

OXFORDSHIRE PERFORMANCE & CORPORATE SERVICES OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the meeting held on Friday, 19 April 2024 commencing at 10.00 am and finishing at 11.45 am

Present:

Voting Members: Councillor Eddie Reeves - in the Chair
Councillor Brad Baines
Councillor Donna Ford
Councillor Bob Johnston
Councillor Kieron Mallon
Councillor Calum Miller
Councillor Glynis Phillips

Other Members in Attendance: Councillor Liz Leffman, Leader of the Council
Councillor Dan Levy, Cabinet Member for Finance

Officers: Lorna Baxter, Executive Director (Resources)
Stephen Chandler, Executive Director (People) (online)
Ian Dyson, Director of Finance Services
Mark Haynes, Director of Customer and Culture, including Transformation (interim) (online)
Melissa Sage, Head of Procurement Contract Management (online)
Tom Hudson, Scrutiny Manager

The Council considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

10/24 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE ON THE BACK PAGE

(Agenda Item 1)

There were none.

11/24 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda Item 2)

Apologies were received from Cllr Haywood and from Cllr Middleton.

At the Chair's discretion, Cllr Haywood was allowed to attend the meeting virtually as a guest, but he did not participate in any formulation of recommendations or voting.

12/24 PETITIONS AND PUBLIC ADDRESS

(Agenda Item 3)

There were none.

13/24 MINUTES

(Agenda Item 4)

The minutes of the meeting held on 19th January 2024 were **AGREED** as an accurate record, subject to the following amendments:

- The addition on the fifth page of reference to the NHS not currently being supportive of the workplace parking levy.

14/24 COMMERCIAL STRATEGY

(Agenda Item 5)

Councillor Dan Levy, Cabinet Member for Finance, Lorna Baxter, Executive Director (Resources), and Ian Dyson, Director of Finance Services were invited to present the Commercial Strategy report submitted to and agreed by Cabinet on 19 March 2024.

The Cabinet Minister for Finance introduced the report and argued that while the Commercial strategy was in its early stages, Oxfordshire County Council (OCC) should not pass up sensible opportunities to be more commercial, at a time when many councils across the country faced financial difficulties. The Cabinet member of Finance emphasised that being more commercial would underpin the Council's prime function of supporting residents, businesses, and visitors. Challenges were expected but it was seen as important to get into a commercial mindset.

The Director of Finance Services wanted to ensure the 'business as usual' activity was tight and strong by focusing, for the upcoming year, on upskilling staff, processes, and contracts to ensure they were done right. This was to maximise the organisation's assets, driving productivity and value for money, and allowing more ambitious commercial thinking and projects. An example of the work that had already been done was the digitisation of the business case process where good management practises were being developed. Other good opportunities to think commercially had already been taken, such as with the international market being engaged over the sale of County Hall.

The Committee raised a number of issues and questions about the strategy:

- Where had the figure of 3-10% of total expenditure through typical efficiencies of a more commercially minded organisation come from?

PwC and Arcadis had both been used to consult on the strategy, in relation to assessing the Council's commercial maturity. Both companies had independently suggested that figures were expected to be in this

range having benchmarked the progress of other organisations who had gone through a similar process.

- In relation to the risk appetite, how did Officers expect to manage risk if they did not know the risks? Could Officers define the risk appetite?

It was seen as suitable to define the risk appetite on a case-by-case basis. The risk would be looked at along with the feasibility of each opportunity as it was presented and balanced against the potential benefits of the opportunity. Each project would have its own risk management.

- How was the new commercial mindset to be embedded throughout the organisation? Additionally, what funding had been made available for this in relation to consultants and staff training?

Arcadis had reported on the commercial maturity of the organisation. This report was designed to help provide a road map of how the commercial strategy would be implemented and embedded across the organisation. There was to be a focus on training and upskilling existing staff, in addition to changes to governance which aligned to the wider transformation process. Individualised training would improve value attained and would link with the transformation piece to ensure coherent training across the organisation. It was seen that all officers should have a level of commercial thinking about everything they do to ensure they were thinking about getting the best value for money possible. Improving the productivity of the organisation was seen as the main objective of the process.

Concerning funding, there had been an initial investment of £100k to look at the Council's commercial maturity and to provide the road map. An appraisal of the report from Arcadis would follow to determine what the next steps were and if further investment was required. It was emphasised that as much work would be done internally as possible, reducing the level of investment required on external consultants.

- The Committee suggested that the use of the term 'commercial' was misleading and unhelpful. The stated remit of the strategy indicated that it would extend beyond direct commercial relationships. The word 'commercial' suggested a narrow bottom-line focused approach, while the strategy suggested a broader set of values the Council hoped to change through this culture change. There were also concerns that the term 'commercial' suggested that the strategy was concerned about attempts to get more money out of Oxfordshire residents.

The term 'commercial' had been used following research into the areas it was hoped the strategy would improve. The research consistently came back to commercial thinking, which was why the term was used as the strategy title. Notwithstanding this, officers did acknowledge the points made concerning the connotations of the term.

Officers emphasised the Commercial strategy was not about making money from residents. The strategy was about changing the way the organisation thought about itself and changing its mindset. The strategy would change the way the organisation thought about its relationships with residents and other partners and how it generated funds to support residents and do what the Council needed to do.

Officers acknowledged that the term 'commercial' could be looked at to make the objectives of the strategy immediately clearer.

- Whether there was an intended hierarchy is the Strategy's commercial priorities. Also, whether there was a juxtaposition between community focus and a commercial strategy with one focused on the community and the other or maximum revenue.

There was no designed hierarchy for the commercial priorities, with all stated priorities intended to be delivered with the same level of importance. The strategy was about finding the right balance in what the organisation wanted to achieve. The priorities would help the Council achieve the best value for money allowing for services to be as efficient and productive as possible for residents. This did not mean making the services profitable.

- Members suggested that it would have been helpful to distil the categories of actions suggested in the commercial strategy. It was felt that these different categories of actions would require different levels of scrutiny. Activities seen as driving maximum returns from assets or generating revenue would require greater scrutiny and governance. In relation to this it was questioned whether the Commercial Board – wholly staffed by officers - was the best arrangement and whether other forms of governance were considered.

Following the report from Arcadis, officers would start to form a full action plan which would include different sections/categories of activities the organisation could consider. Natural political governance would then take place, and real thinking would be given as to what the board would look like and deliver.

Various options for governance were to be investigated. With the Local Enterprise Partnership (LEP) now under Council responsibility, Officers were considering how it wanted the company to be run, which included appropriate governance arrangements. The outcome of LEP governance determinations would help determine how governance would look for other commercial opportunities.

- It was stressed, by Members, that the result of this strategy had to be a better service for the residents of Oxfordshire. While the intent to become more commercial was praised, it should not distract the Council from performing its day job to supply the services needed across the County.

The Committee was assured that the intention of the Commercial Strategy was to generate efficiencies and additional money. These outcomes would allow the Council to do what it must do to support residents, and what is wanted to do to in creating better services for residents. The strategy was to allow the organisation to do things better by being focused, efficient, and, where appropriate, commercial.

- The Committee expressed a desire for the Commercial Strategy to be consulted on with the district and city councils, owing to their responsibilities for economic regeneration. Similarly, the core responsibilities of the LEP had to be weaved through the Commercial Strategy. It was hoped the CEO of the LEP would look at the strategy to see how the inherited work would inform the Strategy.

The Leader of the Council agreed with Committee that District Councils needed to be included in these strategic discussions. Assurances were also made that District Councils would continue to be represented on the LEP Board and Future Oxfordshire Partnership.

- There was also interest in seeing a line concerning the prospect of joint procurement, as was exemplified by the Fire and Rescue joint procurement practices with Buckinghamshire and Berkshire.

The Committee was informed of the development of a separate procurement strategy, which would supplement the Commercial Strategy. This included the work done by the Oxfordshire Inclusive Economic Partnership (OIEP). Work had been undertaken to investigate any common procurement opportunities. A significant benefit of the work was the sharing of best practices across services and Districts. Appropriate procurements had been carried out jointly with Districts.

- What did the administration mean by an inclusive economy, did this include reducing inequalities and was it being ambitious enough in this area? What were the social value outcomes intended from this strategy which went beyond the bottom line or commercial revenue maximisation? How was the Commercial Strategy linked to the social value and community wealth building strategy which had been agreed as part of the most recent budget?

The Leader pointed to examples of community benefit companies who work for the community and turn a small profit which is reinvested in the community. This was the sort of mindset the Commercial Strategy hoped to achieve.

Pockets of deprivation within the county were being addressed, and the Strategy was to ensure that all people were included in the county's economy, reaching out to those who had previously been excluded. The strategy was about delivering services in a way that would benefit the community while taking advantage of commercial opportunities. Although

they did not feature in the Commercial Strategy, community hubs were highlighted, by the Leader, as a means to include more people, who has previously been excluded, in the economy. The objective of the OIEP was to involve local businesses, helping the organisation find local suppliers and connecting local businesses with the communities around them.

The Leader emphasised that the strategy was not a finished piece work. It was a statement on the direction of travel the Council wanted to go in. The Strategy would stop a simple reliance on government funding but also generate its own funding to benefit the residents the Council serves. There would be projects that the Council would want feedback from the Committee on.

- The Committee questioned what data and KPI's would be used throughout the Commercial Strategy.

The maturity assessment which had been carried out included an analysis of the quality of data the organisation held and what types of data should be looked at. It was seen as important that the data informed commercial decision, especially around suppliers and contracts. However, the data maturity at this stage was not strong but would develop alongside the Transformation of the Organisation, which related to the following agenda item for Committee.

15/24 APPROACH TO TRANSFORMATION

(Agenda Item 6)

The Committee had requested an item on the Council's approach to Transformation. Councillor Liz Leffman, Leader of the Council, Stephen Chandler, Executive Director (People), and Mark Haynes, Director of Customer and Culture, including Transformation (interim) presented a report on Transformation to the Committee.

The Leader introduced the report describing how it cut across the whole organisation and supported the Delivering the Future Together programme. Staff had been worked with closely with regular well-attended meetings fostering much positive feedback.

The purpose of the Transformation programme was to support the nine priorities of the Administration as well as the organisation's vision to be the employer, partner, and place shaper of choice. The programme would also help the organisation become more sustainable, one aspect of which had already been discussed in the previous item. Partnerships and collaborations were also an important part of the programme to deliver all the services the Council wanted while embracing technology.

The Executive Director (People) and Director of Customer and Culture, including Transformation (interim), presented the programme to the Committee. Transformation was about large-scale strategic changes that

would help the organisation operate differently, focusing on culture, technology, and business models within the organisation.

The Transformation programme encompassed five key areas which would help the organisation reach its overall objective to become a sustainable and successful organisation. These included being leaner, fewer buildings, embracing technology, collaborating with partners, and leveraging commercial opportunities.

The agreed governance process was explained through the workings and stages of the Strategic Transformation Programme Board (STPB), also known as the Design Authority. The transformation route was also explained throughout the five stages of: identify, define, design, deliver, and close. An update was given of where various transformation projects were in this transformation route, including the Commercial Strategy.

An update was also provided on the Delivery Hub Concept. This included the Programme Management Office, which included the Change Academy; Business Intelligence, including data and insights; and Communities of Practice, where like-minded people came together to share knowledge and learn new skills.

The Committee addressed the following issues:

- Whether the governance structures were too bureaucratic and time consuming, in terms of the number of meetings. It was also unclear to the Committee, how one meeting, within the governance structure, would affect or impact subsequent meetings. Clear lines of accountability and governance transparency were recognised as essential.

Officers acknowledged that it was always about finding a balance between robust governance without creating its own industry of works. Technologies were being looked at to ensure systems and processes were as automated and lean as possible, including the use of AI. Sufficient rigour and governance would remain essential. The system was constantly being evaluated, including by the Lean Team. This was to make sure teams and projects were not stepping on each other's toes, and program managers were talking to one another with clear roles and responsibilities.

- How much were consultants being used in transformation program, and would transformation process leave the organisation more or less reliant on consultants in the future to carry out core functions of the organisation?

The Change Academy existed to ensure OCC staff were properly trained to avoid the organisation needing or relying on consultants, such as PwC. The support PwC provided in developing the Transformation programme finished on 2nd April 2024. The programme had since been operating without external support, though there remained consultant involvement

on a small, time limited piece of work concerning automation. However, this did not close the door on the organisation taking advantage of either the expertise or capacity a consultant could offer for a short-term piece of work.

Officers highlighted their commitment to ensuring the skills and abilities in the organisation are developed and growing our own. The creation of a Director of Transformation and Customer Service was intended to guarantee the capability and capacity within the organisation grows and matures without the reliance on external consultants.

The Change Academy graduates were employees who had put themselves forward and wanted to make this difference to within the organisation. This demonstrated a commitment to the ethos of becoming an employer of choice where people could invest in their careers at OCC. This formed a crucial part of the iterative process of transformation which would reduce the Council's reliance on consultants by ensuring people were trained to continue the process and develop their career.

It was also explained that the term 'consultancy' had been used interchangeably. The £4m commitment to savings in this area was largely focused on agency staff savings.

- Members also requested an update on whether the delayering process within the organisation was on track.

Officers were aware of potential for pushback against terms such as transformation and its feared connotations of restructuring or job losses. However, officers attempted to alleviate these fears and highlighted the organisation's attempts to reframe the concept of transformation as becoming the employer of choice and being supportive of what OCC staff wanted to do.

The process of delayering had begun with the first tranche focusing at the Director level. Consultation was hoped to be finished within the week and feedback received allowing the process to move on to more junior levels within the Organisation.

Meetings had also been held on a regular basis with staff to guarantee complete transparency over the whole process. Unions had also been involved in discussions, and they understood the intentions of the delayering process.

- Could OCC be the employer of choice if roles were constantly changing making it difficult to settle into a role? Could the restructure encourage experienced members of staff to leave? What guarantees could be given to stakeholders that the Transformation process would create a more resilient organisation in the long term, rather than simply achieve medium term financial targets?

Officers did not agree that the Transformation programme and approach would make it harder to attract or retain staff. It was argued that the workforce was aware employment is more fluid than it had ever previously been. An organisation that allowed employees to grow and develop was seen as a positive. Being the employer of choice was about allowing this growth and development, by providing staff with opportunities to experience new things within employment. Transformation would create and offer these different opportunities. The Change Academy was highlighted as an example of creating these opportunities.

There had been a tendency in the past not to look to develop from within the Organisation. Instead, the Organisation would look externally. This was seen as something the Organisation had to learn to do and maximise the potential for staff to move across as well as up and down the Organisation.

The Committee resolved to request the following actions:

- For a Gantt chart, relating to a Transformation project, to be shared with Members of the Committee as an example of the processes carried out.

16/24 BUDGET MONITORING AND REPORTING UPDATE

(Agenda Item 7)

Lorna Baxter, Executive Director (Resources) provided a brief verbal update on changes made to the Business Management and Monitoring Report (BMMR), specifically in relation to budget monitoring.

Investments and savings from the budget passed in February would be monitored through the BMMR. This went through to Cabinet on a bimonthly basis and would also come through this Committee to be debated.

The importance of tracking all changes to the budget, especially the investments linked to the settlement agreed before the budget, was emphasised. Savings were already tracked but the metric was to be changed from a RAG status to a financial number.

17/24 COMMITTEE ACTION AND RECOMMENDATION TRACKER

(Agenda Item 8)

Having reviewed the progress of actions and recommendations the Committee **NOTED** the action and recommendations tracker.

18/24 COMMITTEE FORWARD WORK PLAN

(Agenda Item 9)

The Committee resolved to **AGREE** the proposed forward work plan, having taken account of the Cabinet Forward Plan and the Budget Management Monitoring Report subject to the following amendments:

- A report in 6 months on the progress of the Commercial Strategy, to pick up issues discussed (training programmes, risk register, funding allocation, review of the term 'Commercial', and worked examples of transformation project as it progressed through the governance structures).

19/24 CABINET RESPONSES TO RECOMMENDATIONS

(Agenda Item 10)

The Committee **NOTED** the Cabinet responses submitted. In response to the Social Value recommendations, clarity was requested on the scope of the first recommendation, and a timescale for implementing the final one.

20/24 CONFIDENTIAL MINUTES

(Agenda Item 11)

The confidential minutes of the 19 January 2024 meeting were **AGREED** as a true and accurate record.

..... in the Chair

Date of signing