

COUNTY COUNCIL – 10 FEBRUARY 2012

CORPORATE PLAN

and

BUSINESS STRATEGY AND SERVICE & RESOURCE PLANNING

2012/13 TO 2016/17

Report by the Leader of the Council

Introduction

1. Having announced my intention to step down as Leader from May 2012, this will be my last Budget report to Council. In the last two years we faced particularly difficult times, with some tough decisions needed. This year's Corporate Plan and Service & Resource Planning process sees the continuation of the significant four year plans introduced last year. As such, there is far less change to be agreed today because we have shown that we can deliver the plans we agreed last year and are continuing on that path. It is important to say though that our key aim remains delivering high quality services to the residents of Oxfordshire within a challenging but necessary period of public sector spending constraint.
2. The Cabinet Member for Finance & Property's report to Cabinet on 17 January 2012 set out the detailed proposals from the Cabinet to continue the delivery of the financially sound budget and Medium Term Financial Plan (MTFP) for the authority.
3. The delivery of this budget is set within the framework of the Corporate Plan. We have again been able to **freeze the level of Council Tax** owing to our long-term prudent planning and to the grant from the Government. We are still providing a **real choice** in many of the services we provide, although we have had to reduce that choice in some areas and we have continued to provide those services with **improving cost effectiveness** year on year.
4. Our primary theme is to ensure that we have a Thriving Oxfordshire and we have amended our medium term objectives to ensure that we can provide the leadership needed so that growth in the county will ensure a prosperous future for all our citizens. The continuing economic climate means that, more than ever, we need to ensure that our services are as efficient as possible and to ensure that we can focus on breaking the cycle of deprivation which exists across our county. The Corporate Plan sets out the detail of our vision and the delivery plan we propose for the coming year based on:
 - (a) World Class Economy
 - (b) Healthy & Thriving Communities
 - (c) Enhancing the Environment
 - (d) Efficient Public Services.
5. The Plan links to the Business Strategies for each of the directorates which have been updated and are available on the internet (www.oxfordshire.gov.uk/businessstrategies). Later in this report, I have shown some of the linkages between the priority areas and the funding we have made available.
6. We are fortunate that, even though we need to make reductions in our services overall to ensure that as a country we live within our means and don't get into the difficulties we

see in some of our neighbours, we have, through our good management, also been able to ensure that we continue to invest in modernising our services; providing leadership for the growth agenda which will be key to turning this country around while still protecting those who are the most vulnerable.

Updated Information

7. The report to Cabinet in January set out the majority of our proposals but we were awaiting confirmation of both the Collection Fund and the Local Government Settlement. While the changes in funding available, taking account of the updated information, are set out in the Chief Finance Officer's supplementary report to this meeting, at the time of writing this report the Final Local Government settlement has not been confirmed. I am therefore able to propose some revised proposals, with the amendments built into Annexes 1 – 14 to this report. There may be a need to amend the proposals further if there are changes in the settlement.

Low Taxes – the level of Council Tax

8. Since 2005, this Administration has been keeping the rate of increase in council tax as low as possible. Our Medium Term Plan reflected the Conservative Party manifesto which promised a freeze on Council Tax for two years, with the provision of a grant to support those authorities that restricted the effective increase to 2.5%. We are delighted that the Government has enabled us to deliver on this promise. This means that we can freeze the level of Council Tax for another year. Although the details around the grant are different this year, we have been able to build in the consequences.
9. The position for the future years is less clear because we will see a radical change in the way local government is funded next year and, as yet, we can't be certain how this will work in practise. We have built in both the base level of funding we were anticipating from the spending review and the increase in tax which we thought was likely to be commensurate with inflation at that time. This position is very indicative and will need to be reviewed when more information emerges during the year.
10. By maintaining the future council tax increase levels at 3.75% we are saying that, without sufficient information, no change in the previous plan is a better starting position than an artificial change. Given that such a rise would trigger a referendum under the Government's new Localism Act, the Council will need to be clear next year whether it believes this is still a reasonable position, in which case it is likely to require a public mandate, although I suspect that, once we see the outcome of the Local Government Spending Review, we will be in a position to amend this figure.
11. This means that the average Band D rate will remain at £1,161.71, or £22.34 per week for 2012/13. This is the same as the current year and the previous one; a standstill for three years.

Linkage of Spending to Priorities

12. The Corporate Plan 2012/13 – 2016/17 sets out the council's priorities and they are linked to our budget proposals. Last year we protected from front line service reductions both Children's Social Care and the Fire & Rescue Service. Both of these are life saving services which help those at their most vulnerable and I am delighted that we have been able to continue with this protection again.
13. In delivering the savings set for the current financial year, we have shown that our plans were robust and that services are continuing to be delivered within the smaller funding

envelope available. There are, however, a few areas where we are seeking to make changes to those plans for 2012/13 to reflect the current pressures and other areas where we wish to make further investment, either to enable more efficiency or to recognise the public demands for services. These changes were set out in the Cabinet report.

World Class Economy

14. The Council has a key leadership role to play in ensuring Oxfordshire has a world class economy. We can achieve this through working with others, particularly the business sector, the health and education sectors and the voluntary, community & faith sector. We can deliver some of the infrastructure needed ourselves. For other elements we can provide influence and guidance. I am clear that it is through a buoyant economy that the people of Oxfordshire will prosper and that, in turn, will reduce the pressure on some of our other statutory services.
15. We will continue to invest in support for the Local Enterprise Partnership (LEP), working with the LEP to ensure that the county as a whole benefits from growth. We are pleased to support the work of the Enterprise Zone and will continue to work with District colleagues and businesses to maximise the impacts for our residents.
16. Tackling transport issues has been a key priority for this administration and remains so. This covers the whole range of forms of transport; from working with national bodies to support the rail strategy, to helping local communities through the Area Stewardship Fund, and a variety of highways and transport schemes in between. I am proposing that another £1m be added to the highways service in the coming year, recognising that this continues to be a priority area.
17. Another important contributor to a world class economy is skills and education. The education system nationally is changing fast and the Council's role is changing with it. Instead of being responsible for schools we envisage that, over the coming years, our role will change to one of champion for parents and children but also holding schools to account for their delivery of high class education and, if necessary, dealing with failures in the schools market.
18. There is continuing investment of over £25m in 2012/13 in schools through the capital programme, with priority being given to the provision of school places and essential maintenance. We recognise that, even if schools transfer to academies and we lose the maintenance responsibilities, we will still maintain responsibility for ensuring there are sufficient places across the mix of school types for our population.
19. The link between education and business is the skills agenda. We understand how important this is, to ensure that thriving businesses can recruit local talent, both for the benefit of the individuals as well as the business. We will continue to work to ensure that all 18-25 year olds are in education, employment or training. We are proud of our achievements in ensuring that apprenticeships are widely available in Oxfordshire.
20. The military form an important part of the Oxfordshire economy and we have worked closely in partnership with them. We were the first county to sign the military covenant this year. We worked closely with the RAF, the District and Town Councils and voluntary organisations to ensure that the return of repatriations to RAF Brize Norton was carried out with dignity and respect. We will continue to work with the military and I am particularly pleased that we have been able to embed the one-off funding of £100,000 we have made available in the past three years into the base budget so that we can continue to ensure the social, economic and environmental well-being of service personnel and their families.

Healthy & Thriving Communities

21. There has been considerable work in 2011/12 with the health service, working in partnership with the NHS and our developing GP consortium, to address the government's proposals to improve service provision for patients and reduce the cost pressures in the Health Service. This work links closely with our own prevention agenda, aimed at helping people maintain their independence and be supported where possible in their own homes. We will continue to invest in preventative services and increasing the availability of Extra Care Housing and other alternatives to residential care. We recognise that differing care provision is needed now than 10 years ago and we will work to ensure that we can provide these services for those in society who cannot provide it for themselves.
22. The council has long recognised that the numbers of older people is growing and that the costs of supporting the most vulnerable of them, including those with learning and physical disabilities, will fall to the council. We will continue to provide that support and have again demonstrated this with further investment in this area.
23. Another of our priorities is protection and safeguarding and we will continue to aim to reduce the number of children, young people and adults that need to be taken into care or are in need of protection. We will continue to work with partners to protect and safeguard our most vulnerable children and young people, to raise public and professional awareness of the needs of vulnerable adults.
24. Major changes have been made during the year to the way services are delivered for our young people and I am delighted that, overall, more provision, including through the voluntary sector is available than before the cuts were applied. We have also introduced a new way of delivering services to families and we feel that this service needs to embed those changes rather than looking for further efficiencies this year. Indeed, we welcome the fact that the Prime Minister has announced that additional funding will be available for local authorities who invest more in helping troubled families, building on the model we have created. I am delighted to be able to include additional funding of £1.6m over the next two years to achieve this.
25. During the year a great deal of time has been taken up over the debate about our Libraries service. What we have achieved is a clearly defined statutory service but we have been able to make adjustments to the funding to make some additional provision available, although some of this will still depend on the communities who have been so keen to maintain their libraries playing their part. I am hopeful that, with the investment we are putting into the service, this will be a good outcome for all.
26. The Big Society Fund has been another success from last year's proposals, with most of the funding available for 2011/12 allocated and many local people engaging in a positive way in their communities. We had built in another £0.4m for 2012/13, but have looked again at this area now we have more one-off funding available and we will be able to increase the fund for 2012/13 so that there will be up to £1m to allocate to sustainable local projects which meet the Council's criteria.
27. I can see a key emerging role for strategic authorities like Oxfordshire in looking beyond our own service boundaries at the many public agencies that provide support, care or funding to the most deprived individuals and families. Some of these troubled families will be involved with twenty or more public agencies; each playing a part in their lives but with no-one "owning" the whole of the problems. Agencies like the Benefits Agency, Job Centre Plus, the NHS and the police are driven by central targets which are not always sensitive to local need. Increasingly, I see a leadership role for this council in advocating for a more joined-up and flexible approach by these central agencies with a

local presence. Only local government has the local knowledge and the democratic mandate to provide this leadership role.

Enhancing the Environment

28. The linkage between enhancing our environment and delivering our growth agenda to secure the world class economy is strong. Without Oxfordshire being such an attractive place and having the infrastructure support, we would not be able to attract businesses and people to live and work here. We have continued our policy of resisting the “easy” solution of making huge revenue cuts in highway maintenance and we are conscious that there is still much to do in dealing with the frost and flood damage caused in recent years. Our highways contract is contributing significantly to real savings and there is continuing capital investment in the transport infrastructure of £24m in 2012/13. There are also proposals to put further investment into our highways, through revenue contributions to capital.
29. Before Christmas we were finally in a position to complete the contractual arrangement for the energy-from-waste facility at Ardley and this will enable us to make savings in the future by reducing the taxes on disposal of our waste to landfill. We are also investing from our capital programme in waste recycling centres.
30. We had hoped to reduce our energy usage and costs by turning off nearly half of our street lights between 12:30 am and 5:00 am. Unfortunately, the energy providers changed their tariffs and this ceased to be a cost effective investment. Instead, we have investigated alternative bulbs to reduce energy usage and cost and will be piloting those through the coming year. We have continued to work with schools on energy savings measures.
31. We will continue to work closely with district partners on waste management. We need to review how the targets and incentives are set and this will impact on our future years’ proposals. We recognise though that there will be significant changes in funding streams from 2013/14 and we need to ensure that we consider what is the best value for the residents of Oxfordshire as a whole.

Efficient Public Services

32. The Council has continued to invest in its programme to ensure that we are customer focused. We have further enhanced and developed our on-line services with the launch of our new look website and our Customer Contact Services, so that more enquiries can be dealt with at the first point of contact. We will continue to develop this programme, not only for the public but so that our own members and staff can find information more speedily and efficiently.
33. We have been working closely with BDUK to ensure that Oxfordshire is in a position to benefit from government funding to put high speed Broadband across the county. We have just submitted our bid and I am proposing today that we put some revenue investment in to ensure we have the resources to deliver such an important project. This is another example of how, through our leadership we can enable communities and business, and ensure a strong economy for Oxfordshire and I thank Cllr David Robertson for his leadership in this critical area.
34. We set out last year to reduce our senior management by 40%. This was a tough target but one we felt was essential if we were to protect front line services. We have been monitoring progress all year and, with the support of our remaining managers who have accepted that we need to work differently, we are in a position to report that this target

has been met. We must ensure that we develop those remaining managers and ensure that the structures that they support are robust. We will continue to look for opportunities to rationalise our property, working with partners across the public sector, but we also recognise that this will not be a quick fix, and have adjusted the timing for potential savings from this source.

35. My own take on staffing in local government is that, given the inevitability of further decline in public sector spending, council staff will have to be increasingly fleet-of-foot, able to anticipate emerging issues early and to develop flexible solutions for them. I think this inevitably points to more generic managers and fewer professional specialists, given the need for local government to work across its own organisational boundaries and the rest of the public sector. We are indisputably the most efficient part of the public sector and I am sure we are up to the challenges that the future holds.

Equalities

36. Oxfordshire County Council is committed to making Oxfordshire a fair and equal place in which to live, work and visit. We have recently published our Equalities plan for consultation. This sets out the council's approach to eliminating unlawful discrimination, harassment and victimisation; advancing equality of opportunity; and fostering good relations. Through the delivery of this plan, we aim to ensure that our services are accessible and to encourage supportive and cohesive communities through our service delivery. We have carried out Service and Community Impact Assessments (SCIAs) as part of our business strategies and then considered the overarching assessment which is attached to these papers at Annex 14. While it identifies some areas of impact, it also shows the mitigations we believe are in place.

Service & Resource Planning Consultation

37. As part of the Service & Resource planning process there has been a variety of consultation mechanisms used. During the year there have been service specific consultations on service changes. This included Oxfordshire Voice and the review of all the changes to the Business Strategies by the Scrutiny Committees. The comments from both of these sources were reported to Cabinet in January and were taken on board in making the final cabinet proposals.

Our Staff

38. I would again like to pay tribute to our loyal and hard working staff who have continued to deliver excellent services to the public while undergoing significant changes in the ways they are working and who continue to deliver good outcomes with far fewer colleagues. They recognise the pressures which local government and the public sector generally are facing and have risen to the challenges. It has been a huge privilege for me, as Leader of the Council, to witness the huge commitment of so many of our staff; always willing to go the extra mile and continuing to deliver despite the financial pressures we face and their inevitable consequences. I will continue to remind anyone and everyone who will listen of the value of this local government public sector ethos long after I have ceased to lead this council.

Conclusion

39. This Revenue and Capital Budget and the Medium Term Financial Plan for 2012/13 to 2016/17 delivers Low Taxes, Real Choice and Value for Money for Oxfordshire County

CC8(b)

Council. It achieves this in a prudent and sustainable form, against a continuing background of economic recession, a large structural imbalance in the national finances and severe cuts in public spending which now look certain to continue.

40. I am able to recommend a robust proposal which continues to freeze the level of Council Tax for the second year running, but balances expenditure with the funding we expect to receive over the plan period.
41. This budget is a continuing testimony to the strong service and financial planning framework we have established and to the clear vision we have for high quality, customer-focused services that meet the needs of all of the citizens of Oxfordshire. It demonstrates a clear inter-relationship with the Corporate Plan, with continuing investment in as many of our key priorities as we can afford to make Oxfordshire a better place for all of our citizens.
42. In stepping down as Leader, I am confident I leave a legacy of political courage, financial strength, high quality services and committed leadership locally, regionally and nationally that has propelled Oxfordshire to a position of national recognition and respect. I am also confident that the council has the political and managerial resources to take that legacy forward and to continue to deserve that national recognition.

43. Accompanying this report are the following documents:

Annex 1:	Detailed Revenue Budget 2012/13
Annex 2:	Medium Term Financial Plan (MTFP) 2012/13 – 2016/17
Annex 3:	Changes to the Business Strategy & Variations to the MTFP 2012/13 – 2015/16
Annex 4:	Council Tax and Precepts 2012/13
Annex 5:	Planned Balances & Reserves 2012/13 – 2015/16
Annex 6:	Dedicated Schools Grant Provisional Allocation 2012/13 (to follow)
Annex 7:	Virement Rules 2012/13
Annex 8:	Treasury Management Strategy Statement and Annual Investment Strategy for 2012/13
Annex 9:	Minimum Revenue Provision Policy Statement for 2012/13
Annex 10:	Capital Strategy 2012/13 – 2022/23
Annex 11a:	Corporate Asset Management Plan 2012/13
Annex 11b:	Transport Asset Management Plan 2012/13 – 2016/17
Annex 12:	Capital Programme 2011/12 – 2016/17
Annex 13:	Prudential Indicators for Capital
Annex 14:	Overarching Equalities Impact Assessment

44. RECOMMENDATIONS

- (a) (in respect of revenue) RECOMMEND Council to approve:**
- (1) a budget for 2012/13 as set out in Annex 1;**
 - (2) a medium term plan for 2012/13 to 2016/17 as set out in Annex 2 (which incorporates changes to the Business Strategies set out in Annex 3);**
 - (3) a council tax requirement for 2012/13 of £284.525m;**
 - (4) the Council Tax and Precept calculations for 2012/13 set out in Annex 4 to the report and in particular:
 - (i) a precept of £284.525m; and**
 - (ii) a Council Tax for Band D equivalent properties of £1,161.71;****
 - (5) the planned level of balances and reserves for 2012/13 to 2015/16 as set out in Annex 5;**
 - (6) the use of Dedicated Schools Grant for 2012/13 as set out in Annex 6;**
 - (7) virement arrangements for 2012/13 as set out in Annex 7;**
- (b) (in respect of treasury management) to RECOMMEND Council to approve:**
- (1) the Treasury Management Strategy Statement as at Annex 8 including the Prudential Indicators;**
 - (2) that in relation to the 2012/13 strategy any further changes required be delegated to the Chief Finance Officer following consultation with the Leader of Council and the Cabinet Member for Finance.**
- (c) RECOMMEND Council to approve the Minimum Revenue Provision Methodology Statement as set out in paragraphs 10 to 14 of Annex 9.**
- (d) (in respect of Capital) to approve:**
- (1) the Capital Strategy at Annex 10 and Corporate Asset Management Plan and Transport Asset Management Plan at Annexes 11a and 11b;**
 - (2) the Capital Programme for 2011/12 to 2016/17 as set out in the capital programme at Annex 12;**
 - (3) the prudential indicators for capital set out in Annex 13.**

Keith R Mitchell CBE FCA FCCA
Leader of the County Council
26 January 2012

Changes to the Budget and Medium Term Plan following finalisation of one-off funding:

	2011/12	2012/13	2013/14	Total
	£m	£m	£m	£m
<u>One-off Funding</u>				
Efficiency Reserve	2.043			2.043
Collection Fund surplus		2.419		2.419
Total Funding Available	2.043	2.419	0.000	4.462
<u>Use of one-off funding</u>				
CEF - Troubled Families		0.800	0.800	1.600
CEF - Underperforming school leaders		0.180	0.120	0.300
E&E - Highways Maintenance		1.000		1.000
E&E - Broadband Revenue costs		0.350		0.350
CEO - Big Society Fund make fund £1m over 2 years		0.300	0.300	0.600
Contribution to capital		1.000		1.000
Contribution to (+)/from (-) Efficiency Reserve		0.832	-1.220	-0.388
Total Funding Utilised	0.000	4.462	0.000	4.462