting 103% of the net cost of services.

Cost savings and value for money (continued)

Graph 4 – District council reserves as a proportion of net revenue expenditure (2015/16 statements of accounts)



Graph 5 – District council revenue support grant as a percentage of net revenue expenditure (DCLG Revenue Account data 2016/17)



Cost savings and value for money (continued)

Oxfordshire County Council

In common with many county councils across England, rising demand for adult and children's social care combined with reducing settlement funding presents a significant challenge to Oxfordshire County Council's longer term financial sustainability. However, the council has implemented a large scale savings programme to deliver £114m of savings over the next 4 years, of which £15m will be delivered through service transformation. The Council is developing additional savings from transformation that will increase this figure, in order to meet further demand pressures expected over the medium term. The majority of these savings are underpinned by approved savings plans allocated to specific areas of activity and the Council has a good track record of delivering efficiency savings since the 2010 spending review. The savings are front loaded in 2016/17 and 2017/18, with a minimum of £53m of savings taken out of the current 2016/17 budget.

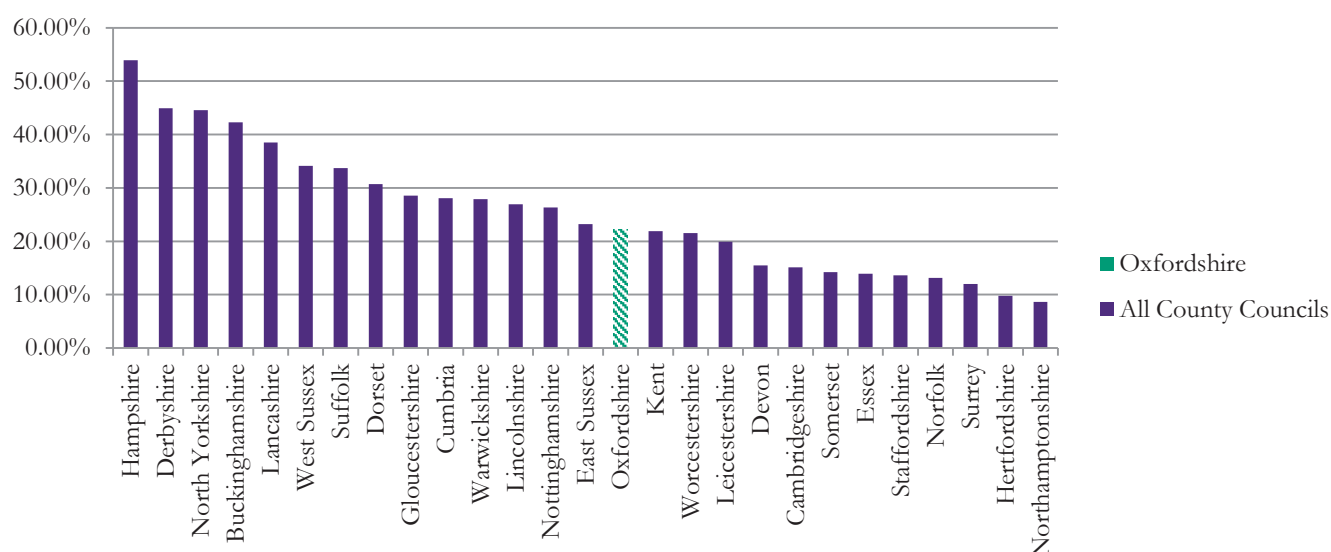
The medium term financial plan identifies significant cost pressures in adult and children's social care from rising demand for services. Adult social care demand is a function of an aging population that is living for longer, partly mitigated through health and social care integration with NHS services, including additional funding to local government through the Better Care Fund. While challenging, the pressures on Oxfordshire and the measures being taken to mitigate the cost of the service are not out of line with the experience of other top tier and single tier councils. The County Council has utilised the new social care precept amounting to an additional 2% rise in the County Council's share of Council Tax to support the funding of social care. The County Council has projected an increase in the standard rate of Council Tax for residents by 1.99% over the course of the MTFP, in addition to an anticipated growth in the tax-base to which these levels will be applied at 1.63% per annum.

We looked at county council reserve levels across England using the 2016/17 budgets in the RA forms published by DCLG – see Graph 6 overleaf. It is common for top tier and single tier councils to have much lower levels of reserves than district councils, partly due to the current funding arrangements around the New Homes Bonus which has helped district councils to build up substantial levels of reserves in many areas. The County Council is projecting reserve levels of 22% of total service expenditure by 1st April 2017 (excluding schools and public health which are separately funded). This is close to the county council average of 25%. The RA data also shows that the County Council is expecting to reduce its reserves by nearly 5% during 2016/17, however this is again in line with projected movements at other counties, which average a reduction of 7%. These reductions are primarily drawdowns from earmarked reserves set aside for specific purposes. Overall the Council's reserve levels as an indicator of financial resilience remain in line with similar authorities. The County Council therefore has sufficient reserves to cope with some slippage in the savings programme in the period up to 2020.

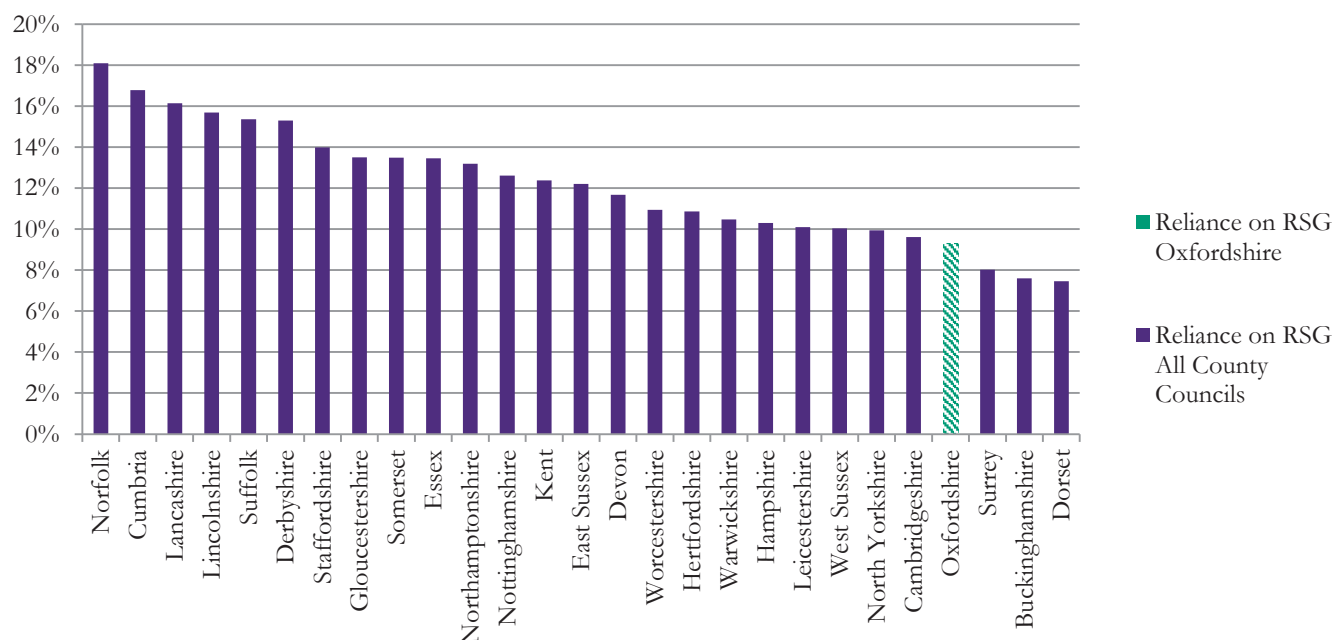
The County Council's reliance on RSG is around 9% of net revenue expenditure in 2016/17 - see Graph 7 overleaf. This is relatively low when compared to an average reliance of 12% for county councils nationally. This is due to the relatively healthy levels of Council Tax collected in Oxfordshire which provide slightly more protection from the impact of government funding reductions.

Cost savings and value for money (continued)

Graph 6 – County Council reserves across England in 2016/17 (DCLG Revenue Account data)



Graph 7 – County Council reliance on Revenue Support Grant 2016/17 (DCLG Revenue Account data)



Cost savings and value for money (continued)

Analysing change from the baseline – strategic financial assumptions

A number of strategic assumptions have been required in order to complete our analysis of the options for unitary authorities, summarised below. These were agreed with the County Council.

Assumption 1 - we have assumed that existing County Council front-line services will continue to be delivered on a County-wide basis

As noted earlier in this report, there is currently no clear view on how services currently delivered by the County Council would be delivered by multiple new unitary authorities within Oxfordshire. There appears to be some consensus that a full disaggregation of County Council services is not desirable. This is because setting up multiple new independent directorates for services such as adult social care would require new stand-alone systems, new commissioning arrangements and establishment of new teams.

This additional cost would undermine any savings from consolidation and would not provide value to residents of Oxfordshire. Learning from areas such as Berkshire shows that adult social care services run by smaller unitary authorities can struggle to maintain financial resilience. There is some agreement that current County Council services would therefore continue to form a single service, either through a combined authority or through the creation of new independent service organisations which have yet to be fully defined. For the purposes of this analysis, we have assumed that under each option County Council services would continue to be delivered in a unified County wide configuration modelled on the current service. The cost of these services has been disaggregated to each new unitary authority under each option, and this cost would reflect the financial contribution made by each new unitary authority to the county-wide service in each case.

The financial impact of this is assumed to be neutral, with the exception of adult and children's social care where the additional cost of a new joint director of adult social services and children's service has been assigned to each entity to cover the statutory requirement for these posts.

Assumption 2 - we have assumed that proposed efficiency savings will be delivered as intended

We have set a baseline of income and expenditure for each new entity under each of the unitary options, based on existing medium term financial plan assumptions across the six existing councils in Oxfordshire. We note that 2016/17 MTFP revisions for a number of councils incorporate savings proposals up to 2020 and beyond. Where savings targets have been set but not yet developed in detail or assigned to services, resulting in an identified 'budget gap', Oxfordshire councils have balanced their projected budgets by deploying reserves and/or allocating New Homes Bonus receipts pending the delivery of these savings. Within our analysis, we have assumed that proposed efficiency savings sufficient to balance the budget in each year of the medium term financial plan will be delivered as intended under all of the options and that these will be separate to any further savings arising from the consolidation of existing organisations to form new unitary authorities.

Assumption 3 – there is some inherent uncertainty in the benefits to be derived from consolidation

Our experience of large scale consolidation in public sector organisations prompts some caution when discussing the benefits from consolidation, the costs of transition and the timescale in which the net benefits can be realised. Savings can often be less than planned or take longer to crystallise and the cost of transition can often be more than anticipated. There is limited reliable data on net benefits from the last round of Local Government consolidation implemented in 2009.

Cost savings and value for money (continued)

A net benefit over 5 years was reported in all cases, although it is hard to separate the direct benefits from consolidation, as opposed to subsequent service transformation or savings that would have been realised by councils had no change taken place. We have therefore taken a prudent approach to the level of savings we have projected, although these have been calculated on a consistent basis under each option.

Assumption 4 - estimated savings arising from consolidation are additional to any savings expected from transformation

As a result of strategic assumptions noted above, we have taken care to focus our calculation of savings from council consolidation, only where this arises directly from the creation of new unitary councils under each of the options. We have not included savings from the transformation of services that have already been planned, such as in the case of the County Council's existing transformation programme, or that could take place independently of council consolidation under the options under review.

Disaggregation of County Council income and expenditure to new unitary authorities

We generated a baseline income and expenditure budget from 2016-17 to 2019-20 by apportioning County Council income and costs to each existing District Council. This 'disaggregation' process used a variety of apportionment methods. The apportionment represents a high approximation of the share of total local authority activity within existing council boundaries, based on the level of consistent information available to provide an appropriate driver of cost and income. Where detailed data on actual expenditure by district was not available, we selected the most appropriate cost driver based on units of activity. We have apportioned the total cost of services using the standard high-level service categories used by DCLG, which align to the MTFs projections provided by each authority during the review process.

Apportionment of County Council income

Funding Source	Funding driver used
Council Tax	Current Council Tax base
Business Rate Retention Scheme	Settlement Funding Agreement 2016/17 per head of population, used to approximate the funding formula.
Revenue Support Grant	Settlement Funding Agreement 2016/17 per head of population, used to approximate the funding formula.
Specific Grants	Allocated on the specific details of the relevant grants. Education, Public Health and Fire allocated in proportion to costs allocated.
Other items	Population

Apportionment of County Council costs

Service Category	Cost driver used
Adult Social Care	Actual cost of county activity in 2015/16 analysed by district.
Children's Social Care	Children's services cases in 2015/16 analysed by district.
Highways and Transport	Based on the population per mile of road within the district boundaries, giving an approximation of the weight of traffic.
Environmental Services	Population
Education	Population 0-17
Fire and Rescue	Allocated on the basis of dwellings
Other services	Population

The two unitary authority option required an additional allocation of costs due to the proposed boundary changes. This allocation was made primarily on the basis of the transfer of population from each District Council to the new expanded boundary. Note that the expanded boundaries used in this calculation are indicative only.

The disaggregation of County Council funding to the new organisations under each option used in this analysis is an approximation based on the 2016/17 settlement funding level per head of population.

Cost savings and value for money (continued)

Funding deficits and surpluses based on current assessed need

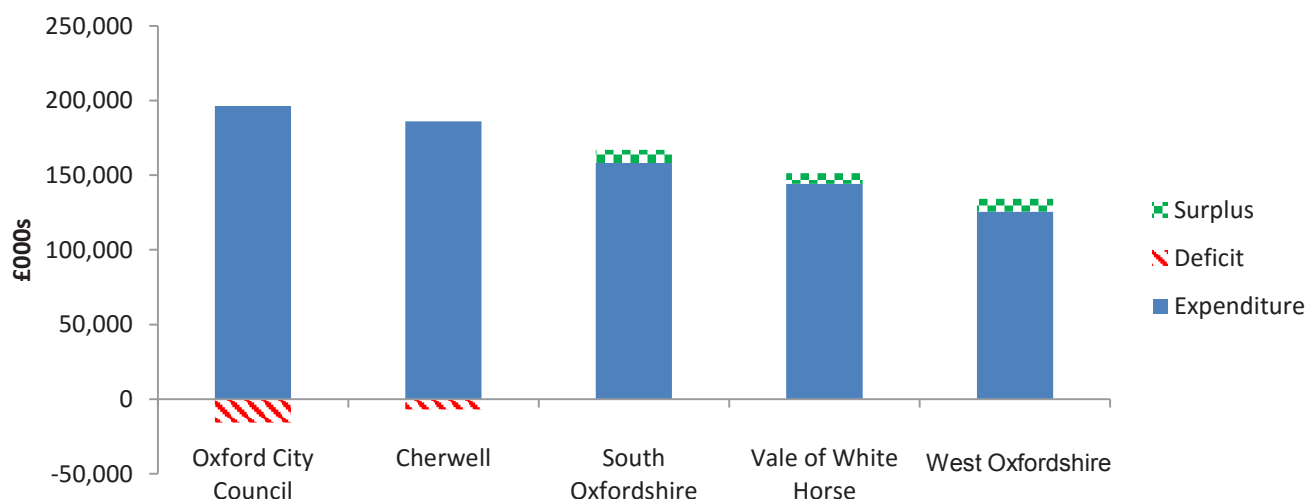
It is not possible to anticipate what view central government will take in determining the settlement funding allocation for newly-formed unitary authorities, especially at a time when funding for all authorities is being reviewed and the proposal for full business rates retention is due to be implemented in 2020. The most recent detailed assessment of local government funding needs under the old formula took place in 2013/14 and subsequent years have seen overall reductions to these levels. The assessment of needs formula used at this time was widely recognised to require updating as it did not adequately reflect changes in the profile of populations and the resulting impact on services.

Under the current two tier-system, total funding across the County area is sufficient to cover the cost of services, assuming that proposed savings plans are implemented in line with current MTFs projections. In principle, therefore, a redistribution of funding across new unitary authorities in Oxfordshire would be achievable without needing to draw in additional funds through the settlement that would impact on the allocation to other councils, which central government would be highly unlikely to support. However, agreement for the redistribution of funding within the County would require significant political will.

Our disaggregation of County Council income and expenditure to the existing District Councils based on current activity levels and Settlement Funding Agreement (SFA) per head, indicates that the options for the creation of four, three or two unitary authorities would result in a significant forecast deficit for the Oxford City Unitary Authority. See Graph 8 below. In order to address this either a significant increase in Council Tax, additional cost savings or a renegotiation of the funding settlement would be required. One possibility might be to absorb the deficits through additional savings as a result of re-configuration, however we do not currently project that savings will be sufficient under either of these options to eliminate the deficits as well as cover the costs of transition within a five year period. Further detail on estimated savings is included later in this section.

The primary cause of the imbalance in cost over income is that current County Council expenditure on cost-intensive areas such as adult social care and children's services is not evenly distributed between the District Councils, due to differences in the demand, with Oxford City incurring a significantly higher proportion of the cost of children's services in particular due to its urban profile. Cherwell also registers a deficit, however the remaining District Councils show a baseline surplus, indicating historic levels of cross-subsidisation across Oxfordshire.

Graph 8: County expenditure surplus and deficit disaggregated across Districts



Cost savings and value for money (continued)

Estimating the savings from unitary authority options

We have calculated approximate levels of savings likely to arise from each of the unitary options. As previously mentioned, these estimates reflect only the potential benefits of consolidation across organisations, and do not reflect the transformation plans of existing organisations. These savings have been adjusted as far as possible to exclude existing savings plans and savings already realised through shared service working, external provider contracts and shared posts.

The following table sets out the principal sources of savings through consolidation and sets out the basis for calculating the savings value in each case.

Saving type	Rationale
Reduction in the number of senior management posts	Council consolidation will reduce the number of directors, chief executives and statutory heads of service required to run the councils under each option. In each case we have stripped out duplicate posts based on the average salary of senior posts across Oxfordshire. This saving has been adjusted downwards to reflect the current level of shared posts in the District Councils. We have included the net effect of the additional cost of a new joint director of adult social services and children's services, assigned to each new council to cover the statutory requirement that each independent council must have a senior member of staff assigned to this role. However, it might be possible to create a shared post or posts depending on the nature of any new joint social care organisations.
Reduction in the number of councillors	There is expected to be a reduction in the number of councillors within Oxfordshire to better reflect the benchmark number of councillors per head of population for existing unitary councils. We calculated a cost per member of that element of legal and democratic services staff budgets that relate directly to member activity (estimated at 17% on average based on budget information). The saving was calculated by multiplying the average cost per councillor by the reduction in councillors.
Efficiencies and economies of scale from combining corporate central services	Savings will be derived from the consolidation of staff posts as back-office support services (such as finance, Legal, Procurement, ICT and HR) are combined. The assumed saving has been adjusted to reflect the current level of shared service arrangements across precursor councils, from which savings have already been realised. We have excluded the cost of payments to partners and external service provider contracts as it will be difficult to derive savings from these in the short term. We have assumed that Full Time Equivalent (FTE) savings of between 5% and 20% are produced when two or more organisations combine (the savings rate is adjusted to reflect the current level of shared service in place and the scale of services being combined). Savings are limited under the four and three unitary options, due to existing shared service arrangements with two or more partners. However, economies of scale are created when significant numbers of FTEs are merged under the two unitary and single unitary options. This includes the benefit derived from County Council back office FTEs being merged into those of the new unitary authorities.
Efficiencies and economies of scale from combining district services	We have included savings derived from combining staff posts (FTEs) from similar district council services. This is derived from that element of current budgets identified as enabling activity (non-customer facing), with a proportionally smaller benefit from direct service or customer-facing activity. A saving of between 5% and 20% has been applied to reflect economies of scale from combining two or more District Councils under each option. This has been discounted to reflect the shared front-line services in operation at several of the District Councils, notably between South Oxfordshire and Vale of the White Horse. This means that potential savings from this source are restricted under the four and three unitary council options.
Savings from asset rationalisation	Revenue savings have been derived from the reduction in office space required as a result of the reduction in staff FTEs, the majority of which are drawn from office-based roles. This comprises an estimated element of rental income from surplus office space (estimated at a lower end current market rental in Oxford of £245 per workstation per year). An element of saving from running costs has also been calculated based on information supplied by the councils applied consistently across all options. The reduction in FTEs also offers the option of vacating buildings stock for sale as surplus assets. The potential cost benefit of this has not been included.

Cost savings and value for money (continued)

Service transformation savings may also be possible as an indirect result of the opportunities presented by the consolidation of existing councils. This kind of transformation, for example through process improvement, will typically involve the redesign of services to improve efficiency at or beyond the level currently delivered by any of the component councils. We have excluded these savings from this analysis for the following reasons:

- Service transformation requires detailed planning and analysis of individual services and budgets and design of new processes. It is likely that this could only take place efficiently once a decision has been taken on the preferred option for council reconfiguration in Oxfordshire.
- All the existing Oxfordshire councils, notably the County Council, have transformational plans to streamline services currently underway. These have already been factored into the income and expenditure projections used for this analysis. There would be a need to consolidate and revise these plans under any of the proposed unitary authority configurations.
- The existing Oxfordshire Councils have established a number of contractual arrangements with third party suppliers, notably in regard to waste collection. These would require significant time to rationalise, which would have to take place independently of the timeframe for the council consolidation process.
- Transformational savings are often difficult to realise and may be limited by operational constraints, socio-demographic pressures and political considerations.

In order to validate the target level of savings we undertook a preliminary benchmark analysis of the net unit cost per head of population of services for Oxfordshire as a whole using 2016/17 Revenue Account budget data recently released by DCLG. In order to ensure comparability we excluded Schools and Public Health services as these are wholly or partially funded by ring-fenced grants outside of local government core funding. We also excluded the fire service, as in many council areas fire is a stand alone body and not part of council services.

In addition, the level of Schools and Fire services is not consistent between councils and could distort the comparison. We compared Oxfordshire as a single entity to existing unitary authorities with large populations, similar demographic and urban/rural profiles. For Oxfordshire the benchmark group consisted of unitary authorities with comparatively large populations, relatively low levels of deprivation and a mixed urban and rural profile. It should be noted that the population of Oxfordshire is significantly larger than existing unitary councils in the group in terms of population. It should also be noted that our benchmarking indicated that a primary driver of the cost of council services is deprivation and therefore other large unitary councils such as Cornwall, Durham and Bristol were excluded from the benchmark group due to significantly higher levels of deprivation and the distorting effect this had on costs. For this reason the benchmark group used was as follows:

- Wiltshire
- Cheshire East
- East Riding of Yorkshire
- Cheshire West and Chester
- Shropshire
- South Gloucestershire
- Central Bedfordshire
- York
- Milton Keynes
- Swindon

Our benchmarking of 2016/17 budget data indicated that local government in Oxfordshire would have to deliver core services at 5% lower cost than in 2016/17 in order to meet the weighted average level of cost per head of population of the benchmark group. This would amount to a saving of £21.3m across the county, which is in line with the upper limit of our projection of savings potential.

The total budgeted revenue expenditure by the County Council, the City Council and the District Councils in 2016/17 was just over £538m excluding schools budgets. The savings available through creating single tier unitary councils are therefore relatively small compared with total expenditure. This is because the bulk of the cost relates to the demand for direct services in the County which will not be affected by the configuration of the administering council.

Cost savings and value for money (continued)

Estimating transitional costs

The creation of new unitary authorities under options 1 to 4 will incur varying degrees of one-off cost over a period of one to three years. The cost of change are somewhat speculative, but we have validated these against historical examples and proposals put forward in other areas where possible. The key costs used in our financial analysis are as follows:

Cost category	Basis
Cost of redundancy	Based on salary and pension payment due for FTEs identified in the cost savings from consolidation. This has been calculated using the County Council policy of one week per year of continuous service based on actual salary uplifted by a factor of 1.5, plus an estimate of pension entitlement resulting in an average redundancy cost of approximately £18,500 per FTE. This does not include any additional cost of incentives for voluntary redundancy or early retirement.
Cost of IT systems integration	Estimated on a basis of a £2.3m baseline plus £200,000 per additional unitary organisation being created under each option. This assumes an additional cost premium arising from the need for multiple integration programmes. This provides a broad estimate subject to variance as a result of the system design process and the compatibility of systems in each case and is consistent with other comparable business cases.
Transformation team/ professional advisors	Estimated for each option on the basis of a director of transformation and a team of programme managers/analysts in post for three years. The cost of the transformation teams is adjusted to reflect the relative complexity of setting up each new entity under each option. There is an assumed cost premium arising from the need for multiple transformation teams to be set up across multiple organisations.
Corporate communications, and cost of rebranding	Estimate based on other similar business cases and experience elsewhere in the public sector.
Other costs and contingency	We note that in practice the cost of transition can be much higher than planned, and we have therefore included a contingency cost of 30% of the specified costs.

We have excluded transitional costs associated with disaggregating County Council service teams and allocating them to the new unitary councils and the cost of setting up new senior management structures for these services due to the strategic assumption that the majority of county service teams would remain intact within a new County-wide structure. The cost of additional senior management to cover the statutory roles of Director of Adult Social Care and Director of Children's Social Care has been netted off from the savings analysis outlined above. There may be integration costs associated with merging the County Council back office posts into new unitary authorities under each option, and these would be covered from the other costs and contingency category.

New unitary authorities may follow a policy of pay harmonisation for staff posts that have been combined as a result of merging council functions. The cost of this would require further detailed analysis and is outside of our scope.

The existing Oxfordshire councils have a complex network of third party provider arrangements that would need to be reviewed as a result of the creation of new unitary councils. This could be managed through a gradual process of awaiting the expiry of terms or looking at options to accelerate this. The new councils may decide there is a cost benefit to terminating contracts early to facilitate the process of systems integration, and this will incur a cost which is not currently factored into our analysis.

The recent contract for back office service provision between South Oxfordshire, Vale of the White Horse and Capita would be a key example of this situation. There are a number of existing council collaborations outside Oxfordshire, such as those between Oxfordshire County and Hampshire, Cherwell with South Northamptonshire and West Oxfordshire with Cotswold council respectively. These collaborations are likely to carry less risk of financial penalty, but would still generate some cost and time if there was a decision to disengage. District Council stakeholders have been clear that they would intend to protect and maintain these arrangements.

Cost savings and value for money (continued)

Harmonisation of Council Tax

When combining existing two-tier councils to form new single-tier unitary authorities, each new organisation must harmonise Council Tax. This is to ensure that all residents pay the same rate of Council Tax according to their banding on a fair basis. This harmonisation needs to be achieved within a reasonable time period, historically DCLG have required that this should be five years.

The process of harmonisation requires a trade-off between benefit to the tax payer, usually by freezing or reducing the rate of Council Tax for some residents, and benefit to the ongoing financial viability of the local authority through protection of funding.

Our analysis has focused on three potential methods for harmonising Council Tax, as follows:

1. Adopting the lowest rate and applying a uniform increase each year
2. Holding the higher rates until lower rates reach the same levels
3. Adopting the weighted average rate

The cost of harmonisation, in terms of income foregone, is greater for the two unitary and county-wide unitary models, due to the significant gap between the Council Tax rates paid in Oxford City compared to the other District Councils.

We have assumed that the limit to any year-on-year increase to Council Tax is less than 4% for all unitary councils (including the 2% social care precept), unless a referendum is held and the result supports the rise.

We have also assumed that no changes would be made in 2016/17 and that the first move towards harmonisation would occur in 2017/18.

Adopting the lower rate

Our analysis indicates that harmonising Council Tax at the lowest band D rate of the precursor Councils will provide the greatest benefit to the greatest number of taxpayers, but will also result in significantly lower levels of Council Tax revenue than is currently collected across Oxfordshire.

Under, the county-wide unitary option this could in theory be funded from the savings generated, effectively passing a significant part of this saving on to taxpayers. However, this would reduce the funding from savings available to support key services that are facing significant demand pressures, such as social care.

Fixing at the higher rate

The option to fix at the higher rate offers a significant but slightly lower level of income foregone than fixing at the lower rate. But this is the least favourable option to residents, as fewer of them benefit from a freeze in rates, with the remainder facing significant increases. It also will take longer to reach harmonisation on average leaving residents across the former district areas paying different rates for longer until harmonisation is achieved.

Weighted average

The weighted average method of harmonisation would result in significantly less income forgone, with some residents facing increasing Council Tax over the next few years and others seeing modest reductions until harmonisation is achieved. This would offer a good compromise between the interests of the taxpayer and maintaining required levels of funding for new unitary authorities.

Each of these scenarios is analysed in more detail in the table overleaf.

Cost savings and value for money (continued)

	Weighted Average method	Reduce to the lowest rate	Fix at the higher rate
Option 1 – four unitary authorities	South Oxfordshire and Vale of White Horse already have a similar Council Tax rates. If the weighted average charge was to be adopted the band D rate would be £1,452.23 which represents a 3.8% increase for South Oxfordshire and 3.4% increase for Vale in the first year.	This scenario has a minimal impact as the rates between South Oxfordshire and Vale are relatively similar. Under this option the 49,160 band D equivalent dwellings in Vale of White Horse benefit from a reduction of £5.67 per annum (p.a.) and this results in a reduction of funding of £276k p.a.	In this scenario the rate in South Oxfordshire is held at £1,448.60, while the rate in Vale of White Horse is increased by 3.6% in the first year. Consequently, the 56,087 Band D equivalent dwellings in Vale of White Horse would see a benefit in their Council Tax bill of £5.67 from having only a 3.6% increase rather than a 4% increase. However this results in a reduction in funding of £267k p.a.
Option 2 – three unitary authorities	Under this scenario the combination of South Oxfordshire and Vale remain the same as option 1. For Cherwell and West Oxfordshire the weighted average band D Council Tax would be £1,441.86. As the current rate in West Oxfordshire is much lower than that in Cherwell, the increase faced by West would be approximately 5% in order to harmonise in the first year. If the increase was to be limited to 4%, below the referendum limit then the impact would be Council Tax income forgone of £660k per annum.	<p>The combination of South Oxfordshire and Vale remains the same as for Option 1.</p> <p>The financial impact would be greater when combining Cherwell and West Oxfordshire. The difference in the current Council Tax rate is £38.34. As a result the residents of Cherwell will benefit from the £38.34 reduction while the Council will face a further reduction in funding of £1.97m across the 51,385 Band D equivalent dwellings. The total funding deficit created would be £2.24m p.a.</p>	<p>The combination of South Oxfordshire and Vale remains the same as for Option 1.</p> <p>In combining Cherwell and West Oxfordshire, the rates in Cherwell will be held, while the rate in West Oxfordshire would increase by the lower of 4% or the amount required to reach the same level of Cherwell. This results in a 2.6% increase in the first year (or £37.58 per Council Tax bill) to reach the rate in Cherwell. The total funding deficit created would be £2.24m p.a.</p>

Cost savings and value for money (continued)

	Weighted Average method	Reduce to the lowest rate	Fix at the higher rate
Option 3 – two unitary authorities	<p>This Option involves extending the current boundaries of Oxford City Council such that 14 additional wards are merged into the City and the remaining wards within Cherwell, South, West and Vale combine to form one unitary council. In order to determine the baseline Council Tax that would be allocated to the new boundary we used the existing rates and the dwellings within the new boundary to obtain the split. To simplify the calculation we have assumed that the collection rate across West Oxfordshire is homogeneous. If the increases in Council Tax were to be restricted to 4% for all residents then the impact would be circa £2m per annum in Council Tax income forgone (£700k from Rural West residents and £1.3m from the districts that now form part of the new City).</p>	<p>Under this option the boundaries are changed, but as each of the new Oxford City Council and the Rural Oxfordshire Unitary will each have a portion of West Oxfordshire in them all District Councils will have to adopt the West Oxfordshire rates and this option effectively becomes the same as Option 4 described below.</p>	<p>In the Greater Oxfordshire Unitary the rate in Oxford City would be held at £1,561.65 until the others reach this level. The rate for former South Oxfordshire residents would increase by 4% for the first 2 years and 3.7% in year three to reach this level. The rate in Vale of White Horse would increase by 4% for the first two years then 3.3% to achieve this rate by the third year. Similarly the rate in Cherwell would increase by 4% for the 2 years and 2.8% in the third. The rate in West Oxfordshire would increase by 4% for the three years before harmonising in the fourth year.</p> <p>In the Outer Oxfordshire Unitary Council the Council Tax rates would align at the highest rate which is currently £1,423.00 in Cherwell. If we hold the growth rate to the lower of 4% or the amount required to harmonise the Council Tax rates in the new Unitary would harmonise in year 1.</p> <p>This results in a funding shortfall of £7.0m in the first year, £10.0m in the second year, £13.4m in the third year as the rates in the Greater Oxford Unitary are held each year.</p>
Option 4 – A single County Unitary	<p>Under this scenario, there is a higher degree of variance between band D rates across the combining councils, with comparatively low rates for West Oxfordshire and comparatively high rates for Oxford City (a £124 per year differential for band D in 2016/17). If the increase per annum for all residents was restricted to 4% then the Council Tax income forgone would be approximately £2.6m per annum.</p>	<p>This option creates the largest funding gap in the first year as each council adopts the lowest rate in West Oxfordshire. This option would see 201,188 Band D equivalent dwellings with lower Council Tax bills but leave the new County Unitary Council with a recurrent funding gap of £13.7m p.a. that would have to be covered by savings.</p>	<p>In this scenario the rate in Oxford City would be held at £1,561.65 until the others reach this level. The rate in South Oxfordshire would increase by 4% for the first 2 years and 3.7% in year three to reach this level. The rate in Vale of White Horse would increase by 4% for the first two years then 3.3% to achieve this rate by the third year. Similarly the rate in Cherwell would increase by 4% for the 2 years and 2.8% in the third. The rate in West Oxfordshire would increase by 4% for the three years before harmonising in the fourth year.</p> <p>This results in a funding shortfall of £2.8m in the first year, £5.8m in the second year, £9.7m in the third year as the rates in Oxford City are held for these three years before harmonisation is achieved.</p>

Cost savings and value for money (continued)

Findings: four unitary authorities

The option to create four unitary councils has the potential to deliver between £3.0m and £3.7m of recurrent benefit per year from 2020/21 onwards. These savings would primarily come from consolidating back office functions and the administrative cost saved from reducing the number of councillors and committees. This would include a reduction in staff of approximately 65 FTE. The financial benefit to each of the 4 new unitary councils would be between £0.5 and £1.3m per year from 2019/20 onwards. The payback period for the costs of transition would be 3 to 4 years.

Council Tax harmonisation could be achieved within five years, with minimal disruption due to the band D rates for South Oxfordshire and Vale already being relatively close. Any of the harmonisation methods could be applied.

Our disaggregation of County Council income to the new unitary councils, approximating assessment of need and spending power under the local government settlement funding methodology, indicates that the Oxford City and Cherwell Unitary Councils would start with significant opening deficits. This would arise primarily because of the high proportion of County adult and children's social care activity that takes place within the corresponding district boundaries and their Council Tax bases being small by comparison. The West Oxfordshire and combined South Oxfordshire and Vale unitary councils would have corresponding opening surpluses. This would require a special funding adjustment to be agreed with central government to correct the imbalance between the councils. The projected opening deficits are as follows:

Oxford City	£15.8m deficit
Cherwell	£7.0m deficit

Findings: three unitary authorities

The option to create three unitary councils has the potential to deliver between £4.5m and £5.5m of recurrent benefit per year from 2019/20 onwards. The savings would primarily come from consolidation of back office functions, the administrative cost saved from reducing the number of councillors and committees, and the consolidation of Cherwell and West Oxfordshire front-line services. This would include a reduction in staff of approximately 101 FTE. The financial benefit to each of the 3 new unitary councils would be between £0.8m and £2.9m per year from 2019/20 onwards. The payback period for the costs of transition would be 2 to 3 years.

Council Tax harmonisation could be achieved within five years, with minimal cost for South Oxfordshire and Vale due to the band D rates already being relatively close. The financial impact would be greater when combining Cherwell and West Oxfordshire. Fixing at the lower rate would benefit taxpayers the most, but the weighted average method is the best option to protect the funding of services while benefiting some residents.

Our disaggregation of County Council income to the new unitary councils, approximating assessment of need and spending power under the local government settlement funding methodology, indicates that the Oxford City Unitary would start with a significant opening deficit. This would arise primarily because of the high proportion of County adult and children's social care activity that takes place in Oxford and its Council Tax base being small by comparison. Cherwell and West combined would have a balanced position. This would require a special funding adjustment to be agreed with central government to correct the imbalance between the councils. The projected opening deficits are as follows:

Oxford City	£15.8m deficit
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Cost savings and value for money (continued)

Findings: two unitary authorities

The option to create two unitary councils has the potential to deliver between £9.5m and £11.6m of recurrent benefit per year from 2019/20 onwards. The savings would primarily come from consolidating back office functions, the administrative cost saved from reducing the number of councillors and committees, and the consolidation of the front line services of the outer District Councils. This would include a reduction in staff of approximately 208 FTE. Significant savings could also be made from consolidating senior management and from the rationalisation of office space. The financial benefit to each of the 2 new unitary councils would be between £3.8m for the Oxford City and £6.7m for the outer Oxfordshire unitary, per year from 2019/20 onwards. The payback period for the costs of transition would be 1 to 2 years.

Council Tax harmonisation could be achieved within 5 years. Fixing at the lower rate of each former district council would benefit taxpayers but carry significant income forgone, that could exceed the savings benefit from consolidation. The weighted average method would incur significantly less income forgone while still benefiting some taxpayers. Fixing at the higher rate would be costly and benefit fewer taxpayers.

Our disaggregation of County Council income to the new unitary councils, approximating assessment of need and spending power under the local government settlement funding methodology, indicates that an Oxford Unitary would start with a significant opening deficit, only partly mitigated by the additional Council Tax and business rates receipts from its extended boundaries. This would arise primarily because of the high proportion of County adult and children's social care activity that takes place in Oxford. This would eliminate any saving generated from creating the unitary council and could also require a special funding adjustment to be agreed with central government to correct the imbalance between the councils. The projected opening deficit is as follows:

**Greater Oxford (using
indicative boundary)**

£11.5m deficit

Findings: a County unitary authority

The option to create a single unitary council has the potential to deliver between £18.5m and £22.6m of recurrent benefit per year from 2019/20 onwards. The savings would primarily come from consolidating back office functions, the administrative cost saved from reducing the number of councillors and committees, and the consolidation of the front line services of the outer District Councils. This would include a reduction in staff of approximately 410 FTE. Significant savings could also be made from consolidating senior management and from the rationalisation of office space. The payback period for the costs of transition could be within 1 year.

Council Tax harmonisation could be achieved within 5 years. Fixing at the lower rate of each former district council would benefit taxpayers but would carry significant income forgone, that would absorb significant savings benefit and affect the funding of services. The weighted average method would incur significantly less income forgone while still benefiting some taxpayers. Fixing at the higher rate would be costly and benefit fewer taxpayers.

The consolidation of Oxford City Council into the new single unitary would eliminate the need for a special agreement with government to reallocate funding and the new entity would start with a balanced financial position.

Cost savings and value for money (continued)

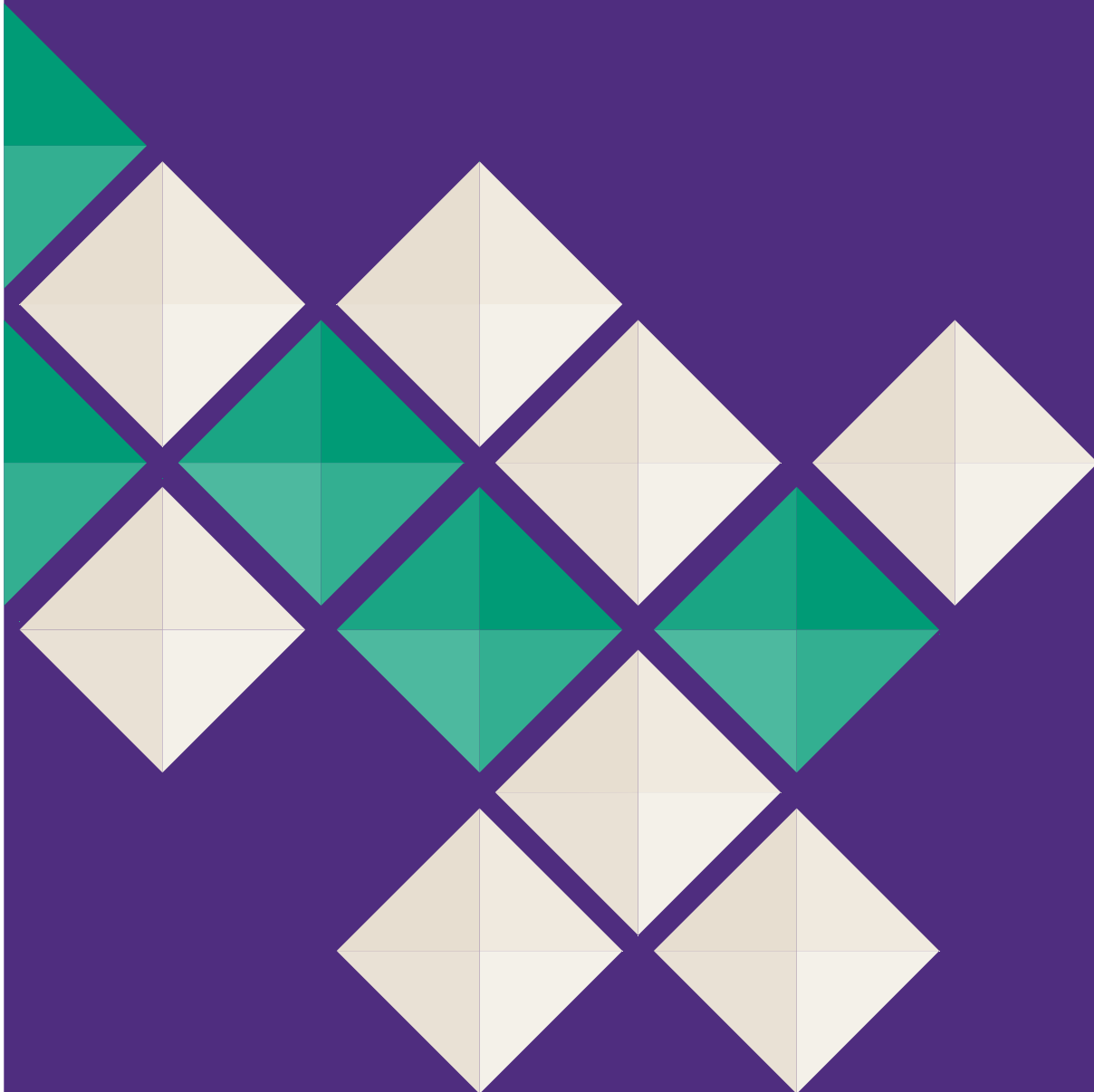
Cost savings and value for money – key messages from our call for evidence

69% of respondents who expressed a single view thought that one unitary authority would best enable cost savings and deliver better value for money. Other views were spread equally across the remaining options. Cost savings and value for money was the evaluation criterion with the largest proportion of stakeholders reaching a consensus.

Despite this clear trend, respondents were at length to point out that services would only represent value for money if they were flexible and tailored to the views and needs of individual communities. Such flexibility would need to be built into any arrangement. Examples of views we heard from the call for evidence:

- Four unitary option – *“[each council has a] a better idea on how to spend local resources”*
- Three unitary option – *“...will most likely provide the best value for money by reducing the administrative overhead and enabling decisions to be made at local level, which is especially important when hard budget choices need to be made.”*
- Two unitary option – *“...preferred to reduce multiple departments in the districts doing similar work.”*
- One Unitary option – *“There would be cost savings on staffing with fewer management structures as is now with five councils plus the county council.”*
- The Status Quo option – *“Unnecessary administration costs of restructuring at a time of financial hardship, meaning less money to serve the community.”*

Economic growth and infrastructure



Economic growth and infrastructure

Economic and social characteristics

With an economy of £20.5 billion in Gross Value Added (GVA), Oxfordshire is the third largest economy in the South East. It has a strong and growing economic base that is driven by 35,000 businesses with access to a highly skilled population. The presence of world leading academic and research institutions has also meant that the area is considered a global leader for advanced engineering, energy and environmental technologies, information technology, life sciences and space related technologies. These higher-value sectors have significant potential to drive economic growth in the future.

However, Oxfordshire's productivity – as measured by GVA per job – at £51,172 is lower than the South East average of £52,324 and significantly lower than all of the neighbouring authorities: Berkshire £64,612, Milton Keynes £59,764 and Buckinghamshire £57,184. There are clusters of high-value and high-skill jobs particularly within and around Oxford – but economic activity in some other parts of the County area is less vibrant.

Oxfordshire has a total population of 672,500, which is a similar size to that of Leicestershire and Northamptonshire. Approximately 32,000 of the population within Oxford are students, reducing the available tax base. By 2034 the total population of Oxfordshire is expected to have grown by 12.76% and the 65+ age group to have grown by 51.69% (ONS, 2015), with the most significant increase in Cherwell. This will have obvious implications for the nature of services and support required from local authorities and health partners.

Oxfordshire has relatively low levels of deprivation and is prosperous overall. It has one of the lowest unemployment rates in the country. However, there are pockets of relatively high deprivation within Oxford in particular.

Oxfordshire is widely considered an attractive place to live, with a quarter of the county falling within areas of outstanding natural beauty. The attractiveness of the county as a place to live and work has not been matched by the scale and pace of delivery of new homes. The 2014 Oxfordshire Strategic Housing Market Assessment (SHMA) highlights that there were just over 272,000 homes in Oxfordshire in 2011, of which 84% were owned privately and the remaining 16% owned by public bodies including Housing Associations, Councils and the Ministry of Defence. OxLEP plays a leading role in setting the strategic economic plan for addressing this housing need.

Economic challenges

Key economic and social challenges facing Oxfordshire are summarised within the joint devolution proposals published in February 2015. These are:

- **The cost and availability of housing** – attempts are being made to address this through the Strategic Housing Market Assessment and Growth Board process, but delivery is missing local targets.
- **Delivering the infrastructure** that the local economy and communities require. We recognise that the County Council is making progress with strategic transport and infrastructure through the England's Economic Heartland strategic alliance.
- Ensuring residents are equipped with the **skills** that the high tech economy demands.
- Provision of **public services** as the public sector continues to be squeezed financially, in particular addressing the ageing population and increasing demand for health and social care.
- A **rapidly ageing population** requiring new services and opportunities for our ageing population, including through provision of suitable housing and care.

There is a recognition that if key issues such as adequate transport infrastructure, educational attainment, skills, and housing are not addressed then innovation and economic growth within Oxfordshire will not reach its full potential.

Economic growth and infrastructure (continued)

The voice of business and innovation leaders

Representatives of the business community including the Oxfordshire Local Enterprise Partnership, the Universities and centres of innovation across Oxfordshire have given a clear message that simplified relationships with local government and clarified accountability for decision-making are essential. They identified their main challenges at the interface with local authority services as follows:

- The **housing stock and transport network** are not enabling business growth and innovation. Lack of affordable housing and poor commuter routes are disincentivising skilled workers from accepting otherwise attractive job offers and new businesses from growing within or relocating to Oxfordshire.
- Key services such as housing and highways **are not joined up** and provided by different authorities across Oxfordshire necessitating engagement and negotiation on multiple fronts. The business representatives that we spoke to recognised the importance of democratic engagement on behalf of communities but did not believe that this was best exercised by the current two-tier model of local government.
- **Disputes between local authorities**, especially around the location and provision of new housing have been an unhelpful distraction from efforts to improve the economy of the area and delivery of housing for local residents.
- **There is no clear and unified “sales pitch”** or vision to help attract either new and innovative businesses or established global corporates to Oxfordshire. The LEP, the Universities and Oxfordshire local authorities have all produced elements of a vision for business within Oxfordshire, but the overall picture feels fractured.

These challenges can all be better addressed by a unitary system of local government supported by stronger leadership and sharper decision-making.

Existing arrangements for joint decision-making

The Oxfordshire Growth Board is a formal joint committee of the six councils within Oxfordshire with board membership comprised of the six council leaders and non-voting members including OxLEP, the two Universities and the Oxfordshire Skills Board. The purpose of the Growth Board is to make joint decisions on areas where the local authorities wish to collaborate around economic growth and infrastructure improvement.

We heard two fairly consistent messages from stakeholders with regard to the Growth Board – firstly that the transparency and democratic accountability of decision-making processes is weak, and secondly that joint decision-making is ineffective and does not support the collective best interests of local communities and businesses in Oxfordshire. We have reviewed Growth Board papers and accessed recordings of meetings to corroborate this view.

The difficulties of the Growth Board are perhaps best exemplified by the difficulties and slow progress in achieving a consensus on housing allocations in response to the strategic market housing assessment despite protracted negotiations over the last eighteen months.

Proposals for change

Each of the new unitary structures would need to address the current weaknesses that the Growth Board experiences in reaching consensus – we discuss arrangements for democratic representation in the next section.

In the words of the Oxfordshire Local Enterprise Partnership (OxLEP): *“any unitary structure and associated combined authority emerging from the studies must be capable of making collective, strategic and timely decisions if we are to maintain momentum.”*

A county-wide unitary would offer the widest possible footprint for strategic decisions about the economy, infrastructure and growth. It would bring together services that are currently divided across tiers and also have the benefit of removing potential friction between sovereign organisations.

Economic growth and infrastructure (continued)

It would also offer a single point of accountability, with a single body of elected representatives supported by a single executive group ultimately accountable for addressing the sustainable growth and infrastructure needs of Oxfordshire as a whole.

A well-governed combined authority could in theory fulfil a similar role although there is currently little clarity on the governance arrangements that would be put in place to achieve this. We do not believe that the proposal for a combined authority to have rotating chairmanship by City and District leaders offers a robust and workable solution to the problems experienced presently, whereby a lack of consensus and conflicting interests are acting to the mutual disbenefit of all organisations and the communities they serve.

Local growth and infrastructure – key messages from our call for evidence

59% of respondents believe that a county-wide unitary option would provide the best foundation for economic growth and strategic delivery of infrastructure. Respondents were divided by the compromise between supporting tailored approaches to growth that reflect different localities' requirements and the view that Oxfordshire requires a single unifying voice and vision in order to facilitate growth, develop strategic infrastructure, liaise with regional partners and negotiate with central government. Typical arguments are represented by the following quotes:

- Four unitary option – *“Local knowledge and investment will drive forward improvements to the local economy and infrastructure.”*
- Three unitary option – *“Big enough to be attractive to business and small enough to really know the best options.”*
- Two unitary option – *“because the needs of City and Rural areas are different and should not be confused”*
- One unitary option – *“a joined up and strategic approach will be possible.”*
- The Status Quo option – *“The existing structure may not be perfect, but I believe that it does provide the structure to support improvements for growth.”*



Leadership and accountability



Leadership and accountability

Any unitary solution would be a fresh start

Much of the debate about future models of local government in Oxfordshire is coloured by perceptions about the leadership of existing organisations. This is unhelpful, but also irrelevant as any new unitary solution would entail the creation of one or more completely new organisations requiring the election of new political leadership and members.

Current governance arrangements

As with other two-tier areas, current arrangements for governance and accountability are complex with six principal authorities and numerous further town and parish councils. Partnership vehicles include the Growth Board and the Health and Wellbeing Board. The current situation within Oxfordshire has been described as a leadership vacuum, with multiple conflicting interests and no clear point of ultimate accountability.

Proposals for change

The main benefit of the move to any unitary arrangement would be the simplification of accountability from the perspective of the public and partners. Under a multi-unitary scenario, it is also clear that new governance arrangements through a combined authority must allow for far more effective, transparent and accountable joint decision-making processes than are currently achieved.

A combined authority offers a possible solution but raises questions about democratic accountability for which no satisfactory answer is yet available. For example, if, as proposed, adult social care was to be delivered on the basis of multiple pooled unitary authority budgets with a shared statutory role at a combined authority level, then it is clear that decision-making would have to take place with regard to allocation of resources and additional provision of funding if required. Given the current difficulties around decision-making of this type for spatial planning and economic development, it is unclear how it could be more successful for social care. This would need to be done with appropriate arrangements for transparency, scrutiny and the involvement of the public and partners.

This is technically possible, but there is no precedent for a mechanism of this type. A county-wide unitary, by contrast, would take decisions with far less scope for internal conflict, with the engagement of all elected members and the full political and democratic accountability of a single local authority.

The mayoral question

We recognise that there are some strongly opposed views within Oxfordshire to the idea of a directly-elected mayor and that an arrangement of this type would not be suitable under all circumstances. However, we believe it would be necessary for Oxfordshire for two reasons. Firstly, given current difficulties in reaching consensus across sovereign organisations, a mayor would act as an ultimate point of accountability and responsibility. Secondly, Oxfordshire bears many similarities to the city regions for which “metro mayors” have been widely accepted. A directly-elected mayor has also historically been an enabler of more advantageous devolution deals although there is no guarantee that this will continue to be the case.

Whenever a combined authority is set up, legislation allows for provisions to be put in place to restrict the power of a mayor under certain circumstances. These would have the potential to lead to scenarios where combined authority membership could overrule the mayor. Our view is that any such provisions should be limited for a combined authority in Oxfordshire in order to allow a mayor to effectively fulfil the required role of cutting through indecision and conflicting interests.

Review of democratic representation

A move to a unitary system of any combination would entail a thorough review of democratic representation. Guidance from the Boundary Commission emphasises the need to set electoral arrangements in accordance with local need rather than to any predetermined formula. We have benchmarked the options against existing unitary authorities with similar populations to reach a view on the numbers of elected members and allowances that would be expected for organisations created under each of the proposals.

Leadership and accountability (continued)

Based on benchmarks with all current shire unitary authorities, the expected range of elected members would be as follows:

- Single unitary: 87 - 126 elected members
- Two unitaries: 124 - 160 elected members
- Three unitaries: 155 - 164 members
- Four unitaries: 171 - 192 members

Our analysis shows that the greatest saving is potentially available from a county-wide unitary with marginally lower savings potentially available from other options. It should be noted that the net savings likely to be identified here are relatively trivial by comparison to the total expenditure of local government in Oxfordshire and other savings available through unitarisation.

The quality of political leadership and the sufficiency of political capacity are far more important in determining the future success of unitary authorities. Ultimately these are matters to be determined as part of the full set of proposals under development and in discussion with the Boundary Commission and / or Secretary of State.

Leadership and accountability – key messages from our call for evidence

53% of respondents provided the view that a single unitary authority would enable stronger and more accountable leadership for Oxfordshire.

Responses understood the potential compromise between strong leadership at a local level, that is tailored to the views of individual communities and a powerful executive that can represent Oxfordshire as a County when negotiating with partners from other sectors, regional partners and central government. The submissions we received were influenced by the relative importance with which people view these somewhat competing priorities. In the words of one commentator

"Leadership is always more accountable the closer it is to the electorate, so Options 1 and 2 would enable stronger and more accountable leadership. However, increasing the number of organisations responding to national initiatives is likely to lead to weaker communication and possible duplication of effort."

Examples of views we heard from the call for evidence:

- Four unitary option – *"... would give local accountability. Option 4 might create remoteness of leadership from the services"*
- Three unitary option – *"...retains focus on the different domains of the city and the remaining urban/rural blend. This will enable all citizens to be represented as local voices but with the scale to matter to national government."*
- Two unitary option – *"A clear Leader for urban issues and a clear Leader for rural issues."*
- One unitary option – *"fewer managers, clearer leadership structure and therefore accountability" ... "but only if local communities are represented in a fair way and have the power to make change to their community if needed"*
- The Status Quo option – *"This system provides accountability that is split between local and county levels that works well for local residents and for national issues."*

Local engagement and empowerment



Local engagement and empowerment

Existing approaches to localism

The County Council has made increasing efforts over a number of years to devolve additional responsibilities to Town and Parish Councils culminating in the Oxfordshire Together programme launched at the start of 2016. As a result, there is an ongoing dialogue with local councils with regard to how services such as the management of highways can be undertaken. It is clear that this process has experienced challenges and has not always run smoothly, but it nevertheless reflects a sustained effort on the part of the County to embrace the principle of subsidiarity.

Grant Thornton attended meetings with local town and parish councils surrounding Thame and Banbury, as part of a wider programme led by the County Council, and heard directly from members of the community involved in this discussion. As would be expected, there was a wide diversity of views about current arrangements. Some local council representatives are very keen to receive new responsibilities including for budgets, however others are cautious about the capacity and capability available to undertake additional work.

Proposals for change

One of the first concerns expressed around the county-wide unitary model is that due to its sheer scale it would risk becoming disconnected from smaller communities and local issues. Concerns were also expressed that special status and the civic and historical identity of the City of Oxford, as well as other large towns such as Banbury and Didcot, could be diluted or eroded, let alone smaller villages and communities across the wider County area.

It is clear, therefore, that for an Oxfordshire county-wide unitary to counterbalance concerns around scale it would need to put in place:

- Enhanced arrangements for locality and area-based working, going beyond arrangements already put in place by the County Council
- Special arrangements for meaningful self-governance for Oxford and for other larger conurbations, including substantial delegated budgets and powers.

The resulting picture is likely to be complex, with no “one size fits all” solution. There are clear analogies to the current national debate around place-based devolution. There are concerns around the capacity and willingness of individuals to take on the range of enhanced local leadership roles that would be created, but also a more optimistic view that if more substantial roles are created then people will be more interested in filling them.

Developing proposals for One Oxfordshire

Any new arrangements for subsidiarity will be for a new unitary authority to implement. However, the County Council is developing a set of proposals under the banner of One Oxfordshire and drawing on established county-wide unitary precedents such as Wiltshire and Cornwall. For example – Wiltshire has addressed local engagement and empowerment by provision of 18 local area boards and retention of district boundaries for planning purposes. The One Oxfordshire proposals are at a relatively early stage but describe a similar model involving a number of area locality boards comprised of unitary councillors, town and parish councillors and other partners operating locally. A new local council could be established for the City of Oxford, with responsibility for civic representation, devolution of powers and budgets and direct responsibilities for service delivery. Again, there are precedents for city governance of this type in areas such as Durham and Salisbury.

Our view is that these proposals provide a plausible direction of travel in responding concerns around localism under a county-wide unitary model, based on proven and successful precedents, but work remains to fully develop them.

Local engagement and empowerment (continued)

Localism under a multi-unitary scenario

We have not been provided with detail of any City and District proposals relating to enhanced localism or further devolution to local councils. The argument is made by District stakeholders that, as smaller organisations, Districts are necessarily more connected to the localities within their boundaries. This argument has some merit, but does not stand up to scrutiny. Firstly – the unitary options under consideration would involve the merger of two or more organisations, thereby diluting this intrinsic “local-ness”. Secondly – the overall number of customer-facing employees operating within localities, such as social workers, teachers and highway engineers, would be unlikely to change significantly under any of the options.

On the basis of the evidence available, our view is that the county-wide unitary model offers the clearest arrangements for securing local engagement and empowerment needed, despite the relative size of the organisation that would be created.

Engagement and empowerment – key messages from our call for evidence

35% of respondents thought a county-wide unitary would best enable engagement and empowerment at a local level in Oxfordshire. Whilst this is a lower score than for other criterion, it remains the most popular single option. A significant proportion of those selecting the county-wide unitary option did so in recognition that it would necessitate greater engagement with Town and Parish Councils.

Other responses gave the view that smaller authorities would allow councils to be closer to the communities they serve, and engage with them. Typical comments were as follows:

- Four unitary option – *“should have strongest local engagement as there will be a local council for each area which can take some account of local preferences.”*
- Three unitary option – *“...Good trust on the ground of knowledge of the locals and operating with the people they know and confidence with.”*
- Two unitary option – *“will create better management and less ‘competition’ between districts and standardise procedures and expectations”.*
- One unitary option – *“...as the simpler structure will make communication easier for individuals and community groups” ...” .Subject to a well thought out local devolved setup”*
- The Status Quo option – *“Option 5 because it offers a visible structure for regional and local involvement where local people can feel confident in their representation.”*

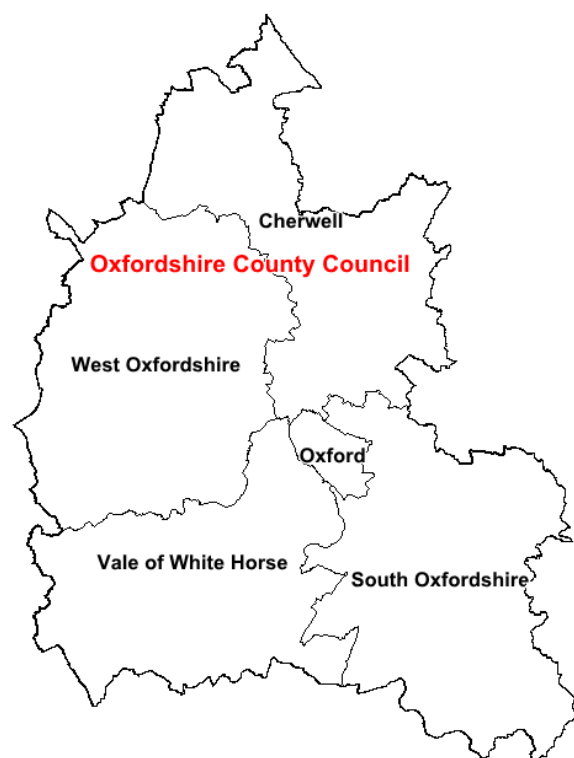
Summary of findings for each option



Option 5 – The status quo

A small proportion of respondents to our call for evidence felt that the two-tier system was not broken and did not need fixing. However, they were in the minority. Most of the senior officers and politicians that we spoke to agreed that the existing two tier structure is the least desirable outcome. There is general agreement that a unitary solution is the correct one, but opposing views on how this should take place. The main weaknesses of the status quo are:

- **Separation of related services** that could otherwise have a mutually reinforcing impact on outcomes for individuals, families and communities. For example – adult social care services and housing, public health and leisure, highways and spatial planning. There are strong connections between each of these services and advantages to being delivered side-by-side, however in practice this is not facilitated by the two-tier structure.
- **Unclear lines of accountability** - there can be a lack of clarity over responsibility and accountability for services from the perspective of members of the public and partners.
- **Proportionally higher funding reductions to county councils** - counties have been hit especially hard by funding reductions from central government and have had to make proportionally greater savings than districts, especially in Oxfordshire where the Districts are holding higher than average levels of financial reserves. This situation is highly unlikely to improve as the Treasury recasts budgets in the light of Britain's decision to leave the European Union. The result is a mismatch of capacity and financial resilience that threatens to undermine the validity of the system and is having a tangible effect on the range and level of services as the County Council has prioritised spend on safeguarding and away from other areas.
- **Political and administrative friction** - tensions between the County, the City and Districts are a common feature of two-tier areas. The time and effort that goes into managing this tension politically and administratively is not spent on improving outcomes for communities. There is a particular impatience from partners and the public for this to be resolved.



Option 4 – One unitary Council

An Oxfordshire county-wide unitary authority would be the largest shire unitary in England by population, with approximately 120,000 more residents than Cornwall. It would, however be smaller than the metropolitan unitary authorities of Birmingham and Leeds City Councils. It would sit within the indicative population range set out by the DCLG although projected growth in population means it would exceed the higher figure by the end of the decade.

Our view is that there are clear arguments in favour of a single unitary council covering the footprint of Oxfordshire, which are as follows:

- **Simplicity and shared boundaries with strategic partners** – the unification of all services that are currently disjointed, as outlined above, along with shared boundaries with partners such as the LEP, police, CCG, and other NHS bodies. This also becomes simpler from the perspective of service providers from the community and private sectors who would wish to be commissioned by the Council.
- **Clarified democratic accountability and responsibility** – all decisions will be taken by a single body of elected representatives supported by a single officer corps. This will remove any possible confusion about which administrative body covers which service, and who is ultimately accountable for the quality of services. It also removes the requirement for a directly elected mayor.
- **Leadership outside the County borders** – a single organisation would speak with a single and louder voice to government and partners on behalf of Oxfordshire, as well as having the freedom to develop a single vision and plan that adequately reflects the significance of the County on a regional, national and international stage.
- **Cost savings** – this option enables the greatest savings through rationalisation of services, assets, systems and workforce.
- **Resilience** – the ability to absorb and respond to unexpected pressures within a larger budget and to re-direct resource across a wider area, such as natural disasters, and high-cost social care placements.
- **Scale** - ability to address strategic issues such as transport, housing and infrastructure at scale through, for example, preparation of a single local plan for Oxfordshire.



The potential risks of a county-wide unitary would be as follows:

- **Remoteness from communities** – a unitary of this size might risk becoming too remote from the communities it serves and losing connection with individuals, localities and communities. The developing One Oxfordshire approach sets out how this could be mitigated through enhanced locality working and formal recognition of city and towns.
- **Inflexibility** - the inability to offer a sufficient breadth of alternative services to diverse places with different characteristics and challenges. Although enhanced locality working can mitigate this the freedom to innovate at locality level can be perceived as less than for a sovereign organisation. It also seems unlikely that existing shared services and joint ventures at District level could be protected.
- **Administration required for locality working** - a single unitary council would be significantly more simple than the status quo, but would require locality substructures to manage services such as planning. Depending upon the type of arrangements adopted, this could affect the level of savings available.

Option 3 – Two unitary Councils

Our view is that the two-unitary model is an unwieldy compromise that dilutes the advantages of other options whilst offering broadly the same disadvantages. In order for this option to be meaningfully implemented and for the resulting organisations to achieve appropriate balance of scale and financial viability, a substantial expansion of the City boundaries would be required. Whilst it is possible to achieve this through a review by the boundary commission, in practice this is a lengthy and politically difficult question. There is no simple answer with regard to where the new boundaries of the City would lie. In our view this option is unlikely to be politically achievable without external intervention, which runs counter to the current “bottom-up” and consensus-led approach espoused by DCLG.

In order to analyse the two-unitary option we have had to identify an indicative boundary for a Greater Oxford reflecting an expansion of the current boundaries of Oxford City Council. Various boundaries have been proposed, but the one we have used is based on an analysis shared with us by Oxford City Council during our initial stakeholder meeting. At this meeting it was emphasised that the identified boundary is illustrative only and has not been agreed by any stakeholder organisation. We have subsequently requested confirmation of the boundary being used in the separate PwC study but unfortunately access to this information was declined. For the purposes of completing our analysis we have therefore used the indicative boundary provided to us, resulting in a Greater Oxford with a population of 223,000 and a separate unitary authority covering the remainder of the County area with a population of approximately 450,000. The potential benefits of two unitary councils would be as follows:

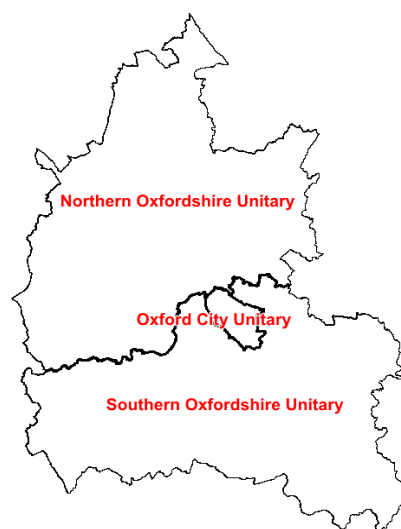
- **A less unworkable boundary for Oxford** – allows an expansion of the borders of the Oxford, better (although still incomplete) equalisation of available tax base with concentration of need in the City and allowing more direct influence over development of new housing in the surrounding area. However, even using the expanded boundary followed here, the new Greater Oxford would start life with a funding deficit of £11.5million unless a renegotiation of the funding settlement could be achieved.
- **Separation of Oxford from surrounding towns and rural areas** – recognising the distinctiveness of Oxford by comparison with surrounding rural areas.
- **Significant scope for cost savings through aggregation and rationalisation** – although less than for a county-wide unitary.



The potential risks of two unitary councils would be as follows:

- **Complexity of resolving the boundary issue** – as outlined opposite.
- **Entrenchment of the urban / rural divide** – the two unitary authorities would still be required to make strategic decisions on issues of joint importance such as housing, planning and transport. We believe that joint decision-making would become even more difficult under this option than the status quo, because the two unitary authorities would in effect represent the conflicting interests of urban and rural communities. This would either have to take place through a combined authority – in which case the mayoral model would provide the best chance of effective decision-making – or through some less formal vehicle such as a joint committee, which may struggle to achieve consensus.
- **Coherence of the two new unitary authorities as places** – through our call for evidence we heard a wide range of views about how the boundary for greater Oxford might be re-drawn. Some respondents who live outside the City of Oxford at the moment recognised the logic of an expanded boundary, however others strongly objected. The second unitary authority would cover a large and predominately rural area but also a number of larger towns such as Banbury, Didcot and Henley. Given this scale, there would still be a need for enhanced locality working. There would also be difficulties in putting forward a coherent vision and set of priorities for what are a diverse set of places, united only by being of the boundaries of Oxford.

Option 2 – Three unitary councils



This option involves a merger of Cherwell and West Oxfordshire to create a Northern Oxfordshire Unitary. Socially, these areas vary more than those in the Southern Unitary as Cherwell is relatively more deprived but has a greater economic output than West Oxfordshire. Consequently, there would be more varied demand on local authority services. A Northern Oxfordshire Unitary would have greater capacity to produce income through business rates and provide more employment opportunities within the borough than a Southern Oxfordshire Unitary.

In this configuration both the Northern and Southern Unitary in Oxfordshire would be required to provide services over a larger rural area, in contrast to the densely populated Oxford Unitary.

The potential benefits of three unitary councils would be as follows:

- **The creation of a combined authority** which would be intended to improve on existing arrangements for joint decision-making on strategic issues such as infrastructure, housing and spatial planning.
- **Allowing greater flexibility for localised commissioning, innovation and efficiencies** – building on the Districts’ established approaches to collaboration and shared services, it is argued by the Districts that sovereign organisations would have greater freedom to innovate and put in place bespoke local solutions than would be achievable even under locality working arrangements for a county-wide unitary.
- **Protecting existing shared services at district level** – district stakeholders are clear that a means would be found to protect cross-border collaborative working arrangements under this option although it is not clear how this would be achieved.

Potential risks arising from three unitary authorities would be as follows:

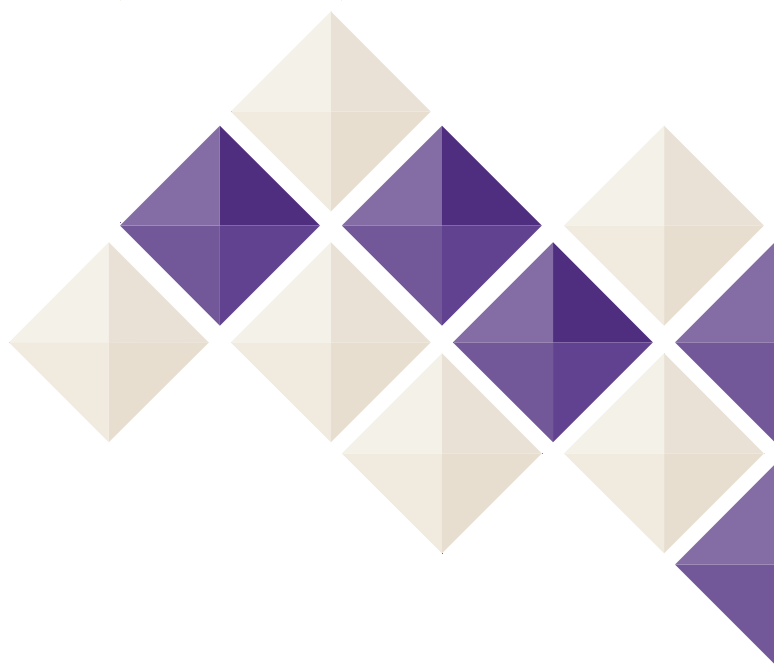
- **Lack of clarity around how a combined authority can improve on current decision-making arrangements** – joint decision making by the city and districts does not work smoothly at the moment. In the absence of any firm governance proposals it is hard to conclude that a combined authority would be able to improve on this. We believe that the initial proposal for rotating chairmanship of a combined authority by existing City and District leaders is insufficient, and a suitably empowered and directly-elected mayor would be required to provide a single point of accountability.
- **Transparency and accountability of decision-making** - services currently delivered by the County Council represent around 80% of local authority expenditure in Oxfordshire. If County Council services were to be provided by a combined authority in the future, they would potentially be subject to significantly less political accountability than is currently the case. There are important questions around democratic engagement and scrutiny within a combined authority under this scenario for which no precedent exists and no firm solutions have been identified.
- **Lack of clarity around how the City could be supported by surrounding areas** – any option that involved Oxford City Council retaining its current boundaries as a unitary council will also require a special arrangement to equalise funding available from the tax base against the relative concentration of need within the city area. We are unaware of any settled proposals for what this arrangement could be, although possibilities include direct financial support from surrounding unitary councils, an additional precept at the combined authority level or some form of equalisation through business rates. We also heard strong opposition to the idea of subsidising the city through our stakeholder engagement – “it would be unfair on rural voters”. If a special arrangement could not be reached, then the viability of the three or four unitary option would be jeopardised.

Option 2 – Three unitary councils (continued)

- **Relatively low scope for cost savings** – although some savings may be available through the aggregation of services at combined authority level.

There are additional risks to robust and clear decision making relating to services for and protection of vulnerable children and adults. These include:

- The difficulties in agreeing collectively on the distribution of resources to meet increasing care needs – for example individual authorities may decide not to make use of the adult social care precept which would increase the existing pressures on adult social care services.
- Fragmentation of existing safeguarding arrangements: strengthened transition arrangements would be required between authorities resulting in increased complexity and scope for errors.
- Difficulties in liaising effectively with partners such as the Clinical Commissioning Group and Thames Valley Police who operate on a county-wide basis or beyond and would need to commit additional resources to managing multiple relationships.
- Smaller authorities are likely to be unable to cope with unusually expensive care packages arising from local pockets of need, and use of specialist and expensive service may become unaffordable. This is particularly relevant for special educational and disability services.
- The potential loss of integrated working between the Fire and Rescue Service and wider council services.

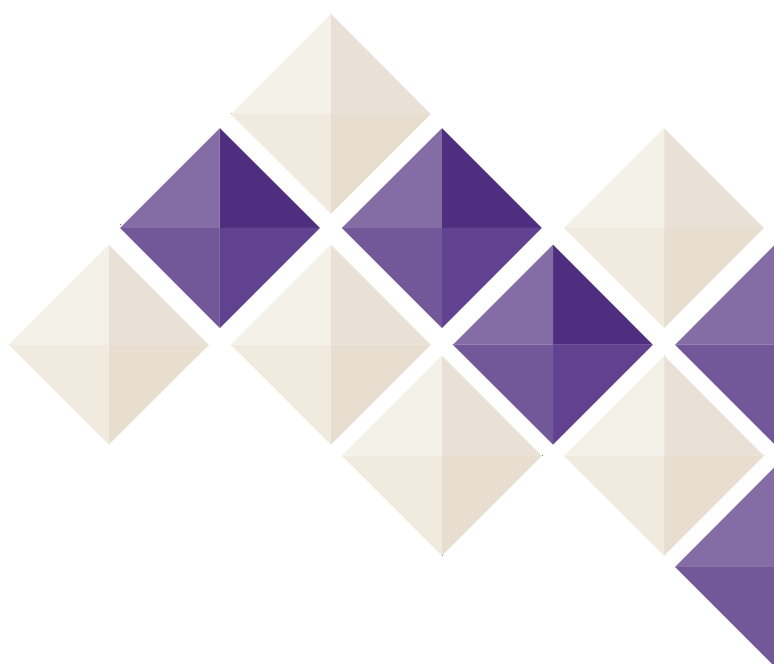
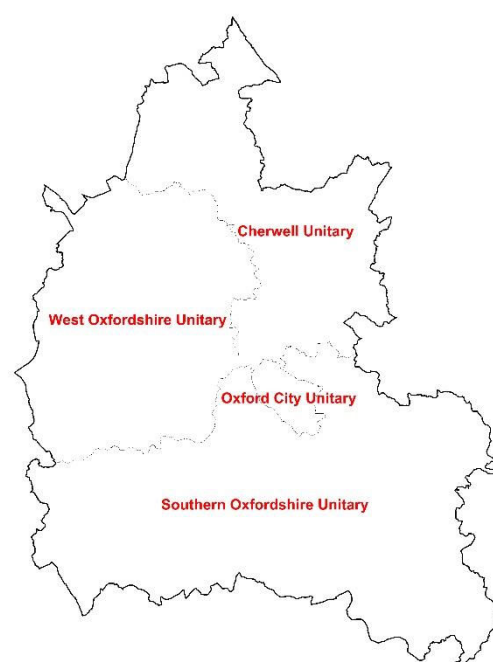


Option 1 – Four unitary councils

The four unitary option involves combining of Vale of White Horse and South Oxfordshire in order to form the Southern Unitary authority. Socially these areas are very similar with above-average proportions of knowledge workers, high prosperity and low levels of deprivation. Consequently, there will be a relatively low level of demand on local authority services. However, the challenges that are currently present in South Oxfordshire and Vale of White Horse of the population commuting out of the authorities to work will still remain as neither of these authorities has large economic scale.

The four unitary option shares broadly the same advantages and disadvantages as the three unitary option but adds complexity and risk as follows:

- **Governance for joint decision-making becomes less straightforward** with the requirement to balance the interests of a greater number of organisations. It is not clear that West Oxfordshire and Cherwell – as two relatively small unitary councils – should have an equal vote on combined authority issues to an Oxford Unitary Authority or the larger area of South and Vale. A governance arrangement could be devised to create appropriate balance but we have been unable to access any emerging thinking on this to date.
- **Smaller organisations are less likely to be financially resilient** even allowing for the novel delivery structures that are likely to be put in place for the most expensive services.
- **Minimal scope for service rationalisation and savings** due to including the largest number of sovereign organisations of any of the unitary options.



Summary of findings

We have reached a view about the strengths and weaknesses of each option against the specified evaluation criteria based on the evidence available to us. Proposals for how unitary local government could work in Oxfordshire are at a relatively early stage, so our findings necessarily include an element of preliminary judgement.

There is general agreement that the status quo is not the best option to respond to the current or future needs of Oxfordshire. Our overall view is that the evidence is strongest, in relative terms, for the viability of the county-wide unitary model (Option 4) in all five evaluation criteria. In our view the benefits of simplicity, clarified accountability, resilience, economic scale, shared boundaries with strategic partners and stronger leadership are decisive. The independent advisory panel supported this view - recognising the benefits of a unitary model of local government and the benefits of delivery at scale for key services.

Successful local engagement and community empowerment will be the biggest challenge for a county-wide unitary of this size. Our judgement on this point is necessarily based on the relative strength of the proposals made available to us rather than the intrinsic strengths of each model. We have had the opportunity to consider One Oxfordshire proposals in detail and to review successful precedents elsewhere such as Wiltshire and Cornwall. We have not been provided with any proposals that set out how local empowerment and engagement could be enhanced under a four, three or two-unitary authority model.

The table below summarises our emerging findings, based on available evidence, of all options relative to the status quo. Each rating applied represents the likely best option (A) through to the likely worst option (D) against each of the criteria.

Options	Better service outcomes	Cost savings and values for money	Economic growth and infrastructure improvement	Leadership and accountability	Local engagement and empowerment*
Single Unitary Authority	A	A	A	A	A
Two Unitary Authorities	C	B	C	B	C
Three Unitary Authorities	B	C=	B	C	B=
Four Unitary Authorities	D	C=	D	D	B=

Key

- A** – strongest evidence of a likely improvement from the status quo
- B** – second-strongest evidence a likely improvement from the status quo
- C** – third-strongest evidence of a likely improvement from the status quo
- D** – weakest evidence of a likely improvement from the status quo

**Note: our judgement for this criterion reflects the fact that we have been unable to identify any proposals for enhancement of local engagement and empowerment under two, three or four unitary authority options*

Summary of emerging findings (continued)

Of the remaining options, we believe that a three-unitary authority model (Option 2) with a well-governed combined authority, preferably on the mayoral model, would be preferable to options 1,3 or 5.

There are however some key challenges that in our view make the three-unitary option significantly less viable than a county-wide unitary. Solutions are yet to be identified for these challenges:

- The lack of precedent for running disaggregated County services across multiple unitary authorities at a combined authority level.
- The lack of clarity over how a combined authority would improve on existing arrangements for democratic accountability and joint decision-making arrangements, especially without a single point of accountability such as a mayor.
- Oxford City in particular will struggle to achieve financial viability if it maintains its current boundaries, unless a special arrangement is put in place. At present it is not clear what this arrangement could consist of and we have concerns around how achievable it would be. This risk applies equally to a four unitary option.
- Risk of disruption and fragmentation to services for the most vulnerable and lack of clear alternatives for delivery models.
- Lack of clarity on how subsidiarity and local empowerment would be progressed by new unitary authorities.
- Any new model must improve outcomes for the people of Oxfordshire, many of these outcomes will be as a result of long term changes that need to be made county wide, often with other public service providers and these will typically be best undertaken via a county-wide decision making and resource allocation processes.

In our view a two-unitary model (Option 3) based on an expanded Oxfordshire is an unsatisfactory compromise. On the evidence seen so far, we prefer the three unitary model to the two unitary model for the following reasons:

- The “rural doughnut” would not be a coherent place and would be of sufficient size to require a similar approach to localism as the county-wide unitary option.
- Some of the complexity of the three- or four-unitary option is reintroduced with the potential requirement for a combined authority and highly-effective governance arrangements in order to balance decision-making on strategic issues.

The four-unitary model (Option 1) is the least desirable in our view as in addition to the disadvantages identified for the three unitary model, it minimises the scope for cost savings, maximises the complexity of the required governance arrangements and allows the least room to rationalise democratic representation. It fails to solve the concerns around financial viability of Oxfordshire in particular and a unitary West Oxfordshire and Cherwell would also struggle to achieve financial viability.

A sixth option?



A sixth option?

A sixth option?

In our view a further option, which did not form part of the scope of our review, should be considered by the councils in Oxfordshire. In response to the message from DCLG that consensus is needed to move from the status quo, this further option builds the commonalities of proposals put forward by the County Council and the City and Districts, specifically that:

- Local identity and variation should be respected
- A strategic body is required to make joined-up decisions and deliver certain services on a county-wide basis
- Decisions should be taken as close as possible to communities with appropriate levels of democratic engagement and accountability
- Simplicity for partners and a unified voice to government are critical

The County Council requested that we comment on this option in the same way as we have for previous unitary options, drawing out potential benefits and risks and considering the implications of these. We have considered this option in relation to the same five evaluation criteria and our comments are included in this final section of our report. We have not applied ratings as proposals for option six are in broad outline only and we have not had the opportunity to research it as extensively as for the other options.

A strategic county-wide unitary with strong district administrative areas

Option six is described as follows:

- A strategic unitary council for Oxfordshire with overall responsibility for determining a framework of delegation of powers and budgets
- Constitutionally established area boards reflecting the administrative boundaries of the current City and District Councils exercising these delegated powers and budgets
- A commitment to explore further enhancements to the roles of Town and Parish Councils.

Detailed proposals are at an early stage, but it would be intended that the strategic unitary body would retain responsibility for decisions affecting Oxfordshire as a whole, including infrastructure, transport and housing. It would also determine policy for adult social care and public health services, integration of services with health partners, and children's services – meeting need and determining the allocation of resources across the County.

Importantly, the current boundaries of the City and District Councils would be preserved in the form of area boards or committees with delegated powers and responsibilities - for example, there could be local planning committees for each of the current City and District Council areas which have delegated powers to make appropriate decisions when applying locally the strategic planning framework agreed by the county-wide strategic body. The option for further devolution to towns and parishes would then be further explored once this new arrangement was established.

Our view

Our comments are at a high level as much work remains to be done to define this new model. Our initial view is that option six would be likely to deliver similar financial and service benefits to local residents and businesses as the county-wide unitary model. It protects the key strengths of scale, clarified accountability, shared boundaries with partners and strong leadership through a single body of elected members and a single officer corps. Crucially, however, it also offers a pragmatic route to achieving political consensus through recognition of the existing District Council administrative areas.

A sixth option?

The key differences between the straight county-wide unitary model and “option six” are as follows:

- **Respecting the City and Districts as democratically distinct bodies** – the proposal to use existing boundaries as administrative areas offers a degree of continuity from the perspective of members of the public as well as a high degree of self-determination. It also retains the strategic ability to allocate resources across the County wherever they are required.
- **A single set of elected representatives operating at County and District level** - importantly, democratic representation at the district area level would be by a subset of county-wide unitary councillors – a single set of members would effectively work at both levels. Leaders of each area board could also be provided with an automatic seat on the county-wide unitary executive board. These unitary councillors would be elected through a fresh electoral process.

Option six also offers a different solution to some of the potential risks identified for the county-wide unitary model.

- **Remoteness from communities** – protection of district boundaries would ensure that the public are able to deal with familiar decision-making bodies for local issues, whilst also allowing scope for further exploration of devolution to and collaboration with Town and Parish Councils over time.
- **Inflexibility** – although the strategic unitary body would set the strategic framework for key service policy and resource allocation, we understand that subsidiarity would be a fundamental design principle with devolution to district area boards to the fullest extent possible.

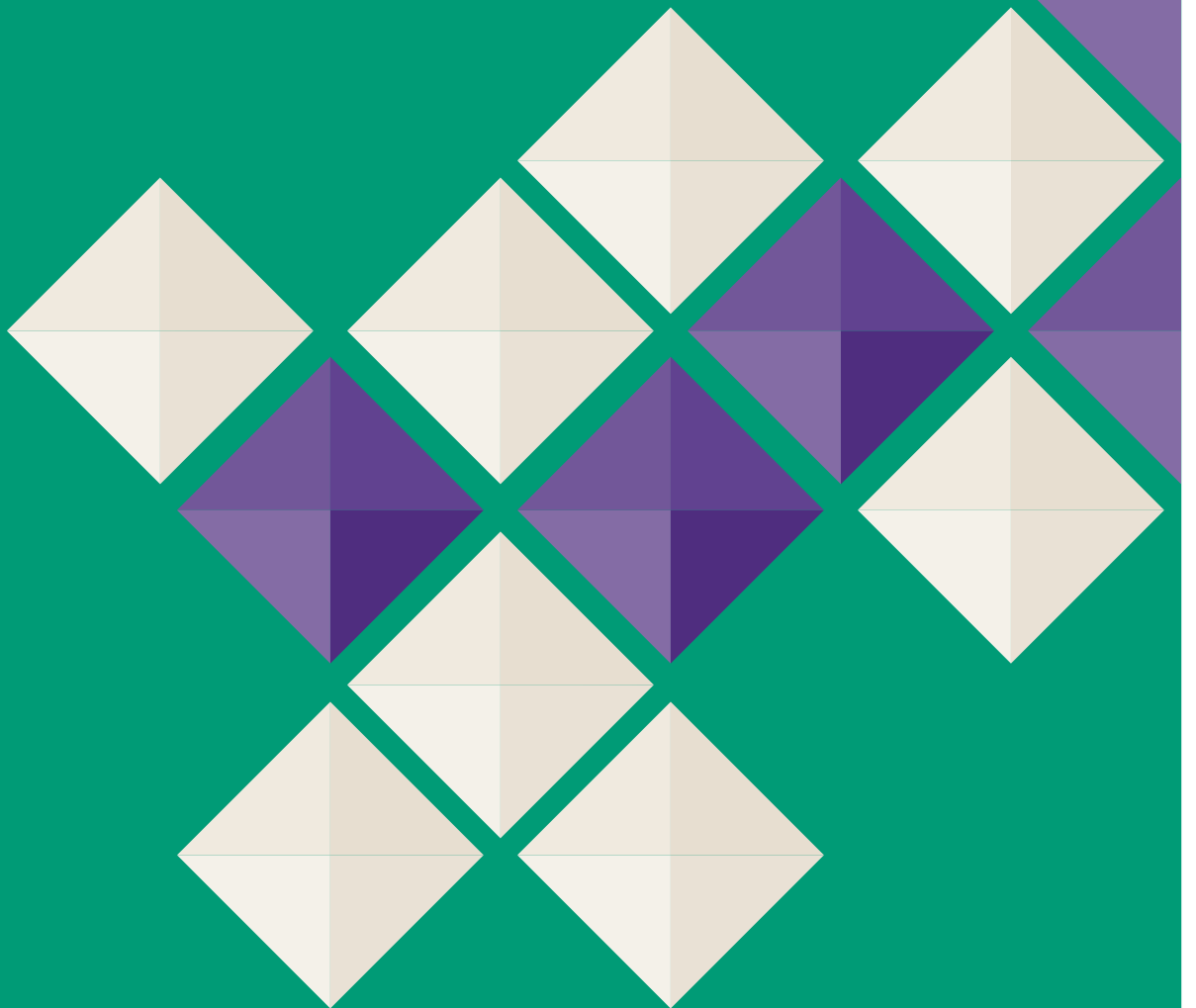
There are also some significant challenges that the model would have to overcome:

- **Ensuring appropriate democratic decision-making at the locality level** – this option could risk being seen to recreate the two-tier system, albeit with a redistribution of decision-making powers to create a single point of accountability at the strategic, county-wide level. Friction between localities would not be fully removed, but would be far less likely to result in stalemate. Care will be needed to ensure that this does not go too far - balancing the need for appropriate democratic debate and engagement at district level whilst also not allowing the difficulties affecting the status quo to creep back in.
- **Leaving room for the model to evolve** – careful thought will be required to ensure the right delegations of decision-making powers and budgets whilst achieving an appropriate level of autonomy for district-level boards. This may include a requirement for voting safeguards and assurances to ensure that locality decisions cannot be overturned at the unitary level through changes to the constitution. It would be unlikely that a new unitary authority would get this right first time – and it would therefore need room to calibrate and review arrangements.

If adopted, it has been suggested that the model could be subject to review by an objective third party (for example the DCLG or Local Government Association) after a fixed period of time.

We believe that option six merits serious further consideration by all parties. It represents an important step towards compromise between the aspirations of the County Council and the City and District Councils, as well as potentially offering a test bed for a model of governance that could be replicated in other two-tier areas.

Appendices



Appendix A – Glossary

ASCOF	The Adult Social Care Outcomes Framework
Better Care Fund	Statutory pooled budgets between local authority and health partners that accompany formal joint working arrangements
CCG	Clinical Commissioning Group
The City Council	Refers to Oxford City Council
Combined Authority	A joint authority created by two or more councils
County Council	A council that provides services across a county-wide area, such as social care, public health, highways and libraries
County-wide unitary	A unitary authority covering a whole shire county area
CSE	Child sexual exploitation
DASS	Director of adult social care
DCLG	The Department for Communities and Local Government
Devolution	The transfer of powers, responsibilities and budgets from central to local government
District Council	A council that covers a smaller area than a county council and provides services such as housing and rubbish collection, in an area which also has a County Council.
DPH	Director of Public Health
DTOC	Delayed transfers of care
FTE	Full time equivalent member of staff
MTFP / MTFS / MTRP	Medium-term financial plan / Medium-term financial strategy / Medium-Term Revenue Plan (we have used the term adopted by each Council as appropriate)
NHB	New Homes Bonus
NHS	The National Health Service
Ofsted	The Office for Standards in Education, Children's Services and Skills
OxLEP	The Oxfordshire Local Enterprise Partnership
RSG	Revenue Support Grant
SFA	Settlement Funding Agreement
Town Councils and Parish Councils	Local councils that operate at a level below district council
Unitarisation	The process of developing a unitary authority or authorities
Unitary Authority	A council responsible for all local government functions within its area

Appendix B – full list of engagement activities

Organisation	Attendees
Oxfordshire County Council	The Leader, Cllr Ian Hudspeth Cabinet members Members County Corporate Management Team
Price Waterhouse Coopers	Tim Pope (PwC project manager) Richard Parker (Partner)
Parish & Town Councils	Various in surroundings of Thame and Banbury
DCLG	Paul Rowsell, Deputy Director, Governance Reform and Democracy Unit Ian Barker, Policy Officer Ben Douglas, Policy Officer
Independent Advisory Panel Chair	Colin Fletcher, Bishop of Oxfordshire
Oxford University Hospitals	Bruno Holthof, Chief Executive Dame Fiona Caldicott, Chair
Oxford City Council	Peter Sloman, Chief Executive Caroline Green, Assistant Chief Executive
Age UK (Oxfordshire)	Paul Cann, Chief Executive
Oxfordshire CCG	Joe McManners, Clinical Chair Catherine Mountford, Director of Governance
Oxfordshire LEP	Nigel Tipple, Chief Executive
Oxford Health	Dominic Hardisty, Chief Operating Officer, Deputy Chief Executive
Vale of White Horse District Council	Councillor Barber, Leader of the Council
Oxford Brookes University	Professor Alistair Fitt, Vice Chancellor, Oxford Brookes University
Cherwell District Council	Sue Smith – Chief Executive Jo Pitman – Head of Transformation
South Oxfordshire District Council	Councillor Cotton, Leader of the Council
Thames Valley Police	Chief Constable Francis Habgood
West Oxfordshire District Council	David Neudegg, Chief Executive
Oxfordshire Association of Local Councils	Christine Lalley
Members of Parliament	Victoria Prentis – MP for North Oxon John Howell – MP for Henley Andrew Smith MP for Oxford East
Berkeley Strategic Land	Adrian Brown – Managing Director
Oxford University	Professor Anne Trefethen Professor William James Professor Ian Walmsley
CABi	Ian Barry – Property Director
Society of Local Council Clerks & Banbury Town Council	Mark Recchia – Oxfordshire Lead
Timbnet	Nigel Cox – Managing Director

Appendix C – Members of the independent advisory panel

We are grateful for the participation of the following individuals in the two meetings of our independent advisory panel:

Name	Organisation
Adrian Cooke	Skanska
Alistair Fitt (Prof)	Oxford Brookes University
Angus Horner	Harwell Campus
Anne Clarke	Oxfordshire MIND
Anne Trefethen (Prof)	University of Oxford
Bishop Colin Fletcher	CHAIR
Bruno Holthof	Oxford University Hospitals NHS Trust
Carol Thomson	Oxfordshire School Governors' Association
CC Francis Habgood	Thames Valley Police
Chris Williams	Grant Thornton associate
Christine Lalley	OALC (Oxfordshire Association of Local Councils)
Eddy McDowall	Oxfordshire Association of Care Providers
Emily Lewis-Edwards	Community First Oxon
Frank Nigrello	Unipart
Helen Evans	Getting Heard (formerly Oxfordshire Advocacy)
James Drury	NHS England
James Plunkett	The Transition Group
Janie Slaymaker	Unison
Jeremy Dicks	Carillon
Jeremy Long	Chair of OxLEP
John Hayes	Oxfordshire Community and Voluntary Action
Jon Bright	Citizens Advice
Julie Gibbard	Barnardos – South East Region
Kathy Shaw	Oxfordshire Community and Voluntary Action
Mark Blandford-Baker	Magdalen Coll/Oxford Science Park
Mark Recchia	SLCC/Banbury Town Council
Martin Sutton	Stagecoach
Nigel Tipple	OxLEP Chief Executive
Paul Burnett	Oxfordshire Safeguarding Children's Board
Paul Cann	Age UK Oxfordshire
Penny Thewlis	Age UK Oxfordshire
Peter Cansell	Oxfordshire Primary Head Teachers Association
Phil Southall	Oxford Bus Company

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Oxfordshire Unitary Government Study

July 2016

Review of proposed Unitary
Authority options with a Combined
Authority



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Important notice

This document has been prepared by PricewaterhouseCoopers LLP (“PwC”) for Oxford City Council, Cherwell District Council, South Oxfordshire District Council, the Vale of White Horse District Council, West Oxfordshire District Council, Cotswold District Council and South Northamptonshire District Council (“Commissioning Councils”). Cotswold and South Northamptonshire District Councils were included as commissioning councils since the original terms of the work included looking at the option of unitary councils that would cover their areas. This was ruled out as an option during the work (rationale explained further within the document), however the two councils retain an interest in the outcomes of the study. Accordingly, the contents of this document are strictly private and confidential.

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Executive summary

Introduction

To support delivery of a devolution deal for Oxfordshire, the five District Councils in Oxfordshire have been developing proposals for reorganising the existing two tiers (County Council and District Councils) of local government into a single tier i.e. a unitary local government model.

The current two-tier local government structure in Oxfordshire is under scrutiny and challenge for several key reasons:

1. **Rising demand and declining budgets means that traditional approaches are not sustainable.** Oxfordshire County Council's use of reserves to balance the budget for each of the last four years is not sustainable in the long run and it needs a fundamental transformation.
2. **A sustainable solution requires integration across the whole system and a wholesale commitment by all parties to truly integrated outcomes to start shifting activity up stream to reduce long run demand.** This is particularly the case in adult social care, and to a lesser extent children's services, where the level of demand, costs involved and importance of protecting the vulnerable demands a robust, ambitious and innovative response that recognises no single organisation can do it alone. Some stakeholders are not convinced the County recognises that it needs new skills and capabilities to effectively work in different ways without being in direct control.
3. **Long standing frustrations with planning, transport and housing delivery are now having a material impact on operational performance and will increasingly hold back the potential of the region.** The split of governance, decision making, strategic development and service provision across the two-tier system has not provided a whole-place approach to these issues. Therefore the current rate of economic growth will be increasingly constrained by the lack of capacity of the transport network, unmet demand for affordable housing and commercial space, and a lack of clear strategic planning vision. Stakeholders are already citing practical examples where they are struggling to fill posts due to the consequences of these issues. A unitary model could help achieve this.

Against this backdrop, the five District Councils in Oxfordshire have commissioned a study to assess whether the options for a unitary and combined authority local government model in Oxfordshire would in principle be both feasible and better placed to deliver this ambition. In considering the unitary authority options, consideration has been given to:

- The viability and sustainability of the options – estimating the resources and expenditure of the unitary authority (UA) options and taking account of the transition costs and savings from establishing UAs;
- Service transformation and redesign – identifying the potential scale of savings that could be achieved from integration and designing new operating models;
- Operation of a combined authority (CA) – identifying which functions it would be beneficial for a combined authority to be responsible for.

The five options considered in this study are:

Option		Geography
1UA	A single Unitary authority covering all of the current Oxfordshire region	1) Oxford City, Vale of White Horse, South Oxfordshire, Cherwell and West Oxfordshire
2UA	Two Unitaries based around the current City Council and a separate authority for the wider region	1) Oxford City 2) Vale of White Horse, South Oxfordshire, Cherwell and West Oxfordshire
2UA+	As above but with an expanded boundary of the City Council	1) Oxford City (expanded boundary) 2) Vale of White Horse, South Oxfordshire, Cherwell and West Oxfordshire An expanded boundary for the city has been developed which includes new strategic-scale urban extensions around the edge of Oxford that have a close functional link.
3UA	Three Unitaries based around the current city, combining the two districts in the north of the region and likewise in the south of the region	1) Oxford City 2) Vale of White Horse and South Oxfordshire 3) Cherwell and West Oxfordshire
4UA	As above but with districts in the north remaining separate.	1) Oxford City 2) Vale of White Horse and South Oxfordshire 3) West Oxfordshire 4) Cherwell

Population size

1. A single UA option for Oxfordshire would make it the third largest UA in England, third to Birmingham and Leeds. Oxfordshire's population could reach 883,637 by 2031 if the 100,000 housing need was met as outlined in the Strategic Housing Market Assessment. Whilst there are other single tier authorities of this size, the others are either city UAs or county UAs that do not have a large city within them.
2. The four UA option creates three of what would be the smallest UAs in population terms in England and would be unequal in proportion to South Oxfordshire.
3. The three UA option creates a more equal distribution of population between the Northern and the Southern UAs, with the city having a lower population in general, but a higher proportion of working age population. This option also recognises and reflects the distinct socio-economic conditions of the City.
4. The two UA option creates the 9th largest single tier authority in England, but also one of the 18th smallest. This creates a potential imbalance that could be addressed by expanding the city boundary.

Financial analysis – value for money and cost of transition

- The 2015/16 General Fund Revenue Account outturn data ("RA data") for the five District Councils and Oxfordshire County Council has been used to disaggregate resources and expenditure using

appropriately selected drivers. Further detail on the methodology is contained within Section 4, and the assumptions used in 4.1.3.

- Based on this methodology, the 4UA and 3UA options are in deficit with the exception of Southern Oxfordshire UA which is in a surplus of £20.1m (pre transformation). For the 4UA, 3UA, 2UA options, Oxford City has the largest pre-transformation deficit in both 2015/16 and 2020/21 (£10.7m and £16.8m respectively), though these amounts represent just 1% and 2% of total revenue expenditure across Oxfordshire. For the expanded 2UA option, Oxford City has lower deficits of £6.2m and £12.4m for 2015/15 and 2020/21 respectively. For the 1UA option, there is no surplus or deficit. This revenue neutral position is to be expected given that the 1UA option encompasses all five Districts and the County Council.
- After transformation savings and efficiency costs, (of between £113.3m and £56.4m over a 5 year period), all the UA options are in a surplus, with the exception of Oxford City.
- Based on the analysis we have undertaken and the assumptions we have used, an Oxford City UA would be in deficit post transformation, except with an expanded boundary. If the Oxford City UA is expanded, its deficit is replaced with a small surplus of £1.9m.
- This is due to a disparity between the funding and expenditure for children's services, and a lesser extent adults services. All UAs are sensitive to this service, and in any of the UA models, there must be a commitment to shared commissioning and delivery mechanisms and pooled grant to ensure that funds are allocated on a needs basis as opposed to a geographical basis. By sharing the commissioning and delivery of these services (and funding these through pooled resources), the financial disparity is significantly reduced between the different UAs, providing Oxford City with a surplus of £5.5m in 2021, increasing Cherwell's surplus to £10.6m, whilst reducing Southern Oxfordshire and West Oxfordshire surpluses to £17.3m and £3.1m respectively).
- On its existing boundary, Oxford City generates significant business rates and is a net contributor to the Treasury, which in a future local government finance system with the 100% retention of business rates, will improve the Oxford City financial position.
- The ability to deliver the planned growth up to 2031 will also have a material impact on the financial position of all UA options– it has the potential, if managed properly, to have a positive impact on the overall financial capacity and resilience of the Oxford City unitary. The extent of this will depend on the level of investment required both to facilitate the growth and the net growth in funding (i.e. the net of the increase in income receipts against increase in costs to deliver services).
- Based purely on our analysis, a single Unitary Authority has the potential to generate the most financial benefits due to the economies of scale (an estimated net saving of £113.3m over a 5 year period).
- A 2UA option (based on the existing city boundary) provides £94.5m net savings and has similar financial benefits as the Expanded Oxford City option. However, the mismatch and imbalance between the population size, resources and service levels between the two Unitary Authorities does need to be considered. By design it creates a new two tier status, but in this case, between the two Unitaries.
- A 3UA option provides net savings of £75.5m over 5 years, and based on our analysis, two of the authorities are financial stable. The Oxford City Unitary (for reasons outlined above) would be in deficit in revenue terms by £16.8m in 2020/21 (pre-transformation). This deficit would need to be remedied through a needs based spending settlement but it is not material in terms of the total spending across the local government system. This option reduces the mismatch between the population sizes of the UAs (157,997, 252,652 and 261,867).
- The 4UA option provides the least financial benefit (£56.4m net savings over 5 years), whilst also having significant differences in the financial position of the various UAs (South Oxfordshire in a surplus of £20.1m in 2020/21 (pre-transformation) and the remaining three UAs in a deficit.

- The savings estimates outlined in our analysis are modelled on a consistent basis across all the UA options and do not take into account past track record in the Districts and County Councils of managing a balanced budget and delivering transformation programmes. As an illustration, the Districts have balanced budgets for the next 4 years and have undertaken transformation and efficiency programmes, and the County Council has in recent years appropriated £39.6m from its reserves (as per the 2015/16 RA data). The scale of savings achieved by each future UA, will depend heavily on the level of ambition for transformation and the scale of transformation successfully delivered by each of the UAs.

Strong and accountable local leadership

- The 4 UA model provides the maximum level of democratic accountability and connectivity to local communities.
- The 3 UA model would provide a balance between addressing local needs in communities, increased accountability through three democratic structures within Oxfordshire, and it would reflect and recognise distinct urban and rural issues, and different socio-economic characteristics that any new local government settlement needs to address.
- The 2 UA option recognises the difference between urban and rural priorities and the different demographic and socio economic characteristics. However the scale of the expanded area of Oxfordshire dilutes democratic accountability in the rural geography, with a population of 452,246 and a geographical area of 2,245km².
- A single UA will be viewed as similar to the current County arrangement which risks a remoteness of services and gives rise to loss of accountability with potentially lower levels of political representation at decision making committees than other models. This would need to be addressed through the creation of sub-structures and area committees which could result in reduction of benefits from economies of scale, albeit greater representation. Routes of accountability would need to be made clear in this option.

Delivering better services

- All councils across Oxfordshire need to further transform service delivery as part of the move to a self-financing model for local government. This is an opportunity to further redesign services around users and communities with the ability to reflect local priorities and plans for growth.
- A single UA will generate economies of scale but this needs to be balanced with the fact that it will become the third largest single tier authority in England that will need to provide District level services to a city and rural areas. This option carries a risk of a lack of responsiveness to the diversity and vast differences in local needs across the County geography. A bureaucracy of this scale may be less flexible and agile to the changing nature of need and demand, so mechanisms would need to be created to enhance responsiveness of the 1UA option.
- A 2 UA option enables a tailored approach to rural and urban geographies, but is imbalanced between City and 'donut' (population size, demography and economics).
- A 3 UA options provides better alignment to geographic and urban / rural settings and economy and tailoring services to rural and urban geographies. This option addresses the imbalances of City and 'donut' option and builds on existing relationship in the South of the County.
- Whilst providing the opportunity for the most extensive tailoring of services to local needs, a 4 UA option would provide limited opportunities to achieve economies of scale.

Combined Authority

- A Combined Authority for Oxfordshire would provide a collaborative vehicle for Oxfordshire wide decision making and accountability for delivery of the issues that are restraining economic growth - in particular strategic planning, housing, transport and infrastructure.

- The Combined Authority provides a mechanism for pooling funds, resources and raising income to maximise growth or address need/ service demand.
- At the same time, the CA model allows a degree of local UA flexibility and efficient delivery through UAs and partners, and provides a strong platform for ongoing dialogue with government to secure further investment and devolution.
- It would also provide a means to give business, health, police and other key partners a seat at the table and a voice in collective decision making, providing overall leadership and coordination of the public sector in a single decision making body.

Children's services

- Children's services in Oxfordshire are generally good, but faced with rising demand and declining budgets there are concerns that capability and capacity will become stretched and result in a retrenchment into statutory protective responsibilities. Protecting vulnerable children must remain the overriding priority, but alongside those that need intensive support is a need to focus on those on the edge of care to help prevent more children from requiring intensive support through early identification and action.
- The ambition is to progressively reduce the number of children needing intensive support through earlier identification and action, while improving the outcomes for any children that do come into care. The goal is to enable local government, health and police authorities work ever closely together to provide leadership on a shared ambition for children across the region.
- Helping prevent children needing external support and helping families help themselves is a shared responsibility, requiring a commitment across local government, the NHS, the police, the wider public sector, as well as the voluntary and community sectors and the engagement and commitment of children and young people, their families and their communities. It requires system wide reform which the combined authority would be committed to leading.
- Alongside the protective duties of local government, a unitary and combined authority model as part of a devolution deal would complement a fundamental review of the whole system so that it focusses on building on the strengths of the current system while also designing in early and preventative work with children and young people, their families and their communities.

Adults services

- Adult social care is a system under strain nationally and locally. There is universal recognition that better co-ordination of health and social care designed around the person is needed to both improve service outcomes and to reduce costs. Shifting care into the community, closer to home, making care more personalised and supporting people to live independently for longer is the overall aim.
- The challenge in Oxfordshire is making this shift happen. There is overall agreement on the need for integration of commissioning but the execution of those plans are still at a formative stage and linked to specific services. In addition there is a need for one team delivery of out of hospital services, which a unitary solution for local government would help create. Greater alignment and collaborative working could be designed in with synergies across community services such as housing, recreation and leisure that help to keep people out of hospital and enable them to live independently for longer.
- The overall state of health in Oxfordshire is good, and has improved, but it is recognised that to continue improving a more comprehensive approach to tackling health challenges is needed. Integration of health and social care was a key element of the devolution proposals which all parties in Oxfordshire agreed. That remains the case, but there is an increasing ambition to move forward at pace and truly integrate the resources, responsibilities and roles in a shared approach across health and local government. A joined up approach to service delivery and effective demand management is the aim of

pooling budgets and jointly commissioning services through a Combined Authority with CCG membership and full participation.

- Integrating commissioning is one pillar but further work will be needed to align all stakeholders behind a clear set out outcomes and a clear set of interventions identified that will deliver change in both community services and in hospital health settings. That work needs the comprehensive approach and agreed principles for developing for the right solution in Oxfordshire, including the development of the appropriate Local Care Organisation.

Conclusion

Oxfordshire now has to make a choice.

If it maintains the status quo, political and chief officer effort will increasingly be focused on the incessant challenge of managing and delivering core service provision across a diverse geography against the backdrop of budget reductions and rising demand. In doing so, local government will not be fulfilling its wider duty - the duty to ensure Oxfordshire retains and leverages its competitive advantage for the benefit of the people and places it serves and the universities and businesses that are located in and have chosen to invest in Oxford and Oxfordshire.

There is now an opportunity to look at a new local government settlement for Oxfordshire - one that is sustainable and equitable and aligns innovation in service delivery with a new structure that is powered through and empowered by a Unitary and Combined Authority solution that delivers; resilience, growth, and a devolution deal.

Our conclusion is that, based on the work undertaken and the analysis carried out, now is the time for a decision to be made on a new settlement for the structure and form of government and governance in Oxfordshire. A new settlement that will create new structures for the administration and delivery of key public services across health and social care and children's and adults services and also have responsibility for both economic and housing growth.

There is now a need for politicians in Westminster and across Oxfordshire to assess the evidence, evaluate the options and to engage with stakeholders. If this is done in the right way, we are hopeful that agreement will be reached on the design of a new structure of governance and accountability that will deliver better public services, drive economic growth and be a better fit for the future.

1. Introduction

1.1 Background context

This study explores the options for Unitary Government and a Combined Authority in Oxfordshire.

1.1.1 Oxfordshire

Oxfordshire has a population of 672,516¹ and covers a geography of 2,606 km squared. It is administered by a two-tier local government system.

Oxfordshire County Council is responsible for children's services, social care, highways, waste disposal, some education services, and passenger transport. The County is also responsible for the Fire & Rescue service.

The five District Councils, namely Cherwell, Oxford City, South Oxfordshire, Vale of White Horse and West Oxfordshire, are responsible for housing, waste collection, planning, environmental health and leisure recreation and take a leading role in promoting local wellbeing, economic development and place shaping in partnerships with the statutory and voluntary sectors locally.

There are also 234 Parish Councils and 15 Town Councils within Oxfordshire, responsible for local amenities such as playing fields, footpaths, bus shelters and allotments.

The Oxfordshire Local Enterprise Partnership is a voluntary partnership responsible for driving economic growth and identifying investment priorities. Its membership comprises both tiers of local government, the business community, academia and education.

Established in 2013, and covering a geographical area in the main part coterminous with the County, the Oxfordshire Clinical Commissioning Group (CCG) purchases health services on behalf of everyone in Oxfordshire. Thames Valley Police are responsible for policing Oxfordshire, Berkshire and Buckinghamshire and the force is split into twelve Local Policing Areas (LPAs). Three of these LPAs are situated in Oxfordshire and are coterminous with local authority boundaries: Cherwell and West Oxfordshire LPA; Oxford LPA and South Oxfordshire and Vale of White Horse LPA.

In 2006 the District Councils in Oxfordshire made an unsuccessful bid for unitary status in partnership with each other based on a three unitary North, South and City model in response to the Local Government White Paper 'Strong & Prosperous Communities' which set out a clear timetable and assessment criteria for submissions.

1.1.2 Purpose of the study

To support delivery of a devolution deal for Oxfordshire, the five District Councils in Oxfordshire have been developing proposals for reorganising the existing two tiers (County Council and District Councils) of local government into a single tier i.e. a unitary local government model. The ambition is to create a unitary authority model for Oxfordshire which is designed to:

- Deliver better public services - in ways which are more cost effective and reflective of local priorities;
- Provide value for money – by achieving efficiencies from the two-tier system; building on innovative cost-saving management and service delivery models already adopted by the District Councils;
- Ensure strong and accountable local leadership and governance – which balances the need for strategic and local decision making;
- Help to deal with the demographic pressures on adult social care and improve outcomes through integration of commissioning with health services and development of a starting a journey to a much more integrated accountable care organisation (ACO) type model increasingly focussed on

¹ Office National Statistics - 2014

- prevention and health promotion;
- Ensure a system for children’s services that delivers a robust approach to child protection and safeguarding while reducing demand through a preventative approach to supporting children and families on the edge of care based upon leading practices;
- Help support the economic and housing growth being planned for in Local Plans and secure the necessary infrastructure identified in Oxfordshire’s Devolution Deal proposals;
- Enable development and growth across the area to meet its potential whilst effectively reflecting the different interests of the City, market towns and rural communities;
- Support the growth of the knowledge and skills economy;
- Benefit from potential service synergies from unitary authorities having responsibility for planning and delivering services such as spatial planning, economic development, housing, transport infrastructure, social care and health.

The five District Councils in Oxfordshire have commissioned a study to assess whether the options for a Unitary and Combined Authority local government model in Oxfordshire would in principle be both feasible and better placed to deliver this ambition. In considering the unitary authority options, consideration has been given to:

- The viability and sustainability of the options – estimating the resources and expenditure of the unitary authority (UA) options and taking account of the transition costs and savings from establishing UAs;
- Service transformation and redesign – identifying the potential scale of savings that could be achieved from integration and designing new operating models;
- Operation of a combined authority – identifying which functions it would be beneficial for a combined authority to be responsible for.

The study involved extensive engagement with key stakeholders from business, health, academic, public sector and local government.

1.1.3 The options

The five options in scope of this study are outlined in Table 1

Table 1: The Unitary Options

Option	Geography	
1UA	A single Unitary authority covering all of the current Oxfordshire region	1) Oxford City, Vale of White Horse, South Oxfordshire, Cherwell and West Oxfordshire
2UA	Two Unitaries based around the current City Council and a separate authority for the wider region	1) Oxford City 2) Vale of White Horse, South Oxfordshire, Cherwell and West Oxfordshire
2UA+	As above but with an expanded boundary of the City Council	1) Oxford City (expanded boundary) 2) Vale of White Horse, South Oxfordshire, Cherwell and West Oxfordshire An expanded boundary for the city has been developed which includes new strategic-scale urban extensions around the edge of Oxford that have a close functional link.
3UA	Three Unitaries based around the current city, combining the two districts in the north of the region and likewise in the south of the region	1) Oxford City 2) Vale of White Horse and South Oxfordshire 3) Cherwell and West Oxfordshire

4UA	As above but with districts in the north remaining separate.	1) Oxford City 2) Vale of White Horse and South Oxfordshire 3) West Oxfordshire 4) Cherwell
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An alternative 4 UA ‘outer-County’ option was initially within scope of the study which included a West Oxfordshire & Cotswold unitary option and a Cherwell & South Northamptonshire unitary option that built on existing working relationships. However this option was removed from the scope following discussions we held with local and national stakeholders which concluded that this option was not feasible within reasonable timescales given the additional complexity and consequential impacts it would have on additional areas outside of scope. It was clear that the lack of support for such an approach made any further analysis of this option of limited value.

2. The case for change

2.1 Devolution

The devolution of powers from central government to local government has continued to be one of the defining political narratives for 2016. There has been widespread agreement that the balance of power between central and local government is no longer effective. The devolution revolution, announced by Chancellor George Osborne in 2015, set out to address this through the establishment of Combined Authorities with elected mayors to agree and then deliver Devolution Deals.

The opportunities from devolution largely fall into four inter-related elements:

- a rebalancing of the economy with inclusive growth;
- public service reform with better value services;
- enhanced public engagement and accountability for the delivery of local services; and
- improved local outcomes – putting service providers closer to the end service user.

To deliver against these opportunities, in the context of decreasing budgets and the potential for more accountability and control over functions, local authorities recognise that they have to be able to influence and co-ordinate strategy, investment and delivery of services across a much broader range of public sector organisations. Council leadership has shifted from being about directing delivery, to providing the place leadership for a more inclusive and collaborative arrangement that works not just for the wider public sector but which also engages and empowers leading firms, knowledge institutes and engages citizens².

A whole system approach is needed with partners across a place establishing a shared vision for the outcomes they want to achieve, and keeping a firm focus on the impact they can deliver by working collaboratively. Taking such an approach offers the potential to deliver better for less by reducing costs and demand and moving towards a goal of fiscal neutrality.

Combined Authorities are being established as the vehicle from which to develop and implement this whole systems strategic approach collaboratively, to take on devolved powers and funding, and be the mechanism for effective strategic decision making and streamlined accountability and joined up services. To date there have been seven Combined Authorities established, each with different devolution deals and governance arrangements, recognising the different needs and issues of each locality.

The Cities and Local Government Devolution Act 2016 now enables any public authority function relating to an area, including health, to be conferred on a council and any local government function to be conferred on a combined authority, removing the limitation that restricted this to economic development, regeneration and transport. The Act also introduced directly-elected mayors to combined authorities and the ability for devolved policing powers and other functions to Mayors.

2.2 Local government reform

The past five years have seen a period of unprecedented change for local authorities. Local government is now one of the most efficient parts of the public sector having adapted to budget reductions of 40% since 2010. Local authorities have been pushed to the point where they are not only more compact, but to where they have to ask fundamental questions about the role of local government and their place in society. Yet local government continues to face real financial challenges. Having already seen a period of rapid efficiency improvements, by the end of this Parliament the Government's ambition is for local authorities to be more

² Euricure and PwC, 2016, iUrban Enabling sustainable city competitiveness through distributed leadership

fiscally independent, to work across boundaries at scale and to take a greater role in driving growth and public service reform.

Councils have embraced an agenda of transformation that has not yet been seen in many other areas across the public sector. The last six years have seen a period of fundamental change for local government. For many years, local authorities sought to improve outcomes for citizens primarily by managing the delivery, or by commissioning the delivery, of services in their local areas. The prolonged austerity has meant the ability to support vulnerable people, help children and young people reach their potential, grow local economies and keep communities safe through traditional service delivery has been severely compromised. In an annual survey of local authority leaders and chief executives PwC found a high expectation that some local authorities will fail to deliver the essential services that residents require, rising from 43% in the next year to 77% in the next three to five years. Over the last five years the public acceptance of cuts in local authority funding has fallen from nearly half to just under a third³.

For some authorities, facing rapidly changing, growing and complex demands while dealing with almost certain contraction in Government funding has led to an exploration of how to manage withdrawal and retreat to core and statutory services. For others, the outlook is different and they are exploring what they want to achieve, assessing everything they do and foster new ideas, innovation and thinking about how they deliver outcomes⁴.

In a two tier system of local government responding to these pressures can amplify the tensions that have existed since the system was created in 1972. Arrangements can work well where there are strong relationships at all levels and a shared vision and ambition between councils within an area. However, it can also become increasingly unsustainable where different authorities have conflicting priorities, aims and beliefs.

Since 1972 nearly half of the original two tier areas have been replaced in successive rounds of reorganisation during the 1990s and in 2009. Local Government reorganisation in response to delivering economic growth was also highlighted in 2012 with Lord Heseltine's report 'No stone unturned – in pursuit of growth' where he stated that local government had become disempowered by 'centralising power and funding' and remained 'overly complex and inefficient'.⁵ The report advocated for a system of single unitary authorities with clear accountability and responsibilities. Devolution has been one of the defining policy narratives since the election of the current Government in May 2015.

2.3 The opportunity for Oxfordshire

Oxfordshire is a great place to live, work and visit. It has:

- the fastest growing economy of any LEP area since the recession, with economic growth of over 20% GVA between 2009 and 2013⁶
- the lowest JSA claimant count in the country (2178 (0.5%) - July 2015)
- world renowned knowledge-based and quality of life competitive advantages;
- been named as the most innovative area in the country⁷, second only to London for growth of fast growing businesses⁸

³ PwC, 2016, The Local State We're In

⁴ PwC, 2016, Beyond Control, Local government in the age of participation

<http://pwc.blogs.com/publicsectormatters/2016/03/beyond-council-control-harnessing-the-power-of-participation.html>

⁵ The Rt Hon Lord Heseltine: No stone unturned – in pursuit of growth 2012

⁶ <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-393471>

⁷ Benchmarking local innovation – the innovation geography of the UK, Enterprise Research Centre, June 2015, <http://www.enterpriseresearch.ac.uk/wp-content/uploads/2015/05/Benchmarking-Local-Innovation1.pdf>

⁸ Enterprise Research Centre

- one of the largest concentrations of research and development activity in Western Europe, and hosts the global headquarters and principal research and development facilities of some of the world's leading technology companies.

So why change?

Whilst the local economy is growing steadily, there are serious underlying challenges which need to be addressed in Oxfordshire, in order to maintain and enhance the sustainability of the economic growth and future prosperity of Oxfordshire. The Oxfordshire Innovation Engine⁹ report published in 2014 found that the rate of growth in Oxfordshire had been constrained and could be significantly improved by:

- addressing the need to accommodate additional growth in the 'Knowledge Spine' running between Harwell, Oxford and Bicester to accommodate high tech business and employment;
- improving capacity of the strategic and local transport infrastructure, including fast public transport services; growing and developing business networks;
- developing measures to encourage increased institutional investment building upon the strong and nationally significant sector propositions including Life science, Advanced Engineering (motorsport), satellite and space related technology and creative and digital sector;
- meeting the demand for housing and commercial premises to respond to the urgent needs of the growing business base and economy; and
- providing strong public and private sector leadership to realise Oxfordshire's potential through a new and agreed governance structure.

This view was supported by the stakeholders we spoke to who said that Oxfordshire's economic potential was being held back by wider issues - in particular housing, transport and planning. This is having an operational impact such as on the ability to retain staff due to cost of living pressures and frustration on issues such as traffic congestion. One organisation had had an increasing number of potential staff turning down roles due to being unable to afford to live in the area. Another organisation felt that potential investment from the health and life science industry risked being lost if these issues were not resolved with urgency.

In March 2016, Lord Adonis launched the National Infrastructure Commission. The review will provide the Government with proposals and options for the "long-term infrastructure priorities to unlock growth, jobs and housing within the Cambridge-Milton Keynes-Oxford corridor over the next 30 years." The establishment of the Commission recognises that the Cambridge-Milton Keynes-Oxford corridor "encompasses global centres of research expertise in Oxford and Cambridge and advanced manufacturing and logistics in Milton Keynes. The review will make recommendations to maximise the potential of the area as a single, knowledge-intensive cluster that competes on a global stage, whilst both protecting the area's high quality environment and securing the homes, and jobs, the region needs"¹⁰.

To address this, through the Strategic Economic Plan and Strategic Housing Market Assessment, the Oxfordshire local authorities, and the Oxfordshire Local Enterprise Partnership have already committed to provide 100,000 new homes and 85,000 new jobs by 2031. However, this will depend on the ability to provide the necessary infrastructure to support this unprecedented rate of growth and equip the workforce, particularly young people, with the skills to thrive in this environment.¹¹

In response to the Government's request for devolution proposals, the Oxfordshire local authorities, Oxfordshire clinical commissioning group and Oxfordshire LEP have developed a strong case for devolution

⁹ <http://www.sqw.co.uk/insights-and-publications/oxfordshire-innovation-engine/>

¹⁰ A plan for unlocking growth, housing and jobs in the Cambridge – Milton Keynes – Oxford corridor Terms of Reference

¹¹ Oxford and Oxfordshire City Deal

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/276205/Oxford-Oxfordshire-City-Deal.pdf

with proposals to tackle the challenges and constraints described above, to unlock Oxfordshire's full economic potential.

The locally agreed devolution proposals for Oxfordshire makes the case for greater powers and funding, and reform to public services to allow:

- Acceleration of housing delivery to meet the pressing need for more affordable homes to support growth;
- Acceleration of enabling infrastructure to address transport challenges throughout the region;
- People to aspire and acquire the skills and competencies they need in the STEM industries and other clusters that will drive economic prosperity;
- Reformed public services to adapt to reduced funding and shift to preventing higher cost demand; and
- Health and well-being services to be redesigned around the user with integration of provider and commissioner responsibilities.

The proposal to Government includes:

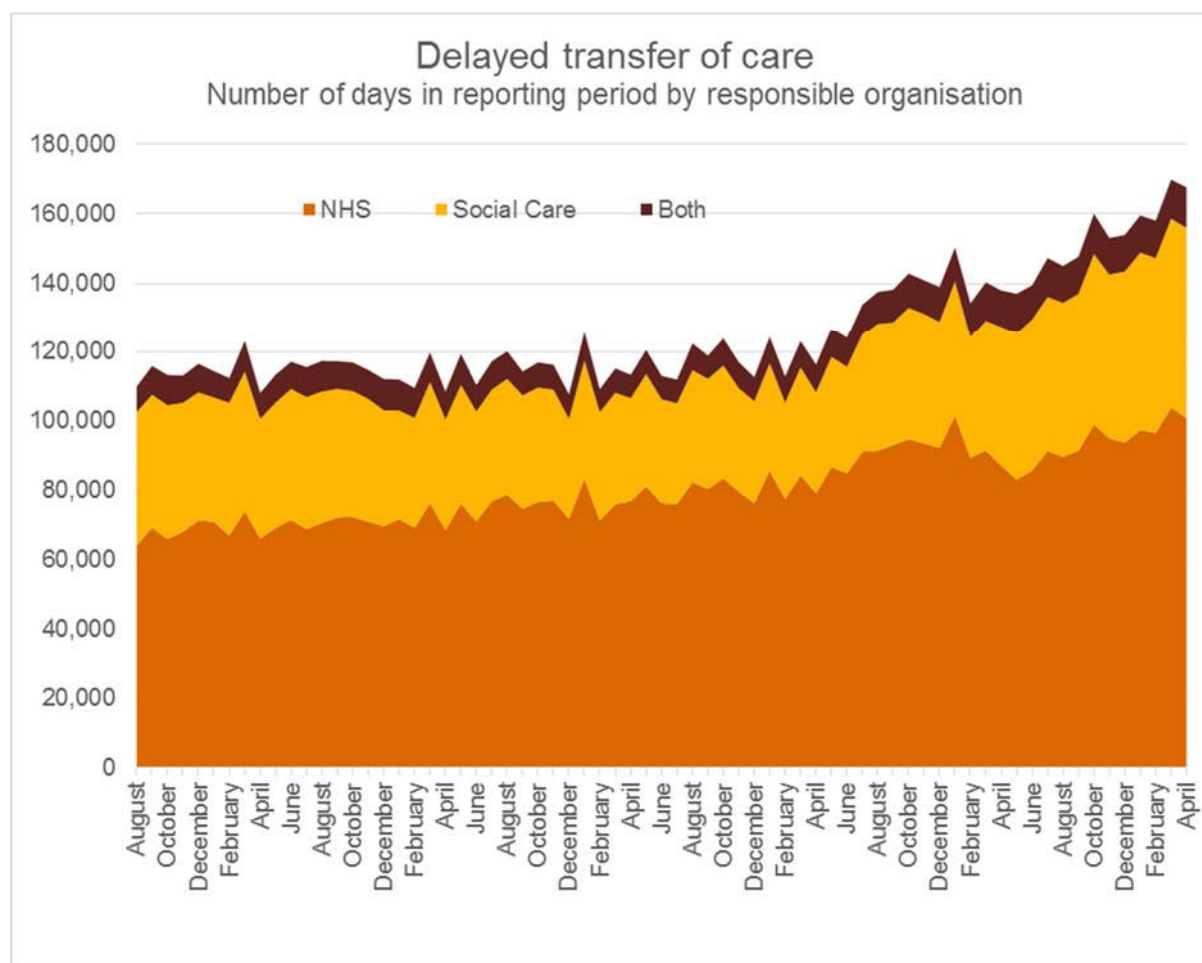
- The creation of a new infrastructure investment fund to deliver an infrastructure programme to support the development of housing and employment sites; development of a Housing Investment Strategy with the HCA and access to a revolving housing investment fund to unlock housing delivery; locally set planning fees to increase and align resources needed to support the significant growth in strategic site delivery. It is estimated this will generate £11.8bn of GVA up to 2031 from the creation of 85,600 jobs and enable the delivery of 22,900 homes by 2020.
- The devolution of skills budgets, joint procurement role for the commissioning of 16-18 provision in schools and of commissioning of 16-18 and 19+ apprenticeships to achieve a more productive skills system resulting in 85% of Oxfordshire's population qualified to at least NVQ Level 2 and an additional 1,150 apprenticeship places by 2020.
- A devolved approach to business support with £3m per annum funding to deliver 750 private sector jobs.
- A strengthened Health & Wellbeing Board to take on devolved responsibilities and budgets for local NHS and local government to improve specific health outcomes for Oxfordshire's population and reduce health inequalities.

2.4 Responding to the opportunity in Oxfordshire

Devolution is an opportunity for public bodies in Oxfordshire to consider how local government and other public services/agencies can be organised so that it is better placed to respond to the changing dynamics in both their own operating environment but also the wider economy. In doing so Oxfordshire needs a solution for local government that balances the need for strategic and local decision making, and enables local authority leaders and their partners to work together to:

- **Fund local services** – The local government finance system is undergoing widespread reform. The funding for local government comes from a combination of government grants, business rates, council tax and additional sources such as locally generated income such as rents, fees & charges and investment. Government grants are continuing to decline, particularly the main revenue support grant which is intended to reduce to zero by 2020 as the Government looks to local areas to become more self-financing. Business rates are being reformed so local areas retain more of the proceeds of local economic growth, but additional new pressures as yet unspecified, are due to be transferred to authorities as part of the deal. Council tax is constrained by national limits and rules on what levels can be set and, in the case of the social care surcharge, what the revenue can be used for. In addition to which local authority spending represents only around a quarter of the total spend on public services in any locality. Devolution is an opportunity for the local authorities in Oxfordshire to seek greater influence, direction, coherence over the funds that are spent and a return on investment. It has the potential for realigning spend to locally set priorities. It also could provide greater certainty to allow for more strategic planning and focus on transforming local outcomes.
- **Respond to demand pressures** – Changing demographics and a growing population are increasing pressures on council services. The challenge is particularly acute in social care where responsible

authorities can spend as much as 70-80 per cent of their budget on social care services. Councils face steeply rising demand with around one-in-five of their residents aged over 65, while mental health is the leading cause of workplace sickness in the UK and dementia is estimated to cost the UK £26.3bn. Within Oxfordshire the need for integration between health and social care is pressing. There is an urgent need



to ensure that hospital beds are available by reducing patient flow into hospital and enabling patient flow out of hospital through better working arrangements in localities across the care system. Delayed transfers of care have been increasing nationally and in Oxfordshire the cause is both the NHS and social care in a much higher proportion than nationally (21% of days compared to 7% in England). These issues need a targeted response but are also symptomatic of a wider need to properly integrate planning, commission and provision of a whole system response.

- Enable economic growth** - As economic growth becomes an imperative the importance of education and skills services to respond to the needs of businesses and develop the pipeline of talent they require is critical. To enable growth, local government, working in partnership with business, will be expected to respond to the pressure for more homes and infrastructure. Establishing a framework that enables the right strategic framework alongside the right delivery mechanisms is fundamental to responding to the need for change in Oxfordshire. For business leaders it is important that any change in local government does not water down but enhances the ability to deliver on the strategic and regional ambition, and that there is a clear and accountable leadership arrangement for economic growth.
- Build effective partnerships** – Local government is used to working in partnership with others to get things done. Increasingly the ability for leaders to work in partnership, across organisational boundaries is as important as being able to manage the organisation they lead. Within Oxfordshire partnerships exist at both district and county level. This can be a potential area for duplication and confusion between the different geographies but also between the organisational boundaries involved in governance, commissioning and delivery.

- **Establish the right delivery vehicles** – For many of the universal and corporate services there are well established models of delivery which the respective areas would like to maintain and enhance through new unitary areas. But in others there is a need for new and innovative thinking, learning from and advancing emerging practice from across the county. This is especially the case for integrated health and social care where the model of different accountable care organisations is in its infancy across the country. This is an area where there is a need for certainty about the structures and functions of local government partners to enable further development and planning of the integrated care organisation. In other areas such as housing, there is a similar need to work together on how the strategic plans and proposals in the devolution offer will be executed most effectively.

In the consideration of the Unitary and Combined Authority options, any new settlement will need to be able to accommodate demand side pressures (including through new service delivery models), demonstrate financial robustness and create the capacity and capability to drive growth and investment.

In our discussions with stakeholders, some organisations expressed a view that local government organisational change in Oxfordshire provides an opportunity to reduce the disconnects between transport, housing, planning, health and social care, but that at the same time, balance that with a recognition that Oxfordshire is a diverse county and locality characteristics need to be respected and maintained to recognise issues between rural and city areas.

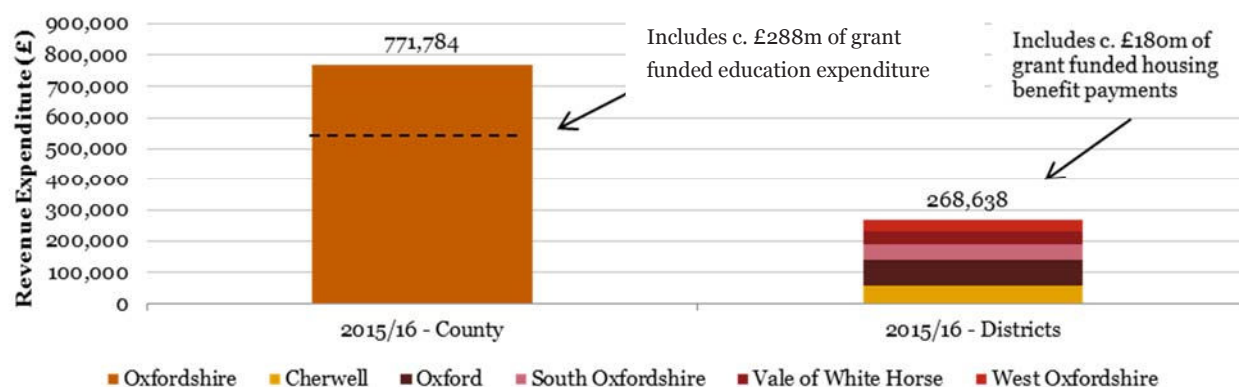
There was also a view that through the unitary government opportunity, there is a need to rethink the role of local government to be strategic, enabling, collaborative, innovative, flexible, agile and value focussed – that it should not be transactional and cost focussed or have a top-down dialogue with partners. District Councils have demonstrated ambition, problem-solving ability and appetite to change and it is important that future local government structures are lean and achieve economies of scale, with savings reinvested into quality service delivery or as local match funding to the devolution deal.

2.5 *The current model*

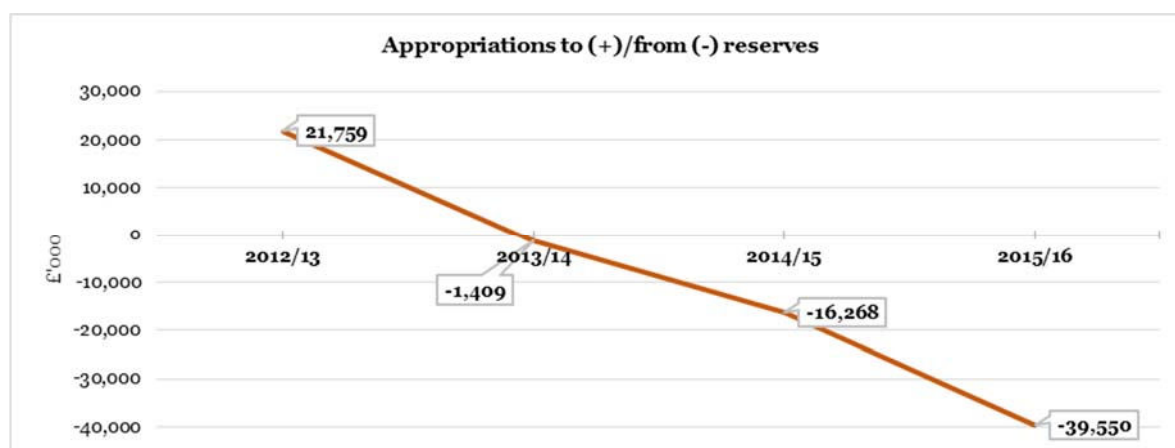
2.5.1 *Current expenditure*

The County Council currently operates on a much larger scale compared to the five District Councils. As evidenced by the 2015/16 RA data, the County's revenue expenditure budget totals £793.5m; 8.7 times larger than the combined revenue expenditure of the five districts (£91.1m). Education services account for 42% of the County's spend, whilst adult social care makes up 23% of its total revenue expenditure. Of the five districts, Oxford City has the greatest revenue expenditure (£25.9m per 2015/16 RA data) whilst West Oxfordshire is the smallest with a revenue expenditure budget of just £12.9m.

The chart below compares total County Council net current expenditure to the total spend at a district level per Local Authority Revenue expenditure 2015/16 budget. Net current expenditure captures all spending on service provision however it does not reflect that some services such as education at a County level and housing benefits at a district level are directly funded by government grant. Stripping out £288m education related grants at a County level and £180m housing benefit grants received by the districts suggests that total County current expenditure (£484m) is approximately 5.4 times that of total district spend (£89m).

Net Current Expenditure in 2015/16 per RA data

Whilst the County Council has been in a position to make contributions to its financial reserves as recently as 2012/2013 (+£21.8m); since then it has found itself having to appropriate from its reserves on an annual basis and to an increasing extent, with appropriations totalling £39.6m as per the 2015/16 RA data. The Districts have balanced budgets for the next 4 years, hence only the County data is considered here.



Over the period to 2019/20, the County Council are projecting the need for substantial increases in council tax yield of approximately 6% per annum¹².

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Council Tax Yield Projected	288.2	305.9	327.3	345.7	365.1
Projected Growth		6%	7%	6%	6%

As the table below indicates, if a growth of 3.99% (1.99% base council tax and 2% precept for adult social care), is assumed a marked difference arises between the two projected levels of council tax yield with a shortfall of approximately £28.1m opening up by 2019/20.

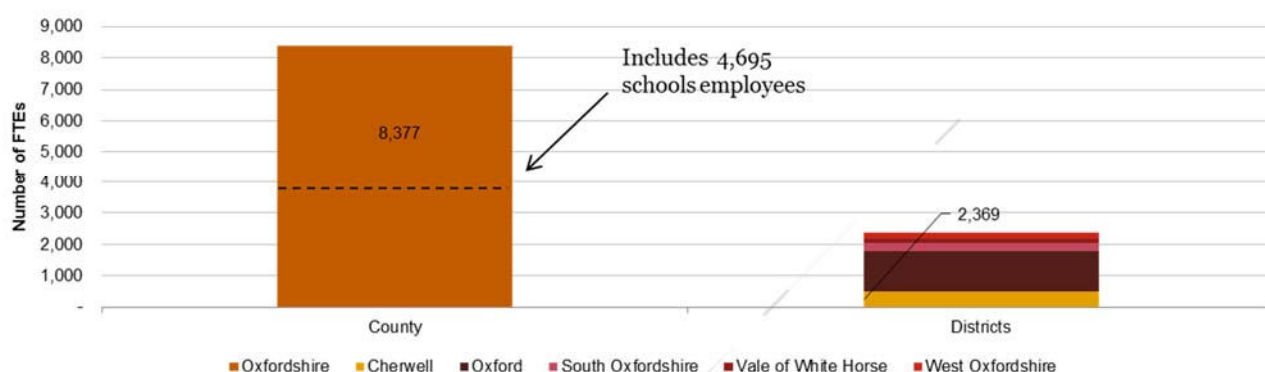
¹² Oxfordshire County Council data

	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
Growth		3.99%	3.99%	3.99%	3.99%
Council Tax Yield (assuming 3.99%)	288.2	299.7	311.7	324.1	337.0
Difference	0.0	-6.2	-15.6	-21.6	-28.1

2.5.2 Current resources

The chart below shows the amount of staff resource working across the current local authorities as FTE headcount at a County and District level. Including schools staff of 4,695, the County has 8,377 FTEs. When school staff are excluded the County's FTE count falls to 3,682, which is still 1.6 times more than the total number of FTEs employed across all five districts. Of the 2,369 FTEs employed by the districts, 55% are employed by Oxford City whilst just 9% are employed by West Oxfordshire.

Number of Full Time Employees (FTE) 2015/16



2.5.3 Current business models

As well as the structure of local government changing so has its business model. Local authorities used to deliver services directly, and whilst many still do, there is a much greater diversity of authority's delivery of services with greater use of commissioning, joint ventures and other operating models.

Some councils, such as Oxford City Council, are predominately still a delivery authority, while others such as the Vale of White Horse and South Oxfordshire, are predominately a commissioning authority. Nearly all authorities have some mix based on what they believe is right for their locality. Current transformation programmes such as Vision 2020 in West Oxfordshire are designed to further enhance efficiencies from the current approach. The current mix of staff versus supplier spend can be seen by a distribution of the proportion of council spend between internal staff and external suppliers, as shown in Table 2: Proportion of staff spend versus third party spend.

It is also recognised that there is potential to separate the governance role of an authority from the employment of the staff that support it. This is already the case in some combined authorities which have no staff, but is also relevant to potential future UAs where staff could work for and on behalf of two or more 'councils' and/or teckal companies.

Table 2: Proportion of staff spend versus third party spend

		Staff Spend					Third Party Spend					
Cherwell District Council	25%											75%
Oxford City Council	53%											47%
South Oxfordshire District Council	19%											81%
Vale of White Horse District Council	20%											80%
West Oxfordshire District Council	17%											83%
Oxfordshire County Council	23%											77%
Total	25%											75%

Some of the districts have also adopted models which are working across traditional boundaries, sharing between councils of management, governance and service delivery models. This has been driven in part by the need to deliver savings but the models and ways of working that have developed as a result are valued by those authorities as making better use of their resources and focus on income generation. Within all the current Oxfordshire authorities there are plans and programmes to further enhance their efficiency and effectiveness. Each authority wants to retain the strengths of their respective approaches but also to recognise that there are things they need to do together to scale the impact.

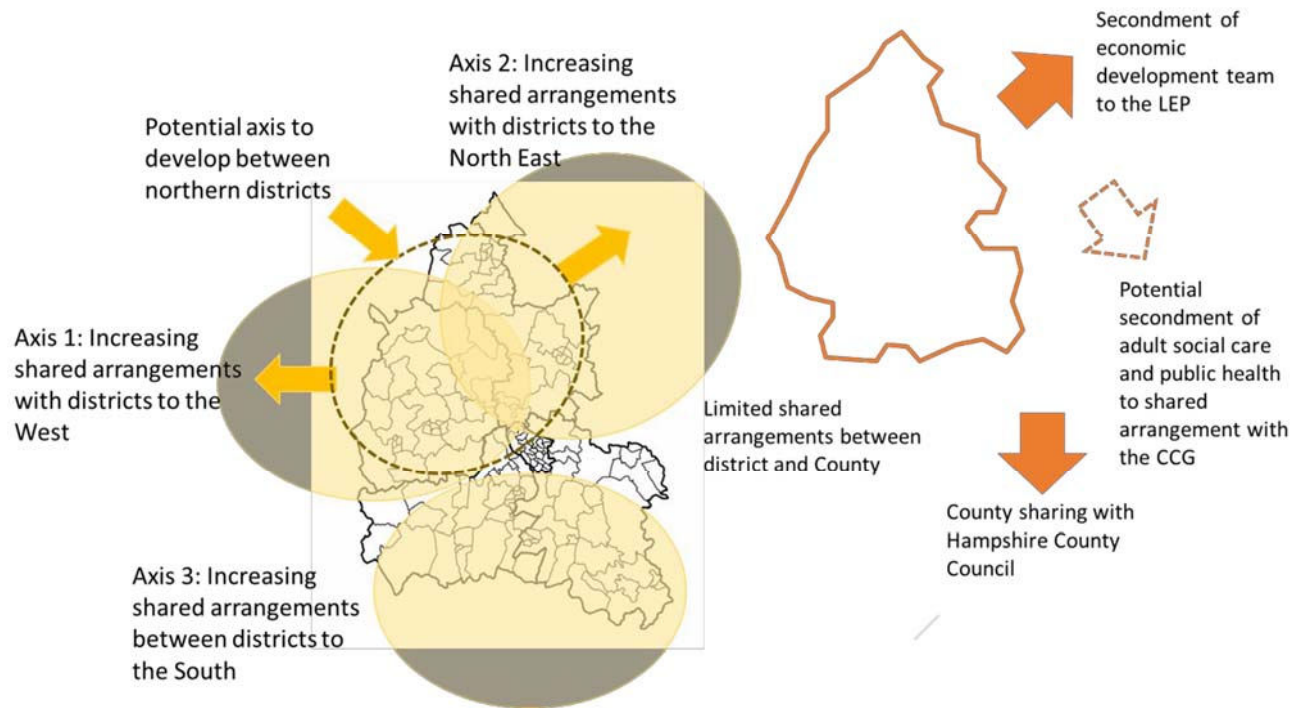
The principal current alignments between District Councils are between:

- West Oxfordshire District Council with Cotswold District Council (located within Gloucestershire) and beyond** – Shared service management arrangements are in place, although operational service delivery is often undertaken at a single council level. This shared working arrangement is being further developed through a Vision 2020 plan to increase shared services between the authorities and with Cheltenham Borough Council and Forest of Dean Borough Council. Some major services are currently outsourced to third parties through single council contracts and a significant minority of services continue to operate on a single council basis at both management and delivery level e.g. Planning and Strategic Housing; Democratic and Member Services and Communications.
- Cherwell District Council and South Northamptonshire District Council (located in Northamptonshire)** – This extensive joint working arrangement is now managed through a joint committee and a strategic transformation programme. The authorities have adopted the model as it “streamlines the complexity associated with collaborative working and drives the operational performance and delivery of commissioned services”. The respective Executive and Cabinet have agreed to move to a confederation model with councils as parents of Teckal and other independent companies for service delivery to trade with public sector organisations and the private sector. The goal is to improve growth and self-sustainability with full transition by 2018. The new delivery arrangements offer a flexible alternative to more traditional arrangements, combining the opportunities for cost savings with the development of valuable future revenue streams. Most services are delivered in-house, with staff remaining employed by their council of employment prior to sharing of services. There is an expectation that staff divide their working time equally between each council. Costs are apportioned on a service-by-service basis according to an agreed business case.
- Vale of White Horse District Council and South Oxfordshire District Council** - Due to their proximity they have many common issues, particularly as regards growth. Their merging of services started in 2008 with a decision to create one shared management team, building on some joint work in financial functions. The decision meant an initial reduction of senior management posts from 21 to 12, creating recurring savings with one off redundancy and pension costs. South Oxfordshire had outsourced more of its service management and delivery to external companies in

areas such as engineering support and customer services. The vision and ambition to share services at all levels quickly developed as a result of the obvious financial benefits from effective implementation of early merged functions. The success of this approach meant that the two councils felt confident in wider shared service arrangements and are now working with Havant Borough Council, Hart Borough Council and Mendip Borough Council, even though they are geographically separated on a shared outsource arrangement, to deliver further savings in corporate functions.

- **Oxford City** - Oxford City Council operates as a single council with no shared service arrangements currently in place. Council services are provided in-house, with exception of management of leisure centres (outsourced to Fusion Leisure in March 2009, contract ends April 2024) and ICT services. The Council achieved the MJ council of the year award in 2014 and was awarded Investors in People Gold and Champion status in 2015. The council has retained housing stock of 7500 dwellings. It recently agreed to establish a wholly owned Housing Company to undertake new build and investment in housing. The council has also set up joint venture LLP companies to deliver housing and regeneration schemes. The first is in partnership with Grosvenor to deliver more than 800 new homes at Barton, the second is partnership with Nuffield College to deliver between 300-500 new homes and regeneration of the West End of the City. The council has set up a fraud investigation team which has saved over £3 million in avoided losses and provides services to surrounding authorities. The City Council provides road maintenance services in the City on minor roads. Additionally the council undertakes external trading with public sector organisations, private individuals and businesses providing services such as building maintenance, vehicle repairs, refuse collection and engineering services.
- **Oxfordshire County Council** - The County Council also have shared service arrangements, primarily in partnership with Hampshire County Council for back office functions. The county and districts tend not to have too many shared functions because of their different responsibilities. In 2010, the council agreed a ten year partnership agreement with WS Akins for highways maintenance, design and construction which was transferred to Skanska in 2013 following a restructuring of the suppliers UK business. In 2012 another ten year contract was agreed with Carillion for the provision of a broad range of facilities management and maintenance services.
- **Additional planned collaborations** – In addition to these existing collaborations both West Oxfordshire and Cherwell District Councils have been discussing the potential for further amalgamation of their responsibilities within an extended shared management and potential delivery arrangement.

Figure 1: Principal Current Alignments



3 Analysing the Unitary Authority options

A Unitary Authority (UA) creates a single tier of local government and takes responsibility for all local government services within its geography. Whilst developing options for possible UA geographies, a number of factors need to be taken into consideration:

Financial analysis (feeds into ‘value for money’ and costs against efficiency savings)

- The financial viability of the UA including payback from transition;
- The scale of efficiency savings possible from the two-tier system and service transformation;
- Ability to build on innovative cost-saving management and service delivery models already adopted by the councils;

Ensure strong and accountable local leadership and governance

- The ratio of democratic representation;
- Balances the need for strategic and local decision making;
- Maintains effective span of control;

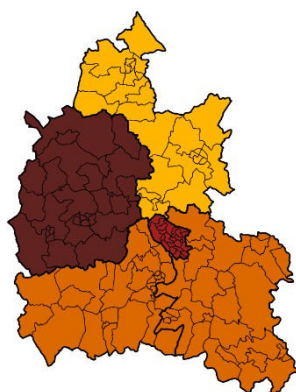
Delivering better public services

- Ability to reflect local priorities and the interests of different communities, including those of the city, of market towns and rural communities - enabling a responsiveness to local needs;
- Enables development and growth across the area to meet its economic potential and sustainability, supporting the economic and housing growth planned;
- Helps to deal with the demographic pressures on adult social care and improve outcomes through integration with health services;
- Ensures a system for children’s services that delivers a robust approach to child protection and safeguarding based upon need and through transformation;
- Benefits from potential service synergies from unitary authorities having responsibility for planning and delivering services such as spatial planning, economic development, housing, transport infrastructure, social care and health;
- Supports the growth of the knowledge economy.

These factors have been considered for the five UA options described below:

3.1 Four Unitary Authorities

The four Unitary Authorities includes the following:



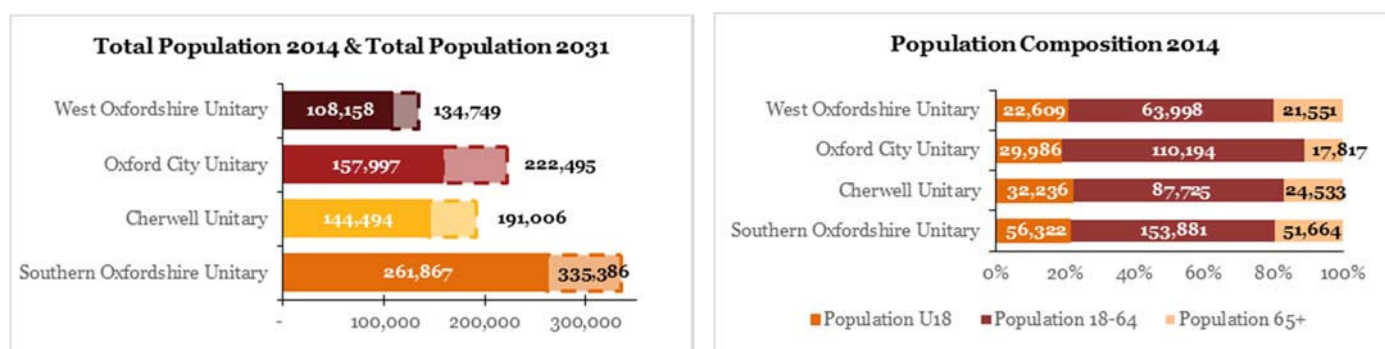
- **West Oxfordshire** (comprises current West Oxfordshire District Council with a geographical area of 714km²)
- **Oxford City** (comprises current Oxford City Council with a geographical area of 46km²)
- **Cherwell** (comprises current Cherwell District Council with a geographical area of 589km²)
- **Southern Oxfordshire** (comprises current South Oxfordshire and

Vale of White Horse District Councils with a geographical area of 1,257km²)

Demographics

Southern Oxfordshire, with a 2014 population of 261,867, is the largest of the four proposed unitary authorities; 2.4 times the size of the smallest authority, West Oxfordshire. Oxford City will experience the largest population growth (in percentage terms) over the period to 2031, during which its population will increase by 43% from 157,997 to 222,495. West Oxfordshire will experience the smallest growth over the same period with its population increasing by 25% whilst Cherwell will see its population increase by 32% over the period to 2031, growing from 144,494 to 191,006.

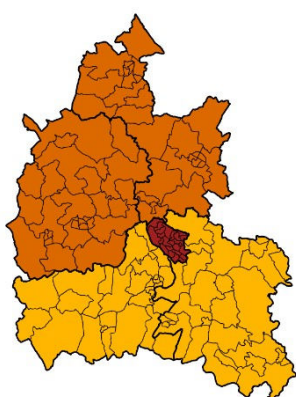
Population data for 2031 are shown for illustrative purposes and reflect housing growth projected in the Strategic Housing Market Assessment¹³. The net financial impact of these have not been analysed as part of this report. This is because there are no long-term (past 2021) budget projections for the local authorities in Oxfordshire, and this, coupled with an unknown future of the local government finance system means that any modelling would be of limited value as it would be reliant on too many overlaid



assumptions. Southern Oxfordshire has the joint lowest proportion of working age adults (18-64) with 58% and the joint highest proportion of both individuals under the age of 18 (22%) and those 65 and over (20%). In contrast, those 65 and over account for only 11% of Oxford City's population, whilst its working age population is the largest, in percentage terms of the four UAs, making up 70% of its total population.

3.2 Three Unitary Authorities

This option has the following three unitary authorities:



- **Northern Oxfordshire** (comprises current Cherwell and West Oxfordshire District Councils with a geographical area of 1,303km²)
- **Oxford City** (comprises current Oxford City Council with a geographical area of 46km²)
- **Southern Oxfordshire** (comprises current South Oxfordshire and Vale of White Horse District Councils with a geographical area of 1,257km²)

Demographics

Southern and Northern Oxfordshire UAs are of a similar size, in terms of population, with 261,867 and 252,652 inhabitants respectively; totals, which by 2031, will have grown by 28% and 29%. Oxford City

¹³ GL Hearn – Oxfordshire Strategic Housing Market Assessment, April 2014

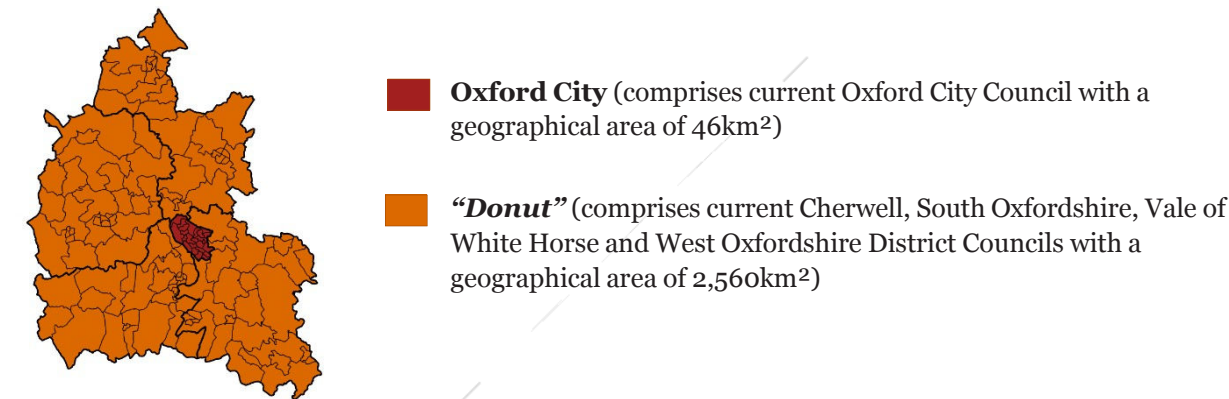
Unitary is the most densely populated of the three proposed authorities, with a geographical area of just 46km² home to a population of 157,997; a number which itself is set to grow by 41% to 222,495 over the period to 2031.

Again, whilst Southern and Northern Oxfordshire have very similar population distributions, Oxford City has a greater number of individuals of a working age. 70% of its population are between the ages of 18-64, compared to 60% for Northern Oxfordshire and just 59% for Southern Oxfordshire.



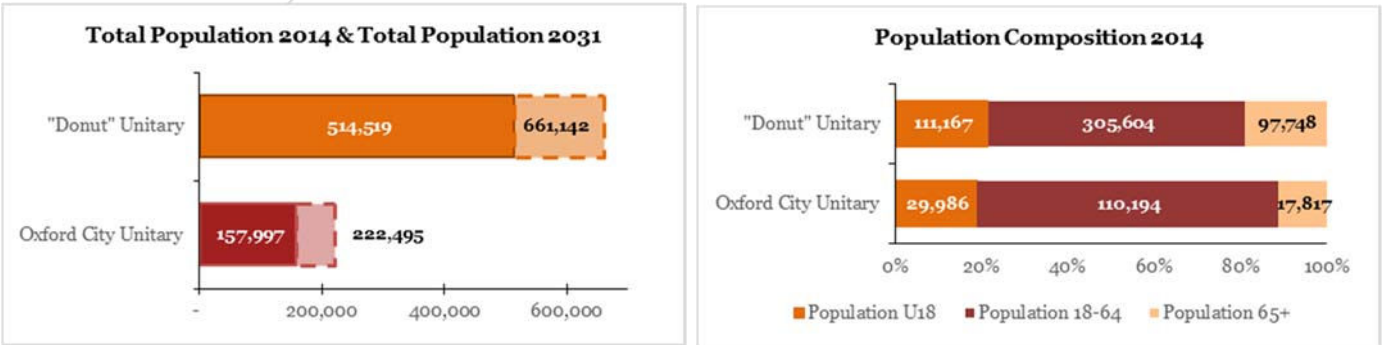
3.3 Two Unitary Authorities

This option has the following two unitary authorities:



Demographics

With 514,519 inhabitants, the Donut unitary has a population 3.3 times greater than that of Oxford City unitary, a figure which will have decreased slightly to 3.0 times by 2031.



3.4 Two Unitary Authorities – Expanded Oxford City

This option sees the establishment of two unitary authorities for the region. To offset some of the mismatch in the population sizes, we have expanded the city boundaries to include 13 additional surrounding wards, a list of which can be found in Appendix D – Assumptions log. Areas within these wards have functional links and/or land appropriate for housing development, but the expanded boundary is on the basis of whole wards since that is what the legislation requires. It is also the lowest level of disaggregated data that we analysed.

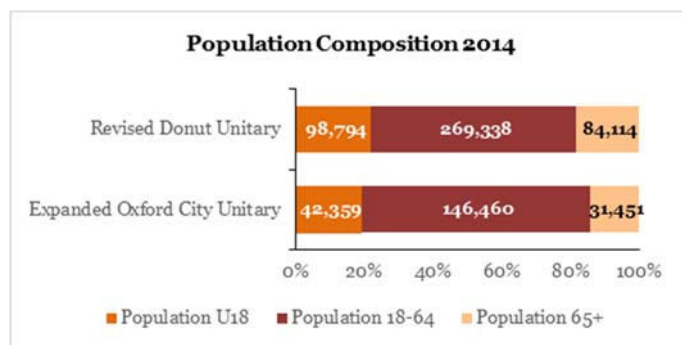
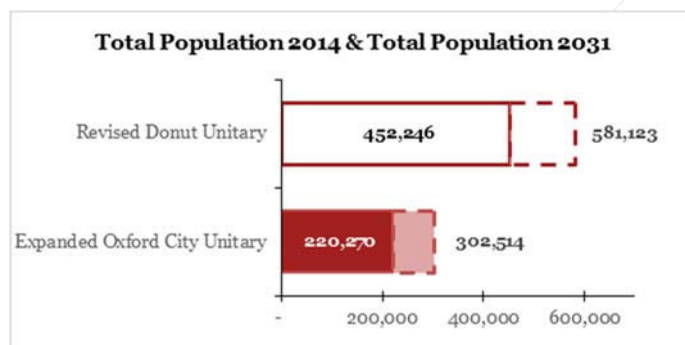


- Expanded Oxford City** (comprises current Oxford City Council + 3 Cherwell wards, 4 South Oxfordshire wards, 5 Vale of White Horse wards and 1 West Oxfordshire ward with a geographical area of 361km²)
- Revised Donut** (comprises all other wards in current Cherwell, South Oxfordshire, Vale of White Horse and West Oxfordshire District Councils with a geographical area of 2,245km²)

Demographics

Whilst the Expanded Oxford City unitary has a population 39% larger than the original Oxford City unitary, it is nonetheless 2.1 times smaller than the Revised Donut Unitary. The Revised Donut Unitary sees its population increase by 28% over the period to 2031 to 581,123, whilst the Expanded Oxford City Unitary sees growth resulting in a population size of 302,514.

Expanding the Oxford City boundary results in a reduction in its proportion of working age adults; down from 70% under the original Oxford City unitary to 66% with expanded boundary (which is still greater than the Revised Donut Unitary (60%).



3.5 One Unitary Authority

This option sees the establishment of a single unitary authority for the region.



- **Oxfordshire Unitary** (comprises entire Oxfordshire County with a geographical area of 2,606km²)

Demographics

The Oxfordshire unitary encompasses all 672,516 individuals within Oxfordshire; a figure which is set to grow by 31% to 883,637 by 2031. The working age population constitutes 62% of the total population whilst those under 18 and those over the age of 65 account for 21% and 17% respectively.



3.6 Population impacts of the UA options

Figure 2: English single tier local authority population mid-year 2014 (ONS) below displays the population size of the Oxfordshire UA options compared to existing single tier local authorities. This displays the different options in comparison to one another if solely comparing them based on population size. As the figure shows, a single UA option for Oxfordshire would make it the third largest UA in England, third to only Birmingham and Leeds. Oxfordshire’s population could reach 883,637 by 2031 if the 100,000 housing need was met. Whilst there are other single tier authorities of this size, the others are either City UAs or County UAs that do not have a large city within them.

The 2 UA option would result in one very large population (covering the donut/ residual Oxfordshire) and one very small population covering the city. This dichotomy in sizes would create the 9th largest single tier authority in England, but also one of the 18th smallest. This creates an imbalance that could be addressed by expanding the city boundary.

The 3 UA option would result in fairly comparable population sizes for Northern and Southern Oxfordshire, but again, would have a very small Oxford City population. The three UA option creates a more equal distribution of population between the Northern and the Southern UAs, with the city having a lower population in general, but a higher proportion of working age population. This option also recognises and reflects the distinct socio-economic conditions of the City.

For the 4 UA option, all UAs would have very small population sizes. The four UA option creates three of what would be the smallest UAs in population terms in England and would be unequal in proportion to South Oxfordshire.

Single tier local authorities - England - ONS mid 2014 population estimate

4 Financial analysis

The table below provides a summary of the methodology employed to assess the value for money of the unitary options under consideration, including:

- The financial viability of the UAs including payback from transition;
- The scale of efficiency savings possible from the two-tier system and service transformation;

Step	Approach	
1	Financial disaggregation of income and expenditure	Income and service expenditure incurred by both the Districts and County was analysed, and disaggregated by the 'key driver' for that income or expenditure (e.g. by population, children, rateable value, etc.) to each ward within Oxfordshire.
2	Financial viability analysis of UA options	Each UA was then re-constructed based on the wards it includes. This analysis outlines the aggregate level of service consumed by each UA and the corresponding contribution it makes based on current and forecast expenditure. However, at this stage, it does not reflect any transitional costs or change in the way services are provided
3	Transition savings/costs for UAs	Based on the data provided, our experience from other projects and evidence from previous local government reorganisation, we have estimated: <ul style="list-style-type: none"> • FTE reductions from removing duplication and creating efficiencies. • Employee severance costs • New management structures • Election / democratic savings • Asset disaggregation (change in the level of core office space required due to changes in staffing levels) • Transformation savings • Other transition costs (which includes project/change management costs, Business/systems costs, ICT integration, Closedown of authorities, Signs / logos / rebranding).
4	Payback	Based on the analysis undertaken above, we undertook an assessment of the payback periods for each option

4.1 Financial analysis of UA options

The following section presents the results of our financial analysis, together with assumptions used, for each of the proposed unitary authorities.

4.1.1 Underlying baseline position

The figures shown below for 2020/21 represent the surplus/deficit for that stand alone year rather than the cumulative surplus/deficit to that point. For baseline comparison, where reserves have been used to fund revenue shortfalls within the County accounts, then these have assumed to also be utilised (i.e. we have not shown these as a negative within the charts to enable like for like comparisons). The projected council tax rates

have been assumed to be as provided to us (i.e. we have not capped these).¹⁴ Similarly, we assumed that there will be no changes to the local government finance system during the period to 2020/21.

The 2015/16 General Fund Revenue Account outturn data (“RA data”) for the five District Councils and Oxfordshire County Council has been used as the starting point for our analysis. This data is publicly available from the Department for Communities and Local Government. The RA data has been disaggregated to ward level using appropriately selected drivers. We have sought confirmation from the districts with respect to the drivers used.

For projected future costs, we used the data provided within the Districts’ and County’s ‘Budget Books’ and their Medium Term Financial Plans, again seeking confirmation of the projection rates used from the District and the County Councils.

Details of the Baseline analysis are provided in Appendix B – Baseline Analysis .

4.1.2 Efficiency, transformation and transition costs

We then considered the potential efficiencies, transformation savings and transition costs associated with any move to a new local government structure. These types of costs and savings are important to consider alongside the financial impact on income and expenditure, in order to calculate the potential ‘net’ impacts over time. Although arguably the position in year 5 will be of most importance to decision makers as that represents the longer term sustainable position, once transition and transformation have occurred.

In the context of Oxfordshire, the transition costs will be the short to medium term costs and savings, between 3 and 5 years, of transitioning (and transforming) from current arrangements to any new Unitary Authority arrangement. These are based on an evidence review of the business cases publically available on transition costs of the unitary authority submissions in 2008/9 for Central Bedfordshire, Cornwall, Leicestershire, Suffolk and Wiltshire.

In reality, the exact transition costs will depend on what service reform aspects are considered, and on the nature and scale of the proposed option. Therefore, further research into actual transition costs expected for Oxfordshire would be required in any future business case for local government reform to ensure that the potential costs and savings are analysed with greater specificity.

We have also analysed the transformative potential of any new UA arrangement, and conducted some independent analysis using evidence-based assumptions to assess the potential impact from transformation. Further detail is contained within section 4.7.

4.1.3 The analysis

The results of our financial analysis is shown below. However, when considering the financial analysis results, it should be noted that:

- Our analysis allocates current service consumption and revenues to a ward level based on key ‘drivers’ or ‘disaggregate factors’. In some instances we have used high level approximate drivers in the absence of more accurate data. For instance, the actual Revenue Support Grants (RSG) received by local authorities are calculated (for both district and county level authorities) based on ‘need’. In the event of Unitary Authorities being established, the RSGs will also be recalculated based on the need-based formula. We have not attempted to calculate the need-based formula (which is highly complex), instead we have used a broader driver.

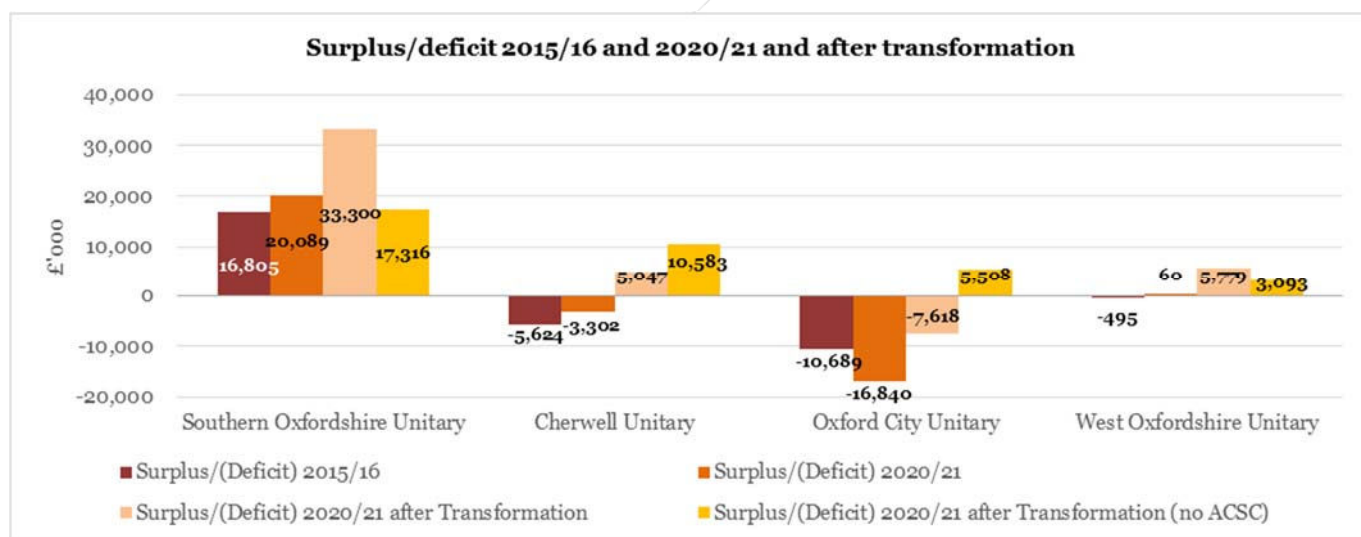
¹⁴ The level of council tax for Oxfordshire County Council were provided by the County. These showed council tax increases of 6% or more in the coming years. 2.5.1 outlines this and the potential impact of capping these.

- We have assumed no changes in local government finance systems but reflected the level of grants and business rates provided in the Medium Term Financial Plans. As announced in the Spending Review in November 2015, the Government's intention is that under local government finance system reform, the Revenue Support Grant will be phased out with the possible introduction of full business rate retention (the actual plans are under development). Some authorities, such as Oxford City, generate significant levels of business rates, the majority of which are passed to Central Government.
- The Government's calculation for the 'needs' and planned changes in Business Rates are thus expected to redress some of the current variations in deficits and surpluses between the different authorities that we have found in our analysis.

4.2 Four Unitary Authorities

Following apportionment of the service consumption, resources and potential savings to each of the four proposed unitary authorities, their respective financial position for 2020/21 are shown below. We have also shown the impact of providing Children and Adult Social Care (ACSC) services in a collective manner (i.e. they are provided as a combined service across Unitaries – this is discussed further in our study):

	Surplus/deficit 2015/16	Surplus/deficit 2020/21	Surplus/deficit 2020/21 after transformation ¹⁵	Surplus/(deficit) 2020/21 after transformation (No ACSC)
4 UAs Option				
Southern Oxfordshire Unitary	£16.8m	£20.1m	£33.3m	£17.3m
Cherwell Unitary	(£5.6m)	(£3.3m)	£5.0m	£10.6m
Oxford City Unitary	(£10.7m)	(£16.8m)	(£7.6m)	£5.5m
West Oxfordshire Unitary	(£0.5m)	£0.1m	£5.8m	£3.1m



As can be seen from the graph and table above, the proposed Oxford City Unitary is in deficit both pre and post transformation; although transformation savings reduce the 2020/21 deficit significantly from £16.8m to £7.6m. All other unitary authorities generate financial surplus in 2020/21 once the transformation is taken into account, although Southern Oxfordshire Unitary has by far the largest surplus at £33.3m.

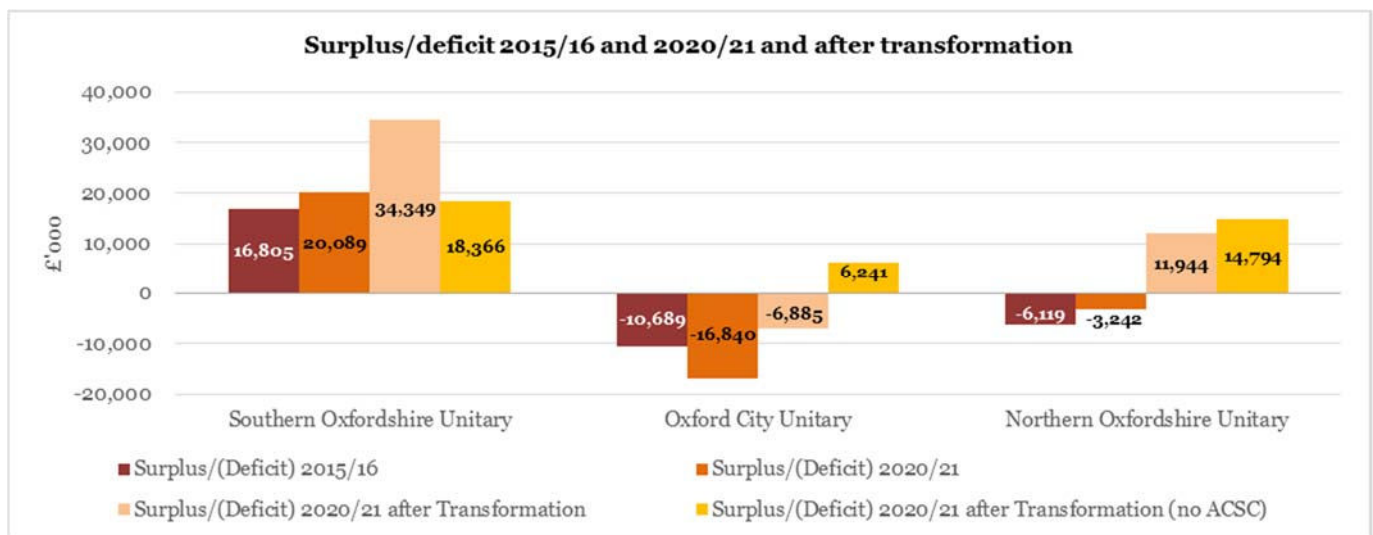
¹⁵ To note, the transformation savings per UA option are split proportionately to the unitaries within an option on the basis of unitary expenditure.

The impact of providing Children's and Adult Social Care services at a combined authority level has a marked effect. Oxford City Unitary would see its post transformation deficit of £7.6m become a surplus of £5.5m and indeed all four unitary authorities would generate post transformation savings. Southern Oxfordshire would continue to generate the largest surplus despite it declining by 48% to £17.3m.

4.3 Three Unitary Authorities

The respective financial position of each unitary following the apportionment of the service consumption, revenues and transformation savings for 2020/21, together with the impact of providing Adult and Children's Social Care in a combined manner are as follows:

	Surplus/deficit 2015/16	Surplus/deficit 2020/21	Surplus/deficit 2020/21 after transformation	Surplus/(deficit) 2020/21 after transformation (No ACSC)
3 UAs Option				
Southern Oxfordshire Unitary	£16.8m	£20.1m	£34.3m	£18.4m
Oxford City Unitary	(£10.7m)	(£16.8m)	(£6.9m)	£6.2m
Northern Oxfordshire Unitary	(£6.1m)	(£3.2m)	£11.9m	£14.8m



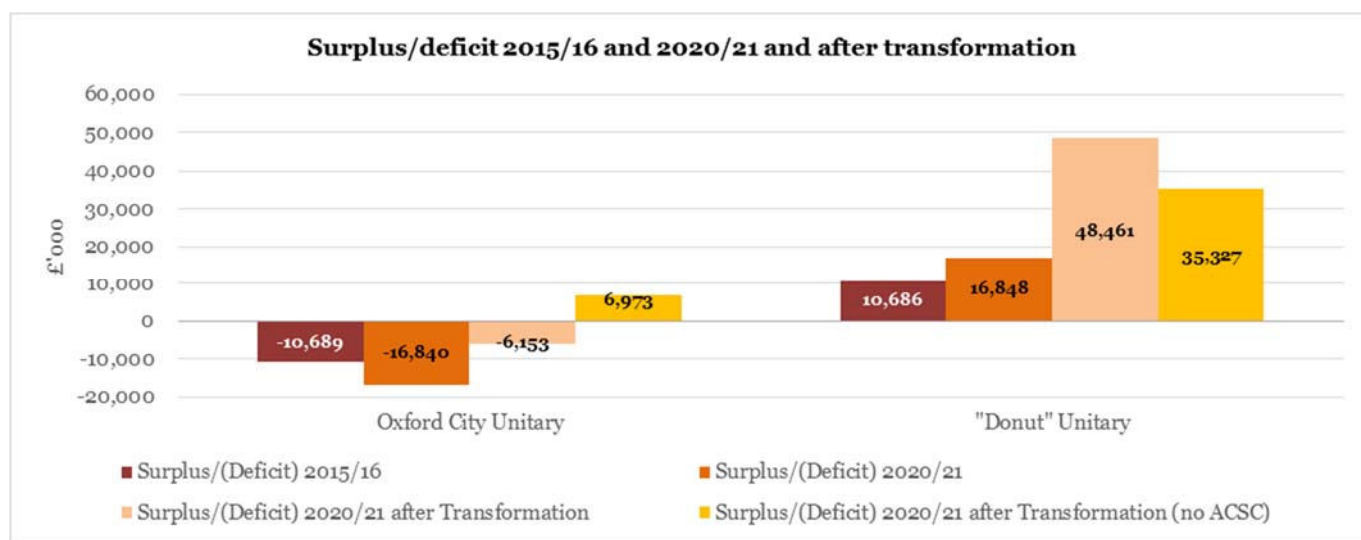
From the baseline analysis, both Oxford City Unitary and Northern Oxfordshire Unitary would be in deficit across the period to 2020/21. Whilst the effects of transformation would allow Northern Oxfordshire Unitary to move into a surplus (£11.9m), Oxford City Unitary would remain in deficit, albeit at reduced amount (£6.9m). Southern Oxfordshire Unitary would remain in surplus throughout, with a post transformation surplus of £34.3m in 2020/21.

Again, if Children's and Adult Social Care services were to be provided at a combined authority level, all three unitary authorities would generate a financial surplus post transformation.

4.4 Two Unitary Authorities

The financial analysis results for two Unitary Authorities are as follows:

	Surplus/deficit 2015/16	Surplus/deficit 2020/21	Surplus/deficit 2020/21 after transformation	Surplus/(deficit) 2020/21 after transformation (No ACSC)
2 UAs Option				
Oxford City Unitary	(£10.7m)	(£16.8m)	(£6.2m)	£7.0m
Donut Unitary	£10.7m	£16.8m	£48.5m	£35.3m



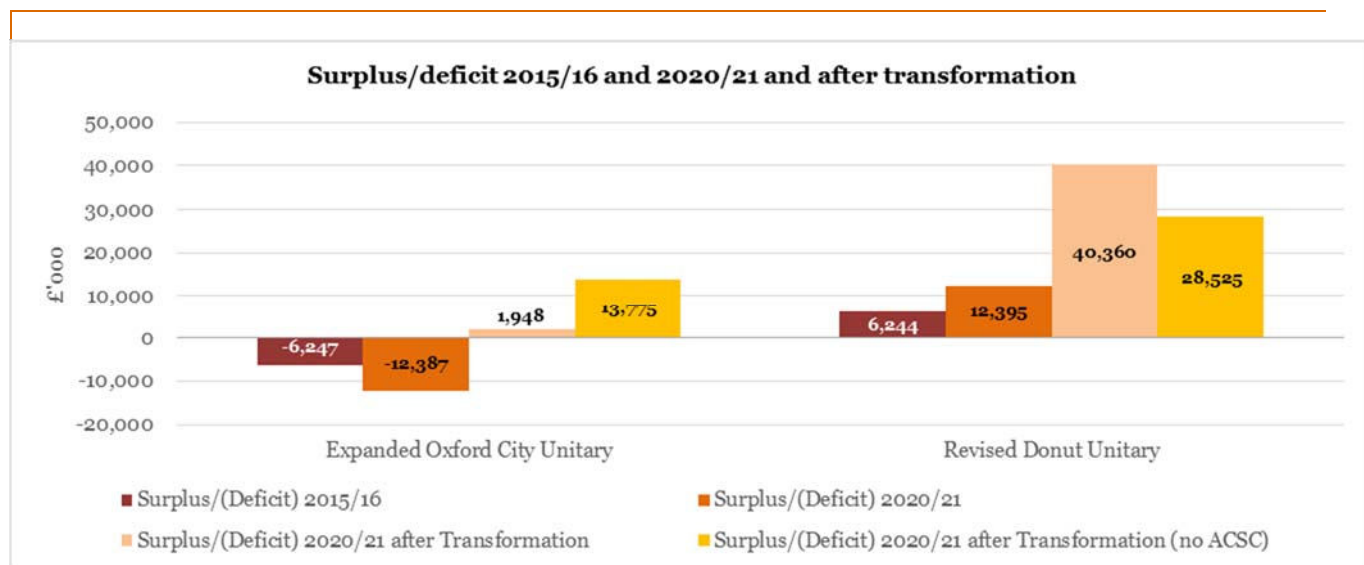
As shown, post transformation, Oxford City Unitary would remain in deficit (albeit to a smaller magnitude) whereas the Donut Unitary would remain in a surplus position throughout the period to 2020/21; a position which improves favourably post transformation to £48.5m.

Oxford City Unitary generates a post transformation financial surplus when the provision of Children's and Adult Social Care is removed from its control; seeing a deficit of £6.2m become a surplus of £7.0m.

4.5 Two Unitary Authorities – Expanded Oxford City

The financial analysis results for two Unitary Authorities with an expanded Oxford City are as follows:

	Surplus/deficit 2015/16	Surplus/deficit 2020/21	Surplus/deficit 2020/21 after transformation	Surplus/(deficit) 2020/21 after transformation (No ACSC)
2 UAs Option				
Expanded Oxford City Unitary	(£6.2m)	(£12.4m)	£1.9m	£13.8m
Revised Donut Unitary	£6.2m	£12.4m	£40.4m	£28.5m



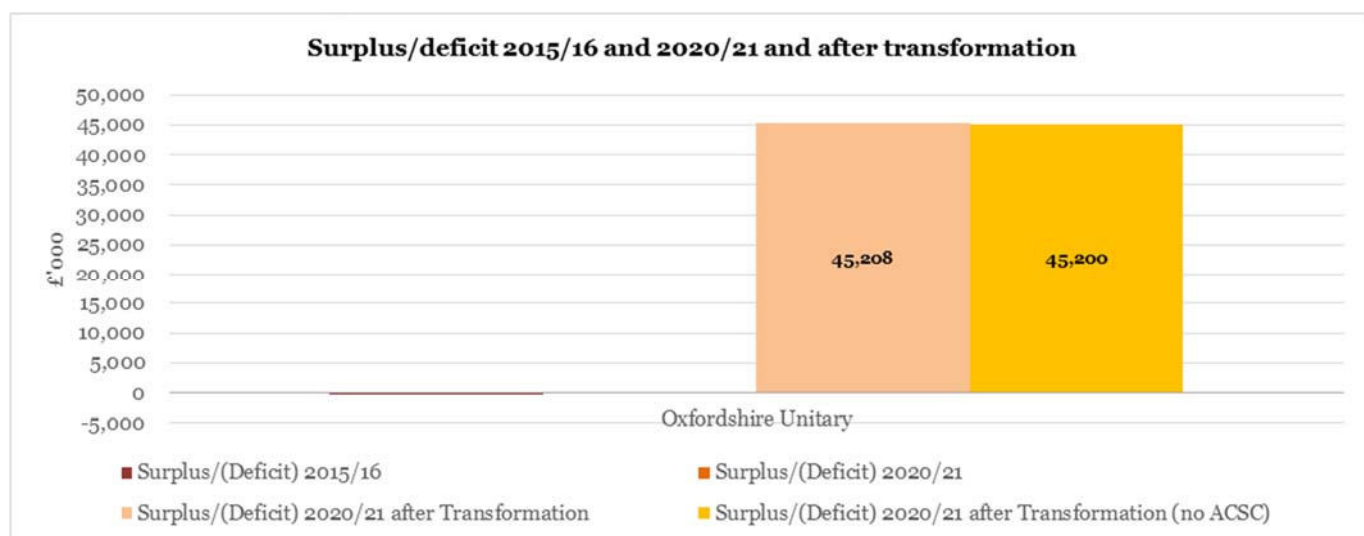
From the baseline analysis, Expanded Oxford City has a deficit of £12.4m in 2021 (reduced from £16.8m from the existing boundaries). Following transformation, Expanded Oxford City Unitary will generate a surplus, albeit marginal at £1.9m. The Revised Donut Unitary would generate a financial surplus throughout the period to 2020/21 both pre and post transformation.

The provision of Children's and Adult Social Care services at a combined authority level would see an Expanded Oxford City Unitary generate a post transformation surplus of £13.8m; a marked increase compared to the same figure for the Oxford City Unitary (£7.0m). The Revised Donut Unitary would still generate a substantial financial surplus (£28.5m) albeit decreased by 29% from £40.4m.

4.6 One Unitary Authority

Given that the Oxfordshire unitary encompasses all five Districts and the County Council, the revenue neutral position in 2015/16 and 2020/21 is to be expected. The figure below shows the position after transformation, as the annual transition saving of £45.2m.

	Surplus/deficit 2015/16	Surplus/deficit 2020/21	Surplus/deficit 2020/21 after transformation	Surplus/(deficit) 2020/21 after transformation (No ACSC)
1 UA Option				
Oxfordshire Unitary	£0.0m	£0.0m	£45.2m	£45.2m



4.7 Transition savings and cost of UA options

4.7.1 Introduction

With any move to a new local government structure, there will be transition costs and savings to consider, alongside the financial impact on income and expenditure, in order to calculate the ‘net’ impacts. In the context of Oxfordshire, these will be the short to medium term costs and savings, between 3 and 5 years, of transitioning from current arrangements to any new Unitary Authority arrangement. Based on an evidence review of the transition costs of the unitary authority submissions in 2008/9 for Central Bedfordshire, Cornwall, Leicestershire, Suffolk and Wiltshire, we have estimated the type and range of the most material transition costs relevant to the Oxfordshire UA options. We have also analysed the transformative potential of any new UA arrangement, and conducted some independent analysis using evidence-based assumptions to assess the potential impact from transformation.

Our report focuses on the typically most material transition costs, and includes an additional estimate for ‘other transition costs’ which includes project/change management, business/systems management, ICT integration, closedown of authorities and signs/logos/rebranding’. Table 3 below outlines the methodology adopted per transition cost and whether the cost varies by UA option. In reality, the exact transition costs will depend on what service reform aspects are considered, and on the nature and scale of the proposed option. Therefore, further research into actual transition costs expected for Oxfordshire would be required in any future business case for local government reform to ensure that the potential costs and savings are analysed with greater specificity.

Our headline findings are contained below.

Table 3: Transition cost methodology

Type of transition cost / saving	Description	Rationale / Assumptions	Indicative annual value for 1UA option (and how varies by UA option)
Transformation savings	<p>Savings from transformation based on current activity and FTE release.</p> <p>Varies slightly by UA option</p>	<p>The transformation savings are based on the activity data across Oxfordshire, treating the total effort and applying levers that would be typical in a modern transformation programme.</p> <p>Savings are based on consolidation, rationalisation and improvement of necessary activity, elimination and automation of transactional activity and service redesign around the customer to reduce hand offs between public authorities and to manage demand.</p>	<p>Average annualised saving of £24m p.a. for 1UA option (This is the five year total benefit split annually whereas in practice the benefits would increase during implementation to a total of £37.6m per annum)</p> <p>Saving reduces slightly as number of UAs increases to reflect reduced economy of scale, although this can be mitigated by the adoption of common principles, processes and platforms.</p>

Employee severance costs	Severance costs associated with fewer FTEs Does not vary by UA option	Average public sector redundancy cost of £25k ¹⁶ Assumes 100% of FTE reductions receive severance costs But excludes pension costs	Cost of £7.9m p.a. Cost the same across all UA options and expected to be split over 3 years
Office space disaggregation & apportionment	Savings from fewer FTEs, and therefore reduced office space required Does not vary by UA option	Based on FTE to desk space ratio of 5:4 and recommended square footage per FTE of 100 (based on Industry best practice figures) Oxfordshire/Carter-Jonas 2015 market rental values per square foot of £18.75, based on a range of £12 to £25.5	Potential revenue (saving) of £1.4m p.a. Saving the same across all UA options
Senior management structures	Cost/saving implications from changes to senior management teams Varies by UA option	Current cost of the 71 senior management roles within the region is £7.2m, based on publically available data on senior officer salaries and FTE data provided by the clients Based on changes in senior management FTEs based on maintaining a span of control of 4	Saving of £5.1m p.a. (1UA) to a cost of £0.7m p.a. (4UA) Costs/savings expected to impact over 3 years but savings will continue over all years
Election / democratic	Reduction in number of Members (does not vary by UA option ¹⁷) Reduction in election/democratic costs due to fewer local elections (does not vary by UA option) Cost implications of additional Member allowances (varies by UA option)	Assumed 25% reduction in Members over a 4 year period due to fewer tiers of local government. Assumed 50% election savings over a 4 year period Assumed additional costs associated with Member responsibilities moving to new UA democratic system Election and Member savings expected to impact over 4 year election cycle period in the model	£1.0m p.a. saving £0.33m p.a. saving Range from £0.3m p.a. cost (1UA) to £0.9m p.a. cost (4UA)

¹⁶ <https://www.gov.uk/government/consultations/consultation-on-a-public-sector-exit-payment-cap/consultation-on-a-public-sector-exit-payment-cap>

¹⁷ Across all UA options members are assumed to reduce by 25% (from 282 to 211). Arguably this would still be a large number of members to have in any 1UA or 2UA model, and the number could potentially be half this (roughly following a County structure). Flexing the assumption to just 75 members would increase the saving by another 136 members and increase the savings by an extra £1.9m per annum, which does not significantly change the nature of the results but could be considered further in a full business case.

		but will continue as long as the arrangements are in place.	
Other transition costs	<p>Cost estimates associated with other material cost lines which would be expected in a move to UA status</p> <p>Varies by UA option in direct proportion to increased number of UAs.</p>	<p>Costs across five areas amalgamated into single bucket of 'other transition costs'. Costs evidenced from published business cases. Expected to fall over 3 years only.</p> <p>Includes: Project/change management, Business management/systems change, ICT integration, Closedown of authorities, Signs/logos/branding</p> <p>For modelling purposes costs have been assumed to increase in direct proportion to the number of UAs created, e.g. ICT and change costs assumed to double if 2UA (compared to 1UA), treble if 3UA etc.</p> <p>Further work is required to understand the likely cost of IT system integration / transition / adoption in particular. In all UA options, County level systems will need to be adopted or integrated with District systems. This is likely to be more complex and potentially costly depending on the number of existing systems to be adopted by each UA. For example, existing District systems that are already shared (e.g. between South Oxfordshire and Vale of White Horse) will cost less to transition than adopting multiple uncommon systems in a 3UA, 2UA or 1UA. Vice-versa, with more UAs, the cost of transitioning County systems to each UA will also have a cost. However, for the purposes of this options appraisal, we have assumed costs increase with the number of new UAs created, but this is an area that needs to be further explored in the business case.</p>	<p>Range from £3.3m p.a. cost (1UA) to £13.1m p.a. cost (4UA)</p>

Note: The following cost items have been excluded from the 'other transition cost' analysis (since this report is a high-level options analysis rather than a full business case) but should be explored and considered in any full

business case as they may have a significant bearing on the cost/savings assumptions made above, e.g. the unwinding of multiple District contracts in a 1UA option may impact on the quantum or speed of savings.

- Early retirement costs
- Travel costs (additional travel costs of travelling to new work locations due to changes to estate)
- Pension costs
- Relocation costs (costs related to the changes in estates)
- Recruitment costs
- Contingency
- Unwinding of contracts

4.7.2 Transformation savings

The transition to new structures within Oxfordshire can be a trigger for implementing a transformation programme that optimises the new structures and responsibilities across whole systems. Most authorities are already planning and embarking on a new wave of transformation programmes to redesign how they operate, but a unitary solution would allow for enhancement of these plans including development of a shared programme.

The current workforce, excluding teachers, across the local authorities in Oxfordshire is around 6050 full time equivalents (FTE) based on an amalgamation of each councils data returns. Over half of the total effort is within the County Council.

A high level analysis of the activity of these FTE according to standard processes is shown in the table below, indicating that around half of the effort is on contact, assessment and enabling functions.

	FTE	Total Oxfordshire	Local Authority Average*
Contact & Assessment	1,133	18.7%	15.4%
Service Delivery	3,101	51.2%	60.3%
Enabling Support	1,817	30.0%	24.5%
Total FTE	6,051		*The average refers to activity analysis in other authorities for illustration purposes
Total £	£240.7m		

The average cost per FTE used in the above analysis is £39,800. This is the total staff spend divided by the total FTE.

As local authorities embark on the next generation of transformation programmes, utilising new and emerging technology to transform internal and customer processes they are identifying further opportunities to make efficiencies. In all Councils there is already work underway but the alignment and removal of boundaries between authorities further enables end to end process design and simplification. It is also recognised that development costs can be kept to a minimum if the Unitaries adopted a common process design and limitations on customisation. For the purposes of this review we have assumed a similar initiative would be adopted by any new unitary to

- Eliminate the need for activity;
- Automate the activity undertaken;
- Simplify the activity undertaken;

- Improve the activity undertaken; and
- Invest in new capabilities.

Contact and assessment can be further reduced through wider application of digital solutions to enable more self-service around transactional processes, greater automation of rules based assessment and adoption of intelligent solutions that reduce the need for human intervention. This is support by consolidation of existing effort and adoption of standard operating procedures and performance management. Service delivery effort can be reduced through enabling employees to be more self-sufficient, reconfiguring layers and spans and in adopting effective team management approaches to increasing productivity. Enabling support activity can be re-scoped by eliminating the need for activity, reducing the volume of activity and using business intelligence to inform decision making.

For the purpose of this assessment the mid-point from the following saving ranges have been applied to the Total Oxfordshire workforce as an indication of the transformation potential based on recent transformation business cases, and using the potential to savings described above:

- 18.75% reduction in contact and assessment effort equivalent to £8.4m;
- 7.5% reduction in service delivery effort saving £9.2m; and
- 27.5% reduction in enabling support saving £19.9m.

Applying savings achieved through other transformation programmes to the total Oxfordshire population could result a target saving of 569 to 1320 FTE, with a mid-point of 945 FTE.

This range is indicative and will depend on the choices made about the transformation programme. At current costs, assumed at £39.8k per FTE, this could result, once fully implemented, in annual recurring savings of between £22.6m and £52.5m per annum. A mid-point of £37.6m has been used in the analysis.

The costs of a transformation programme can be reduced by aligning to the transition to unitary, avoiding duplication within each area, and by adopting common design principles, increasing alignment between programmes and reuse products in each authority. An example would be agreement to adopt a common digital platform across all authorities reducing the design, development and integration costs.

4.7.3 Summary of transition costs

Total transition savings/costs for each unitary option are outlined in sections 4.7.3.1 to 4.7.3.4 below. As shown, the key driver of transition costs and savings is the transformation savings. The scale of savings achieved by each future UA, will depend heavily on the ambition of transformation and scale of transformation successfully delivered by each UAs

These dwarf any of the other impacts and therefore require some particular focus.

The table below outlines the estimated savings by option. Note this does not include the costs. These are further outlined in the sections below, along with the 'net' savings.

Option	Total savings over 5 year period
1UA	£148.3 million
2UA	£140.0 million
3UA	£131.8 million
4UA	£125.7 million

The analysis above includes savings and costs related to FTE reductions, transformation, severance, assets, senior management structures, election and democratic changes, and other transition costs. Some of these vary by UA option and some do not. The table below summarises this.

Cost or saving varies by UA option	Cost or saving does not vary by UA option
<ul style="list-style-type: none"> Transformation savings Senior management structures UA democratic system costs Other transition costs 	<ul style="list-style-type: none"> Reduction in members Election and democratic costs Employee severance costs Office space asset disaggregation

It is important to note that the presentation of the transition cost and savings alone only presents part of the story, as the transition costs and savings need to be overlaid on to the financial disaggregation analysis to gauge a true picture of the longer term 5 year financial viability of the options. The preceding sections 4.2 to 4.6 presented this analysis. The analysis below solely considers the transition elements of those costs. By year 5 most of the transition costs have been worked through – and offset by the large transformation savings – hence the net transition savings in year 5 look broadly similar across all UA options. But caution should be taken with interpreting these in isolation.

4.7.3.1 Four Unitary Authorities

If Oxfordshire were to reorganise itself to form four unitary authorities, total savings over the period to 2020/21 would be £56.4m. This is the lowest amount of savings across all UA options, and is mainly due to the significant 'other transition costs' (see section 4.7.1) of £39.2m associated with this option. They are four times larger than those in the 1UA option, and therefore represent a large deduction to the potential savings. Transformation savings are £112.0m for this option (the lowest of all the options). Member costs (in terms of new democratic structures) total £4.3m over the period to 2020/21, (the largest of the four options given the need to replicate structures four times over) but this still represents just over 5% of the total cost. Senior management structural changes also represent a cost in this option rather than a benefit or saving (as in the other options), at £2.2m over the whole time period.

4 UA						
	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Transition costs (£million)						
Employee severance costs	23.6	7.9	7.9	7.9		
Member costs	4.3	0.9	0.9	0.9	0.9	0.9
Other transition costs	39.2	13.1	13.1	13.1		
Senior management structures	2.2	0.2	0.2	0.2	0.7	0.7
Total costs	69.3	22.0	22.0	22.0	1.6	1.6
Savings (£million)						
Member savings	-5.0	-1.0	-1.0	-1.0	-1.0	-1.0
Election savings	-1.6	-0.3	-0.3	-0.3	-0.3	-0.3
Office space disaggregation	-7.1	-1.4	-1.4	-1.4	-1.4	-1.4
Transformation savings	-112.0	-0.7	-8.8	-31.8	-35.3	-35.3
Total Savings	-125.7	-3.4	-11.6	-34.6	-38.1	-38.1
Net costs	-56.4	18.6	10.5	-12.5	-36.5	-36.5

Note: figures have been presented to one decimal place, hence rounding differences.

4.7.3.2 Three Unitary Authorities

Adopting a three unitary authority structure for Oxfordshire would generate potential net savings totalling £75.5m over the period to 2020/21. Again, the savings are largely driven by the transformation savings of £114.4m. This option also has fairly significant 'other transition costs' at £29.4m, but benefits from slightly lower member costs (at £3.3m). This option is beneficial compared to the 4UA option in terms of senior management structure; generating savings of £3.6m (which actually represent a cost in the 4UA option).

3 UA						
	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Transition costs (£million)						
Employee severance costs	23.6	7.9	7.9	7.9		
Member costs	3.3	0.7	0.7	0.7	0.7	0.7
Other transition costs	29.4	9.8	9.8	9.8		
Total costs	56.3	18.3	18.3	18.3	0.7	0.7
Savings (£million)						
Member savings	-5.0	-1.0	-1.0	-1.0	-1.0	-1.0
Election savings	-1.6	-0.3	-0.3	-0.3	-0.3	-0.3
Senior management structures	-3.6	-0.4	-0.4	-0.4	-1.2	-1.2
Office space disaggregation	-7.1	-1.4	-1.4	-1.4	-1.4	-1.4
Transformation savings	-114.4	-0.7	-9.0	-32.5	-36.1	-36.1
Total Savings	-131.8	-3.9	-12.2	-35.6	-40.0	-40.0
Net costs	-75.5	14.5	6.2	-17.3	-39.4	-39.4

Note: figures have been presented to one decimal place, hence rounding differences.

4.7.3.3 Two Unitary Authorities

Reorganising to form two unitary authorities has the potential to generate total savings of £94.5m over the period to 2020/21. Again this is largely driven by the transformation savings, and 'other transition costs' (replicated just twice at £19.6m in total). This option also has even lower member costs (at just £2.3m) and senior management structure savings are also greater compared to 4UA and 3UA options at £9.5m.

2 UA						
	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Transition costs (£million)						
Employee severance costs	23.6	7.9	7.9	7.9		
Member costs	2.3	0.5	0.5	0.5	0.5	0.5
Other transition costs	19.6	6.5	6.5	6.5		
Total costs	45.5	14.9	14.9	14.9	0.5	0.5
Savings (£million)						
Member savings	-5.0	-1.0	-1.0	-1.0	-1.0	-1.0
Election savings	-1.6	-0.3	-0.3	-0.3	-0.3	-0.3
Senior management structures	-9.5	-1.1	-1.1	-1.1	-3.2	-3.2
Office space disaggregation	-7.1	-1.4	-1.4	-1.4	-1.4	-1.4
Transformation savings	-116.8	-0.7	-9.2	-33.2	-36.8	-36.8
Total Savings	-140.0	-4.5	-13.0	-37.0	-42.8	-42.8
Net costs	-94.5	10.3	1.9	-22.1	-42.3	-42.3

Note: figures have been presented to one decimal place, hence rounding differences.

4.7.3.4 One Unitary Authority

Establishing a single unitary authority for Oxfordshire, has the potential to generate the largest amount of savings over the next five years with total savings amounting to £113.3m. This is due to fewer costs affecting the large transformative savings potential. The 'other transition costs' are at their lowest since they only need to be replicated once (for the 1UA set up). Senior management structures also generate the largest savings across all options at £15.4m, and the additional member costs are lowest at £1.6m.

1 UA						
	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Transition costs (£m)						
Employee severance costs	23.6	7.9	7.9	7.9		
Member costs	1.6	0.3	0.3	0.3	0.3	0.3
Other transition costs	9.8	3.3	3.3	3.3		
Total costs	35.0	11.5	11.5	11.5	0.3	0.3
Savings (£m)						
Member savings	-5.0	-1.0	-1.0	-1.0	-1.0	-1.0
Election savings	-1.6	-0.3	-0.3	-0.3	-0.3	-0.3
Senior management structures	-15.4	-1.7	-1.7	-1.7	-5.1	-5.1
Office space disaggregation	-7.1	-1.4	-1.4	-1.4	-1.4	-1.4
Transformation savings	-119.2	-0.8	-9.4	-33.8	-37.6	-37.6
Total Savings	-148.3	-5.2	-13.9	-38.3	-45.5	-45.5
Net costs	-113.3	6.3	-2.4	-26.8	-45.2	-45.2

Note: figures have been presented to one decimal place, hence rounding differences.

4.8 Council tax harmonisation

Combining district authorities will require converging council tax rates within a unitary authority. Once transition costs and transformation savings have been considered we would expect no increase in council tax rates required for at least the next 5 years for the majority of unitary scenarios. Oxford City Unitary would be the only exception and would require a marginal annual increase in council tax rates to fund any budget deficit remaining post transition costs and transformation savings. However, Oxford City could change if Adult and Children Social Care are provided as a combined service over several authorities and also be the retention of business rates.

4.9 Payback period

The costs associated with reorganising to form a single unitary authority (1UA) will be recouped in year two, with potential net savings of £2.4m. The first year would incur a net cost of £6.3m.

The payback period associated with the 2UA option would be slightly longer at 3 years (where a net saving of £22.1m would be achieved). Years one and two would create net costs of £10.3m and £1.9m respectively. Option 4UA would also take 3 years to experience net savings, of £12.5m. Net costs of £18.6m and £10.5m would be experienced in years one and two respectively.

Option	Payback period
1UA	2 years
2UA	3 years
3UA	3 years
4UA	3 years

4.10 Conclusions on the financial analysis

Based on our analysis, we summarise our findings:

- The 2015/16 General Fund Revenue Account outturn data (“RA data”) for the five District Councils and Oxfordshire County Council has been used to disaggregate resources and expenditure using appropriately selected drivers. Further detail on the methodology is contained within Section 4, and the assumptions used in 4.1.3.
- Based on this methodology, the 4UA and 3UA options are in deficit with the exception of Southern Oxfordshire UA which is in a surplus of £20.1m (pre transformation). For the 4UA, 3UA, 2UA options, Oxford City has the largest pre-transformation deficit in both 2015/16 and 2020/21 (£10.7m and £16.8m respectively), though these amounts represent just 1% and 2% of total revenue expenditure across Oxfordshire. For the expanded 2UA option, Oxford City has lower deficits of £6.2m and £12.4m for 2015/15 and 2020/21 respectively. For the 1UA option, there is no surplus or deficit. This revenue neutral position is to be expected given that the 1UA option encompasses all five Districts and the County Council.
- After transformation savings and efficiency costs, (of between £113.3m and £56.4m over a 5 year period), all the UA options are in a surplus, with the exception of Oxford City.
- Based on the analysis we have undertaken and the assumptions we have used, an Oxford City UA would be in deficit post transformation, except with an expanded boundary. If the Oxford City UA is expanded, its deficit is replaced with a small surplus of £1.9m.
- This is due to a disparity between the funding and expenditure for children’s services, and a lesser extent adult’s services. All UAs are sensitive to this service, and in any of the UA models, there must be

a commitment to shared commissioning and delivery mechanisms and pooled grant to ensure that funds are allocated on a needs basis as opposed to a geographical basis. By sharing the commissioning and delivery of these services (and funding these through pooled resources), the financial disparity is significantly reduced between the different UAs, providing Oxford City with a surplus of £5.5m in 2021, increasing Cherwell's surplus to £10.6m, whilst reducing Southern Oxfordshire and West Oxfordshire surpluses to £17.3m and £3.1m respectively).

- On its existing boundary, Oxford City generates significant business rates and is a net contributor to the Treasury, which in a future local government finance system with the 100% retention of business rates, will improve the Oxford City financial position.
- The ability to deliver the planned growth up to 2031 will also have a material impact on the financial position of all UA options– it has the potential, if managed properly, to have a positive impact on the overall financial capacity and resilience of the Oxford City unitary. The extent of this will depend on the level of investment required both to facilitate the growth and the net growth in funding (i.e. the net of the increase in income receipts against increase in costs to deliver services).
- Based purely on our analysis, a single Unitary Authority has the potential to generate the most financial benefits due to the economies of scale (an estimated net saving of £113.3m over a 5 year period).
- A 2UA option (based on the existing city boundary) provides £94.5m net savings and has similar financial benefits as the Expanded Oxford City option. However, the mismatch and imbalance between the population size, resources and service levels between the two Unitary Authorities does need to be considered.
- A 3UA option provides net savings of £75.5m over 5 years, and based on our analysis, two of the authorities are financial stable. The Oxford City Unitary (for reasons outlined above) would be in deficit in revenue terms by £16.8m in 2020/21 (pre-transformation). This deficit would need to be remedied through a needs based spending settlement but it is not material in terms of the total spending across the local government system. This option reduces the mismatch between the population sizes of the UAs (157,997, 252,652 and 261,867).
- The 4UA option provides the least financial benefit (£56.4m net savings over 5 years), whilst also having significant differences in the financial position of the various UAs (South Oxfordshire in a surplus of £20.1m in 2020/21 (pre-transformation) and the remaining three UAs in a deficit).
- The savings estimates outlined in our analysis are modelled on a consistent basis across all the UA options and do not take into account past track record in the Districts and County Councils of managing a balanced budget and delivering transformation programmes. As an illustration, the Districts have balanced budgets for the next 4 years and have undertaken transformation and efficiency programmes, and the County Council has in recent years appropriated £39.6m from its reserves (as per the 2015/16 RA data). The scale of savings achieved by each future UA, will depend heavily on the level of ambition for transformation and the scale of transformation successfully delivered by each of the UAs.

However, it should be noted that:

- The analysis undertaken, including the savings and transitional costs are not a detailed but indicative at this stage based on a number of high level assumptions.
- The Revenue Support Grant is provided by the Government to local authorities using a 'needs' based formula. This is a complex formula which has not been replicated for the purposes of this report. It is expected that the RSG would alleviate some of the financial differences between the different authorities.
- Oxford City generates significantly more business rates than the other UAs, which in the future would improve Oxford City's financial position significantly if it was allowed to retain more of the rates.

The position can also change if the authorities have the ability accelerate growth within the authorities. For instance, the ability to deliver the planned housing and economic growth up to 2031 will have a material impact on the financial position of all UA options– it has the potential, if managed appropriately, to positively impact the overall financial capacity and resilience of the authorities including Oxford City unitary. The extent of this will depend on the level (and effectiveness) of investment made to facilitate the growth and the net growth in funding (i.e. the net of the increase in income receipts against increase in costs to deliver services).

- Finally, the financial analysis assumes the continuation of the County using £39.6m in reserves / 6% council tax increase to deal with the deficit arising from delivering services on the county wide area so the benefits in terms of savings are only realisable if there is a step change in the way county wide services are delivered.

5 Qualitative analysis

5.1 *Ensure strong and accountable local leadership and governance*

5.1.1 *The ratio of democratic representation*

Each Unitary Authority will need to create a democratic structure i.e. a Leader, cabinet and committees that will undertake the democratic functions, set the budget and make decisions for the electorate it serves. Generally speaking, the more UAs that are created, the closer the decision making is to the community that is served. However, other large UAs such as Wiltshire Council have created Area Boards which have a role in dealing with localised issues such as road repairs and traffic problems, but do not have a budget.¹⁸ Another option is to devolve more responsibility to Town and Parish Councils which is discussed in 5.1.2 below. Further consideration would need to be given to the suitability and additional cost associated with these options for Oxfordshire, recognising that Oxfordshire has a city of national and international economic importance and with city priorities which are distinct from the surrounding rural area.

Our analysis in section 4 made the assumption that each UA would be served by a Leader and Cabinet model with regulatory, planning and scrutiny committees.

5.1.2 *Balancing the need for strategic and local decision making*

Oxfordshire is a diverse county and stakeholders have expressed a view that with the creation of UAs, there is a need to balance Oxfordshire as a functional economic area and the need for strategic decision making on issues such as better strategic planning, housing, transport, and closer integration of health and social care, with local decision making that reflects the locality characteristics, such as those between rural and city areas. For example:

- There are stark differences between the percentage of the over 65 population in Oxford City (11%) with Southern Oxfordshire (20%)¹⁹.
- According to the 2015 Indices of Deprivation, within Oxfordshire, there are 2 areas in Oxford within the 10% most deprived in England and a further 13 areas in Oxford and Cherwell in the 20% most deprived in England²⁰.
- Median gross earnings differ from £32,506 in Vale of White Horse to £26,172 in West Oxfordshire²¹.
- West Oxfordshire has the lowest population density of the districts.

As discussed in 5.1.3, there are different models of achieving a balance, for example, in a 1 UA model by establishing Area Boards in smaller geographies which are responsible for representing the interests of their communities, although this will add additional democratic cost depending on the number of Boards created. In the 2, 3 and 4 UA options, there are opportunities to either continue with some of the existing strategic partnerships, or establish a Combined Authority. The right model will be for the local authorities to decide, but initial feedback from stakeholders is that there is a need to improve decision making structures on issues that impact on Oxfordshire's ability to deliver its economic growth ambition, and the devolution deal proposals, as well as clearer accountability for delivery of services. There is also a need to develop the delivery models that

¹⁸ Wiltshire.gov.uk

¹⁹ ONS Mid-year population estimates 2014

²⁰ DCLG IMD

²¹ ONS Survey of hours and earnings

integrate across public authorities, in particular with health where there are opportunities to further enhance efficiencies.

Within Oxfordshire there are a wide range of town and parish councils and parish meetings covering large areas of the region but there is not universal coverage. These organisations are another important form of local representation and democracy, and where communities want them can make a valuable contribution. In recent years there have been moves to make it easier to establish such bodies and to encourage a greater role for very local and neighbourhood bodies, for example by developing ‘neighbourhood plans’. While local councils are an important dimension of local government within the region, it has to be recognised that not every area has such representation and it should be for local communities to determine whether they wish to set up such bodies if they don’t already exist and what role they should play if they do. We have not proposed any option which is dependent on local councils but each option would enable these councils to take on more roles should they and their communities wish.

5.2 *Delivering better public services*

The District Councils’ view is that only unitary authorities with a geography that matches the challenges of their communities can have the insight and focus needed to tackle the structural barriers they face, and deliver services locally in ways which are more cost effective and reflective of local priorities. A combined authority could provide the means for the Unitaries to work together and take decisions on strategic issues and services that need to be delivered across a wider area with the ability to connect these to services delivered locally.

Unitary proposals should not mean simply merging existing council functions along current county or district boundaries. That would be a missed opportunity. Unlike previous local government reorganisations the current opportunity is being driven by a devolution agenda not vice versa. That means the real opportunity is to design and create new structures that best reflect the level at which interests are best represented, and that decisions can be taken to deliver the best outcomes.

All parties have a unique opportunity to shape their future by clarifying what they need from Government to unlock economic growth potential, meet housing demand and establish an approach that keeps people healthier for longer and allows children to start well in life.

An operating model describes how an organisation uses its customer offering, business capabilities and corporate structure to deliver value in accordance with its strategy. The operating model is unique to each organisation and made up of key components such as the strategy, customer channels and business processes, systems and people and how they interact. These operating model components can be assessed, designed, constructed, implemented and operated.

For the proposed councils at this stage of their development a move to unitary government would enable the transformation of services taking a fresh look at how organisations are structured to deliver. We have assumed that the authorities, being created in parallel, would adopt common processes and approaches to minimise customisation. The benefits potential from transformation are based on programmes from elsewhere and pro-rata application to the Oxfordshire context.

5.2.1 *The current operating model*

There is limited scope to keep finding efficiencies while still working in the same way. All councils have been making efficiencies in what they do over the last decade but there is increasingly a need to rethink what councils do and how they deliver. Unitaries are an opportunity to build on previous transformation gains by further simplifying and joining up systems and responsibilities to enable end to end process and system redesign. Plus, the need now is to find efficiencies in the interactions between organisations with shared responsibilities for an overall outcome. Challenges from the current arrangement include:

- Creating a customer centric model when there are multiple organisations with responsibilities for the same geographies. People have to work harder to understand organisational responsibilities than they should and can key information can fall between the boundaries.

- Aligning service delivery activity to customer insights and intelligence when that understanding is dispersed between authorities. This can make it harder to design earlier interventions and anticipate and shape service demands.
- Reducing support costs by exploiting efficiencies from shared and standard ways of working.
- This has resulted in more interactions and alignments between authorities with similar responsibilities that between authorities within the same place. Unitary government would encourage and enable a greater focus on whole system reform within the geography of Oxfordshire.
- Based on the activity analysis of current staff effort, and practice and approaches elsewhere, there is significant potential for redesigning services around customers, achieving cost reductions while improving outcomes.
- By taking a process view across all authorities, using returns from the districts and assumptions about the County activity based on local authority averages, it is estimated that there are:
 - A total of over 6050 FTE effort, excluding teachers, agency staff and temporary staff working across councils in Oxfordshire, with a total staff cost of £241m;
 - 51% of this effort (3101 FTE) relates to actual service delivery and associated support activity such as management and supervision;
 - 19% of this effort (1133 FTE) is focused on supporting customer contact and assessment activities which enable service delivery including customer engagement, assessment and administration.
 - 31% of effort (1817 FTE) is related to back office processes and support services such as finance, procurement, HR, ICT etc.

This is a high level analysis and an indication of where effort is focused. Although further work, involving all partners would be needed to quantify the activity within these process areas to a greater level of detail, the results indicate there are opportunities for redesigning the operating model of local government across the region.

Achieving those savings will depend on the ability to consolidate, rationalise and improve current activities as part of a co-ordinated programme. This does not necessarily mean that a single authority would be better placed as the effectiveness of the programme will depend more on good management and governance in line with an agreed strategy and design. A programme can work across multiple partners allowing for the shared cost of developing solutions while retaining flexibility to tailor around local needs. Implementation could be achieved in around two years.

5.2.2 Customer contact and assessment

In customer contact and assessment the districts collectively have a comparable effort to the county resulting in over 1100 FTE focussed on customer contact and assessment. This is an area where even within councils there is a focus on addressing multiple entry points organised around functional areas to establishing a single point of access with a tailored customer experience with integrated processes and systems making life easier for customers. While councils have done much in the area in the past, particularly on channel shift to move transactions on line, there is considerable scope through emerging technologies and developments to help manage demand and simplify transactions. The aim is to create more intelligent information provision which:

- gives customers easy and quick access to information at first point of contact, removing the need for human intervention. Typically up to 40% of council contact centre traffic is handling information requests (this is a national figure). Simple solutions, such as enabling natural language search, targets the elimination of this cost.
- addresses both inbound information requests and places an emphasis on pre-empting customer need and pro-actively communicating throughout-bound intelligent information.
- is enabled by analytics providing the insight to target interventions to customers in the most effective way to provide support at the correct time.

By removing complexity the councils will be able to improve performance, enhance the customer experience and increase employee satisfaction as more of their time is spent on adding value to residents and others.



We have assumed a conservative ambition would be to reduce the required effort by 12.5% to 25% resulting in a potential saving of £5.6m to £11.3m per annum once fully implemented.

5.2.3 Service delivery

In service delivery and support activity there are over 3100 FTE involved, on top of which further effort is funded through commissioned services. Within the directly employed staff there are opportunities for councils to explore how to increase productivity and redesign service pathways as part of an integrated system. Much of the benefit from within service delivery will come from doing different things as the new Unitaries adopt a strategic focus on early intervention and prevention activities but also from effective management of existing resources.

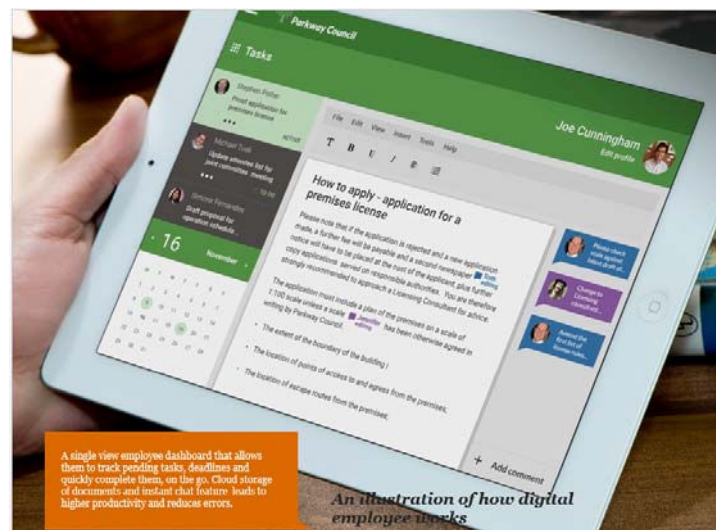
We have assumed that by adopting performance and productivity approaches effectively there could be scope to increase productivity by 5-10% of this effort resulting in a potential saving of £6.2m to £12.3m per annum.

5.2.4 Enabling activity

In enabling activity such as HR, IT and finance, the districts collectively again have a comparable effort to the county resulting in over 1800 FTE engaged in these processes. These are also areas where all of the authorities have been extending shared and collaboration outside of the region, but where there is potential for enhanced integration within the region. Organisations are focussing on more effective integration of the enabling functions to help deliver their strategic direction and ambition. Key trends include:

Enabling the digital employee within organisations means there is less need for 'business support' and greater self-reliance and management, and enhanced integration between systems and functions. This can help with

- Eliminating and automating transactional processes within the organisation;
- Developing functional centres of expertise in complex and specialist functions shared across organisational boundaries;
- Development and utilisation of advanced business intelligence and predictive analytics to inform strategic decision making about the future and management of current performance.



Building on these trends and current work to eliminate unnecessary activity, automate simple processes and release effort to focus on strategic insight and direction offers the potential for further savings. We would expect unitary government to create additional opportunities for removing duplication of roles and responsibilities between authorities and within authorities, releasing staff to focus on higher value strategic work, automating routine information practices and enabling self-serve and stopping unnecessary activities and steps in processes.

We have assumed that by adopting a corporate redesign of the enabling functions, and working to a common set of design principles, the councils across Oxfordshire could reduce current effort. A conservative ambition would be to reduce the required effort by 15% to 40% resulting in a potential saving of £10.8m to £28.9m per annum once fully implemented.

6 *Summary of unitary authority options*

The following factors, as outlined also in section 3 above, provide the basis from which to appraise the options. These factors are assessed in an evidence-based way, based on the above analysis and the stakeholder conversations we have had.

Financial analysis (feeds into ‘value for money’ and costs against efficiency savings)

- The financial viability of the UA including payback from transition;
- The scale of efficiency savings possible from the two-tier system and service transformation;
- Ability to build on innovative cost-saving management and service delivery models already adopted by the councils;

Ensure strong and accountable local leadership and governance

- The ratio of democratic representation;
- Balances the need for strategic and local decision making;
- Maintains effective span of control

Delivering better public services

- Ability to reflect local priorities and the interests of different communities, including those of the city, of market towns and rural communities – enabling a responsiveness to local needs;
- Enables development and growth across the area to meet its economic potential and sustainability, supporting the economic and housing growth planned;
- Helps to deal with the demographic pressures on adult social care and improve outcomes through integration with health services;
- Ensures a system for children’s services that delivers a robust approach to child protection and safeguarding based upon need and through transformation;
- Benefit from potential service synergies from unitary authorities having responsibility for planning and delivering services such as spatial planning, economic development, housing, transport infrastructure, social care and health.
- Supports the growth of the knowledge economy.

Financial analysis (feeds into 'value for money' and costs against efficiency savings)				
1UA	2UA	2UA+	3UA	4UA
<p>County wide unitary based on economies of scale.</p> <p>Generates large surplus post reorganisation (£45.2m in 2020/21).</p> <p>Generates greatest potential net savings (£113.3m) over the period to 2020/21.</p> <p>Driven by lowest "Other Transition Costs" (£9.8m) and highest potential transformation savings (£119.2m) of the proposed UA options.</p> <p>Quickest payback period at just 2 years.</p>	<p>Considerable mismatch between the two Unitaries in terms of financial position.</p> <p>Oxford City remains in deficit post transformation (£6.2m in 2020/21).</p> <p>Only when Adults and Children's Social Care services are elevated to a CA level does Oxford City generate a surplus (£7.0m).</p> <p>Potential to generate comparable transformation savings with the 1UA option (£116.8m vs £119.2m) though "Other Transition Costs" double from £9.8m to £19.6m.</p> <p>Generate potential net savings of £94.5m over five years to 2020/21.</p> <p>Payback period of 3 years.</p>	<p>An Expanded Oxford City Council sees an improved financial position pre and post transformation with a surplus (£1.9m in 2020/21) generated following reorganisation.</p> <p>The elevation of Adults and Children's Social Care to a CA level increases this surplus (£13.8m).</p> <p>Potential to generate comparable transformation savings with the 1UA option (£116.8m vs £119.2m) though "Other Transition Costs" double from £9.8m to £19.6m.</p> <p>Generate potential net savings of £94.5m over five years to 2020/21.</p> <p>Payback period of 3 years.</p>	<p>Southern and Northern Oxfordshire deliver financial surplus post transformation.</p> <p>Oxford City in deficit post transformation (£6.9m 2020/21)</p> <p>Oxford City's deficit becomes a surplus (£6.2m) if Adults and Children's Social Care services are removed from outside its control.</p> <p>Potential to generate comparable transformation savings with the 1UA option (£114.4m vs £119.2m) though "Other Transition Costs" treble from £9.8m to £29.4m.</p> <p>Generate potential net savings of £75.5m over five years to 2020/21.</p> <p>Payback period of 3 years.</p>	<p>Considerable financial mismatch between proposed unitary authorities.</p> <p>Southern Oxfordshire delivers strong surplus pre and post transformation.</p> <p>West Oxfordshire delivers marginal surplus pre-transformation (£0.1m) but more of a surplus post-transformation (£5.8m).</p> <p>Cherwell delivers a small deficit pre-transformation (£3.3m) and a small surplus post-transformation (£5.0m).</p> <p>Oxford City in deficit before and post reorganisation, though generates a surplus (£5.5m) should provision of Adults and Children's Social Care services be elevated to a CA level.</p> <p>UA option that would generate lowest potential net savings (£56.4m) over the period to 2020/21</p> <p>Driven by highest "Other transition Costs" (£39.2m) and lowest transformation savings (£112.0m) of the proposed UA options.</p> <p>Payback period of 3 years.</p>
<p>Largely immaterial difference between all UA options if consider total net transition savings in context of total net annual expenditure in Oxfordshire 2015/2016 (£1,040,422,000). The figure is 0.83% looking at the year 5 picture, i.e. £8.7m divided by annual expenditure, or if you consider over 5 years the figure is 1.1%, i.e. £56.9m divided by five times annual expenditure. This does not account for the surplus/deficit position but solely looking at UA transition savings.</p>				

See supporting summary table for further details

Ensuring strong and accountable local leadership and governance

1UA	2UA	3UA	4UA
<p>A single UA could rise to loss of accountability with potentially lower levels of political representation at decision making committees than other UA models (i.e. a democratic deficit). This could be addressed through design of the UA with for example the creation of Area Boards (e.g. Wiltshire model). However, further consideration should be given to the characteristics of Oxfordshire and the replicability of the Wiltshire model. For example. Oxfordshire is larger and more diverse, with Oxford as a large urban centre where needs and priorities are distinct from the surrounding rural area.</p>	<p>Recognises the difference between urban and rural priorities.</p> <p>Improves democratic accountability compared with one UA option.</p> <p>However the scale of the residual ('donut') area of Oxfordshire dilutes democratic accountability in rural geography, with a population of 452,246 and a geographical area of 2,245km².</p>	<p>Improves level of accountability compared to 1UA and 2UAs.</p> <p>Recognises geographic differences between North and South of the County and the different demographic and socio economic characteristics.</p> <p>Provides a balance between addressing local needs in communities, increased accountability through three democratic structures within Oxfordshire, and it would reflect and recognise distinct City and rural issues that any new local government settlement needs to address.</p>	<p>Provides the maximum level of democratic accountability and connectivity to local communities.</p> <p>Greater costs of democratic system with increased UAs, although this depends on number of Area Boards/increase in Parish role.</p>

Delivering better public services			
1UA	2UA	3UA	4UA
<p>Economies of scale have potential to drive efficiency. Will become third largest UA in England.</p> <p>Complex process of integration but potential opportunity for single wholesale transformation is significant.</p> <p>Risk of a lack of responsiveness to the diversity and vast differences in local needs across the County geography. But the creation of Area Boards could help with this.</p> <p>A bureaucracy of this scale may be less flexible and agile to the changing nature of need and demand.</p>	<p>Economies of scale driving efficiency.</p> <p>Enables tailored approach to rural and urban geographies.</p> <p>Population and economics imbalance between City and 'Donut' which could be addressed to some extent by the 2UA+ option which extends the City boundary to some of the surrounding wards.</p>	<p>Alignment of UAs better reflects geographic and urban / rural settings and economy.</p> <p>More effective tailoring services to rural and urban geographies.</p> <p>Addresses imbalance of City and 'Donut' option.</p> <p>Builds on existing relationship in the South of the County.</p> <p>Provides a mechanism for innovation around County services through a CA.</p>	<p>Limited economies of scale / duplication.</p> <p>Unequal sizing of UAs.</p> <p>Partial change / ability to change.</p> <p>Tailored and responsive service provision to local needs is more possible.</p> <p>Capacity and capability to absorb large county services is enhanced.</p>

	Surplus/(deficit) 2015/16	Surplus/(deficit) 2020/21	Surplus/(deficit) 2020/21 after transformation	Surplus/(deficit) 2020/21 after transformation (No ACSC)
4 UAs Option				
Southern Oxfordshire Unitary	£16.8m	£20.1m	£33.3m	£17.3m
Cherwell Unitary	(£5.6m)	(£3.3m)	£5.0m	£10.6m
Oxford City Unitary	(£10.7m)	(£16.8m)	(£7.6m)	£5.5m
West Oxfordshire Unitary	(£0.5m)	£0.1m	£5.8m	£3.1m
3 UAs Option				
Southern Oxfordshire Unitary	£16.8m	£20.1m	£34.3m	£18.4m
Oxford City Unitary	(£10.7m)	(£16.8m)	(£6.9m)	£6.2m
Northern Oxfordshire Unitary	(£6.1m)	(£3.2m)	£11.9m	£14.8m
2UAs Option				
Oxford City Unitary	(£10.7m)	(£16.8m)	(£6.2m)	£7.0m
“Donut” Unitary	£10.7m	£16.8m	£48.5m	£35.3m
2UAs + Option				
Expanded Oxford City Unitary	(£6.2m)	(£12.4m)	£1.9m	£13.8m
Revised Donut Unitary	£6.2m	£12.4m	£40.4m	£28.5m
1UA Option				
Oxfordshire Unitary	£0.0m	£0.0m	£45.2m	£45.2m

	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 4 (£m)	Year 5 (£m)	TOTAL (£m)
4 UAs Option						
Total costs	22.0	22.0	22.0	1.6	1.6	69.3
Total savings	3.4	11.6	34.6	38.1	38.1	125.7
Total net savings	18.6	10.5	12.5	36.5	36.5	56.4
3 UAs Option						
Total costs	18.3	18.3	18.3	0.7	0.7	56.3
Total savings	3.9	12.2	35.6	40.0	40.0	131.8
Total net savings	14.5	6.2	17.3	39.4	39.4	75.5
2UAs Option						
Total costs	14.9	14.9	14.9	0.5	0.5	45.5
Total savings	4.5	13.0	37.0	42.8	42.8	140.0
Total net savings	10.3	1.9	22.1	42.3	42.3	94.5
2UAs + Option						
Total costs	14.9	14.9	14.9	0.5	0.5	45.5
Total savings	4.5	13.0	37.0	42.8	42.8	140.0
Total net savings	10.3	1.9	22.1	42.3	42.3	94.5
1UA Option						
Total costs	11.5	11.5	11.5	0.3	0.3	35.0
Total savings	5.2	13.9	38.3	45.5	45.5	148.3
Total net savings	6.3	2.4	26.8	45.2	45.2	113.3

Note: figures have been presented to one decimal place, hence rounding differences.

7 Combined Authority

The effectiveness and sustainability of the UAs can be enhanced and value added by the creation of a Combined Authority (CA). The stakeholders we consulted agreed that in order to address the issue of housing affordability, congestion and lack of strategic planning, strong leadership is needed at a Combined Authority (and potentially through a Mayor):

- Which had a clear remit for housing, transport and strategic planning;
- Where there is collective decision making; and
- Where there is clear accountability for delivery.

It was suggested that whilst there are agreed strategies, such as the SEP, there is a current lack of clarity about how the strategies are executed and who is responsible for delivering the infrastructure required. In addition, views were expressed that:

- There is a need for a sustainable transport strategy (including cycling) aligned to a housing development plan – so that housing developments have sustainable transport links.
- There is a need for strategic planning across the region so that there is a coherent strategy to assist the sustainable growth of the City.
- A greater, coherent voice for Oxfordshire with Government and influence over national commissioners and agencies such as Network Rail is needed. This role is missing currently, but is increasingly important with the emergence of Combined Authorities in the Core Cities which have ongoing dialogue with Government.
- There is a real need to provide consistency of services to businesses, such as planning and regulatory services, to make investment easier for businesses.
- Adult social care integration with health should be a priority as it will result in clearer pathways of care and less fragmentation. Local government needs to think about services in terms of the end to end process to help stem demand flowing into acute settings and make the most of their skills

A Combined Authority (CA) is a public body with its own legal personality and can be established at the request of two or more local authorities by an Order issued by the Secretary of State and are increasingly the vehicle by which devolution from Central Government to Local Government is enabled. A Combined Authority will change the relationship with government and will provide a strong platform for ongoing dialogue with government to secure further investment and devolution.

Under the new Cities and Local Government Devolution Act 2016, a CA may have statutory functions transferred to it relating to any local government function, and no longer only economic development and transport. This could include the transfer of health service functions. The 2016 Act also allows the creation of Mayoral CA, with a directly elected mayor.

7.1 Functions of the Oxfordshire Combined Authority

To respond to the challenges set out above, to deliver Oxfordshire's devolution deal proposal and complement the UA model, it is suggested that a Combined Authority has the following functions:

- **Strategic planning** – one agreed spatial plan (an agreed strategy for growth and housing and employment sites, transport and connectivity plan; property and assets) i.e. planning on a whole-place basis.
- **Infrastructure strategy** – an agreed investment programme to deliver the infrastructure required to unlock growth.
- **Economic development** and business services i.e. a consistent approach to attracting investment and providing a consistent and streamlined service to businesses locating e.g. planning applications,

regulatory services, business and supply chain support.

- **Skills:** providing the skills for local people that local and future businesses need
- **Integrated commissioning of adult social care and health with the CCG**– the right governance and delivery arrangements should be used including an understanding of how to incentivise providers to improve the health and well-being of the population before they need acute care services.
- **Children’s services** – Jointly led and commissioned in partnership with the Police and NHS, and other public and community organisations, to build on strengths and create a system wide redesign with early intervention, resilience and synergy with community investment and housing services.

The integration of adult social care and health and children’s services are covered in sections 8 and 9 of the report.

7.2 *Enablers of the Combined Authority*

The benefits of a Combined Authority is that it will have additional enablers to the UAs to achieve the outcomes stated in the devolution deal. These enablers will have the potential to create greater resources for investment in Oxfordshire’s priorities:

Pooling of funding and investment prioritisation

- Pool funds to create investment pots and have greater borrowing power;
- Prioritise collectively where investment in Oxfordshire will make the biggest impact on growth or allow the allocation of funds based on need / demand (recognising that each UA will benefit at different times – but priority is to benefit Oxfordshire as a whole);

Income / funding generation:

- A Combined Authority can impose a levy on constituent authorities and borrow under the prudential borrowing scheme.
- A Mayoral Combined Authority may also place a precept to raise funds.
- A Mayoral Combined Authority may raise an additional 2p in the pound on business rates subject to agreement of the LEP.
- Successful devolution deals awarded to Combined Authorities have included a Single Pot c.£1bn over 30 years, but negotiations have required agreement to a directly elected mayor to be accountable for some (to be negotiated) devolved powers and funding;
- Facilitation of a strategic approach to public sector asset rationalisation.

The Combined Authority would provide accountability and enable collective decision-making on statutory functions but also collaboration and joint-commissioning of services under a single structure. However this model would also provide the UAs with the ability to maintain sovereignty for certain functions, and tailor services to their local area’s needs, utilising the different delivery models that the UAs establish. In addition, other services such as waste disposal could be jointly commissioned either by the CA or, following the London Tri-borough model, by whichever UA is best to lead.

7.3 *Governance*

An illustration of the governance structure for the Combined Authority is set out below. This will need to be developed through the development of a Scheme with DCLG, but a proposal is being developed for the Combined Authority to include voting membership for the UAs, CCG and the LEP.

Strategic
Leadership
and
accountability



Strategy and
policy
development
and joint
commissioning



Assurance



The 2016 Act requires each Combined Authority to set up at least one overview and scrutiny committee. The committee must publish a plan indicating how it will exercise its powers, and it will have the power to suspend decisions of the combined authority whilst it reviews them. Because the Combined Authority will be an Accountable Body for public funds, there will need to be a committee with responsibility for audit, which will advise the CA on financial management, internal and external audit, the code of conduct and corporate governance matters.

7.4 Organisation

To support the democratic function and coordinate delivery, the CA will need a core office / secretariat to develop the required strategies and administer devolved funds. This will include appointing to three statutory roles of Head of Paid Service, Section 151 officer and Monitoring Officer.

To resource these activities, there will be options for the resource to be sat within a Combined Authority office or using the resources within the UAs (who may also have specific locality responsibilities). As an example the Sheffield City Region CA employees zero staff (employees are employed by Barnsley MBC or Sheffield City Council then recharged to the SCR), whereas the Greater Manchester CA employs 983 staff.

However the driving principle behind the developing Oxfordshire Combined Authority proposal is that it is a small core officer team, drawing on the resources of the UAs and partner organisations as opposed to creating an additional large employment organisation.

It is also assumed that the statutory Director of Public Health role would be a joint appointment between the Unitaries to cover the whole of the current region, or is a direct appointment by the Combined Authority under a devolution deal. Joint appointments are increasingly common as authorities seek to reduce cost, but also because public health issues are more effective across a large population to help identify trends and to utilise specialist analytical skills.

In relation to the statutory Director of Children's Services and Lead Member for Children's services the suggested approach is similar to the tri-Borough arrangement in London. Each authority would have a Lead Member for Children's Services. A Director of Children's Services would sit over all the authorities as a joint appointment and each authority would have an Assistant Director of Children's Services covering more operational delivery in their locality, plus some shared responsibilities across the region. This approach potentially strengthens the senior leadership for Children's Services across the region and builds in potential for succession planning and development of specific focus relevant to each area.

In relation to Adult Social Care, the creation of unitary authorities with social service responsibilities would require each to ensure that have sufficient staff to perform their statutory functions and act in line with statutory guidance, The strategic chief officer post of director of adult social services (DASS) should be directly accountable to the Chief Executive and comparable to the Director of Children's Services.

Statutory guidance on this role allows for local authorities to jointly appoint a single Director of Adult Social Services to cover their local authority areas and also to enable joint funding of posts between a local authority and an NHS body. Where such a joint appointment occurs the DASS must remain an employee of the local authority for the full range of social services responsibilities. In addition, local authorities may extend the DASS's responsibilities to cover other local authority services and responsibilities (such as leisure, housing, transport and adult education).

A comparable arrangement for adult social care and children's services would therefore be possible to utilise expertise across the region and to build a resilient team operating across adult social care, health and wider determinants of health.

7.5 Conclusion

A Combined Authority for Oxfordshire would complement the UA model by providing a vehicle for strategic decision making, and accountability through a Mayor for the strategic issues that need to be addressed to enable Oxfordshire to reach its economic potential. The ability to pool funds and budgets and prioritise to maximise growth or address need. At the same time, the CA model allows a degree of local UA flexibility and efficient delivery through UAs and partners.

8 Children's services

8.1 Context

Oxfordshire is not alone in facing challenges raised by either children and young people experiencing abuse and neglect and the increasing volumes of those in need, nor in terms of variance in educational achievement. Vulnerable children and young people generally have poorer outcomes than their peers, across measures such as health status, educational attainment, social inclusion and employment and skills. Traditionally councils have tried to address these deficits by focusing on the needs of vulnerable children and young people, an approach which is encouraged by statutory duties, requirements and inspection. Oxfordshire does this well.

Good foundations

The good foundations in Children's services across Oxfordshire needs to be seen as a platform for further improvement and enhancement. The overall good position is recognised both locally by stakeholders and nationally in inspection reports and stakeholder discussions. Following the crisis revealed by the Bullfinch case which identified issues with joint working and joined up front line there has been a particular focus in recent years on child sexual exploitation leading to the development and piloting of nationally recognised leading practices. This was recognised by the Joint Targeted Area Inspection of the multi-agency response to abuse and neglect in Oxfordshire which said *'the specialist, multi-agency child sexual exploitation team, Kingfisher, is pivotal to the operational responses of the local authority, police and health services, and this ensures that there is a high standard of inter-agency working with sexually exploited children'*²².

The report also found that this strong practice was not consistent across all services offered to other children and families when they are first referred to the children's services. Children and families first contact sometimes experienced poor processes and practices at the front door. There are plans in place to address this but progress was criticised for being slow and partners have highlighted the need to respond to demand to non-acute cases.

Ofsted's most recent inspection outcomes rated children's services in Oxfordshire as good overall across all judgement areas, which while not outstanding compares favourably with the other 87 local authorities inspected in the South East.

Ofsted Judgements on South East Local Authorities Childrens Services

Judgements	Outstanding	Good (Oxfordshire)	Requires improvement	Inadequate
Overall effectiveness	2%	24%	49%	24%
Children who need help and protection	0%	23%	56%	21%
Children looked after and achieving permanence	2%	32%	55%	10%
Adoption performance	8%	46%	39%	7%
Experiences and progress of care leavers	2%	34%	49%	14%
Leadership, management and governance	8%	23%	48%	21%

Stakeholders generally agree that operationally teams are working well together but that commissioning in some areas can be fragmented and uncoordinated. The overriding priority is to maintain the focus on protecting

²²

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/521906/Joint_inspections_of_child_sexual_exploitation_and_missing_children_Oxfordshire.pdf

vulnerable children, building on the good foundations but recognising the potential improvement areas and need to recognise the challenges ahead.

Challenges ahead

The Children, Education and Families Directorate at Oxfordshire County Council, and other partners, face a number of challenges, irrespective of any change in the structure of local government. The budget position within the council means that significant savings are required as the current approach is unsustainable. There is also increasing pressure on services as a result of rising demand and changing requirements. Given services will already be going through a period of change and transformation, the question is whether the transformation which County Council is currently taking forward could be enhanced and strengthened by a devolution deal and unitary solution.

The challenges facing children's services are significant:

- Financial – local government has many of the ultimate accountabilities for outcomes for children but is facing a financial challenge to reduce expenditure and improve outcomes. In the Oxfordshire context the specific resources on children's services are being redesigned to reduce spend by 40% while creating a wholly new £12m service.
- Demand – the number of children requiring care and support is volatile but has been steadily increasing nationally and locally. In Oxfordshire the number of children on child protection plans rose 50% between March 2011 and March 2014, compared to 9% nationally, and has continued to rise since. This above average national increase is common in areas that have experienced high profile Child Sexual Exploitation cases, although most children on child protection plans in Oxfordshire are subject to a plan because of neglect. Other contributory trends include the rapid increase in Unaccompanied Asylum Seeking Children (UASC).
- Operating environment – the operating environment for children's services, and the role and accountabilities of local government, are complex and subject to rapid change. Across the UK, there were 98 separate Acts of Parliament affecting children passed between 1987 and 2008, with over 400 different initiatives, strategies, funding streams, legislation or guidance and organisational changes to services affecting children and young people²³. The pace of change has not slowed down since.
- In addition, changes to society mean that new challenges and demands are being placed on children's services, for example where technology has transformed childhood and the average 11 year old boy has viewed pornography and 1 in 12 children deliberately harm themselves.
- People challenges – social work is hard with challenging personal and professional responsibilities. Many social workers choose to leave the active profession after a few years for a variety of reasons, including increasing referral rates, increasing caseloads, diminishing support and lack of control of career development. As experienced staff leave it puts extra pressure on less-experienced staff and increases the reliance on agency staff. In Oxfordshire programmes are being introduced to attract more staff but the challenge is compounded by the high cost of living and affordability of housing.
- Leadership challenges – there is a recognised shortage of leadership excellence within children's services nationally and a desire to bring the best people into the profession. Due to the challenging nature of the work there is a potential concern that finding numerous strong local leaders and teams could be a risk. Essex is a good example of an authority where strong leadership has helped develop a pipeline of talent and nurturing of practice excellence. The leadership of these services is important in changing culture and practice and empowering all practice staff to spend more time with families and children.

County approach

In response to these challenges the County Council consulted last year and is in the process of implementing plans to withdraw from universal service provision and redesign early intervention work to focus the service

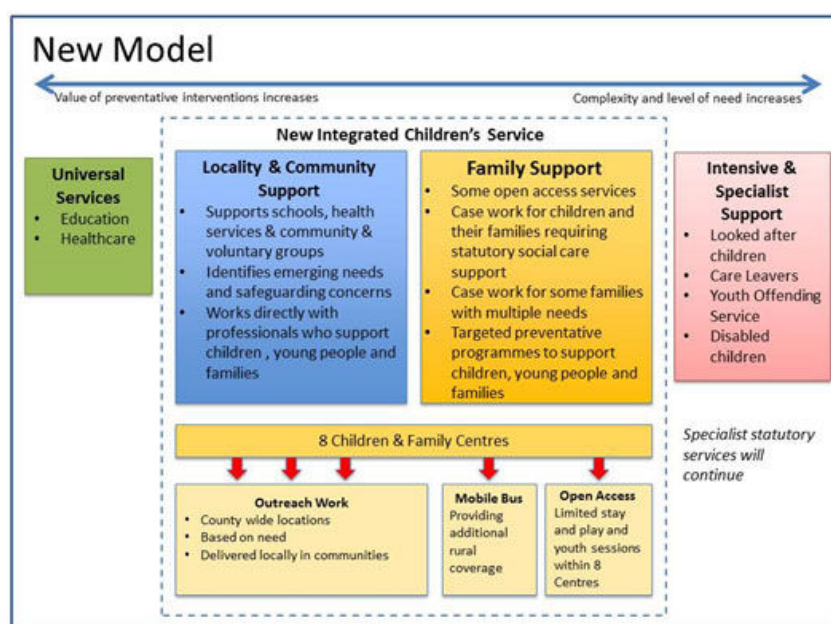
²³ Action for Children, 2008, As long as it takes: A new politics for children

more on the statutory duties and requirements on local government as it seeks to find savings of £8m across children's services. This would include closing the majority of the 44 children's centres across the region.

The transformation aims to create a wholly redesigned £12m service consisting of a Locality and Community Support Service, Family Support Service and eight designated Children and Family Centres delivering a range of primarily targeted, with additional open access, sessions supported by an administrative service.

It is intended that the new service will have strong working relationships with other social care teams within the Youth Offending Service including specialist services provided by partner organisations and universal services.

The diagram below provides an illustration of the new service, with the parts inside the dotted line showing the new service proposed by the County. This direction of travel is at odds with that being followed by partners notably Thames Valley Police and NHS who prefer early effective intervention as a means of providing better protection to children now and preventing more acute cases in the future. The Department for Education suggest that there is a need to consider innovative responses to children at the edge of care to prevent an escalation of intervention requirements, although they are less convinced of the evidence around universal services without effective targeting.



Ambition for children

The ambition of the districts is that, alongside the protective duties of local government, a unitary and combined authority model could allow the whole system to be redesigned to nurture the assets within children and young people, their families and their communities so as to build resilience and aspiration. Universal services are seen as a gateway to the specialist health and social care support that children with more moderate and severe levels of need require. Access to quality provision is vital.

Achieving resilient families is a shared responsibility, requiring a commitment across local government, the NHS and the wider public sector, as well as the voluntary and community sectors and the engagement and commitment of children and young people, their families and their communities. It requires system wide reform which a devolution deal could help to trigger by stimulating ever closer integrated working between authorities, other partners and with communities.

8.2 Devolution proposals

The current devolution proposals relevant to children focus on health and well-being, rather than just at risk, where the aim is to bring together a single approach for health and social care in Oxfordshire, bringing together organisations and budgets to create a system that will deliver care and better value for money. These proposals are based on three phases of work:

- Firstly, to build on existing arrangements and powers to integrate local commissioning teams, increase the current pooled commissioning budget and to strengthen the Health and Wellbeing Board;
- Secondly, to devolve national budgets and powers and evolve the Health and Wellbeing Board into a body, responsible for commissioning of all health and social care and public health services for Oxfordshire's residents.
- Thirdly to consider how health and social care governance arrangements interlocks with and complements those of any new Combined Authority structure.

The intention was that this arrangement should cover both children's and adult social care services. From the current proposals there is a risk that the specific needs of children's services will be dominated by a focus on integration of health and adult social care, which is a national concern of the Association of Directors of Adult Social Care. This could perpetuate the perceived position locally where the business of the Health and Wellbeing Board is dominated by adult health and social care, leaving the issues of commissioning services for children fragmented and missing opportunities to integrate with other front line services such as housing, schools and community safety. A specific focus on children's services would help to avoid this risk and recognise that in relation to children services local government, health and the police are critical. Specific proposals on using a devolution deal for improving outcomes for children would be valuable.

Nationally, there are few devolution deals that have had a focus on children's services. The two areas that are most explicit are in further devolution deals to both the Liverpool City Region and Greater Manchester, where in both areas there is a commitment to undertaking a fundamental review of the way that all children's services are delivered making the best use of existing resources.

Liverpool City Region <i>Further devolution to the city region combined authority and to the directly elected mayor</i>	Greater Manchester <i>Further devolution to the combined authority and to the directly elected mayor</i>
<p>The government will support Liverpool City Region to undertake a fundamental review of the way that children's services are delivered. The review will explore how integrated and more efficient ways of delivering services can be achieved by making best use of existing resources. The proposals will be developed from April 2016 within a framework of locally accountable leadership, delivery and commissioning arrangements, and specific proposals will be subject to Department for Education, HM Treasury and individual local authority approval.</p>	<p>The Government and Local Authorities will undertake a fundamental review of the way that all children's services are delivered, including services by Local Authorities and other public service providers. The review will explore how integrated and more efficient ways of delivery of all services can be achieved by and for Greater Manchester Local Authorities, making best use of existing resources and linking service transformation to the scaling up of Early Years new delivery models and to the education and criminal justice systems. The proposals will be developed within a framework of locally accountable leadership, delivery and commissioning arrangements and specific proposals will be subject to Department for Education, HM Treasury and individual Local Authority approval.</p>

In addition to these two areas, there are other sub-regional proposals being developed within Local Safeguarding Children Boards including:

- Birmingham's Safeguarding Children Board Transforming Programme, changing the function of the Board to concentrate on scrutiny, assurance and evaluation, whereas the OSCB is seen as having to step in and support commissioning; and
- West Midlands LSCB Chairs System Change Project, which aims to reassign a number of functions from individual Boards to be carried out in a regional model.

There is support for greater consideration of children's services within devolution proposals. The Wood Review, which was established to review the role and function of Local Children's Safeguarding Boards, and reported earlier this year made, a specific call for devolution proposals to be incentivised and encouraged by Government.

The applicants for devolution deals who have a deal in place or are in negotiations should be invited, if they have not already done so, to include proposals for transforming multi-agency arrangements for child protection and safeguarding services more widely in their bids. »

Wood Review

The similarity in both current devolution deals suggests that devolution on children's services will be more likely with a combined authority and directly elected mayor, where there is a commitment to key components including:

- A fundamental review of the way in which children's services are delivered
- Integration and more efficient ways of delivering services
- Making the best use of existing resources
- A framework of locally accountable leadership, delivery and commissioning relationships
- Specific proposals being subject to Department for Education, HM Treasury and individual local authority approval

8.3 Future ambition

Approach

This section outlines a possible approach for Oxfordshire which aligns to these key components of existing devolution deals and the ambition of local partners.

Strategic ambition

A strategic ambition for a devolution deal around children's services could focus on creating:

A proactive integrated approach to investing in children and families capacity and capability across Oxfordshire so that they take every opportunity to fulfil their positive potential.

The purpose of which would be to ensure safeguarding of children and young people, meaning that they are not only protected from harm but their welfare is promoted through:

- Investing in the strengths and assets of children, families and communities
- Integrating actions within a shared and collaborative way of working
- Putting children and young people at the heart of what we do
- Enhancing life chances

The aim would be to ensure better outcomes for Oxfordshire in terms of: lower levels of vulnerable children and families; enhanced aspirations of families for their children and improved educational attainment and achievement; and a reduction in the impact of parental risk factors that contribute most to abuse and neglect of children. Within five years the goal could be to have shifted resources into positive activities without increasing the risk to vulnerable children, making the case for upfront investment to change the projected profile of demand. The objective would be to have secured agreement locally by the end of the year and devolution deal by the end of financial year to enable this shift.

A fundamental review of the way in which children's services are delivered

Stakeholders are concerned that the good performance of current arrangements will be at risk during transition to any new arrangements, particularly as the County is already undertaking a transformation programme. While the focus of the County's work is to meet its statutory and protective duties there is a concern that reducing the focus on universal services will weaken the early intervention and prevention activity. For the County this is necessary to release the resources and capacity to manage increasing caseloads where children are judged to be vulnerable and at risk.

Reducing universal services is a national concern of the UK Children's Commissioners who in their most recent report to the UN stated:

« There has also been a significant reduction in funding to statutory authorities across the UK. It is feared that reduced access to local universal services for children will put further pressure on services for those most in need; the Commissioners are very concerned that, due to budget cuts, statutory services are only focussing

on delivery of their statutory duties. In practice, this means that funding is being withdrawn from many critical preventative and early intervention services that play an important role in the lives of vulnerable children. »

5th period report of the UK Childrens Commisioners

The Wood Review has explored the role of Local Children's Safeguarding Boards and identified a need for a new model that will ensure collective accountability across the system, with local authorities, health and the police playing the lead roles in a more flexible and focussed arrangement. A key recommendation is for greater separation of strategic focus within the boards from operational and business planning, with greater alignment and co-terminosity between key partners. The perception of the City, where issues are mostly concentrated, and of partners is that the safeguarding board in Oxfordshire performs well but at times has to step into areas of commissioning outside of its intended remit where there is no robust commissioning and scrutiny structure in place.

In its response, the Government has stated that it wants strong and effective arrangements for local agencies to work together to improve outcomes for children and their families and share information effectively and will bring forward legislation to make it happen. The Government's goal is to support and enable local agencies to work together in a system where:

- Excellent practice is the norm;
- Partner agencies hold one other to account effectively;
- There is early identification of 'new' safeguarding issues;
- Learning is promoted and embedded;
- Information is shared effectively;
- The public can feel confident that children are protected from harm.

In seeking to establish unitary government there is an opportunity for Oxfordshire to frame its ambition, alongside the protective duties, as creating and establishing a whole system that nurtures the assets within children and young people, their families and their communities so as to build resilience and aspiration. A commitment to a fundamental review, working with Government and acting as a pathfinder for new arrangements, could build on previous agreements and reflect the districts ambition.

It is suggested that the unitary solution adopted should through a devolution proposal seek local and national agreement for 'The government to support Oxfordshire Region to undertake a fundamental review of the way that children's services are delivered *and demand can be reduced*. The review will explore how integrated and more efficient ways of delivering services can be achieved by making best use of existing resources. *It will also explore how early intervention and prevention at the edge of care can reduce the demand for statutory protective services.*'

Integration and more efficient ways of delivering services

This review was not intended to include a detailed design of a more integrated and efficient way of delivery services, which would require significant additional resource. Plus the County have already consulted on and are in the process of implementing an approach to drive efficiencies from the protective duties that they are responsible for. That consultation identified 14 key messages for the County that while recognising the funding pressures generally rejecting the proposals put forward and seeking to protect universal services with concern reduced prevention will have damaging knock on effects.

However, those proposals could be reconsidered in relation to the wider benefits of a unitary government model and additional simplification of organisational responsibilities. All stakeholders have agreed that a unitary model would allow further consideration of greater integration and more efficient ways of delivering services, relevant to each locality. Specific opportunity areas identified included:

- Integration with housing services – the role of housing in supporting early intervention and in identifying needs could be more visible and integral, particularly in the city. Homes and the communities that families live in are a vital part of their lives, and housing providers can be well placed to be among the first to spot signs of difficulties with debt, anti-social behaviour, and challenges like domestic violence that can all impact on children's welfare. They can be an important partner in sharing information and data about families who are experiencing difficulties, coordinating assessments, and delivering 'family first' responses.

- Integration with leisure and recreational services – these services can be important in providing children and young people with opportunities for social inclusion and to enhance self-esteem, enjoyment and achievement. Evidence suggests that where leisure time activities are sustained throughout teenage years they can have a significant impact on young people’s resilience and on their outcomes in later life.
- Integration at a community level – developing the integration of community responses, including in high risk areas, would building on the framework of community partnerships and enhance the role and responsibility of schools and other community organisations, particularly where early signs could be picked up and interventions can be effective in tackling those children at the edge of care.

A unitary model would allow for more seamless integration of these functions to enhance and develop these opportunities, in particular to focus on how universal services, early intervention and prevention can help reduce the number and seriousness of vulnerable children needing care and protection.

Building resilient families and communities can only be achieved by building effective and connective services and support that builds capacity and releases capability, with the aim of reducing children and young people coming into care and building the pathways to independent lives. Any change in children’s services needs to ensure it maintains and enhances outcomes for children and young people, and has the full support of all partners.

The development of the unitary and combined authority model for children’s services would be a new innovation and can be design to use evidence about what works in children’s services, and should align to the ambition of the Governments innovation fund which recognises that there is a need for *‘the future shape of children’s social care to be defined not by Whitehall, but by the very best professionals and leaders using the very best evidence’*²⁴.

With world class local Universities and an interest in evidencing ‘what works’ through research plus the development of teaching and training, Oxfordshire is well placed to be at the forefront of innovation in children’s social care and development of a pipeline of excellent leaders. The particular focus in Oxfordshire would be on demonstrating how early intervention and prevention services at the edge of care could commence a move to lower future public spending and better outcomes.

Tri-Borough (Westminster, Kensington and Chelsea, Hammersmith and Fulham local authorities) received £4m through the DfE’s Innovation Fund to implement their ambitious new model called Focus on Practice to achieve more purposeful practice and effective interventions with children, young people and their families. The Tri-Borough are investing in training their children’s social care workforce, just over 700 staff in total, from top leadership through to frontline practitioners across the three local authorities. Focus on Practice includes; training in evidenced based methodologies including systemic practice, motivational interviewing, parenting theory and skills and Signs of Safety, new approaches to supervision and embedding clinical psychologists and family therapists in teams. This is enabling frontline staff to engage more positively and proactively with families with the long term aim of reducing re-referrals and entries into care. Early evidence suggests these new approaches are having a positive impact on staff and the families they engage with.

Making the best use of existing resources

Excluding schools, there are currently 1175 FTE (plus 98 FTE temporary staff) at the County, with a staff budget of £42.7m and non-staff spend of £90.9m (and a net expenditure of £51.7m), means the scale of this function alone is larger than the four non-city districts. But the County resources are only part of the effort that is needed to improve outcomes for children and young people, and increasingly is focussed on the areas where intervention is required.

²⁴ Department for Education, 2016, Children’s Social Care Innovation Programme

The belief is that early intervention would offer the potential to make better use of existing resources over time, recognising that it may initially cost more before programmes start to reduce demand. Research on the financial impact of early years interventions in Scotland suggested that if a package of interventions can reduce future public cost associated with not having the best start in life by 100%, and that impacts persist through life, then the package would result in an increase in public spending for approximately 2 years across the moderate and severe groups. After this period, as the effectiveness of the package, and the number of cohorts affected, offsets the cost of the intervention package we estimate future public spending on these groups would fall. Analysis shows that should the package of interventions prove to be successful in reducing future public cost by just 10%, then public spending would still only increase for a 2 year period, but future public spending would reduce at a slower rate.

Evidence from the Early Intervention Foundation suggests that there are three key enablers that drive success in delivering early intervention locally and should be the underpinning strategic aspects of local planning and delivery. The three key enablers are:

- The breadth and depth of the local partnership
- Having a clear strategic approach, which includes use of the best evidence based programmes
- Rich use of data to assess how well things are working locally

Developing a unitary and combined authority model in Oxfordshire, as part of a devolution deal, should provide an opportunity to strengthen all of these enablers. It could create the foundations for a new partnership model with a strategic framework established at combined authority level and practice based delivery through integrated teams within individual localities based on unitary authorities, health clusters and local policing areas. The County is already developing locality based working, structured around three areas so this would align to current plans.

There is recognition of the need for agreeing the strategic approach to utilise the best evidence available and make rich use of data to assess how well things are working locally. This is an opportunity for greater alignment with the university sector to develop a strong understanding of ‘what works’ to maintain a strict focus on ensuring every pound spent is value for money. Investment will be prioritised on evidence based policy, with an invitation to utilise knowledge partners locally to help put evidence at the heart of delivery plans.

A framework of locally accountable leadership, delivery and commissioning relationships

The current framework for accountable leadership, delivery and commissioning means that the County Council has a lead but not sole role – there is a shared responsibility for outcomes involving many more partners. For those partners any change is also an opportunity to revisit the overlap between existing committees including the LSCB, Health and Wellbeing Board, Community Safety Partnerships, Local Family Justice Boards, Safeguarding Adults Board and Children’s Trust.

It is also an opportunity to create a more streamlined accountable monitoring system that allows greater freedom for innovation and collaboration between local partners. As the Government looks to update requirements on local governance for child protection it is likely to require local government, health and police partners to work together to establish governance arrangements and decide a range of issues, including the following:

- The area or region which should be covered under the joint arrangements;
- How they will involve and work with other agencies who have a key role in protecting children;
- A plan setting out details of the arrangements, which they will publish;
- Resourcing for the arrangements;
- How they will ensure a strong degree of independent scrutiny of the arrangements.

In relation to children’s services, proposals that are being developed by groups of local authorities, health and police services to improve services and reduce overlap from which Oxfordshire could benefit. The factors being taken into account are the scale of the area, geography and different organisational boundaries.

In education, the progressive removal of local authority involvement and emergence of multi-academy trusts suggests that there is a need for a strategic framework for overseeing the relationship with schools (for example on school place admissions) and a local delivery relationship with individual schools (for example on their role in preventative and early intervention work around child protection).

Our discussions with the County, local districts, the Department for Education and PwC's advisors, many of whom are former practitioners, suggest that consensus could be reached on a model which provides:

- Strategic leadership operating at the Oxfordshire level – this is necessary to provide the framework within which services are commissioned and reviewed but also to maximise the input from senior officers and partners, where a sub-division into more local areas would increase the time spent in liaison and reduce the time and resources focussed on delivery. This could be addressed through a combined authority led strategic arrangement for strategic issues on safeguarding, schools and service planning.
- Strategic commissioning for specialist support – it is also a preference for strategic commissioning to operate at this level to make efficient use of resources and to recognise that smaller authorities can be severely impacted by the need for high cost provision in care services or lack access to the specialist provision required.
- Operational delivery around localities – An integrated delivery / practice led model based around localities which are coterminous wherever possible is also the shared ambition of all parties. The current basic building blocks for this in three key partners – local government, health and policing – are all modelled on three localities (Northern Oxfordshire, Oxford and Southern Oxfordshire) within which more local delivery arrangements with individual children, families and schools would operate.
- Flexibility on the delivery models – there is recognition that the focus and requirements across Oxfordshire vary considerably. Much of the child protection focus is located in Oxford itself, alongside Banbury and Didcot. However educational attainment and achievement are a common issue across the county. There are also different delivery preferences and priorities within each area which the proposals will need to respect.

Another enabler of effective innovation identified by the Government's evaluation of its innovation programme is to ensure that the voices of children, young people and families are listened to as part of the process of developing new services to support them. This can be more difficult if decisions are too far removed from those that they affect.

The unitary authorities would need to cover the role of the Director of Children's Services and Lead Member, while recognising that there is a national need for strengthening the pipeline of leadership excellence. While a current County lead reduced the need for multiple leaders it depends on the quality of that leadership and has limited in built resilience and natural succession. The model adopted in the Tri-Borough arrangement has some parallels for a combined authority and unitary solution in Oxfordshire. In that model there is a single Executive Director for Children's Services, acting as the statutory DCS for all authorities, but who is supported by Directors of Children's Services within each authority who have operational delivery responsibilities but who also take a lead across all authorities on specific services, such as adoption and fostering. Each authority retains a lead member for Children's Services. This model could work well in Oxfordshire, reflecting the variety of pressures within the region, while allowing for the development of strong leadership team working across traditional boundaries. There would also be potential, as part of the combined authority and mayoral model, for a 'deputy mayor' for children's services. Current statutory guidance on the requirements for a Director of Children's Services and Lead Member is likely to be reviewed and this is an opportunity to test a proposal that is most likely to drive collaboration and co-ordination between all parties, not just the local authorities, and support the pipeline of leadership excellence which the Government is seeking.

Specific proposals being subject to Department for Education, HM Treasury and individual local authority approval

The development of specific proposals needs to be taken forward in agreement between all parties before Government approval is sought. That process will take some time but can be based on some agreed principles for the design of a fundamental review and service model.

8.4 *Principals within a unitary model*

Any change in current arrangements must not put children and young people at risk, either during transition or as a result of transition. The result of any change should be a robust model for safeguarding children and young people, particularly at the edge of care, while also raising ambition and aspiration.

Proposals for children's services within a unitary government model in Oxfordshire need shared understanding agreement and development. At this point the focus has been on developing strategic guiding principles that can be used as the basis for working toward a consensus and inform decision making about how change could enhance current arrangements. They are not hard-and-fast rules but seek to describe the preferences for what a unitary and combined authority model would seek to achieve and the behaviours it would facilitate.

The proposed guiding principles are any move to unitary government will be a stimulus for developing a model of safeguarding children and young people which establishes:

- A new relationship between local government, health and policing to provide integrated strategic leadership and commissioning that enables shared decision making, genuine co-production and joint delivery of services placing outcomes for children and families at the heart of everything;
- The first priority for children's services must be to keep children safe from abuse and neglect which will be done by meeting statutory duties as efficiently and effectively as possible at a combined authority level,
- A commitment to building resilience and aspiration by acting before children are vulnerable by recognising and building on the strengths of individual children, relationships within families and within communities to change behaviour and reduce demand for statutory services;
- This shift requires:
 - A focus on prevention and early intervention and the provision of specialist interventions and improving outcomes for citizens where providers in each locality are incentivized achieve early interventions through managing total budgets.
 - Evidence of what works to inform both an understanding of what is happening and to shape strategic commissioning, which should include the involvement of children and families through meaningful consultation and engagement.
 - A workforce has the training, skills, information and tools that it needs to work effectively.
 - An ability to share data and insight about past performance in close to real time and predictive analytics to inform both operational and strategic planning
 - An outcomes focus where the commitment is to increasingly shift resources into universal and preventative services
 - Integrated local provision focused on what is needed in each locality levels from the family to the school to the region.

It is recommended that as part of any Oxfordshire devolution settlement a similar approach is taken to undertaken a detailed and fundamental review of the way children's services are delivered involving all those with a shared responsibility.

9 Adults services

9.1 Context

Adult social care is a system under strain nationally and locally. It is perhaps the single biggest pressure on local authority finances with a clear recognition of the challenges this represents. The Spending Review 2015 announced new powers to raise Council Tax by up to 2 per cent to spend on social care, providing flexibility for local authorities alongside additional money for social care provided through the Better Care Fund from 2017/18. Despite this the social care funding gap has been estimated at between £2bn and £2.7bn nationally and within Oxfordshire there is a need to find savings of £176m by 2020/21 across health and social care.

"I do not believe that it would be prudent for us to assume any additional NHS funding over the next several years, not least because I think there is a strong argument that were extra funding to be available, frankly we should be arguing that it should be going to social care. That is one of the arguments that I have been making publicly, and I think social care has a very strong case for that."

Simon Stevens, Chief Executive of NHS England speech to the NHS Confederation 20 June 2016

There is universal recognition that better co-ordination of health and social care designed around the person is needed to provide both improved service outcomes and to reduce costs. The aim is to shift care into the community, closer to home, making care more personalised and supporting people to live more independently for longer.

Integrated care means different things to different people. While most recognise the benefits of integrated care, others are uncertain about means or threatened by possible consequences, such as implied organisational changes. Increasingly, integrated care is about the ability to work across organisational boundaries under single management control and director rather than organisational integration to deliver the benefits of integrated care. No single 'best practice' model of integrated care exists. What matters most is clinical and service-level integration that focuses on how care can be better provided around the needs of individuals, especially where this care is being given by a number of different professionals and organisations.

In the recent Spending Review the Government committed to integration of health and social care by 2020 in all places. The challenge for Oxfordshire is to understand how best to create a system that maximises the benefits of integration and creates the right incentives for the system to focus on health and well-being. This is a challenge that goes beyond local government and requires collaboration between the Clinical Commissioning Group, wider health sector and providers. The current Oxfordshire Transformation Board recognises that there needs to be fundamental reform of the health and social care system to adopt new models of care.

Good foundations

Health in Oxfordshire is good overall and has been improving, with comparatively low levels of disability although 90,000 people report being limited in their daily activities. People are living longer across Oxfordshire – a woman is now likely to live to 87 – and the over 65 population is forecast to rise 18% by 2025 while the over 85 population increases by 30%. Overall disability free life expectancy in Oxfordshire is significantly above the national average.

Within the overall figures there are variances between different places reflecting the diversity of the region. For example, the more rural districts have a higher proportion of over 85s with growth highest in West Oxfordshire. Older people and population change is one of the primary health challenges in the region, resulting in changing health needs and requirements.

The Health and Well-being Board assumed statutory responsibilities in 2013 and is considered strong and established by the County Council, although some stakeholders feel it is too dominated by local government. As Oxfordshire seeks to find savings and is already relatively efficient the Oxfordshire Transformation Board recognises it will require fundamental changes to the way services are delivered.

The current consultation identifies three health and well-being gaps which will be important to address as the work develops both on the reform to health system but also consideration of the future of local government in the region. The three gaps are:

- a lifestyle and motivation gap through making it easier for people to help themselves using apps and the web
- a service gap through which all professionals prevent ill health by helping to improve unhealthy lifestyles
- a community gap and development of healthier community design and, as the county's largest employer, work harder to improve NHS workforce's health

The Districts believe that a unitary solution for local government, with a combined authority, would be well suited to delivering the emerging plans and offer the potential to create greater synergies and commitment to collaborative working at the right localities for the delivery of care closer to the home.

Challenges

- **Ageing population** – This aging population is impacting on health and local authority services across Oxfordshire, whether through demand on GPs, delayed transfers of care or pressures on social services. This pressure is not uniform. By 2023 the most likely scenario is that there will be a further 6300 over 85s in the region, but the projected proportional change between 2012 and 2037 is almost double the level of the city in West Oxfordshire. Different localities will experience different pressures, but all characterised by increasing complexity of long term conditions and frailty.
- **Wider determinants of health** – Health and wellbeing are impacted by more than just health and social care services. The built environment, housing, local environmental quality, economic growth and prosperity are all important determinants of supporting a healthy population. In a two tier system there is a disconnect between the functions planning and delivering services which have wider determinants on health from those focused on health and social care. Just as integration between health and social care is important so is integration with functions with a significant impact on health, such as transport, housing and social isolation. These issues, and their relative importance vary significantly between the District authorities, where the needs of the city are quite different to those in rural West Oxfordshire.

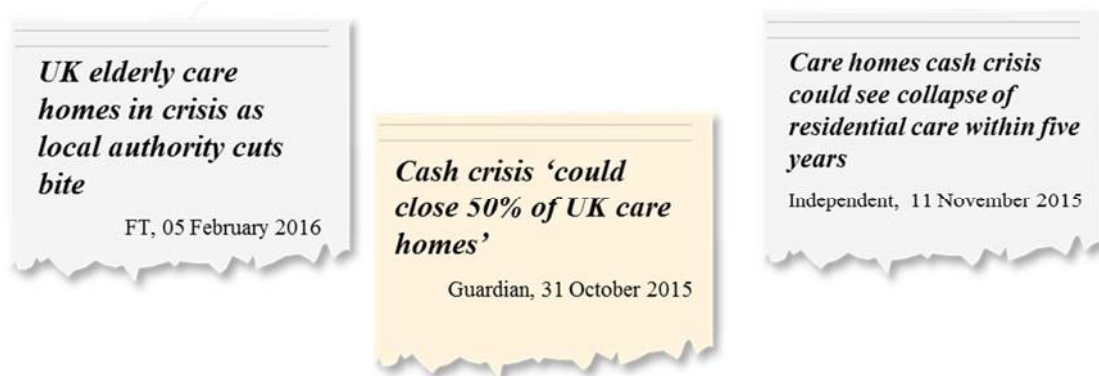
The current systems to make all this happen are complex and confusing to say the least: a mixture of District and County Councils, developers, appeals, inspectors, businesses and the views of Town and Parish Councils and the views of many local people. New developments are rarely welcomed by locals, and the whole system is fraught with difficulties until an uneasy compromise is reached.
Oxfordshire Director of Public Health Annual Report 2014-15

- **Moving forward on integration of health and social care** – The Oxfordshire health and social care system has long-standing problems in being able to transfer patients to the next stage of their care from both Oxford University Hospitals NHS Foundation Trust (OUHFT) and Oxford Health NHS Foundation Trust (OHFT). Delays in transferring to home with domiciliary support, or to a residential or nursing home setting or from community hospitals impacts on both the patient experience but also the flow of patients the Trust can support and introduces additional expense.
- **Cost pressures** – Within the Oxfordshire health system there is a need to find savings of around £176m by 2020/21 across health and social care – equivalent to 100% of CCG current spend on mental health, learning disability, community and primary care. A joint transformation approach, and the integration proposed through the devolution agenda, is essential in enabling all parties to develop a whole system redesign to achieve these savings.
- **Perversity of the pressure** – Councils believe that they were running out of scope for 'efficiencies' while the ADASS Budget Survey showed that adult social care spending on prevention has decreased despite being seen by Directors as the most important way of realising savings and being the core focus

of national and local policy. Additional cost pressures include implementation of the National Living Wage.

As budgets reduce it becomes harder for councils to manage the tension between prioritising statutory duties towards those with the greatest needs and investing in services that will prevent and reduce future needs.
ADASS Budget Survey 2016

- **Workforce gaps**– The vast majority of social worker jobs are in local government but these make up a minority of the roles within the overall adult social care sector according to Skills for Care. The workforce continues to grow with a shift away from local authority staff (down 50,000 and 27% since 2009) to independent sector jobs (up 225,000 jobs and 23%), and forecasts that demand for care staff will be at double the rate of population growth. Many of these roles are comparatively low paid where the high cost of accommodation in Oxfordshire, as well as issues with transportation and competition between local employers, will make recruitment and retention of staff even more challenging and is already an issue for both health and social care. Furthermore, 30% of Oxfordshire GP respondents reported that they plan to retire within five years, while some practices report it takes 6-12 months to recruit a GP.
- **Eligibility** – As councils have responded to declining budgets, eligibility and access to services has been tightened. There are an estimated 400,000 fewer people receiving social care since 2009-10 with those still supported receiving less care. However, in Oxfordshire there has been a 53% increase in the commissioning of home care since 2011, with an average wait of 12 days between a client being ready and receiving long term care
- **Overloaded services impacting on quality** – The pressures on commissioners and funding for providers is starting to impact on quality. 29% of patients reported the length of wait to see their GP was unacceptable, and 20% of people choose A&E rather than a GP resulting in A&E attendance rising by 1-3% annually and only 31% said they received good care managing their long term condition. Demand for hospital services is forecast to rise by 15% over the next 5 years. The CQC 2015 data for Oxfordshire shows that 8.7% of adult social care providers inspected were rated as inadequate and a further 31.9% were ‘requiring improvement’.
- **Provider capacity** – Within the provider landscape, funding pressures and under-occupancy are driving a decrease in fee rates, and suppliers of care homes are exiting the independent care homes market increasing pressure on local authority provision and making care at home increasingly important.



Both the integration of health and social care and devolution proposals are fundamental to enabling reform of the system to allow for care closer to home. The pressures on the system mean that there is a need to operate at pace to move from the case for change into new models of care as soon as possible. While a joint challenge, this

is fundamentally a health driven agenda to identify the best possible use of £1.2bn annual resources to meet the population's health needs.

9.2 Devolution proposals

The current devolution proposals relevant to health and well-being aims is to bring together a single approach for health and social care in Oxfordshire, bringing together organisations and budgets to create a system that will deliver care and better value for money.

The aim is to build on existing arrangements and powers to integrate local commissioning teams, increase the current pooled commissioning budget and to strengthen / reconstitute the Health and Wellbeing Board to enable it to hold contracts. This is then intended to be the recipient of devolved national budgets and powers so that the Health and Wellbeing Board becomes responsible for commissioning of all health and social care and public health services for Oxfordshire's residents. A move to unitary government would allow for consideration on how health and social care governance arrangements interlock with and complement any new Combined Authority structure.

The devolution deal with Greater Manchester, and the wider ambitions of the NHS Five Year Forward View, has stimulated the development of new thinking on both the integration of commissioning but also the models of delivery for health care.

Area	Deal text relating to social care
Cornwall	<p>Cornwall faces demographic challenges that are likely to put pressure on resources in future years. For example, the population of Cornwall contains more residents over the age of 75 than the average for England. This group is expected to continue to grow significantly.</p> <p>Greater integration of health and social care can help Cornwall plan for such demographic changes and maximise the efficient use of public resources. This will help enable local services to work better together, addressing issues of demand and financial pressure.</p> <p>Integrating such complex services will require re-shaping the whole system which can only be achieved through careful planning. This will require co-operation between: local partners; arm's length bodies including NHS England; and Government. This Devolution Deal for Cornwall signals a commitment to take forward the goal of improving local services and building resilience for future generations.</p> <p>Once Cornwall partners have put into effect their plans for going further and faster towards integrated care any devolution of health powers would be subject to careful consideration by Government and NHS England, taking into account the needs of people in Cornwall and elsewhere.</p> <p>In order to take forward their ambitions for health and social care integration Cornwall Council, the Council of the Isles of Scilly, NHS Kernow and other local partners will work together and with Government, NHS England and other national partners to co-design a business plan to move progressively towards integration of health and social care across Cornwall and the Isles of Scilly, bringing together available local health and social care resources to improve outcomes for the people of Cornwall and including a plan to reduce pressure on Accident and Emergency and avoidable hospital admissions. NHS England and local organisations will remain accountable for meeting the full range of their statutory duties.</p>
Greater Manchester	Health and social care leaders from across Greater Manchester are now coming together as part of the transition to control of their £6bn health and social care budget.

	<p>Together they are making progress on work to extend seven day access to primary care, radically upgrade prevention and public health, help those with mental ill health into work and make Greater Manchester's Academic Health Science System a national leader.</p> <p>By the end of this year they will have a Strategic Transformation Plan in place to show how they will deliver a clinically and financially sustainable set of health and social care services for the people of Greater Manchester. The production of the Strategic Sustainability Plan will be aligned with the Spending Review process that applies to NHS, Public Health and Local Authority social care funding.</p>
North East	<p>The North East Combined Authority and the NHS will jointly establish a Commission for Health and Social Care Integration, chaired by a senior national figure, to establish the scope and basis for integration, deeper collaboration and devolution across the Combined Authority's area, in order to improve outcomes and reduce health inequalities. It will report by Summer 2016. Terms of reference, agreed between the Combined Authority and NHS England, are attached.</p> <p>The Commission will look across the whole system, including acute care, primary care, community services, mental health services, social care and public health. It will strengthen the NHS in the North East Combined Authority area, and continue to uphold its values, standards and constitution. The commission will build on best practice, including pioneer status, and the experience of integration in Northumberland.</p>

Additional deals have been agreed in the West Midlands focussed on integrating mental health services, in Liverpool City region on further discussions on health and care devolution and in London on piloting prevention, integration and estates.

Although included in devolution deals in most areas proposals are at the early stages of development, and generally there is a commitment to explore further integration of health and social care. There is, in all areas, a need to undertake significant engagement on developing proposals into firm plans for change along the lines currently being undertaken in Oxfordshire.

Greater Manchester is the most advanced area in terms of devolution of health and social responsibilities. In their plans, health is fundamental to achieving the economic objectives of growth and prosperity to the region, with over 250,000 out of work, two thirds of whom have mental health problems, and the average healthy life expectations of parts of Greater Manchester being 57 years. While the context is different there are elements of the approach which are useful for Oxfordshire to understand including:

- The **strategic plan** builds on the ten locality plans with five priorities for system transformation based on prevention and population health, transforming community based care and support, standardising acute hospital care, standardising clinical support and back office services, enabling better care and investing in transformation.
- A **governance framework** that recognises it is still subject to the NHS Constitution or Mandate and the national regulatory framework. The Partnership Board brings together the whole system, including councils, CCGs, providers, Healthwatch and the community and voluntary sector as system-wide commitment and ownership is crucial. In addition the Provider Federation brings together all NHS providers to pool responsibilities and share services across multiple sites. The Joint Commissioning Board is co-chaired by council and CCG chief executives will commission pan- Greater Manchester specialist services but also develop common evidence-based frameworks for community and public health services if appropriate and there is a clear commitment to subsidiarity, with commissioning decisions taken at the most appropriate level.
- A **financial strategy** that recognises the most essential change needed is to reduce demand and established a £450 million Transformation Fund to invest in new models to drive prevention to change demand for services through integrated pathways for mental and physical health services, proactive strategies to reduce disease, investment in primary care and community health services, with £750 million in efficiencies to be realised in standardising acute hospital care to reduce variation and a shared back office. It is now recognised that it is difficult to shift the pattern of investment in services without wider reform of the payment system in the NHS because the tariff continues to reward activity

in the acute sector rather than prevention and that substantial capital investment was needed to shift models of provision and support.

Devolution has helped stimulate new thinking across Greater Manchester and establish governance arrangements that underpin and reinforce a place based approach that includes all partners, with increasing emphasis on the relationship with the public and the role of public services aiming to create an asset based model that enables people to avoid the need for support. Challenges, which are relevant to the Oxfordshire context include:

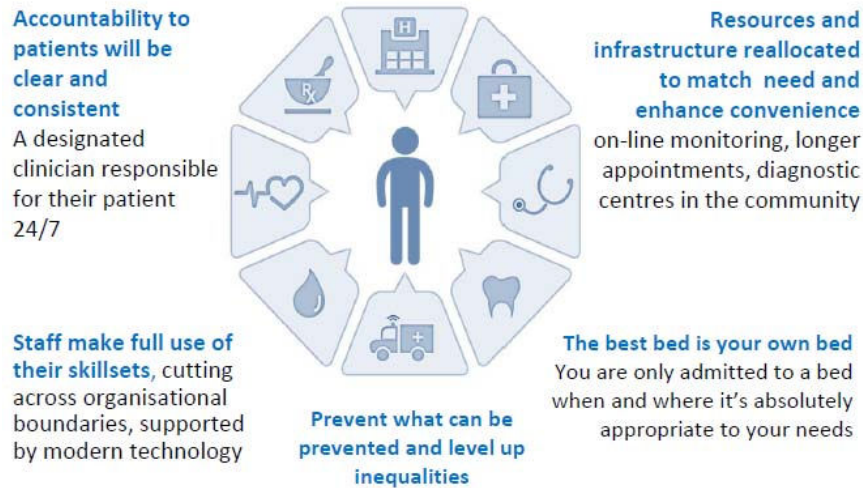
- **Operating at the right spatial level**, balancing the need of localities with the benefits of scale across a wider region. There is need for clarity on what is the most appropriate local level for decision making;
- **Making the case for prevention** to demonstrate the links between health and early intervention outcomes where the evidence base needs strengthening to convince sceptics, particularly where benefits lag the investment required. As a knowledge intensive region this is an area of potential engagement where Oxfordshire is well placed to develop robust evidence that would benefit other places.
- **Exciting the public and the workforce** about devolution to show that there are tangible benefits for those receiving and delivering care. This means being able to respond to concerns about the current system and plans and show how they will deliver more appropriate care and reflect the diverse needs of the region. It also means being able to create a system that attracts and retains the workforce required.
- **Shifting the provider landscape** to encourage and incentivise providers to work on a system wide basis which will result in winners and losers, and where a shift to community based prevention will reduce income for those focussed on traditional models of treatment.

9.3 *Future ambition*

Approach

The Oxfordshire vision for a future integrated health and social care system is based on aiming to move care being closer to the home, the key elements of which being to introduce a system which has the following characteristics and operates across six health settings:

- increases people's confidence to manage their own care
- General Practice acts as 'the gate keeper'
- delivers more integrated GP, community, hospital & social care
- manages the population's health to improve outcomes
- increases the capacity of community workforce
- organisations work together across Oxfordshire
- services focus on quality, experience and outcomes



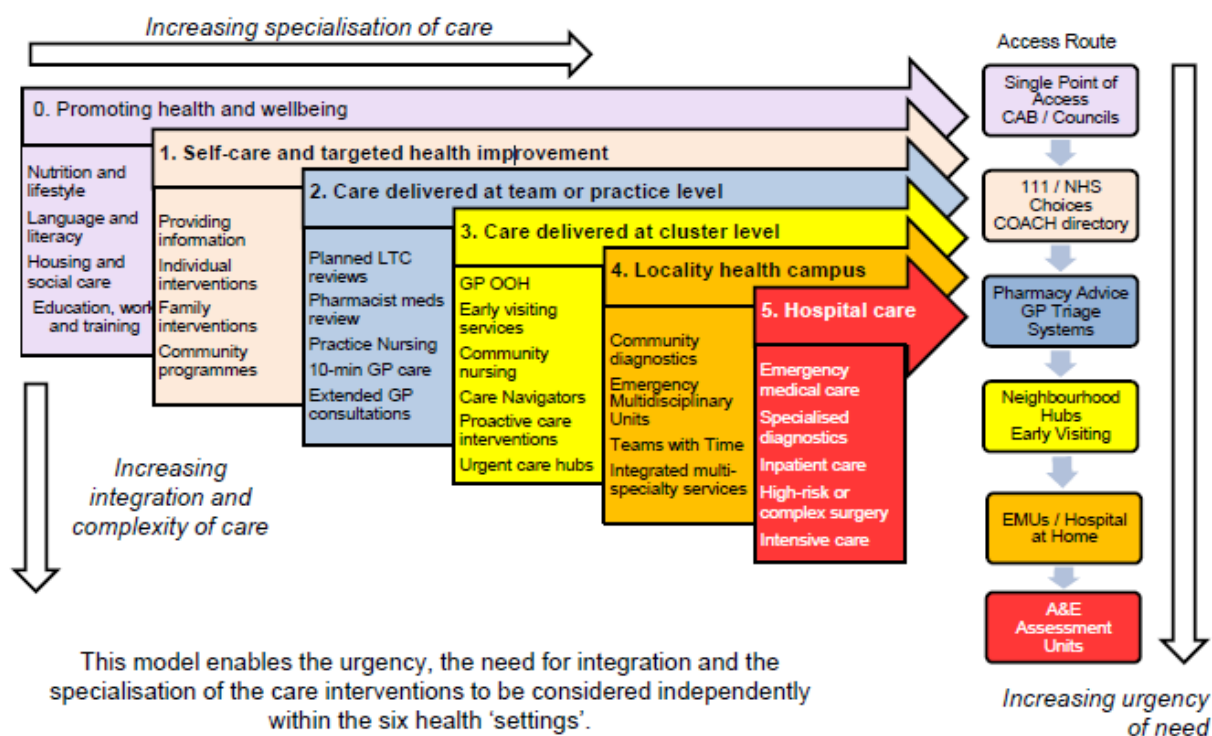
Strategic ambition

The Oxfordshire Transformation Board's current approach and ambition is to move care closer to the home where this is the best possible use of resources to meet the forecast rise in demand, and wherever possible, reduce that demand by improving the population health. This overall strategic ambition is agreed locally and forms the basis of the devolution proposals.

The purpose would be to ensure:

- Individuals take a role in managing their own care and choosing healthier lifestyles
- Integrated actions within different health settings
- Reducing the flow of those needing specialized care
- Reducing the urgency and cost of care
- Recognition of the diverse range of needs and tailoring solutions to localities and communities

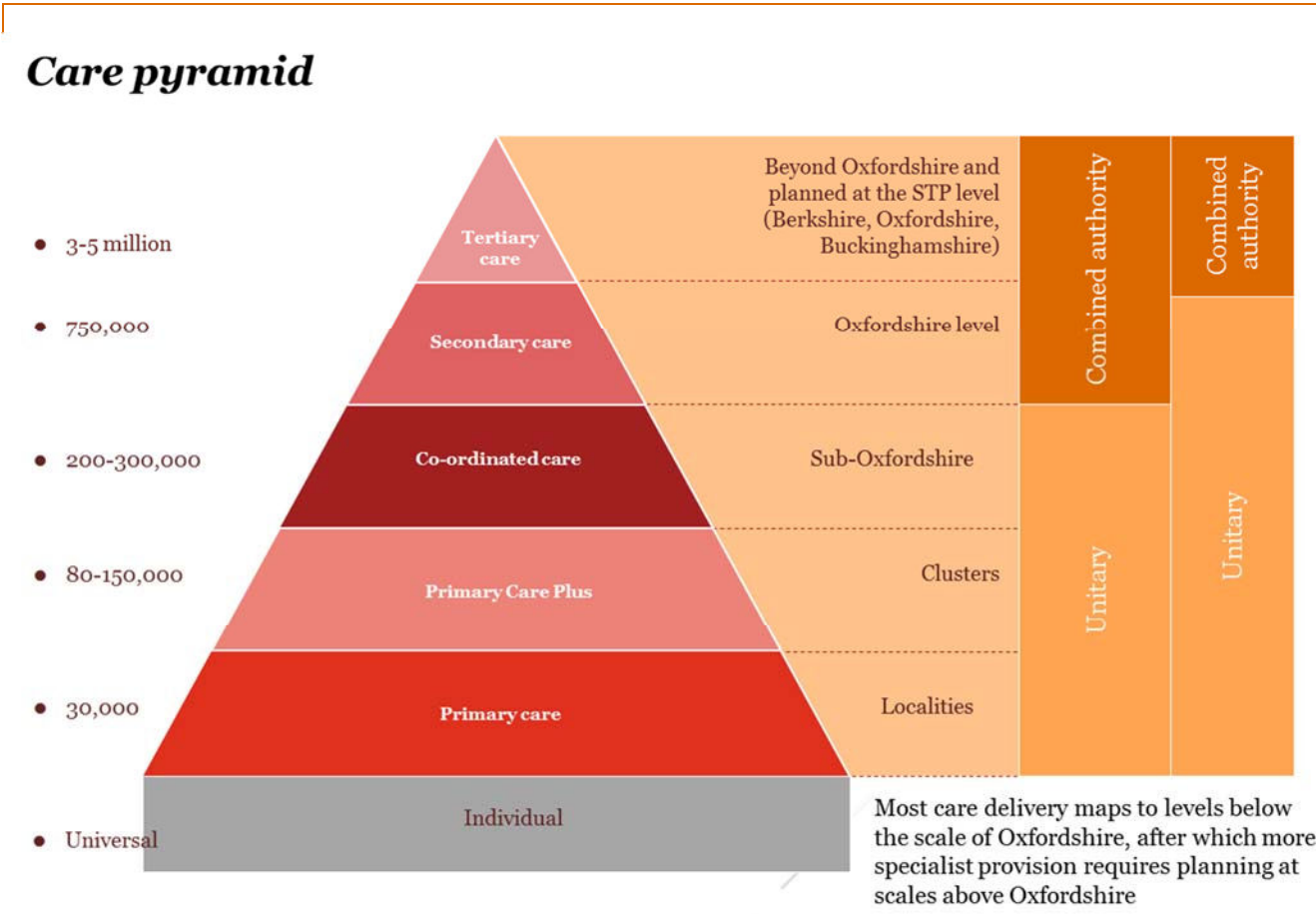
The ambition is articulated around a model that envisages six health settings within which urgency, integration and specialisation of care can be considered independently:



In this model health and care is organised around promoting health and wellbeing to the individual, targeted self-care and then organised the GP practices, grouped into clusters, which are grouped into six localities across the region (West, North, North East, City, South East and South West).

The majority of care in this model would be delivered at localities with populations well below the current population of the County. For elements such as tertiary care (specialised consultative care, usually on referral from primary or secondary medical care personnel, by specialists working in a centre that has personnel and facilities for special investigation and treatment) planning for health services operates above the scale of Oxfordshire.

The primary difference between options for unitary government in Oxfordshire is whether secondary care, which the CCG is mainly responsible for commissioning, would be co-terminus with a single authority or would be aligned within a combined authority geography. In either option the approach would commission services at a lower locality scale.



In the developing model unitary local government would be well placed to support this model achieving maximum benefits and to work with local care organisations to co-ordinate care and related services.

Local care organisations

The NHS Five Year Forward View signalled a commitment to dissolve traditional boundaries between primary care, community services and hospitals which are increasingly a barrier to the personalised and co-ordinated care that people need. It made long term conditions a central task of the NHS, where caring for these needs ‘requires a partnership with patients over the long term’. Oxfordshire has not been at the forefront of developing new care models with the Vanguards that are developing a blueprint for the future of the NHS and care services surrounding the region.

New care models - the vanguards

Integrated primary and acute care systems - joining up GP, hospital, community and mental health services

- 1 Wirral Partners
- 2 Mid Nottinghamshire Better Together
- 3 South Somerset Symptom Programme
- 4 Northumberland Accountable Care Organisation
- 5 Salford Together
- 6 Better Care Together (Morecambe Bay Health Community)
- 7 North East Hampshire and Farnham
- 8 Harrogate and Rural District Clinical Commissioning Group
- 9 My Life a Full Life (Isle of Wight)

Multiprofessional community providers - moving specialist care out of hospitals into the community

- 10 Calderdale Health and Social Care Economy
- 11 Wellbeing Erewash
- 12 Fylde Coast Local Health Economy
- 13 Modality Birmingham and Sandwell
- 14 West Wakefield Health and Wellbeing Ltd
- 15 All Together Better Sunderland
- 16 Dudley Multiprofessional Community Provider
- 17 Encompass (Whitstable, Faversham and Canterbury)
- 18 Stockport Together
- 19 Tower Hamlets Integrated Provider Partnership
- 20 Better Local Care (Southern Hampshire)
- 21 West Cheshire Way
- 22 Lakeside Healthcare (Northamptonshire)
- 23 Principia Partners in Health (Southern Nottinghamshire)

Enhanced health in care homes - offering older people better, joined up health, care and rehabilitation services

- 24 Connecting Care - Wakefield District
- 25 Gateshead Care Home Project
- 26 East and North Hertfordshire Clinical Commissioning Group
- 27 Nottingham City Clinical Commissioning Group
- 28 Sutton Homes of Care
- 29 Airedale & Partners

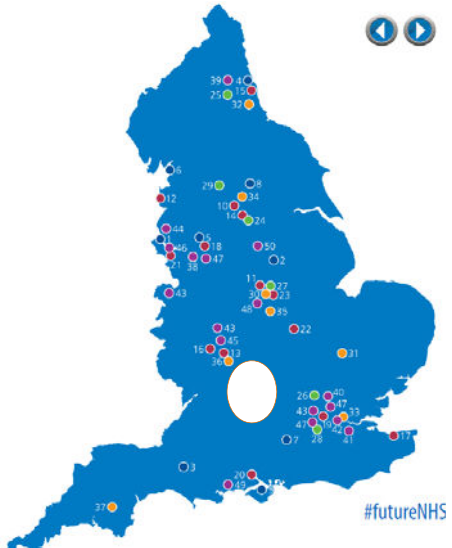
Urgent and emergency care - new approaches to improve the coordination of services and reduce pressure on A&E departments

- 20 Greater Nottingham System Resilience Group
- 31 Cambridgeshire and Peterborough Clinical Commissioning Group
- 32 North East Urgent Care Network
- 33 Rarking and Dagenham, Havering and Redbridge System Resilience Group
- 34 West Yorkshire Urgent and Emergency Care Network
- 35 Leicester, Leicestershire & Rutland System Resilience Group
- 36 Solihull Together for Better Lives
- 37 South Devon and Torbay System Resilience Group

Acute care collaborations - linking hospitals together to improve their clinical and financial viability

- 38 Salford and Wigan Foundation Chain
- 39 Northumbria Foundation Group
- 40 Royal Free London
- 41 Foundation Healthcare Group (Bartford and Goswami)
- 42 Moorfields
- 43 National Orthopaedic Alliance
- 44 The Neuron Network (The Walton Centre, Liverpool)
- 45 MERIT (The Mental Health Alliance for Excellence, Resilience, Innovation and Training) (West Midlands)
- 46 Cheshire and Merseyside Women's and Children's Services
- 47 Accountable Clinical Network for Cancer (ACNC)
- 48 EMRAD - East Midlands Radiology Consortium
- 49 Developing One NHS in Dorset
- 50 Working Together Partnership (South Yorkshire, Mid Yorkshire, North Derbyshire)

#futureNHS



The first 29 Vanguard focussed on integrated primary and acute care systems to join up GP, hospital, community and mental health services, multispecialty community providers to move specialist care out of hospitals into the community and enhanced health in care homes to offer older people better, joined up health, care and rehabilitation services. Additional Vanguards have been established to look at urgent and emergency care and acute care collaborations to link hospitals together to improve their clinical and financial viability, reducing variation on care and efficiency. The learning from these Vanguards and other emerging practice is shaping the development of local care organisations which form the basis of the future for integrated care.

Oxfordshire is larger than almost all the first 29 Vanguards, which serve an average population of 264,000. The integration of primary and acute care systems Vanguards have an average population of 261,000, the Multispecialty Community Providers 209,000 and the enhanced health in care homes 400,000.

Torbay

Torbay was an early example of integrated teams of health and social care staff delivering care for older people in Torbay and Southern Devon. It was first established on a pilot basis in 2004 and served a locality of between 25,000 and 40,000 people and aligned with the general practices in the locality. Budgets were pooled and used flexibly by teams who are able to arrange and fund services to meet the specific needs of older people. A major priority was to increase spending on intermediate care services that enable older people to be supported at home and help avoid inappropriate hospital admissions. Initial results included a reduction in the daily average number of occupied beds from 750 in 1998/9 to 502 in 2009/10, emergency bed day use in the population aged 65 and over that is the lowest in the region, and negligible delayed transfers of care.

In October 2015 Torbay and South Devon NHS Foundation Trust was created, merging South Devon Healthcare NHS Foundation Trust, which ran Torbay Hospital with Torbay and Southern Devon Health and Care NHS Trust, the Trust that provided community health and social care services.

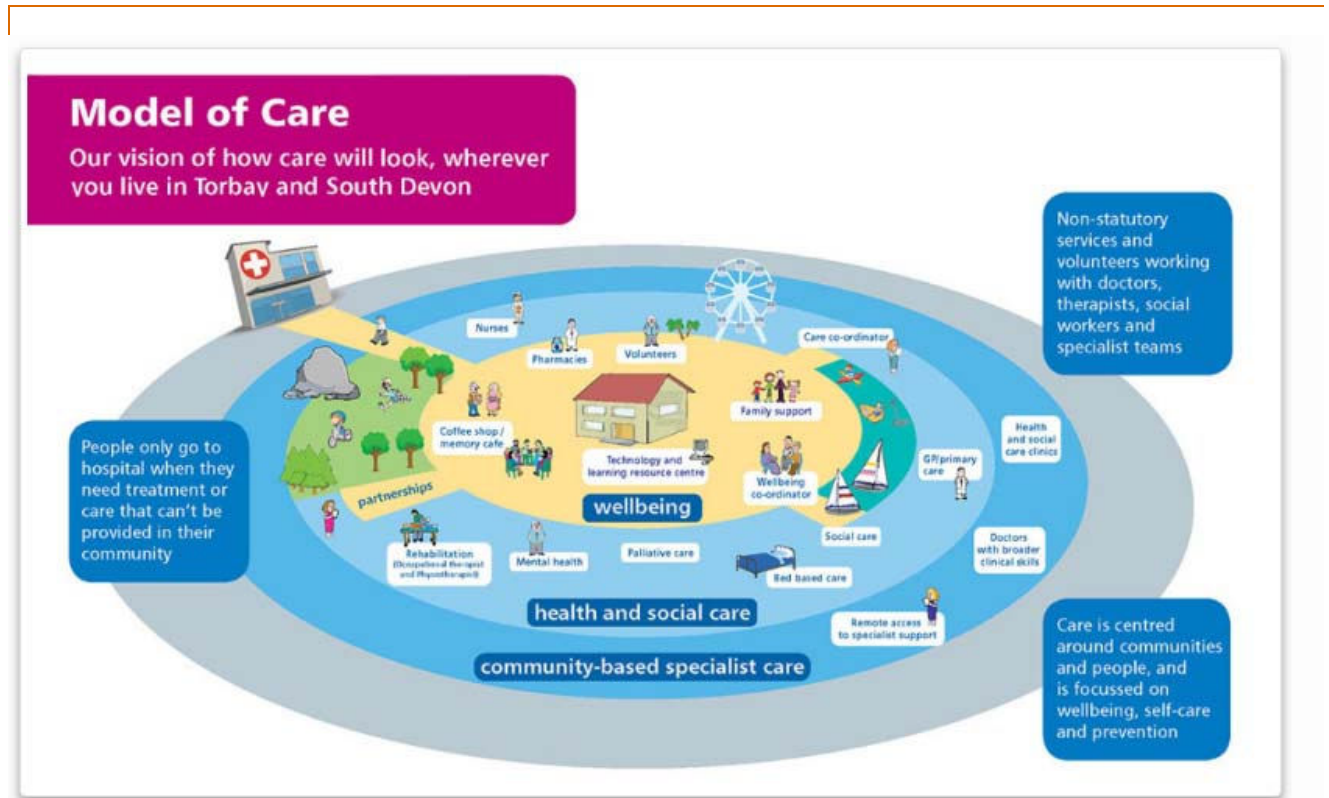
The new organisational vision reflects what local people have told the Trust they want:

Our vision is a community where we are all supported and empowered to be as well and as independent as possible, able to manage our own health and wellbeing, in our own homes. When we need care we have choice about how our needs are met, only having to tell our story once

The changes reflect that fact that many people find the health and care system complicated and they can feel overwhelmed at the range of information available, not knowing where to go for support. As a result of becoming one single organisation the benefits emphasised are:

- one budget covering all services, money can now be spent where it is needed most.
- an ability to find new ways to meet the growing needs of the population without more money.
- working more effectively and efficiently to improve and secure safe, high quality local health and social care services.
- working with commissioners to engage and consult local people to inform and plan changes to services.

Care will be centred around communities and people, and focused on wellbeing, self-care and prevention of ill-health. Voluntary services will play a fundamental role in supporting people to maintain an active and fulfilling life, retaining their independence for as long as possible. More specialised services will be provided to people at home and in their local communities. People will only go to hospital when they need treatment or care that cannot be provided in their own community.



Manchester City

In development work across Greater Manchester, different models within the overall framework are emerging to reflect the priorities of each localities. In Manchester City locality the seven principles of change are:

1. People and place will have priority above organisational interests
2. Commissioners and providers will work together on reform and strategic change
3. Costs will be reduced by better co-ordinated proactive care which keeps people well enough not to need acute or long term care
4. Waste will be reduced, duplication avoided and activities stopped which will have limited or no value
5. Strong working relationships will be developed within the system with clear aims and a shared vision for the future
6. There will be partnership with the people of Manchester, the workforce, voluntary and community organisations
7. The partnership will work to safeguard children, young people and adults

The three key pillars which together will drive the radical transformation of health and care services are:

- **A single commissioning system** ensuring the efficient commissioning of health and care services on a city wide basis with a single line of accountability for the delivery of services. This approach will integrate spending across health and social care on high cost/high risk cohort, reducing duplication of service delivery and fragmentation of care;
- **One team delivering integrated and accessible out of hospital services** through community based health, primary and social care services within neighbourhoods. Through the combining of resources residents will get integrated services, resulting in improved outcomes (holistic needs addressed) at reduced cost;
- **A 'Single Manchester Hospital Service'** delivering cost efficiencies and strengthened clinical services, with consistent and complementary arrangements for the delivery of acute services achieving a fully aligned hospital model for the region.

In seeking to turn this strategy into deliverable plans the locality is now working on the design of a local care organisation with a programme to clarify all aspects of the strategy and organisational design. Key questions in the work relevant to Manchester, but which also need to be addressed in Oxfordshire, include:

Dimension	Key questions
Strategy and outcomes	<ul style="list-style-type: none"> What work has already been done to agree the outcomes? What are you unsure about at this stage?
Operating model design	<ul style="list-style-type: none"> What needs to happen to bring your 'One Team' system-wide and LCO models to life? Out of the following, where have you made the most progress so far: care pathway design, workforce, processes, performance and technology? What are the key enablers? What are the key barriers you face to delivering your model of care?
Governance	<ul style="list-style-type: none"> What is your existing governance structure? What will the leadership and governance arrangements look like? Are all stakeholders engaged in making this happen? Are the targeted outcomes and KPIs shared and agreed with all impacted stakeholders?
Financial and commercial	<ul style="list-style-type: none"> Have you identified and quantified your financial benefits (and costs)? Have you identified and quantified the non-financial benefits (and costs) for each intervention? Are commissioning budgets to be pooled or aligned in the LCO?
Contracting	<ul style="list-style-type: none"> Which ICO model (prime provider/alliance agreement/special purpose vehicle) best fits your priorities? How will the LCO be regulated?
Capability	<ul style="list-style-type: none"> Do you have the capability and capacity required by a population health risk bearing organisation? If you have "gaps", do you have a plan to fill these? Have you drafted job descriptions for leadership roles? What is your understanding of, and appetite for, risk?

In addition to the emerging practice around local care organisations in the UK, there are examples of models and approaches internationally which have relevance to the Oxfordshire scenario. Three examples from different countries illustrate the range of approaches:

Alzira , Spain – Since 2003, the Alzira care model has used both capitation and outcomes based mechanisms for the delivery of integrated care covering the acute, community, mental health and primary care services. A single provider – UTE-Ribera – is responsible for all care for the population and receives a fixed capitated budget every year to provide universal access to approximately 245,000 people. They are measured against outcomes and able to retain profits of up to 7.5%, with additional savings returned to the commissioner.

The model aligns incentives across providers so that they are treated in the most appropriate setting and has seen a 30% drop in emergency admissions, 90% patient satisfaction, 75% increase in hospital productivity and 25% reduction in net cost per head.

Canterbury, New Zealand, transformed their health and social care by integrating their primary, community, hospital and social care services using an alliance-type model and adopting a 'One system, one budget' mantra. This helped the system flip from being in deficit to one making a surplus, with low rates of acute medical admissions compared to others, low lengths of stay and acute readmission and reduced waiting times. GPs now have access to more diagnostic tests and are treating a range of conditions that were previously only done in hospital. In addition fewer patients are entering care homes as more people are supported in the community, slowing the rise in demand.

ChenMed, United States, created a capitated system for elderly patients with complex chronic conditions with its individual clinicians. The capitated budgets for individuals are determined by Medicare based on a stepwise regression of diagnosed conditions to vary budgets according to anticipated needs and likely costs. ChenMed uses these aggregated individual budgets to invest in an intensive primary care service that includes monthly 30 minute appointments with the same GP, ambulatory care hubs with access to diagnostics and specialist support and MDT case conferences three times a week.

ChenMed also developed individual clinician performance incentives and risk share. In the first phase, ChenMed physicians were paid a fee for service but with performance management to track their outcomes. In the second phase, physicians were moved onto a salary plus a share of upside risk so they could share in any savings from improved care quality and lower resource use. In the third phase, physicians began to share full risk but could receive greater share of savings.

This approach has helped reduce hospitalisation rates by 18-30%, readmission by 17-43% and achieved a 92% net promoter score and 20% decrease in costs across the system.

All these examples, from the UK and internationally, illustrate there are potential benefits from greater integration between health and social care. To benefit from the current transformation funding and to shape the development of the care models that will increasingly govern the health and care system Oxfordshire needs to continue developing its model and thinking on health and social care.

For the unitary options, it is the desire of the districts to work with the CCG and wider healthcare partners to reduce overall costs while improving outcomes and support a move to care being closer to home through a focus on prevention with aligned incentives to achieve it.

9.4 Principles within a unitary model

Any change in current arrangements of local government is not intended to change the fundamental direction of travel with greater integration between health and social care enabling a move to care being closer to home. What this direction means is that the current arrangements need to fundamentally change, irrespective of what happens to local government.

As social care moves toward a more integrated model, there needs to remain a robust model for safeguarding and strategic planning of specialist services, but also the development of wider community services and responses that support reduced demand for care.

The ambition is that by 2021 residents of Oxfordshire will:

- Benefit from a transformed, integrated health and social care system, in which they receive health and care interventions which are joined up, of high quality, and are affordable;
- Be supported and encouraged to do what they can to remain healthy;
- Live in a region which encourages and support them to make the right choices;

- Ensure that when they need access to more specialist support they receive it in the right place at the right time appropriate to their needs and wishes.

Proposals for adult services within a unitary government model in Oxfordshire need to be developed in light of the ambition for integrated health and social care by 2020, and not seen as a transfer of existing responsibilities. The current model of delivery needs to change.

10 Key findings

10.1 Current local government arrangements

The current two-tier local government structure in Oxfordshire is under scrutiny and challenge for several key reasons:

1. **Rising demand and declining budgets means that traditional approaches are not sustainable.** Oxfordshire County Council's use of reserves to balance the budget for each of the last four years is not sustainable in the long run and it needs a fundamental transformation.
2. **A sustainable solution requires integration across the whole system and a wholesale commitment by all parties to truly integrated outcomes to start shifting activity up stream to reduce long run demand.** This is particularly the case in adult social care, and to a lesser extent children's services, where the level of demand, costs involved and importance of protecting the vulnerable demands a robust, ambitious and innovative response that recognises no single organisation can do it alone. Some stakeholders are not convinced the County recognises that it needs new skills and capabilities to effectively work in different ways without being in direct control.
3. **Long standing frustrations with planning, transport and housing delivery are now having a material impact on operational performance and will increasingly hold back the potential of the region.** The split of governance, decision making, strategic development and service provision across the two-tier system has not provided a whole-place approach to these issues. Therefore the current rate of economic growth will be increasingly constrained by the lack of capacity of the transport network, unmet demand for affordable housing and commercial space, and a lack of clear strategic planning vision. Stakeholders are already citing practical examples where they are struggling to fill posts due to the consequences of these issues. A unitary model could help achieve this.

10.1.1 Unitary Authority Options

Five unitary authority options have been explored in this study:

Option	Geography	
1UA	A single Unitary authority covering all of the current Oxfordshire region	1) Oxford City, Vale of White Horse, South Oxfordshire, Cherwell and West Oxfordshire
2UA	Two Unitaries based around the current City Council and a separate authority for the wider region	1) Oxford City 2) Vale of White Horse, South Oxfordshire, Cherwell and West Oxfordshire
2UA+	As above but with an expanded boundary of the City Council	1) Oxford City (expanded boundary) 2) Vale of White Horse, South Oxfordshire, Cherwell and West Oxfordshire An expanded boundary for the city has been developed which includes new strategic-scale urban extensions around the edge of Oxford that have a close functional link.
3UA	Three Unitaries based around the current city, combining the two districts in the north of the region and likewise in the south of the region	1) Oxford City 2) Vale of White Horse and South Oxfordshire 3) Cherwell and West Oxfordshire

4UA	As above but with districts in the north remaining separate.	1) Oxford City 2) Vale of White Horse and South Oxfordshire 3) West Oxfordshire 4) Cherwell
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10.2 Population size

- A single UA option for Oxfordshire would make it the third largest UA in England, third to Birmingham and Leeds. Oxfordshire's population could reach 883,637 by 2031 if the 100,000 housing need was met. Whilst there are other single tier authorities of this size, the others are either City UAs or County UAs that do not have a large city within them.
- The four UA option creates three of what would be the smallest UAs in population terms in England and would be unequal proportion to South Oxfordshire.
- The three UA option creates a more equal distribution of population between the Northern and the Southern UAs, with the city having a lower population in general, but a higher proportion of working age population. This option also recognises and reflects the distinct socio-economic conditions of the City.
- The two UA option creates the 9th largest single tier authority in England, but also one of the 18th smallest. This creates a potential imbalance that could be addressed by expanding the city boundary.

10.3 Financial analysis

- The 2015/16 General Fund Revenue Account outturn data ("RA data") for the five District Councils and Oxfordshire County Council has been used to disaggregate resources and expenditure using appropriately selected drivers. Further detail on the methodology is contained within Section 4, and the assumptions used in 4.1.3.
- Based on this methodology, the 4UA and 3UA options are in deficit with the exception of Southern Oxfordshire UA which is in a surplus of £20.1m (pre transformation). For the 4UA, 3UA, 2UA options, Oxford City has the largest pre-transformation deficit in both 2015/16 and 2020/21 (£10.7m and £16.8m respectively), though these amounts represent just 1% and 2% of total revenue expenditure across Oxfordshire. For the expanded 2UA option, Oxford City has lower deficits of £6.2m and £12.4m for 2015/15 and 2020/21 respectively. For the 1UA option, there is no surplus or deficit. This revenue neutral position is to be expected given that the 1UA option encompasses all five Districts and the County Council.
- After transformation savings and efficiency costs, (of between £113.3m and £56.4m over a 5 year period), all the UA options are in a surplus, with the exception of Oxford City.
- Based on the analysis we have undertaken and the assumptions we have used, an Oxford City UA would be in deficit post transformation, except with an expanded boundary. If the Oxford City UA is expanded, its deficit is replaced with a small surplus of £1.9m.
- This is due to a disparity between the funding and expenditure for children's services, and a lesser extent adult's services. All UAs are sensitive to this service, and in any of the UA models, there must be a commitment to shared commissioning and delivery mechanisms and pooled grant to ensure that funds are allocated on a needs basis as opposed to a geographical basis. By sharing the commissioning and delivery of these services (and funding these through pooled resources), the financial disparity is significantly reduced between the different UAs, providing Oxford City with a surplus of £5.5m in 2021, increasing Cherwell's surplus to £10.6m, whilst reducing Southern Oxfordshire and West Oxfordshire

surpluses to £17.3m and £3.1m respectively).

- On its existing boundary, Oxford City generates significantly more business rates than the other UA options, which in a future local government finance system with the 100% retention of business rates, will improve the Oxford City financial position.
- The ability to deliver the planned growth up to 2031 will also have a material impact on the financial position of all UA options– it has the potential, if managed properly, to have a positive impact on the overall financial capacity and resilience of the Oxford City unitary. The extent of this will depend on the level of investment required both to facilitate the growth and the net growth in funding (i.e. the net of the increase in income receipts against increase in costs to deliver services).
- Based purely on the financial analysis, a single Unitary Authority has the potential to generate the most financial benefits due to the economies of scale (an estimated net saving of £113.3m over a 5 year period).
- The current trajectory of the County Council finances (explained further in section 2.5.1) means that the modelled financial savings need to be viewed – and interpreted – through a lens of practicability at the local level.
- A 2UA option (based on the existing city boundary) has similar financial benefits as the Expanded Oxford City option. However, the mismatch and imbalance between the size, resources and service levels between the two Unitary Authorities does need to be considered.
- A 3UA option reduces the mismatch between the overall size of the Councils (157,997, 252,652 and 261,867) and based on our analysis, two of the authorities are financial stable. The Oxford City Unitary (for reasons outlined above) would be in deficit in revenue terms by £16.8m in 2020/21 (pre-transformation). This deficit would need to be remedied through a needs based spending settlement but it is not material in terms of the total spending across the local government system.
- The 4UA option provides the least financial benefit (£56.4m net savings over 5 years), whilst also having significant differences in the financial position of the various UAs (South Oxfordshire in a surplus of £20.1m in 2020/21 (pre-transformation) and the remaining three UAs in a deficit).
- The 3UA option provides net savings of £75.5m over 5 years, whilst the 2UA options provides £94.5m net savings and the 1UA option provides £113.3m net savings. The difference in transition savings between the 1UA and 4UA option is £56.9m (i.e. £113.3m less £56.4m). This means that the 1UA option achieves the most savings, although it must be borne in mind that these are theoretical savings, based on financial modelling, and in reality the level of savings will depend heavily on the scale and ambition of transformation.

10.4 Strong and accountable local leadership

- The 4 UA model provides the maximum level of democratic accountability and connectivity to local communities.
- The 3 UA model would provide a balance between addressing local needs in communities, increased accountability through three democratic structures within Oxfordshire, and it would reflect and recognise distinct urban and rural issues, and different socio-economic characteristics that any new local government settlement needs to address.
- The 2 UA option recognises the difference between urban and rural priorities and the different demographic and socio economic characteristics. It improves democratic accountability compared with one UA option. However the scale of the expanded area of Oxfordshire dilutes democratic accountability in rural geography, with a population of 452,246 and a geographical area of 2,245km².

- A single UA will be viewed as similar to the current County arrangement which risks a remoteness of services and gives rise to loss of accountability with potentially lower levels of political representation at decision making committees than other models. This would need to be addressed through the creation of sub-structures and committees which could result in reduction of benefits from economies of scale, albeit greater representation. Routes of accountability would need to be made clear in this option.

10.5 Delivering better services

- All councils across Oxfordshire need to further transform service delivery as part of the move to a self-financing model for local government. This is an opportunity to further redesign services around users and communities with the ability to reflect local priorities and plans for growth.
- A single UA will generate economies of scale but this needs to be balanced with the fact that it will become the third largest single tier authority in England that will need to provide District level services to a City and rural areas. This option carries a risk of a lack of responsiveness to the diversity and vast differences in local needs across the County geography. A bureaucracy of this scale may be less flexible and agile to the changing nature of need and demand, so mechanisms would need to be created to enhance responsiveness of the 1UA option. A combined authority could help with this.
- A 2 UA option enables a tailored approach to rural and urban geographies, but is imbalanced between City and 'donut' (population size, demography and economics).
- A 3 UA options provides better alignment to geographic and urban / rural settings and economy and tailoring services to rural and urban geographies. This option addresses the imbalances of City and 'donut' option and builds on existing relationship in the South of the County.
- Whilst providing the opportunity for the most extensive tailoring of services to local needs, a 4 UA option would provide limited opportunities to achieve economies of scale.

10.6 Combined Authority

- A Combined Authority for Oxfordshire would provide a collaborative vehicle for Oxfordshire wide decision making and accountability for delivery of the issues that are restraining economic growth - in particular strategic planning, housing, transport and infrastructure. The Combined Authority provides a mechanism for pooling funds, resources and raising income to maximise growth or address need/ service demand. At the same time, the CA model allows a degree of local UA flexibility and efficient delivery through UAs and partners, and provides a strong platform for ongoing dialogue with government to secure further investment and devolution. It would also provide a means to give business, health, police and other key partners a seat at the table and a voice in collective decision making, providing overall leadership and coordination of the public sector in a single decision making body.

10.7 Children's services

- Children's services in Oxfordshire are generally good, but faced with rising demand and declining budgets there are concerns that capability and capacity will become stretched and result in a retrenchment into statutory protective responsibilities. Protecting vulnerable children must remain the overriding priority, but alongside those that need intensive support is a need to focus on those on the edge of care to help prevent more children from requiring intensive support through early identification and action.
- The ambition is to progressively reduce the number of children needing intensive support through earlier identification and action, while improving the outcomes for any children that do come into care. The goal is to enable local government, health and police authorities work ever closely together to provide leadership on a shared ambition for children across the region.

- Helping prevent children needing external support and helping families help themselves is a shared responsibility, requiring a commitment across local government, the NHS, the police, the wider public sector, as well as the voluntary and community sectors and the engagement and commitment of children and young people, their families and their communities. It requires system wide reform which the combined authority would be committed to leading.
- Alongside the protective duties of local government, a unitary and combined authority model as part of a devolution deal would complement a fundamental review of the whole system so that it focusses on building on the strengths of the current system while also designing in early and preventative work with children and young people, their families and their communities.

10.8 Adults services

- Adult social care is a system under strain nationally and locally. There is universal recognition that better co-ordination of health and social care designed around the person is needed to both improve service outcomes and to reduce costs. Shifting care into the community, closer to home, making care more personalised and supporting people to live independently for longer is the overall aim.
- The challenge in Oxfordshire is making this shift happen. There is overall agreement on the need for integration of commissioning but the execution of those plans are still at a formative stage and linked to specific services. In addition there is a need for one team delivery of out of hospital services, which a unitary solution for local government would help create. Greater alignment and collaborative working could be designed in with synergies across community services such as housing, recreation and leisure that help to keep people out of hospital and enable them to live independently for longer.
- The overall state of health in Oxfordshire is good, and has improved, but it is recognised that to continue improving a more comprehensive approach to tackling health challenges is needed. Integration of health and social care was a key element of the devolution proposals which all parties in Oxfordshire agreed. That remains the case, but there is an increasing ambition to move forward at pace and truly integrate the resources, responsibilities and roles in a shared approach across health and local government. A joined up approach to service delivery and effective demand management is the aim of pooling budgets and jointly commissioning services through a Combined Authority with CCG membership and full participation.
- Integrating commissioning is one pillar but further work will be needed to align all stakeholders behind a clear set out outcomes and a clear set of interventions identified that will deliver change in both community services and in hospital health settings. That work needs the comprehensive approach and agreed principles for developing for the right solution in Oxfordshire, including the development of the appropriate Local Care Organisation.

10.9 Conclusion

Oxfordshire now has to make a choice.

If it maintains the status quo, Political and Chief Officer effort will increasingly be focused on the incessant challenge of managing and delivering core service provision across a diverse geography against the backdrop of budget reductions and rising demand. In doing so, Local Government will not be fulfilling its wider duty - the duty to ensure Oxfordshire retains and leverages its competitive advantage for the benefit of the people and places it serves and the Universities and Businesses that are located in and have chosen to invest in Oxford and Oxfordshire.

There is now an opportunity to look at a new Local Government settlement for Oxfordshire - one that is sustainable and equitable and aligns innovation in service delivery with a new structure that is powered through and empowered by a Unitary and Combined Authority solution that delivers; resilience, growth, and a devolution deal.

Our conclusion is that, based on the work undertaken and the analysis carried out, now is the time for a decision to be made on a new settlement for the structure and form of Government and Governance in

Oxfordshire. A new settlement that will create new structures for the administration and delivery of key public services across; Health and social care and Children's and Adults services and also have responsibility for both economic and housing growth.

There is now a need for politicians in Westminster and across Oxfordshire to; assess the evidence, evaluate the options and to engage with stakeholders. If this is done in the right way, we are hopeful that agreement will be reached on the design of a new structure of governance and accountability that will deliver better public services, drive economic growth and be a better fit for the future.

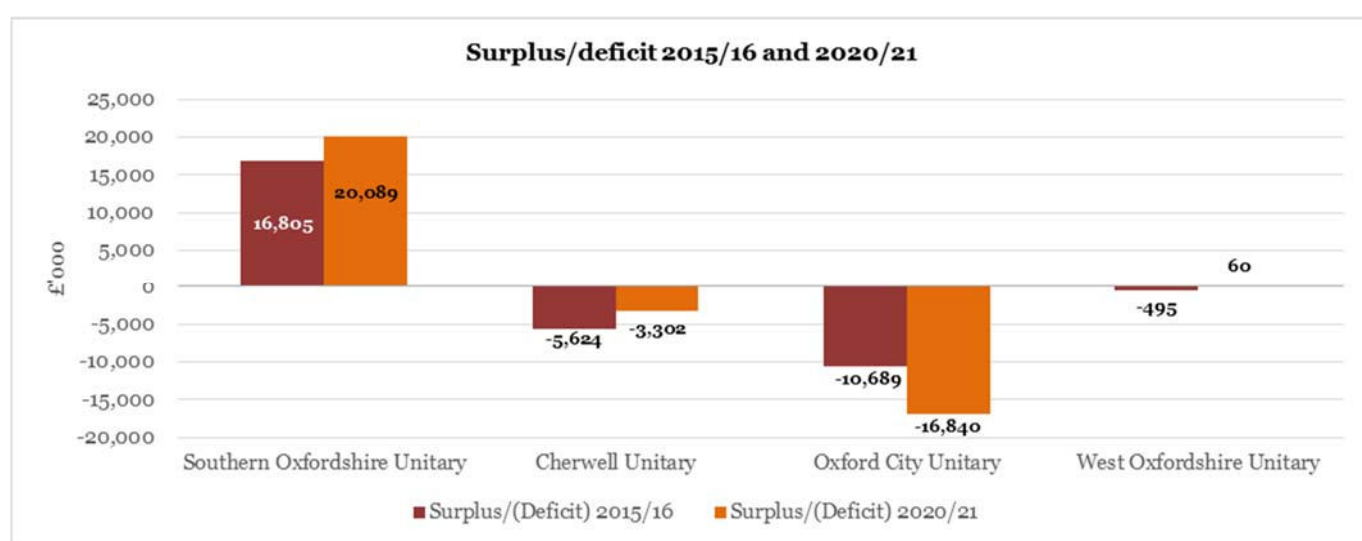
Appendix B – Baseline Analysis

Four Unitary Authorities

Current service consumption and revenues

Under our analysis, the Southern Oxfordshire Unitary is in surplus. It is in receipt of £16.8m of revenues over and above that which it needs to provide services; a position which improves by 20% to £20.1m by 2020/21.

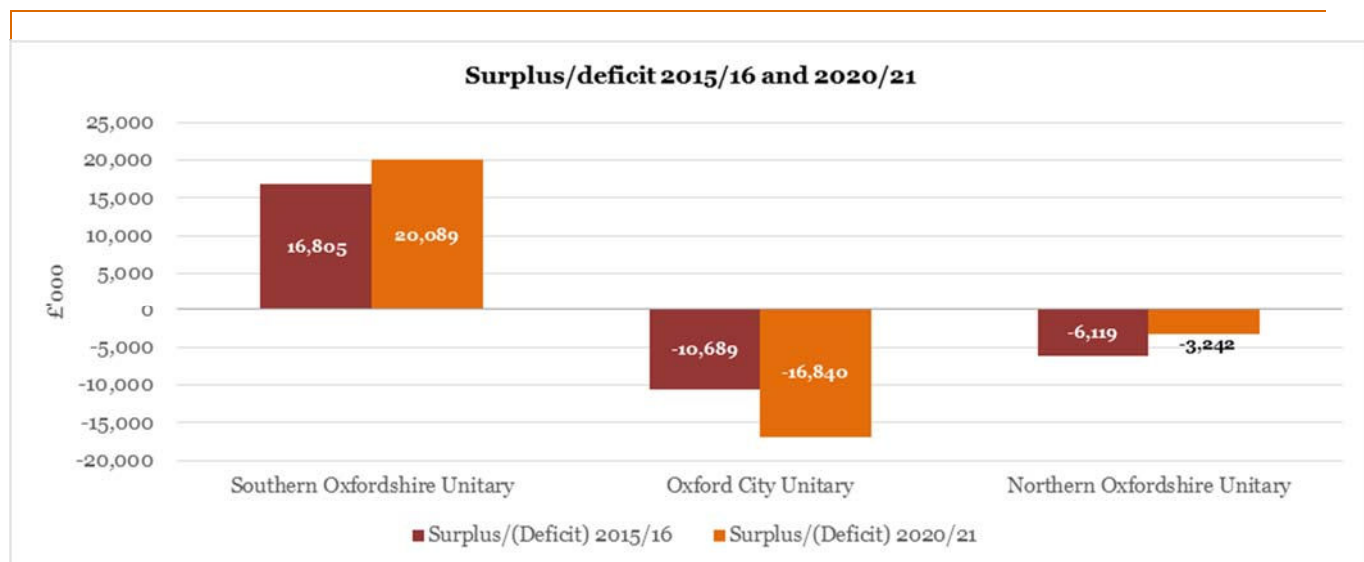
By contrast, Oxford City and Cherwell are in deficit, as under our analysis the cost of providing services is greater than the revenues they receive. Whilst Cherwell's position improves during the period to 2020/21 at which point the shortfall has narrowed to from £5.6m to £3.3m, Oxford City's financial position actually worsens during the same period with its shortfall increasing by 57% from £10.7m to £16.8m at 2020/21.



Three Unitary Authorities

Current service consumption and revenues

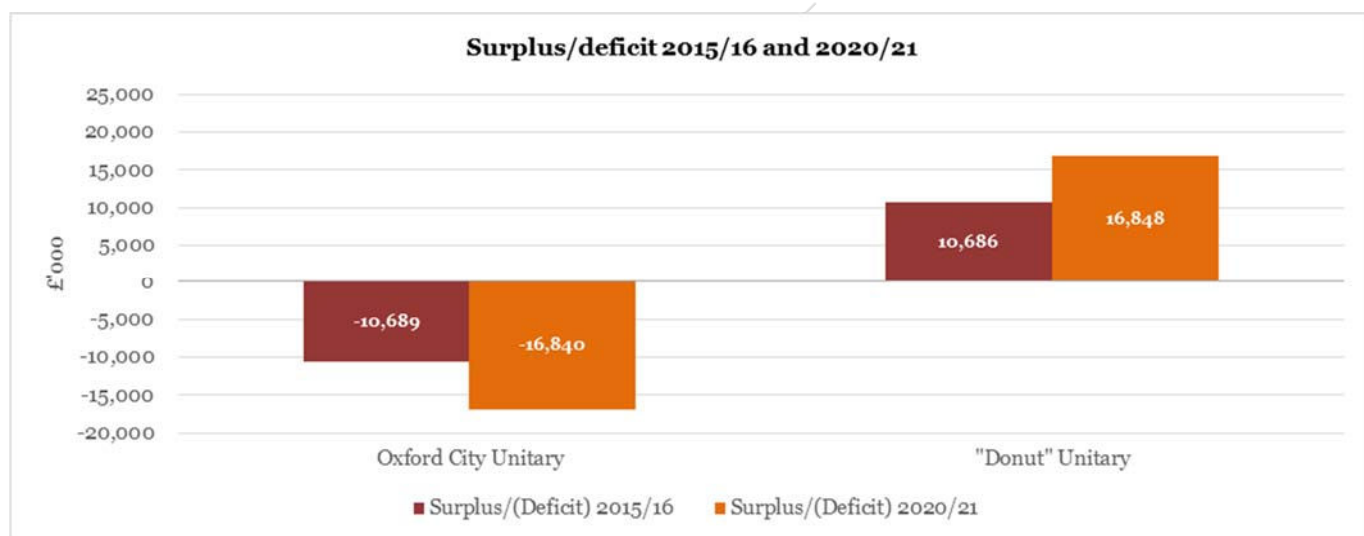
Southern Oxfordshire UA is the only authority that generates surpluses - of £16.8m in 2015/16 and £20.1m in 2020/21. Both Oxford City and Northern Oxfordshire UA run at a deficit during the period to 2020/21, and whilst the deficit reduces in the period for Northern Oxfordshire (from £6.1m to £3.2m) it increases with respect to Oxford City UA (from £10.7m to £16.8m).



Two Unitary Authorities

Current service consumption and revenues

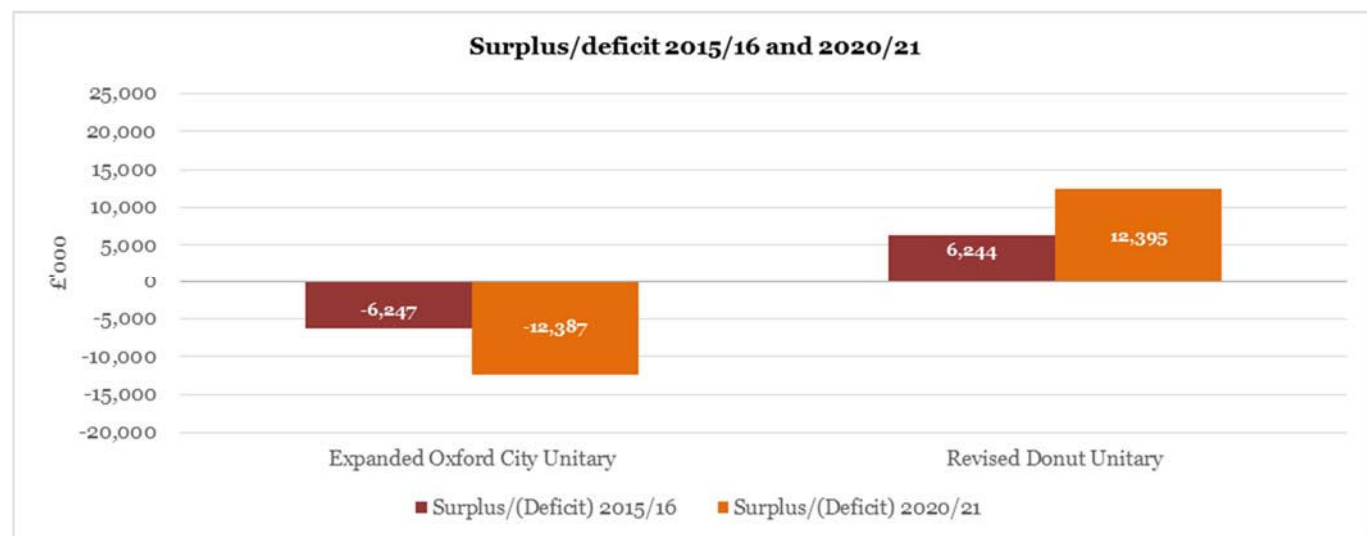
As outlined earlier, Oxford City unitary would return a deficit in 2015/16 through to 2020/21. Conversely, the Donut option would return a surplus in 2015/16 and its position would in fact markedly improve in the period to 2020/21 wherein it would achieve a financial surplus of £16.8m (an increase of 57%).



Two Unitary Authorities – Expanded Oxford City

Current service consumption and revenues

Based on current expenditure and income forecasts, Expanded Oxford City reduces the deficit significantly, albeit still with one (£6.3m and £12.4m in 2015/16 and 2020/21 respectively compared to £10.7m and then £16.8m under the Oxford City unitary option). As is to be expected therefore, the surplus generated by the Revised Boundary unitary is reduced when compared to the Donut option by corresponding amounts.

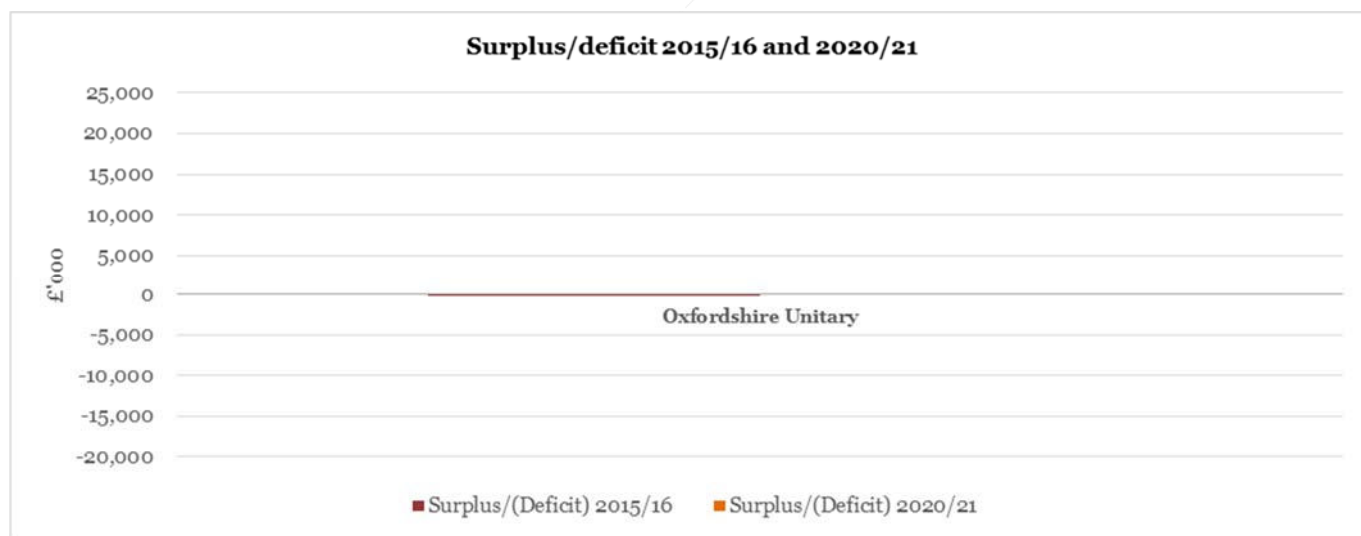


One Unitary Authority

Current service consumption and revenues

As detailed earlier, our analysis is driven by the 2015/16 RA data. Given then that the Oxfordshire unitary encompasses all five Districts and the County Council it is to be expected that it will be financially neutral, which as the graph below confirms.

It should be noted that Oxfordshire County Council ran deficits of £39.5m in 2015/16 (which for comparison purposes has been netted off in the analysis above). In future years, Oxfordshire County Council expects to have council tax rise by circa 6% per annum to avoid further depleting its reserves.



Drivers of the surplus/deficit

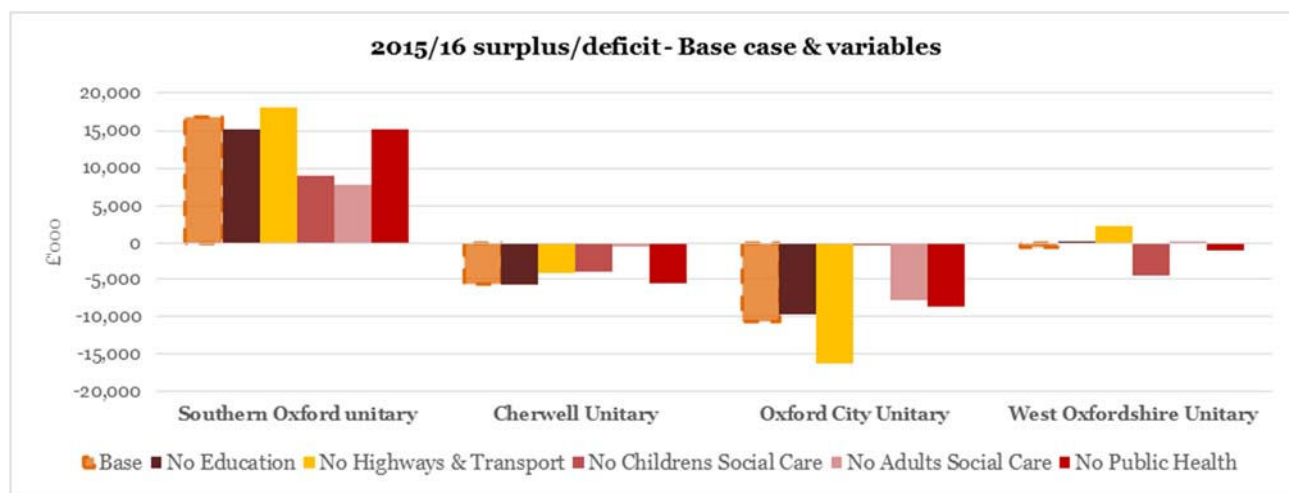
To better understand the drivers behind the surplus / deficit position of each unitary option, we have examined the impact, on the 2015/16 baseline, of removing certain services that are currently provided by the County Council, from the control of the new unitary authorities. We outline this for the 2015/16 position in the four Unitary Authority option given that the four unitary option is the closest to the current district set up.

As the graph below demonstrates, the removal of Childrens and Adult's Social Care has a noticeable impact upon the financial position for each of the four unitaries.

In particular, the removal of Childrens Social Care reduces Oxford City Unitary's deficit by 97%, from £10.7m to £0.3m whilst the removal of Adult's Social Care reduces its deficit to £7.7m; a 28% reduction from the base case.

Conversely, Southern Oxfordshire's surplus of £16.8m is reduced by 47% to £8.9m when Childrens Social Care is removed and by 53% to £7.9m when Adult's Social Care is 'switched off', indicating that as a unitary, the funding it receives for these services exceeds the expenditure it incurs providing them.

In the case of the West Oxfordshire Unitary, the deficit increases (from £0.5m to £4.6m) when Childrens Social Care is removed whilst it switches to a surplus of £0.3m when Adults Social Care is.



Appendix C – Transition costs

Employee severance costs

Applying transformation savings achieved in existing unitary local authorities to the total Oxfordshire population could result a target saving of 569 to 1320 FTE. This range is indicative and will depend on the choices made about the transformation programme. For the purpose of analysis a mid-point of 945 FTE reduction has been assumed which, when combined with an average public sector redundancy cost of £25,000²⁵, creates a total cost of redundancy of £23.6m. When split over a three year period, this equates to an annual cost of £7.9m.

This is considered a conservative assumption because:

- Redundancy costs can be mitigated by workforce planning arising from natural churn in staff roles with costs from compulsory redundancy likely to fall at the end of a programme;
- Reductions in the use of temporary and agency staff will reduce the impact;
- Although 100% of reduced FTEs are assumed to be made redundant (and therefore receive 'exit compensation') the numbers do not include pension costs which would be expected to increase the average exit payment. This effect is assumed to net-out, but should be explored further in any full business case.

New management structures

In the current arrangement, from data we analysed from the client, Oxfordshire has 71 roles within the top three layers of each organisation, including the Chief Executives. These are the role which attract much attention because they have the greatest accountability and responsibility, as well as remuneration. These roles cost approximately £7.1m per annum based on publicly available information on senior officer salaries. The FTE numbers are based on the client data we received and therefore include any existing joint management arrangements, but do not take into account of any planned future joint management arrangements. As part of future planning joint management arrangements between UAs and other districts will be considered, building on the existing shared management arrangements.

In all future options it is assumed that these roles would be replaced with new structures designed with unitary government and devolved responsibilities in mind. For every Unitary, there will be an optimal pattern of hierarchical relationships. It won't be the same for every council and will reflect their organisational design and strategy, but it should support the capabilities relevant to that organisation.

Unitary authority leadership roles tend to be higher paid than District Councils and lower than County Councils. For the purpose of this analysis we have used median salaries based on data from the recent Local Government Chief Officers Remuneration report for the DCLG Select Committee²⁶. Actual costings would depend on the future role design and evaluation.

²⁵ <https://www.gov.uk/government/consultations/consultation-on-a-public-sector-exit-payment-cap/consultation-on-a-public-sector-exit-payment-cap>

²⁶ Local Government Chief Officers Remuneration, 2014.
www.publications.parliament.uk/pa/cm201415/cmselect/cmcomloc/191/191.pdf.
 Median costs have been updated in line with official UK national inflation figures since 2013.

Table 4: Assumed Chief Officer Remuneration

Layers	Unitary Median salary	County	District
1	£167,000	£194,000	£121,000
2	£119,000	£156,000	£94,000
3	£82,00	£114,000	£73,000

The data in Table 5 is designed to show the impact of different unitary options on future leadership roles and shows two scenarios (a) the quantum of roles that could be afforded within the current cost envelope on the basis of these role costs and (b) the number of roles requires if a consistent span of control (1:4) was applied across these layers.

Table 5

	Now	4 UA		3 UA		2 UA		1 UA	
	#	C	S	C	S	C	S	C	S
Layer 1	5	4		3		2		1	
<i>Span of control</i>		4	4	4	4	4	4	4	4
Layer 2	25	16	16	12	12	8	8	4	4
<i>Span of control</i>		3.4	4	5.3	4	7.75	4	19.75	4
Layer 3	41	55	64	64	48	62	32	79	16
Total roles	71	75	105	78	63	72	42	84	21
Total cost (£m)	7.16	7.08	7.82	7.09	5.86	7.10	3.91	7.12	1.95
Saving (£m)		0.08	-0.74	0.06	1.21	0.05	3.17	0.04	5.13

This suggests that there is a balance to be considered in seeking to assess the senior management savings potential across the authorities. Key points include:

- The maximum overall savings are little more than £5m per annum, based on a single unitary but which risks lacking the capacity and capability to deliver all services;
- A four unitary option could increase costs of median salaries and overall roles increase meaning it costs more than the current arrangement;
- A two unitary option is at the upper end of spans of control if costs are maintained and lower end of the capacity if costs are reduced.

While all options could be designed to work within a financial envelope and span of control this suggests that from a senior management lens a two or three unitary structure would offer the ability to reduce costs and retain leadership capacity and capability. Total savings could range from £1.2m (3UA) to £5.1m (1UA).

The other dimension is considering the layers of the future structures. A lower number of layers helps to improve information flows and create greater accountabilities at each level. However, the trade-off is that leaders would need to have a greater span of control. Where work is routine and heavily automated, such as in call centres, a single manager might have 15-20 people reporting to them. Increasing the number of layers frees up management time, which can be desirable where leaders are running complex projects and direct only a few people each, but if there are too many layers it is harder to get clear messages from the bottom to the top.

This dimension of the analysis will be affected in all options by choices around how much supervision is required, the role of technology and collaboration, but it can also be impacted by geography and the physical separation of managers and their teams. Table 6 below illustrates the potential span of control required if there is a maximum of five layers built into the future design.

This indicates that from a span of control lens, with a maximum of five layers, a 3 or 4 unitary model would be preferable as a single or 2 unitary model requires high spans of control.

Table 6

		4 UA		3 UA		2 UA		1 UA	
	Target FTE	6000	5000	6000	5000	6000	5000	6000	5000
	Required span	10	9	11	10	14	12	19	18
Layer 1	Roles	4		3		2		1	
	Target Span	4		4		4		4	
Layer 2	Roles	16		12		8		4	
	Target Span	4		4		4		4	
Layer 3	Roles	64		48		32		16	
Layer 4	Roles	640	576	528	480	448	384	304	288
Layer 5	Roles	6400	5184	5808	4800	6272	4608	5776	5184
Total	Maximum Roles	7124	5844	6399	5343	6762	5034	6101	5493

Election and democratic savings

There are three components to any election and democratic savings that might be expected in a move to a UA option in Oxfordshire:

- 1) Savings expected from a reduction in the number of council members
- 2) Savings expected from a reduction in election costs
- 3) Costs related to new UA democratic systems

Savings expected from a reduction in the number of council members

Through removing a tier of local government, it is assumed that this will also require fewer council members. Currently in Oxfordshire there are 63 County Council members, with an average annual member allowance of £14,061. There are also 219 District Council members with a lower average annual member allowance of £6,834²⁷. This equates to a current total of 282 council members across Oxfordshire.

²⁷ From publicly available council data

Member allowances above relate to a basic allowance, special responsibilities and travel and subsistence.

Council members in any UA option would be expected to have greater responsibilities than a District Council member, and be more in line with a County Council member. We have therefore assumed that any UA members would have member allowances more similar to a County Council member than a District member, i.e. a member allowance of around £14,000. The total amount of savings expected from having fewer members will depend on the total number of fewer members, as outlined below. The savings would be expected to be the same across all UA options, assuming the member reductions are the same.

Table 7: Assumptions regarding council members in new UA arrangements

Number of fewer members	Rationale	Savings
71	Assumed saving of 25% of current members	Approximate total saving of £1 million per annum

Savings expected from a reduction in election costs

Currently there is no single year in Oxfordshire when all local elections run at once, as demonstrated in Table 8: **Current election cycles in Oxfordshire** (www.gov.uk) below. Data from the Electoral Commission and from Democratic Audit estimates a cost per vote in the region varying from £2.82 to £5.99, depending on the election year and the constituency. Based on calculations explained further within Appendix C this provides an annual cost of elections of approximately £650k (based on a 5 year average).

Table 8: Current election cycles in Oxfordshire (www.gov.uk)

Council	Election cycle	Year
Oxfordshire County Council	Whole county	2017 then 2021
Oxford City Council	Shire district biennially	2018, 2020, 2022
West Oxfordshire District Council	Shire district by thirds	2018, 2019, 2020, 2022
Cherwell District Council	Shire district by thirds	2018, 2019, 2020, 2022
South Oxfordshire District Council	Shire district whole council	2019, 2023
Vale of White Horse District Council	Shire district whole council	2019, 2023

Moving to a UA governance structure should create the opportunity for fewer elections and therefore is likely to create cost savings. If we assume that by moving to a UA organisational structure, elections can be reduced by 50%, this would create cost savings of £1.6 million over a 5 year period. The saving would be the same across all UA options, assuming the council members would be the same across all options.

There may be additional election costs in year one, related to additional elections costs to determine the memberships of the new UAs, but this has not been modelled within this analysis.

Costs related to new UA democratic systems

As well as savings, some costs will also be created via the move to a new democratic UA system. These costs will relate to the additional allowances required by Leaders, Deputy Leaders, Cabinet Members, Regulatory Committee Chairs, Planning Committee Chairs and Scrutiny Committee Chairs.

Under the assumptions below, regarding additional allowances and numbers of Members needed per role, the total costs will be as follows:

- Total of £1.6m in 1UA option
- Total of £2.3m in 2UA option
- Total of £3.3m in 3UA option
- Total of £4.3m in 4UA option

Assumed additional allowance costs for the following functions. The source for the figures is Oxfordshire County Council annual 2015/16 member allowances. We have outlined our UA assumptions also in the table below.

Role	Allowance/Cost
Leader	£29,290
Deputy Leader	£20,200
Cabinet Member (assume 6 per UA)	£16,160
Regulatory Committee Chair (assume 5 per UA)	£6,060
Planning Committee Chair (assume 5)	£6,060
Scrutiny Committee Chair (assume 5 per UA)	£6,060

Office space disaggregation and apportionment

A revised organisational structure with a reduction in FTE would result in a surplus of office assets. This would allow unitary authorities to embark on an office rationalisation programme unlocking potential value. In the absence of detailed estates portfolios for each authority our analysis has focused on a reduction in core office assets only.

Assuming each district authority is currently using industry best practices of c. 100 sq. ft. per FTE and a ratio of 4 desks to 5 FTE a reduction of 945 FTE would result in 75,560 sq.ft. surplus office space.

Carter Jonas (a local commercial property agent) attaches an average rental value to office space in Oxfordshire of £18.75²⁸ per sq. ft. This translates to a total potential revenue source of £1.4m per annum irrespective of UA option. This has been modelled as a saving benefit in the transition cost analysis but it is important to highlight that this is not a guaranteed benefit as it will depend on commercial conditions.

Our analysis does not include potential capital receipts from disposal of assets, and does not recognise that some assets may attract higher values depending on their locality within Oxfordshire.

With a more complete dataset on all property in the County and District property portfolio, how efficiently each authority uses office space could be compared to industry standards and produce a more accurate amount of surplus office space. Surplus assets could then be assumed to be disposed of at local market rates to provide a capital receipt.

Other transition costs

In addition to the four types of costs outlined above there are other transition costs which we can provide a broad estimate of by referring to existing evidence from the unitary authority submissions in 2008/9 for Central Bedfordshire, Cornwall, Leicestershire, Suffolk and Wiltshire. The additional costs included are:

- Project/change management

²⁸ Carter Jonas, Commercial Edge, Oxfordshire, Spring 2015. £18.75 mid-point between £25.50 for primary asset space and £12.00 for secondary office space

- Business management programmes / systems change
- ICT integration
- Closedown of authorities
- Signs/logos/rebranding

Using existing evidence, a summary of which is contained within Transition cost evidence, the average total is £9.8m per UA, which gives a broad order of magnitude for these cost lines. This accounts for cost inflation since the majority of these studies were conducted. Without the cost inflation the total would be £8.09m.

In reality however, estimates for other transition costs in Oxfordshire will vary according to a number of factors, including, the number of UAs created, the number of District Councils contained in any option (reflecting the possible diversity in existing schemes, IT arrangements, ways of working etc.).

To note, supplier contract disaggregation costs have been assumed to be zero, as it seems wise to let contracts run their course rather than spend potentially significant resources on contract terminations, unless through negotiation there are additional benefits from realigning at a disaggregated level. This would need to be considered in detailed design and also reflect the District Council shared service arrangements out of county. Our analysis therefore has omitted any costs associated with running down legacy County Council contracts. A category management approach across the councils would look at opportunities to renegotiate and or recommission these contracts but access is needed to County Council contracts data to do this coherently.

The following cost items have been excluded from the 'other transition cost' analysis but could usefully be considered in any future Business Case:

- Early retirement costs
- Travel costs (additional travel costs of travelling to new work locations due to changes to estate)
- Pension costs
- Relocation costs (costs related to the changes in estates))
- Recruitment costs
- Contingency
- Unwinding of contracts

Transition cost evidence

Local authority election costs – evidence

	2015	2014	2013	2012	2011	2010	2009
Est cost (source: Democratic audit)			£34,200,000	£41,100,000	£74,600,000	£39,500,000	£32,600,000
Est cost per vote	£4.70	£4.70	£5.99	£5.65	£4.34	£2.82	£4.70
County (source: Electoral commission)	NA	NA	Yes	NA	NA	NA	Yes
Cherwell	48313	26603	30,531	20765	29687	43199	38312
Oxford	NA	40961	29,076	32670	NA	67596	37404
South Oxfordshire	66953	NA	31,042	NA	47541	NA	40076
Vale of White Horse	63253	NA	30,391	NA	45275	NA	33204
West Oxfordshire	19982	25,984	19318	26401	36862	33085	
Total	220132	87546	147024	72753	148904	147657	182081
Est cost Oxfordshire	£1,034,620	£411,466	£880,676	£411,054	£646,243	£416,393	£855,781
	2011-2015		2009-2013				
5 year average cost	£676,812 pa		£642,029 pa				

Other transition costs – evidence

Line item	Central Bedfordshire	Cornwall	Leicestershire	Suffolk	Wiltshire	Average estimate
ICT Integration	£8 million	£3.8 million	£2 million	£4 million	£2.5 million	£4 million
Project / change management	£2.5 million	£500 k	£500 k	-	£1.6 million	£1.3 million
Business Management Programme (systems)	-	-	£1 million	-	£1.5 million	£1.25 million
Closedown of authorities	£340 k	£1.3 million	-	-	£500 k	£710 k
Signs / logos / rebranding	£305 k	-	£200 k	-	£300 k	£270 k

Source:	Creating Central Bedfordshire Progress Report 17 Feb 2009	Our proposal for a single Council for Cornwall, Appendix 4, Finance & Value for Money, 2009	Leicestershire County Council, Strategic Financial Case for a Unitary Council, Feb 2014	Suffolk Unitary Submission, Page 16, 2008	One Council for Wiltshire, Costs and Savings update for the Implementation Executive 13 Feb 2008, Appendix A	Total = <u>£7.5 million</u> <u>Low estimate</u> = <u>£4 million</u> <u>High estimate</u> = <u>£13.6 million</u>
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Appendix D – Assumptions log

Wards in expanded Oxford City Unitary

Ward	Current District
Kidlington North	Cherwell
Kidlington South	Cherwell
Yarton Gosford and Water Eaton	Cherwell
Forest Hill and Halton	South Oxfordshire
Garsington	South Oxfordshire
Sandford	South Oxfordshire
Wheatley	South Oxfordshire
Appleton and Cumnor	Vale of White Horse
Kennington and South Hinksey	Vale of White Horse
North Hinksey and Wythym	Vale of White Horse
Radley	Vale of White Horse
Sunningwell and Wotton	Vale of White Horse
Eynsham and Cassington	West Oxfordshire

Disaggregators

Metric	Source	Units	Granularity
Population	ONS, 2014	Persons	Ward
Population 0-4	ONS, 2014	Persons	Ward
Population 0-18	ONS, 2014	Persons	Ward
Population 16-18	ONS, 2014	Persons	Ward
Population 18+	ONS, 2014	Persons	Ward
Population 18-64	ONS, 2014	Persons	Ward
Population 65+	ONS, 2014	Persons	Ward
Population 5-19	ONS, 2014	Persons	Ward
Population 0-5	ONS, 2014	Persons	Ward
Population of Primary school age (5 - 11)	ONS, 2014	Persons	Ward
Population of Secondary school age (11 - 18)	ONS, 2014	Persons	Ward
Population (4-5 and 10-11)	ONS, 2014	Persons	Ward
Population 10 - 17	ONS, 2014	Persons	Ward
Population 5-18	ONS, 2014	Persons	Ward
Population 5-7	ONS, 2014	Persons	Ward
Population 6+	ONS, 2014	Persons	Ward
Standard Area Measurement	ONS, 2014	km2	Ward
# Recorded Deaths	ONS, 2014	Persons	Ward
Population (2031)	Oxfordshire Insights 2015	Persons	Ward
# All new STI diagnoses	Public Health England, 2014	Persons	District
# Excess weight adults	Public Health England, 2012	Persons	District
# Alcohol-specific hospital admissions	Public Health England, 2013/14	Persons	District
# Smokers	Public Health England, 2014	Persons	District
# Housing Benefit Claimants	District Data	Persons	Ward
# Total business entities local units	ONS, 2015	Businesses	District
# Total households	District Data	Households	Ward
# Offences	LG Inform, Y/E 2015	Offences	District
# Households in receipt of housing benefits (000's)	DWP (via LG Inform) Nov 2015	Households	District

# HRA dwellings	Oxford City Council statement of accounts, 2015	Households	District
# Traveller caravans	DCLG, July 2015	Caravans	District
# of persons aged 18-64 claiming JSA or out of work Universal Credit	NOMIS vis Oxfordshire Insight, March 2016	Persons	District
Physical support - Adults (18-64)	Oxfordshire County Council, 2016	Persons	District
Physical support - Older people (65+)	Oxfordshire County Council, 2016	Persons	District
# new builds	Financial Statements	Houses	District
# PFI programmes	Financial Statements	Programmes	District
# homeless individuals	District Data	Persons	Ward
# council employees	Districts	Persons	District
# Pupils with SEN Support	DfE, Jan 2015	Persons	District
Total road length (km)	DfT, 2014	km	District
# of concessionary travel passes	DfT, 2014/15	Travel Passes	County
# pupils eligible for free school meals	DfE. 2015	Persons	County
# Obese Year 6 students	Public Health England, 2014/15	Persons	County
Net amount receivable from rate payers	NNDR3 14/15	Value	District
Learning disability support - Adults (18-64)	Oxfordshire County Council, 2016	Persons	District
Mental health support - Adults (18-64)	Oxfordshire County Council, 2016	Persons	District
Information and early intervention	Oxfordshire County Council, 2016	Persons	District
Assistive equipment and technology	Oxfordshire County Council, 2016	Persons	District
Learning disability support (65+)	Oxfordshire County Council, 2016	Persons	District
Mental health support - Adults (65+)	Oxfordshire County Council, 2016	Persons	District
Sensory support - older people (65+)	Oxfordshire County Council, 2016	Persons	District
Support with memory and cognition - older people (65+)	Oxfordshire County Council, 2016	Persons	District
Looked after Children	Oxfordshire County Council, 2016	Persons	District
Children in need of a plan	Oxfordshire County Council, 2016	Persons	District
Visits by Trading Standards	Oxfordshire County Council, 2016	Visits	District
Parking Spaces	District Data	Spaces	Ward
Food Premises	District Data	Premises	Ward
Number of Businesses	District Data	Businesses	Ward
Service Use	RA Data 15/16	Spend	Ward

Disaggregators selected

Income/Expenditure Line	Disaggregator Selected
110 Early years	Population 0-4
120 Primary schools	Population of Primary school age (5 - 11)
130 Secondary schools	Population of Secondary school age (11 - 18)
140 Special schools and alternative provision	# Pupils with SEN Support
145 Post-16 provision	Population 16-18
165 Other education and community budget	Population 18+
TOTAL EDUCATION SERVICES (total of lines 110 to 165)	
210 Transport planning, policy and strategy	Population
230 Structural maintenance	Total road length (km)
247 Environmental, safety and routine maintenance	Total road length (km)
248 Winter service	Total road length (km)
249 Street lighting (including energy costs)	Total road length (km)
252 Traffic management and road safety: traffic management - bus lane enforcement	Total road length (km)

258 Traffic management and road safety: other	Total road length (km)
260 Parking services	Parking Spaces
271 Public transport: statutory concessionary fares	# of concessionary travel passes
272 Public transport: discretionary concessionary fares	# of concessionary travel passes
275 Public transport: support to operators	Population
276 Public transport: co-ordination	Population
TOTAL HIGHWAYS AND TRANSPORT SERVICES (total of lines 210 to 280)	
310 Children's social care: Sure start children's centres/flying start and early years	Population 0-18
313 Children's social care: Children looked after	Looked after Children
315 Children's social care: Other children and family services	Population 0-18
322 Children's social care: Family support services	Population 0-18
323 Children's social care: Youth justice	Population 0-18
325 Children's social care: Safeguarding children and young people's services	Children in need of a plan
326 Children's social care: Asylum seekers	Population 0-18
327 Children's social care: Services for young people	Population 0-18
TOTAL CHILDRENS SOCIAL CARE (total of lines 310 to 327)	
332 Physical support - adults (18-64)	Physical support - Adults (18-64)
333 Physical support - older people (65+)	Physical support - Older people (65+)
334 Sensory support - Fs (18-64)	Population 18-64
335 Sensory support - older people (65+)	Sensory support - older people (65+)
336 Support with memory and cognition - adults (18-64)	Population 18-64
337 Support with memory and cognition - older people (65+)	Support with memory and cognition - older people (65+)
340 Learning disability support - adults (18-64)	Learning disability support - Adults (18-64)
341 Learning disability support - older people (65+)	Learning disability support (65+)
344 Mental health support - adults (18-64)	Mental health support - Adults (18-64)
345 Mental health support - older people (65+)	Mental health support - Adults (65+)
348 Social support: Substance misuse support	Population 18+
349 Social support: Asylum seeker support	Population 18+
350 Social support: Support for carer	Population 18+
351 Social support: Social Isolation	Population 18+
353 Assistive equipment and technology	Assistive equipment and technology
354 Social care activities	Population 18+
355 Information and early intervention	Information and early intervention
356 Commissioning and service delivery	Population 18+
TOTAL ADULT SOCIAL CARE (total of lines 332 to 356)	
361 Sexual health services - STI testing and treatment (prescribed functions)	# All new STI diagnoses
362 Sexual health services - Contraception (prescribed functions)	Population 18-64
363 Sexual health services - Advice, prevention and promotion (non-prescribed functions)	Population 18-64
365 NHS health check programme (prescribed functions)	Population
366 Health protection - Local authority role in health protection (prescribed functions)	Population
368 National child measurement programme (prescribed functions)	Population (4-5 and 10-11)
370 Public health advice (prescribed functions)	Population
371 Obesity - adults	# Excess weight adults
372 Obesity - children	# Obese Year 6 students

373 Physical activity - adults	Population 18-64
374 Physical activity - children	Population 0-18
376 Substance misuse - Drug misuse - adults	Population 18+
377 Substance misuse - Alcohol misuse - adults	# Alcohol-specific hospital admissions
378 Substance misuse - (drugs and alcohol) - youth services	Population 0-18
380 Smoking and tobacco - Stop smoking services and interventions	# Smokers
381 Smoking and tobacco - Wider tobacco control	# Smokers
383 Children 5–19 public health programmes	Population 5-19
384 Misc public health services - Childrens 0-5 services (prescribed functions)	Population 0-5
385 Misc public health services - Childrens 0-5 services - Other (non-prescribed functions)	Population 0-5
386 Miscellaneous public health services - other	Population
TOTAL PUBLIC HEALTH (total of lines 361 to 385)	
409 Housing strategy, advice, advances, enabling, renewals and licensing	Population
440 Homelessness	# homeless individuals
456 Housing benefits: rent allowances and rent rebates - discretionary payments	# Housing Benefit Claimants
457 Housing benefits administration	# Housing Benefit Claimants
460 Other council property - travellers' sites and non-HRA council property	# Traveller caravans
475 Housing welfare: Supporting People	Population
478 Other welfare services	# of persons aged 18-64 claiming JSA or out of work Universal Credit
TOTAL HOUSING SERVICES (GFRA only) (total of lines 409 to 478)	
500 Archives	Population
501 Culture and heritage (excluding Archives)	Population
502 Recreation and sport	Population
503 Open spaces	Population
504 Tourism	Population
505 Library service	Population
TOTAL CULTURAL AND RELATED SERVICES (total of lines 500 to 505)	
510 Cemetery, cremation and mortuary services	# Recorded Deaths
519 Regulatory services: Trading standards	Visits by Trading Standards
520 Regulatory services: Water safety	Population
521 Regulatory services: Food safety	Population
522 Regulatory services: Environmental protection; noise and nuisance	Food premises
523 Regulatory services: Housing standards	# Total households
524 Regulatory services: Health and safety	Population
526 Regulatory services: Port health levies	Population
527 Regulatory services: Pest control	Population
528 Regulatory services: Public conveniences	Population
529 Regulatory services: Animal and public health; infectious disease	Population
530 Regulatory services: Licensing - Alcohol and entertainment licensing; taxi licensing	Food premises
531 Community safety (Crime reduction)	# Offences
532 Community safety (Safety services)	# Offences
533 Community safety (CCTV)	# Offences

541 Defences against flooding	Population
543 Land drainage and related work (excluding levy / Special levies)	Population
550 Agriculture and fisheries services	Population
570 Street cleansing (not chargeable to Highways)	Total road length (km)
581 Waste collection	# Total households
582 Waste disposal	# Total households
583 Trade waste	Number of businesses
584 Recycling	# Total households
585 Waste minimisation	# Total households
586 Climate change costs	Population
TOTAL ENVIRONMENTAL AND REGULATORY SERVICES (total of lines 510 to 586)	
591 Building control	Population
592 Development control	Population
593 Planning policy	Population
594 Environmental initiatives	Population
595 Economic development	Population
596 Community development	Population
597 Economic research	Population
598 Business Support	Population
TOTAL PLANNING AND DEVELOPMENT SERVICES (total of lines 591 to 598)	
602 TOTAL FIRE AND RESCUE SERVICES	Population
604 Coroners' court services	# Recorded Deaths
Other court services	
610 Corporate and democratic core	Population
625 Local tax collection: council tax support administration	# Total households
628 Local tax collection: other	# Total households
650 Emergency planning	Population
675 Central services to the public: other	Population
681 Non-distributed costs - retirement benefits	Population
TOTAL CENTRAL SERVICES (total of lines 604 to 684)	
698 TOTAL OTHER SERVICES	Population
811 Housing benefits: rent allowances - mandatory payments	# Households in receipt of housing benefits (ooo's)
812 Housing benefits: non-HRA rent rebates - mandatory payments	# Households in receipt of housing benefits (ooo's)
813 Housing benefits: rent rebates to HRA tenants - mandatory payments	# Households in receipt of housing benefits (ooo's)
821 Parish Precepts	Population
831 External Trading Accounts net surplus(-)/ deficit(+)	Population
832 Internal Trading Accounts net surplus(-)/ deficit(+)	Population
842 Capital items accounted for in Internal Trading Accounts	Population
848 Adjustments to net current expenditure	Population
NET CURRENT EXPENDITURE (total of lines 799 to 848)	
859 Levy: Environment Agency flood defence	Population

865 Capital expenditure charged to the GF Revenue Account (CERA) (exclude Public Health)	Population
871 Provision for bad debts (+/-)	Population
873 Provision for repayment of principal	Population
881 Interest: external payments	Population
883 Interest: HRA item 8 payments and receipts	Population
SUB-TOTAL (total of lines 849 to 883)	
886 Interest and investment income (-): external receipts and dividends	Population
888 Private Finance Initiative (PFI) schemes - difference from service charge	Population
891 Specific and special grants outside AEF [SG line 799 as income]	Population
REVENUE EXPENDITURE (total of lines 885 to 896)	
903 Local Services Support Grant (LSSG)	Population
904 Specific and special grants inside AEF [SG line 699 as income]	Population
NET REVENUE EXPENDITURE (total of lines 900 to 904)	
906 Inter-authority transfers in respect of reorganisation	Population
911 Appropriations to(+)/ from(-) schools' reserves	Population
914 Appropriations to(+)/ from(-) public health financial reserves	Population
915 Appropriations to(+)/ from(-) other earmarked financial reserves	Population
916 Appropriations to(+)/ from(-) unallocated financial reserves	Population
951 Revenue Support Grant	Population
956 Police grant	Population
970 Retained income from Rate Retention Scheme	Net amount receivable from rate payers
980 Other items	Population
COUNCIL TAX REQUIREMENT (total of lines 905 to 980)	
Dedicated Schools Grant (DSG)	Population 5-18
Pupil Premium Grant	# pupils eligible for free school meals
Education Services Grant	Population 5-18
Universal Infants Free School Meals	Population 5-7
GLA Transport Grant	
Public Health Grant [Excludes Children 0-5 funding allocation]	Population 6+
Public Health Grant - Children 0-5 funding allocation [October 2015]	Population 0-5
Adult Social Care Implementation 2015-16	Population 65+
Housing Benefit Subsidy Admin Grant	# Households in receipt of housing benefits (ooo's)
New Homes Bonus	# new builds
The Private Finance Initiative (PFI)	# PFI programmes
Other grants within AEF	Population
TOTAL REVENUE GRANTS WITHIN AEF (total of lines 102 to 698)	
Adult and Community Learning from Skills Funding Agency	Population 18+
Sixth Form Funding from the Education Funding Agency (EFA)	Population 16-18
Mandatory Rent Allowances: subsidy	# Households in receipt of housing benefits (ooo's)
Mandatory Rent Rebates outside HRA: subsidy	# Households in receipt of housing benefits (ooo's)

Rent Rebates Granted to HRA Tenants: subsidy	# Households in receipt of housing benefits (ooo's)
Other grants outside AEF	Population

Growth assumptions

Cherwell	2017 Growth	2018 Growth	2019 Growth	2020 Growth	2021 Growth
EXPENDITURE					
Highways and Transport Services	-1280%	1%	1%	4%	2%
Housing Services (GFRA)	6%	1%	1%	4%	2%
Cultural and Related	-9%	1%	0%	4%	2%
Environmental and Regulatory	13%	1%	0%	4%	1%
Planning and Development	35%	1%	0%	4%	2%
Central Services	95%	1%	0%	4%	2%
Other Services	0%	0%	0%	0%	0%
Housing Benefits	9%	1%	0%	4%	2%
Precepts & Levies	18%	1%	0%	4%	2%
Misc. Items.	-249%	20%	11%	7%	5%
Specific and special grants outside AEF (as income)	9%	1%	0%	4%	2%
Specific and special grants inside AEF (as income)	34%	1%	0%	4%	2%
FUNDING					
Revenue Support Grant	-32%	-40%	-42%	-82%	-100%
Other Government Grants	0%	5%	-27%	0%	-23%
Business Rate Retention Scheme	58%	6%	10%	10%	10%
Reserves	-100%	0%	0%	0%	0%
Council Tax	-38%	0%	2%	2%	2%
Other Items	-173%	47%	0%	0%	0%

Oxford	2017 Growth	2018 Growth	2019 Growth	2020 Growth	2021 Growth
EXPENDITURE					
Highways and Transport Services	12%	5%	-1%	2%	
Housing Services (GFRA)	-3%	5%	-1%	2%	
Cultural and Related	-2%	5%	-1%	2%	
Environmental and Regulatory	-4%	5%	-1%	2%	
Planning and Development	4%	5%	-1%	2%	
Central Services	0%	5%	-1%	2%	
Other Services	7%	5%	-1%	2%	
Housing Benefits	-4%	5%	-1%	2%	
Precepts & Levies	0%	5%	-1%	2%	
Misc. Items.	-54%	5%	-1%	2%	
Specific and special grants outside AEF (as income)	-4%	5%	-1%	2%	
Specific and special grants inside AEF (as income)	21%	5%	-1%	2%	
FUNDING					
Revenue Support Grant	-37%	-48%	-57%	-100%	
Other Government Grants	0%	0%	0%	0%	
Business Rate Retention Scheme	-4%	7%	5%	10%	
Reserves	0%	0%	0%	0%	
Council Tax	4%	2%	3%	3%	
Other Items	-706%	-91%	0%	0%	

Note - no projections were provided for 2020/21. Nil growth assumed in year 2020/21.

South Oxfordshire	2017 Growth	2018 Growth	2019 Growth	2020 Growth	2021 Growth
EXPENDITURE					
Highways and Transport Services	3%	0%	0%	0%	0%
Housing Services (GFRA)	10%	-20%	-16%	0%	0%
Cultural and Related	0%	-3%	-4%	0%	0%
Environmental and Regulatory	1%	1%	1%	0%	1%
Planning and Development	6%	-4%	-14%	-2%	0%
Central Services	-8%	0%	-1%	1%	-1%
Other Services	0%	0%	0%	0%	0%
Housing Benefits	-103%	0%	0%	0%	0%
Precepts & Levies	-100%	0%	0%	0%	0%
Misc. Items.	3%	-11%	-7%	-16%	-35%
Specific and special grants outside AEF (as income)	-100%	0%	0%	0%	0%
Specific and special grants inside AEF (as income)	-100%	0%	0%	0%	0%
FUNDING					
Revenue Support Grant	-38%	-52%	-66%	-100%	0%
Other Government Grants	0%	-18%	-9%	-19%	-10%
Business Rate Retention Scheme	2%	2%	3%	3%	2%
Reserves	-11%	-85%	31%	-537%	101%
Council Tax	-40%	1%	1%	1%	1%
Other Items	-64%	3%	11%	-169%	8%

Vale of White Horse	2017 Growth	2018 Growth	2019 Growth	2020 Growth	2021 Growth
EXPENDITURE					
Highways and Transport Services	-26%	-22%	0%	0%	0%
Housing Services (GFRA)	-6%	-4%	0%	0%	0%
Cultural and Related	26%	-6%	-8%	-84%	0%
Environmental and Regulatory	0%	-2%	1%	1%	0%
Planning and Development	6%	-18%	-12%	-7%	0%
Central Services	-7%	-3%	-1%	1%	-1%
Other Services	0%	0%	0%	0%	0%
Housing Benefits	-103%	0%	0%	0%	0%
Precepts & Levies	-100%	0%	0%	0%	0%
Misc. Items.	-25%	0%	6%	-13%	-29%
Specific and special grants outside AEF (as income)	-100%	0%	0%	0%	0%
Specific and special grants inside AEF (as income)	-100%	0%	0%	0%	0%
FUNDING					
Revenue Support Grant	-38%	-53%	-68%	-100%	0%
Other Government Grants	0%	-16%	3%	-3%	-16%
Business Rate Retention Scheme	-493%	2%	3%	3%	2%
Reserves	-198%	1%	40%	12%	-25%
Council Tax	-34%	6%	6%	5%	3%
Other Items	-82%	0%	80%	-290%	5%

West Oxfordshire	2017 Growth	2018 Growth	2019 Growth	2020 Growth	2021 Growth
EXPENDITURE					
Highways and Transport Services	14%	0%	0%	2%	2%
Housing Services (GFRA)	-28%	0%	-7%	2%	2%
Cultural and Related	-3%	0%	-3%	2%	2%
Environmental and Regulatory	8%	2%	2%	1%	2%
Planning and Development	-7%	0%	-27%	2%	2%
Central Services	3%	-2%	-8%	-1%	2%
Other Services	0%	0%	0%	2%	2%
Housing Benefits	-98%	0%	0%	2%	2%
Precepts & Levies	-100%	0%	0%	0%	0%
Misc. Items.	-12%	2%	1%	2%	2%
Specific and special grants outside AEF (as income)	-100%	0%	0%	0%	0%
Specific and special grants inside AEF (as income)	-100%	0%	0%	0%	0%
FUNDING					
Revenue Support Grant	-33%	-40%	-41%	-79%	-100%
Other Government Grants	100%	-22%	-1%	2%	-6%
Business Rate Retention Scheme	-28%	1%	1%	1%	-24%
Reserves	-119%	286%	-114%	119%	-528%
Council Tax	-44%	7%	7%	6%	3%
Other Items	-175%	61%	9%	11%	9%

Oxfordshire County Council	2017 Growth	2018 Growth	2019 Growth	2020 Growth	2021 Growth
EXPENDITURE					
Education Services	-12%	-1%	-1%	0%	
Highways and Transport Services	-16%	-18%	-1%	-3%	
Childrens Social Care	-4%	-6%	0%	0%	
Adult Social Care	2%	2%	2%	2%	
Public Health	-12%	0%	0%	0%	
Housing Services (GFRA)	22%	-10%	-10%	-12%	
Cultural and Related	-16%	-2%	-1%	0%	
Environmental and Regulatory	-2%	2%	2%	2%	
Planning and Development	-49%	-6%	12%	-2%	
Fire and Rescue Services	-5%	-2%	0%	0%	
Central Services	-21%	0%	0%	0%	
Other Services	0%	0%	-41%	-120%	
Housing Benefits	0%	0%	0%	0%	
Precepts & Levies	0%	0%	0%	0%	
Misc. Items	-6%	51%	2%	0%	
Specific and special grants outside AEF (as income)	-60%	0%	0%	0%	
Specific and special grants inside AEF (as income)	-4%	0%	0%	0%	
FUNDING					
Revenue Support Grant	-37%	-53%	-69%	-100%	
Other Government Grants	0%	0%	0%	0%	
Business Rate Retention Scheme	-1%	3%	3%	-6%	
Reserves	-89%	-100%	0%	0%	
Council Tax	6%	7%	6%	6%	
Other Items	-16%	-100%	0%	0%	

Note - no projections were provided for 2020/21. Nil growth assumed in year 2020/21.

Council Tax assumptions - rate

	Cherwell	Oxford	South Oxfordshire	Vale of White Horse	West Oxfordshire
2015/16					
District Band D Equivalent 15/16	123.50	278.97	111.24	116.69	81.63
Oxford CC Band D Equivalent 15/16	1,232.46	1,232.46	1,232.46	1,232.46	1,232.46
Town/Parish Council 15/16	84.64	4.03	77.23	63.63	74.12
TOTAL AVERAGE BAND 15/16	1,440.60	1,515.46	1,420.93	1,412.78	1,388.21
2016/17					
District Band D Equivalent 16/17	123.50	288.46	111.24	116.69	86.63
Oxford CC Band D Equivalent 16/17	1,281.64	1,281.64	1,281.64	1,281.64	1,281.64
Town/Parish Council 16/17	84.64	4.03	77.23	63.63	74.12
TOTAL AVERAGE BAND 16/17	1,489.78	1,574.13	1,470.11	1,461.96	1,442.39
2017/18					
District Band D Equivalent 17/18	123.50	293.43	111.24	121.69	91.63
Oxford CC Band D Equivalent 17/18	1,358.95	1,358.95	1,281.64	1,358.95	1,358.95
Town/Parish Council 17/18	84.64	4.03	77.23	63.63	74.12
TOTAL AVERAGE BAND 17/18	1,567.09	1,656.41	1,470.11	1,544.27	1,524.70
2018/19					
District Band D Equivalent 18/19	123.50	298.46	111.24	126.69	96.63
Oxford CC Band D Equivalent 18/19	1,414.85	1,414.85	1,414.85	1,414.85	1,414.85
Town/Parish Council 18/19	84.64	4.03	77.23	63.63	74.12
TOTAL AVERAGE BAND 18/19	1,622.99	1,717.34	1,603.32	1,605.17	1,585.60
2019/2020					
District Band D Equivalent 19/20	123.50	303.57	111.24	131.69	101.63
Oxford CC Band D Equivalent 19/20	1,474.18	1,474.18	1,474.18	1,474.18	1,474.18
Town/Parish Council 19/20	84.64	4.03	77.23	63.63	74.12
TOTAL AVERAGE BAND 19/20	1,682.32	1,781.78	1,662.65	1,669.50	1,649.93
2020/21					
District Band D Equivalent 19/20	123.50	308.78	111.24	134.31	103.66
Oxford CC Band D Equivalent 20/21	1,454.80	1,454.80	1,454.80	1,454.80	1,454.80
Town/Parish Council 20/21	84.64	4.03	77.23	63.63	74.12
TOTAL AVERAGE BAND 20/21	1,662.94	1,767.61	1,643.27	1,652.74	1,632.58

Council Tax assumptions – Tax base

	Cherwell	Oxford	South Oxfordshire	Vale of White Horse	West Oxfordshire
2015/16					
Council Tax Base	48,253	42,659	54,234	47,563	41,176
2016/17					
Council Tax Base	50,356	43,665	54,965	48,177	41,512
2017/18					
Council Tax Base	50,494	43,770	55,553	49,094	41,927
2018/19					
Council Tax Base	51,506	44,208	56,141	50,041	42,415
2019/20					
Council Tax Base	52,534	44,650	56,697	50,793	42,982
2020/21					
Council Tax Base	53,587	45,096	57,253	51,465	43,519

Transition cost assumptions

Type of transition cost	Assumption	Source
Employee severance costs	Average public sector redundancy pay is £25k	https://www.gov.uk/government/consultations/consultation-on-a-public-sector-exit-payment-cap/consultation-on-a-public-sector-exit-payment-cap
	Reduced FTEs in new organisational structure is 945	PwC evidence-based assumption
	100% of reduced FTEs receive a redundancy payout	PwC assumption which potentially overestimates true cost (as not accounting for natural attrition)
	Excludes pension costs	This will mean that severance costs will be underestimated, which counterbalances the above over-estimate
Member costs	Additional member allowances moving to a new democratic system, as outlined	County Council annual 2015/16 allowances
	Role	Allowance/Cost
	Leader	£29,290
	Deputy Leader	£20,200
	Cabinet Member (assume 6 per UA)	£16,160
	Regulatory Committee Chair (assume 5 per UA)	£6,060
	Planning Committee Chair (assume 5)	£6,060
	Scrutiny Committee Chair (assume 5 per UA)	£6,060
Other transition costs	Includes: Project/change management, Business management/systems change, ICT integration, Closedown of authorities, Signs/logos/branding	Evidenced from existing UA business cases, and amalgamated.
Senior management structures	Current cost of 71 senior management roles within region is £7.2m	FTE data provided by client, and publically available information on salaries (www.publications.parliament.uk/pa/cm201415/cmselect/cmcomloc/191/191.pdf)
	Assumes a span of control of 4	PwC evidence-based assumption
Member savings	282 Members across Oxfordshire	Publically available information
	Assumed 25% reduction in Members over a 4 year period in new organisational structure	Client's suggested assumption
Election savings	Assumed 50% election costs saved over 4 years	PwC evidence-based assumption
Office asset disaggregation	FTE to desk space ratio of 5:4	Industry best practice
	Best practice square footage of 100 square foot	Industry best practice
Transformation savings	Transformation savings estimated as average annual saving of £24m p.a. (annualised over 5 year period, gearing up to maximum annual transformation benefit of £37m)	PwC evidence-based assumption
	Potential scale of transformation benefits has a proportionate relationship to expenditure	PwC evidence-based assumption
	As number of UAs increase, scale of potential saving reduces slightly, between 2% and 6%	PwC evidence-based assumption

Appendix E – Stakeholder engagement

Below is a list of the stakeholders that PwC have engaged with during the course of this study to seek views on current local government organisation, UA options, opportunities and risks. Their input has influenced the options analysis aspect to this work.

- Department for Communities and Local Government (DCLG)
- District Council leaders and Chief Executives
- Oxfordshire County Council
- Oxfordshire Local Enterprise Partnership (OXLEP)
- Oxfordshire Clinical Commissioning Group
- Thames Valley Police
- University of Oxford
- Oxford Brookes University
- Oxford Health NHS Trust
- Oxford University Hospitals NHS Trust
- Oxford Spires Academy

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Division(s): N/A

CABINET – 20 SEPTEMBER 2016

Service & Resource Planning 2017/18

Report by the Chief Finance Officer

Introduction

1. This report is the first in the series on the Service & Resource Planning process for 2017/18 which will culminate in Council setting a budget for 2017/18 in February 2017. This initial report sets the context and the starting point for the process. It sets out:
 - the assumptions on which the existing Medium Term Financial Plan (MTFP) is based,
 - known and potential financial issues for 2017/18 and beyond which impact on the existing MTFP, and
 - a proposed process for Service & Resource Planning for 2017/18 including a timetable of events.
2. The report follows on from the report presented to Cabinet in July 2016, 'Revised Medium Term Financial Plan 2017/18 – 2019/20'.
3. The following annexes are attached to this report:

Annex 1a: Previously agreed budget changes 2017/18 – 2019/20

Annex 1b: Review of assumptions in the existing MTFP

Annex 2: Service & Resource Planning timetable for 2017/18

Assumptions in the existing Medium Term Financial Plan

4. The 2016/17 – 2019/20 Medium Term Financial Plan (MTFP) agreed by Council in February 2016 included the requirement for an additional £69m of savings to be made over the period of the plan. This brings the total level of savings required to offset funding reductions and to meet additional expenditure pressures to £114m over the period 2016/17 to 2019/20.
5. Of the £114m savings still to be achieved in the existing MTFP, £38m needs to be delivered in 2017/18, £14m in 2018/19 and £9m in 2019/20. Savings of £53m are built into the budget for 2016/17 and progress against this is being monitored through the Business Strategy Delivery and Financial Monitoring Reports to Cabinet throughout the financial year.
6. At the time of setting the 2016/17 budget in February 2016, the MTFP included a requirement for savings for which proposals had not been

identified of £10.4m in 2017/18 and £6.2m in 2018/19. A surplus position of £1.3m was included for 2019/20. In total £15.3m of unidentified savings were required to 2019/20.

7. The need to make significant additional savings only became apparent following the publication of the Draft Local Government Finance Settlement in late December 2015 due to a change in the distribution of Revenue Support Grant. It would not have been prudent therefore to propose further significant savings without proper financial planning and consultation. The 'Revised Medium Term Financial Plan 2017/18 – 2019/20' report presented to Cabinet in July 2016 proposed that the £15.3m further savings would be achieved through a new council wide transformation programme. Cabinet recommended that Council approve the revised MTFP for 2017/18 to 2019/20 on 13 September 2016.
8. Last year, the MTFP was extended to 2019/20 to reflect the period of the spending review. As part of the Provisional Local Government Finance Settlement announced in December 2015, the Secretary of State for Local Government set out an offer to all councils of a four-year funding settlement from 2016/17 to 2019/20. In setting the 2016/17 budget and Medium Term Financial Plan to 2019/20, these published figures have been included as forecasts of income over the four year period. The offer of a four year settlement requires councils to publish an Efficiency Plan and notify the Department for Communities and Local Government (DCLG) of its availability by 14 October 2016. Council have been recommended to approve Oxfordshire's Efficiency Plan on 13 September 2016 ahead of submitting to DCLG.
9. The MTFP also includes an additional £12.2m of on-going funding for demographic and other directorate expenditure pressures added over the period 2017/18 – 2019/20 and provides for 1% pay inflation, up to 3% contract inflation, 2% income inflation. No inflation is provided for general prices¹.
10. Details of the savings and additional funding in the existing MTFP for 2017/18 to 2019/20 are set out in Annex 1a.
11. The MTFP assumes general balances of £17.5m and £65m in earmarked reserves (reserves held for a specific purpose) at the start of 2017/18. The Business Strategy Delivery & Financial Monitoring report presented to Cabinet in July 2016 forecast £15.6m general balances² and £97m earmarked reserves at the end of 2016/17.
12. The Budget Reserve is being used to manage the cash flow implications of the MTFP. It is forecast to have a balance of £8.4m at the end of 2016/17 that could be used to defer savings required from the transformation programme from 2017/18 to 2018/19. The level of earmarked reserves and

¹ Applied to costs of premises, transport and supplies and services.

² After taking into account Directorate projected overspends

general balances are reviewed each year as part of the Service & Resource Planning process.

13. General funding (excluding council tax) is estimated to reduce by £20m between 2017/18 and 2019/20 to £67m a year by 2019/20, a reduction of 36% compared to 2016/17. Council tax increases of 3.99% for 2017/18 to 2019/20 are assumed in the MTFP, this includes a 2% increase for the Adult Social Care precept. Total income from Council Tax (including collection surpluses) is estimated to be £365m a year by 2019/20.
14. Further details on the assumptions in the existing MTFP are provided in Annex 1b.

Government and Other Announcements

Budget March 2016

15. On 16 March 2016, the previous Chancellor of the Exchequer, George Osborne made his 2016 Budget announcement. Forecasts for economic growth were revised downwards due to global factors in particular slow growth in developing economies such as China. The forecasts were made on the basis of the UK remaining in the European Union. Forecast growth for 2017 was reduced from 2.4% to 2.2% and from 2.4% to 2.1% for 2018 and 2019.
16. In the summer 2015 Budget the Chancellor stated that he wanted to achieve a budget surplus by 2020 and detailed £37bn worth of cuts in order to do so. The March 2016 budget announced that government departments would be required to find an additional £3.5bn of savings by 2020 to achieve a surplus position under the revised economic forecasts.
17. In May 2016, the previous Secretary of State for Communities & Local Government, Greg Clark, confirmed that, subject to the submission of an Efficiency Plan, the four-year settlements for local government were still valid.
18. The Chancellor announced that from April 2017, businesses in properties with a rateable value of £12,000 or less will not pay business rates and properties with a rateable value between £12,000 and £15,000 will pay a tapered rate. The Government stated that Local Authorities will be compensated for this change.
19. From April 2020, the annual indexation of business rates will switch from the Retail Prices Index (RPI) to the Consumer Price Index (CPI), the main measure for inflation.

European Union Referendum and associated events

20. On 23 June 2016 the United Kingdom voted to leave the European Union. Shortly after the result of the European Union referendum was known, David

Cameron announced his resignation from the Office of Prime Minister. Following a short leadership contest, on 13 July 2016, Theresa May was appointed Prime Minister.

21. A significant cabinet reshuffle occurred immediately after Theresa May took office. Philip Hammond was appointed Chancellor of the Exchequer and Sajid Javid replaced Greg Clark as Secretary of State for Communities & Local Government.
22. Theresa May has stated that she will not trigger Article 50 of the Lisbon Treaty, which sets in place a process for withdrawal from the European Union, before the start of 2017 at the earliest. Formal negotiations on the UK's departure from, and its future relationship with, the Union cannot begin until the article is triggered. The process itself is expected to take two years.
23. Prior to the referendum, many economists had been predicting an immediate and significant negative impact on the UK economy should the country vote to leave the European Union. George Osborne had stated that an Emergency Budget would need to take place. Following the vote, George Osborne announced that there would be no immediate emergency budget but said there would need to be "corrective action" following major stock market losses and an expected reduction in investment. On 1 July 2016, George Osborne abandoned his target of achieving a budget surplus by 2020; he said "we must provide fiscal credibility, continuing to be tough on the deficit while being realistic about achieving a surplus by the end of the decade".
24. On becoming Chancellor, Philip Hammond stated that he will use the Autumn Statement to 'reset' Britain's fiscal policy saying "our economy will change as we go forward to the future and will require a different set of parameters". The Autumn Statement will be announced on 23 November 2016.

Interest Rates

25. At its meeting in August, the Monetary Policy Committee (MPC) voted unanimously to cut Bank Rate to 0.25% from 0.5%. The Committee noted that following the United Kingdom's vote to leave the European Union, the exchange rate had fallen and the outlook for growth in the short to medium term had significantly weakened. The fall in sterling is likely to push up CPI inflation in the short term, hastening its return to the 2% target and probably causing it to rise above the target in 2018, before the exchange rate effect dissipates thereafter. CPI for July 2016 increased to 0.6% from 0.5% in June and RPI for July 2016 increased to 1.9% from 1.6% in June.
26. The cut in interest rate will impact on the assumptions in the Corporate Measures budget over the medium term. The impact of this and any other market changes will be set out in the next Service & Resource Planning report to Cabinet in December 2016.

100% Business Rates Retention

27. On 5 July 2016, the Department for Communities and Local Government (DCLG) released the consultation on the reform of business rates retention as announced in the Queen's Speech 2016. The consultation seeks views on the implementation of the Government's commitment to allow the local government as a whole to retain 100% of the business rates they raise. The consultation's introduction outlines the following timetable:

Summer 2016	Consultation on the approach to 100% retention
Autumn 2016	Further technical consultation on the specific workings of the reformed system
Early 2017	Legislation introduced
April 2017	Pilots of the new approach
Before May 2020	100% business rates implemented

28. The 36 question consultation covers a wide range of areas especially regarding the System Design of the new scheme. Included are questions regarding the devolution of further responsibilities (in order to maintain fiscal neutrality in the move from 50% to 100% rates retention), as well as questions on the balance between rewarding growth and redistributing to meet changing need, tier splits (in County areas), managing the risk of appeals and powers to introduce an infrastructure levy as well as reducing the multiplier.
29. Additionally, there are questions regarding whether devolution could be different for different authorities. Previous Secretary of State for Communities and Local Government, Greg Clarke, stated that he did not want to impose a "one-size-fits-all" solution across the country and encouraged local government to consider how the system can be tailored to local needs and opportunities.
30. The Council is intending to respond to the consultation which closes on 26 September and the response will be made available to all members ahead of submission.

Fair Funding Review – Call for Evidence

31. In May 2016 DCLG and the Local Government Association (LGA) set up a jointly-led Needs and Redistribution technical working group. Based on feedback from this group, DCLG have developed an initial call for evidence on needs and redistribution which is running alongside the 100% Business Rate Retention consultation, with the same end date.
32. In 2013/14 the relative needs formula, as part of the Four-Block Model, was used to calculate each Local Authority's Baseline Funding level. Tariffs and top-ups were then calculated by comparing each authority's Baseline Funding level with their Business Rate baseline. This measure of need has not been recalculated since and many feel that a fundamental review of the

needs assessment is required particularly due to the increasing demographic pressures on Adult Social Care services.

33. The Fair Funding Review will establish the funding baselines for the services currently supported by the local government finance system. The distribution of funding for new responsibilities will be considered on a case by case basis once these responsibilities are confirmed; they are likely to have bespoke distributions.
34. The final consultation on the needs formulae is expected in summer 2018 with implementation scheduled for the end of the current parliament.

New Funding Formula for Schools

35. The Secretary of State for Education, Justine Greening, announced that the implementation of a new national funding formula for schools will be delayed by a year from 2017/18. It will now apply from 2018/19.
36. The new formula is needed to tackle uneven levels of funding across England, with the best funded areas getting more than £6,300 per pupil per year, while the worst-funded averaging just £4,200. However, there are concerns that while some schools will benefit, a new formula could mean some schools in areas of need would face budget cuts. Justine Greening stated that she did not want to rush into changes without being sure of their ramifications.

Early Years Funding Consultation

37. The Department for Education launched a consultation on 11 August 2016 on proposals to change the way free childcare and early years education is funded. The consultation closes on 22 September 2016.
38. The proposals include the introducing a new early years national funding formula for 3 and 4 year olds; changing the way local authorities fund the early years providers in their area; and making sure that children with special educational needs or disabilities attract the extra funding they need.

Local Government Pension Fund Valuation

39. The Actuary is currently working on the Valuation of the Local Government Pension Scheme where the changes in financial markets and scheme membership etc. are assessed since the last Valuation in 2013. The provisional results will be available in early November 2016.

Service & Resource Planning Process and Timetable

40. The report to Cabinet in July 2016 set out the emerging themes of the new council wide transformation programme. As this work develops, the key work streams have been formed which will ensure the council is responsive, adaptable and continuously developing services in creative ways; a council

that listens to communities, helping to make Oxfordshire a place where local residents and businesses can flourish. The key work streams are:

- Digital First
- Driving Efficiencies
- Driving Growth
- Workforce for the Future
- Delivering Together
- Community Capacity Building
- Customer Focus/Front Door

41. The programme will be expanded to identify further savings to meet on-going expenditure pressures highlighted in the Financial Monitoring & Business Strategy Delivery report to Cabinet and any new expenditure pressures emerging during this planning round.
42. Detailed budget proposals will be presented to Performance Scrutiny Committee in December 2016, which will enable a cross-party group of councillors to consider and challenge the proposals. Capital proposals will be considered in early January 2017. An online public consultation on the budget proposals will take place during December 2016.
43. Cabinet will take into consideration the comments from Performance Scrutiny Committee and the public alongside the funding available announced as part of the provisional settlement, in setting out its proposed budget to Cabinet on 24 January 2017.
44. The District Councils are required to provide Council Tax bases, Council Tax collection surpluses/deficits and business rate forecasts by 31 January 2017. Provisional figures are expected in mid-December 2016.
45. The final settlement is not expected until early February 2017. This will confirm the general funding available to the Council for 2017/18 and the Council Tax referendum limit to be applied.
46. The Council meeting to agree the 2017/18 revenue budget, medium term financial plan and capital programme will take place on 14 February 2017.
47. A timetable for the Service & Resource Planning process is attached at Annex 2.

Capital Programme Planning

48. The Council considers the capital investment and programming activity as an integral part of the Service & Resource Planning process. This ensures that the creation of a new asset or investment in the existing assets and infrastructure network is justified through detailed business strategies and delivery models for the service, and implications for the medium term financial plan are clearly identified.

49. In view of the delivery period for significant programmes, such as those relating to the Local Growth Deal, it is proposed to extend the capital planning period a further year to cover the period 2016/17 to 2020/21. This will provide an additional year of funding in the capital programme and align to the period of the MTFP.
50. New capital investment pressures are currently emerging. Proposals will be brought forward in September/October 2016 to inform the capital planning process.
51. Councillors will have an opportunity to contribute to capital prioritisation decisions through the January 2017 Performance Scrutiny Committee meeting.

Equality and Inclusion Implications

52. The Public Sector Equality Duty, under section 149 of the Equality Act 2010, places a responsibility on local authorities to exercise 'due regard to the need to eliminate unlawful discrimination... advance equality of opportunity... and foster good relations.'
53. There are no equality and inclusion implications arising directly from this report. A high level assessment of the broad impact of new savings options will be included as part of the published information in December 2016. More detailed impact assessments, which will take account of feedback from the public consultation and from Scrutiny, will accompany Cabinet's proposed budget in January.

Financial and Legal Implications

54. This report is mostly concerned with finance and the implications are set out in the main body of the report. The Council is required under the Localism Act 2011 to set a council tax requirement for the authority. This report provides information which, when taken together with the future reports up to January 2017, will lead to the council tax requirement being agreed in February 2017, together with a budget for 2017/18, updated medium term financial plan and capital programme.

RECOMMENDATION

55. The Cabinet is **RECOMMENDED** to:
 - (a) note the report;
 - (b) approve the Service and Resource Planning process for 2017/18; and
 - (c) approve a four year period for the Medium Term Financial Plan and Capital Programme to 2020/21.

LORNA BAXTER
Chief Finance Officer

Annexes:

- Annex 1a: Previously agreed budget changes 2017/18 – 2019/20
- Annex 1b: Review of assumptions in the existing MTFP
- Annex 2: Service & Resource Planning timetable for 2017/18

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September 2016

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Previously Agreed Directorate Budget Changes Summary 2017/18 - 2019/20

Directorate	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
Pressures				
Children, Education & Families	238	0	0	238
Social & Community Services	5,515	3,940	1,183	10,638
Environment & Economy	229	650	500	1,379
Corporate Services	-100	0	0	-100
Public Health	0	0	0	0
Total Previously Agreed Pressures	5,882	4,590	1,683	12,155
Savings				
Children, Education & Families	-6,853	0	-400	-7,253
Social & Community Services	-9,332	-7,993	-6,125	-23,450
Environment & Economy	-8,904	-320	-1,192	-10,416
Corporate Services	-452	-242	0	-694
Public Health	-1,250	0	0	-1,250
Transformation Programme	-10,374	-6,169	1,250	-15,293
Subtotal Previously Agreed Savings	-37,165	-14,724	-6,467	-58,356
Funding for Adult Social Care 2% Precept	6,364	6,898	7,466	20,728
Total Previously Agreed Savings	-30,801	-7,826	999	-37,628
Total of Previously Agreed Budget Changes	-24,919	-3,236	2,682	-25,473

Children, Education & Families

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
	Children, Education & Families (CEF) Cross Directorate					
17CEF1	Reductions could be made to management and administrative staffing. Detailed savings will be identified as part of the new directorate organisational arrangements.	S			-400	-400
	Total Children, Education & Families (CEF) Cross Directorate		0	0	-400	-400
	Education & Learning					
	Additional & Special Educational Needs (SEN)					
17CEF7	The council could seek to challenge and drive down the cost of placements and educational provision for post-16 students with high-level needs. This would include reducing the costs of out-of-county residential colleges, and high-cost placements in further education colleges and post-16 training providers.	S	-100			-100
17CEF8	The council would reduce its management costs by transferring centrally employed staff to direct employment by schools. It is not anticipated this would involve any redundancies given the gradual changes.	S	-50			-50
17CEF6	Review service delivery for the service that supports families, early years settings, children's centres and childminders in relation to children with special educational needs. With the aim to provide an effective service with less money.	S	-100			-100
	Subtotal Additional & Special Educational Needs (SEN)		-250	0	0	-250
	Education					
17CEF3	The council could establish a new traded arm within the council. There would be a reduction in staff numbers (estimated at 17 FTE) but an opportunity to refocus priorities and generate a trading surplus. Maximising income would allow the financing of work beyond schools requiring improvement. This would be financed by use of an agreed proportion of income to be returned to the council from the ring-fenced trading arm or other potential future trading vehicle. It is acknowledged that more market research is required on this option.	S	-984			-984
	Subtotal Education		-984	0	0	-984
	School Organisation & Planning					
17CEF10	A budget which is used to assist schools with very minor internal modifications to buildings could be discontinued. Alternatively, staffing could be reduced – with one potential method being not replacing on a like-for-like basis a member of staff when they retire.	S	-10			-10
15EE14 16EE10	Supported Transport Project savings including home to school transports including Special Educational Needs (SEN).	S	-671			-671
	Subtotal School Organisation & Planning		-681	0	0	-681
	Total Education & Learning		-1,915	0	0	-1,915

Children, Education & Families

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
	Children's Social Care					
15CEF2, 16CEF4, 17CEF15	Implementation of an integrated Children's Social Care and Early Intervention Service.	S	-4,200			-4,200
	Total Children's Social Care		-4,200	0	0	-4,200
	Children's Social Care Countywide Services					
15CEF8	Children's Homes borrowing costs to fund four new homes in Oxfordshire	P	238			238
15CEF9	Children's Homes Savings - from building Children's Homes in the county which reduces the number of high cost out of county placements	S	-238			-238
17CEF13	Contracts for a range of day and overnight short-break care services commissioned for disabled children with parents, young people and other partners are due to finish in March 2017. The council would review these services during 2016, in consultation with families and other key partners. The council wishes to make sure the funding available is used to achieve the best possible outcomes. The review would include the residential short break services, which are jointly funded by the Council and the Clinical Commissioning Group with a contribution from Barnardos.	S	-250			-250
	Total Children's Social Care Countywide Services		-250	0	0	-250
	Joint Commissioning					
17CEF14, 17CEF20	15CEF12 - Joint Commissioning	S	-250			-250
	Total Joint Commissioning		-250	0	0	-250
	TOTAL CHILDREN, EDUCATION & FAMILIES		-6,615	0	-400	-7,015

Type of Budget Change

P - Previously agreed pressure

S - Previously agreed saving

O - Previously agreed one-off investment

2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
238	0	0	238
-6,853	0	-400	-7,253
0	0	0	0
-6,615	0	-400	-7,015

Social & Community Services

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
	Adult Social Care					
17SCS43	Funding for Adult Social Care to meet the increased cost of care including the cost of the National Living Wage. This funding has been raised by increasing Council Tax by an additional 2%.	F	6,364	6,898	7,466	20,728
	Subtotal Adult Social Care		6,364	6,898	7,466	20,728
	Older People					
17SCS1	In line with national and local trends, the council is predicting a continuing increase in demand for social care and is budgeting accordingly. Due to other work to proposals and the ongoing work on prevention and meeting needs more effectively, this increase in demand may not be as high as currently predicted. If this is the case, the council could make savings against current predictions.	S		-1,700	-1,700	-3,400
17SCS2	The Council could undertake a number of actions to utilise council-owned land to increase the availability of extra care housing and specialist residential care (e.g. for dementia). The use of Council owned land will increase the supply of extra care housing, thus reducing costly placements in care homes. The development of specialist residential care on Council owned land should reduce development costs and the care fees paid by the Council	S	-165	-400	-935	-1,500
17SCS3	The Council could review and renegotiate the contracts to provide residential care placements, including the council's contract with the Oxfordshire Care Partnership, to reduce the rates for existing placements and lower the rates for future placements. This would include forming strategic partnerships with providers and developers, and introducing a dynamic purchasing system whereby all care homes on an overall contract are guaranteed council business but not the level of placements that will be made. Placements would be made on a case by case basis determined by a persons need, and the availability and cost of a placement to meet this need.	S	-870	-400		-1,270
17SCS4	Providing a prescription and information about options to source equipment that helps to meet people's eligible care and support needs rather than just providing the equipment itself. Research suggests that up to 50% of people given a prescription for equipment do not use it and choose to meet their needs in other ways.	S	-500			-500

Social & Community Services

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
17SCS8	A reduction in the contract with Carers Oxfordshire could be made by reducing expenditure on marketing, information, advice and support, training, and the carers partnership board. This would focus resources on continuing to meet statutory responsibilities. The remaining funds would be focused on areas of greatest need such as face to face support and volunteer befriending.	S	-100			-100
17SCS9	Consolidating existing contracts information and advice services whilst maintaining statutory requirements under the Care Act, focusing on specialist advice e.g. accessing benefits, managing debt and finding your own care and support.	S		-120		-120
17SCS10	Review the way respite is provided to focus more on alternatives to bed based respite i.e. increased care at home could provide more effective ways of ensuring carers get the breaks they need.	S	-100			-100
17SCS11	Ensure that large extra care housing schemes have two staff at night time rather than just one, allowing them to provide planned night care as well as reactive response for those people that require it. This would enable people with higher level needs to be placed in extra care housing rather than more expensive residential placements.	S		-93		-93
17SCS12	A reduction in care home admissions and better targeting of services to those who need them most could result from reviewing the placement strategy in extra care housing.	S	-43			-43
17SCS16	A review of the funding allocated to meeting individuals' care and support needs. This would be through reviewing the costs of meeting care needs used in the Resource Allocation System and introducing panels to review assessment and support planning decisions for mental health, physical disability and older people including continuing healthcare clients. Panels operating in learning disabilities have shown that eligible social care and support needs can be met effectively at lower cost.	S	-750	-750		-1,500
17SCS21	Full review of all day services for older people	S	-1,000			-1,000

Social & Community Services

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
17SCS23	Replacing intermediate care beds with home based intermediate care in the community. A study of people using intermediate care beds compared to those receiving support at home showed that short-term rehabilitative care in a home setting leads to a greater proportion of people needing no on-going care and regaining their independence.	S		-1,000		-1,000
17SCS25	Savings could be achieved by a reduction in funding for the Dementia Support Service once the current contracts expire in 2019/20.	S			-400	-400
15SCS2	Working closely with providers to generate efficiencies in contracted services	S	-400			-400
15SCS8 14SCS8 16SCS18 14SCS6 16SCS19	£10.000m investment in 2014/15 to help meet increased demand for social care reduces from 2015/16 (also see additional demography under 'All Client Groups')	S	-1,600			-1,600
	Subtotal Older People		-5,528	-4,463	-3,035	-13,026
	Learning Disabilities					
17SCS17	Developing a payment by results contract financed through a Social Impact Bond for learning disability services to deliver reduced costs in individual care packages over time.	S		-1,000		-1,000
17SCS41	Reprofiling of SCS Pressures and removal of the Learning Disabilities pressure (SCS38)	P	200			200
15SCS9	Close working with learning disability service users to find new ways of working whilst ensuring assessed needs continue to be met.	S	-1,800			-1,800
16SCS1	Learning Disabilities - £4.6m pressure due to increasing demand and £1.5m of previously agreed savings that still need to be delivered.	P	850			850
16SCS2, 17SCS31	Learning Disabilities - manage pressures by 2017/18 within the resources available in the medium term plan.	S	-1,000	-2,000	-2,500	-5,500
17SCS36	Deprivation of Liberty Standards - Learning Disability	P	-585			-585
	Subtotal Learning Disabilities		-2,335	-3,000	-2,500	-7,835

Social & Community Services

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
	All Client Groups					
17SCS42	Increased income from the Better Care Fund (amount per Provisional Local Government Finance Settlement)	P		-1,060	-3,817	-4,877
15SCS10, 17SCS40	Demography	P	5,000	5,000	5,000	15,000
17SCS22	Funding homelessness services through Housing Related support is not a statutory requirement and would be further reduced. The council has continued to subsidise housing support and maintained investment in housing related activity for the past 5 years (even though it is not a county council responsibility) following the government decision to significantly reduce central funding.	S	-500	-500	-500	-1,500
	Subtotal All Client Groups		4,500	3,440	683	8,623
	TOTAL ADULT SOCIAL CARE		3,001	2,875	2,614	8,490
	Fire & Rescue Service and Community Safety					
17FRS3	The Fire and Rescue Service could remove the second on-call fire appliance from Chipping Norton Fire Station. The on-going availability levels of crewing for the second appliance at Chipping Norton and the reducing number of calls for this appliance has brought into question the continued need for it at the station. Rather than reduce the operational fleet, the vehicle would be held as part of the strategic reserve and eventually be reallocated to Carterton at a later date once the new fire station is built.	S	-48			-48
17FRS6	Reduce the number of operational Group Manager posts in the Fire and Rescue Service.	S			-90	-90
17FRS8	Seek alternative funding for or remove county council funding for the Oxfordshire Fire and Rescue Service cadet schemes could be stopped in 2018 as this is not a statutory service. To ensure the cadet schemes continue, the council could seek to link with the council's Children, Education and Families Directorate to see if there is a different way to deliver the scheme (to further support our looked after children), or potentially seek sponsorship through a private company.	S		-30		-30

Social & Community Services

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
15SCS22	Development of established staffing model to support emergency cover - Increase in on-call firefighters in the West Oxford District Council & Carterton area	P	50			50
15SCS27	Agile Working - Full review of administration and support function following the introduction of agile working arrangements	S	-60			-60
15SCS28	Development of Commercial Training Unit (Income Generation)	S	-25			-25
15SCS29	Collaboration Efficiencies - Revenue reductions associated with implementation of Thames Valley Fire Control Service (TVFCS)	S	-25			-25
15SCS32	Collaboration Efficiencies - Benefits realisation of collaborative approach to training support, leading to reconfiguration of training administration resources	S	-50			-50
15SCS36	Large/Major Incident Command Review - review OFRS resources in conjunction with the other Thames Valley fire & rescue services.	S	-30			-30
15SCS39	Change of Staffing to Support County-wide Emergency Cover - Reduction in staffing for one on-call appliance at Bicester - covered by day crewed personnel (see 15SCS19)	S	-50			-50
15SCS43	Reduction in Full-time Firefighter Support - for new Carterton emergency cover arrangements (see 15SCS21)	S	-216			-216
TOTAL FIRE & RESCUE AND COMMUNITY SAFETY			-454	-30	-90	-574

TOTAL SOCIAL & COMMUNITY SERVICES		2,547	2,845	2,524	7,916
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Type of Budget Change

P - Previously agreed pressure

S - Previously agreed saving

F - Funding for Adult Social Care 2% Precept

O - Previously agreed one-off investment

2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
5,515	3,940	1,183	10,638
-9,332	-7,993	-6,125	-23,450
6,364	6,898	7,466	20,728
0	0	0	0
2,547	2,845	2,524	7,916

Environment & Economy

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
	<u>Environment & Economy Cross Directorate</u>					
17EE33	One-off Investment needed to realise a number of savings	O	-2,180			-2,180
	Total Environment & Economy Cross Directorate		-2,180	0	0	-2,180
	<u>Strategy & Infrastructure</u>					
16EE18	Medium term service implications of economic growth (incl. Greenbelt Review, Plan Shaping, Road Agreement & Transport DC, pooled resource)	P	-186			-186
16EE20	Realise opportunities from Growth (including Section 788, capitalisation of staff, pre-application charging and ST model income)	S	-20			-20
17EE13	Joint Working for Planning Regulation services (e.g. minerals and waste, county planning applications, legal agreement negotiations) with other neighbouring county councils. Savings to be achieved through sharing management teams and professional expertise so some reduced service levels in areas such as minerals & waste, and development control.	S	-125	-25	-44	-194
17EE14	Co-locate Economy & Skills teams with OxLEP and jointly manage these services with OxLEP through a Service Level Agreement (SLA). The SLA could mitigate risk of perceived reduction in direct control over service and would include a tapering of funding from OCC.	S	-50	-50	-45	-145
17EE16	Re-structure management of locality teams and reduce non-staffing budgets used to develop schemes and test development proposals.	S	-150			-150
17EE21	Further joint working potential with Thames Valley Environmental Resource Centre on environmental information and advice plus minor administration savings through locality joint working. Risk of reduced commitment by other authorities to be mitigated through continued delivery of quality service & assurance of value for additional cost, etc.	S	-40			-40
17EE3	Greater levels of residential and commercial development in the county will generate increased fee income for the approval, inspection and adoption of new roads and alterations to the public highway.	S	-50			-50
17EE4	Explore further opportunities for generating funding from OCC transport model system.	S	-25	-25		-50
17EE43	Reduce the fixed contract fee on the Property Contract.	S	-100			-100

Environment & Economy

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
17EE44	One-off use of road adaptations/road agreements funding	S	500	500		1,000
17EE6	Develop a partnership approach with public and private sector partners - reduced funding and specialist advice for service, with expectation that successful budget bids will provide their own funding.	S	-25			-25
	TOTAL STRATEGY & INFRASTRUCTURE		-271	400	-89	40
	<u>Commercial Services</u>					
	Commercial Services Management					
17EE9	Savings would be achieved within highways by working more effectively with the councils supply chain and external partners. This would be achieved by the use of LEAN process reengineering but would remove some of the flexibility currently available to address local issues. The service would be less able to react to arising issues above and beyond normal service delivery.	S			-540	-540
15EE13	Unidentified Saving- within Commercial Services delivery being planned	S	-535			-535
16EE1	Insufficient Parking Account funding to draw down budgeted contribution to revenue	S	150			150
	Subtotal Commercial Services Management		-385	0	-540	-925
	Property & Procurement					
17EE12	Renegotiation of elements in property contract to deliver further savings.	S	-190			-190
17EE17	Opportunities to generate income including fitting solar panels to roof tops, investing in property sites etc. Greater utilisation of existing property by reducing the footprint needed by the county council and reviewing how best to utilise any surplus space.	S	-50	-50	-50	-150
17EE42	Reduction in Leased Accommodation	S	230	-230		0
14EE32 14EE15 15EE10	Asset Rationalisation Savings	S	-640			-640
15EE11	Asset Reduction Implementation - Change in profile of additional funding	P	-756			-756
15EE18	Property and Facilities staffing including - reduce facilities management structure/Property & Facilities service stream/Property and Facilities staffing	S	-400			-400

Environment & Economy

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
15EE19	Reduce size of property portfolio therefore reducing the overall size of contract	S	-100			-100
15EE20	Reduce planned Property Repairs and Maintenance	S	-400			-400
16EE4	Property related pressures (incl. contract clarifications, Asbestos surveys and change to the Asset Rationalisation saving profile)	P	-300			-300
16EE9	Reduction in the funding available to support ad hoc Property Contract work	S	336			336
	Subtotal Property & Procurement		-2,270	-280	-50	-2,600
	Network & Asset Management					
17EE1	Charge costs to the capital programme of both smaller and larger patching works, reflecting the way other authorities deliver this element of the service.	S	-106			-106
17EE2	Remove current proactive programme for cleaning the main pipes that gullies connect into. Any blockages from tree roots, pipe breaks or silting will have to be addressed once identified.	S			-200	-200
17EE8	Adjust performance requirements for new contract as well as capitalisation of some works currently in the revenue budget. Risk of reduced performance.	S	-100			-100
17EE18	Remove the Real Time Information service. This would remove the electronic displays at bus stops and impact on the provision of information to current traffic monitoring systems as well as the recently developed travel planning page, which is being rolled out as part of the Connecting Oxfordshire agenda. The council will seek increased contribution from bus companies to mitigate or replace ongoing funding.	S		-140		-140
17EE24	Reduce surveys which are currently undertaken to inform the council on the condition of the highways network and help it prioritise its highways maintenance programme.	S	-1,094			-1,094
15EE27	Reduce Road Survey Budget/other network maintenance/Network management general restructure/joint workings/Further other network maintenance	S	-281			-281
15EE28	Street Lighting - Energy Saving plus reduction in inspection frequencies and cleaning regimes	S	-30			-30
15EE16	Withdraw contributions to Bus Stop infrastructure information	S	-57			-57
16EE8	Changes in Real Time Passenger Information technology leading to efficiencies	S	-280			-280
15EE30	Income generated through sponsorship and providing other services	S	-400			-400

Environment & Economy

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
16EE11	Increase in parking charges	S	-100			-100
17EE22	Reduce funding to managing the county's network of public rights of way although the council would seek to prioritise funds in this area to support the volunteer network as far as practicable. The service currently delivers high value for its budget through innovative engagement with volunteers reflected in operation budgets being a fifth of that in other areas, while customer satisfaction remains one of the highest in the country. A reduction in service may reduce the number of willing volunteers resulting in a significant deterioration of the network and public satisfaction.	S			-40	-40
17EE36	Defer the pressure on the parking account (EE30) from 2016/17 to 2018/19	P		150		150
	Subtotal Network & Asset Management		-2,448	10	-240	-2,678
	Delivery					
17EE10	Reduce services to safety areas only;targeting visibility displays. Opportunity for parish and district councils to take on more of these responsibilities and self-fund.	S			-222	-222
17EE19	Remove unnecessary barriers (identified through a risk assessment) and therefore reduce ongoing maintenance.	S			-51	-51
15EE34	Significant defect correction lines/signs	S	-175			-175
	Subtotal Delivery		-175	0	-273	-448
	Highways, Transport & Waste					
17EE27	On the 21 July 2015 Cabinet agreed to withdraw the non-statutory Green Waste Credit payments to the District Councils from 1 April 2016. This saving replaces and merges with the saving 15EE24 - HWRC Strategy as that saving is unlikely to be realised.	S	350			350
17EE28	Energy from Waste - 3rd Party income not realised - 15EE23	P	1,150			1,150
17EE29	Increased costs of managing the Household Waste Recycling Centres	P	445			445
15EE22 16EE5 17EE35	Increased Waste Tonnage - linked to the economic up turn and increase in number of households	P	500	500	500	1,500
15EE23	Commercial Waste & Electrical energy from waste - Third Party Income	S	-1,300			-1,300
15EE24	Household Waste Recycling Centres - additional pressure from increased Redbridge Rent and unachieved savings; new strategy for future savings to be developed	P	-350			-350

Environment & Economy

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
17EE32	Supported Transport Programme Costs	P	-274			-274
15EE14 16EE10	Supported Transport Project savings which includes review of: transport contract management, Dial a Ride, bus subsidies, home to school transports including Special Educational Needs (SEN)	S	-1,700			-1,700
15EE14 16EE10	Support Transport Savings shown in CEF as the savings relate to Home to School Transport.	S	671			671
15EE15	Highways contract process efficiency	S	-118			-118
17EE25	Reduce service down to statutory only, i.e. maintain a safe highway, incl. through safety inspections. Area Stewards would no longer be available to discuss and resolve issues on day to day basis – would mean increased use of Fix My Street and empowering parish councils to identify and/or undertake potential work.	S	-320		-300	-620
17EE45	Bring forward savings in Area Stewards (EE25) to 2018/19 from 2019/20.	S		-300	300	0
	Subtotal Highways, Transport & Waste		-946	200	500	-246
	TOTAL COMMERCIAL SERVICES		-6,224	-70	-603	-6,897
	TOTAL ENVIRONMENT & ECONOMY		-8,675	330	-692	-9,037

2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
229	650	500	1,379
-6,724	-320	-1,192	-8,236
-2,180	0	0	-2,180
-8,675	330	-692	-9,037

Type of Budget Change

P - Previously agreed pressure

S - Previously agreed saving

O - Previously agreed one-off investment

Corporate Services

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
	<u>Corporate Services Business Support</u>					
17CS1 17CS10	Senior management review of future management structures is under way. Once completed there will be a need to review the way that corporate services are provided to ensure that the approach is efficient and fit for purpose across the organisation. This will include all areas of the centre of the council - policy, data analysis, Freedom of Information requests, communications, finance, legal, HR and democratic services. These savings will be from 2017/18 and are subject to the outcome of the senior management review and the future structure of the council.	S	0	-100		-100
	Total Corporate Services Business Support		0	-100	0	-100
	<u>Human Resources</u>					
17CS2	Reduced learning and development budgets for staff training.	S	-150			-150
17CS9	Reduce L&D budget on a one-off basis in 2016/17	S	230			230
	Total Human Resources		80	0	0	80
	<u>Corporate Finance & Internal Audit</u>					
17CS3	Over the medium term, as new ICT systems in Finance and Internal Audit become embedded the need for financial support currently provided by finance should reduce.	S	-100	-50		-150
	Total Corporate Finance & Internal Audit		-100	-50	0	-150
	<u>Law & Governance</u>					
15CEF3	Make Music Service self financing by increasing income and reducing free tuition.	S	-182			-182
	Total Law & Governance		-182	0	0	-182
	<u>Policy</u>					
15CEO13b	Remove 4fte (vacant posts) and reduce Communications spend.	S	-16			-16
	Total Policy		-16	0	0	-16
	<u>Transformation</u>					
	Management Team					
16EE12	Unachievable previously agreed MTFP savings (including printer materials and pension overheads)	P	-100			-100
	Subtotal Management Team		-100	0	0	-100

Corporate Services

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
	Business Development					
15CEO13c	Remove 4fte (vacant posts) and reduce Communications spend (Business Development share)	S	-34			-34
	Subtotal Business Development		-34	0	0	-34
	Cultural Services					
17LCS1	Retention of all 43 libraries (22 core and 21 community libraries) but provide service redesign and changes internally to provide savings, including: (A) Reduction of book fund. (B) Closure of all mobile libraries; 4 general service library vehicles and 2 children's service vehicles. (C) Library Service management and staffing reorganisation in conjunction with the Council's Customer Service Centre and ICT function over the next two years. (D) Retendering of the Library Management Information system.	S	-400	-300		-700
17LCS2	The council could cease funding cultural activities from 2018/19 relating to: (A) Pegasus Theatre (B) Oxfordshire Youth Arts Project (OYAP) (C) Oxford Visual Arts Design Agency (OVADA)	S		-92		-92
17LCS3	Reduce Book Fund on a one- off basis in 2016/17.	S	340			340
17LCS4	Bring forward the savings in Libraries (LCS1).	S	-200	300		100
17LCS5	One-off contribution from the Cultural Services reserve in 2016/17.	S	128			128
17LCS6	Disposal of Library vehicles (one-off).	S	12			12
15CEO9	Withdrawal of grant to the Mill Arts Centre.	S	-80			-80
	Subtotal Cultural Services		-200	-92	0	-292
	Total Transformation		-334	-92	0	-426
	TOTAL CORPORATE SERVICES		-552	-242	0	-794

Type of Budget Change

P - Previously agreed pressure

S - Previously agreed saving

O - Previously agreed one-off investment

2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
-100	0	0	-100
-452	-242	0	-694
0	0	0	0
-552	-242	0	-794

Public Health

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
15PH1	More efficient contract negotiations	S	-1,250	0	0	-1,250
TOTAL PUBLIC HEALTH			-1,250	0	0	-1,250

Type of Budget Change

- P - Previously agreed pressure
- S - Previously agreed saving
- O - Previously agreed one-off investment

2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
0	0	0	0
-1,250	0	0	-1,250
0	0	0	0
-1,250	0	0	-1,250

Council Wide

Reference		Saving or Pressure	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000
Cross Directorate	Transformation Programme	S	-10,374	-6,169	1,250	-15,293
TOTAL COUNCIL WIDE			-10,374	-6,169	1,250	-15,293

Type of Budget Change

P - Previously agreed pressure

S - Previously agreed saving

O - Previously agreed one-off investment

	2017/18	2018/19	2019/20	TOTAL
£000	£000	£000	£000	£000
	0	0	0	0
	-10,374	-6,169	1,250	-15,293
	0	0	0	0
	-10,374	-6,169	1,250	-15,293

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Review of Assumptions in the 2017/18 – 2019/20 Medium Term Financial Plan (MTFP)

Inflation

1. The table below sets out the inflation assumptions built into the current MTFP.

Year	Pay	Prices	Contracts (up to)	Income	In MTFP
2017/18	1%	0%	3%	2%	£3.400m
2018/19	1%	0%	3%	2%	£5.650m
2019/20	1%	0%	3%	2%	£5.700m

2. The Chancellor confirmed in the Spending Review 2015 that the average public sector pay increase up to 2019/20 would be 1.0%. Oxfordshire entered into a local agreement on staff pay awards¹ to cover the period 2014/15 to 2016/17. In December 2015 the Remuneration Committee agreed to support the move back to national pay arrangements from 2017/18.
3. Consumer Price Inflation (CPI) was 0.7% in July 2016, up from 0.5% in June 2015. The Bank of England forecast CPI² inflation to be below target in 2016, before returning to target in 2017 and above target in 2018. Retail Price Inflation (RPI) was 1.9% in July 2016.

Previously Agreed Directorate Budget Changes

4. The MTFP includes funding for demographic and other agreed directorate pressures and savings which were approved by Council in February 2016. Details are set out in annex 1a.

Funding for demographic and other agreed pressures ³	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Children, Education & Families	0.238			0.238
Social & Community Services	5.515	3.940	1.183	10.638
Environment & Economy	0.229	0.650	0.500	1.379
Corporate Services	-0.100			-0.100
Public Health				0
TOTAL FUNDING	5.882	4.590	1.683	12.155

¹ The agreement covers employees who were previously employed under the National Agreement on Pay and Conditions of Service for Local Government Services (the Green Book)

² Bank of England Inflation Report August 2016

³ Where a negative is shown the figure relates to previous years' funding falling out.

Savings	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Children, Education & Families	-6.853		-0.400	-7.253
Social & Community Services	-2.968	-1.095	1.341	-2.722
Environment & Economy	-8.904	-0.320	-1.192	-10.416
Corporate Services	-0.452	-0.242		-0.694
Public Health	-1.250			-1.250
Transformation	-10.374	-6.169	1.250	-15.293
TOTAL	-37.165	-14.724	-6.467	-58.356
Adult Social Care 2% Precept (Expenditure Budget)	6.364	6.898	7.466	20.728
TOTAL SAVINGS	-30.801	-7.826	0.999	-37.628

5. In addition there are £24.466m of corporate savings⁴ over the same period, mainly through reduced inflation provision.

Balances and Reserves

6. The MTFP assumes general balances at the start of 2017/18 will be £17.5m and maintained at that level over the medium term. In the first financial monitoring report to Cabinet for 2016/17 on 19 July 2016, general balances are forecast to be £15.6m at the end of this financial year, after taking into account the directorates forecast overspend of £5.4m.
7. The table below sets out the estimates for earmarked reserves included in the MTFP.

MTFP Estimates	2017/18 £m	2018/19 £m	2019/20 £m
Estimated school reserves at start of year	18.3	15.8	12.6
Estimated reserves at start of year	46.9	50.1	37.0
Estimated total reserves at start of year	65.2	65.9	49.6
Estimated use of (-)/additions to (+) school reserves in year	-2.5	-3.2	-3.0
Estimated use of (-)/additions to (+) reserves in year	3.2	-13.1	-8.8
Estimated school reserves at end of year	15.8	12.6	9.6
Estimated reserves at end of year	50.1	37.0	28.2
Estimated total reserves at end of year	65.9	49.6	37.8

8. The Budget Reserve is being used to manage the cash flow implications arising from a different profile of pressures and savings in the MTFP. It is forecast to have a balance of £8.4m at the end of 2016/17 that could be used to defer savings required from the transformation programme from 2017/18 to 2018/19.
9. Earmarked reserves at the start of 2016/17 were £10.3m higher than assumed in the MTFP. The latest forecast (reported to Cabinet on 19 July 2016) indicates that earmarked reserves will fall to £96.6m by the end of this financial year.

⁴ Includes £20.728m of Adult Social Care Precept funding.

General Funding

10. The Council's general funding, other than from Council Tax (see below), comprises Revenue Support Grant, Business Rates Top-Up and a 10% share of Business Rates collected by the District Councils. The MTFP assumes that our local share of Business Rates increases with inflation (Retail Price Index). Revenue Support Grant and Business Rate Top Up estimates for 2017/18 through to 2019/20 are based on the figures published in the four-year Local Government Finance Settlement.
11. The following table shows the estimates for general funding (excluding Council Tax) included in the MTFP.

MTFP Estimates	2017/18	2018/19	2019/20
Business Rates Top-Up (£m)	38.129	39.254	34.270
Business Rates from District Councils (£m)	30.475	31.374	32.378
Business Rates Total (£m)	68.604	70.628	66.648
Percentage change from previous year	5.2%	3.0%	-5.6%
Revenue Support Grant (£m)	18.665	5.868	0.000
Percentage change from previous year	-52.5%	-68.6%	-100.0%
Total Business Rates + RSG (£m)	87.269	76.496	66.648
Percentage change from previous year	-16.5%	-12.3%	-12.9%

Council Tax

12. The MTFP is based on Council Tax increases of 3.99% in 2017/18, 2018/19 and 2019/20. This includes a 2% increase for the Adult Social Care Precept. A 1% change in Council Tax equates to £2.9m, with a small residual effect in subsequent years.
13. The MTFP assumes growth in the taxbase of 1.63% in each of the remaining three years of the MTFP. A variation of +/-0.25% results in a gain/loss of £0.8m.
14. Surpluses on Council Tax collection are estimated to be £4.0m in each remaining year of the MTFP. This is based on previous years' surpluses that have been above that level in the last five years. In 2016/17 the Council Tax collection surpluses are £7.0m.
15. The table below sets out the estimates for Council Tax included in the MTFP.

MTFP Estimates	2017/18	2018/19	2019/20
Council Tax Requirement (£m)	323.287	341.665	361.090
Council Tax Base	242.567	246.520	250,539
Council Tax (Band D equivalent) (£)	1,332.78	1,385.95	1,441.25
Increase in Council Tax (Band D)	3.99%	3.99%	3.99%
Council Tax collection surpluses (£m)	4.000	4.000	4.000
Total Council Tax Income (£m)	327.287	345.665	365.090
Percentage change from previous year	4.6%	5.6%	5.6%

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Service & Resource Planning Timetable 2017/18

Month	Day	Date	For/From	Action/Event
September	Tue	20th September	Cabinet	Service & Resource Planning Report providing an update on the latest information and proposing a process for 2017/18
November	Wed	23rd November	Communities & Local Government	Chancellor's Autumn Statement
December		Throughout December		Public Online consultation on budget proposals
		Early December	All Councillors	Briefing on savings options to be considered by the Performance Scrutiny Committee
		Mid December	District Councils	Notification of draft Council Taxbases and draft Business Rates Forecasts
		Mid/Late December	Communities & Local Government	Provisional Local Government Finance Settlement
	Thu	15th December	Performance Scrutiny Committee	Consider savings options and feedback from public consultation and provide comment to the Cabinet
	Tue	20th December	Cabinet	Service & Resource Planning Report to Cabinet, providing the review of charges and an update on the latest financial position including impact of Spending Review.
January	Thu	5th January	Performance Scrutiny Committee	Consider draft capital proposals and draft Treasury Management Strategy and provide comment to the Cabinet
	Mon	23rd January	District Councils	Notification of Council Tax surpluses or deficits
	Tue	24th January	Cabinet	Cabinet proposes 2017/18 revenue budget, MTFP and capital programme for recommendation to Council in light of comments from the Performance Scrutiny Committee and consultation feedback.
	Tue	31st January	District Councils	Notification of Council Taxbases, Business Rate Forecasts and Business Rate surpluses or deficits
February		Early February	Communities & Local Government	Final Local Government Finance Settlement
	Wed	1st February	Cabinet/Opposition and Other Group Leaders /CCMT/Chief Finance Officer	Deadline for Cabinet, Opposition and other groups to submit full budget papers to Committee Services
	Fri	3rd February	Committee Services	Publication of Council agenda and Cabinet, Opposition & other groups full budgets, including the Chief Finance Officer's statutory report
	Wed	8th February	Opposition & Other Group Leaders	Deadline for amendments to Cabinet budget by Opposition and other groups to Committee Services (By 9am)
	Wed	8th February	Committee Services	Publication of amendments to Cabinet budget by Opposition and other groups
	Tue	14th February	Council	Agrees Revenue Budget 2017/18; Capital Programme 2016/17 - 2020/21; MTFP 2017/18 - 2020/21 and Corporate Plan 2017/18 - 2020/21

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Division(s):

CABINET – 20 SEPTEMBER 2016

Transition Fund for Community Initiatives for Open Access Children's Services

Report by the Chief Finance Officer

Introduction

1. The council is currently developing a brand new service for 0-19 year olds which will combine children's social care and early intervention in one seamless service, removing the need for children and families to be referred between the two.
2. As part of the council's continuing investment in early intervention, new teams of 'locality workers' will advise and support staff who continue to provide universal services to children and families throughout Oxfordshire – such as teachers in schools, health workers and staff in early years settings. The approach will ensure that children at risk who require support are identified as early as possible and appropriate services are provided to them and their families.
3. Alongside these developments, the council has been holding positive discussions with local communities, town and parish councils and the voluntary sector to encourage community-led solutions for delivering open access services for children and families. The aim is for these local solutions to complement the funded service as part of a safe and effective system that ensures support for the most vulnerable families, while harnessing the work of schools, health services, voluntary and community groups as part of a wider early intervention approach.
4. The 2016/17 budget agreed by Council in February 2016 included the creation of a 'one off' £1m fund to provide pump priming to support community-led solutions for delivering open-access services for children and families.
5. A cross party group of county councillors has been established to consider the maximum benefit of this fund. Councillors were nominated for this group by the party leaders. The group consists of Cllrs Stratford, Mathew, Gray, Hards and Fawcett.
6. The group has agreed terms of reference (set out in Annex 1) and is chaired by Councillor Stratford, the Cabinet Member for Finance. The group discussed different approaches to utilise the fund and recommend Cabinet to approve the guidance and grant application form set out in Annexes 2 and 3 of this report.

Transition Fund Approach

7. The purpose of this £1m fund is to provide pump priming grants to communities to enable them to create sustainable solutions for open access children's services. The approach will be flexible recognising the different needs across the county. Through the current support provided to community groups, individual solutions will be developed with differing funding requirements.
8. The working group want the process to be open and transparent allowing as many groups as possible to access the funding. It was felt that a grant scheme would be the most appropriate way to ensure this.
9. Any proposals for funding will need to be supported by a business plan that includes all of the relevant information requested in the guidance document.

Grant Criteria

10. The following will be the key criteria when assessing proposals:
 - All proposals will be expected to demonstrate sustainability with the ability to self-fund in the long-term.
 - Proposals are expected to have some level of match funding.
 - Projects must benefit Oxfordshire communities, be inclusive and provide good value for money.
 - Evidence of the need for the project.
 - Evidence of Community buy-in, engagement, partnership working and collaboration.
11. The full list of criteria is contained within the guidance set out in Annex 2 along with the types of organisations that can apply and also the types of projects and organisations that are not eligible to apply for funding.
12. Grants will be awarded on a one-off basis but expenditure can be phased over a period of up to three years.

Process

13. It is proposed that there will be two rounds of applications in October 2016 and January 2017. The applications will be assessed by the cross party working group and recommendations submitted to Cabinet for decision.
14. Future rounds of applications may be considered if communities are not in a position to submit a bid in the first two rounds and a balance of the fund is available.
15. Applicants, along with their local county councillor will be notified by e-mail of the Cabinet decision.

16. Successful applicants will be expected to comply fully with the monitoring requests from the council and signing of the funding agreement will be viewed as acceptance of these requests.
17. Any unspent grant funding will be recovered by the county council.

Financial and Staff Implications

18. The financial implications are set out in the main body of the report.

Equalities Implications

19. The Public Sector Equality Duty, under section 149 of the Equality Act 2010, places a responsibility on local authorities to exercise 'due regard to the need to eliminate unlawful discrimination... advance equality of opportunity... and foster good relations.'
20. There are no equality and inclusion implications arising directly from this report.

RECOMMENDATION

21. **The Cabinet is RECOMMENDED to approve the Grant Guidance and Grant Application as set out in Annexes 2 and 3.**

LORNA BAXTER
Chief Finance Officer

Annexes: Annex 1 - Term of Reference Transition Fund Cross Party Working Group

Annex 2 - Grant Guidance Notes
Annex 3 - Grant Application Form

Contact Officer: Sarah Jelley, sarah.jelley@oxfordshire.gov.uk, 07554 103437
September 2016

Annex 1

Term of Reference

Transition Fund Cross Party Working Group

July 2016

Purpose

The Transition Fund Cross Party Working Group will explore the priority areas for funding, the criteria for each strand and the process and mechanism to allocate funds, making recommendations to Cabinet.

The working group will be supported by Officers and any Project Boards that are established to deliver this work. It will operate as a task and finish group.

Key tasks and responsibilities of the group

- consider the review work to date and the emerging evidence and policy relating to where the council no longer provides services directly but supports a sustainable community solution;
- explore the issues related to the future of thriving communities in Oxfordshire;
- undertake visits to places as necessary to help to inform thinking;
- conduct research, community engagement and other consultation in the analysis of policy and possible options;
- liaise with other organisations operating in the area, whether national, regional or local, to ensure that policy recommendations are thus enhanced to reflect the interests of local people;
- submit findings and recommendations to the Cabinet and/or appropriate cabinet member. Final recommendations will be by consensus if at all possible or by means of a show of hands if necessary.

Membership

Cabinet member for Finance

Other members following receipt of nominations from Group Leaders having regard to:

- a Member's interest
- geographical representation (that is, representation from across Oxfordshire)
- cross party reflecting the balance of political parties within the Council as a whole.

Meetings

- will meet on the dates and at the times and places determined by the chairman of the group in consultation with the other members of the group which shall be set as far as possible in advance and notified to members of the group
- meetings will be chaired by the cabinet member or a nominated vice chairman in their absence
- A vice chairman will be nominated at the meeting in the Chairman's absence as/when needed.
- will have quorum of three members
- will operate such that agendas and reports are sent to members of the group at least five clear days in advance of each meeting.
- Notes of the meetings will be made available on request.

Accountability

The working group is accountable to the Cabinet.

Annex 2 – Grant Guidance Notes

**TRANSITION FUND
COMMUNITY INITIATIVES FOR OPEN ACCESS CHILDREN'S SERVICES**

July 2016**Background**

In February 2016 the council agreed to set aside £1m for creating a transition fund to provide pump-priming grants for establishing universal provision of children's services in communities across Oxfordshire.

Further details about the council's decision are available at:

<https://www.oxfordshire.gov.uk/cms/news/2016/feb/joint-statement-budget-political-leaders-oxfordshire-county-council>

This approach supports the council's commitment to a new way of delivering open access services across communities. Under Oxfordshire Together we have been working with town and parish councils, voluntary sector organisations and local community groups to encourage the continuation of open access sessions such as stay and play and youth group sessions where the council can no longer provide funding for these services. Further information about this work is available at: <https://www.oxfordshire.gov.uk/cms/public-site/childrens-services>.

Our approach

The purpose of this £1m transition fund is to provide pump priming grants for sustainable community solutions for open access children's services. In awarding the grants, our approach will be flexible, recognising the different needs across the county. We will work with community groups on an individual basis to develop individual solutions, so if you would like to apply for a grant you are advised to contact us at an early stage. To get in touch with us, please email us at: localities@oxfordshire.gov.uk.

Any proposals for funding will need to demonstrate sustainability and the ability to self-fund in the long term. This will be a key criterion for assessing all applications. In addition match funding is strongly encouraged, and we will be asking all applicants to put together a robust business case showing how the project will self-fund in the long-term.

There will be two rounds of applications with deadlines in October 2016 and January 2017, so if your bid is not successful in the first round, we will be happy to work with you to help develop a strong business case and re-apply for funding. Further rounds of applications will be considered, if appropriate, post-January 2017.

What do we fund? (eligibility criteria)

Funding is available for sustainable community solutions for open access children's services. As the county council is withdrawing funding for some non-statutory children's services, we want to see communities come forward with their proposals for open access services for children and their families, reflecting local need and priorities.

It is entirely up to each community to decide what the new arrangements might look like. In order to be eligible for transition funding, projects must meet a number of key eligibility criteria, and we require all applicants to submit a fully developed business case that demonstrates how the criteria will be met.

If you need help developing the business case, you can contact OCVA, who will be able to offer guidance, or you can consult the government's advice on writing a business plan at: www.gov.uk/write-business-plan.

To make sure you have included all the relevant information in your business case we have put together a suggested checklist:

- Description of the project/ activity
- Needs analysis
- Desired outcomes & beneficiaries
- Costs
- Sources of funding & long-term sustainability
- Performance Measures (how results will be monitored)
- Governance

Grant criteria

- Sustainable solution for open access children's services in the local community
- Ability to self-fund in the long-term, as outlined in the business case
- Clearly defined costs and timescales for implementation
- Evidence of the need for the project
- Community buy-in
- Engagement, partnership working and collaboration
- Projects must benefit Oxfordshire communities, be inclusive and provide good value for money.
- To what extent we can have confidence that the project will have a lasting impact, beyond the funding period.

We want to see projects which are rooted in their communities and which have grown out of a specific local need. All applicants must work closely with their local community to ensure their project is properly connected locally, responds to recognised need and does not duplicate other provision. We would also ask to see evidence of a strong buy-in from the local community, and any successful initiative would need to be accessible, inclusive and open to all.

Funding will only be awarded on a one-off basis and must be spent within a maximum of 3 years (*depending on your business plan, it could be by end of financial year; set number of years or as per the milestones identified in the business case*).

Funding can be awarded for salaries and overheads if these were part of the sustainable business plan. It is important to emphasise though that the grant will be a one-off payment so organisations need to take this into account when building their business case.

Who can apply:

In order to be deemed eligible for funding, applying organisations must have a committee and/or a constitution or appropriate rules setting out aims and objectives and how the group will operate, and a bank account¹.

- Not-for-profit community groups
- Town and parish councils
- Schools
- Social enterprises
- Charity organisations
- Community associations
- Companies limited by guarantee
- Parent teacher associations
- Cooperatives
- Friendly societies
- Youth Clubs

¹ Please note we will not make any payments into individuals' bank accounts, so it is very important that your group has a bank account.

What don't we fund?

Organisations:

- Individuals or sole traders
- Profit-making organisations
- Organisations not established in the UK
- Organisations that give funds to other charities, individuals or other organisations

Projects:

- Projects that duplicate an already existing service
- Activities which a statutory body is responsible for
- Activities with a religious or political purpose
- Activities that contradict or act against any of the Council's agreed policies such as [Equalities](#) and [Safer Recruitment](#), or fail to comply with all the other relevant statutory requirements, such as health and safety legislation

Please note that this is not an exhaustive list and if you are not sure whether you are eligible for funding you should get in touch with us at: localities@oxfordshire.gov.uk.

How to apply

Application process:

- 1) Expression of interest with outline business case
- 2) Initial review
- 3) Application form & business case
- 4) Review of bid by transition fund cross party group with recommendations to Cabinet
- 5) Assessment of bid by Cabinet
- 6) Decision
- 7) Notification to bidders

Deadlines

There are two applications round, with deadline dates of:

- 1) 21 October 2016 and
- 2) 09 January 2017

We encourage applicants to contact us early with their expressions of interest or any questions they might have, to avoid any delays in the council assessing the bids and making a decision.

How will applications be assessed?

We will assess your application against the key criteria set out above and we may also seek feedback from community stakeholders and the local county councillors.

A cross party panel will review all applications and then make recommendations to Cabinet. The final decisions will be made by Cabinet meeting in public on 29 November 2016 (first round) and 21 February 2017 (second round). The Cabinet will judge each application on its own merits, giving due regard to local circumstances and need.

Cabinet decisions can be called-in by the Performance Scrutiny Committee, which can decide to approve the decision, ask Cabinet to reconsider, refer it to full council for further debate, or require further information of further work to be done.

Awarding the grant

Applicants, along with their local county councillor, will be notified by email of the Cabinet's decision within a week of the decision being made.

Successful applicants will be asked to sign a legal agreement with the council (for any grants over £5,000). Once the legal agreement is signed, we will then transfer the funding into the organisation's bank account.

For larger grants/ where appropriate, funding might be phased depending on the outcomes achieved following the first stage of delivery.

Unsuccessful applicants will be offered feedback on their proposal and, where possible, we will work with organisations to help them identify alternative funding opportunities.

Monitoring

Successful applicants are expected to comply fully with any monitoring requests from the Council and must agree to this when signing the funding request form.

All successful applicants need to be prepared for a review of their project.

This may include:

- Receipts recording how the money was spent
- Reports on the activity funded
- Feedback from individuals impacted
- Any other record of the activity funded (e.g. promotional flyers and posters)

Successful applicants will be strongly encouraged to keep us informed about the progress of their projects. Any setbacks to the implementation of the projects should be reported to the Transition Fund Team. Delivery of the projects will be monitored as per milestones identified in the business case/ project proposal.

Any unspent grant funding will be recovered by the county council.

Other sources of support and funding available

- Oxfordshire Community and Voluntary Action (OCVA)
- Oxfordshire Community Foundation
- Community First Oxfordshire

Contact us

Andreea Anastasiu
Policy Team
Oxfordshire County Council
County Hall
New Road,
Oxford OX1 1ND

Email: localities@oxfordshire.gov.uk

Telephone: 07770734707

Annex 3 – Grant Application Form

**TRANSITION FUND
COMMUNITY INITIATIVES FOR OPEN ACCESS CHILDREN'S SERVICES**

The Scheme and Guidance

In February 2016 the council agreed to set aside £1m for creating a transition fund to provide pump-priming grants for establishing universal provision of children's services in communities across Oxfordshire.

In awarding the grants, our approach will be flexible, recognising the different needs across the county. We will work with community groups on an individual basis to develop individual solutions, so if you would like to apply for a grant you are advised to contact us at an early stage. To get in touch with us, please email us at: localities@oxfordshire.gov.uk.

Any proposals for funding will need to demonstrate sustainability and the ability to self-fund in the long term. This will be a key criterion for assessing all applications. In addition match funding is strongly encouraged, and we will be asking all applicants to put together a robust business case showing how the activity will self-fund in the long-term.

Please read carefully the **guidance notes** available on the Council's website to check whether your organisation or the activity you wish to fund is eligible for funding under the scheme's criteria.

The Application Process

- 8) Expression of interest with outline business case
- 9) Initial review
- 10) Application form & business case
- 11) Review of bid by transition fund group with recommendations to Cabinet
- 12) Assessment of bid by Cabinet
- 13) Decision
- 14) Notification to bidders

Deadlines

There are two applications round, with deadline dates of:

- 3) 21 October 2016 and
- 4) 09 January 2017

Contacting Us

Andreea Anastasiu, Policy Team
Oxfordshire County Council
County Hall, New Road
Oxford OX1 1ND
Email: localities@oxfordshire.gov.uk
Telephone: 07770734707

TO BE FILLED IN BY APPLICANT**Name of your organisation:**

--

Type of organisation:

--

Organisation Address:

--

If a registered Charity, please specify number

--

Contact Name

--

Telephone

--

Email

--

Payment Details

Please provide your organisation's payment details (note: payments will not be made to an individual's bank account).

Account Name	
Bank or Building Society Name	
Account number	
Sort code	

ACTIVITY OVERVIEW**1. Name**

--

2. Summary

Please describe the activity you wish to fund.

--

3. Activity Dates

Please state when you would spend the funding. Please include start and end date for the activity and major milestones, if any.

PLEASE NOTE: ALL FUNDING MUST BE SPENT WITHIN A MAXIMUM OF 3 YEARS (*depending on your business plan, it could be by end of financial year; set number of years or as per the milestones identified in the business case*).

4. Analysis of Needs

Please explain how the activity will address a recognised need in your community.

5. Success Measures

How will you monitor progress towards the achievement of your outcomes?

--

6. Sustainability

How will you ensure the sustainability of the activity? How will the activity be funded in the long term?

--

7. Costs

Description	Cost
<i>Please provide us with a breakdown of costs of your proposed activity. E.g. Volunteer Training, Transport, Information & Promotion, Equipment & Materials, Refurbishment etc.</i>	
TOTAL	

8. Other funding received

Please include details of any other grant funding you have received, including any awarded by Oxfordshire County Council or any funding that has been committed to the activity in principle.

--

Applicant Agreement

The organisation undertakes that:

- The information provided on this form is true and accurate.
- Any funds awarded will be spent in accordance with the details provided above.
- For all bids £5,000 and over, or if requested, it will provide details of how funding has been spent and cooperate fully with any other monitoring process undertaken by the Council to ensure the proper use of funds.
- It will advise the Council of any potential difficulties in complying with this agreement as soon as possible so that mutually acceptable solutions can be found.
- Funding awarded will not be spent on activity that does not comply the abovementioned policies of the Council.
- Details of the activity will be listed on the Council's website and may be communicated to a wider audience (e.g. via the local press).
- The funds awarded will be reimbursed to the Council if the organisation is in breach of these terms.
- The activity will be carried out in compliance with all relevant laws.

We hereby agree to these terms:

Name:

Signed:

Date:

On behalf of (organisation):

Please ensure that you have signed the application form before submission to the Policy Team. Please note that while we can accept scanned signatures, **we cannot accept typed signatures.**

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Division(s): All

CABINET – 20 SEPTEMBER 2016

Strategic Economic Plan Refresh

Report by Acting Director for Environment & Economy

Introduction

1. In 2013, central government required Local Enterprise Partnerships (LEP) to develop multi-year Strategic Economic Plans (SEP).
2. Oxfordshire's Local Enterprise Partnership, OxLEP, published its SEP *Driving Economic Growth Through Innovation* in March 2014.
3. In order to reflect progress in delivering the objectives of the original SEP and the development of associated detailed plans, address changes in the purpose of the plan and align better with changing economic circumstances, OxLEP have undertaken a SEP "refresh".
4. OxLEP have also sought to generate wider engagement with the development of the refreshed SEP than was possible in 2014/15 due to the tight timetable set by central government.
5. Following a series of development workshops, OxLEP published a draft plan in April 2016 for public and stakeholder consultation. OxLEP have now published a revised draft for formal consideration by Oxfordshire's local authorities, the Skills Board, the Growth Board and final decision making by the Local Enterprise Partnership itself.
6. This report introduces the refreshed SEP for comment and invites Cabinet to endorse the document ahead of final agreement by OxLEP.

Introducing the Refreshed Strategic Economic Plan

7. The purpose of Local Enterprise Partnerships is to "*provide the clear vision and strategic leadership to derive sustainable private sector-led growth and job creation in their area*" (Local Growth: Realising Every Place's Potential; BIS, 2010).
8. LEPs are expected to produce and maintain an up to date Strategic Economic Plan in order to: steer funding bids for economic development, skills and infrastructure projects; to set a shared vision for inward investment and local growth; and to act as a prospectus for the county.
9. The current SEP established a growth vision for Oxfordshire:

“By 2030 Oxfordshire will be recognised as a vibrant, sustainable, inclusive, world leading economy, driven by innovation, enterprise and research excellence.”

10. The plan is founded on four thematic objectives to support the delivery of that vision:
 - (i) Innovative Enterprise
 - (ii) Innovative People
 - (iii) Innovative Place
 - (iv) Innovative Connectivity
11. While the revised SEP has retained the vision and the four programme themes, it is intended that the refreshed document:
 - (a) Has a greater focus on medium term priorities and very much less emphasis on ‘projects’
 - (b) Is shorter – with an emphasis on the strategy (not the details of delivery)
 - (c) Is clearer – particularly in explaining the relationships with other processes, especially the primacy of strategic planning.
12. The revised SEP seeks to embrace a number of investment plans and strategies that have been completed (or are on-going) within the county for skills, innovation, creative, cultural, heritage and tourism sectors, and the environment.
13. The document sets out a profile of Oxfordshire’s economy today, including key assets, opportunities and challenges, before moving on to provide more detail around the four programmes themes and how the priorities to 2020 will be met by utilising (for example) Oxfordshire’s £19.3m European Structural Investment Fund allocation alongside funding streams currently in negotiation including next round Local Growth Fund.
14. The SEP refresh sets out the relationships to the separate but related work of the statutory Oxfordshire Growth Board and the development of Local Plans by planning authorities. This is particularly relevant to the housing requirement and employment projections developed for local planning authorities for the purpose of informing Local Plans through the Strategic Housing Market Assessment (SHMA) process.
15. In order to be working from a consistent evidence base with local planning authorities, the SEP incorporates the housing and employment projections developed in the SHMA. However, as stated by local planning authorities, the SHMA was commissioned and accepted by them and its conclusions are a planning matter for each council to consider through its local plan preparation, not for OxLEP to establish or revise through the SEP.

Consultation

16. 262 responses were made to the consultation. The 228 individual responses were heavily slanted towards concern around the appropriateness of the economic growth and housing projections which underpin the SEP and on the public accountability of the LEP, given the consideration to which the SEP is given in the Local Plan process.
17. Local authority and Growth Board responses sought a stronger narrative on the changing nature of the economy, a clarification of the SEP's purpose and specificity in its objectives, an acknowledgement of the challenge of meeting extending housing needs and a recognition of development beyond the knowledge spine. These comments have largely been addressed in the second draft.
18. The development workshops and extended consultation period have sought to engage a wide audience and in this context it is disappointing that limited responses were received from the business community potentially reflecting the continuing difficulty in engaging a disparate and busy audience. Subsequent engagement has been undertaken to address this gap.
19. A full report on the SEP consultation is available on the LEPs website at www.oxfordshirelep.org.uk.

OCC Input

20. OCC has been represented in the development process at Deputy Director level through membership of the steering group that oversaw the revision process. Technical engagement at officer level has also been extensive.
21. Local authority leaders were formally engaged through the Growth Board which reviewed the draft in May 2015 and OCC submitted a formal response to the consultation.
22. Finally, OCC is represented by the Leader who sits as a member of the LEP Board which will have final approval of the plan in October/November 2016.
23. The decision to agree the revised SEP is for the LEP board where OCC is represented by the leader and there is no formal requirement for the SEP to be agreed by local authorities.
24. However, the SEP plays a number of important roles within the county of particular relevance to the County Council:
 - Firstly, while not a statutory plan, the SEP has been given weight in policy matters such as Local Plans and to some extent the Local Transport Plan, which are statutory plans in themselves;

- Secondly, it is a proven platform for funding the capital programme and therefore has a considerable impact on OCC's ability to deliver infrastructure;
- Finally, beyond the capital programme, the SEP is a key mechanism to drive the delivery of the "*strong and thriving economy*" objectives in the OCC Corporate Plan, justifying the Council's ongoing support and investment in the LEP.

25. In order to give the Council a formal opportunity to consider and comment, Cabinet is asked to consider the SEP as set out in Appendix 1.

Financial and Staff Implications

26. There are no financial or staffing implications arising directly from the recommendations in this report.

Equalities Implications

27. There are no equalities implications arising directly from the recommendations in this report. Any resultant plans and activity for OCC if proposed and agreed will be assessed through the SCIA process where appropriate.

RECOMMENDATION

28. **The Cabinet is RECOMMENDED to endorse the revised SEP as set out in Appendix 1.**

BEV HINDLE
Acting Director for Environment & Economy

September 2016

Annex: Refreshing Oxfordshire's Strategic Economic Plan

Contact Officer - Robin Rogers
Strategic Infrastructure and Planning Resource Manager
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Refreshing Oxfordshire's Strategic Economic Plan

Draft – revised following public
consultation

Foreword



To be written to include reference to include references to:

The consultation exercise

Brexit

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Executive Summary

This refreshed version of the Strategic Economic Plan (SEP) for Oxfordshire takes into account evidence that has become available since the first SEP was produced in 2014, including new strategies relating to skills, innovation, culture and heritage, and natural resources and the environment. It acknowledges the changing context for Oxfordshire's economic well-being. It also responds to substantial engagement from the county's businesses, universities, research institutions, local authorities, voluntary and community sectors, and many of its residents. But like its predecessor, this refreshed SEP signals our strong ongoing commitment to sustainable economic growth across the county.

Oxfordshire's SEP is intended to be a widely-owned "*economic route map*" focused on supporting the economic performance, potential and prospects of Oxfordshire, and managing the county's strong economic growth to ensure sustainability and inclusivity. Compared to the original SEP, this refreshed version is higher level, shorter and clearer. It focuses on strategy rather than the details of delivery.

The Vision of the SEP is that

By 2030, Oxfordshire will be recognised as a vibrant, sustainable, inclusive, world leading economy, driven by innovation, enterprise and research excellence.

Oxfordshire is notable for the excellence and scale of innovation, enterprise and research within the county, and for the dynamism of its economy: both employment and GVA (Gross Value Added) are growing strongly, activity and employment rates are high, and there is very low unemployment. The scale of recent investment in some of its most successful firms bodes well for the future. In addition, significant progress has been made over the last two years in delivering against most of the objectives set out in the 2014 SEP.

However, there are issues of sustainability and inclusion that must be addressed. There is also a need for greater resilience in the face of increased global risks and uncertainty.

We aim, with partners, to harness Oxfordshire's unique combination of assets to ensure that by 2030, the county's economy is recognised to be:

- **Vibrant:** a place where ambitious businesses and people thrive; and where young people choose to build their careers and their lives
- **Sustainable:** environmentally (taking into account patterns of resource use, climate change, carbon emissions, heritage assets), socially (reflecting the needs and character of communities) and economically (with businesses and others choosing to re-invest)
- **Inclusive:** where all residents and businesses have a real stake and voice in determining the county's future economic narrative and contributing fully to it
- **World-leading:** recognised globally for its dynamic innovation ecosystem, founded on world class research and fuelled by enterprise, all within an environment of the highest quality.

These outcomes will be achieved through four wide-ranging programmes, each with priorities to 2020, and a number of key action areas. The programmes are:

- **People** – delivering and attracting specialist and flexible skills at all levels, across all sectors, as required by our businesses, with full, inclusive, employment and fulfilling jobs

- **Place** – ensuring a strong link between jobs and housing growth, and providing a quality environment that supports and sustains growth; and offering the choice of business premises and homes needed to support sustainable growth whilst capitalising on and valuing our exceptional quality of life, vibrant economy and urban and rural communities
- **Enterprise** – emphasising innovation-led growth, underpinned by the strength of Oxfordshire’s research, business collaboration and supply chain potential; recognising and reinforcing the significant contribution made by all sectors, all parts of Oxfordshire and all types of business
- **Connectivity** – enabling people, goods and services to move more freely, connect more easily; improving broadband and mobile coverage and capacity; and providing the services, environment and facilities needed by a dynamic, growing and dispersed economy.

We will ensure that the inter-relationships and opportunities across these programmes are fully exploited. For example, we will encourage the local commercialisation and application of technologies developed by Oxfordshire’s research and business communities in areas which improve environmental sustainability and health outcomes (such as low carbon, low energy systems, autonomous vehicles and digital health) in order to benefit Oxfordshire’s people, places and connectivity.

There is an important cross-cutting spatial dimension to the SEP. We will maintain the principal spatial focus on Oxfordshire’s Knowledge Spine – from Bicester in the north through Oxford to Science Vale in the south – as the main location for housing and employment growth. However, we will also continue to encourage and support projects in the market towns and rural areas which support the objectives of the SEP, and ensure these areas are well connected to the Knowledge Spine (and elsewhere).

In delivering the refreshed SEP, the LEP will work through clear governance and management arrangements, building on the substantial progress that has been made over the last two years and supporting on-going initiatives to devolve significant responsibilities and funding to deliver local services and infrastructure improvements. It will work closely with key partners and stakeholders including Oxfordshire’s local authorities and the Oxfordshire Growth Board, and the county’s businesses, voluntary organisations, academic institutions, and residents.

Introducing Oxfordshire's refreshed Strategic Economic Plan

It is now two years since Oxfordshire Local Enterprise Partnership (OxLEP) published its first Strategic Economic Plan (SEP). In the interim we have achieved a great deal, and the SEP itself continues to be widely endorsed.

The decision to update and refresh the SEP has been prompted by our desire to continue to nurture Oxfordshire's economy. The refreshed SEP:

- reflects **new evidence and insight** that has become available over the last two years
- embraces a number of **investment plans and strategies** that have been completed (or are ongoing) within the county, relating (for example) to skills, innovation, culture and heritage, and the environment
- acknowledges the changing **wider context** for Oxfordshire's economic well-being – and particularly, the far greater global economic uncertainty that is likely to define the next five years, including in relation to the outcome of the referendum on the UK's membership of the EU
- responds to substantial **engagement** from the county's businesses, universities, research institutions, local authorities, voluntary and community sectors, and many of its residents
- anticipates that the **process of devolution** will progress substantially over the months/years ahead.

Through the refresh process, we have sought to ensure that Oxfordshire's SEP is a **widely-owned "economic route map"** for the county as a whole. It focuses on realising the opportunities in Oxfordshire to achieve **sustainable economic growth** and to conserve its natural resources and built heritage. It has been informed by a series of public workshops and it has benefited from a full public consultation (which generated almost 300 written responses).

Box 1: What we mean by sustainable economic growth

The 1987 Brundtland Report defined 'sustainable development' as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. What does this mean in the context of Oxfordshire's Strategic Economic Plan?

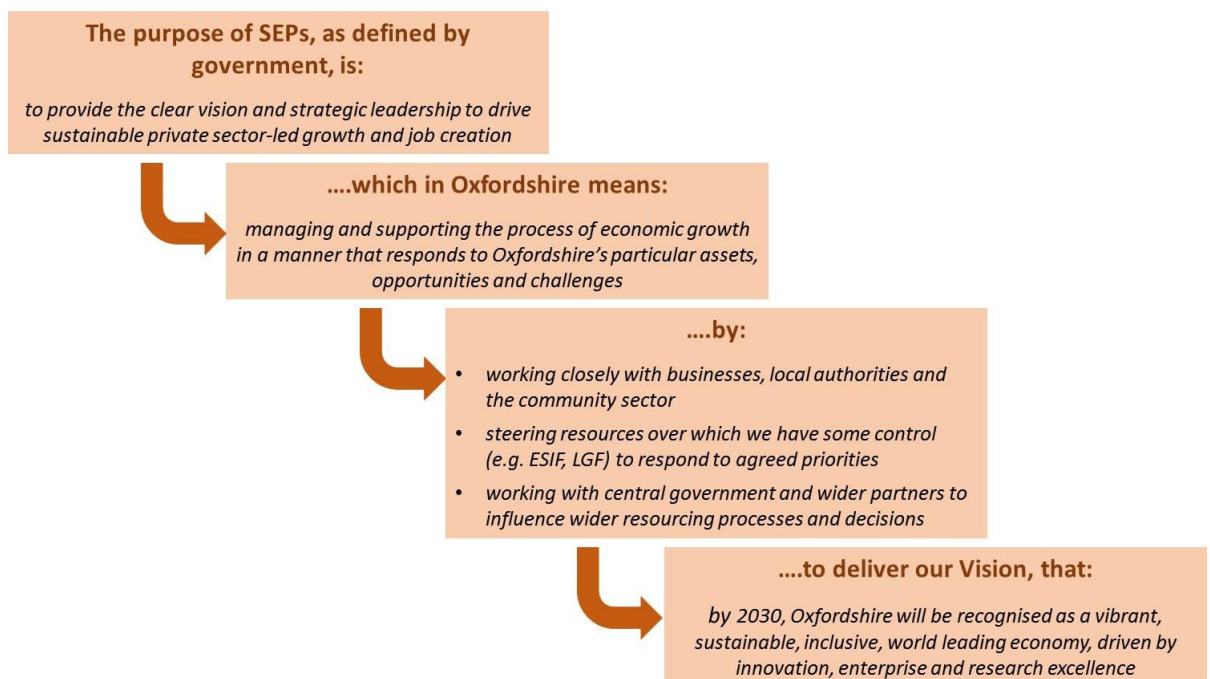
Oxfordshire LEP was established by the Government to support economic growth in Oxfordshire. Its focus, therefore, is on supporting economic growth which delivers sustainable and inclusive outcomes and creates a vibrant and world leading business environment. This type of growth will:

- enhance and develop community coherence and connectivity, building-in community well-being and resilience for the future
- ensure today's and tomorrow's residents can find good jobs and homes they can afford in the county
- use the incredible scientific and technological expertise in Oxfordshire's institutions to stimulate economic growth which is more sustainable, more inclusive and genuinely world leading in its characteristics

- enable infrastructure improvements which we all want, but know we cannot afford without the public and private sector funding that only comes with planned growth
- enable us to insist on, and afford, new development which is high quality and enhances the built environment
- enable investment in developing the skills of our young people
- make better use of limited and precious resources such as water, energy and land
- ensure that Oxfordshire continues to make a strong, positive contribution to the national Exchequer.

Growth therefore needs to be both supported and managed, to produce positive, sustainable outcomes. This is what the LEP is seeking to do: to achieve the vision in the Strategic Economic Plan

Figure 1: The purpose of Oxfordshire's Strategic Economic Plan (SEP)



A profile of Oxfordshire's economy today – and its assets, opportunities and challenges

The economic headlines

Overall, Oxfordshire generates output to the value of about £20.5bn (data for 2014, in current prices, from ONS) from about 400,000 jobs (including both employees and self-employment jobs) in a total of 30,000 enterprises.

Oxfordshire performs well on key metrics of productivity and it is consistently in the upper echelons of league tables relating to the economic performance of LEP areas:

- in 2014, GVA per hour worked in Oxfordshire was an estimated £32.70 – compared to a UK average of £31.00
- in 2013, GVA per filled job was estimated to be £51.2k; the UK average was £48.8k.

In the year to March 2016, some 358,000 residents aged 16-64 were in employment (whether employed or self-employed). Both activity and employment rates are higher than the regional average – and substantially higher than the national average. The rate of unemployment is very low. Hence Oxfordshire is currently approaching full employment.

The largest employment sectors in Oxfordshire are education (51,000 employees, 14.9% of all employees in employment), professional, scientific and technical (41,000, 12.1%), health (40,000, 11.8%) and retail (32,000, 9.4%). Employment in tourism – which is cross sectoral – also accounts for around 32,000 jobs (9.5%)¹.

Over the last few years, Oxfordshire's economy has performed strongly, and the scale of recent investment bodes well for future growth. Between 2011 and 2014, the number of jobs in Oxfordshire – including employee and the self-employment jobs – grew by 7.8%, compared to growth of 6.2% nationally. Within this total, employee job numbers grew by 6.3% to 341,500 (compared to 5.3% nationally), while the number of self-employment jobs grew slightly faster. The rate of GVA growth from 2011-14 was also above the national average (15.6%, compared to 12.1% for the UK).

Since 2011, employment growth in Oxfordshire has been much faster than was expected through the forecasts used as the basis for the Strategic Housing Market Assessment². The sectors with the biggest increase in employees 2011-14 were professional, scientific and technical (an increase of nearly 7,000 employees), construction (5,500 increase), business administration and support services (3,300 increase) and transport and storage (2,200 increase). The number of employees in manufacturing and public administration and defence declined by just over 1,000 in each sector over the 2011-14 period.

Science and technology based clusters in Oxfordshire are particularly strong and distinctive, nationally and internationally. By 2014, there were 46,100 employees in high tech sectors in Oxfordshire, 13.5% of total employee jobs in Oxfordshire. GVA growth in key high tech sectors was well above the national average (e.g. GVA in 'information and communication'

¹ Sectoral employment is taken from the Business Register and Employment Survey (BRES) – latest data is for 2014, published in the autumn 2015. Employment in tourism is based on figures in the Oxfordshire Creative, Cultural, Heritage and Tourism Investment Plan.

² The Planned Economic growth employment forecasts envisaged growth between 2011 and 2021 of just under 50,000 jobs, which is equivalent to just under 15,000 over the period 2011-14. This compared with actual growth of just over 30,000 jobs – twice the rate forecast.

grew by 29.3% in Oxfordshire between 2011 and 2014, compared with 8.4% in UK). In the 12 months to July 2015, Oxford's technology firms received a reported £1.4bn in investments - more than five times the previous year's total of £250m. Over 20 new Oxford technologies and ventures received a record £2.6m in proof-of-concept funding in 2014 alone. This bodes well for future growth.

Some 85% of Oxfordshire residents in employment live and work in the county. However, both inbound and outbound commuting increased between 2001 and 2011 for all Oxfordshire districts with the exception of South Oxfordshire, where there was a slight fall in out-commuting. In 2011, 57,000 people commuted into Oxfordshire, 10,000 more than in 2001, and there was a daily net inflow to Oxford of nearly 30,000 workers, up 16% since 2001.

One reason for increased commuting into Oxfordshire is the high housing costs and associated issues of affordability³. It is therefore encouraging that housing completions have increased over the five years to 2015, compared with a national average of 15%⁴. However, completions remain well below the objectively assessed need: a total of 3,124 new homes were completed in the county in 2014/15, compared with a need averaging approximately 5,000 per year⁵.

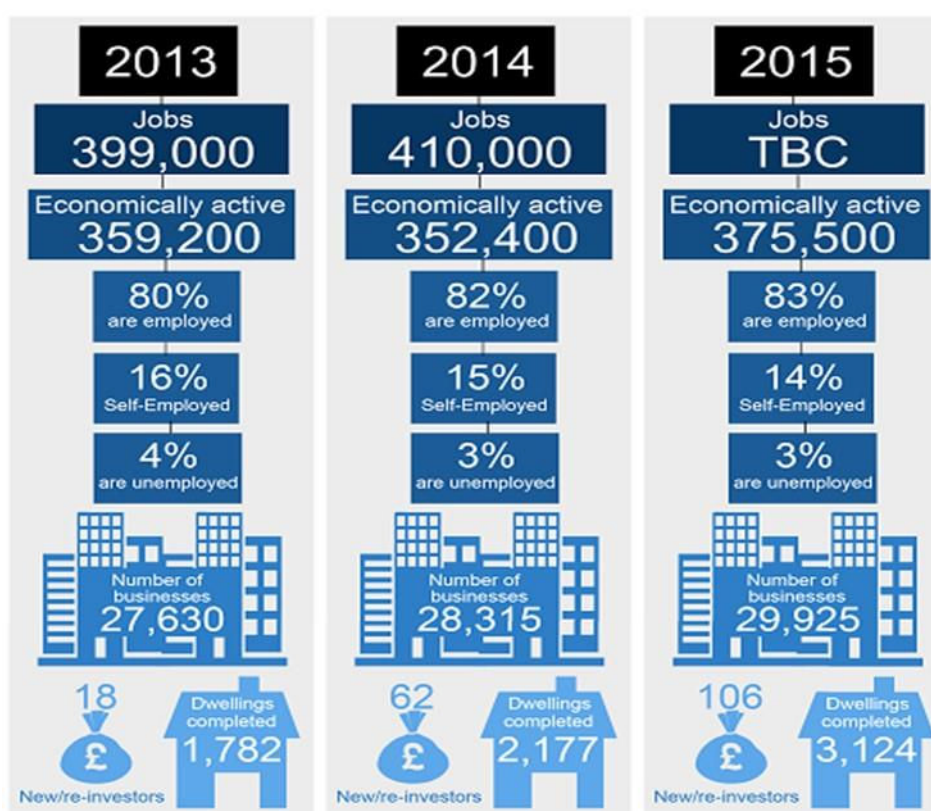
As at June 2016, some 2,635 people in Oxfordshire were claiming Job Seekers Allowance (JSA), or Universal Credit (UC). This equates to an unemployment rate of just 0.6%, compared to 1.8% for Great Britain. Since March 2014, when the first SEP was published, the number of Oxfordshire residents on JSA/UC has declined by nearly 40%. This is to be welcomed. However it does point to the challenges for growing and new businesses seeking to recruit staff from a small pool of potential labour. Furthermore, the people claiming in work benefits are likely to be those who face particular challenges in accessing training and work, meaning that they will need additional and targeted support to help them move closer to the labour market.

³ It is notable also that several of the businesses that were consulted in the course of refreshing the SEP commented specifically on the growing incidence of long distance commuting, particularly from the Midlands, as result of housing pressures and prices. The businesses considered that this was not sustainable long term, not least because employees typically "got fed up" after about a year and then moved onto other jobs

⁴ Sources: local authority annual monitoring reports for the Oxfordshire figure, DCLG for the national figure.

⁵ The 'objectively assessed need' for the period up to 2031 was identified in the 2014 Strategic Housing Market Assessment for Oxfordshire, commissioned by the Oxfordshire local authorities.

Figure 2: Understanding how the economy of Oxfordshire is changing



Oxfordshire's wider assets for economic prosperity

Oxfordshire is home to some of the UK's principal resources for high quality, knowledge-based, economic growth:

- The recent official UK-wide assessment of all university research, the Research Excellence Framework, found that the **University of Oxford** has the country's largest volume of world-leading research. This research sets academic agendas and the University of Oxford is among the top 5 in the world on every key indicator for both teaching and research. The University of Oxford has had over 50 Nobel Prize winners, more than most countries, and total external research has increased every year for the last 10 years, reaching £523m in 2014/15.
- **Oxford Brookes University** is among the best of the newer universities nationally and consistently ranks within the top 10 universities in the UK for income from intellectual property, reflecting the strong impact of its research.
- There is a unique grouping of '**big science**' and other research facilities, primarily in **Science Vale** in the south of Oxfordshire, including the Culham Centre for Fusion Energy and – at Harwell – the Science and Technology Facilities Council (STFC) Rutherford Appleton Laboratory; Diamond Light Source, the national synchrotron facility; the ISIS Pulsed Neutron Source; the Central Laser facility; the UK Space Gateway, including the Satellite Applications Catapult Centre; the European Space Agency; and the Medical Research Council's facilities.
- Oxfordshire has some **outstanding and fast-growing businesses with names that are widely recognised around the world**, ranging from newer companies like Adaptimmune and Immunocore to more established ones like Sophos, Williams F1, Oxford Instruments

and Blackwell, and global brands such as BMW, Siemens, Unipart and Oxford University Press.

- There is momentum linked to **Science Vale Oxford**, **three Enterprise Zones** (at Harwell, Didcot and Milton Park), **two Garden Towns** (Bicester and Didcot) and an **increasing supply of specialist science and business parks and incubator space** (for example, at Begbroke, Bicester Business Park, Harwell Science and Innovation Campus, Milton Park, and Oxford Science Park).
- There is improving access to **long term risk capital**, particularly through the establishment of two major new funds in 2015:
 - University of Oxford and Oxford University Innovation (the University's technology commercialisation subsidiary) launched a partnership with newly created Oxford Sciences Innovation plc (OSI) to invest £320m in science and technology-based spin-outs from Oxfordshire's research facilities
 - the Woodford Patient Capital fund, based in Oxfordshire, raised £890m at launch.
- Oxfordshire has a **strategic location** – which is close to both a booming world city (London) and a global hub airport (Heathrow); and is an integral part of the UK's **Golden Triangle** (defined between Cambridge, London and Oxford).

Figure 3: Oxfordshire's Strategic Economic Assets



The economic importance of our built and natural environmental assets

Oxfordshire's built heritage and natural environment have played a substantial part in the county's economic and social development and they will continue to be a vital part of its future. Many of Oxfordshire's towns and villages are attractive and vibrant places in which to live, work and relax. The county's natural capital – including its land, soils, air, water, animals and plants – is distinctively rich and diverse. Oxfordshire's urban and rural heritage is outstanding. The county's residents, businesses and other organisations – wherever they are located – all benefit economically, socially and culturally from these assets.

However, some of these assets are in decline or under threat, and investment is needed to reverse this damage. As the economy and the population grow, and the effects of current and future climate change are felt⁶, the county needs to be prepared in order to minimise damage to the natural environment, build resilience and reduce risk.

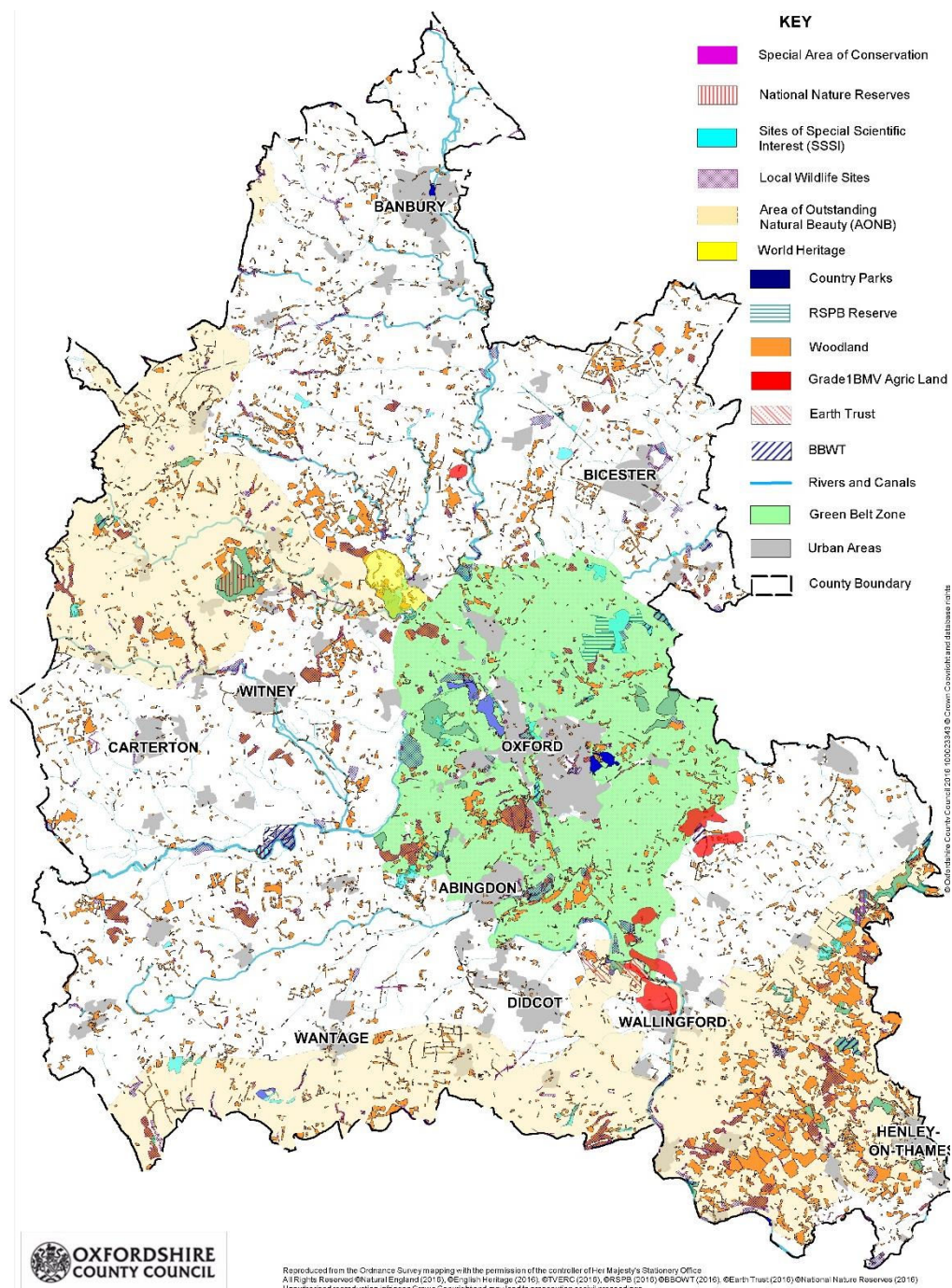
It would be misleading to suggest that economic growth does not give rise to environmental pressures. However, Oxfordshire has some real opportunities to apply local research and innovation to repair and enhance its natural capital as well as the built environment. For example, Oxfordshire has world leading research and commercialisation in areas such as solar and fusion energy and electric vehicles, and low carbon sectors already account for about 7% of the economy. Well targeted investments can bring about multiple benefits including added economic value, more efficient use and greater protection of natural resources and more pleasant surroundings, all of which make the county a more desirable place to live and work.

The outstanding quality of its natural and built environment – and the importance of both in relation to its economic well-being – is described in two plans we have produced with partners since the 2014 SEP: the **Strategic Environmental and Economic Investment Plan (SEEIP)** and the **Creative, Cultural Heritage and Tourism Investment Plan (CCHTIP)**. These two documents provide a great deal of evidence and insight with regard to the economic importance of our natural and built environment, and also the way in which sustainable economic development can support the successful management of our environmental assets (see Annex B for a summary of the plans).

Oxfordshire's economic assets are second to none – particularly in combination with its environmental, heritage-related and cultural resources. With them come real opportunities and challenges in relation to economic growth – and, for the people of Oxfordshire and for OxLEP, some responsibilities.

⁶ See Oxfordshire's Low Carbon Economy – Report by the Environmental Change Institute and Low Carbon Oxford, October 2014

Figure 4: Oxfordshire's Strategic Environmental Assets



Economic geography

Against this backdrop, Oxfordshire has a very distinctive economic geography. Most of the county is within an Oxford Travel to Work Area (as defined at the time of the 2011 Census). Banbury – in the north – has a TTWA of its own (which extends into Northamptonshire) and parts of southern Oxfordshire are contained within the Reading TTWA, but Oxford is – demonstrably – the county's functional centre. The urban area of Oxford (including Botley which is in Vale of White Horse district) has a population of around 160,000 – slightly larger than that of the area administered by Oxford City Council. But on either definition, the city accounts for just under a quarter of the county's population, and around 30% of all the jobs in Oxfordshire.

Outside Oxford, the major settlements are stand-alone towns with a distinctive character – Bicester and Banbury in Cherwell (to the north and east); Witney in West Oxfordshire; Didcot, and Henley-on-Thames in South Oxfordshire; and Abingdon and Grove & Wantage in Vale of White Horse. These towns differ substantially from each other and some of them – notably Bicester, Didcot and Grove & Wantage – are set to see significant planned growth.

Much of Oxfordshire is rural. Parts of the county are of an extremely high environmental quality. Indeed, Oxfordshire overlaps with three different Areas of Outstanding Natural Beauty (Cotswolds, North Wessex Downs and Chilterns). Blenheim Palace and its Estate, and the University quarter in Oxford, are World Heritage Sites, reflecting their cultural and historical significance.

The area surrounding Oxford is Green Belt – a planning designation which was established to control urban sprawl and, in the case of historic cities like Oxford, to preserve its setting and special character.

These are the particular spatial characteristics of a county which is both distinctive and beautiful. In a fast growing county such as Oxfordshire it is inevitable that at times there may be conflicts between economic development, environment assets and the Green Belt. However, if development is planned and delivered well, with adequate resources – and if natural resources are appropriately valued – the outcome should be net environmental gains.

Progress in delivering our Strategic Economic Plan

Our original SEP included a series of Objectives, structured under each of four Programmes. For the most part, the timescale for the delivery of these Objectives was through to 2030/31, so two years in, we still have some way to go. However, we are making good progress⁷. This section provides an overview of the progress made so far. This has been made possible by the LEP securing, in collaboration with partners, substantial funds through the Oxfordshire City Deal, Local Growth Fund and the European Structural and Investment Funds (ESF, ERDF, EAFRD). The table below summarises the funding secured and the leverage and outputs it will provide.

Table 1: Funding secured by the LEP with support from partners in the last two years

Source	Amount secured	Leverage	Total investment	Expected outputs
City Deal (January 2014)	£55.5m	£1,216m	£1,271.5m	18,000 jobs, 7,500 homes, by 2021
Growth Deal 1 (January 2015)	£108.5m	£100m	£208.5m	6,000 jobs, 4,000 homes, by 2021
Growth Deal 2 (January 2015)	£9.9m	£593.54m	£603.44m	
Total	£173.9	£1,909.54	£2,083.44	

Table 2: European Structural Investment Funds⁸

Source	Amount allocated	Expected outputs
European Regional Development Fund	€9.9m	754 business supported
European Social Fund	€9.4	1,000 people helped into training and work
European Agricultural Fund for Rural Development	€2.8	TBC – discussions with Defra on-going
Total	€22.1m	

One element of progress is the production of four cross cutting plans intended to support implementation of the SEP. These include the **Strategic Environmental and Economic Investment Plan (SEEIP)**, the **Creative, Cultural Heritage and Tourism Investment Plan (CCHTIP)**, the draft **Innovation Strategy** and the **Oxfordshire Skills Strategy**. The main

⁷ More detail is available in OxLEP's Progress Report, 2011-2015

⁸ The Chancellor Phillip Hammond has announced that the Treasury will guarantee government funding for projects backed by ESIF which are signed before the Autumn Statement. The Treasury will assess whether other projects that are signed after the Autumn Statement should also get a guarantee. Some of Oxfordshire's ERDF bids are at assessment stage and we are confident that we will reach contract stage by the Autumn Statement. Other ERDF funding project calls have yet to be issued and we await further guidance on these.

provisions of all four are summarised below; more detailed synopses are available in Annex B.

Figure 5: Oxfordshire's Strategic Economic Plan – and four cross-cutting strategies which underpin it

	People	Place	Enterprise	Connectivity
Strategic Environmental Economic Investment Plan	Engaging people in the environment and enabling more sustainable lifestyles	Enhancing the quality and resilience of urban areas Improving the management of land to reduce flood risk, enhance water resources, and promote biodiversity	Growing the green economy in Oxfordshire	Promoting and enabling access to the countryside
Creative, Cultural, Heritage and Tourism Investment Plan	Productive and engaging experiences Skills, talent development and business growth	Creative place-making	Skills, talent development and business growth	Collaboration
Oxfordshire Innovation Strategy	Innovation for all Innovation for social good Nurturing talent and developing skills	Building innovation spaces	Reinforcing the science and research base for innovation Attracting significant business Attracting capital Embedding innovation in the ecosystem	Understanding the Ecosystem: Strengthening our Networks
Oxfordshire Skills Strategy	Creating a skills continuum to support young people through their learning journey Upskilling and improving the chances of young people and adults marginalised or disadvantaged from work To increase the number of apprenticeship opportunities		To meet the needs of local employers through a more integrated and responsive approach to education and training To explore how we can better retain graduates within Oxfordshire to meet the demand for higher level skills our businesses need.	

Alongside projects funded through City Deal and Local Growth Fund (see Tables 3 and 4 below), the following paragraphs summarise other aspects of progress, structured around the four SEP programmes (people, place, enterprise and connectivity). The LEP's role in delivery varies; in some areas it takes a leadership role and seeks to influence decision-making by others, locally and in government nationally; in other areas, it acts as the main

delivery organisation; in others, it acts as a broker – for example, linking partners to each other and to sources of funding – or a facilitator (working with partners, with them in the lead delivery role).

Annex A provides a more detailed analysis of progress in relation to specific commitments in the original SEP.

In relation to People...

We have seen **employment and activity rates** rise in Oxfordshire, ensuring that more people are contributing to – and benefitting from – our growing economy. Over the last two years, we have also seen a **greater uptake in apprenticeships** through our Oxfordshire Apprenticeships Programme.

Our O2i programme (Opportunities to Inspire) is promoting greater collaboration between schools and local businesses, and helping to inspire our young people and make them aware of the employment and career opportunities within Oxfordshire.

Our European Social Fund programme is starting to deliver. Activate Learning has recently won a contract to run Building Better Opportunities, a £1.2 m project that will help more than 300 Oxfordshire residents who are long term unemployed access the labour market. The three-year project will run to 2019.

In relation to Place...

We have made substantial headway in relation to some major new schemes. These include some with outstanding credentials for sustainability (e.g. **North West Bicester and the newly designated Didcot Garden Town**) and innovation (e.g. **Graven Hill**), and which are also providing a focus for both housing and jobs growth.

The District Local Plans are all moving through the plan making process. The Cherwell Local Plan has already been adopted and Oxford City Council has just embarked on a review of its Local Plan. Other District Plans are all in advanced stages of development. This has helped accelerate **housing delivery**, which has increased by 74% over the last five years. However, the scale of housebuilding is still well below the objectively assessed need (as evidenced in the Strategic Housing Market Assessment for Oxfordshire, produced by all the local authorities working together), and **housing costs** have continued to increase relative to incomes, with the result that Oxfordshire is among the least affordable places in the country to live: data from CLG (for 2013) suggest that the ratio of median house prices to earnings is 8.66 across Oxfordshire (compared to 6.72 across England as a whole)⁹.

In relation to Enterprise...

More jobs have been created within Oxfordshire than were anticipated through the forecasts that informed the Strategic Housing Market Assessment. This process has been bolstered by macro-economic conditions, but there has also been an impact from some of our early local initiatives and from the City Deal – notably the creation of the **Enterprise Zones**. The focus on jobs growth through implementing key projects is even more important following the Brexit decision and consequent economic uncertainty.

We have seen some major investments in our science and knowledge-based infrastructure and these should lead to further economic growth downstream. For example, we have seen

⁹⁹ Data sourced from CLG Live Table 577

investment in the **Satellite Applications Catapult** at Harwell, the **Begbroke Accelerator** and the **Oxford Bioescalator**.

In addition, we have been delivering some major projects such as **Oxfordshire Business Support (OBS)**. This promotes, co-ordinates and delivers support to local business to help them develop and grow. It also provides a mechanism for integrating national and local business support. It is targeted at start-ups, high growth SMEs, social enterprises and innovative entrepreneurs via a range of free or subsidised products and services. During 2015/16, nearly 12,000 businesses and individuals engaged with the OBS helpline and website, and almost 700 of these were supported via the Triage system and also through our Network Navigators.

Our **Invest in Oxfordshire** service continues to foster greater Foreign Direct Investment in Oxfordshire by helping overseas and domestic businesses locate in the county. In 2015/16, Invest in Oxfordshire handled 169 enquiries, of which 33% were from UK companies and 67% from foreign firms. 43 of these inquiries were from companies in the life sciences sector, 34 from the creative sector and 21 from automotive and advanced engineering.

In relation to Connectivity...

We have seen significant investments and improvements – notably the opening of **Oxford Parkway** railway station, with a fast direct link to London Marylebone; and also enhancements to the **coverage of superfast broadband** county-wide. Around 80,000 premises across Oxfordshire now have access to faster fibre broadband as a result of the Better Broadband for Oxfordshire roll-out, including many in some of the more difficult to reach parts of the county. Of those 80,000, more than 64,500 households and businesses have access to ‘superfast’ broadband speeds of 24 megabits and above¹⁰.

We have advanced a number of **innovative collaborations, focused on connectivity**; this includes (for example) working on major data analytics projects. We have sought to advance innovative solutions linked, for example, to the interface between energy and mobility.

However, the evidence suggests that **congestion on our roads is continuing to increase**. Whilst there have been some important incremental improvements (including to junctions on the A34), the scale of the challenge remains substantial.

Table 3: Oxfordshire's City Deal – including projects started by 2016

Projects	City Deal funding	Total investment
Harwell Innovation Hub - a new facility focussed on promoting open innovation based at the Harwell Campus. Delivered by The Science and Technology Facilities Council.	£7m	£14.1m
Culham Advanced Manufacturing Hub - a new facility focussed on remote handling, with applications across a number of different industries where there are extreme environments (nuclear, space, underwater, underground. Delivered by the United Kingdom Atomic Energy Authority.	£7.8m	£21.2m
Oxford BioEscalator - a new-breed of incubator space to nurture small spin-off companies in the life science sector with the capacity to grow into mid-sized companies. Situated in the Old Road Campus in Oxford, it will allow co-location with hospital and research facilities and staff	£11m	£21m

¹⁰ <http://www.betterbroadbandoxfordshire.org.uk/cms/content/track-budget-and-time>

Projects	City Deal funding	Total investment
and sharing equipment that allow “adjacent innovation” to develop at scale. It will also support single teams to manage multiple biotech companies which will significantly reduce management costs. Delivered by The University of Oxford.		
Begbroke Innovation Accelerator - a new facility located at Begbroke Science Park, focused on the advanced engineering sectors of automotive, nuclear materials, advanced materials, robotics, as well as in nano-medicine, pharmaceuticals, motorsport and supercomputing. Delivered by The University of Oxford.	£4.2m	£11.2m
Oxfordshire Innovation Support for Business - a tailored business support programme which will bring together a network of existing provision, amplify and enhance existing services to businesses and plug gaps with bespoke programmes in order to promote innovation based growth. Delivered by the Oxfordshire LEP.	£2m	£7m
A package of measures that will improve access to the Science Vale Oxford Enterprise Zone from the national and local road network. This will increase reliability – and in turn provide the confidence necessary to attract business investment and high skilled employees. Delivered by Oxfordshire County Council.	£6.1m	£28.2m
Schemes to support the regeneration of Oxford’s Northern Gateway and the A40 approaches to Oxford . The package of measures will relieve congestion and deliver growth at the Northern Gateway development site, including 800 houses, of which 300 are additional to current plans, and up to 8,000 new jobs. Delivered by Oxfordshire County Council.	£7.3m	£17.8m
A programme to increase the number of young people taking up Apprenticeships , with a particular focus on courses that will support Oxfordshire’s growth sectors: advanced engineering and manufacturing; space technology and biosciences. Delivered by Oxfordshire County Council.	£1.5m	£1.5m

Table 4: Growth Deal funding secured for projects started by 2016

Project	Growth Deal funding	Total investment
Centre for Applied Superconductivity - a new centre of innovation to coordinate the interaction between key industry players, Oxford University, cryogenics companies, and end users (including SMEs). Delivered by The University of Oxford.	£4.5m	£6.5m
Oxfordshire Centre for Technology and Innovation - development of a Technology and Innovation Training Centre in Oxford to address skills shortages across engineering, electrical, design, and emerging technologies. Delivered by Activate Learning.	£4.5m	£7.8m
Didcot Station Car Park Expansion - packages of measures for car park expansion. Part of the expansion and improvement of Didcot station as a key gateway to Science Vale high tech cluster and the Enterprise Zone. Delivered by Great Western Railway.	£9.5m	£23m

Project	Growth Deal funding	Total investment
Advanced Engineering and Technology Skills Centre – a collaboration with Abingdon and Witney college, the centre will address skills shortages in Science Technology Engineering and Maths subject areas by supplying skilled technicians at Harwell Oxford and elsewhere in Oxfordshire; and deploying the unique expertise and facilities available at and around Harwell Oxford as a learning resource for the rest of the UK and globally. Delivered by Abingdon and Witney College.	£4m	£5.9m
Northern Gateway – a package to improve transport in North Oxford and enable the Northern Gateway development, which will provide business and research space, and new homes. Delivered by Oxford City Council.	£5.9m	£452.5m
Oxpens – transport and site improvements to support the Oxpens development, which will provide office and research space and new homes in the heart of Oxford. Delivered by Oxford City Council.	£3.5m	£150m
Activate Care Suite – to improve adult social care and health. Delivered by Activate Learning.	£0.4m	£0.6m

Our Vision

By 2030, Oxfordshire will be recognised as a vibrant, sustainable, inclusive, world leading economy, driven by innovation, enterprise and research excellence.

Oxfordshire is set apart by the excellence and scale of **innovation, enterprise** and **research** within the county:

- **Innovation** is the application of new ideas in any context and permeates Oxfordshire's economic life. It includes innovation driven by science and technology, particularly in the life sciences, space technologies, digital sectors, and the automotive and motorsport industries. It includes innovation in heritage, tourism and culture; and in the use of environmental assets and sustainable technologies. It also includes social innovation. It abounds in, for example, service delivery, whether by the public sector, private sector or through voluntary sector organisations. Throughout, the *process of innovation* is one of Oxfordshire's strengths: a survey by ERC found that firms in Oxfordshire reported the most innovation activity compared to other regions in the UK. We will seek to harness this fully to deliver our Vision
- **Enterprise** is another defining feature of Oxfordshire. Within the county, there are around 30,000 enterprises (or 35,000 local units). These range from major companies – like BMW and British Gas at Cowley, Siemens and Polartec at Eynsham/Woodstock, RM and Oxford Instruments, and major publishing houses (like Oxford University Press (OUP) and Blackwell UK) – through to micro businesses. Nearly 90% of Oxfordshire enterprises employ fewer than 10 people, but these smaller businesses are a dynamic element in the enterprise mix. Oxfordshire's enterprises span fast-emerging global players in knowledge-based sectors (e.g. Sophos, Adaptimmune and Immunocore) and firms that are focused on service delivery in local markets. Within Oxfordshire, there is also a vibrant social enterprise sector.
- **Research** undertaken in Oxfordshire is outstanding. It includes world-leading research under the auspices of the University of Oxford and Oxford Brookes University. Harwell and Culham are major foci for "big science", and there are significant numbers of businesses that undertake leading-edge research and development. Oxfordshire's research excellence is underpinned by world class science. At the same time, the county can genuinely claim global specialisms in social science and the humanities, with widespread potential applications.

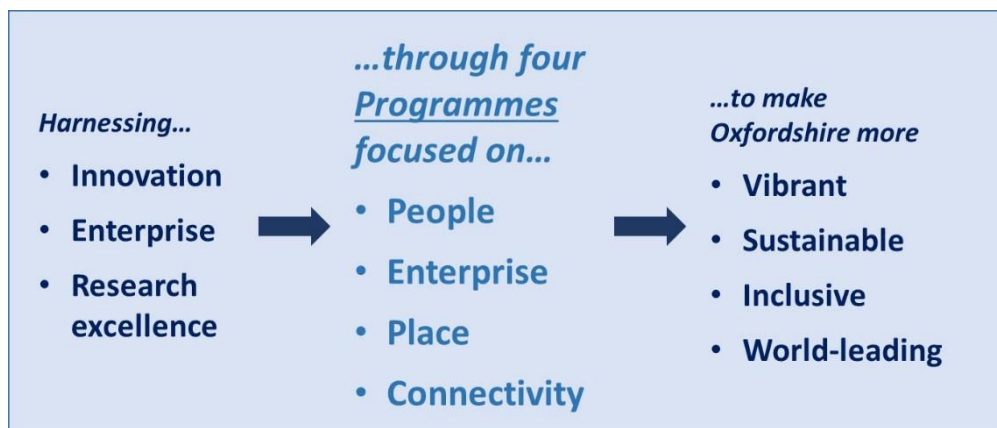
By linking these three overarching themes, we will ensure that by 2030, Oxfordshire's economy is widely recognised to be:

- **Vibrant:** Oxfordshire will be a place where ambitious businesses and people thrive; and where young people choose to build their careers and their lives, contributing to the vibrancy of Oxfordshire's communities
- **Sustainable:** Oxfordshire will be on a trajectory for growth that is sustainable environmentally (taking into account climate change, carbon emissions, heritage, the natural environment and patterns of resource use), socially (reflecting the needs and character of communities) and economically (with businesses and others choosing to re-invest)

- **Inclusive:** Oxfordshire will be a place in which all residents – irrespective of age, gender, or ethnicity – have a real stake in determining the county’s future economic narrative and contributing fully to it
- **World-leading:** Oxfordshire will be a place that is recognised globally for its dynamic innovation ecosystem, founded on world class research and fuelled by enterprise, all within an environment of the highest quality.

Our Programmes

In order to realise our Vision, our Plan is structured around priorities which define **four Programmes**.



These four Programmes are:

- **People** – delivering and attracting specialist and flexible skills at all levels, across all sectors, as required by our businesses, with full, inclusive, employment and fulfilling jobs
- **Place** – ensuring Oxfordshire’s places provide a sustainable mix of jobs, homes, social, community and recreational facilities, and a high quality built and rural environment
- **Enterprise** – placing an emphasis on innovation-led growth, underpinned by the strength of university and other world leading research, business collaboration and supply chain potential; and recognising the importance of supporting enterprises in many sectors of Oxfordshire’s economy
- **Connectivity** – enabling people, goods, services and information to move more freely, by improving physical and digital connectivity supporting a fast-moving, growing and dispersed economy.

These four programmes are closely inter-related and inter-dependent. To support economic growth, firms need access to an appropriate range of supporting infrastructure and services, to manage the significant uncertainties of the global economic environment (see Box 2), and to be able to recruit and retain appropriately skilled people. These people need housing which is affordable, located in attractive places which provide an appropriate mix of services and facilities, and which are well connected to other places within and beyond Oxfordshire by physical and digital links.

The scale of growth envisaged

The SEP is based on the scale of growth set out in each of the District’s adopted and emerging Local Plans, which for Oxfordshire involves an additional 88,000 jobs between 2011 and 2031 and approximately 100,000 new homes.

To put this in context, between 1991 and 2011, total jobs in the county increased by 94,000, or 42%, compared to the forecast jobs growth of 23% between 2011 and 2031.

The SEP supports delivery of the scale of growth envisaged in the District Local Plans, but it does not itself add to those plans (see Annex C for a full explanation of the relationship between the SEP and Local Plans). Each Local Plan is subject to full Strategic Environmental

Impact Assessment to provide reassurance that the consequences of the planned growth have been properly considered and mitigated.

Should the scale of planned growth be adjusted in future revisions to Local Plans – either upwards or downwards – then the SEP will be reviewed accordingly.

Spatial dimensions

There are important inter-relationships between the programme areas and the economic geography of Oxfordshire. The main locations for housing and employment growth will be within the Oxfordshire Knowledge Spine (see Figure 3) – stretching from Bicester in the north through Oxford to Science Vale in the south (including the major research centres at Harwell, Culham, the growing towns of Didcot, Grove and Wantage, and major employment areas such as at Milton Park and Harwell). This spatial focus is reflected in the adopted and emerging Local Plans within Oxfordshire, and in the scale and location of investment in the infrastructure for research, enterprise and connectivity in the county.

However, this spatial focus is not exclusive. There are many important firms and economic assets elsewhere in the county, and we will continue to encourage and support projects in the market towns and rural areas which help implement the SEP. We will also ensure other areas are well connected into the Knowledge Spine, so that the benefits of economic growth are accessible to all. Improved connectivity with adjoining areas is also important for Oxfordshire's economy, including the market towns which in many cases have strong cross boundary functional links (for example, the high performance engineering cluster extends across much of Oxfordshire, Northamptonshire and Bedfordshire; whilst the Cotswold tourism offer extends across west Oxfordshire and Gloucestershire; and the Thames Valley IT cluster extends across southern Oxfordshire and Berkshire).

People

Headline SWOT assessment - People

Strengths and opportunities

Highly qualified workforce

Very attractive place to live and work

Globally leading research and firms working at the leading edge of technology attract the best talent to Oxfordshire

Large student population, providing recruitment opportunities for local firms

Buoyant labour market – less than 2,700 JSA claimants (0.6%) across the county – the lowest nationally

Weaknesses and threats

Housing in Oxfordshire is among the least affordable in the country

Rapidly ageing population with a declining working age labour force

Pockets of social and economic exclusion, especially in Oxford

Very tight labour market – difficult for employers to recruit

Future recruitment and retention of specialist expertise may be threatened by Brexit-related uncertainty concerning foreign nationals working in Oxfordshire

Current characteristics

Oxfordshire's **people are the county's principal resource** in supporting the next phase of economic growth: they are versatile, adaptable, highly skilled and in great demand.

Employers, however, are **struggling to recruit** the people they need¹¹ with the skills that they require against a backdrop of (close to) full employment. Moreover, particularly for younger working age residents, Oxfordshire is a very expensive area to live and work, and retention problems are widespread in the early adult age groups.

The **affordability of housing** across the county is a major concern for local people who are not already home-owners, and those wanting to move to jobs in the county. The challenges are acute for younger people and those in less well-paid jobs. For example, there is clear evidence that high housing costs are affecting Oxfordshire's ability to recruit and retain nurses and teachers – key professions in terms of the county's overall quality of life.

ONS's sub-national population projections suggest that within Oxfordshire, the population aged 20-64 is set to decline through to 2037 (whilst the overall population will increase by over 13%). However, this will depend on the scale of housing growth actually achieved.

In addition, there are very challenging issues with regard to **social inclusion**. Their scale is not great overall – but in many respects, that makes the challenges harder as the issues of exclusion can easily be overlooked against a background of general prosperity. There is a

¹¹ According to the UKCES Employer Skills Survey, in Oxfordshire 2013, 8% of employers (c 1800 businesses) were reporting hard to fill vacancies where impacting on their business (compared to 5% nationally).

need for excellent and creative responses to help more disadvantaged Oxfordshire residents to move into the labour market.

Currently, the landscape for the **delivery of post-16 training and education** is being restructured. Oxfordshire is part of an Area Review process, the aim of which is to ensure a better alignment between providers, firms and learners, with the needs of the economy firmly in view. Moreover, appropriate skills provision needs to feature in any devolution deal that Oxfordshire partners agree with government.

Self-employment is increasingly important, particularly in Oxfordshire's rural areas, and there is a need to support the distinctive needs of the self-employed, for example through the provision of on-line advice and guidance for remoter businesses and sole traders, and encouragement to build homes which are designed to enable home working.

Priorities to 2020

In delivering the SEP, particular priority will be attached to:

Education and skills

- ensuring that skills provision is aligned more effectively with the needs of employers
- understanding – and responding to – the aspirations and frustrations of young people as they seek to build their lives and their careers in Oxfordshire, by creating a 'skills continuum' to support them through their learning journey
- increasing STEM skills among Oxfordshire's young people
- increasing the number of apprenticeship opportunities

Reducing exclusion

- addressing exclusion from the labour market, by up-skilling and other measures to help young people and adults marginalised or disadvantaged from work

Recruitment and retention

- emphasising the importance of people as well as firms in terms of inward investment – Oxford has plenty of firms that will grow fast if they can recruit and retain the right people, including through international recruitment. Government controls on immigration must not hamper the ability of Oxfordshire firms to grow
- ensuring that the specialist skills of those military personnel in Oxfordshire who choose to remain in the county when they leave service life are used as far as possible in the local economy

Attitudes to growth

- demonstrating the genuine potential benefits of "good economic growth", defined as growth which is sustainable in economic, social and environmental terms (to be determined through Local Plans).

Actions to deliver our Programme

The **Oxfordshire Skills Board** was established in 2011. It works closely with the LEP in order to achieve improvements in the skills infrastructure available to Oxfordshire's employers and the learning opportunities available to students, residents and workforce. The Oxfordshire Skills Strategy to 2020 was developed by the Skills Board. It sets out the strategic priorities necessary to support economic growth to 2020 and is currently being refreshed.

Through our European Social Fund programme, we have developed with the Big Lottery Fund, a £1.2m programme that will focus on helping those residents that are long term unemployed to move closer to the labour market. Activate Learning is running this activity, called Building Better Opportunities, from 1 August 2016 for three years¹². The project will help 300 Oxfordshire residents to seek training and work opportunities.

With the Big Lottery Fund, OxLEP has issued a project call for an engagement programme to help those young people in Oxfordshire who are not in employment, education or training (NEET), and a transition programme to help young people at risk of becoming NEET – using match funding from the Big Lottery Fund to make a project total of just under £1m. The project will help 445 young people who are NEET, or at risk of becoming NEET over a three-year period. At the time of writing, the bids are being assessed and we are confident the project will start in January 2017.

In addition, OxLEP and the Skills Funding Agency (SFA) have jointly issued a project call for an Oxfordshire Community Grants scheme with a value of just under £0.5m that will be focused on helping around 250 people within their communities to move closer to the labour market. This will start delivering in January 2017. Grants will be available throughout the county and community groups and other eligible organisations will be able to bid for grants of between £5,000 and £50,000.

Taken together, these projects to help our longer term unemployed residents represent an opportunity for Oxfordshire to tackle social exclusion and enable local people to access some of the local jobs being generated through business start-up and growth, and through employment-generating new development.

Community Employment Plans (CEPs) will also support people to access job opportunities arising from new development. They include employer-led initiatives relating to both the construction phase for all large developments, and the end user phase of large commercial development, and include measures such as apprenticeships and training schemes, local procurement and links with schools and colleges. A number of CEPs are already in place across Oxfordshire (see Box 2 for an example), and more are in the pipeline. The LEP will support local authorities to include such proposals as part of their local plan policies and supporting text.

The LEP will continue to support the Oxfordshire Apprenticeships programme which aims to increase the number of apprentices in Oxfordshire through wide-ranging engagement with Oxfordshire schools, advertising campaigns, workshops, and by increasing the number of Apprenticeship Ambassadors. The programme has already benefitted from £1.5m of City Deal funding, focusing particularly on sectors that support Oxfordshire's growth including: advanced engineering and manufacturing; space and satellite, creative and digital; and life sciences.

The LEP will support implementation of the recommendations of the Post-16 Review. This will see potential realignment within our Further Education infrastructure to better reflect the skills needs of our economy.

In the short term, OxLEP will seek clarity from the Government regarding the status of EU and other non-UK citizens working in the UK and the current and potential future barriers to attracting EU and other non-UK staff to the UK. Access to the best talent internationally is crucial to the success of the universities and big science facilities as well as to many of the firms in the county.

¹² <http://www.cityofoxford.ac.uk/news/project-support-long-term-unemployed-back-work>

Box 2: Westgate Community Employment Plan

In 2013, we successfully agreed with Land Securities the development of a Community Employment Plan for the Westgate shopping centre redevelopment. The key objectives of the Westgate CEP are:

- to procure supply chain locally
- to provide Oxfordshire residents with sustainable jobs
- to equip people with the skills to be successful, with a particular focus on youth and longer term unemployed groups
- to give communities the opportunity to grow for good

Two plans have been agreed for the Westgate development, covering the Construction and End User phase. 750 outcomes have been agreed across the two CEPs, taking account of the length of the build plus a sensible period of time post opening of Westgate Oxford to ensure optimum outcomes for the local community.

There have been a number of successes within the current Construction CEP:

- 50 people attended pre-employment training, 11 people attended site work experience, and 3 people have been employed on the site
- 2 individuals employed as a result of the CEP and Laing O'Rourke's involvement with City of Oxford College.
- 18% of those employed on the site have Oxfordshire postcodes
- 39.50% of procurement to date awarded from within the local supply chain
- significant attendance at local career events such as Career Fest, etc.
- Land Securities and Laing O'Rourke have become lead partners supporting the future School of Construction and Science Technology Engineering and Maths (STEM) Centre on the City of Oxford Campus at Blackbird Leys
- Laing O'Rourke is currently supporting University Technical College Oxfordshire with its Project Base Learning programme.

Each CEP is measured and monitored as part of ongoing dialogue through monthly meetings with a variety of key external and internal stakeholders. All progress is shared regularly with Oxford City Council.

Box 3: Apprenticeship Programme

Oxfordshire Apprenticeship is a brand currently funded out of Oxfordshire's City Deal with an aim to promote and increase Apprenticeship opportunities within Oxfordshire. The three-year project started in April 2014 with targets to increase Apprenticeship starts for young people by 525 and to raise awareness of Apprenticeships amongst 1,850 employers.

Activities delivered include:

- Developing a website (www.oxfordshireapprenticeships.co.uk) with information aimed at young people, parents and employers on Apprenticeships, case studies of local Apprentices and employers, and a local vacancy search function. The website gets around 2,500 hits per month.
- Developing and training a network of 30 Apprenticeship Ambassadors who support events to share their experiences, including appearing on local radio, and attending schools and employer events.
- Delivery of various PR campaigns including social media (over 2,900 Twitter followers and over 1,000 likes on Facebook), bus advertising, digital marketing and radio.
- Supporting school events including careers events, talks to parents and young people, and delivery of workshops.
- Delivering of 'making sense of Apprenticeship' events, drop in surgeries aimed at SMEs, attendance at employer networks to promote Apprenticeships and one to one support for employers thinking about taking on an Apprentice for the first time.
- Procurement of 8 projects with partners.
- Sponsorship of the Apprenticeship of the year award category at the Cherwell Business Awards and Oxfordshire Business awards.

Place

Headline SWOT assessment - Place

Strengths and opportunities

Oxfordshire is one of the most attractive places in the country to live and work

It has a high quality built environment – particularly in central Oxford and some of the market towns and villages

Within the county, there are extensive areas of high environmental quality and sensitivity as described by the SSSI, SAC and AONB series: Oxfordshire has a high level of natural capital found mainly in rural areas

Oxfordshire has internationally significant cultural and heritage assets, and an important tourism and cultural sector as a consequence

Weaknesses and threats

There is a need to balance the opportunities for economic development with the possible compromise to the natural environment

Housing in Oxfordshire is among the most expensive and least affordable in the country

New housing delivery has improved significantly, and at a faster rate than nationally, but it remains well below the objectively assessed requirement as set out in the SHMA, meaning that it is unlikely to have any impact on housing becoming more affordable

Oxfordshire is facing significant resource constraints – water, power supply and grid capacity (e.g. to upload solar energy) – which are challenging the extent and quality of its natural assets

Although countywide emissions of carbon dioxide fell by just over 8% from 2008 to 2013, if this trend continued, we would see emissions fall by 32% by 2030 (as compared to the public commitment to 50% reduction in the sustainable community strategy)

Current characteristics

Oxfordshire benefits from a **high quality built and natural environment**, which has evolved and changed over centuries. Significant parts of the built environment in Oxford, the market towns and villages are precious and should be conserved, but by no means all of the built environment is either attractive or fit for future purpose.

Within the county, there are extensive areas of high environmental quality and sensitivity – the designated AONBs in particular – plus important cultural and heritage assets.

As set out already, Oxfordshire's **housing is among the most expensive in the country**, making it difficult for young people in particular to afford to live locally. A recent study of house prices to earnings ratios (by Oxford University's Professor Dorling (February 2016)) showed that in January 2015, the ratio of average house prices to incomes in Oxford was over 15, compared to 14 in London. According to Professor Dorling, the average cost of a house in Oxford is £426,720, well out-stripping the average income of £26,500 of Oxford employees. This is reinforced by similar findings from the London-based Centre for Cities think tank which has found Oxford's housing is now the least affordable in the country. The problem of affordability is not confined to Oxford: the house price the earnings ratio in

South Oxfordshire is even higher than in Oxford, and house prices across the county are 50% above the national average and 13% above average for the South East region. According to Rightmove, the average price of a home in Oxfordshire as a whole is £377,533.

The result is hard to fill vacancies in low income jobs; long distance commuting from lower cost areas, and therefore more congestion on key transport routes; and less disposable income for the resident population.

Oxfordshire is facing **significant resource constraints** including in relation to water, power supply and grid capacity which need to be addressed to achieve sustainable economic growth.

Priorities to 2020

The overall priority for Oxfordshire's places is to plan simultaneously for both jobs and housing growth, putting in place the infrastructure required for both, whilst also protecting and where possible enhancing environmental quality and social inclusion.

The detailed priorities in relation to place can be summarised under four main headings: place-making, including housing delivery and affordability; supporting the implementation of the SEEIP; support for the development plan system; and dealing with infrastructure constraints.

Place-making

- working with Oxfordshire's local authorities (through the local plan preparation process and by responding to individual planning applications for strategic development sites), to ensure high quality housing meeting the full range of demand and needs is delivered close to jobs and with supporting retail, community, social, transport and green infrastructure and recreational facilities and services. This includes support for master-planning which is being used for bringing forward a range of major allocated development sites across the county. An analysis of the natural resources required to support these plans is also required
- supporting innovative approaches to the supply of a sufficient quantity of genuinely affordable housing, for example through community land trusts, Neighbourhood Plans, self-build schemes and employer initiatives to provide housing for their key workers, recognising that we and our partners are significantly restrained unless there are (radical) changes in housing policy at a national level
- supporting the design and delivery of innovation districts in suitable locations across the county (comprising mixed use, high density developments providing space for innovative businesses of different sizes, an appropriate mix of housing for the local workforce, supporting facilities and services and a high quality built environment)
- ensuring the high quality of our built and rural environments is maintained, and managing change in ways which produce better outcomes for local residents and businesses, and the natural environment. New development can, and should, enhance the existing built environment, through excellent design and the use of high quality building materials, and provide appropriate green infrastructure. At the same time, the sustainability of the existing built environment must be improved.

Supporting implementation of the SEEIP

We will support the implementation of the **Strategic Environmental and Economic Investment Plan** (SEEIP – see Annex B for a fuller summary), which will mean:

1. Growing the green economy in Oxfordshire
2. Enhancing the quality and resilience of urban areas
3. Improving management of land to reduce flood risk, enhance water resources, and promote biodiversity
4. Promoting and enabling access to the countryside
5. Engaging people in the environment and enabling more sustainable lifestyles.

Support for the development plan system

- supporting the development of growth plans which fully consider the available and potential capacity of infrastructure in the broadest sense
- supporting the delivery of new housing and employment space which has been allocated for development in approved Local Plans, for example through securing funding for access or infrastructure improvements. This includes support for strategic allocations which may result from Oxford City's unmet housing need, which may also result in significant economic development opportunities
- communicating the priorities of the SEP to local planning authorities in their preparation of local plans and to local organisations in the preparation of neighbourhood plans.

Dealing with infrastructure constraints

- supporting the preparation of an Oxfordshire Infrastructure Strategy by the Oxfordshire authorities by spring 2017. This will identify, map and prioritise infrastructure requirements to 2040 under the themes of: transport; education; health services; other strategic community and environmental infrastructure (e.g. waste management); energy and utilities; flooding and water management; broadband and connectivity; and green infrastructure
- ensuring that all homes and businesses have access to resilient broadband with at least 24MG download capacity, and to a good mobile phone signal.
- supporting the utilities study, commissioned by the Growth Board to map utilities capacity against Local Plan ambitions countywide
- supporting the preparation of a locally-informed energy strategy for Oxfordshire to act as a business case for investment and grant support from Ofgem, etc.
- providing continued support for the implementation of flood alleviation schemes.

Actions to deliver our Programme

In most cases under the Place programme, OxLEP will play an influencing and brokerage role, persuading and supporting partners to take action, and helping to secure funding where appropriate.

OxLEP acknowledges the challenge faced by the local planning authorities in providing for the scale of housing and employment growth expected over the next 20 years, and will provide support wherever possible to ensure delivery of new homes and jobs.

The Oxfordshire authorities are committed to allocating land for development through their Local Plans with housing delivery across the County up by 75% in the last two years. However, sustaining this level of increase will not be possible without greater investment in infrastructure and flexibilities to support delivery of the programme of infrastructure investment, unlock land and ensure that local authorities have the levers and capacity to

bring forward sites for development. These priorities are forming the basis for our ongoing devolution discussions. These will potentially bring forward a series of interventions which, alongside continued Local Growth Fund (LGF) investment, should support our place shaping priorities and increase housing delivery. These include:

- an integrated approach to strategic planning for infrastructure, housing and employment that builds on Local Plans and existing joint working through the proposed Combined Authority Growth Board
- a partnership with the HCA to develop and support a housing investment strategy and consolidated funding allocation address the county's housing priorities and enable delivery of the mix of housing needed to support economic growth, including a substantial proportion of starter homes
- development of a Land and Property Partnership Board to support the use, deployment and regeneration of public land and other major landholdings
- development of housing development companies with access to a revolving investment fund and supported by strengthened local authority CPO powers to unlock housing delivery
- locally-set planning fees to increase and align resources needed to support the significant growth in strategic site delivery.

OxLEP is also committed to supporting attractive, sustainable and resilient places (including Garden Towns at Bicester and Didcot). Major actions agreed within the SEEIP include the development of a Sustainability and Environment Sub-Group to the LEP and the setting up of a £13 m Oxfordshire Environmental Investment Fund.

Partners in Oxfordshire are committed to the delivery of "Smart Oxford"¹³. Smart Oxford, involving private, public and voluntary sector partners, aims to build a stronger, safer, economically and environmentally sustainable city and surroundings taking advantage of the latest data-enabled solutions. Smart Oxford will provide new solutions in areas such as housing, health, transport to address issues of congestion, air pollution as well as promoting innovation, and generating jobs and growth. The LEP will promote increased access to data to facilitate this, for example, through data sharing agreements as part of the approval process for major commercial planning applications.

OxLEP is focusing £1.6m of its European Structural and Investment Fund (ESIF) monies (principally European Regional Development Fund - ERDF) on low carbon agendas in order to mitigate climate change. With match funding, this will equate to a £3.2m low carbon programme for Oxfordshire which will help 180 businesses reduce their carbon footprint. Delivery should commence later in 2016.

Oxford City Council has led on the delivery of '**Low Carbon Oxford: A Route Map to 2020**'. The Route Map is an action plan that sets out how the city of Oxford expects to meet its commitment to reduce carbon emissions by 40% by 2020. This target was established in the Council's sustainability strategy in 2011 and subsequently adopted by the Low Carbon Oxford Partnerships' Pathfinder members as a common goal.

By setting out the actions that partners around the city have taken and intend to take to reduce carbon, the Route Map provides a rigorous underpinning of Low Carbon Oxford's efforts to facilitate members' actions and projects that deliver change. It provides an

¹³ <http://oxfordsmartcity.uk/cgi-bin/index.pl>

understanding of which actions have the greatest impact and the exercise was an opportunity to explore and plug any gaps in the plan.

From both a City Council and Low Carbon Oxford perspective, the Route Map is a key step in progressing the transition to a low carbon economy. As the project moves forward there will be a need to look beyond the now standard solutions of energy efficiency and renewable generation. There will be a focus on operational transformation and the impacts of the supply chain. The Route Map provides the baseline from which leaders in sustainability can begin to shift from delivery roles into an increasing function as a facilitator of change, such as working with business operations to reduce the impact of on-site deliveries.

In relation to the resilience of Oxfordshire's places, OxLEP has secured £25.85m through Local Growth Fund to part fund the Oxfordshire Flood Risk Management Scheme (total investment £88.35m), which is a comprehensive package of measures to mitigate the risks of damage to homes, businesses and transport connections caused by excessive flooding. This project will be delivered by the Environment Agency and will be implemented in the period 2018-21.

In addition, OxLEP has also secured £0.6m through the Local Growth Fund toward funding Upstream Flood Storage at Northway (total investment £1.9m). This is a comprehensive package of measures to mitigate the risks of damage to homes, businesses and transport connections caused by excessive flooding. This project will be delivered by Oxford City Council in the period 2016-17.

OxLEP's support for flood alleviation also includes promoting the application of new technologies that improve flood protection. For example, the Oxford Flood Network consists of water-level sensors placed in a range of locations and connected through innovative wireless technology to provide information and early warnings to citizens in flood-prone areas.

Box 4: An example of high quality place-making and innovative approaches to housing delivery: Graven Hill

The Graven Hill site lies just to the south of Bicester and extends to about 188 hectares in size. It is the first project of its type in the UK, allowing people to build their own homes.

1,900 new self-build homes can be accommodated on the site and the first plots are already available for sale.

There is the potential to provide a wide variety of sizes of dwelling, including large individual plots for grand designers, or smaller plots for those on more modest budgets. There are also opportunities for groups of people to work collaboratively to build their homes, including building terraces of eco homes or low cost apartments.

<http://gravenhill.co.uk/>

Box 5: Culham Smart City: people, place, enterprise and connectivity

"Culham Smart City" recognises that people will use digital tools in new and exciting ways for mobility, health, education and entertainment.

The world-class R&D at the University of Oxford's Robotics Institute, the new RACE (Remote Applications in Challenging Environments) facility at the UKAEA's Culham site, and Oxford Brookes Cognitive Robotics Laboratory are examples of excellence that place Oxfordshire at the heart of an emerging disruptive technology. Global companies involved include: Amey, Arriva,

Bosch, JLR, Nissan, Siemens and many more. This work links with the big data catapults: Transport Systems, Future Cities, Digital and Satellite Applications. Strong local council support means access to planning and transport and housing data and agreement around strategic use of emerging technology to maximise impact, locally and internationally.

As a specific example, plans for Culham Smart City represent a nationally significant opportunity to draw together all the key elements, building a significant quantity of next generation housing close to employment, enabling upgrades to key infrastructure and signposting how we will live in the future. This also links with plans for testing and deploying emerging autonomous vehicle technologies along the Knowledge Spine that links Bicester, Oxford, Culham and Didcot. Smart Oxford creates a pipeline to use our world class research to address real world challenges and increase Oxfordshire's contribution to the national economy. OxLEP has a key role working with the councils, universities, national labs, industry and investors in coordinating the delivery of a coherent plan. OxLEP will promote increased access to data, for example, through data sharing agreements as part of the approval process for regeneration and infrastructure projects.

Enterprise

Headline SWOT assessment - Enterprise

Strengths and opportunities

Outstanding strengths and opportunities in research and its commercialisation

Large and diverse high tech economy, including many firms with exceptional growth potential

Globally significant sector strengths in automotive & motorsport, creative & digital, electronics & sensors, life sciences and space technologies

Wide range of social enterprises dealing with an equally broad spread of social issues

Excellent access to patient risk capital for innovative businesses and spin outs from the research base

Good provision of business incubation facilities, particularly within the Knowledge Spine.

Weaknesses and threats

Relatively low levels of new starts, and a small proportion of high growth businesses

High growth businesses are concentrated mainly in Oxford and southern Oxfordshire, where constraints on growth (linked, for example, to traffic congestion) are most acute

Declining working age population means labour shortages are likely to get worse

Concerns about congestion, housing costs and access to skills threaten firms' ability and willingness to grow in Oxfordshire

Oxfordshire's firms are very international – in relation to their markets, workforce and networks. They are therefore vulnerable to global economic shocks or significant policy changes, such as in relation to international migration

Current characteristics

Oxfordshire is remarkable for the **range of business sectors and scientific disciplines** in which there is real strength and depth.

The county has some outstanding success stories in business formation and growth – particularly in science and technology-based sectors. It has globally significant strengths in five areas, all of which have huge growth potential: automotive & motorsport, creative & digital, electronics & sensors, life sciences and space technologies (see below); and these have been a particular focus for inward investment. Oxfordshire also has an internationally renowned grouping of universities and research institutions which are increasingly focused on local commercialisation of their R&D, and on building links with Oxfordshire businesses.

Figure 6: Inward investment enquiries by sector, 2015/16

Automotive and Advanced Engineering	21
Life Sciences	43
Space and Space-related Technologies	12
Creative (IT Publishing and Media)	34
Energy and Environment	7
Professional and Business Services	10
Retail	2
Food and Drink	6
Tourism and Leisure	6
Other	28

(Source: Invest in Oxfordshire)

Invest in Oxfordshire has developed a series of Sector Profiles that explore the strengths, capabilities, opportunities and prospects of the key sectors in the county. These are summarised below in Figure 7. The sector profiles are primarily a promotional and marketing tool that provides prospective national and international investors with accurate and detailed information.

Figure 7: Oxfordshire's key sector profiles

Automotive and motorsport	Creative and digital	Electronics – sensors and instruments	Life sciences	Space technologies
<ul style="list-style-type: none"> 24,000 people employed in manufacturing across the county; 3,700 of these directly in motor vehicles Part of a wider cluster which extends across Oxfordshire, Northamptonshire, Buckinghamshire and Milton Keynes R&D expertise: Oxford University, Oxford Brookes University, F1 companies, Mobile Robotics Group (autonomous vehicles) Some global brands including BMW Mini and three F1 teams (Williams, Renault and Manor Marussia) Expertise in technologies for autonomous, electric and hybrid vehicles, batteries and energy storage, and lightweight materials 	<ul style="list-style-type: none"> One of the UK top 10 creativity and innovation hotspots (NESTA) Sector strengths in: publishing, computer games, software development, cybersecurity, big data, TV and film, broadcast and production and sound Over 22,000 people employed in digital employment across the county The largest centre of publishing in the UK outside London Part of the SuperConnected Cities programme, rolling out superfast broadband to everyone throughout Oxford 	<ul style="list-style-type: none"> Well-established electronics industry: over twice the national proportion of optoelectronics employees Track record of attracting global electronics companies: Toshiba, CN Innovations, Sharp's European research centre, all based locally World-class R&D facilities, e.g. at Harwell Campus and at Culham Diverse commercial base: R&D, design and manufacturing 	<ul style="list-style-type: none"> University of Oxford is ranked first in the world for both life sciences and clinical, pre-clinical and health (Times HE World University Rankings 2015-16) Investment magnet: Oxfordshire life science companies have raised over \$1.5bn in investment since 2014 Fast-growing university spin-outs Clinical trials: University of Oxford Medical Sciences Division and the Oxford University Hospitals NHS Foundation Trust run one of the biggest clinical trial portfolios in the UK 	<ul style="list-style-type: none"> Already attracted leading international space technology companies such as Lockheed Martin, Thales Alenia Space and Elecnor Deimos Internationally state-of-the-art robotics and autonomous systems Space Studio Banbury is a unique new school for pupils with an interest in maths, technology and space, and works closely with the space industry to develop and deliver the curriculum BIS estimates the space industry could generate 100,000 new jobs in the UK by 2031: and the UK Space Gateway at Harwell Campus puts Oxfordshire at the centre of the UK and European space industry: ESA, ECSAT, RAL Space, the Satellite Applications Catapult

There has been strong employment growth in Oxfordshire in the last few years, but sustaining that growth over the long-term is a significant challenge, particularly given the uncertainties caused by the EU referendum result. The SEP has an important role in supporting the building of resilient local economies.

Amongst a proportion of high growth businesses, there is a need for stronger management and marketing capabilities to complement technical excellence (i.e. building management teams to enable growth). The establishment of several specialist funds has improved access

to finance for businesses with high growth potential, and the provision of business incubator facilities in the county is relatively good. However, many new and small firms still experience problems of access to finance and to flexible property, particularly those which are not linked to research based institutions.

Oxfordshire is the UK's first official 'Social Enterprise County'. The award recognised the wide range of social enterprises dealing with an equally broad spread of social issues. The county also has many strong enterprises in its rural areas and market towns, as well as within the main Knowledge Spine

Priorities to 2020

The SEP identifies priorities for enterprise relating to all employment sectors, and more specifically to both the five globally significant, wealth creating sectors, and the large employment sectors which provide the majority of jobs for Oxfordshire's people.

Support for all businesses and all parts of the county

- improving productivity across all sectors, to 'create more from less': for example, by encouraging businesses to adopt energy efficiency approaches, to use resources more efficiently throughout their supply chains, and by supporting training
- focusing on export promotion among businesses with the potential to operate in international markets, and working in collaboration with UKTI to ensure its full support for exporting by Oxfordshire firms
- supporting start up and scale up of businesses in Oxfordshire through, for example, improved provision of incubator and grow-on facilities, business advice and access to finance, and an enhanced on-line presence for small firms. It is important that Oxfordshire both supports more start-ups and also retains and supports established firms, particularly those with high growth potential
- celebrating Oxfordshire's business successes across all sectors, to raise the profile of Oxfordshire's businesses both internally (within the county) and externally, and to establish role models for the next generation of entrepreneurs
- improving national and international marketing of Oxfordshire and its firms, and consistent messaging about quality growth – to benefit local businesses and attract public and private sector investment into the county
- encouraging all employers to provide flexible jobs that can work for those on the margins of the labour market
- encouraging businesses to fully understand and mitigate their impact on the natural environment, exploiting opportunities available within the knowledge economy and new approaches such as the circular economy and natural capital accounting.

Support for globally significant, wealth creating sectors

- linking firms to networks and support, both within and across sectors, for example by strengthening the Network Navigators initiative and by helping firms navigate the research community in Oxfordshire
- supporting the local commercialisation and application of technologies developed by Oxfordshire's research and business communities in areas which improve environmental sustainability and health outcomes, such as low carbon, low energy systems, autonomous vehicles and digital health, in order to benefit Oxfordshire's people, places and connectivity and to complement activities under each of the four programmes

Support for large employment sectors

- delivering the Creative, Cultural Heritage and Tourism (CCHT) Investment Plan, which identified four main thematic areas:
 - productive and engaging experiences;
 - skills, talent development and business growth;
 - creative place-making; and
 - collaboration.
- supporting interrelationships between the tourism economies of Oxfordshire and surrounding areas, such as the Cotswolds
- supporting other important employment sectors which include retail, logistics and distribution, health and social care, and education (e.g. through access to finance and business support, access to training, and in making provision through the planning system for an appropriate range of premises in the right locations).

Actions to deliver our Programme

In relation to Enterprise, OxLEP will be directly involved in delivering a range of business support, as well as working with partners to ensure priorities are addressed in all areas of the economy and of the county.

We intend to continue to advance the delivery of business support through **Oxfordshire Business Support (OBS)**. This requires appropriate funding for the long term sustainability of the service. It includes the Network Navigators programme, which is a support and signposting service focused specifically on the globally significant sectors and also, most recently, on tourism. OxLEP will also establish a business ambassadors service to celebrate and communicate Oxfordshire's business excellence and distinctive successes.

Our €9.9m European Regional Development Fund has been allocated to deliver against the ambitions of our Enterprise Programme. These include priorities linked to 'SME Competitiveness' (£3.9m), which will help 469 Oxfordshire businesses to start up and grow, and 'Research and Innovation' (£3.7m) which will help 285 businesses grow and innovate through collaborative work with research institutions and with each other.

We will continue to sponsor Venturefest (£10,000 a year), the West Oxfordshire Business Awards (£1,950), the Cherwell Business Awards (£1,000), the Oxfordshire Business Awards (£6,000), and business networks such as B4.

We will also prioritise the activities of **Invest in Oxfordshire** to promote inward investment into Oxfordshire, and build further on our already strong links with UKTI to support increased exporting by Oxfordshire firms.

OxLEP, in collaboration with the University of Oxford, has led on the production of an Innovation Strategy for the county (see Annex B for a summary of the draft strategy), and once finalised, we will support its implementation.

Specific measures to support commercialisation and scale up include RACE at Culham, the Bioescalator and the Centre for Applied Superconductivity (the last a public/private partnership).

Business site assembly and deliverability is a concern in parts of Oxfordshire due to viability issues, and pressures to convert business premises into homes is creating a shortage of business premises, especially small scale business premises. We will help overcome

constraints to the development of land allocated for employment uses where there are shortages of market led supply by contributing to emerging Local Plan consultations and by responding to individual planning applications and Master-plans for strategic development sites.

We will also help to shape and respond to the Government's proposed industrial strategy: this is a significant opportunity for Oxfordshire, as it is likely that most of all of the globally significant sectors in Oxfordshire will be priorities for the Government.

Connectivity

Headline SWOT assessment - Connectivity

Strengths and opportunities

There has been significant improvement in rail, with the first new connection to London in 100 years and station in Oxfordshire for 80 years, but with more investment needed to enhance capacity and reliability

Bus travel is amongst the country's most modern and innovative (e.g. in terms of payment)

Recent road investment has addressed some important pinch-points

Oxford Transport Strategy Rapid Transit and Park & Ride network will support growth and economic development in Oxford and along the Knowledge Spine

Active & Healthy Travel is a growing area of importance. While it requires investment, there is a commitment to prioritise this area to meet transport and health objectives and address limited past progress

There is an opportunity to apply some outstanding research undertaken in Oxfordshire's research institutions to solve or reduce local connectivity problems

Oxfordshire has a very large number of business networks, some of which have a regional or national profile (e.g. OBN)

Weaknesses and threats

Congestion on Oxfordshire's roads remains a significant issue, despite targeted investment in the strategic network

Oxford City suffers from serious traffic congestion, which is forecast to get worse. This affects the speed and reliability of bus travel, undermining its image and ability to attract more users

Broadband has seen some significant upgrades but there are still areas in rural areas that do not have superfast broadband, and access to resilient broadband is a frequent concern for businesses

Similarly, mobile phone coverage remains patchy across the county

Oxfordshire's business networks are mainly sector specific and opportunities for cross over benefits between sectors, technologies and businesses may be missed

The capacity of the electricity grid in Oxfordshire is constrained – particularly for renewables connections, but also for supply connections

Current characteristics

Oxfordshire is a **very well connected** county. Strategically, it has excellent links to London, Heathrow, the Midlands and the south coast ports. The rail network has been improved by the new Oxford Parkway station and the direct link to Marylebone, and there are further significant improvements in the pipeline (e.g. electrification of the Great Western Mainline). Business use of London Oxford Airport has increased.

However, roads within Oxfordshire and the major routes beyond the county such as the M40, A34 and A40, all suffer from **congestion**. Oxfordshire County Council's Congestion

Report (2014/15) shows a steady increase in average journey times across Oxford city and an increase in congestion across the county. This is partly the result of high housing costs in the county forcing people to commute long distances to work.

Figure 8: Highway Network in the morning peak – volume of traffic in relation to road capacity (85% to 95% = at capacity, 95% plus = over capacity)

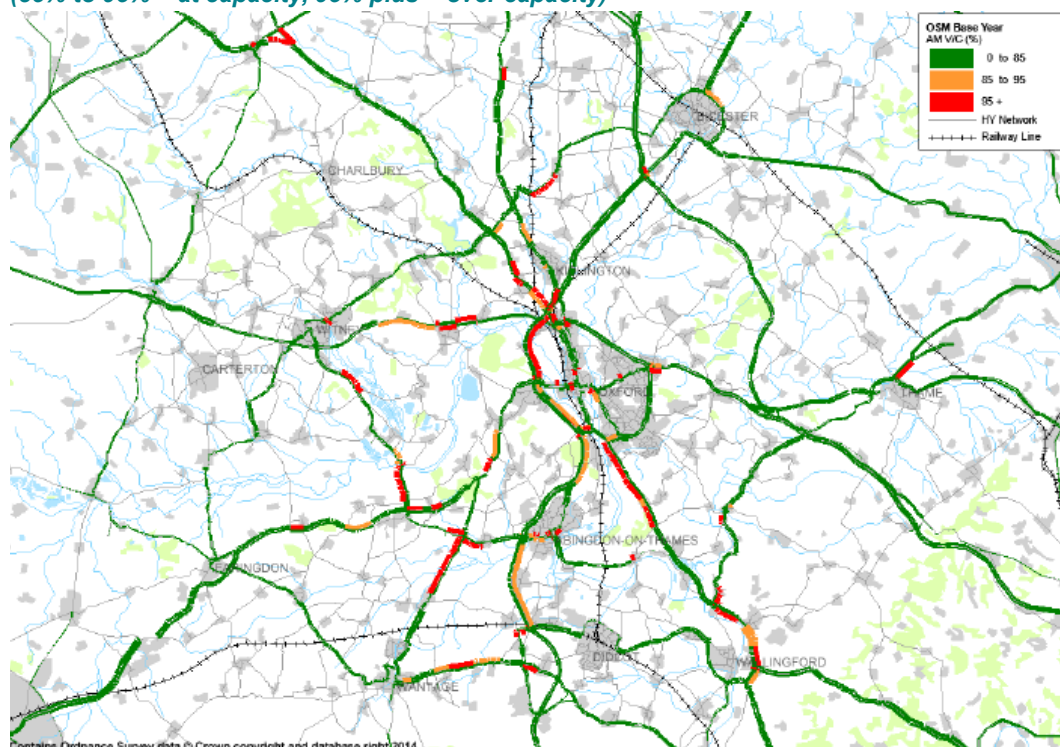
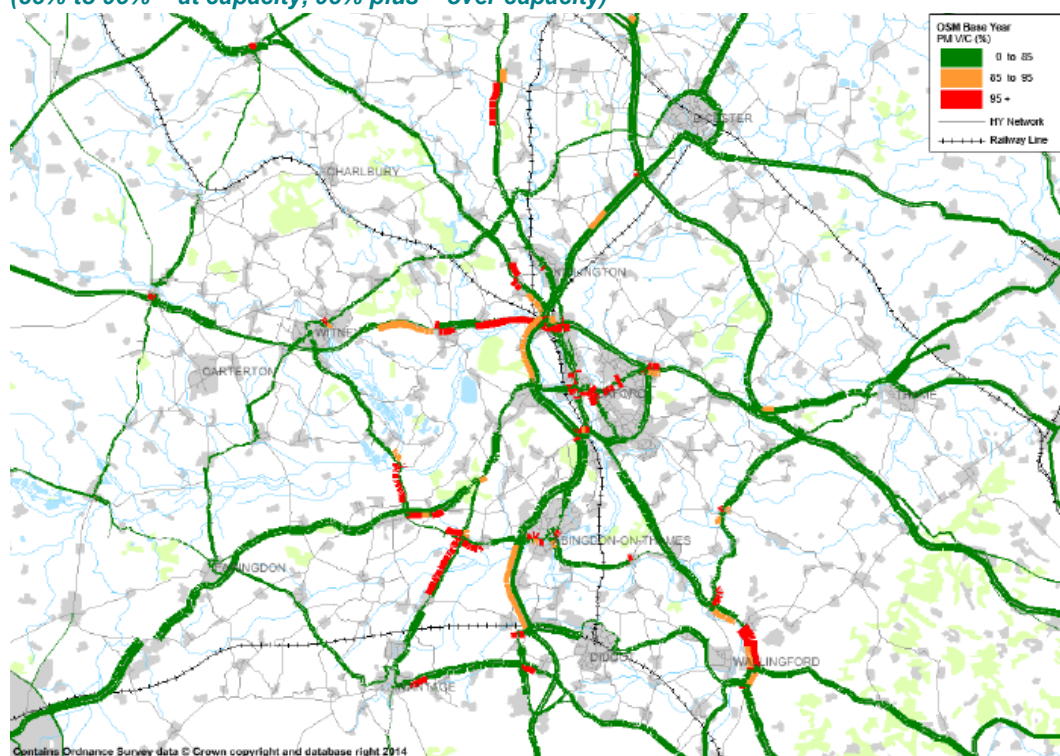


Figure 9: Highway Network in the evening peak – volume of traffic in relation to road capacity (85% to 95% = at capacity, 95% plus = over capacity)



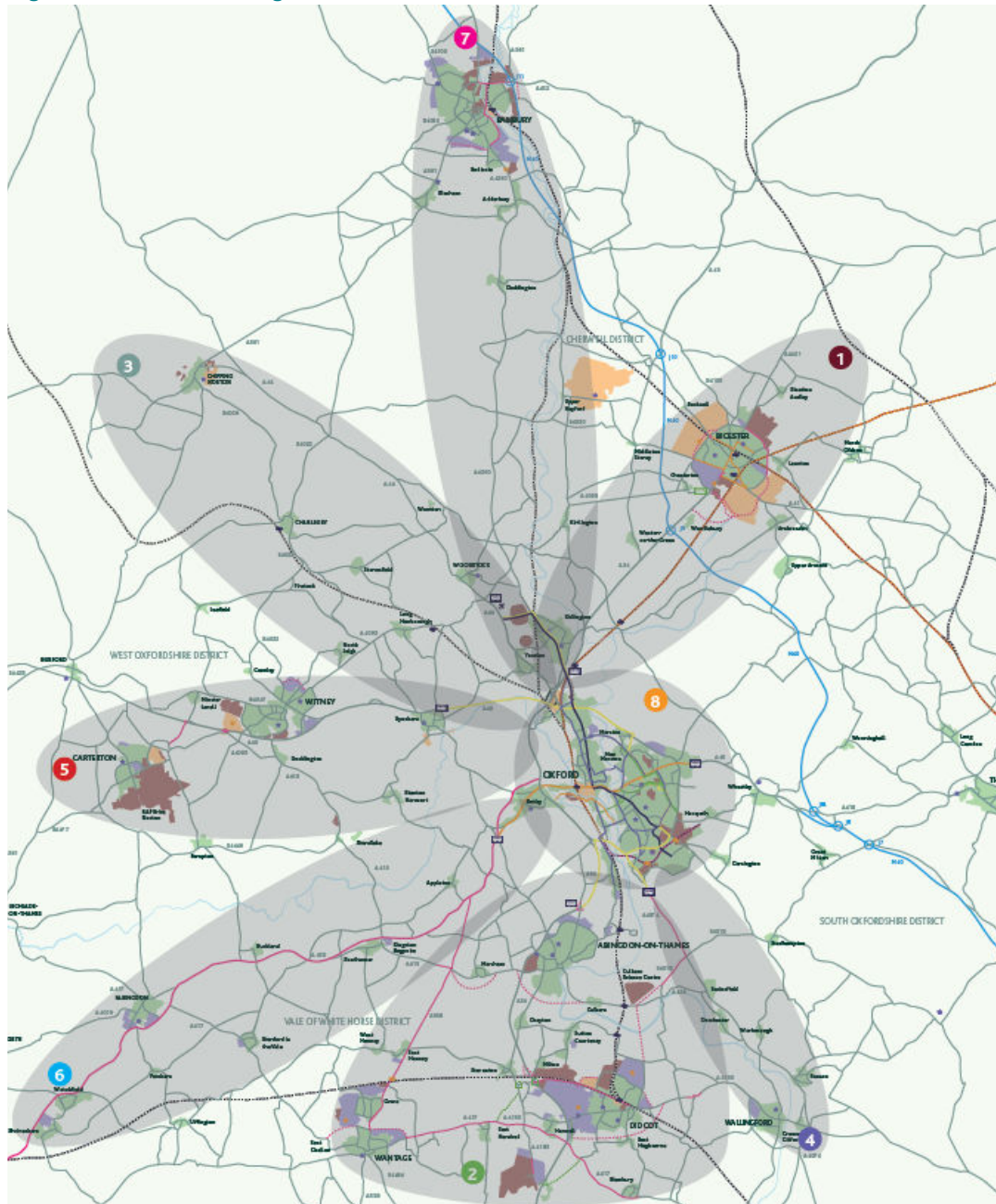
Digital connectivity within Oxfordshire is generally good, although there are still some gaps. Access to broadband across the county has improved but further improvements are needed

both to broadband and to mobile phone networks to ensure all homes and businesses can benefit from high capacity telecommunications.

The **business community is well networked**, including some strong sector focused networks such as OBN (for the life sciences), long established business angel networks, and a growing network for entrepreneurs. However, the existing networks are quite fragmented and are mainly sector focused.

Oxfordshire is also developing some **outstanding technologies which could improve connectivity** both locally and more generally. For example, Oxbotica, which originated from Oxford University's Mobile Robotics Group, was identified by the Wall Street Journal as one of the 'Top 10 Tech Companies to watch in 2015' and claimed it *"may be one of the few companies in the world to rival Google in driverless cars"*.

Figure 10: Oxfordshire's growth corridors



Priorities to 2020

In delivering the SEP, particular priority will be attached to:

Improvements to physical connectivity in Oxfordshire

- overcoming current capacity bottlenecks on road and rail networks within the county, both by network improvements and by getting better use out of existing road capacity through use of innovation technology and by encouraging change to more sustainable travel modes
- ensuring, through the planning process, that connectivity improvements are linked to the scale and location of planned housing and employment growth
- supporting the implementation of an Oxfordshire Infrastructure Strategy and the Local Transport Plan for Oxfordshire, including the Oxford Transport Strategy and the Science Transit Strategy, which includes various measures to improve the frequency, reliability and speed of public transport links between different locations in the Knowledge Spine
- supporting partners in implementing the Oxfordshire Active & Healthy Travel Strategy

Improvements to virtual connectivity with Oxfordshire

- completing countywide broadband and mobile network coverage, to ensure all workplaces and homes have good internet and telecoms connectivity; and, subsequently, ensure there is continual improvement to give sufficient broadband speed and network capacity for modern businesses
- continuing the Network Navigators initiative and strengthening network coordination across sectors

Improvements to connectivity in a regional context

- supporting the work of the National Infrastructure Commission in relation to east-west connectivity through the Cambridge – Milton Keynes – Oxford corridor
- working with partners in 'England's Economic Heartland'¹⁴ to develop strategies to improve the capacity of transport corridors across Oxfordshire and into surrounding areas, including towards Cambridge and to London and Heathrow.

Actions to deliver our Programme

OxLEP – and its partners – is committed to the delivery of the Connectivity Programme, including transport improvements to address constraints to growth and improve the quality of life. Specific strategies which OxLEP will work with partners to implement include:

- The **Oxfordshire Local Transport Plan 2015-31**, which both addresses existing congestion where it is damaging the economy or hindering economic growth, and identifies ways to avoid exacerbating transport problems due housing and economic growth. The Plan includes strategies for all transport modes and area and route strategies. Capital funding for transport schemes is largely dependent on Local Growth Fund, which is secured through the LEP, but delivery is primarily the responsibility of the local authorities and transport companies. The LTP will also draw on other funding sources where possible such as the Local Sustainable Transport Fund (LSTF)

¹⁴ <http://www.englandseconomicheartland.com/Pages/home.aspx>

- The **Science Transit Strategy** – This is a long-term ambition to transform public transport along the Knowledge Spine. The Oxford Science Transit will be a fully integrated public transport system that connects the area’s centres of innovation and economic growth with the two universities. It will mean that people using Oxford Science Transit will be able to hop on, and off, high-frequency bus and rail services using “smart” tickets (akin to Oyster cards), planning their journeys using real-time information and updates. The City Deal will enable the first phase of the Science Transit by focusing on the major pinch points in the network: the A34 between Abingdon and south Oxford and the access into Oxford from the A34 along the Oxford Southern Bypass. This project will be delivered by Oxfordshire County Council. Its total cost will be £23.5m, of which £8.7m will be funded through the Oxfordshire City Deal. The Science Transit Shuttle is currently in its pilot phase.
- The **Smart Oxford Strategy**, which aims to exploit the opportunities arising from data-sharing and smart city technologies to: make city services more efficient; make homes and businesses more sustainable, in terms of resource consumption; improve resilience to emergencies such as flooding; improve safety; and lead to better health outcomes
- The **Oxfordshire Strategic Infrastructure Strategy**, commissioned by the Growth Board in May 2016 (and due to be completed by spring 2017) to bring together infrastructure priorities into a single overarching Oxfordshire Infrastructure Strategy which incorporates green infrastructure.

The implementation of these plans and strategies will involve substantial resources and some difficult decisions. For example, measures requiring implementation include a workplace parking levy, zero emission zones and more car restraint in Oxford, and the Science Transit Strategy requires significant improvements to the frequency and journey times to public transport between key locations within the Knowledge Spine. The LEP will support the County Council and Oxford City Council in the sensitive implementation of contentious proposals, for example through its business networks, and in bidding to central government for resources. It will press partners to ensure that all new developments of housing and for employment use are well connected by bus as well as car, and have links to rail services.

Specific examples of projects already underway and funded through City Deal and Local Growth Fund, are provided in the section on “Progress in delivering our Strategic Economic Plan”. An example of a project to be implemented from 2017 onwards is the Science Vale Cycle Network improvements (total investment £4.9m, including £4.5m from Local Growth Fund). This is providing greater connectivity between Science Vale and the newly improved Didcot station by bike, and will be delivered by Oxfordshire County Council.

An example of partners’ actions to deliver the Connectivity Programme is the experimental iMaaS programme, a two-year project to provide real-time, predictive and personalised information across all local transport networks in Oxfordshire. The project involves collaboration between Oxfordshire County Council, Chiltern Railways, Oxford Bus Company, Great Western Railway, Milton Park, Harwell and Culham Science Centre, the Met Office and Transport Focus. It records and maps every transport input – every user journey, every disruption – in order to develop a suite of tools for different users (travellers, transport operators, major employers and employment areas, etc), such as a fully personalised, automated travel advisor, transport on demand smart ticketing, dynamic routing and optimisation of congestion and traffic flows in real time.

The LEP also endorses Cherwell District Council’s support in its Local Plan (Part 1) for the growth of air related business activities at Oxford Airport.

We will continue to support the Better Broadband for Oxfordshire initiative to make sure that as many premises as possible have access to high speed broadband provision.

In relation to business networks, OxLEP will continue to deliver directly the Network Navigators initiative, which provides business support and signposting specialists for each of the five globally significant sectors (described earlier) plus (most recently) tourism. OxLEP will also play a lead role in supporting a cross-sectoral business group to raise the profile of Oxfordshire and to attract public and private sector investment into the county.

OxLEP will also continue to work with regional partners to develop initiatives to improve strategic transport links extending beyond Oxfordshire but which are very important to the efficient functioning of the Oxfordshire economy. These include: inputs to the National Infrastructure Commission's review of links between Oxford, Milton Keynes and Cambridge; working with the Highways Agency on its national route based strategies; working with rail companies on planning for increased capacity and improved journey times and reliability; working with coach companies on long distance routes such as to Heathrow and London; and supporting Thames Valley Berkshire Local Enterprise Partnership in relation to a Third Thames Crossing.

Figure 11: Map showing inter-regional transport projects

Map has been commissioned

Moving forward in delivery

Monitoring and review

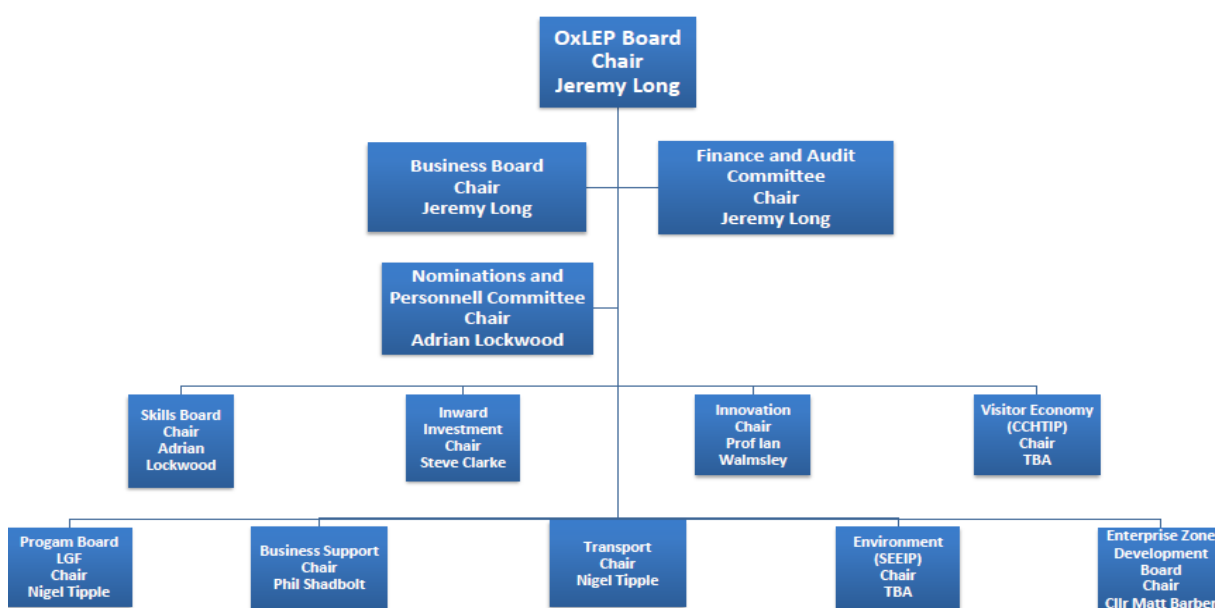
We are committed to an on-going process of monitoring and review. We will monitor progress in relation to our Programmes and the projects we, and partners, are supporting. We will also monitor changes in the economic and policy context for the SEP, and the extent to which our programmes are delivering sustainable and inclusive economic growth.

The SEP will be reviewed regularly to reflect changing circumstances and progress made. For example, if significant changes are made in Local Plans to the housing or job targets for Oxfordshire (upwards or downwards), or to Government funding for local economic development, we will respond by updating the SEP.

The OxLEP Board

The OxLEP Board is continuing to develop in order to deliver the SEP. New sub groups will be set up to drive forward the work on the SEEIP, CCHTIP, Skills Strategy and the Innovation Strategy.

Figure 12: The OxLEP Board and sub-group structure



Wider governance arrangements

OxLEP will work closely with its key partners and stakeholders to deliver the SEP. Key relationships – and their links to wider strategic processes – are summarised in the graphic below.

This shows that:

- Oxfordshire's **five district councils** – as the local planning authorities – will continue to have responsibility for preparing and delivering Local Plans

- **Oxfordshire County Council**, as the strategic transport and education authority, will continue to have particular responsibility for key elements of the transport and education infrastructure
- All six local authorities (as voting members) – together with OxLEP and various other non-voting members – will continue to comprise the **Oxfordshire Growth Board** with a focus on the collaborative delivery of City Deal (and other) commitments.

Figure 13: Oxfordshire LEP, Growth Board and Local Authority Relationships and Responsibilities



Devolution proposals

The Oxfordshire local authorities are committed to securing significant devolution of responsibilities for service delivery and associated funding. Currently, there is on-going discussion about the governance arrangements related to devolution, both between Oxfordshire’s local authorities and with central government. Further progress will also depend on the extent to which organisations such as Highways England, Network Rail the Homes and Communities Agency and the NHS are prepared to commit funding as well as devolved responsibilities to deliver infrastructure and service improvements.

Whatever the detailed future governance arrangements, we are committed to securing an outcome which benefits Oxfordshire by increasing our collective ability to direct resources to our priorities and manage local service delivery and investment more efficiently.

OxLEP’s wider responsibilities

Within this overall context, OxLEP – with its Board drawn from the business sector, the universities, further education colleges, local authority leaders and the voluntary sector – has overall responsibility for the delivery of the SEP.

We have developed a series of strategies which are “daughter documents” to the SEP. These include strategies for skills; environment and the economy; culture, heritage and

tourism; and innovation. In addition, we have led on the development of a series of sector propositions which are being used, particularly, for inward investment marketing purposes.

We also have responsibility for the delivery of a series of programmes, including successive Growth Deals and ESIF funding (to the extent it continues in future). As explained elsewhere in this strategy, OxLEP's roles in relation to delivery vary, and much of it is managed through partner organisations.

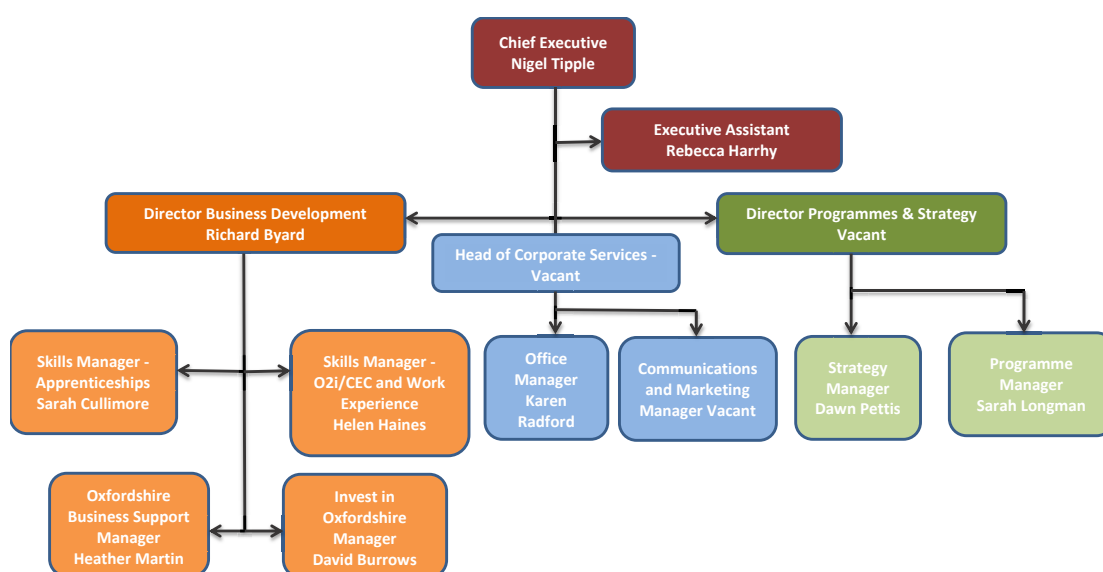
Delivery team within the LEP

Within the LEP, the key officers within the wider delivery team are introduced within Figure 15. The capacity of the team has, recently, been increased with the secondment of Oxfordshire County Council's Economy and Skills Team (from 1st April 2016).

The LEP will continue to operate through its constituent parts/brands in the delivery of key SEP programmes. These include:

- Oxfordshire Apprenticeships
- O2i (Opportunities to Inspire)
- Oxfordshire Business Support
- Invest in Oxfordshire
- Oxfordshire Work Experience

Figure 14: LEP Executive Team






Annex A: Progress in delivering our Strategic Economic Plan

This annex provides detailed information on progress against specific objectives in the original SEP.

Snapshot of progress in delivering the objectives set out in our original SEP

KEY:

In relation to the original objectives set out in the SEP:

	...good progress appears to be being made		...some, or mixed, progress – but there is more to do		...little or no progress has been made
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Objective from the Strategic Economic Plan, March 2014		Evidence of progress by April 2016
People		
Increase the working age population qualified to level 2 and above to 90%	A	<ul style="list-style-type: none">The proportion of the population aged 16-64 qualified to level 2 and above has increased from 79% in 2012 to 82% in 2014 (source: APS) – so it is moving in the right direction. It is well above regional and national benchmarks. However there is some way to go before the target set out in the SEP is achieved.
Ensure our further education capital stock meets the needs of 21 st century learners and employers	A	<ul style="list-style-type: none">In response to identified need, both City of Oxford and Abingdon & Witney Colleges have secured funding via OxLEP to develop state of the art facilities to support increased science, technology, engineering and mathematics (STEM) provision. City of Oxford College has also secured funding to develop the 'Activate Care Suite' to support increased social care provision
Improve school attainment above the national average of 60.4% of GCSE students achieving at least five A* to C grades including English and Maths	G	<ul style="list-style-type: none">The way in which school attainment is measured has changed. For state-funded schools nationally, some 56.85% of GCSE pupils achieved at least five A* to C grades including English and Maths; in Oxfordshire the corresponding figure was 59.4%. These data relate to 2014However, despite the overall performance being very close to target, there are big disparities between different schools, and there are high teacher attrition rates due to the high cost of housing. However, although these are significant issues to be addressed, neither relate specifically to the objective
Increase the amount of Skills Funding Agency funding that supports our STEM sectors by 15% to better reflect our economic profile	A	<ul style="list-style-type: none">SFA financial data no longer allows the ability to scrutinise funding to subject areas; only to providers.However given both City of Oxford and Abingdon & Witney Colleges have each secured in excess of £4m Local Growth Funding to develop STEM centres leading to over 650 additional STEM based learning outcomes annually from Sept 2018 (AY) it's reasonable to assume an increase in the percentage of funding that supports STEM will follow.
Deliver 1,150 more apprenticeships for young people with a focus on our priority growth sectors	A	<ul style="list-style-type: none">Latest full academic year figures are for 2014/15 and are rounded to the nearest 10. There were 2,510 16-24 year old Apprenticeship starts from August 2014 to July 2015, with 2,450 starts during the same period the previous year. This is an increase of 2.4%, and compares favourably with a decrease of 2.5% across the South East region
Retain our graduate talent	A	<ul style="list-style-type: none">26% of Oxfordshire's graduates remain in the county to work after completing their courses, including 18% of Oxford University graduates and 26 % of Oxford Brookes University graduates - See Infographic belowRetaining graduate talent continues to be challenging.

Objective from the Strategic Economic Plan, March 2014		Evidence of progress by April 2016
		<p>Evidence suggests that around 45% of graduates of the University of Oxford and almost 20% from Oxford Brookes have opted to work in London (source: <i>Future of Cities: Graduate mobility and productivity</i> Foresight report published by Government Office for Science, March 2016)</p> <ul style="list-style-type: none"> In general, a high proportion of graduates employed in the south east are either those returning to the region (following study elsewhere) or those who studied locally (source: <i>ibid</i>)
Maximise our environment to encourage sustainable living, enhancing quality of life and a range of opportunities for people to learn, improve their skills, and improve health and well-being	A	<ul style="list-style-type: none"> Some evidence of progress, particularly in major new developments like NW Bicester and Graven Hill
Place		
Provide between 93,560 and 106,560 new homes by 2031	A	<ul style="list-style-type: none"> The number of dwellings completed in Oxfordshire has risen year on year, but it is still well adrift of the rate implied by the headline target that has been agreed by the local authorities (informed by the SHMA)
Accelerate the delivery of new homes	A	<ul style="list-style-type: none"> As above
Provide accessible housing that is affordable for the people who work in Oxfordshire	R	<ul style="list-style-type: none"> Recent evidence suggests that Oxfordshire continues to experience real challenges The latest available data from CLG are for 2013. These suggest that the ratio of median house prices to median earnings is 6.72 across England. It 8.66 across Oxfordshire, and in South Oxfordshire, the figure is 10.52
Deliver flagship gateway developments and projects that stimulate growth	G	<ul style="list-style-type: none"> Progress is being made with regard to the delivery of some flagship projects such as Oxford Northern Gateway, North West Bicester and Harwell Campus
Deliver the Oxford Flood Risk Management Strategy	A	<ul style="list-style-type: none"> Preferred option to be published in June 2016, Outline Business Case to be submitted to the Treasury August 2016
Ensure new housing makes innovative use of blue and green infrastructure	A	<ul style="list-style-type: none"> Delivery is on-going
Enterprise		
Grow Oxfordshire's world-class technology clusters, leading to a GVA uplift of £6.6bn to 2030	G	<ul style="list-style-type: none"> There is a lag in the production of GVA data are the latest available estimates from ONS are for 2014. These suggest that between 2012 and 2014, Oxfordshire grew at 5.0% per annum. This was faster than all other LEP areas except London (which grew at 5.8% per annum) In its commentary, ONS comments on the period from 2008-2014. It states that "<i>In Oxfordshire, strong growth in the information and communication sector and the real estate sector contributed to the overall strong GVA growth</i>"
Achieve a more balanced economy through fostering a dynamic private sector and new business start-ups, creating at least 85,600 new jobs by 2031	G	<ul style="list-style-type: none"> Over recent years, Oxfordshire has seen the pace of jobs growth (i.e. on a workplace-based measure) exceed the indicative target that was quoted in the original SEP and has informed emerging local plans Again though, there is a lag in the production of data. ONS' Jobs Density dataset suggests that the total number of jobs in Oxfordshire increased from 378,000 to 399,000 between 2011 and 2013
Capitalise on the global reputation of Oxfordshire's knowledge base translating academic and research excellences into wealth generation for all our residents	G	<ul style="list-style-type: none"> We have secured government funding for four new innovation centres to support the commercialisation of research: an Innovation Accelerator for advanced engineering businesses at Begbroke; a Bioescalator to support the commercialisation of bioscience and medical related research, in Oxford; the Harwell Innovation Hub, focused on open innovation; and the UKAEA Culham Advanced Manufacturing Hub, focused on remote handling technologies

<i>Objective from the Strategic Economic Plan, March 2014</i>		<i>Evidence of progress by April 2016</i>
		<ul style="list-style-type: none"> Oxford University and Oxford University Innovation have established a £320m fund, Oxford Sciences Innovation, to invest in spin outs from the University of Oxford, Culham and Harwell
Fulfil our potential as an internationally renowned business, academic and research centre to attract a minimum of 30 new high value foreign direct investments per year	A	<ul style="list-style-type: none"> 28 foreign direct investments were supported in Oxfordshire during 2015/16 - 14 of which were high value. 8 of the investments were within the Life Sciences sector. The county has also benefitted from substantial additional investment by major foreign owned firms already in Oxfordshire, such as BMW, and new investment by international agencies such as the European Centre for Space Applications and Telecommunications (ECSAT) Following deeper analysis of key sectors, detailed proposition documents were published in January 2016 to develop a greater understanding of the Oxfordshire offer with UKTI overseas posts and local partners and support the increased marketing, promotion and targeting of high value investment opportunities.
Connectivity		
Improve accessibility of international connections through direct rail connections from The Knowledge Spine to national hubs and airports and reduced congestion on strategic highway links, particularly the A34	A	<ul style="list-style-type: none"> Chiltern Railways has invested in a direct fast link to London Marylebone from the new Oxford Parkway station via Marylebone Significant improvements to the strategic road network, such as to A34 junctions with the M40, the Peartree interchange north Oxford, and at Milton/Didcot and Chilton The National Infrastructure Commission has been asked by the Government to investigate options for improving transport links between Oxford and Cambridge
Reduce the distance and barriers between our core economic areas across the Knowledge Spine through providing a minimum level of public transport services of four per hour and maximum journey time of 30 minutes	A	<ul style="list-style-type: none"> Implementation of the first phase of the Oxford Science Transit strategy, providing a direct link between Oxford and Harwell Improved access to Milton Park; and improvements at Botley
Increase the capacity and improve the efficiency and resilience of our local transport network by reducing congestion on key highway links	R	<ul style="list-style-type: none"> Despite some improvements to the strategic road network in Oxfordshire, particularly at key junctions, the evidence gathered by Oxfordshire County Council shows that levels of congestion on Oxfordshire's roads has increased over recent years
Spread the benefit of transport investment across Oxfordshire	A	<ul style="list-style-type: none"> Increasingly, the focus of transport planning is on a series of corridors across Oxfordshire in addition to the Knowledge Spine. The purpose of this broader emphasis is to encourage a strong link between transport investment and the main locations of housing and employment growth However there have been recent cuts to rural bus services
Explore the potential of 5G technologies underpinned by the development of the 5G Innovation Centre for Future Mobile Communications and Internet Technology	A	<ul style="list-style-type: none"> TBC
Increase connectivity between people and the quality natural environment to develop integrated sustainable transport routes	A	<ul style="list-style-type: none"> Preparation and the beginnings of implementation of the Oxford Science Transit strategy

Annex B: Summaries of Oxfordshire's three cross-cutting strategies

Box B1: Oxfordshire's Creative, Cultural, Heritage and Tourism Investment Plan (CCHTIP)

The creative industries and tourism play a key role in economic growth: 9.5% of employment in the county is already in tourism (32,000 jobs). Indeed, there is a 'virtuous circle of growth, quality and sustainability' at play, where each sector depends on the other for its success (creative industries to sell the tourism offer, for example), but each is independently driving economic growth, innovation and competitiveness across the county. The CCHTIP therefore provides a framework for growth which '*shapes a new agenda for joined-up working and cross sector commitment*,' with CCHT sectors at the core.

Four thematic areas were developed for the CCHTIP and inform the proposals:

- Productive and engaging experiences
- Skills, talent development and business growth
- Creative place-making
- Collaboration (a cross-cutting theme)

Experience Oxfordshire is the Destination Management Organisation for Oxfordshire, with a brief to encourage cross-sector collaboration and drive economic growth. The county already receives sizeable inward investment, due to the strength of its cultural offer: galleries, museums, music services, stately homes, festivals and events; as well as Oxford city, market towns and villages, and a beautiful rural landscape. The aim is to use the creative industries to enhance the experience for visitors and residents.

Oxfordshire is home to several thousand creative SMEs and bigger businesses. The county's strengths lie in publishing, software, games and design/crafts. Many of these are based outside Oxford, in rural towns and villages, heightening the need for excellent digital connectivity in rural areas. They are innovative and resilient: flexible responses to change have enabled businesses and the local economy to adapt and avoid economic stagnation, by developing new innovative business models.

Many in-county organisations – including Oxford University, Oxford Brookes University and schools and colleges – are already working with the Oxfordshire Skills Board, to ensure the county's skills need is met at all levels. The county's strong library network helps with this.

The CCHTIP matters because Oxfordshire is 'set for significant growth' and needs to prioritise the sectors that will help to achieve this. The county will retain its competitive edge only by 'connecting [its] strengths and coordinating [its] offer,' and innovating in order to win investment which is becoming ever-harder to secure

Box B2: Oxfordshire's Strategic Environmental and Economic Investment Plan (SEEIP)

Oxfordshire's natural environment has played a major part in the county's economic and social development and it will continue to be a vital part of its future. Its natural capital - including its land, soils, air, water, animals and plants – is distinctively rich and diverse. These assets provide a huge range of financial and societal benefits, from food and energy, through flood protection and pollution clean-up, to outdoor recreation, health and inspiring landscapes and surroundings.

The county's residents, businesses and other organisations - whether they are based in the City of Oxford, the market towns or numerous villages - all benefit economically and culturally from these assets.

These assets are in decline and investment is needed to reverse this damage. As the economy and the population grow, and the effects of current and future climate change are felt, the county needs to be prepared in order to minimise damage to the natural environment, reduce risk and protect the vital services provided to the people of Oxfordshire.

Recent advances in our understanding of the services provided by our natural capital offer major opportunities to repair and enhance the latter. Improvements nearly always bring about multiple "co-benefits" with added economic value, efficient use of natural resources and more pleasant surroundings, all of which make the county such a desirable place to live and work.

There is also the scope to develop new innovative environmental management strategies, products and services for export, attracting inward investment and creating jobs. A specific opportunity lies in the new field of "green infrastructure" with nationally pioneering work taking place in the county.

Environmental expertise within Oxfordshire is extensive: both the University of Oxford and Oxford Brookes University, together with external research centres, manufacturers, businesses, charities and community groups, are working together (and separately) to protect and maintain the natural environment. The SEEIP emphasises that *'the expertise and activity across the county will be even more effective when harnessed, coordinated and targeted towards common goals.'* Collaboration on working towards a number of environmental priorities is the aim of the SEEIP.

The vision of the SEEIP is: *"for Oxfordshire to benefit from a high quality, resilient environment which supports economic growth, development, health, wellbeing and prosperity for all"*. This will be achieved by an innovative, efficient environmental sector working together with other public and private sectors to:

- Attract and deliver investment in the county
- Ensure sustainable, long-term stewardship of natural capital
- Develop new and improved environmental knowledge, goods and services

This leads to five strategic priorities for investment:

1. Growing the green economy in Oxfordshire
2. Enhancing the quality and resilience of urban areas
3. Improving management of land to reduce flood risk, enhance water resources, and promote biodiversity
4. Promoting and enabling access to the countryside
5. Engaging people in the environment and enabling more sustainable lifestyles

Box B3: Oxfordshire's Innovation Strategy (draft)

The draft sets out a strategy to better understand, increase, and make use of innovation in Oxfordshire. The strategy is structured around ten key themes, each of which underpins innovation across all sectors. For each theme, the needs, drivers and existing work are explored (illustrated by case studies of current initiatives) as well as the challenges that remain for an innovation-driven economy and a 'wish list' of projects that would deliver this vision. The ten themes are:

1. *Understanding the Ecosystem* – a deeper understanding of innovation activities in Oxfordshire will allow for better support of underdeveloped areas and identify opportunities for interactions across disciplines.
2. *Strengthening our Networks* – the networking community is thriving in Oxfordshire, but the challenge is to develop and maintain connections between sectors.
3. *Building Innovation Spaces* – despite the growth of innovation spaces across the county, increasing demand means that Oxfordshire needs both a strategic and tactical approach to better understand where to develop new innovation spaces.
4. *Reinforcing the Science and Research Base for Innovation* – the science and research base must be reinforced through translation to the wider community and increased accessibility to entrepreneurs and businesses.
5. *Innovation for All* – innovation needs to be accessible and adopted by all sectors. The research and knowledge base in Oxfordshire must impact all aspects of the economy, with innovation incorporated into environmental, cultural and heritage programmes to drive growth in the region.
6. *Innovation for Social Good* – building strength in social enterprise by linking social innovators, encouraging sustainable businesses for social good, and better funding, facilities and networks.
7. *Nurturing Talent and Developing Skills* – Oxfordshire has one of the most highly skilled workforces in the UK, but the growing challenge is attracting, developing and retaining skilled workforces in the region.
8. *Attracting Significant Business* – making Oxfordshire attractive to innovative companies and institutions. Investment to provide business space and build networks at a regional, national and global scale will be required to attract companies into the region.
9. *Attracting Capital* – ensuring that capital is available for innovative businesses. A variety of funding sources are available in Oxfordshire but resources are more limited in some sectors and there is a need for a more closely networked and mutually reinforcing culture.
10. *Embedding Innovation in the Ecosystem* – developing Oxfordshire as a testbed for innovation to accelerate the adoption and accessibility of innovations across the ecosystem. Disciplines such as Healthcare, Smart City and Low Carbon have led the way in using Oxfordshire as a living laboratory

Box B4: Oxfordshire Skills Strategy to 2020

Oxfordshire has one of the most innovative and highly-skilled populations in England. However, a small but important proportion of its population are unable to fully participate in the labour market because they lack the skills and opportunities to do so. One of the key aims of the Skills Strategy is to help these residents – through specialist and on-going support - into paid employment. Another key aim is to retain highly-skilled graduates from its two universities.

A highly-skilled workforce is crucial for economic growth and skills development is a core priority for OxLEP. In collaboration with the Oxfordshire Skills Board, it has been working to transform the skills landscape. Starting with schools and colleges, OxLEP has worked to improve careers advice and apprenticeship opportunities from the bottom up. However, this requires ‘a step change in approach, attitudes, focus and aspiration from partners,’ as well as young people. In order to achieve sustainable economic growth which maximises local employment opportunities for all, there is a need to align:

- Young people: given appropriate skills training and opportunities in county skill shortage areas
- Providers: who must meet employer demand for worker training in (current and future) growth sectors, and
- Employers: who must become more engaged with the county’s skills agenda.

In so doing, Oxfordshire hopes to develop and nurture: a workforce which is aligned with employers’ needs; a flexible training and education sector which responds to employers’ needs and which ‘produces employment-ready young people’; and a coordinated services approach which enables young people to transition easily from education to employment.

In order to achieve these goals, the Skills Strategy sets out five Strategic Priorities to 2020:

- SP1) *To meet the needs of local employers through a more integrated and responsive approach to education and training*
- SP2) *Creating the ‘skills continuum’ to support young people through their learning journey*
- SP3) *Up-skilling and improving the chances of young people and adults marginalised or disadvantaged from work*
- SP4) *To increase the number of apprenticeship opportunities*
- SP5) *To explore how we can better retain graduates within Oxfordshire to meet the demand for the higher level skills our businesses need.*

Annex C: Explanation of the relationship between OxLEP, the SEP and development planning

The purpose of Local Enterprise Partnerships is to “*provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area*” (Local Growth: Realising Every Place’s Potential; BIS, 2010).

To do this, LEPs are expected to produce and maintain an up to date Strategic Economic Plan (SEP). This has various purposes, including steering bids for funding for economic development, skills and infrastructure projects. Oxfordshire benefits from strong economic growth, therefore the SEP focuses on supporting and managing the economic growth to ensure sustainable and inclusive outcomes.

In producing Local plans, Oxfordshire’s local authorities are required to give due consideration to the SEP. They are not bound by what it says if other factors (e.g. environmental constraints) are considered to be more important, but there must be a robust case for overriding the SEP which will withstand scrutiny by the Government.

Local Planning Authorities have a statutory duty to prepare and maintain an up-to-date Local Plan, which sets out the proposed scale and location of development in the area over the next 15 to 20 years and in doing so seeks to balance economic, social and environmental considerations. This is different from the role of the LEP, which is expected to focus on supporting economic growth, albeit growth which is both sustainable and socially inclusive.

Part of the essential evidence base for a Local Plan is an assessment of the likely future growth of employment, and of the requirement for new homes. The expected scale and characteristics of employment growth are usually assessed using econometric forecasts which take into account past trends and policy changes. The housing requirement is assessed through a Strategic Housing Market Assessment (SHMA), which should be produced for the functional housing market area, usually adjusted to coincide with local authority boundaries, and which is required by the National Planning Policy Framework (NPPF) to be kept up to date.

In Oxfordshire, the five District Councils, supported by the County Council, decided jointly to commission a SHMA for the whole County, within which the requirements for individual districts were identified. The work was led by GL Hearn. Separately, the local authority client group commissioned employment growth forecasts from Cambridge Econometrics, in association with SQW, in order to inform the SHMA and Local Plans. The methodology used to produce the Oxfordshire SHMA was consistent with Government guidance and the housing requirements identified took account of forecast employment growth as one factor influencing future housing needs. There was a consultation on the SHMA methodology and all local authorities subsequently accepted the final report of the SHMA.

The original Oxfordshire SEP was prepared at the same time as the SHMA, in 2013. It incorporated the figures for employment growth produced for the SHMA, and the housing requirement figures produced by the SHMA. *The employment and housing growth figures in the Oxfordshire SEP are therefore a product of the local planning process (i.e. the SHMA), not an input to it.*

The SEP Refresh is using the same figures for growth as the original SEP and the SHMA. There are three main reasons for this:

- Employment growth since 2011 has been stronger than indicated by the employment forecasts used by the SHMA and the SEP. This is during a period of economic recovery, so the actual figures may be expected to be positive. However, it suggests that the employment forecasts are soundly based and are a good basis for planning
- The SHMA has been tested at the Cherwell Local Plan Examination in Public in 2014 and the Inspector's report of June 2015 concluded that it formed an appropriate basis for the proposed level of housing growth in Cherwell. This effectively endorsed the SHMA as a sound evidence document which underpins the development of Local Plans in Oxfordshire
- It is important that there is consistency between Local Plans and the SEP.

Note that during the workshop discussions that informed the development of this consultation draft of the refreshed SEP, some attendees expressed support for a county-wide approach to the environmental, social and economic assessment of the impact of the figures contained within the SHMA.

Annex D: List of acronyms

CCHTIP	Creative, Cultural Heritage and Tourism Investment Plan
EAFRD	European Agricultural Fund for Rural Development
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structural and Investment Funds
NEET	Not in Employment, Education or Training
OxLEP	Oxfordshire Local Enterprise Partnership
SEIIP	Strategic Environmental and Economic Investment Plan
SEP	Strategic Economic Plan
SFA	Skills Funding Agency
STEM	Science, Technology, Engineering and Mathematics

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Division(s):

CABINET - 20 SEPTEMBER 2016

THE USE OF THE ADULT SOCIAL CARE PRECEPT AND THE IMPACT OF THE NATIONAL LIVING WAGE ON ADULT SOCIAL CARE

SOCIAL & COMMUNITY SERVICES DIRECTORATE

Report by the Deputy Director - Joint Commissioning

Executive Summary

1. As noted during the Service & Resource Planning process for 2016/17, the National Living Wage came into force in April 2016. This was for workers aged 25 and over and the first increase was set at £0.50 per hour, bringing the total National Living Wage to a level of £7.20 per hour from 1 April 2016. The National Minimum Wage remains in place for workers between the ages of 18 and 25 years of age.
2. In November 2015, the Chancellor of the Exchequer announced the outcome of the Government's Spending Review. This included provision for increased income generation through an additional council tax precept for the purpose of supporting adult social care costs, including the National Living Wage. The Department for Communities and Local Government subsequently noted that this was in recognition of demographic changes which are leading to growing demand for adult social care, which is increasing pressure on council budgets.
3. In February 2016, the council approved an additional 2.0% council tax precept for 2016/17. This generated funding of £5.883m to support the costs of adult social care in Oxfordshire. In addition, a further £0.600m funding was agreed to be added to the budget for adult social care from 2016/17 to support the impact of the National Living Wage on the cost of sleep-in care. This supports service users, primarily with learning disabilities, through the night - time period.
4. Some of the £5.883m funding available through the Adult Social Care Precept has already been used to reflect the direct impact of the National Living Wage and other agreed cost pressures on providers in 2016/17. Through those decisions, £0.857m has already been committed, leaving £5.026m available to allocate.
5. The impact of the National Living Wage is not known either nationally or locally. In view of this, the council asked officers to undertake further work in this area to establish its impact.
6. This report describes our subsequent discussion with care providers, the consultation exercise we have taken on the use of the funding available and the outcome of the same. It concludes with recommendations about how the

£5.026m should be used to support adult social care in Oxfordshire. It also notes how the £0.600m additional funding to support night - time sleep-in care will be used to help with the impact of the National Living Wage.

Background

7. There are a number of factors that have influenced the council in taking forward a consultation exercise on the impact of the National Living Wage in Oxfordshire:-
 - a. The council's responsibilities set out in The Care Act regarding commissioning, market facilitation and the National Minimum Wage.
 - b. Central government's announcement regarding the introduction of a National Living Wage.
 - c. The introduction of the Adult Social Care Precept as part of the Spending Review 2015, which enabled upper-tier authorities to increase council tax by 2.0% in addition to the current referendum threshold of 1.99% to fund adult social care.
 - d. The implementation of the National Living Wage from 1 April 2016.
8. The first of these, The Care Act 2014, came into force on 1 April 2015 and it placed new duties on local authorities to promote the efficient and effective operation of the market for adult care and support as a whole. This can be considered to be

"...a duty to facilitate the market, in the sense of using a wide range of approaches to encourage and shape it, so that it meets the needs of all people in their area who need care and support, whether arranged or funded by the state, by the individual themselves, or in other ways."
9. The Statutory Guidance that accompanied The Care Act went on further to specify how local authorities should respond to the National Minimum Wage when commissioning services saying that

"... local authorities should assure themselves and have evidence that contract terms, conditions and fee levels for care and support services are appropriate to provide the delivery of the agreed care packages with agreed quality of care. This should support and promote the wellbeing of people who receive care and support, and allow for the service provider ability to meet statutory obligations to pay at least the national minimum wage and provide effective training and development of staff. It should also allow retention of staff commensurate with delivering services to the agreed quality, and encourage innovation and improvement. Local authorities should have regard to guidance on minimum fee levels necessary to provide this assurance, taking account of the local economic environment. "
10. The Director for Adult Social Services sets out the county council's response to these obligations in an open letter to contracted care providers in December 2015.

https://www.oxfordshire.gov.uk/cms/sites/default/files/folders/documents/socialandhealthcare/general/National_Minimum_Wage_Lettertoproviders.pdf

11. Although the additional precept has generated funding of £5.883m for 2016/17, and the council's Medium Term Plan assumes further increases of 2.0% annually from 2017/18 – 2019/20, the actual increase will be subject to agreement through the annual budget setting process for the relevant year. Furthermore, the funding available through the precept does not reflect an assessment of the likely impact locally of the National Living Wage or other pressures on adult social care; it is simply the value of the increase in council tax for the relevant authority.
12. In summary, through the Care Act the council is expected to commission services that are sustainable, meet the current and future requirements of the wider population and allow providers to meet their National Living Wage obligations. Because of that the council has agreed an additional council tax precept of 2.0% in 2016/17 to meet any increased cost of care, including The National Living Wage. Separate to the precept (and within existing planned funding) it also agreed to support the cost of the National Living Wage in respect of sleep-in care to support service users predominantly with learning disabilities with additional funding of £0.600m. The council now needs to decide how to utilise the funding generated through the Adult Social Care precept.

The National Living Wage - Impact and Context

13. The National Living Wage is something that central government is committed to increasing on an annual basis through to 2020, with an objective to have a National Living Wage of over £9 per hour by 2020. However, we do not know what the actual impact of its introduction will be. A great deal will depend on the situation within the local market, including the prevailing level of employment, plus the availability and remuneration of the workforce. Because of this the impact is likely to vary widely across the country.
14. The Chief Finance Officer's 'Statutory Report on the Budget' to the County Council on 23 February 2016 comments:

"National Living Wage – There is a significant risk on contract cost increases linked to the implementation of the national living wage. It is difficult to forecast what the impact will be on the price of contracts particularly those that are predominantly staff based such as social care..."
15. The report also notes that:

"There is also likely to be an impact in terms of pay differentials. As the national living wage increases, the pay rates just above this will need to increase to keep them in proportion. This will then affect the pay rates further up the scale. Furthermore, an indirect impact could be seen as employees across Oxfordshire push up wages to secure employees in an economy with almost no unemployment. This means that for adult social care providers (and other relevant providers to local government) they will have to match at least the pay rate offered in other sectors, irrespective of the national living wage, to secure staff. It is not possible to quantify what this might mean in terms of additional cost, but there is a real risk of spiralling pay increases."

16. Nationally we know that social care is a sector that is characterised by low wages, tight budgets, and a rising demand for services. The sector is therefore likely to be affected by the National Living Wage as the ability for providers to absorb wage increases may be limited.
17. Locally, we recognise that Oxfordshire has high employment and a high cost of living and this has an impact on the wage levels that are paid by employers. The council has various sources of intelligence that it accesses and reviews on a regular basis - recent tenders, local adverts, provider feedback, stand-alone reports including:
 - Care Homes for Older People - on an annual basis we use those sources of intelligence to calculate the minimum cost model for care homes. This generates our Target Banding Rates that are used as a basis for our spot-placement negotiations. This year we used a minimum wage level of £7.58 per hour for care workers based on a sample of rates paid by homes (April 2016). Further detail was set out in the Care Home Fees report to Cabinet on 15 March 2016.
 - The National Minimum Data Set for social care suggests an average rate of pay of £8.59 per hour for adult services domiciliary care (or home support) in Oxfordshire.
 - We have also held recent tenders for care services in Extra-Care Housing and in Supported Living Schemes for people with a Learning Disability. In these situations, the pay rates declared by providers as part of their indicative cost calculations are above the National Living Wage.
18. Because of this awareness, we feel that many care workers in Oxfordshire are already paid above the National Living Wage, and it is perhaps understandable that local providers are unsure of the impact that this change brings. As the rates paid are already higher than £7.20 per hour, there is no direct need to increase rates to match the National Living Wage. However, market pressures may mean that there is a domino effect through the local employment market.
19. We have sought to address this uncertainty by meeting with a small group of provider representatives to discuss these issues, with representation being primarily drawn from the two main care associations in Oxfordshire (The Oxfordshire Association of Care Providers and the Oxfordshire Care Homes Association). It is evident from these discussions that the precise impact of the National Living Wage is unclear to them as well, although they have put forward views that suggest that:
 - Most providers that have contacted the council are quoting National Living Wage as a reason for requesting higher fee rates.
 - Other providers may not be directly affected by the National Living Wage because of the wage rates they already pay.
 - A number are asking whether the council has approved an additional precept.

- Others that have a higher proportion of local authority business may be affected by our decisions, particularly where we have restricted price increases over the past few years.
- Learning Disability providers have already mentioned that they may be affected by issues such as lower wage rates relative to other providers, and cost pressures generated by an employment tribunal decision about payment for sleep-in rates.
- Some providers have already implemented wage changes on the back of central government's National Living Wage announcement expecting the council to fund these. There is also a risk that some providers are holding back on increasing pay rates to their workers until additional funding is confirmed by us.
- Others have expressed a concern about remaining competitive with other non-care sectors and to be able to maintain differentials across their wage structures, particularly if the National Living Wage generates wage inflation.
- There is also the indirect impact of cost pressures generated throughout the care sector's supply chain.

20. What we do know is that the National Living Wage will impact individual providers in different ways and for different reasons, as providers operate on different business models and are of different economic sizes.

Consultation Process & Considerations

21. Because of the variable impact on providers our initial thoughts were that applying a blanket approach to the allocation of funding may not reflect the best use of public funds, as it will not target the areas of greatest need. However, we concluded that we needed to hear more from providers about their thoughts, concerns and experiences in this area and what evidence they could provide that they had increased pay rates as a result of the National Living Wage.
22. We also considered that the consultation was not only about increasing up to the level of the National Living Wage, but that any allocation of funding should ensure that care staff are:
- remunerated accordingly and
 - encouraged to stay in their roles and not to move to other jobs in other sectors.
23. With this in mind, and to reflect our responsibilities under The Care Act and to local council tax payers, we emphasised that any resulting increases to the rates that we pay providers should:
- be used to increase the pay that care workers receive
 - require providers to be able to evidence that this has taken place
 - be used to support the direct costs of delivering care.
24. We know that on average most care workers in Oxfordshire are already paid more than £7.20 per hour. However, we want to support providers to increase

pay rates and improve the level of recruitment and retention in the social care workforce. In this way they can remain competitive with other employers and main supply of services to respond to demographic increases and the more complex needs of vulnerable adults in the future.

25. We also want to encourage social care providers to remain in the market, to help meet the demand for future services and to reflect local differences as far as possible. The solution we choose needs to be equitable and affordable within the funding available for use in 2016/17, with any ongoing cost impact being sustainable in future years.
26. Underpinning any decision to increase the rates we pay, we felt we needed evidence that we are responding to real and demonstrable pay cost pressures experienced by providers in the local market.
27. We are aware that some of the indirect pressures generated by the implementation of the National Living Wage may not become apparent until later in the year. In this respect, we believe we should hold back some funding for future allocation so that we can respond to any such pressures.
28. Having discussed our approach with our providers, we commenced our consultation exercise on 27 June 2016. The consultation period ran through to 17 August 2016 with a number of key questions being set and an opportunity for providers to upload cost information and evidence of pay rates as part of their response. Details of the consultation documentation, which reflect our responsibilities under the Care Act can be found at: https://consultations.oxfordshire.gov.uk/consult.ti/National_living_wage/consultationHome
29. Alongside this, we attended three meetings where we presented details about our consultation to interested providers.
 - 18 July 2016 - Learning Disability (Oxfordshire Association of Care Providers)
 - 21 July 2016 - Home Support (Oxfordshire Association of Care Providers)
 - 16 August 2016 - Care Homes (Oxfordshire Care Homes Association)
30. A number of reminders about the consultation were circulated via our provider e-mail list and a copy of the presentation given to the above meetings was loaded on to our consultation web-page for those providers who could not attend.
31. In summary, we believed our key principles should be ones that:
 - Are fair, transparent, equitable and affordable within the funding available to support adult social care.
 - Make effective use of the funding in light of other pressures on adult social care.
 - Have a direct benefit to staff within the Oxfordshire market.

- Help to support providers to remain in the market with an improved ability to offer staff better terms and conditions of employment and to retain their existing workforce.
 - Take account of the local or sector challenges that providers face when delivering care.
 - Allow the council flexibility to respond to other pressures that may emerge in this financial year.
 - Are administratively efficient to implement within the council's current resources.
 - Maintain consistency with the council's minimum price models for care homes and home support.
32. We wanted to emphasise that our over-riding intention is that, in line with our responsibilities under the Care Act, the funding is used to support direct pay costs and ensure that provider staff are better paid.
33. The options we put forward as part of the consultation were developed following discussion with our small working group of providers and are listed below.

Option 1	<ul style="list-style-type: none"> • Implement a flat rate increase on payment rates paid to providers. • Maintain an allocation for in-year pressure.
Option 2	<ul style="list-style-type: none"> • Implement a flat rate increase to rates paid to providers based on the share of their payment rate which is attributable for staffing costs. • Maintain an allocation for in-year pressure.
Option 3	<ul style="list-style-type: none"> • Implement a flat rate increase to rates paid to providers, but vary this rate by locality and/or sector to reflect local factors/pressures. • Maintain an allocation for in-year pressure.
Option 4	<ul style="list-style-type: none"> • Implement an increase where it is evidenced that a provider has increased its pay scales to meet NLW requirements in 2016/17. This increase can be either directly to ensure care staff are paid the National Living Wage or indirectly through increases required to rates already over and above the National Living Wage, but required to retain care staff in the local market. • Maintain an allocation for in-year pressures.
Option 5	<ul style="list-style-type: none"> • Use the Skills for Care rates identified for Oxfordshire. • Apply the resulting rates to the council's cost models to determine where to provide additional funding to lift the 'minimum floor' rates above the levels already agreed for 2016/17. • Maintain an allocation for in-year pressure.

Summary of Feedback from the Consultation

34. Feedback was received from both the Oxfordshire Association of Care Providers and the Oxfordshire Care Homes Association, together with a further 25 submissions from individual providers. The responses to the key questions posed are summarised below:
 - 92% agreed that the principles we had put forward are the uses that we should adopt when deciding to allocate financial support.
 - 96% agreed that the options we had put forward were the right options to be considered when we allocate funding.
35. Views about which was the preferred option were less conclusive, with the responses reflecting a split view on which option was the most appropriate:
 - 38% favoured Option 3 - Implement a flat rate increase to rates paid to providers, but vary this rate by locality/sector to reflect local factors.
 - 33% favoured Option 1 - Implement a flat rate increase on payment rates paid to providers.
 - 21% favoured Option 4 - Implement an increase where it is evidenced that a provider has increased its pay scales to meet National Living Wage requirements.
 - Options 2 and 5 each registered 4% interest.
36. A number of providers asked the council to consider supporting those providers that may not have had a price increase as part of previous annual reviews. This would be because their prices would remain above the level of the resulting minimum cost model used following an annual revision of that calculation.
37. A full set of the responses from the feedback has been placed in the Members' Library.

Service and Financial Considerations

38. The Department for Communities and Local Government require that the funding generated by the Adult Social Care Precept has to be used entirely to support additional expenditure on the delivery of adult social care duties and responsibilities. In subsequent years councils will be required to confirm that the additional funding continues to be allocated to adult social care.
39. Some of the 2016/17 funding has already been agreed to be used to reflect the direct impact of the National Living Wage and other agreed cost pressures on providers, namely:
 - a) £0.416m was used to help support the costs of change to our Care Homes Target Banding Rates. The Association of Directors of Adult Social Services (ADASS) model underpinning that assumes a £7.58 hourly rate

- for care staff, which is above the existing Skills for Care rate of £7.28 per hour. The model assumes domestic staff are paid £7.20 per hour.
- b) £0.151m to fund the Home Support Annual Price Review. This assumes an hourly rate of £7.20 for home support staff.
 - c) £0.290m has been used to support the implementation of new 'Help to Live at Home' contracts which went live in May 2016. These also assume an hourly rate of £7.20 for care staff employed through those contracts.
40. As a result of the decisions set out above, £0.857m of the £5.883m available through the precept in 2016/17 has already been committed and is being used to support providers. The remaining £5.026m is available to support adult social care. This could either be used to support existing pressures or to support increases in the rates we pay. In that case the funding would be used to support an increase in actual expenditure over and above the position reported through the last Financial Monitoring Report to Cabinet in July 2016. In addition, a further £0.600m was agreed as part of the budget agreed by Council in February 2016 specifically to support the cost of the National Living Wage in respect of sleep-in care for Learning Disability providers.
 41. While we acknowledge that each provider will have a differing business model, each of the calculation models that the council has used to underpin these decisions assumes that there is adequate funding to support providers to pay at least the National Living Wage to all of their staff.
 42. As well as taking account of feedback from providers, the proposed use of the funding needs to be considered in the context of both the council's responsibilities under the Care Act and the wider financial position for the council in 2016/17 and over the medium term. The Provisional Outturn Report to Cabinet in June 2016 noted that while the impact was offset by underspends elsewhere, social care placements were overspent by +£4.5m in 2015/16 as a result of increases in both prices and the number of weekly placements to care homes. The average number of weekly placements increased to 12.1 per week in 2015/16 from a budget that was set on the basis of 10 per week.
 43. The Financial Monitoring Report to Cabinet on 19 July 2016 explains that within the council's element of the Older People's Pooled Budget the forecast overspend on care home placements is +£3.6m in 2016/17. A review of placement data indicates that the average number of new placements is 12.6 per week in 2016/17.
 44. The options included in the consultation are described earlier in this report and comments about our considerations are set out below. A key principle we have set out is that care workers should benefit from the additional funding that may be passed to providers. If the funding does not find its way into the wages of care workers, then it follows that the funding will be allocated to non-staff costs, or potentially to provider profit margins, which is not what we intended.

45. Option 1 is to implement a flat rate increase across all providers. A sum would be retained to provide flexibility to respond to direct pressures arising later in the year and for higher cost areas or local issues. It is estimated that each 1.0% increase in the rates we pay, backdated to 1 April 2016, would cost £1.5m based on current forecast expenditure for 2016/17.
46. This option is favoured by 33% (8) of those who responded to the consultation and would reward all providers regardless of their business standing, care sector, service user group or location. However, in doing so it allows no differentiation between providers or local market factors across the county. Based on the evidence received through the consultation, we have discounted this option as we do not have sufficient evidence that the increase would directly benefit care workers in enough cases.
47. Option 2 (favoured in 4% of responses) considered that a higher percentage flat rate increase could be applied to the element of the current rates that relates to pay only, but as with the flat rate option, we cannot currently accurately identify the relevant share for each individual provider. To do so would involve a complex data collection process involving all providers. This is something that we have received representation about, with providers expressing concern about the complexity and time this would take. Because of that, this option has also been discounted.
48. Option 3, the preferred option for 38% (9) of the responses, was to implement a flat rate increase to rates paid to providers, but vary this by locality and/or sector to reflect local factors and to maintain an allocation for in-year pressures. This would again reward all providers and we would need to be clear that funding was used for care worker wages. Our view is that we would need to have additional information from providers to take this option forward, together with clear criteria for allocating funds to reflect local factors. This may again prove challenging to administer. Moreover, delivering a fair and equitable solution could also prove to be a complex process, and for this reason we have again discounted it.
49. Option 4 (favoured in 21% of responses) is to implement an increase only where it is evidenced that a specific provider has increased its pay scales to meet National Living Wage requirements in 2016/17, either directly to ensure care staff are paid the National Living Wage or indirectly through increases required to rates already over and above the National Living Wage, but required to retain care staff in the local market. This option would target the allocation to those who have needed to change their pay scales to meet minimum requirements of the National Living Wage. Evidence would need to be presented by providers based on an open-book accounting principle and on an individual provider basis, in an agreed format, and we would need to make a decision about what we could fund once in receipt of information from all providers. While there is some support for this approach from providers, others reflect our view that this would be a resource intensive process, gathering such information would generate a time delay, and an element of the funding would need to be used to support additional resource to administer this.

50. Option 5, which was favoured in 4% of responses, is to use the Skills for Care rates identified for Oxfordshire and apply the resulting rates to the council's cost models to determine where to provide additional funding to lift the 'minimum floor' rates above the levels already agreed for 2016/17.
51. Targeting an additional increase through the models already in use would focus increases on providers that we currently pay the lowest amounts. This would include home support providers who agreed rates with us some time ago but have not received an increase since then as they remain above the current floor. If we applied an uplift to the home support model to increase the rate from £7.20 per hour to £8.59 per hour from 1 April 2016 (the current Skills for Care rate for Home Support), the estimated additional cost would be £1.062m in 2016/17. In principle, we believe that this approach would provide an equitable way of focussing additional funding to home support providers currently paid the lowest hourly rates and is consistent with some of the comments received from providers. We also feel it is consistent with our stated aim of allowing service users to receive their care and support at home, together with our wish to support providers in the local market.
52. The ADASS care home fee model that we have used to set the banding rates for residential and nursing home care for 2016/17 uses a rate of £7.58 per hour for care workers and £7.20 for domestic staff. The care worker rate reflects a sample of payment rates earlier in 2016 and is above the existing Skills for Care rate for Oxfordshire of £7.28 per hour. The additional estimated cost of increasing the pay rate for domestic staff within the model to £7.58 per hour to match care workers is estimated to be £0.317m. That would increase the residential banding rate from £493 to £496 per week. If the same £0.038 hourly increase is applied to care workers (to increase the hourly rate to £7.96) to retain parity between the rates, the overall cost is estimated at £1.431m if the increase was applied across all existing expenditure. The residential banding rate would increase to £506 per week as a result.
53. However, we know that the average spot purchase rates for care homes for 2016/17 are already significantly higher than the target banding rates. This implies that care home providers are potentially already likely to be factoring an element for the additional costs being incurred into the rates that they are agreeing. While it would be possible to increase the banding rates to match the average being paid, there is a risk that this would push the rates relatively higher still.
54. We also asked providers about the impact of wage compression, whereby increases to pay rates for lower paid staff would feed through to increases to the whole pay structure. The evidence received does not appear to indicate this is a significant issue in 2016/17. However, a number of providers have expressed concerns about this and it is expected that the impact is likely to increase over time; the potential for a gradual erosion of pay differentials in provider pay scales means that we will need to review and consider the impact of this in future years. It may also be the case that increases in other

sectors leading to an indirect pressure on care worker pay rates have not yet worked through the system, but there is no evidence nationally or locally that we are aware of to support that.

55. We are aware of the impact on providers' ability to recruit and retain, but it will continue to be difficult to separate that from local market conditions and care worker availability. Some of the feedback noted concerns about the impact of leaving the European Union on the availability of care staff and the impact of other sectors on the availability of care staff so we need to continue be alert to that.
56. We have noted that the Skills for Care rate for staff in care homes is lower than for home support. That means the current assumptions in the models are inconsistent with the Skills for Care rates for Oxfordshire, as the care home model already assumes a higher rate for care staff (£7.58 per hour) than the home support model (£7.20 per hour). In addition, within the home support market providers are tied in to long term contracts. This is different to the position with care homes where providers are negotiating spot prices, and as such likely to have built in the National Living Wage pressures into placements agreed since April 2016.

Equalities Implications

57. It is felt that there will be a positive outcome from the recommendations as the additional funding for home support should help to enable providers currently paid the lowest rate to increase, or sustain increases to the hourly rates paid to their care workers.
58. Average spot purchase rates for care homes for 2016/17 are already significantly higher than the target banding rates. This implies that care home providers are potentially already likely to be factoring an element for the additional costs being incurred into the rates that they are agreeing.
59. £0.964m is recommended to be set aside for any exceptional issues raised by providers that might be expected to impact on care workers so this should mitigate any equalities implications arising.

Recommendations

60. Considering the evidence received in conjunction with the pressures already apparent in 2016/17, Cabinet are **RECOMMENDED** to:
 - (a) agree that the assumed hourly rate for home support workers funded through the council's home support model should be increased from £7.20 per hour to the Skills for Care rate for Oxfordshire of £8.59 per hour. £1.062m of the Adult Social Care Precept should be added the council's contribution to the Older People's Pooled Budget to fund the cost of additional payments to home support providers resulting from the increase to the hourly rate.

- (b) agree that £0.964m of the Adult Social Care Precept should be held as a contingency to support specific in-year pressures raised by providers between October and March 2017. The expectation is that this will be relevant in a limited number of cases where a provider has a longstanding contract and have not otherwise received an increase in their payment rates for a number of years. Any allocation will need to be evidenced through open-book accounting and agreed on an exceptional basis. Any balance remaining at year end will be used to support further pressures in adult social care evident by 31 March 2017.
- (c) agree that £3.000m of the Adult Social Care Precept should be used to increase the council's contribution to the Older People's Pooled Budget on a permanent basis to support on-going demand and expenditure pressures evident in 2016/17.
- (d) note that the £0.600m budget available to support the cost of sleep-in support for service users will be ring fenced for such purposes, in line with the original budget approval to be used mainly in the area of Learning Disability providers. Funding will be allocated subject to evidence of actual changes to wages and the outcome will be reported through the Financial Monitoring Report.

KATE TERRONI

Deputy Director - Joint Commissioning

Annex: Response from Consultation

Contact Officers:

Andrew Colling - Lead for Quality & Contracts (Joint Commissioning), 07768 028116

Kathy Wilcox - Finance Business Partner, Adult Social Care, Fire and Rescue Service and Community Safety and Public Health, 07788 302163

September 2016

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Division(s):

CABINET – 20 SEPTEMBER 2016

STAFFING REPORT – Quarter 1 2016/17

Report by Chief HR Officer

Introduction

1. This report provides an update on staffing numbers and related activity for the period 1 April 2016 to 30 June 2016. Progress will be tracked throughout the year on the movement of staffing numbers from those reported at 31 March 2016 as we continue to deliver our required budget savings. We also continue to track reductions since 1 April 2010 to reflect the impact on staffing numbers as we progress with our Business Strategy.

Current numbers

2. The staffing number (FTE) as at 30 June 2016 was 3513.72 employed in post. These figures exclude the school bloc. We continue to monitor the balance between full time and part time workers to ensure that the best interests of the Council and the taxpayer are served. The numbers as at 30 June 2016 were as follows - Full time 2470 and Part time 1762. This equates to the total of 3443.52 FTE employed in post.
3. The changes in staffing numbers since 31 March 2016 are shown in the table below. A breakdown of movements by directorate for this financial year is provided at Appendix 1.

	FTE Employed
Reported Figures at 31 March 2016 – Non-Schools	3513.72
Changes – actual	- 70.2
Reported Figures at 30 June 2016 – Non-Schools	3443.52

Quarter 1 Update

4. We remain committed to redeploying displaced staff wherever possible. This is getting more difficult as staffing numbers reduce across the Council. There were two redeployments this quarter.
5. An HR approval process is in place to ensure rigorous challenge takes place before any new post is created/existing vacancy is filled by recruitment. In addition, managers are being asked to consider alternatives to recruitment and make the best use of the resources they already have where the work has to continue. A review has taken place around the recruitment approval process in order to tighten up even more to help deal with future reductions as a result of budget cuts, and to ensure our employees are deployed in the most efficient and cost effective way. Spot checks will be made on an ad hoc basis for posts which have progressed to advert.
6. We recognise that operational services are critical and cannot be left without any cover. Prudent use of agency staff is therefore deployed to ensure continuity of service. In common with all employers, the council deploys agency staff as cover for instances of maternity leave, illness and short-term gaps in recruitment where a permanent replacement is not due to arrive until sometime after an employee has left.
7. The cost of agency staff this quarter is reported as £2,603,270 down on last quarter. As reported previously this expenditure is now being processed and reported through the Integrated Business Centre with Hampshire.
8. We will continue to track progress on staff number movements during the year ahead. The overall reduction in FTE employed since 1 April 2016 is 2%. The Council has seen a reduction of 34.8% in FTE employed since 31 March 2010.

Accountability

10. Staffing numbers continue to be monitored rigorously. All new posts are reviewed by the Deputy Directors.

Recommendation

11. The Cabinet is **RECOMMENDED** to note the report.

STEVE MUNN
Chief HR Officer

22 July 2016
Contact Officer: Sue James, HR Officer, 07393001069.

DIRECTORATE	FTE Employed at 30 June 2016	Changes in FTE Employed since 31 March 2016	Cost of Agency Staff * £
CHILDREN, EDUCATION & FAMILIES	1170.09	-25.25	676,600
PUBLIC HEALTH	22.17	0.21	0
SOCIAL & COMMUNITY SERVICES	696.24	6.59	1,110,821
COMMUNITY SAFETY	335.35	-6.39	1,570
ENVIRONMENT & ECONOMY	372.87	-13.99	422,950
CORPORATE SERVICES (includes Transformation)	640.79	-21.20	386,922
CULTURAL SERVICES	206.01	-10.17	4,407
TOTAL	3443.52	-70.20	2,603,270

Please note: Where employees are absent eg on maternity leave or long term sick and have been temporarily replaced, both the absent employee and the temporary employee will have been counted.

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Division(s): All

CABINET – 20 SEPTEMBER 2016

APPOINTMENTS 2016/17

Report by Chief Legal Officer

Introduction

1. The report asks the Cabinet to consider member appointments to a variety of bodies which in different ways support the discharge of the Council's executive functions. The report reflects the basis on which appointments to the respective bodies have been made in the past and, subject to any adjustments that may be considered appropriate, invites the Cabinet to agree arrangements for filling the councillor places on those bodies.
2. The schedule only refers to those appointments which are the direct responsibility of Cabinet to make. There are other outside body appointments that are the responsibility of the Remuneration Committee or local processes as appropriate. The schedule reflects the current position in terms of membership.

Joint Committees

3. These are formal bodies set up to exercise statutory functions jointly with other authorities. Members of joint committees exercising executive functions must be members of the Cabinet.

The current joint committees are listed in **Section 1** of the Annex to this report.

Local Statutory Bodies

4. The County Council is required to set up and run a number of local bodies in connection with certain of its statutory functions, typically with other organisations. County Council representation is not generally limited to Cabinet Members.

The current local statutory bodies are listed in **Section 2**.

Strategic Partnerships

5. This category comprises Partnerships which the Cabinet has designated as 'strategic' and whose membership Cabinet has agreed should be linked to the role of Cabinet Member/s and not to individually named members with the exception that the representative on the Oxfordshire Safer Communities Partnership is the representative of the County Council on the Thames Valley Police & Crime Panel.

The current strategic partnerships are listed in **Section 3**.

Standing Advisory Bodies

6. This category comprises bodies which have been set up on a permanent basis in connection with particular functions. They do not possess executive powers but provide a forum for discussion and liaison. County Council representation is not limited to Cabinet Members.

The current standing advisory bodies are listed in **Section 4**.

Informal Member/Officer Working Groups

7. This is a diverse group of informal bodies set up from time to time to assist with the discharge of the responsibilities of the Cabinet. There is a wide variety of form and purpose, from purely internal management tools to inter-authority forums for overseeing issues of common interest. Members and officers share an equal status on these bodies, which are not subject to the access to information rules applying to formal committees and subcommittees; however, some are open to the public and may allow public address at their meetings.
8. These bodies cannot exercise executive functions themselves but provide available forum for discussion of issues outside the formal decision-making processes. Thus, where voting on such groups is permitted this can only be on the basis of an indicative view and cannot in any way bind the body responsible for the ultimate decision.

The informal member / officer working groups are listed in **Section 5**.

Strategic Outside Bodies

9. The Cabinet is responsible for appointments to those outside bodies which it has identified as 'strategic' and which have been endorsed as such by the Council.
10. The strategic outside bodies are listed in **Section 6**

RECOMMENDATIONS

11. **The Cabinet is RECOMMENDED to agree the appointments as set out in the Annex to this report, subject to any changes reported in any amended schedule and at the meeting.**

NICK GRAHAM

Chief Legal Officer

Annex:

Appointments Schedule 2016/17

Background papers:

Nil

Contact Officer:

Sue Whitehead, Principal Committee Officer (01865 810260)
June 2016

APPOINTMENTS SCHEDULE 2014/15**SECTION 1****Joint Committees**

<i>Joint Committee</i>	Frequency of meetings (FOM)	Places	Appointees for 2014/15
S.E. Fire Improvement Partnership Board	as required	1	Deputy Leader
Traffic Penalty Tribunal - Outside London Adjudication Committee	quarterly	1	Cabinet Member for the Environment
Growth Board		1	Leader (Deputy Leader as named substitute)

Local Statutory Bodies

Statutory Body	FOM	Places	Basis of Member Appointment	Con Ind Alliance	Lab	Lib Dem	Grn
Adoption & Permanency Panels & Fostering Panels	3 per month	3	On the nomination of the political groups according to political balance: Adoption & Permanency	1 Lilly Mills Bulmer	1 G Sanders		0
	2 per month (occasionally 3 per month)	2	Fostering		1 G Sanders	1 Godden	
Standing Advisory Council for Religious Education (SACRE)		3	On the nomination of the political groups according to political balance	1 Mathew	1 Azad	1 Johnston	0

Strategic Partnerships

Partnership	FOM	Appointees for 2014/15
Oxfordshire Partnership Board	2 per annum	Leader of the Council
Thematic Partnerships:		
Health & Well Being Board	3 per annum	Leader of the Council
Children's Trust Board	3 per annum	Cabinet Member for Children, Education & Families
Health Improvement Board	3 per annum	Cabinet Member for Public Health & the Voluntary Sector
Oxfordshire Local Enterprise Partnership	1 per month	Leader of the Council
Safer Oxfordshire Partnership	3 per annum	Councillor Kieron Mallon in his role as representative on the Thames Valley Police & Crime Panel.
Oxfordshire Stronger Communities Alliance	4 per annum	Cabinet Member for Public Health & the Voluntary Sector

SECTION 4

Standing Advisory Bodies

Body	FOM	Places	Basis of Member Appointment	Con Ind Alliance	Lab	Lib Dem	Grn
Arts Council S. E. Region Board	3/4 per annum	1*	Cabinet Member for Community Services Nomination only – appointment process by Arts Council	1 Lindsay-Gale			
Music House Committee / Music Education Hub (Partnership) for Oxfordshire	3 per annum	3	On the nomination of the political groups according to political balance	2 Waine Tilley	1 Phillips	0	0
Outdoor Centres House Committee (under review)		3	On the nomination of the political groups according to political balance	2 Waine Tilley	1 Pressel	0	0
Schools Organisation Stakeholder Group (includes former Oxfordshire School Forum)	quarterly	5 1 observer (with no voting rights)	Non-executive County Council Members On the nomination of the political groups according to political balance Cabinet Member for Children, Education & Families	3 Waine 2 vacancies Tilley	1 Brighthouse	1 Howson	

Body	FOM	Places	Basis of Member Appointment	Con Ind Alliance	Lab	Lib Dem	Grn
Young People's Well-Being Group	2	5	5 non-executive councillors on the nomination of the political groups according to political balance, to reflect as far as possible the geographic areas of the county; the Cabinet Member with responsibility for Children and Young People (ex officio)	3 Lilly-City Mathew-West Greene-South	1 Beal - Cherwell	1 Hannaby Vale	0

SECTION 5

Informal Member/Officer Working Groups

Working Group	FOM	Places	Basis of Appointment	Con Ind Alliance	Lab	Lib Dem	Grn
Corporate Parenting Panel	4 per annum	11	On the nomination of the political groups according to political balance, to include the Cabinet for Children Education & Families and the three members serving on the Fostering & Adoption Panels Director for Children, Education & Families and Director for Social & Community Services or nominees	6 Billington Curran Owen Harrod Tilley Waine	2 G Sanders Lygo	3 Godden Howson Fooks	0
Oxfordshire County Council South Africa Link Group	2/3 per annum	4	On the nomination of the political groups according to political balance	2 Lovatt Gearing	1 Brighthouse	1 D. Turner	0
School Governor Appointments Panel	as required	6	On the nomination of the political groups according to political balance Representatives of the Children, Education & Families Governors Team	4 Owen Tilley Waine Stratford	1 Brighthouse	1 Webber	0

Working Group	FOM	Places	Basis of Appointment	Con Ind Alliance	Lab	Lib Dem	Grn
Minority Ethnic Consultative Forum (replacing Social Inclusion Reference Group) for details see addenda.		3		1 Mallon	1	1	
West End Steering Group	as required	2	Leader of the Council and Deputy Leader or representative	2 Hudspeth Rose		0	0

SECTION 6

Strategic Outside Body	FOM	OCC Entitlement	Appointees for 2014/15
County Councils Network (CCN)	Council - 2 per annum Executive – 3 per annum Annual conference	4 county councillors	Hudspeth Lindsay-Gale Rose Tilley
Local Government Association (LGA)	General Assembly -1 per annum	4 county councillors (* to cast additional OCC vote)	Hudspeth* Hibbert-Biles Rose Tilley
LGA: Fire Commission	As required	1 county councillor	Rose
Oxfordshire Association of Local Councils	as required	1 county councillor	Nimmo Smith
Oxfordshire Care Partnership Board	as required	1 county councillor	Heathcoat
Oxfordshire Countryside Access Forum	2/3 per annum	1 county councillor	Nimmo Smith
Community First Oxfordshire (formerly Oxfordshire Rural Community Council)	as required	1 county councillor	Rose
South East England Councils	Executive – 4 per annum AGM	1 county councillor + 1 <i>deputy</i>	Hudspeth Rose

Division(s): N/A

CABINET – 20 SEPTEMBER 2016

FORWARD PLAN AND FUTURE BUSINESS

Items identified from the Forward Plan for Forthcoming Decision

Topic/Decision

Portfolio/Ref

Cabinet, 18 October 2016

- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ Delegated Powers - October 2016
To report on a quarterly basis any executive decisions taken under the specific powers and functions delegated under the terms of Part 7.2 (Scheme of Delegation to Officers) of the Council's Constitution – Paragraph 6.3(c)(i). It is not for scrutiny call in. ▪ Senior Management Review
To consider the outcome of the Senior Management Review and comments from other committees, and approve implementation of the proposed structure. ▪ Business Management & Monitoring Report for Quarter 1 - 2016/17
To note and seek agreement of the report. ▪ The Oxfordshire Safeguarding Children Board Annual Report/The Performance Assessments & Quality Assurance Annual Report and The Case Review & Governance Annual Report
To note the reports. ▪ Household Waste Recycling Centre Management and Revised Waste Acceptance Policy
To seek approval of the revised HWRC Waste Acceptance Policy and support to procure a new HWRC management contract (to start September 2017). ▪ Electrification Programme Update - Steventon Proposals including Compulsory Purchase Order
To seek approval of the delegation of Compulsory Purchase Powers to Director for Environment & Economy for use in supporting Network Rail with their electrification project. | <p>Cabinet, Leader
2016/050</p> <p>Cabinet, Leader
2016/017</p> <p>Cabinet, Deputy
Leader
2016/049</p> <p>Cabinet, Children,
Education &
Families
2016/100</p> <p>Cabinet,
Environment
2016/067</p> <p>Cabinet,
Environment
2016/099</p> |
|---|--|

- **2016/17 Financial Monitoring & Business Strategy Delivery Report - August 2016** Cabinet, Finance 2016/048

Financial report on revenue and capital spending against budget allocations, including virements between budget heads.

- **Director of Public Health Annual Report** Cabinet, Public Health 2016/046
- An Annual Report is a statutory duty of the Director of Public Health and it is a duty of the County Council to publish this report.

The Director of Public Health for Oxfordshire will present his Annual Report for 2015/16.

Cabinet Member for Children, Education & Families, 10 October 2016

- **Space Standards for New Primary Schools in Oxfordshire - Proposed Changes (Early Years and SEN Provision)** Cabinet Member for Children, Education & Families, 2016/076

To seek approval of the revised space standards for the construction of new primary and secondary schools and to delegate the approval of further changes to the space standards to the Director of Environment & Economy in consultation with the Director of Children, Education & Families.

Cabinet Member for Environment, 13 October 2016

- **Internal Energy Management Strategy** Cabinet Member for Environment, 2015/106

To seek approval of the Internal Energy Management Strategy.

- **Proposed Toucan Crossing - A423 Southam Road (Harwick Hill), Banbury** Cabinet Member for Environment, 2016/064

To seek approval of the proposal.

- **Proposed Disabled Bay Changes in Cherwell, West Oxfordshire and Oxford City and Various Parking Changes on Development Sites** Cabinet Member for Environment, 2016/065

To seek approval of the proposals.

- **Proposed Puffin Crossing - Cumnor Hill** Cabinet Member for Environment, 2014/115

To seek approval of the proposals.

- **Oxford Ley Valley Proposed Controlled Parking Zone** Cabinet Member for Environment, 2016/057

To seek approval of the proposals.

- | | |
|--|---|
| <ul style="list-style-type: none">▪ Proposed 30mph Speed Limit - A361 Burford Road, Chipping Norton
To seek approval of the proposals.
▪ Proposed 20mph Speed Limit - Brightwell-cum-Sotwell
To seek approval of the proposals.
▪ Proposed Amended Traffic Calming - Woodstock Road, Stonesfield
To seek approval of the proposals. | <p>Cabinet Member
for Environment,
2016/080</p>
<p>Cabinet Member
for Environment,
2016/092</p>
<p>Cabinet Member
for Environment,
2016/093</p> |
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