

## Notice of a Meeting

### Strategy & Partnerships Scrutiny Committee Thursday, 29 September 2011 at 10.00 am County Hall

#### Membership

Chairman - Councillor Nick Carter  
Deputy Chairman - Councillor A.M. Lovatt

*Councillors:*

Jean Fooks	Tim Hallchurch MBE	Dr Peter Skolar
Norman Bolster	Hilary Hibbert-Biles	David Wilmshurst
Liz Brighouse OBE	Chip Sherwood	

#### Notes:

**Date of next meeting:** 24 November 2011

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

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

#### How can I have my say?

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

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

Chairman	- Councillor Nick Carter E.Mail: <a href="mailto:nick.carter@oxfordshire.gov.uk">nick.carter@oxfordshire.gov.uk</a>
Committee Officer	- <i>Claire Phillips</i> , Tel: (01865) 323967 <a href="mailto:claire.phillips@oxfordshire.gov.uk">claire.phillips@oxfordshire.gov.uk</a>



Peter G. Clark  
County Solicitor

September 2011

## About the County Council

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

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

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

## About Scrutiny

Scrutiny is about:

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

Scrutiny is NOT about:

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

## What does this Committee do?

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

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

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

# AGENDA

1. **Apologies for Absence and Temporary Appointments**
2. **Declarations of Interest - see guidance note on the back page**
3. **Minutes** (Pages 1 - 6)

To approve the Minutes of the meeting held on Thursday 21 July 2011 (**SYP3**) and to receive information arising from them.

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

5. **Director's Update**

10.05

The Assistant Chief Executive & Chief Finance Officer will give a verbal update on key issues.

6. **Financial Monitoring Overview 2011/12** (Pages 7 - 20)

10.25

Commentary by the Cabinet Member for Finance (**SYP6**).

The report provides a commentary on the financial monitoring to the end of July 2011.

Contact Officer: Kathy Wilcox, Principal Financial Manager

7. **Property and Facilities Management Strategy** (Pages 21 - 26)

10.40

This report (**SYP7**) outlines out the council's Strategy for Property and Facilities Management and progress on implementation. An overview presentation will be provided and the scrutiny committee invited to consider progress and which areas it would like to consider further.

Contact Officer: Mark Tailby, Service Manger - Asset Strategy, Property & Facilities

8. **Partnership working - our work with the Military and the Community Covenant** (Pages 27 - 50)

11.20

The report (**SYP8**) sets out the partnership working with the military that the county council has been leading on. Building on the success of a number of projects Oxfordshire is one of the pilot areas for the Armed Forces community covenant

(SYP8b).

Contact Officer: Claire Moore, Strategic Partnership Manager

## **9. Local Government Resource Review (Pages 51 - 56) 11.55**

A briefing paper (SYP9) on the resource review is provided as background for the committee. An all member briefing has been arranged to follow this committee meeting at 1.30-3.30. The paper will provide an introduction for members to the complexity of the proposals. Following the all member briefing the scrutiny committee will be able to consider how they wish to receive further updates.

Contact Officer: David Illingworth, Principal Financial Manager

## **10. Forward Plan**

**12.00**

The Committee is asked to suggest items from the current Forward Plan on which it may wish to have an opportunity to offer advice to the Cabinet before any decision is taken, together with details of what it thinks could be achieved by looking at any item and propose any other relevant items for the Committee to consider.

It is proposed to hold scrutiny committees service and resource planning meetings in December on a single day as happened in 2011. This is proposed as Thursday 15 December. The proposal will mean the time of the Strategy and Partnership meeting time would change to later in the day.

## **12.10 Close of Meeting**

## Declarations of Interest

This note briefly summarises the position on interests which you must declare at the meeting. Please refer to the Members' Code of Conduct in Part 9.1 of the Constitution for a fuller description.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Exceptions ...**

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

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

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

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## STRATEGY & PARTNERSHIPS SCRUTINY COMMITTEE

**MINUTES** of the meeting held on Thursday, 21 July 2011 commencing at 10.00 am and finishing at 1.00 pm

**Present:**

**Voting Members:** Councillor Nick Carter – in the Chair

Councillor A.M. Lovatt (Deputy Chairman)  
Councillor Jean Fooks  
Councillor Norman Bolster  
Councillor Liz Brighthouse OBE  
Councillor Hilary Hibbert-Biles  
Councillor Dr Peter Skolar  
Councillor Tony Crabbe  
Councillor Ian Hudspeth

**Other Members in Attendance:** Councillor Jim Couchman, Cabinet Member for Finance and Property

Councillor David Robertson, Deputy Leader

**By Invitation:** Councillor Charles Mathew

**Officers:**

Whole of meeting Guy Swindle (Head of Strategy and Communications)  
Claire Phillips (Chief Executive's Office)

Part of meeting Sue Scane (Assistant Chief Executive and Chief Financial Officer)

**Agenda Item**

**Officer Attending**

6,7

Lorna Baxter, Acting Head of Corporate Finance

7

Tim Chapple, Financial Manager

8

Graham Shaw, Head of ICT Business Delivery

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

**32/11 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE ON THE BACK PAGE**  
(Agenda No. 1)

**33/11 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS**  
(Agenda No. 2)

Apologies were received from Councillor Hallchurch (Councillor Hudspeth substituting), Councillor Sherwood (Councillor L Sanders substituting), Councillor Wilmshurst (Councillor Crabbe substituting).

### **34/11 MINUTES**

(Agenda No. 3)

The minutes of the meeting held on 26 May 2011 were approved and signed subject to corrections to officers in attendance and accuracy of declarations of interest.

### **35/11 SPEAKING TO OR PETITIONING THE COMMITTEE**

(Agenda No. 4)

None

### **36/11 DIRECTOR'S UPDATE**

(Agenda No. 5)

The Assistant Chief Executive & Chief Finance Officer gave an update on key work areas of the directorate. The following points were noted;

- Judicial review of the waste contract has been a significant work area for Law and Governance. Judgement has now been received.
- Human Resources has recently managed the council's successful reaccreditation of Investors in People. The organisation met all 39 areas of the assessment.
- Finance has been managing the final outturn and accounts have been sent to audit.
- The local government resource review has been launched and detailed technical papers are awaited. This will have a significant impact on how local government is financed from 2013.
- It was **AGREED** that scrutiny should have an item at a future meeting about the local government resource review.
- Repatriations of service personnel to RAF Brize Norton. A flag handover ceremony with RAF Lyneham is planned for 1 September. The county council is acting as facilitator to the repatriation issue given its responsibility for the Coroners service. The approach has been to work sensitively with media to ensure that military protocol is managed and the grief of families is respected.

Guy Swindle, Head of Strategy and Communications gave an introduction to his role after two months in post. Guy outlined the key functions of the Strategy and Communications service area

#### 1. Performance

How services across the organisation are performing and how the business strategy is being delivered

Managing the service and resource planning process with Finance

Promoting a data and evidence led approach to service design

A team approach looking at delivery in the round

#### 2. Policy and Strategy



Role includes looking ahead to provide advice, support, guidance and analysis to the council and its services.

Other key work areas for this part of the team include Big Society, Locality working, Equalities, Partnerships and the voluntary sector.

### 3. Communications and Engagement

This work area includes our work with the media, internal communications and briefing for staff.

The approach is to develop more face to face communication and dialogue including listening to staff at points of change.

Work is currently underway to refresh the public website and improve its functionality.

Guy Swindle outlined that the service is currently being consulted on restructure proposals designed to make the service more flexible and customer focused.

## **37/11 SUMMARY OF 2010/11 PROVISIONAL OUTTURN REPORT**

(Agenda No. 6)

The 2010/11 outturn report was noted.

It was requested that future reports identify internal and externally generated income in relation to ICT.

## **38/11 LONG TERM DEBT POLICY**

(Agenda No. 7)

The Chairman invited Councillor Mathew to come to the table and participate in the discussion.

Tim Chapple, Financial Manager introduced the paper on the council's long term debt policy. He outlined the three elements to the policy: current debts; interest payments and debt management; and the accumulation of further debt.

It was noted that we receive government grant for majority of interest payments due on borrowing and that local taxpayers only contribute to the minimum revenue contribution of principal repayments. Each year we are paying off the minimum required level of capital and interest. Councillors expressed concern that debts were therefore effectively never cleared, as new borrowing was undertaken to fund the Capital Programme.

Total level of debt had risen from £308M in 2009 to £434M in 2011. Committee members expressed concern at this increase which was attributed to the borrowing required to fund the capital programme.

It was noted that in future prudential borrowing will be the only borrowing available to us.

Councillor Brighouse asked a question about the impact of handing over assets to communities through the Big Society and what effect this would have on our ability to borrow and make repayments.

In response it was noted that these transfers are currently small in value and that debt charges are not linked to individual assets but to the whole asset portfolio.

Councillors suggested that it would be more prudent to look at our potential to borrow year and agree the programme from this.

The committee acknowledged that the Treasury Management Policy is reviewed on an annual basis and that the local government funding model is not the same as private business and is very transparent.

Councillors commented on the requirement to transfer schools to trusts where they become academies and that this has a further impact in reducing the council's asset portfolio.

Councillor Mathew suggested that the policy should be revisited, reviewed and represented.

It was **AGREED** that a seminar for councillors should be organised to discuss the policy further.

## **39/11 BUSINESS STRATEGY**

(Agenda No. 8)

### **A. Business Strategy Programme**

Guy Swindle introduced the Business Strategy and the eight key work strands as set out in the overview paper. It was also noted that each directorate has a business strategy to drive delivery. Each directorate sets out in scorecard progress in delivering against these priorities.

It was **AGREED** that progress reports to the Business Strategy Programme sponsor will be brought to scrutiny in future enabling scrutiny to focus on a key work strand each meeting.

### **B. Big Society Fund**

It was noted that Cabinet allocated funding in the first round of the Fund on 19 July and that this round had largely reflected youth projects in response to changes in council service provision.

It was noted that applications for library related projects are not currently being accepted. This will be reviewed in light of the outcome of the Future Library Service consultation.

The committee **AGREED** to recommend to Cabinet that the Big Society Fund is continued in the next financial year.

The committee noted that the criteria for the Fund are fixed for this year but would like the opportunity to review the criteria for future years.

**C. ICT Strategy Update**

Graham Shaw introduced the item and gave an update on progress of the ICT strategy.

It was noted that in 2010/11 ICT was in budget and targets are expected to be met in 2011/12.

Delivery of the strategy is focussed in three areas

1. Finance and better value for money
  - Pressing suppliers robustly on price
  - Recycling equipment and software
  - Prioritising projects appropriately
  
2. Governance
  - ICT strategy board meets fortnightly to manage the work programme
  - Directorate representatives involved in programme and
  - Clear link to Business Strategy Group
  
3. Programme of work
  - Roll out of projects corporately including Windows 7 and Office 10. These are scheduled to roll out in one year and will be dependent on strong communications and training plan.

It was requested that acronyms in reports are explained in full or a glossary provided at the end of the report.

Partnerships with Hampshire County Council was discussed including the many similarities between authorities in terms of our use of technology. It was noted the opportunities to work together, share resources and develop pooling arrangements.

**40/11 FORWARD PLAN**

(Agenda No. 9)

It was noted that an overview of the 2011/12 Service and Resource Planning Process would be welcome and an item will be brought to the next meeting about Partnerships.

..... in the Chair

Date of signing .....

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## **STRATEGY AND PARTNERSHIPS SCRUTINY COMMITTEE**

**THURSDAY 29 SEPTEMBER 2011**

### **FINANCIAL MONITORING OVERVIEW**

#### **COMMENTARY BY THE CABINET MEMBER FOR FINANCE**

1. The last Financial Monitoring Overview to Strategy and Partnerships Scrutiny Committee on 21 July 2011 set out the Council's financial position at the end of 2010/11. This report provides a commentary on the financial monitoring for the first four months of 2011/12 and is consistent with the position reported to Cabinet on 20 September 2011. The full Financial Monitoring Reports to Cabinet are available on the Council's website and the Directorate reports are available in the Members' Resource Centre.
2. Carry forwards from 2010/11 were considered by Cabinet on 21 June 2011 and those agreed so far are included in the latest budget. Carry forwards in CEF, S&CS and E&E dependent on virements larger than £0.5m were agreed by Council on 13 September 2011 in accordance with the Financial Regulations and will be reflected in the report to the end of September 2011.
3. Part 1 sets out the forecast revenue position, Part 2 the Balance Sheet, and Part 3 provides an update on the Capital Monitoring position and Capital Programme Review.

#### **Part 1 - Revenue**

4. The current in – year Directorate forecast including the Council elements of the Pooled Budgets is a variation of +£1.309m or +0.31% against a budget of £416.789m as shown in the table on the next page. This forecast excludes an overspend of +£0.337m on services funded from Dedicated Schools Grant (DSG). The summary budget monitoring table for July is attached in Annex 1 to this report.
5. Over half of the 2011/12 savings totalling £54.6m are already achieved or forecast to be achieved. The remainder are subject to management action and may also be affected by external factors during the year.

Original Budget 2011/12 £m		Latest Budget 2011/12 £m	Forecast Outturn 2011/12 £m	Variance Forecast <sup>1</sup> July 2011 £m	Variance Forecast July 2011 %
112.817	Children, Education & Families	110.627	109.514	-1.113	-1.01
219.442	Social & Community Services (S&CS)	219.196	220.187	+0.991	+0.45
75.561	Environment & Economy	78.396	77.953	-0.443	-0.57
7.751	Chief Executive's Office	8.570	8.517	-0.053	-0.61
<b>415.571</b>	<b>In year Directorate total</b>	<b>416.789</b>	<b>416.171</b>	<b>-0.618</b>	<b>-0.15</b>

Add: Overspend on Council Elements of Pooled Budgets		+1.927	
<b>Total Variation Including Council Elements of Pooled Budgets</b>		<b>+1.309</b>	<b>+0.31</b>
Add: Overspend on DSG		+0.337	
<b>Total Variation</b>		<b>+1.646</b>	<b>+0.39</b>

6. The -£0.618m reported for July is £0.600m greater than the -£0.018m variation as at the end of May which was reported to Cabinet on 19 July 2011<sup>2</sup>. An increase in the forecast underspend for CE&F is partly offset by an increase in the forecast overspend in S&CS.

Directorate	Forecast Variance as at 31 May 2011 (reported to Cabinet on 19 July 2011) £m	Forecast Variance as at 31 July 2011 (reported to Cabinet on 20 September 2011) £m
CE&F	-0.008	-1.113
S&CS	+0.490	+0.991
Environment & Economy	-0.485	-0.443
Chief Executive's Office	-0.018	-0.053
<b>Directorate in-year forecast variation</b>	<b>-0.018</b>	<b>-0.618</b>
<b>Change</b>		<b>-0.600</b>

7. The forecast revenue outturn by Directorate based on the position to the end of July 2011 is set out below.

<sup>1</sup> Throughout the report a minus sign represents an underspend compared to the latest budget and a positive sign indicates an overspend.

<sup>2</sup> There is no Cabinet meeting in August.

**Children Education & Families: -£1.113m, or -1.01%, in-year Directorate underspend**

8. An in-year variation of -£1.113m is forecast (-£0.776m total variation including a +£0.337m overspend on services funded from DSG). The Directorate is committed to achieving -£10.2m of savings in 2011/12 rising to -£19.8m by 2014/15. The Directorate's Transformation Board is meeting regularly to review progress.
9. Services are being redesigned as part of the Business Strategy and, subject to the wider restructure of the Directorate, implementation is underway as detailed in the Service Redesign Report agreed by Cabinet on 19 April 2011. Due to the timing of the implementation there is a risk that some of the savings dependent on service redesign will not be achieved in full in 2011/12.

Admissions & Transport

10. Home to School Transport are forecasting a variation of -£0.481m. This may change during the year as the full effect of the last tendering process is known along with the impact of the new academic year changes.

Placements

11. Placements are currently forecasting a breakeven position. There continues to be an upward trend in agency residential placements and the position reported allows for £1.035m to be spent on around fourteen full time equivalent new placements during 2011/12 should they be absolutely necessary. The service continues to work toward minimising the use of out of area placements, although some children have significant complex needs that require specialist or secure placements. This service area is subject to significant fluctuations depending on demand so updates will be included in future reports.

Asylum

12. An underspend of -£0.663m is forecast on Asylum. This area is extremely volatile so the position is likely to change by the end of year as it is difficult to forecast the number of new clients entering the service. If appropriate a request will be made later in the year to allocate the effect of additional grant reimbursement received compared to the £1m income budget assumed

DSG

13. Confirmation has been received from the Department for Education that the Council's 2010/11 DSG allocation will be increased by £2.629m. The final confirmations of the 2011/12 DSG and Pupil Premium allocations have also been received. The DSG allocation has reduced by £0.570m to £386.233m. The change relates to the adjustments for the pupil count within individual schools. Pupil Premium 2011/12 allocation is £3.916m an increase of £0.516m since Council approved the budget in February 2011.

**Social & Community Services: +£0.991m, or +0.45%, in-year Directorate overspend**

14. An overspend of +£0.991m is forecast. There is also a forecast overspend of +£1.927m on the Council elements of the Pooled Budgets. The directorate is aiming to make savings totalling -£19.6m in 2011/12. These rise to -£42.0m by 2014/15 and their delivery is being overseen by the Directorate's Change Management Board.

Adult Social Care

15. Social Work (Locality Teams) are forecasting an overspend of +£0.587m. Following a restructure of the service the saving relating to the reduction in staff will not be fully achieved. This will be considered as part of the Service and Resource Planning process for 2012/13 and also as part of other reorganisation proposals.
16. Internal Learning Disabilities continues to forecast an overspend of +£0.298m. This is due to delays in restructuring Day Services and Supported Living. It is expected that full year effect of the savings will be realised in 2012/13.
17. Older People and Physical Disabilities income is forecasting to be underachieved by +£0.280m. There has been a steady reduction in the number of clients assessed under Fairer Charging as being liable to partially or fully fund the cost of care over the last few months.

Community Safety (Including Fire & Rescue)

18. Community Safety are forecasting an underspend of -£0.100m. There are a number of pressures within the Fire & Rescue Service but it is expected that they can be managed within the service. The Business Strategy savings are on target to be delivered.

**Pooled Budgets**

Older People, Physical Disabilities & Equipment Pool

19. The Older People's and Physical Disabilities Pooled Budget is forecast to overspend by +£3.728m, +£1.850m on the Council's element and +£1.878m on the Primary Care Trust's (PCT) as set out in the table on the next page. The overspend includes the net overspend of +£0.205m on the Council's budget carried forward from 2010/11 as set out in the Provisional Outturn Report for 2010/11. The balance of the Winter Pressures funding which was transferred to Reserves at the end of 2010/11 is also included in the forecast and has been committed to fund additional care home placements and purchase of additional hours of home care.



Original Budget	Latest Budget		Forecast Variance July 2011			Variance May 2011	Change in Variance
			OP £m	PD £m	Total £m		
2010/11 £m	2010/11 £m						
87.168	87.125	<b>Council Elements</b> Forecast in-year variance	0.073	1.614	1.687	1.328	+0.359
30.856	30.955	<b>PCT elements</b> Forecast in-year variance	1.599	0.164	1.763	1.327	+0.436
<b>118.024</b>	<b>118.080</b>	<b>Total Older People &amp; Physical Disabilities</b>	<b>1.672</b>	<b>1.778</b>	<b>3.450</b>	<b>2.655</b>	<b>+0.795</b>
0.910	0.827	Council- Equipment			0.163	0.000	+0.163
0.312	0.309	PCT- Equipment			0.115	0.370	-0.255
<b>119.246</b>	<b>119.216</b>	<b>Total - Older People, Physical Disabilities &amp; Equipment Pool</b>	<b>1.672</b>	<b>1.328</b>	<b>3.728</b>	<b>3.025</b>	<b>+0.703</b>

20. The use of the additional funding of £6.196m for Adult Social Care being provided via the NHS for 2011/12 is now being finalised and most will be allocated to the Older People's pooled budget. The Council will work within the overall resources available for Older People including this additional funding so no year end variance is being forecast at this time.

21. The Older People's Care Homes budget is forecast to overspend by +£0.102m due new beds being included in the forecast. The forecast also includes the transfer of income for funded nursing care from the PCT.

22. The Physical Disabilities Budget is forecast to overspend by +£1.614m on residential and nursing beds and external and internal home support. This is due to the ongoing full year effect of placements and packages put in place in 2010/11. The Joint Management Group has agreed to transfer of £1m funding for demography from Older People to Physical Disabilities lines in the pool. This will be used to offset the overspend of +£1.144m carried forward from 2010/11. An action plan to reduce the overspend is being updated. It is unlikely that the full amount of the overspend will be recovered this financial year. In that case, it would need to be recovered in 2012/13.

23. The PCT element of the pool is forecast to overspend by +£1.878m, +£1.599m on Older People, +£0.164m on Physical Disabilities, and +£0.115m on equipment.

Learning Disabilities Pool

24. The Learning Disabilities Pooled Budget is forecasting an overspend of +£0.091m as shown in the table below. As part of the Directorate Business Strategy an Efficiency Savings Plan for 2011/12 has been agreed by the Joint Management Group and is expected to deliver savings in excess of -£4m during the year. This will cover the overspend of +£1.082m brought forward from 2010/11, the savings included in the Directorate's Business Strategy and a number of other pressures. A significant proportion of the savings target has already been achieved as a result of work carried out in 2010/11.

Original Budget £m	Latest Budget £m		Variance July 2011 £m	Variance May 2011 £m	Change in Variance £m
66.613	64.218	<b>OCC Elements</b>	0.077	0.000	+0.077
11.866	11.959	<b>PCT Elements</b>	0.014	0.000	+0.014
<b>78.479</b>	<b>76.177</b>	<b>Total - Learning Disabilities</b>	<b>0.091</b>	<b>0.000</b>	<b>+0.091</b>

**Environment & Economy: -£0.443, or -0.57%, in-year Directorate underspend**

25. Environment & Economy are forecasting an underspend of -£0.443m. The directorate's Business Strategy includes savings of -£13.2m rising to -£31.8m by 2014/15. The delivery of the savings is being monitored by the Directorate's Business Strategy Delivery Board but it is anticipated that the agreed levels of service will be delivered within the budget set.

Highways & Transport

26. The service is forecasting a break-even position which includes the underspends on the Public Transport contracts and the Integrated Transport Unit's Vehicle Purchasing budget. The service is awaiting invoicing information from bus companies to allow a forecast to be established for Concessionary fares.

Growth & Infrastructure

27. The service is forecasting an underspend of -£0.144m. This is mainly due to the slippage in the delivery of the Minerals and Waste Framework (-£0.180m). One-off funding was agreed for 2011/12 to fund the work on the Framework. This will be requested to be carried forward to 2012/13 or set aside in a reserve for this purpose during the year.

Property and Facilities

28. The service is forecasting a variation of -£0.195m. This includes savings being realised earlier than expected due to the closure of the Cricket Road Centre (-£0.204m).

29. Food with Thought are forecasting a trading surplus of £0.400m. This reflects a 5.7% increase in the uptake of meals at the end of June 2011 compared to the same period last year. The intention is that this surplus, plus any remaining School Lunch Grant will be reinvested in the service in agreement with Schools. QCS Cleaning is forecasting a break-even position.

#### Oxfordshire Customer Services

30. Oxfordshire Customer Services (OCS) is forecasting an underspend of -£0.133m. This relates to Adult Learning and as part of the agreed four-year recovery plan will be used to pay back part of the £0.181m supplementary estimate with the balance repaid in 2012/13. Elsewhere within the service a break even position is being reported and business strategy savings are being delivered or are on target to be delivered.

#### **Chief Executive's Office: -£0.053m, or -0.61%, in-year Directorate underspend**

31. The Chief Executive's Office (CEO) is forecasting a variation of -£0.053m. The Business Strategy savings for CEO (£1.3m) are generally low risk and on target to be delivered in 2011/12.
32. Legal Services are forecasting an overspend of +£0.100m. As in previous years an increase in the number and complexity of childcare and planning cases is putting a pressure on the service. In addition, external income from Section 106 work has reduced. The service is controlling costs where possible by limiting the use of external counsel.
33. Cabinet approved the first wave of bids for the Big Society Fund totalling £0.282m on 19 July 2011. Further bids for the remaining £0.318m of funding will be considered by Cabinet later this year.

#### **Redundancy Costs**

34. £6.958m of estimated redundancy costs expected in 2011/12 or later years were accounted for in 2010/11. Actual 2011/12 payments made to the end of July 2011 are £1.079m and will continue to be monitored and reported throughout the year.

#### **Virements and Supplementary Estimates**

35. The virements requested to date in 2011/12 include the transfer of Food with Thought and QCS Cleaning to Property and Facilities from Oxfordshire Customer Services, the creation of budgets for the Early Intervention Service in accordance with the Business Strategy, and the adjustment of expenditure and income budgets for schools, which had previously been kept unchanged because of the impact on inflation on the overall budget<sup>3</sup>, by £64.112m to bring them in line with the actuals for 2010/11.

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<sup>3</sup> Where different inflation rates applied to pay and non – pay virements, changing this would have had the effect of changing the overall inflation applied to schools budgets.

Local Area Agreement Performance Reward Grant

36. As set out in the Provisional Outturn Report to Cabinet in June 2011, £0.968m Performance Reward Grant (PRG) relating to the Adult Skills Target was received in March 2011. The £0.678m revenue element (70% of the total) was accounted for in balances and the remaining 30% (£0.290m) held as capital financing at the end of 2010/11.
37. Supplementary estimates were requested in the report to September Cabinet to release the revenue element from balances subject to use by the Council or to be passed to partners. The use of the capital and revenue elements is set out in the table below.

	Revenue £m	Capital £m	Total £m
Skills Element	0.339	0.145	0.484
Oxfordshire Community and Voluntary Action (OCVA)	0.062		0.062
Oxfordshire Rural Community Council (ORCC)	0.045		0.045
Broadband Project	0.116	0.050	0.166
District Councils	0.116	0.050	0.166
Unallocated		0.045	0.045
<b>TOTAL</b>	<b>0.678</b>	<b>0.290</b>	<b>0.968</b>

**Grants Monitoring**

38. Ringfenced grants totalling £428.100m (including £388.925m of Dedicated Schools Grant) are included in Directorate budgets. The DSG allocation for 2011/12 has been confirmed to be £386.233m and the Pupil Premium allocation is £3.916m. A table detailing the grants and their latest allocations is attached in Annex 2 to this report.

**Bad Debt Write Offs**

39. There were 24 general write offs to the end of July 2011 totalling £7,407. In addition Client Finance has written off 36 debts totalling £26,744.

**40. LABGI Funding**

The remaining balance of the Local Authority Business Growth Incentive (LABGI) Funding as at the end of 2010/11 was £0.496m. This will be used to support economic development activities from 2011/12 to 2014/15.

**Strategic Measures**

41. The average cash balance for July 2010 was £267.7m and the average rate of return was 1.12%. In May the balance was £254.2m and the rate of return 1.09% and in April 2010 the balance was £229.2m and the average rate of return 1.08%.
42. As set out in the Annual Treasury Management Strategy & Annual Investment Strategy 2011/12 any changes required to the Annual Treasury Management Strategy & Annual Investment Strategy are delegated to the Chief Finance Officer in consultation with the Leader of the Council and Cabinet Member for Finance.

43. At present, the Council has the ability to invest in UK Government Treasury Bills (UK T-Bills) via external fund managers. Given the ongoing uncertainty in the banking sector, the Treasury Management Strategy Team regarded it prudent to have the ability to invest in UK T-Bills in house.
44. Further changes to the Specified and Non-Specified Investment instruments section of the Strategy were required for consistency. All changes to this section are as follows:
- Ability to invest in UK T-Bills in house
  - Other Money Market Funds and Collective Investment Schemes to have a minimum credit rating of A+ (or equivalent)
  - Supranationals with a AAA credit rating
45. The following changes have been made to the lending list in response to uncertainty in the European and international economy.
46. In late July period limits for all counterparties (excluding Barclays, HSBC and Local Authorities) were reduced to a maximum of one year in response to advice received from the Council's treasury advisers. It was also decided to suspend Clydesdale Bank and Crown Agents Bank and add Svenska Handelsbanken to the lending list.
47. Subsequently the lending limits with all UK, Australian, American and Canadian counterparts were reduced to six months (excluding Santander which was reduced to 3 months) and European counterparties to one month

## **Part 2 – Balance Sheet**

### Reserves

48. As set out in the Provisional Outturn Report, Reserves totalled £84.739m as at 1 April 2011. This had reduced to £82.210m as at the end of July. Of the total £20.4m are school balances, and £48.5m Corporate Reserves including Insurance (3.8m), Capital (£16.6m), Prudential Borrowing (£5.1m), Efficiency (£10.2m), Carry Forward (£7.9m) and Budget Reserves (£4.4m).

### Balances

49. Balances totalled £14.737m at the end of 2010/11. This included £0.678m Local Area Agreement (LAA) Performance Reward Grant (PRG) which is held within balances pending the agreement of supplementary estimate requests to release it for use in 2011/12 as set out in paragraph 37. Balances are currently forecast to be £15.666m (excluding the Reward Grant) at the end of 2011/12.
50. After taking account of the overspend reported by Directorates and the overspends on the Council elements of the Pooled budgets, consolidated revenue balances are forecast to be £15.034m (or £14.356m excluding the PRG).

### Part 3 - Capital Monitoring

51. The capital monitoring position shows forecast expenditure of £73.0m in 2011/12 (excluding schools local capital), a decrease of £0.6m compared to the latest approved capital programme. The table below summarises the variations by directorate.

Directorate	Last Approved Programme * £m	Latest Forecast Expenditure £m	Variation £m
Children, Education & Families	32.5	32.2	- 0.3
Social & Community Services	11.5	11.5	0.0
Environment & Economy – Transport	23.2	23.3	+ 0.1
Environment & Economy – Other	6.3	5.9	- 0.4
Chief Executive's Office	0.1	0.1	0.0
<b>Total Directorate Programmes</b>	<b>73.6</b>	<b>73.0</b>	<b>-0.6</b>
Schools Local Capital	7.8	7.8	0.0
<b>Total Capital Programme</b>	<b>81.4</b>	<b>80.8</b>	<b>-0.6</b>

\* Approved by Cabinet on 19 July 2011

52. The major in-year spend forecast variations to note for each directorate programme are explained in the following paragraphs.

53. It is expected that expenditure profiles for a number of major programmes and projects will be revised during September 2011 based on the recently reported risks affecting their delivery timetable. The timing and deliverability of projects across the whole capital programme will also be re-assessed ahead of the capital budget setting process. These revisions are likely to lead to a slippage in the current year capital programme. Work is underway to identify opportunities to bring forward capital works to minimise the level of slippage. These will also be reported as part of the next financial monitoring report.

#### Children, Education & Families

54. A revised School Structural Maintenance Programme for 2011/12 has been approved under Capital Financial Procedure Rule 36 by the Leader of the Council. This reflects changes to repair and maintenance priorities and works deemed undeliverable within the current financial year following feasibility studies. The changes mean that available resources are utilised as soon as possible to improve the condition of the school estate.

#### Environment & Economy - Transport

55. £3.525m 'winter damage' funding was received from the Department of Transport in March. On 15 March 2011 the Cabinet agreed to use this exceptional funding on additional Highways Maintenance. These resources were combined together with the 2011/12 structural patching, maintenance and safety resurfacing budgets in order to address concerns about defects and deteriorating roads in an efficient and cost effective manner.

### **Actual & Committed Expenditure**

56. As at the end of July actual capital expenditure for the year to date (excluding schools local spend) was £6.6m. This is 9% of the total forecast expenditure of £73.0m, which is around 7% below the expected position compared to the profile of expenditure in previous years. Actual and committed spend is 41% of the forecast.

### **Conclusion**

57. The overall position on balances and reserves, and the forecast revenue underspend indicates the Council remains in a strong position and it is expected that in the main the Business Strategy savings for 2011/12 will be achieved. Longer run risks, along with the impact of funding changes currently being consulted on, will be considered as part of the Service and Resource Planning process for 2012/13 – 2016/17.

Councillor Jim Couchman  
Cabinet Member for Finance & Property

September 2011

**Annex 1 to the JULY FINANCIAL MONITORING REPORT 2011/12**  
**CABINET 20 September 2011**  
**BUDGET MONITORING**

Ref	Directorate	BUDGET 2010/11					Outturn Forecast Year end Spend/Income	Projected Year end Variation	Profiled Budget (Net) July 2011	Actual Expenditure (Net) July 2011	Variation to Budget July 2011 underspend - overspend +	Projected Year end Variance Traffic Light Indicator
		Original Budget	Brought Forward from 2010/11 Surplus + Deficit -	Virements to Date	Supplementary Estimates to Date	Latest Estimate						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	<b>Children, Education &amp; Families</b>											
	Gross Expenditure	540,447	-65	65,752	12	606,146	610,497	4,351	202,591	179,972	-22,619	G
	Gross Income	-427,630	0	-67,889	0	-495,519	-500,646	-5,127	-165,258	-160,124	5,134	G
	Net Expenditure	112,817	-65	-2,137	12	110,627	109,851	-776	37,333	19,848	-17,485	G
	<b>Social &amp; Community Services</b>											
	Gross Expenditure	260,117	181	-3,914	0	256,444	264,684	8,240	89,122	87,485	-1,637	A
	Gross Income	-40,735	0	3,486	0	-37,249	-44,497	-7,249	-16,044	-11,897	4,147	R
	Net Expenditure	219,442	181	-427	0	219,196	220,187	991	73,078	75,588	2,511	G
	<b>Environment &amp; Economy</b>											
	Gross Expenditure	149,136	1,212	461	0	150,809	158,575	7,766	53,096	42,327	-10,769	R
	Gross Income	-73,575	0	1,162	0	-72,413	-80,622	-8,209	-26,928	-24,091	2,837	R
	Net Expenditure	75,561	1,212	1,623	0	78,396	77,953	-433	26,168	18,236	-7,932	G
	<b>Chief Executive's Office</b>											
	Gross Expenditure	16,341	912	-342	0	16,911	17,107	196	6,694	6,535	-159	G
	Gross Income	-8,590	0	248	0	-8,342	-8,590	-248	-3,846	-4,312	-465	A
	Net Expenditure	7,751	912	-93	0	8,570	8,517	-53	2,848	2,224	-624	G
	Less recharges within Directorate	-27,270	0	0	0	-27,270	-6,685	0		0		G
		27,270	0	0	0	27,270	6,685	0		0		G
	<b>Directorate Expenditure Total</b>	938,831	2,420	61,958	12	1,003,041	1,044,178	20,552	351,502	316,319	-35,183	A
	<b>Directorate Income Total</b>	-523,260	0	-62,993	0	-586,253	-627,670	-20,833	-212,076	-200,423	11,653	A
	<b>Directorate Total Net</b>	415,571	2,420	-1,034	12	416,789	416,508	-281	139,427	115,896	-23,531	G



Annex 1 to the JULY FINANCIAL MONITORING REPORT 2011/12  
 CABINET 20 September 2011  
 BUDGET MONITORING

Ref	Directorate	BUDGET 2010/11				Outturn Forecast Year end Spend/Income	Projected Year end Variation	Profiled Budget (Net) July 2011	Actual Expenditure (Net) July 2011	Variation to Budget July 2011 underspend - overspend +	Projected Year end Variance Traffic Light Indicator	
		Original Budget	Brought Forward from 2010/11 Surplus + Deficit -	Virements to Date	Supplementary Estimates to Date							Latest Estimate
(1)	(2)	£000 (3)	£000 (4)	£000 (5)	£000 (6)	£000 (7)	£000 (8)	£000 (9)	£000 (10)	£000 (11)	£000 (12)	(13)
				Less: DSG funded services overspend (included above)				underspend - overspend +				
				Directorate variation net of reallocated DSG				£000				
				Add: Pooled Budgets Overspend						1,927		
				In-Year Directorate Variation						<b>1,309</b>		

Directorate	Budget Book	In year Adjustments/ New Allocations previously reported	In year Adjustments/ New Allocations reported this month	Latest Allocation
	£m	£m		£m
<u>Children, Education &amp; Families</u>				
Dedicated Schools Grant				0.000
2011/12 Allocation	386.803		-0.570	386.233
2010/11 Allocation			2.692	2.692
Pupil Premium	3.400		0.516	3.916
Young People Learning Agency – Sixth Form Funding	27.608			27.608
Young People Learning Agency – SEN	0.491			0.491
Music	0.640	0.064		0.704
Youth Justice Board		0.924		0.924
Intensive Interventions Programme (DfE)		0.140		0.140
Intensive Interventions Programme (DfE)			0.015	0.015
Sector Advisors				
Children's Centres Payment by Results Pilot			0.078	0.078
Asylum (UASC & Post 18)		1.000		1.000
<b>Total Children, Education &amp; Families</b>	<b>418.942</b>	<b>2.128</b>	<b>2.731</b>	<b>423.801</b>
<u>Social &amp; Community Services</u>				
Workstep Grant		0.275		0.275
<b>Total Social &amp; Community Services</b>	<b>0</b>	<b>0.275</b>		<b>0.275</b>
<u>Environment &amp; Economy</u>				
Skills Funding Agency - Adult Education	3.803			3.803
Natural England	0	0.221		0.221
<b>Total Environment &amp; Economy</b>	<b>3.803</b>	<b>0.221</b>	<b>0</b>	<b>4.024</b>
<u>Strategic Measures</u>				
Early Intervention Grant	21.329	0.094		21.423
Learning Disabilities & Health Reform Grant	19.224			19.224
Fire Revenue Grant	0.183			0.183
Community Safety Fund	0.563	0.004		0.567
Lead Local Flood Authority	0.158			0.158
Extended Rights to Free Travel		0.630		0.630
New Homes Bonus	0	0.491		0.491
Council Tax Freeze Grant	7.063	0.004		7.067
<b>Total Strategic Measures</b>	<b>48.520</b>	<b>1.223</b>	<b>0</b>	<b>49.743</b>
<b>Total Grants</b>	<b>471.265</b>	<b>3.847</b>	<b>2.731</b>	<b>477.843</b>

<p style="text-align: center;"><b>STRATEGY AND PARTNERSHIPS SCRUTINY COMMITTEE</b> <b>THURSDAY 29 SEPTEMBER 2011</b></p>
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## **PROPERTY AND FACILITIES – ASSET STRATEGY AND IMPLEMENTATION**

### **Purpose / Recommendation**

1. The purpose of this report is to provide an update on progress on implementation of the Council's Asset Strategy. The Committee is asked to:
  1. Note the approach being taken on implementation of the strategy
  2. Consider any matters that the committee would like further information on

### **Background**

2. The Council approved a new Asset Strategy in February 2011. The strategy is to:
  1. Reduce the cost of the council's non-schools portfolio by 25%
  2. Support and enable working with partners at a local level to reduce the overall size of the public sector estate in Oxfordshire
  3. Increase the amount of property that is Fit for Purpose
  4. Reduce energy consumption

### **Implementation**

3. A programme has been put in place to deliver the strategy, overseen by a Programme Board. The main programme areas are:

#### **Corporate Landlord**

4. The Corporate Landlord approach to managing property can be defined as "the central management of all operational Council land and building assets, with services making use of them for operational purposes". The Corporate Landlord will:
  - Enable the effective strategic and operational management of the Council's property assets, including Corporate Facilities Management
  - Ensure proactive engagement with public and voluntary sector organisations on future property needs and potential shared use
  - Manage all property budgets and expenditure centrally by April 2012
  - Ensure effective planning of property assets as part of the Service and Resource Planning cycle
5. A full implementation programme is in place and being delivered. Progress already made includes transfer of staff and functions from CEF and S&CS to Property & Facilities; establishment of a corporate FM function for the main offices and transfer of Food With Thought and Quest Cleaning functions to Property & Facilities. Transfer of all non-school premises budgets and a

countywide Facilities Management Service will be in place from April 2012. The Environment & Climate Change Team transferred to Property & Facilities in August, reflecting the fact that most of the Council's energy consumption is property related.

6. Property sharing has progressed in some areas, particularly in relation to sharing with Thames Valley Police presence in Deddington and Wantage Libraries and the Fire Service HQ. However, more effective working with partners still needs to be developed. Also, Property & Facilities need to take a more proactive role in contributing to Service & Resource Planning and dealing with the property implications of service strategies.

### **Property & Facilities Procurement**

7. This involves putting in place a new Single Service Provider for property from April 2012 when the Mouchel contract comes to an end.
8. Property & Facilities is a client function (apart from Facilities Management Services) and therefore professional, construction and maintenance services are outsourced. The Programme to deliver a new provider by April or May 2012 will put in place a different arrangement with the aim of improving customer service and reducing costs. Annual revenue savings of £0.55m are required. A competitive dialogue process is being used and detailed dialogue with the remaining 3 participants is underway. Cabinet approval to appoint a new provider will be sought in December 2011 or January 2012. An update on the procurement project will be provided to this committee at its next meeting on 24 November. The Procurement is a major and resource intensive project and some slippage of the programme may be necessary to ensure that the objectives of the procurement exercise are met and risk is appropriately managed. The process is attracting national interest from other local authorities and public sector organisations, both in terms of potential to use the new contractual arrangements and to share lessons learned.

### **Property Rationalisation**

9. A four year programme to reduce the size of our non-school property estate to meet MTFP savings is being implemented.
10. The Better Offices Programme reduced the number of offices from 70 to 45. The property rationalisation programme will reduce the number still further to 24 as well as enabling the sale of other types of property. Some of the disposals, lease surrenders and asset transfers have already been commenced or completed. Early savings will come from the recent closure of the Cricket Road Centre, the move of the backup server facility from leased premises to Kidlington Fire Service HQ and other smaller disposals. The business case also shows that staff displaced can be re-accommodated in the retained buildings. This programme is considered to be only the start of property rationalisation and further opportunities are being identified.

11. The asset rationalisation programme will be delivered in conjunction with the Council's cross cutting 'Changing the Way We Work' initiative. Property & Facilities and programme staff are working with staff leading the corporate initiative. Locality reviews and co-location of services will provide the catalyst to introduce more efficient, integrated service delivery.

### **Locality Reviews**

12. A programme of Local Working Groups has been established for all localities, with meetings taking place throughout September to discuss Big Society Fund, Area Stewardship Fund and Assets in localities.
13. Furthermore, a pilot programme of Asset Led Locality Reviews is underway, with Berinsfield and Blackbird Leys Review meetings completed and Banbury Neithrop, Bicester and Didcot to follow in October and November. This initial programme will deal with priority issues and known opportunities. Consideration will be given to extending the programme following completion of initial pilot programme, however, the resource implications are significant and it is important to follow through actions from the pilot reviews.
14. Feedback and outcomes from the reviews held to date has been positive and specific opportunities for co-location and disposals are being taken with members and partners. Where appropriate, a strategic business case with savings, cost implications and outlining proposals will be produced for consideration by Capital and Asset Programme Board.
15. The Council has received bids to the Big Society Fund, which include transfer of assets to the community. Property & Facilities are dealing with such bids in accordance with the Council's Asset Transfer Policy.

### **Reshaping Property & Facilities**

16. To enable the Asset Strategy to be implemented, deliver excellent customer service and meet MTFP savings, Property & Facilities is in the process of reshaping itself. A restructure has taken place to prepare the service for the new external service arrangements from April 2012, resulting in a 20% reduction in staff, and annual revenue savings of £0.23m. Cultural and process changes are also needed and are being progressed.

### **Areas for Future Focus**

17. As well as delivering on the workstreams set out above, the service needs to make significant strides on the ambition of Oxfordshire Chief Executives and the Oxfordshire Partnership to rationalise the size of the public sector estate in Oxfordshire, through considering opportunities for co-location and aligned approaches to asset management. There have been positive discussions at the Oxfordshire Chief Executive's Meeting and the Spatial Planning and Infrastructure Partnership, this has not yet been developed into delivering

aligned approaches to asset management. How high a priority this should be given will be discussed at Star Chamber.

## Financial / Budgetary Implications

18. A structured approach to ensuring financial (and non financial) benefits are realised has been introduced as part of the implementation of the Asset Strategy, including Asset Rationalisation Programme. Revenue and capital consequences are summarised below.

### Revenue

19. Annual Property & Facilities revenue savings of £2.08m are required in the MTFP. Annual savings of £3.52m have been identified following a recent validation of the property rationalisation proposals. One-off implementation costs totalling £1.69m are estimated over the next four years. Pump priming funding of £1.42m is already allocated, leaving a shortfall of £266,000 which will need to be considered as part of the Service and Resource Planning process. The projected savings do not include any further property rationalisation opportunities, which are expected as a result of asset led locality reviews and property sharing with partners.

### Capital

20. The capital receipts estimated to be realised from the property rationalisation programme are £3.16m. Of this, £1.59m has already been taken into account in the funding of the capital programme, potentially leaving £1.57m as an additional resource.

21. The Council approved £3.75m funding to pump prime delivery of the Asset Strategy. The capital implementation costs have been revised and are now estimated at £4.5m, leaving a shortfall of £0.75m. It is proposed to address this shortfall as part of the Capital Star Chamber Process when the £0.75m will be reported as pressure and the £1.57m (see capital receipts above) will be reported as additional resources for the capital programme.

22. The amount of funding required may change as detailed proposals are developed.

## Communications & Consultation

23. The programme communications and engagement strategy covers all activities that relate to the implementation of the Corporate Landlord model across Oxfordshire County Council. These are summarised below:

- Anticipate and manage stakeholder needs through the lifecycle of the implementation
- Communicate continuously

## Performance & Programme Management

24. A detailed programme plan with workstreams, owners, timescales and inter-dependencies has been produced to manage the programme of activity. A programme governance model has been established, including monthly reporting to Property & Facilities Leadership Team, Growth & Infrastructure Leadership Team and Environment & Economy Leadership Team. Programme risks are managed through the same governance arrangements.
25. A number of key performance measures, linked to programme outcomes, have been established. These are being monitored and reported every quarter to the above Leadership Teams. The measures are summarised below:
- Gross External Area of non schools portfolio
  - Square metres per person for key offices
  - % of capital Property & Facilities spend in year achieved
  - Percentage of customer satisfaction at feasibility stage
  - Capital Project Customer feedback

## Conclusion

26. The majority of the programme is progressing on target and the strategy is being delivered. The key areas of risk are delivering the Procurement to programme, partnership working and effective engagement with services to enable a fully effective Corporate Landlord approach. It is also important to note that the programme is to an extent dependent on decisions about our longer term asset strategy and decisions about how services are delivered in the future.

**Mark Tailby**  
**Service Manager – Asset Strategy, Property & Facilities**

Tel. 01865 816012/ 07768 503045

September 2011

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## STRATEGY AND PARTNERSHIPS SCRUTINY COMMITTEE

THURSDAY 29 SEPTEMBER 2011

### **Partnership Working - our work with the Military and the Community Covenant**

This report sets out the partnership working with the military that the County Council has been leading on. Building on the success of a number of projects Oxfordshire was one of the first authorities in the country to launch its commitment to the Armed Forces Community Covenant.

#### **Introduction:**

1. Oxfordshire has a large military presence; the total number of services personnel based in the County will be in the order of 11,000 with the expansion of RAF Brize Norton. The County Council has long recognised the economic and social impact of the armed forces and has built strong collaborative links with its garrisons, stations and RAF bases, the Regional Brigade and veteran, cadet and reserve units. We are immensely proud of the relationship our armed forces have with the local authorities throughout Oxfordshire, the work we have done and will continue to undertake.

2. Oxfordshire County Council and 145 (South) Brigade have been working together since 2009 through the Civilian Military Partnership; this group has tri service representation along with members of the County Council Management team. It is jointly chaired by the Chief Executive of the County Council and the Commander of the Regional Brigade. It drives strategic direction; monitors progress and create a cohort of civil/military liaison delivering a dynamic outcome focused partnership.

3. The County Council has supported the Armed Forces in a number of ways, for example:

- Our work looking at children of Service personnel was praised by Ofsted
- It has been made easier for Service children to secure school places by using base addresses prior to postings rather than waiting for families to have identified home addresses.
- Work is taking place with all of the District Councils and the City Council to develop a greater understanding of the housing needs of the serving personnel and service leavers.

4. Cllr Keith Mitchell has been appointed as the Council's Armed Forces Champion and senior officer time has been given to enhance the support for the Armed Forces community and develop the partnership with the three services.

5. In order to help strengthen our links with the bases we have also appointed elected members as "military champions". These are:

1. Bicester Garrison : Cllr Kieron Mallon
2. RAF Brize Norton: Cllr Donald Robert Seale
3. Abingdon Station: Cllr Sandy Lovatt
4. Vauxhall Barracks: Cllr Tony Harbour
5. RAF Benson: Cllr Roger Belson

6. Our Commitment to the Armed Forces Community Covenant is attached at **Annex A** which sets out the areas of work we have been concentrating on and specific actions that will help meet the key aims of the Community Covenant.

### **The Armed Forces Community Covenant:**

7. Oxfordshire County Council was the first local authority in the Country to launch its commitment to the Covenant on the 20<sup>th</sup> June 2011. A Community Covenant is a voluntary statement of mutual support between a civilian community and its local Armed Forces Community. It aims to encourage charities, local authorities, businesses, communities and individuals to work together with the military to offer support that is appropriate to Service personnel, Service families, reservists and veterans in their area.

8. Oxfordshire was chosen because of its existing good practice supporting the Armed Forces including setting up the military/civilian partnership, a health liaison group, financial support and the excellent support offered to children of service personnel in the county's schools.

9. All 3 military services were party to the covenant which currently embraces the County Council, Vale of White Horse District Council, South Oxfordshire District Council, West Oxfordshire District Council, Cherwell District Council and Oxford City Council, veterans associations, the Health Authority as well as the private sector through the Oxfordshire Local Enterprise partnership. Further pledges continue to join the Oxfordshire Community Covenant and there will be individual pledges outside of the County initiative. We have established an armed forces webpage on our website which is encouraging support to the Community Covenant [www.oxfordshire.gov.uk/armedforces](http://www.oxfordshire.gov.uk/armedforces)

10. The MOD have now launched the **Community Covenant grant scheme** where £30 million is available over the next 4 years. Bids may only be submitted from areas which have already established a Community Covenant in their area, and applications are invited for sums from £100 to £250,000 (although bids for amounts greater than this may also be considered in exceptional circumstances). As we have been the first to pledge support to the Covenant then this is a real opportunity to bid for some money to support our planned work.

Examples of projects could include (but are in no way restricted to):

- local infrastructure, such as a children's playground which might be used by children from both Service accommodation and the wider community;
- projects that increase the integration of Service personnel, veterans and their families with the wider community;
- projects that improve the health, welfare or financial literacy of Service personnel, veterans and their families;

The MOD panel will meet to consider bids in October and December - the deadline for bids for consideration in October is the 30th September.

**An example of best practice:**

11. Oxfordshire County Council is being held up as an example of best practice and a number of local authorities have been in touch to ask for further information on our approach. Oxfordshire County Council will also be the keynote speaker at a LGA (Local Government Association) Armed Forces Conference in November.

12. We are extremely proud of our work to date but this is just the start and we will continue to demonstrate our support and act as a champion to encourage partners and other organisations to offer their support to the Covenant.

**Recommendation:**

13. Scrutiny is asked to consider how the County Council can continue to support those in the Armed Forces community. Some possible areas for consideration are suggested below:

- Service families can sometimes have complex needs and may reside in a community for a short period of time, it is important that these needs are addressed on the ground as well as within policy.
  - If members would like to understand further the issues faced by the armed forces in Oxfordshire then the base commanders would be more than happy to attend a scrutiny meeting to give their perspective.
  - Alternatively a visit could be arranged to one of the bases to meet with the base commanders and other key personnel such as the welfare officers and the HIVE which provides information support to all members of the Service Community.
  - A session could also be arranged with partners to hear about the work we have been involved in to date – e.g. Oxfordshire NHS
- As Armed Forces personnel resettle into the county they will have certain specific needs for services provided by local authorities. This is particularly true for housing requirements and it is hoped that the local authorities will be able to work together to create a standard provision for Service personnel across the county. There is a role here in terms of developing a greater understanding and helping to address the housing needs of service personnel amongst the housing providers in the county.
- How do we support service leavers to resettle in Oxfordshire, focusing particularly on enabling those with physical or mental health issues to gain relevant skills and employment?
- Could we provide opportunities for the Armed Forces to talk about their experiences on operations?
- Could we encourage businesses to offer discounts to serving personnel and their families?
- How do we ensure that a wide range of partners are engaged in the Community Covenant?

SYP8

- To ensure that we continue our support to the Civilian Military Partnership Board and ensure that there is representation from the Armed Forces on our key strategic partnerships

**Claire Moore, Strategic Partnership Manager**

**September 2011**

**Attached:**

- Oxfordshire's Commitment to the Armed Forces Community Covenant 2011-16  
A joint publication by Oxfordshire County Council and 145 (South) Brigade

# Oxfordshire's Commitment to the Armed Forces Community Covenant 2011- 16

A joint publication by Oxfordshire County Council and 145 (South) Brigade  
*September 2011*



*"The launch of the Armed Forces Community Covenant is a significant step forward in encouraging the whole country to show that they back their Armed Forces. What is most important is that this is the local Community supporting their local personnel, both past and present, and their families. This is about making Service life a central part of life in the Community and improving the bond between the Armed Forces and the people they serve."*

**Andrew Robathan,**

**Minister for Defence Personnel, Welfare and Veterans,**

**20 June 2011**

# Contents

	Page
Introduction	3
Garrisons, Stations and RAF Bases in Oxfordshire	4
The Armed Forces Community Covenant	5
The Community Covenant Grant scheme	5
The Oxfordshire Armed Forces Community Covenant	5
Monitoring the Armed Forces Community Covenant	8
The strategic fit between the Armed Forces and Oxfordshire County Council	8
How we work	9
What we have achieved so far	10
Next Steps	15
Action Plan	16

## Introduction to the Oxfordshire Armed Forces Community Covenant from Councillor Keith Mitchell CBE, Leader of Oxfordshire County Council and Brigadier Neil Baverstock OBE Commander 145 (South) Brigade.



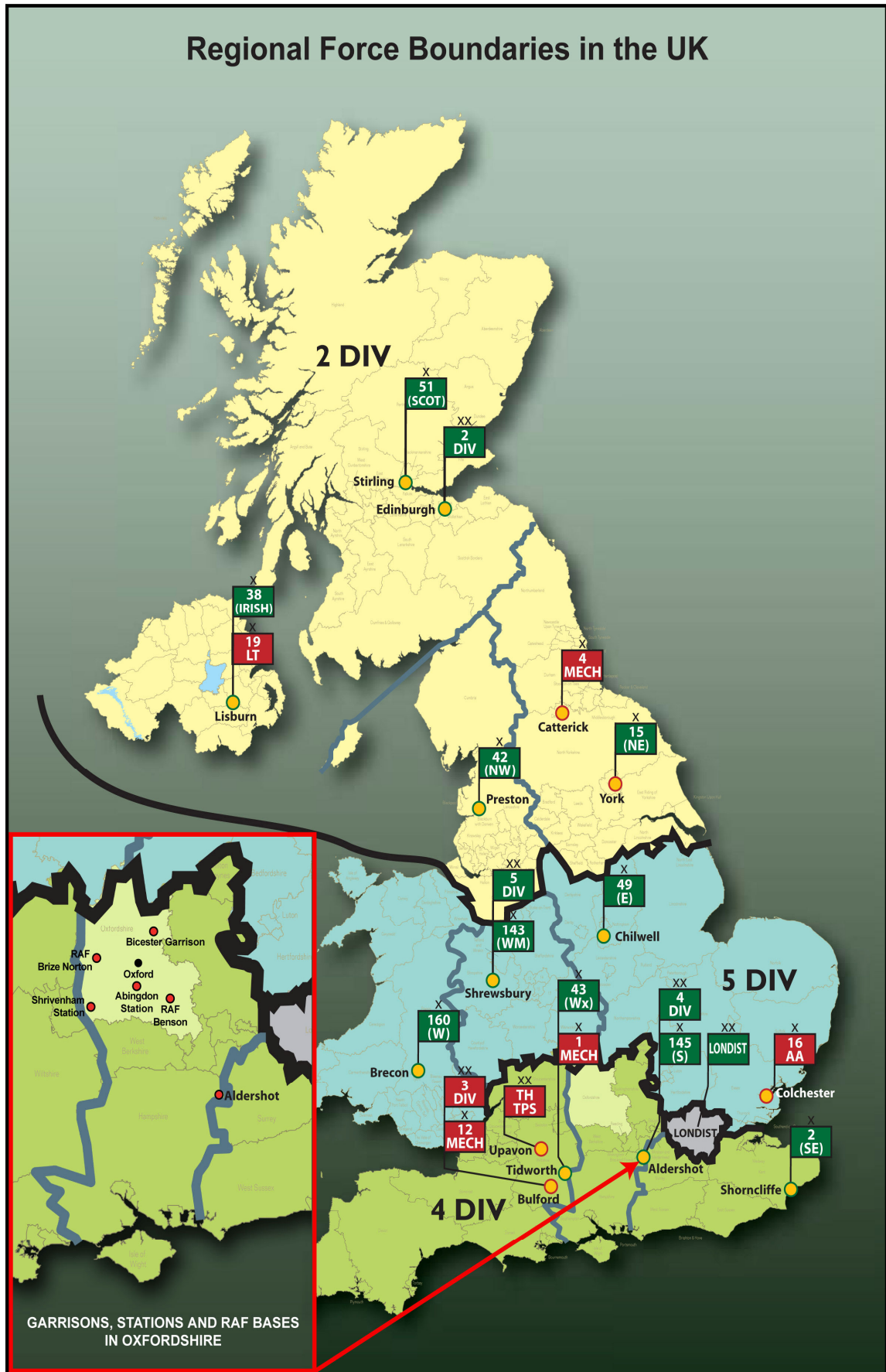
The Armed Forces and the local authorities throughout Oxfordshire have a long and enduring history of support and collaboration. This publication is a further example of our joint working. It has been produced by Oxfordshire County Council and 145(South) Brigade and outlines our approach to the delivery of the Armed Forces Community Covenant throughout the County.

We are immensely proud of the relationship our armed forces have with the local authorities throughout Oxfordshire, the work we have done and will continue to undertake in support of Service personnel, their families and Veterans. Oxfordshire has a large military presence; the total number of Service personnel based in the County will be in the order of 11,000 with the expansion of RAF Brize Norton. The County Council has long recognised the economic and social impact of the Armed Forces and has built strong collaborative links with its garrisons, stations and RAF bases, the Regional Army Brigade and Veteran Associations, Cadet and Reserve units.

Like all public sector organisations the Armed Forces are subject to significant change. In Oxfordshire we are lucky to see the expansion of RAF Brize Norton (which will become the UK's primary RAF station), RAF Benson (which will be the home of the Apache helicopter) and Bicester Garrison (which will become the logistic hub for the movement of the army's equipment and vehicles throughout the UK). These changes will increase demands on schools, health facilities and housing as well as providing jobs, shared facilities, and significant income to local economies. Oxfordshire is richer for the unique opportunities the Armed Forces bring to the County. The Community Covenant is a very positive way of helping us to work closer and more innovatively together.

This publication explains how we will deliver the Armed Forces Community Covenant. It details the work we have already done and intend to do in order to ensure the Covenant is a success for the Armed Forces, the County Council and our partners in the public, private and charity sectors.

# Garrisons, Stations and RAF Bases in Oxfordshire





## The Armed Forces Community Covenant

1. On 16 May 2011 the Secretary of State published the Armed Forces Covenant<sup>1</sup> the moral obligation between the Nation, the Government and the Armed Forces. A key initiative in the Armed Forces Covenant is the Community Covenant, which is a voluntary statement of mutual support between a civilian community and its local Armed Forces Community. Its aim is to encourage local communities to support the Armed Forces Community in their area and promote understanding and awareness amongst the public of issues affecting the Armed Forces Community.
2. Local support for the Armed Forces Community takes many forms, from initiatives by local authorities to the actions of individuals. It may be through supporting service charities; through fundraising, military celebrations and open days, attending homecoming parades and repatriation ceremonies and offering commercial discounts. Simple demonstrations of support, such as displaying the Armed Forces Day window stickers have had a positive effect and boosted the morale of our Armed Forces Community. The Community Covenant scheme aims to build on this local level of support.
3. The Community Covenant is not intended to be one-way. It also recognises how much the Armed Forces Community can do to help and support the wider Community, whether through participation in events and joint projects, or other forms of engagement.

## The Community Covenant Grant scheme

4. In August 2011 the Government announced that £30 million in funding had been allocated over the next four years to support the Community Covenant scheme. Details of the Community Covenant Grant scheme are available at [www.mod.uk/covenant](http://www.mod.uk/covenant). Oxfordshire is currently putting together a bid to the scheme.

## The Oxfordshire Armed Forces Community Covenant

5. Oxfordshire County Council was the first local authority in the country to launch its commitment to the Community Covenant on the 20<sup>th</sup> June 2011<sup>2</sup>. The Community Covenant aims to encourage charities, local authorities, businesses, communities and individuals to work together with the military to offer support that is appropriate to Service personnel, Service families, Reservists and Veterans in their area.
6. All three military services were party to the Covenant which currently embraces the County Council, Vale of White Horse District Council, South Oxfordshire District Council, West Oxfordshire District Council, Cherwell District Council and Oxford City Council, Veterans Associations, the Health Authority, Police, Voluntary Sector as well as the Private Sector through the Oxfordshire Local Enterprise Partnership. Individual organisations continue to join the Oxfordshire Community Covenant. This is just the start and we will continue to encourage partners and other organisations to offer their support to the Covenant.

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<sup>1</sup> [www.mod.uk/ArmedForcesCovenant](http://www.mod.uk/ArmedForcesCovenant)

<sup>2</sup> Letter from the Prime Minister to the leader of Oxfordshire County Council [www.number10.gov.uk/news/community-covenant-scheme-launched-in-oxfordshire/](http://www.number10.gov.uk/news/community-covenant-scheme-launched-in-oxfordshire/)

7. The starting point to signing the Community Covenant is deciding how an individual or organisation is able to support the Armed Forces. This support is then recorded by the signing of the Community Covenant pledge. The strategic outcomes the County Council and all three Services are seeking to deliver over the next 5 years are set out in the Action Plan on page 16.

8. The Oxfordshire Community Covenant is not limited to the work between the County Council and the Armed Forces. It endeavours to capture the significant work that is carried out by other organisations in the County, by the private sector, charities and individuals. Progress will be reported to the Civilian Military Partnership<sup>3</sup> on an annual basis.

9. The Oxfordshire Community Covenant<sup>4</sup> uses the five themes set out in the government's Covenant guidelines:

- a. Encourage local communities to support the Armed Forces communities in their areas and vice versa.
- b. Nurture public understanding and public awareness amongst the public of issues affecting the Armed Forces Community.
- c. Recognise and remember the sacrifices faced by the Armed Forces Community.
- d. Encourage activities which help to integrate the Armed Forces Community into local life.
- e. Encourage the Armed Forces Community to help and support the wider Community.



<sup>3</sup>Details of the Oxfordshire Civilian / Military Partnership are available at [www.oxfordshire.gov.uk/armedforces](http://www.oxfordshire.gov.uk/armedforces)

<sup>4</sup>Details of Oxfordshire's Community Covenant are available at [www.oxfordshire.gov.uk/armedforces](http://www.oxfordshire.gov.uk/armedforces)

**Signatories to the Oxfordshire Community Covenant on 20 June 2010 at which Andrew Robathan, Minister for Defence Personnel, Welfare and Veterans was present.**

- Councillor Keith R Mitchell CBE, Leader Oxfordshire County Council
- Joanna Simons CBE, Chief Executive Oxfordshire County Council
- Commodore Timothy Hennessey DL BCS MA, Royal Navy
- Brigadier Neil Baverstock OBE MA, Army
- Group Captain Dominic Stamp MA, Royal Air Force
- Councillor Bob Price, Leader Oxford City Council
- Councillor Timothy Hallchurch MBE, Chairman Cherwell District Council
- Councillor Felix Bloomfield, Chairman South Oxfordshire District Council
- Councillor Alison Thomson, Chairman Vale of White Horse District Council
- Councillor Derek Cotterill, Chairman West Oxfordshire District Council
- Dr Martin Dare Edwards, Chairman Oxfordshire Local Enterprise Partnership
- Rt Revd Colin Fletcher OBE, Bishop of Dorchester
- Brigadier Michael Stephens, Chairman SSAFA Forces Help Oxfordshire
- Michael Henderson, Oxfordshire County Chairman Royal British Legion

## Monitoring the Armed Forces Community Covenant

10. Pledges to the Community Covenant are voluntary. In the case of the County Council and where possible with other organisations, we have endeavoured to explain what the pledges will achieve in order to assess how successful the Covenant is. We will monitor progress through our Civilian Military Partnership.

## The strategic fit between the Armed Forces and Oxfordshire County Council

11. The core strategies of 145 (South) Brigade and Oxfordshire County Council are complementary and supportive of the collaborative working that the Community Covenant aims to achieve.

12. One of the core aims of the 145 (South) Brigade vision is about reaching out into the wider world, which includes ensuring our people are accounted for in local strategies and visions for the future, to the benefit of both our people and the wider community. Ensuring the Armed Forces community are locally and nationally supported is important to all of Defence.

13. The four strategic objectives of Oxfordshire 2030 strategy include:

- a. Creating a World Class Economy.
- b. Creating Healthy and Thriving Communities.

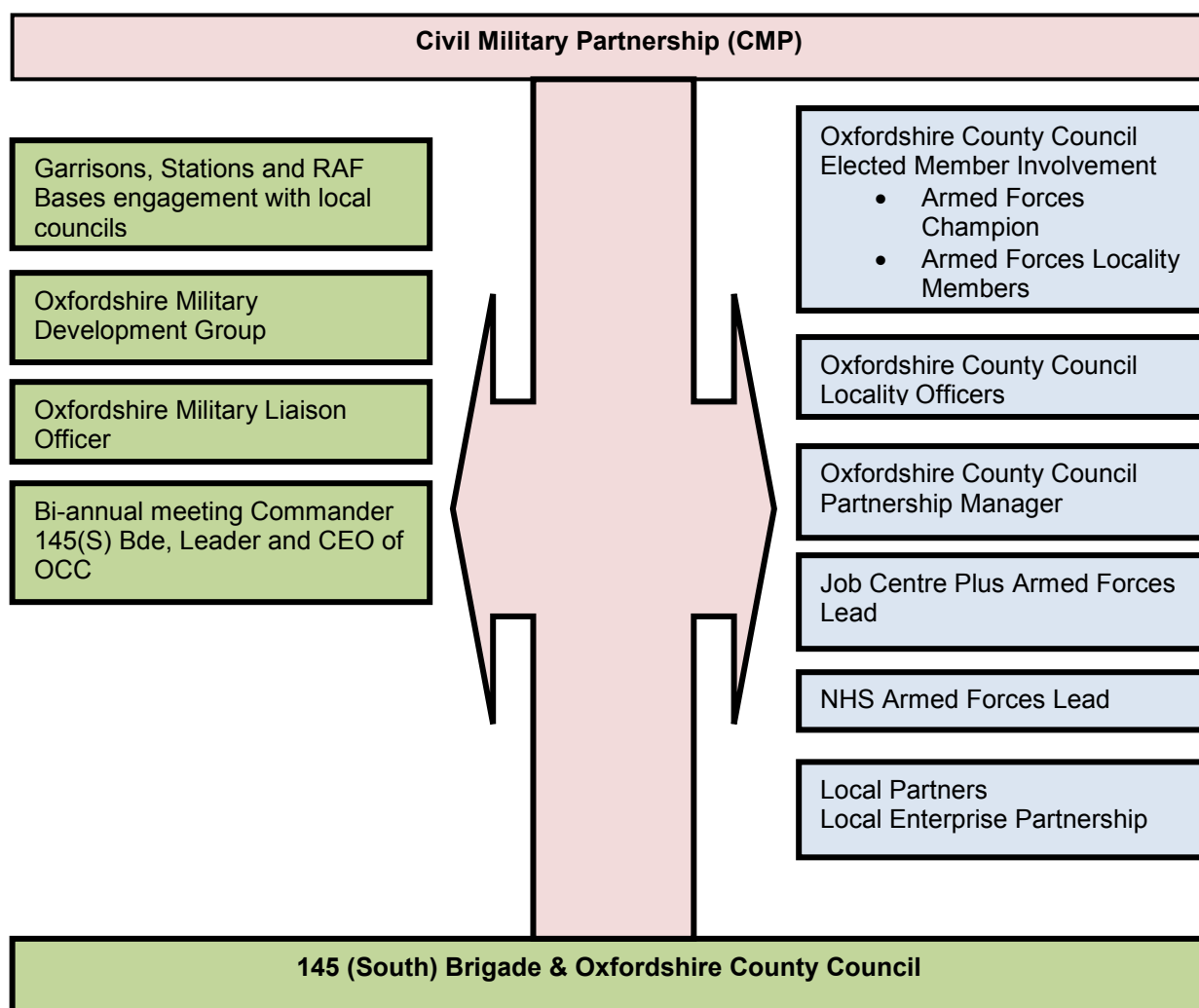
14. The Oxfordshire Community Covenant endeavours to exploit these synergies and develop solutions that are good for Oxfordshire and the Armed Forces.

## How we work

15. We have established strong links between the Armed Forces in Oxfordshire and the County Council. The formal working relationships are illustrated graphically at Fig 1.

16. In summary 145 (South) Brigade work with the County Council and strategic partners on issues that may affect all Service personnel, Army, RAF, the Naval Service and all their families across the county, for example health, employment, education, and housing. This work also includes the requirements of veterans and reservists. The five garrisons and stations work with the City, District, Town and Parish councils to address matters affecting their local area, for example creation of shared play areas, local planning strategies or economic growth.

Fig 1. Key Groups, personalities and meetings



## What we have achieved so far

17. Cllr Keith Mitchell (the Leader of the County Council) has been appointed as the Council's Armed Forces Champion, ensuring that military involvement is embedded at the highest levels within the Council.

18. Council and military senior officer time has been given to enhance the support for the Armed Forces Community and develop the partnership with the three services. Even though there have been difficult budget decisions to make, the council has set aside £100,000 for 2011/12 which will be used for a specific project to support Service leavers resettling in Oxfordshire. Focusing particularly on those with physical or mental health issues, to gain skills and employment.

19. We have developed an innovative way of working together through the appointment of an embedded Military Liaison Officer within the County Council for one day a week. This has greatly improved the information flow and coordination of activities between officers within council, partners and the Armed Forces. It has also enabled us to explore new ways of working, such as sharing facilities.

## Civilian Military Partnership (CMP)

20. A CMP has been established to provide oversight of all of the activity within Oxfordshire County Council relating to the Armed Forces and it meets bi-annually/every 6 months. The group has tri-service representation along with members of the County Council Management team<sup>5</sup>. It is jointly chaired by the Chief Executive of the County Council and the Commander of the Regional Brigade. It drives strategic direction, monitors progress and creates a cohort of civil/military liaison delivering a dynamic outcome focused partnership. It has focused on the following Oxfordshire 2030 themes:

### Health and Wellbeing

21. NHS Oxfordshire, through the Public Health Team have developed links with each of the Armed Forces bases in the county and established an Armed Forces Health and Wellbeing Group. This has ensured a shared definition of health in joint work, providing an access point to the NHS to services which address the social determinants of health such as community safety, employment, skills and other life chances.

**Highlights** of the work that has been undertaken include

22. *A networking event, held on May 11<sup>th</sup> 2010* – This brought together welfare officers, HIVE, chaplains and others from the Armed Forces bases to meet representatives of local service providers such as domestic abuse services, Job Centre Plus, MIND, and drug and alcohol services. The aim was to share contact details, have informal discussions, explore relevant issues and develop working arrangements.

23. *Veterans' Mental Health Project* - The South Central Strategic Health Authority is funding a one year study into a Veterans' Mental Health in Oxfordshire that will assess needs and begin to understand the number and location of veterans in the Community. It is recognised that many Veterans only become known when they are unemployed and/or homeless. The funding will also be used to set up additional and targeted interventions to help prevent the onset or worsening of mental ill-health and link to provision of housing support, employment support and well-being services.

24. *Health Improvement on the local bases* - The Public Health Team have developed interactive and entertaining activities at family days, health fairs and other events on each of the Armed Forces bases. Military personnel have been trained in behaviour change support, with a focus on reducing alcohol related harm.

- a. The work is tailored to each base. For example, a Health and Well Being Committee has been established at RAF Benson and a strategy has been drawn up focussing on lifestyles issues (smoking, drinking, exercise, diet, sexual health) for personnel and family members.

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<sup>5</sup> The CMP has representation from all Garrisons and Stations, RAF and the South East Reserve Forces and Cadets Association

25. *Improved access to NHS dentists* - Regular reminders of the NHS dentist helpline number have been sent to the local HIVE and these have really helped to put families of serving personnel in touch with local dentists. All Armed Forces bases are reporting that access to NHS dentistry is not a problem for service families.

Other areas of work include:

26. Improving how family members of Service personnel can access community NHS services like physiotherapy or “talking therapies”, especially if they are registered with Armed Forces doctors and not local GPs.

27. Regular articles on health issues are included in the RAF Brize Norton magazine “Gateway” which is circulated monthly to all families.

28. Providing information and services for a carer of an injured Serviceman from Abingdon Station. Information on how to refer carers to services has been disseminated to all the Armed Forces bases.

29. Bicester Garrison Health Visitors are working with Fijian families, enlisting the support of the Health Advocates to help the families integrate into the Community.

30. Work is underway to ensure that a soldier who is undergoing treatment at Headley Court can receive community nursing care when he visits his parents.

### Economy and Skills

31. Together with its partners the council has been examining employment opportunities for Service leavers wanting to settle in Oxfordshire. This work has included understanding the potential barriers to Service leavers looking to live and work in the county, as well as exploring ways in which work could be better coordinated going forward. An Employment and Skills Group has been established to focus on attracting Service leavers into the County.

32. Together with Hampshire and Oxfordshire County Council, 145 South Brigade have commissioned a report to assess the economic significance of the Military Activity in Oxfordshire. This report will quantify the economic importance of all three services to the Counties.

33. The Armed Forces are members of the Oxfordshire Local Enterprise Executive Committee and the Forum. As members of these groups they are able to represent approximately 11,000 employees.

34. We have been working with Job Centre Plus to identify Veterans of the Armed Services. Service Leavers also have access to a wider range of support provided by the Armed Forces charities and MOD resettlement such as Career Transition Partnership, in conjunction with the Regular Forces Employment Association and Officers Association which may assist with their employment. The focus has been on developing awareness of available support and developing the Job Centre Plus employment data base; changes on identifying veterans are being considered on a national level throughout Job Centre Plus.



## Education, Children and Young People

35. 145 (S) Brigade have worked closely with the Director for Children, Education and Families and her senior officers to ensure that the unique needs of Service children are recognised.

36. Our recent work looking at children of Service personnel has been praised by Ofsted. 2010/11 saw Oxfordshire become part of an Ofsted thematic inspection on services for children and young people from military families. The HMI met with a wide group of professionals working in a variety of services and projects focussing on support that is provided in Oxfordshire for these young people and their families. The HMI feedback was that the approach was inspirational.

- a. It has been made easier for Service families' children to secure school places by using base addresses prior to postings rather than waiting for families to have identified home addresses. This has been as a result of changing the admissions policy.
- b. Additional Funding has been provided, via the Schools Forum, to support Carterton schools affected by the temporary, but substantive, fall in pupil numbers. We have also been part of national discussions which has secured additional external funding for schools like Carterton Community College.
- c. The Rapid Response Project has been developed in Carterton where additional support and guidance is provided for schools admitting children from Service families who have special educational needs. This was very much a partnership localised solution and is ongoing.

37. Working with Hampshire County Council we have:

- a. Shared data to support appropriate intervention, support and sharing of practice.
- b. Shared effective interventions, bringing primary colleagues/ head teacher to support this discussion.
- c. Discussion around pupil premium identified similar approaches from LAs in highlighting this for schools to ensure that the schools census correctly identified the number of children from military families, which then triggers the pupil premium.
- d. Discussed joint head teacher meetings for sharing of good practice and in particular effective and clear directed use of pupil premium funding.
- e. Enabled representatives from the local military bases to be members of the local safeguarding boards.



## Environment and Infrastructure

38. Work continues to be undertaken by the MOD Defence Infrastructure Organisation<sup>6</sup> (DIO) to ensure the expansion of RAF Brize Norton together with the disposal of land in Bicester. The expansion of Bicester Garrison is coordinated with the local authorities to ensure services such as schools, housing, and healthcare are planned for and coordinated.

39. The sharing of jointly procured contracts for the provision of hard and soft facilities management is being explored between Oxfordshire County Council and the DIO.

40. Work is taking place with all of the District Councils and the City Council to develop a greater understanding of the housing needs of the serving personnel and service leavers. This includes the impact on local housing demand resulting from changes in the Armed Forces as well as opportunities for home ownership.

## Safer and Stronger Communities

41. Service personnel are a key part of the Oxfordshire Community. As part of our commitment to the Community Covenant we will promote activity that integrates the Service and local civilian communities. It is important that the Armed Forces Community feel part of the area and have the opportunity to play a full role in it instead of seeing it simply being somewhere they live for the term of a posting.

42. The town and parish councils play a key role in this integration as they are at the heart of the communities. The County Council will work to see what support they already have in place and what can be developed. The Council are encouraging its partners to act as "Covenant Champions", promoting the Community Covenant, its aims and how individuals and organisations can become involved.

43. The Armed Forces are represented on the Oxfordshire Stronger Communities Alliance Partnership, which is the county wide Voluntary, Community and Faith partnership. This group discusses the key issues that face the sector locally and drives action within individual organisations and sectors.

44. The Armed Forces have joined with key agencies to address a wide range of issues found in society, including domestic and alcohol abuse. The new Tri-Service Policy on domestic abuse has been discussed at the NHS led Health and Wellbeing Group. Outcomes include ensuring all bases can link to multi-agency case conferences, training more Domestic Abuse Champions from the bases and widespread use of the resources produced in Oxfordshire and included on [www.reducingtherisk.org.uk](http://www.reducingtherisk.org.uk).

45. Oxfordshire County Council has worked with other local authorities, Thames Valley Police, RAF Brize Norton and the Royal British Legion to ensure the arrangements for the repatriation of Service personnel from RAF Brize Norton to the John Radcliffe Hospital are respectful and appropriate.

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<sup>6</sup> <http://www.mod.uk/DefenceInternet/MicroSite/DIO/>

## Communication

46. The Council have created a dedicated Armed Forces page on their website and are encouraging other organisations in the County to do the same. 145 (South) Brigade have developed a Community Engagement Web site<sup>7</sup>.

47. The Council have developed a specific Community Covenant<sup>8</sup> web page setting out how support can be pledged. This has been particularly useful as a number of local authorities have been requesting further information about our work to date.

48. Work shadowing by County Council Staff has taken place at the Regional Brigade HQ in Aldershot and at the MOD HQ in Whitehall.

49. A bi-annual meeting has been established between the Brigade Commander, the Leader, and Chief Executive of the County Council to review progress and discuss future aspirations.

## Next Steps

50. The County Council and 145(South) Brigade will continue to demonstrate its support for the Community Covenant and act as champions encouraging others to support the Covenant. We will continue to be at the forefront of Civil Military collaboration and help others to develop their strategies.

51. This report will be reviewed annually by the Civil Military Partnership and updated as appropriate.

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<sup>7</sup> [www.mod.uk/Communityengagement](http://www.mod.uk/Communityengagement)

<sup>8</sup> [www.oxfordshire.gov.uk/armedforces](http://www.oxfordshire.gov.uk/armedforces)

## Action Plan

We intend to develop the outcomes of the work we do based broadly on the 5 Key Aims of the Armed Forces Community Covenant:

1. Encourage local communities to support the Armed Forces communities in their areas.
2. Nurture public understanding and public awareness amongst the public of issues affecting the Armed Forces Community.
3. Recognise and remember the sacrifices faced by the Armed Forces Community.
4. Encourage activities which help to integrate the Armed Forces Community into local life.
5. Encourage the Armed Forces Community to help and support the wider community.

Activity	Measure	Responsibility	Progress / Outcome
<b>Encourage local communities to support the Armed Forces communities in their areas</b>			
1	Support the introduction of a Veterans card at a national level and help promote this through the Chamber of Commerce and the Local Enterprise Partnership.	Card introduced Number of organisations offering discounts annually increase.	Service Charities to lead.  Part of MOD led national scheme. Contact by OMLO & service charities with Chamber.
2	Understand the impact of changes in Service personnel numbers on the local infrastructure e.g. schools and housing, and plan accordingly.	Implication built into LA planning and service functions.	CO of Garrisons & Stations; LA's.  Co-ordinated through the CMP.
3	Work with communities to access the £30m Community Covenant Funding.	Schemes funded.	OCC/OMLO <sup>9</sup> .  Advice provided but individual organisations to lead.
4	Work with the NHS to identify Veteran status with GP's and enable GP's to respond to their needs.	Process to identify veterans in place.	NHS.  Having established the process metric for number of veterans identified and access to broader treatment than previous.
5	Develop a career pathway for Service leavers into the County; support Service Leavers to resettle into Oxfordshire including supporting those with physical or mental disabilities to meaningful skills and	Number of Service leavers employed in the County	Career Transition Partnership & OCC  Include families of serving personnel

<sup>9</sup> Oxfordshire Military Liaison Officer

	employment.			
6	Ensure Garrison and Stations have NHS points of contacts during and after reorganisation.	Points of contact established for all Garrisons & Stations.	CO Garrisons & Stations/NHS.	Method of measuring effectiveness.
9	Write and publish articles in local and professional magazines on the Community Covenant; consider the use of social networking sites, such as LinkedIn.	Articles published.	145(South) Bde Firm Base Branch; OCC.	Joint or individual effort. Do not need to be co written.
<b>Nurture public understanding and public awareness amongst the public of issues affecting the Armed Forces Community</b>				
10	Understand the links between homelessness and poor mental health of veterans and work to prevent it and improve health outcomes.	Report published.	NHS.	National.
11	Develop a greater understanding of the role of the Armed Forces Charities & how they can support the covenant.	Enhanced services to Veterans.	COBSEO <sup>10</sup>	Improved services by closer links with service providers, e.g. Job Centre Plus and inter charity working.
13	Support the key partnership groups, review benefits annually.	Bi-annual meetings; ongoing support.	OCC/Comd 145(S) Bde West Oxfordshire District Council NHS Oxfordshire	Civilian Military partnership Armed Forces Health and Wellbeing Group Civilian/Military Skills and Employment Group Housing Network Local Enterprise Partnership.
14	Develop a customer profile of the Service family, veteran and reservist in order for the civilian population to better appreciate Service personnel & the challenges they face.	Civilian Agencies have a greater understanding of the Armed Forces family	Oxfordshire Military Liaison Officer	Can be used nationally. Bid for additional funding from Covenant grant.
15	Ensure that Service families and veterans can access NHS dentists in their area.	Ensure all Service families and Veterans are able to access dentists	NHS/ individual practices as part of commitment to the Covenant	Publicise how dentists can assist Future metric, number of Service families not able to access a NHS dentist

<sup>10</sup> Confederation of British Service and Ex Service Organisations

<b>Recognise and remember the sacrifices faced by the Armed Forces Community</b>				
16	Support the Armed Forces day each year	Annual support	OCC/District Councils/CO's	Local initiative throughout the County. Oxford UOTC are the lead with the County Council
17	Encourage housing providers to sign up to 'House a Veteran' lettings scheme	Number of housing providers signing up; number of allocations made annually.	OMLO	
18	Ensure school admissions and transfers are made as smoothly as possible.	Admissions policy reflects the needs of children of Service Families.	OCC	
19	Ensure that appropriate and timely on going health care is provided by the NHS for Service leavers.	Instances where health care has not been timely or appropriate.	NHS	
<b>Encourage activities which help to integrate the Armed Forces Community into local life</b>				
20	Maximise the value obtained from the pupil premium.	Ensure that the importance of registering Service children is understood and Service children are recorded via the Schools Census so that maximum potential of pupil premium is received; Sharing of best practice on usage of the Pupil Premium between schools.	OCC/CO Garrisons & Stations.	Armed Forces Families register as a service family with schools; schools apply for the premium.
21	Sharing facilities (i.e. meeting rooms); explore strategic opportunities such as shared procurement.	Facilities shared Value of joint procurement.	DIO/OCC CO's Garrisons & Stations	
22	Identify Veterans on the Job Centre Plus data base.	Database amended to identify Veterans.	Job Centre Plus	

23	Ensure appropriate access to health facilities e.g. Doctors, Occupational Therapists for Service families	Number of Service families who report they are unable to access facilities	NHS	
24	Ensure information about local services to improve health is available to Service families.	Information available in HIVE's	NHS	E.g. healthy life styles, alcohol abuse, domestic violence etc.
<b>Encourage the Armed Forces Community to help and support the wider community</b>				
25	Exploring if joint procurement and collaborative contract management is possible.	Value of savings identified as a result of collaboration	OCC/DIO <sup>11</sup>	
26	Create and provide opportunities for the Armed Forces to explain about their experiences on operations (Post Operational Presentations - POP).	Number of POP held. Attendees considering the POP to be worthwhile.	145(S) Bde; Garrisons & stations	
27	Ensure the successful delivery of the Economic Assessment Report.	Report adds value to the Civil Military Partnership	OCC/HCC/145(S)Bde	
28	Ensure schools have appropriate information to support Armed Forces family pupils.	Head teachers report they have appropriate support & information	OCC/ Deploying units	Information to support children during deployment Armed Forces impact on admission policies
29	Work with OCVA to understand how they can contribute best to the Covenant.	Strategy in place	OCC/OCVA	The Robin Network Oxfordshire Rural Community Council

<sup>11</sup> Defence Infrastructure Organisation



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**STRATEGY AND PARTNERSHIPS SCRUTINY COMMITTEE**  
**THURSDAY 29 SEPTEMBER 2011**

**LOCAL GOVERNMENT RESOURCE REVIEW**

**Report by Assistant Chief Executive and Chief Finance Officer**

**Introduction**

1. There are currently a number of Government consultations for which the outcome could affect local authorities' levels of funding. This report summarises the proposals to localise business rates set out in the Local Government Resource Review (LGRR). Other consultations, including those for the Draft National Planning Policy Framework, Localising Support for Council Tax in England, the Commission on the Funding of Care and Support and changes relating to the funding of schools and academies may influence the mechanics of the LGRR. Until the outcome of all of these consultations is known it will not be possible to summarise the impact, but the key points and issues are set out below.

**Local Government Resource Review (LGRR)**

2. One of the main components of Formula Grant is business rates. These are currently collected by district councils and paid into a central pool which is then redistributed as part of Formula Grant.
3. Through the LGRR the Government is seeking to reform the current Formula Grant funding system for local authorities by enabling councils to keep a share of the growth in National Non-Domestic Rates (business rates) in their area above a baseline.
4. Eight technical papers setting out a number of options for each element of the proposed new system were published on 19 August 2011. The closing date for comments is 24 October 2011. The papers are as follows and can be found at:

<http://www.communities.gov.uk/localgovernment/localgovernmentfinance/lgrsourcereview/>

- Establishing the Baseline
  - Measuring Business Rates
  - Non-Billing Authorities
  - Business Rates Administration
  - Tariff, Top up and Levy Options
  - Volatility
  - Revaluation and Transition
  - Renewable Energy
5. These papers often do not give figures or estimates of the national picture. Nor do they exemplify the effects on individual local authorities. This makes it more difficult to understand the papers and what is intended,

what the options are and what the results might be. More details may emerge as others exemplify the likely effects, or during the detailed consultations which seem likely to take place in the summer of 2012. The key points and issues, as considered by Cabinet on 19 September 2011 are set out below.

#### Establishing the Baseline

6. A Funding Baseline will be established based on 2012/13 formula grant and a Business Rates Baseline will also be established based on estimates of business rates with some adjustments made. Any growth in business rates above the Business Rates Baseline will be retained within the local government sector.
7. The Business Rates Baseline will be compared to the Funding Baseline and the differences will form 'tariffs' and 'top-ups' to ensure that the new system is equitable. There will be 'tariffs' where the Business Rates Baseline exceeds the Funding Baseline (such as Oxfordshire). The income from tariffs will be fed back as 'top-ups' to areas where the Funding Baseline is lower than the Business Rates Baseline. The tariffs and top-ups may be fixed in cash terms or may be linked to RPI.
8. A levy on disproportionate benefits is also proposed. Some areas may experience significant increases in business rates and some of this additional income will be used to compensate areas which experience 'shocks to the system'. For example Oxfordshire could experience a dip in income with the proposed closure of Didcot A power station in 2015.
9. The whole system will be subject to amendment when a revaluation takes place – normally every five years. Changing needs and service pressures may mean that there will be a 'reset', which would involve re-assessing authorities' Funding Baselines.
10. Any uplift in business rates from Enterprise Zones will be disregarded for the purposes of calculating any liability for the disproportionate growth levy and in any reset.

#### Volatility

11. The new system will be more volatile. At present we know exactly how much Formula Grant we will receive when we fix our budget. Under the new system funding will be harder to predict. It is likely therefore that councils will need to increase their levels of reserves or balances to be able to manage both in-year and year on year fluctuations in business rate income.
12. The consultation proposes that different authorities might voluntarily group together to pool their business rate income, tariffs and top-ups and levies. Levies might be reduced by 'pooling' with other authorities. The Districts in a county area and the County might agree to set up a pool together for example.

13. There are a number of implications of operating the system in a two tier area (District and County councils). Districts have most planning powers and so have more control over local development than Counties. Districts are the billing and collection authority for business rates and so have more knowledge of the amounts likely to be collected and their volatility. There will also need to be a mechanism to enable funding to be shared between district and county councils. Options based on a standard national share or a locally calculated share, based on each districts share of the county total, are included in the technical papers.
14. The Localism Bill provides a power to reduce business rate bills, funded by the local authority. District councils will have the power to reduce business rates to encourage development. A 1p reduction in business rates across all districts would reduce the amount collected in Oxfordshire by around £6m. Depending on assumptions about the share of losses across councils, this could impact on services such as Older People or the provision of Libraries.

#### **Draft National Planning Policy Framework**

15. The draft National Planning Policy Framework emphasises that significant weight should be placed on the need to support economic growth through the planning system. Each local planning authority (district councils) will be required to produce a Local Plan for its area setting out strategic priorities.
16. In two tier areas, county and district authorities should cooperate with each other on relevant issues such as the provision of infrastructure for transport, minerals and waste. Local planning authorities will be required to demonstrate that cooperation through for example a joint committee or memorandum of understanding.

#### **Localising Support for Council Tax in England**

17. This consultation sets out proposals to localise council tax benefit. Currently district councils pay council tax benefit and the details of the scheme are set by central government. The proposals are for district councils to set up their own schemes and save 10% of expenditure (£480m). Grant funding from central government will continue to pay the costs, but this will reduce to find the savings. The government expects authorities to protect the position of pensioners and vulnerable people which leaves savings being focused onto people of working age.
18. The consultation also states that billing authorities should be able to share any financial pressure as a result of unexpectedly high increases in demand for support with the County.

#### **School Funding Reform: Proposals for a Fairer System**

19. This second consultation on School Funding reform follows a consultation on the high level principles of school funding reform which closed in May 2011.

20. The consultation sets out proposals to reform the system so that it is simpler and more transparent. This includes proposals to introduce a new national formula so that money is allocated more consistently across the country, and whether the reforms should be implemented from 2013/14 or in the next spending period. A shadow 2012/13 settlement showing the potential impact of the reforms is expected to be published in spring 2012.
21. The consultation looks to address the inequity of similar schools in different areas receiving very different levels of funding, which we hope will address the very low level of funding per pupil in Oxfordshire. The recognition of the need to retain some local flexibility to address local pressures and specific needs is also important.
22. There are a number of areas which could potentially cause concern for Oxfordshire including, among many others: the methodology for calculation of an Area Cost Adjustment; how DfE will make their judgement on the right balance between funding for the basic entitlement and funding to support pupils from deprived backgrounds; the costing of the high needs block of funding generally and suggested threshold of £10,000 cost for high needs pupils; and retention of the Minimum Funding Guarantee (MFG) as the means of transitional protection for schools.

#### **Local Authority Central Spend Equivalent Grant (LACSEG)**

23. The Department for Education (DfE) pays an additional grant, (Local Authorities Central Services Equivalent Grant (LACSEG)) to Academies because there are some central services which maintained schools receive from local authorities which Academies may either provide themselves or buy back from the local authority. Many of these services are within the Schools Budget and are funded from the Dedicated Schools Grant. Some however are funded through Formula Grant which is general funding for the local authority. The local government finance settlement for 2011/12 and 2012/13 transfers funding out of Formula Grant to reflect that local authorities would no longer be required to provide these services for Academies. The overall transfer nationally is £148m in 2011/12 and £265m in 2012/13. For Oxfordshire the reduction in Formula Grant is £1.470m in 2011/12 and £2.528m in 2012/13.
24. The original calculations were based on DfE estimates of 200 schools converting to become Academies each year. These estimates have proven to be far too low and as such the DfE are now consulting on increasing the transfer from local authorities to help meet their additional costs of providing LACSEG to a greater number of Academies.
25. The current transfer is calculated on a pro-rata basis and as such, does not follow the pattern of Academies opening. The consultation is also asking for opinions on how this transfer should be made.
26. The consultation asks whether authorities think the transfer from Formula Grant should be at the same level as the cost to DfE (approx £360-365m in 2011/12 and £580-£680m in 2012/13) or some other level. For Oxfordshire

this could equate to a further £2.155m reduction in Formula Grant in 2011/12 and £3.959m in 2012/13.

27. It also asks whether it is more important to have stability of funding (through a pro-rata calculation as above) or to have a transfer based on the pattern of Academies opening. This would require in-year flexibility with the transfer amounts changing throughout the year. The impact for Oxfordshire of transferring funding from Formula Grant based on the methodology in the consultation and actual number of Academies converting in 2011/12 is estimated to be in the region of £1.0m compared to the £1.470m deducted originally and the estimate of £3.625m based on this consultation.
28. Irrespective of the amount the DfE gives to Academies as additional grant for LACSEG, the transfer out of Formula Grant does not reflect the savings to local authorities for ceasing to provide some services to these pupils. Savings to local authorities are likely to be in the region of £15-20per pupil rather than the £220per pupil given to Academies for LACSEG.

#### **Commission on the Funding of Care and Support**

29. On 4 July 2011, the Commission, chaired by Andrew Dilnot, published its proposals for the funding of adult social care. The proposals would involve a very radical change in the funding of adult social care. The key recommendations are as follows:
  - Individuals' lifetime contributions towards their social care costs – which are currently potentially unlimited – should be capped. After the cap is reached, individuals would be eligible for full state support. This cap should be between £25,000 and £50,000. The Commission considered that £35,000 is the most appropriate and fair figure;
  - The means-tested threshold, above which people are liable for their full care costs, should be increased from £23,250 to £100,000;
  - National eligibility criteria and portable assessments should be introduced to ensure greater consistency; and
  - All those who enter adulthood with a care and support need should be eligible for free state support immediately rather than being subjected to a means test.
30. The Commission estimate that the cost of its proposals - based on a cap of £35,000 - would cost about £1.7 billion nationally.
31. It is understood that the Department of Health is planning to carry out widespread consultation in Autumn 2011, with a White Paper on Adult Social Care to be published in Spring 2012.
32. If the proposals go ahead they would have a major impact on the funding of the County Council. Additional resources would need to be made available to meet the additional public costs that would arise.

## **RECOMMENDATION**

33. **The Committee is RECOMMENDED to note the issues set out in the report ahead of further information being received.**

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